



**2022**

**Corporate Social  
Responsibility Report  
(ESG Report)**

# About This Report

## Reporting Scope

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

The report covers the period from January 1 to December 31, 2022. BoCom publishes its corporate social responsibility report (ESG Report) annually. Part of the information herein is beyond that timeframe.

The *2022 Corporate Social Responsibility Report (ESG Report) of Bank of Communications Co., Ltd.* was published on March 30, 2023.

## References

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

## Principles

This reporting principles are as follows:

**Materiality:** Referring to the boundary of material topics stipulated in the *Environmental, Social, and Governance Reporting Guide* issued by the Stock Exchange of Hong Kong Ltd., we determine the scope of the issues after communication and research with stakeholders and identification of the ESG factors concerned by stakeholders.

**Quantitative:** Financial data from BoCom Financial Statement 2022 have been independently audited by KPMG Huazhen CPA Co.,Ltd.. Other data from previous years are included in this report.

**Balance:** This report discloses the Bank's performance in an objective manner and avoids the use of any disclosure methods that influence readers' decisions or judgments.

**Consistency:** The statistical methodology used to disclose data in this report remains consistent with previous years. Any changes in statistical methodology or key performance indicators or any other relevant factors affecting meaningful comparisons will be clearly stated in the report. All currency amounts are reported in RMB, unless otherwise stated.

## Reporting Process

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

## Assurance

The KPMG Huazhen CPA Co., Ltd. is entrusted to provide a third-party assessment of the report, in line with the *International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, and issues an independent statement of assurance.

## Report Availability

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

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

## Designations

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

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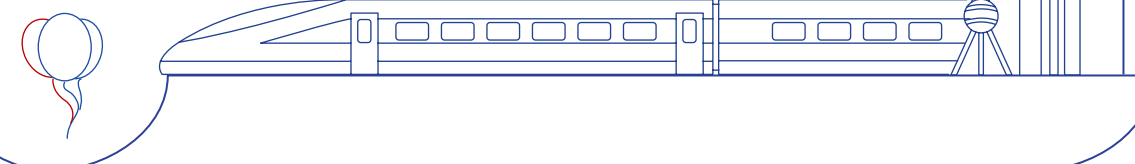
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# Message from Bank Leadership



任德奇

Ren Deqi, Chairman of Bank of Communications

2022 was a year of exceptional significance. Facing great changes unseen in a century, BoCom serves the country's top priorities by fulfilling the three tasks of serving the real economy, preventing and controlling financial risks, and furthering financial reform. Fully enacting the rectifications found in political inspections, BoCom has owned up to its role as a major state-owned bank with "a stable performance amid progress and quality improvement". As of the end of 2022, BoCom registered RMB 92.149 billion in net profit, an increase of 5.22% year on year; return on average assets reached 0.75% and capital adequacy ratio 14.97%; non-performing loan ratio decreased to 1.35%, and social contribution per share was RMB 5.50. Listed among the *Fortune* Global 500 companies for fourteen consecutive years, BoCom was ranked 155<sup>th</sup> in operating income and 10<sup>th</sup> by *The Banker* for the first time among the world's top 1,000 banks in terms of Tier-1 capital.

## Upholding missions and serving the real economy

The people are prosperous and at peace, the country is strong, and social order is well established. For the past year, BoCom has adhered to its financial responsibilities and missions, improved the quality and effectiveness of financial supply, and ensured that structural monetary policy tools are put in place. We've upgraded more than 90 financial support policies, channeled nearly RMB one trillion incremental funds to the real economy. We've improved the layout of overseas institutions, contributed to the build-up of a new pattern of development featuring a core domestic economy and a positive interplay between domestic and international economic flows. Giving full play to our advantages in international development, we've provided USD 21.971 billion of loans for the Belt and Road Initiative, served national strategies, improved the business environment, and promoted renminbi internationalization. We've boosted the integrated development of the Yangtze River Delta and shaped the financial service brand in economic areas to support their economic development. We've ensured the smooth operation of upstream and downstream businesses along the industrial chain, promoted the financial development of the industrial chain, and supported MSEs along the chains. In 2022, our balance of inclusive loans to MSEs recorded RMB 456.239 billion, up 34.66%.

## Strengthening support and developing better rural areas

Vast as the heavens and earth are, the people are the foundation of a nation. Over the past year, we've consolidated the fruits of rural vitalization with the "BoCom Yi Nong Tong" financial service brand and intensified support for key areas of rural vitalization. We've installed 2,348 solar-powered street lamps in 32 remote villages to provide healthy drinking water to more than 9,000 teachers and students in six schools. We've built a large number of vegetable greenhouses, photovoltaic cold stores, and agricultural products processing plants, established the first charity trust for rural vitalization in the Group, revamped the social welfare mechanisms, channeled social assistance funds to rural areas, and put the funds into good use. In 2022, the balance of our unified loans for rural vitalization registered RMB 789.029 billion, up 22.15%.

## Accelerating digital transformation and building a better life

Technologies change lives and create the future. For the past year, in line with the national strategy of digital economic development, we've promoted the building of "new digital BoCom". Further supporting technology, we've applied emerging



刘峻

Liu Jun, President of Bank of Communications

technologies including big data, artificial intelligence, cloud computing and blockchain in sectors across product innovation, risk management, internal operation, and outlet efficiency enhancement to push for transformation in all respects and enhance growth engines. In 2022, "one-stop service for medical payment" has been promoted to more than 40 cities, and "BoCom Government affairs" has processed 482 matters in the Yangtze River Delta. With accelerated product innovation, we've launched a series of digital products and developed enterprise-level systems for payment and retail sectors for business transformation. Such efforts have made convenient services much more accessible to customers, effectively bringing up people's sense of happiness and fulfillment.

## Promoting green development and enhancing low-carbon ecological transconformation

Clear water and lush mountains are key to environmental protection. In the past year, adhering to national dual-carbon strategies and 10 actions stipulated in the *Action Plan for Carbon Dioxide Peaking Before 2030*, we've made green a defining feature of the Group's business development. To achieve the "dual-carbon" goals, we've refined the "Four Mechanisms" and "Five Systems" of green finance. We've formulated and issued the *Action Plan of Bank of Communications for Carbon Peak and Carbon Neutrality Goals* to guide the green and low-carbon development of the Bank across industries, sectors, products, and other fields. Our first free trade zone (FTZ) offshore bond ("pearl bond"), a green and dual-currency bond, was launched to lead the innovation of green finance products. As of the end of 2022, the balance of our green loans stood at RMB 635.432 billion, an increase of RMB 158.669 billion year-on-year, of which RMB 139.034 billion of loans belongs to the clean-energy industry, an increase of RMB 51.423 billion year-on-year. The year-on-year growth rate of the two is both higher than other loans, exceeding the regulatory requirements.

## Maintaining people-centered and contributing to society

The immutable goal of our development is to serve society. Throughout the year, we've maintained a people-centered mindset and closely followed the needs of community, employees, and customers while pursuing development. We've attended to two important groups – the new urban residents and the elderly – by issuing a series of innovative measures for the former and providing more thoughtful services for the latter. Highly valuing the needs for growth as well as the physical and mental health of employees, we've enriched their activities in their spare time. Meanwhile, we've kept up with our public welfare activities and built a happy BoCom together with stakeholders. In 2022, our employee volunteer service recorded 367,620 hours, and donations to charities recorded RMB 60.438 million.

Setting sail in a new era and heading on a new journey, the year 2023 serves as the opening chapter to fully enact the guiding principles of the 20<sup>th</sup> CPC National Congress. This is also a crucial year for continuing the 14th Five-Year Plan. Guided by the principles of the 20<sup>th</sup> CPC National Congress, BoCom will remain steadfast in the road of financial development with Chinese characteristics. To bring new achievements in the great rejuvenation of the Chinese nation through the Chinese path to modernization, BoCom will take on high-quality development while facilitating new development stage, new development philosophy, new development pattern and high-quality development. A more magnificent chapter for the new journey in the new era is bound to be written.

March 30, 2023



# About BoCom

## Company profile

Founded in 1908, the Bank is one of the banks with the longest history in China. The Bank reopened after its reorganization on April 1, 1987, and became the first nationwide state-owned joint-stock commercial bank in China, with its Head Office located in Shanghai. The Bank was listed on the Hong Kong Stock Exchange in June 2005 and on the Shanghai Stock Exchange in May 2007. The Bank ranked 10<sup>th</sup> among global banks in terms of Tier-1 capital in 2022.

The strategic objective of BoCom is to "building a world-class banking group with distinctive advantages". During the 14th Five-Year Plan period, the Bank has firmly implemented the strategies that focused on fostering business characteristics of inclusive finance, trade finance, technological finance and wealth finance. We also emphasize on green development as the bottom line for the company's business operations and development, and aim to enhance professional competence in customer management, technological leadership, risk management, collaborative operation and resource allocation. While carrying out the strategies, BoCom has focused on two key areas: deepening its root in Shanghai and digital transformation. Through these developments, we aim to lead and promote the high-quality development of the Bank.

The Bank, with a mission to "create shared value", is committed to helping employees, the market, shareholders, and the society to realize value increase and harmonious development.

Approved by China Banking and Insurance Regulatory Commission, the Bank provides comprehensive financial services for 2.46 million corporate customers and 190 million retail customers through online channels such as mobile banking and online banking, and more than 2,800 domestic outlets, 23 overseas branches/subsidiaries and representative offices. The services includes deposits and loans, industrial chain finance, cash management, international settlement and trade financing investment banking, asset custody, wealth management, bank cards, private banking and treasury business. The Group engages in financial leasing, fund, wealth management, trust, insurance, overseas securities and debt-to-equity swap through its wholly-owned or controlling subsidiaries.

As a major state-owned banking group with a long history, the Bank will always center on realizing national strategies and serving the real economy. We will constantly work to enhance comprehensive risk management, deepen reforms, provide the best services to our customers, create more value for shareholders, build a happy environment for employees, and contribute to society.




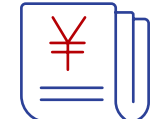
During the Reporting Period, the Group's operating model, primary businesses, and key performance drivers had no significant change.

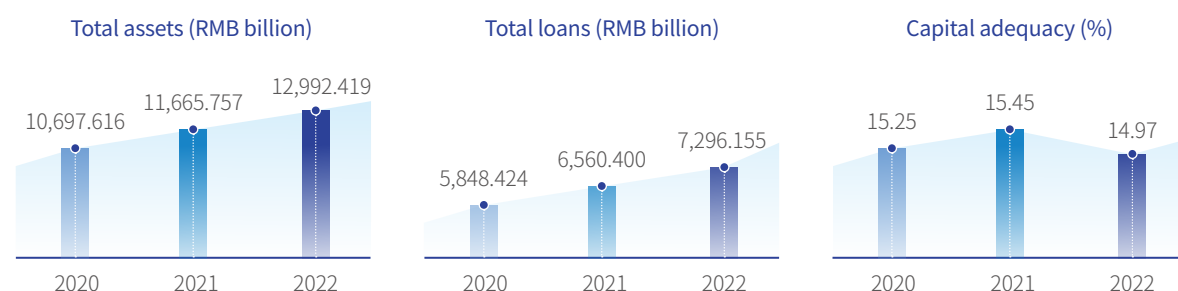




# Key Performance





## Economic

 <p>Net profits (RMB billion) <b>92.149</b></p>	 <p>Total assets of branches outside Chinese mainland (RMB billion) <b>1,262.918</b></p>
 <p>Outstanding loans, agro-related (RMB billion) <b>789.029</b></p>	 <p>Outstanding loans, micro-, small- and medium-sized enterprises (RMB billion) <b>2,481.831</b></p>

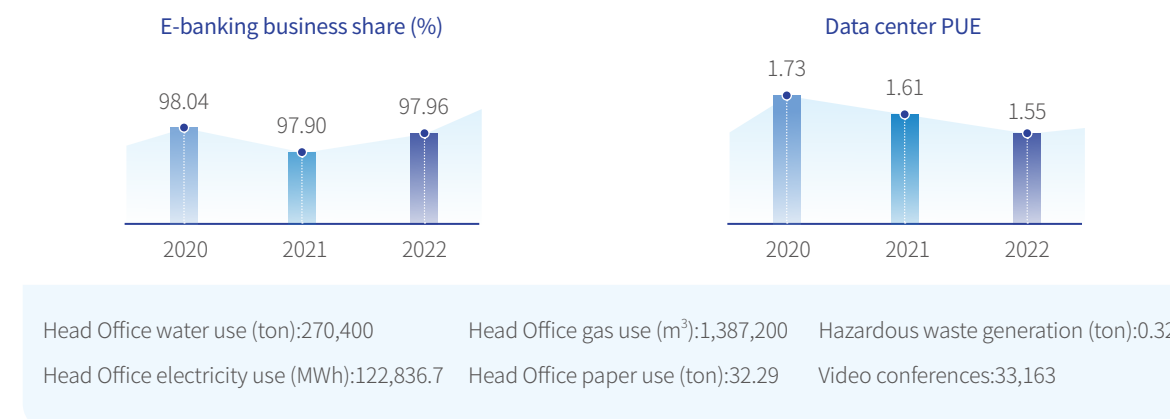


Taxes (RMB billion):36.045 Dividend distribution (RMB billion):27.700 Dividend per share (RMB):0.373 Return on average assets (%):0.75 Return on average equity (%):10.33 Impaired loan ratio (%):1.35 Provision coverage (%):180.68 Tier-1 capital adequacy (%):12.18 Core Tier-1 capital adequacy (%):10.06	Total profits from branches outside Chinese mainland (RMB billion): 5.111 Total assets of controlled non-bank subsidiaries (RMB billion):591.523 Total profits of controlled non-bank subsidiaries (RMB billion):5.697 Outstanding loans, central and western China (RMB billion): 2,222.457 Low-income-housing loans (RMB billion):73.907	Science, education, culture and health loans (RMB billion):128.762 Personal loans (RMB billion): 2,366.507 Number of outlets in the Chinese mainland:2,849
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## Environmental

 <p>Outstanding green loans (RMB billion) <b>635.432</b></p>	 <p>Balance of loans to clean energy industries (RMB billion) <b>139.034</b></p>
 <p>Head Office carbon emissions (t CO<sub>2</sub>e) <b>58,804.99</b></p>	 <p>Head Office energy consumption equivalent to standard coal (ton) <b>36,170.16</b></p>

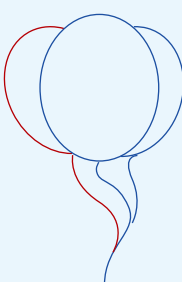
Note: According to the Notice of Shanghai Municipal Bureau of Ecology and Environment on Adjustment of Emission Factor Value of Greenhouse Gas Emission Accounting Guidelines, since February 2022, the default value of electric power emission factor has been adjusted from 7.88tCO<sub>2</sub>/10<sup>4</sup>kWh to 4.2tCO<sub>2</sub>/10<sup>4</sup>kWh when calculating emissions caused by the use of purchased electricity.



## Social

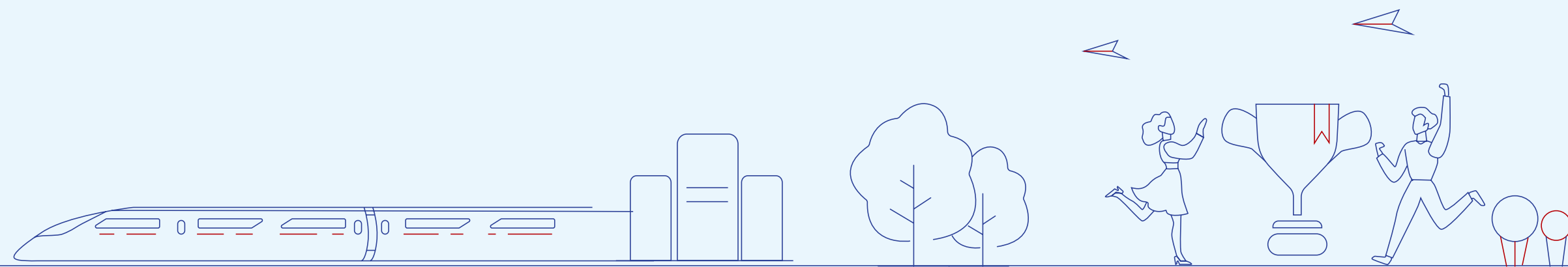
 <p>SCVPS (RMB) 2020: 4.78 2021: 4.90 2022: 5.50</p>	 <p>Employees (the Group) <b>91,823</b></p>	 <p>Female middle and senior management <b>3,072</b></p>
 <p>Donations made (RMB million) 2020: 110.9675 2021: 51.9352 2022: 60.4380</p>	 <p>Ethnic minorities <b>4,166</b></p>	 <p>Average training time for employees (hours) <b>113</b></p>

# Honors



2022 Ranking/Honor	Host or Granted by
<b>Comprehensive Ranking</b>	
Top 1000 World Banks 2021 (No. 10)	<i>The Banker</i> (UK)
Fortune Global 500 2021 (No. 155)	<i>Fortune</i> (USA)
<b>Brand Rewards</b>	
MSCI ESG Ratings A	MSCI
ESG Excellent Case of A-share Listed Companies 2022, Excellent Case of the Board of Supervisory of Listed Companies 2022	China Association for Public Companies
The 17 <sup>th</sup> People's CSR Awards – Enterprise of the Year Award, The 19 <sup>th</sup> People's Craftsman Awards – Craftsman Service Award	People's Daily Online
2022 Corporate ESG Award for Outstanding Leadership	Xinhuanet
2021 Outstanding CSR Enterprise Award	<i>Southern Weekly</i>
GoldenBee 2022 Excellent CSR Report – Evergreen Award	<i>China Sustainability Tribune</i>
2022 Word-of-mouth List of China's Listed Companies – Most Socially Responsible Listed Company	<i>National Business Daily</i>
China ESG Golden Awards 2022 – Excellent Sustainability Enterprise of the Year, Best Corporate Governance Responsibility Award, Best Responsible Investment Bank Award	Sina
Brand Influence Bank of the Year	Hexun.com
Outstanding Brand Bank of the Year, Most Socially Responsible Bank of the Year	Stockstar
Top 50 Companies – Outstanding Development Award	Jiemian.com

2022 Ranking/Honor	Host or Granted by
<b>Business Awards</b>	
FinTech Development Award	People's Bank of China
Innovation Achievement Award	Ministry of Industry and Information Technology of the People's Republic of China
2021 Annual Market Influence Award and Market Innovation Award in Interbank Local Currency Market	China Foreign Exchange Trade System
2021 Outstanding Science and Technology Organization	Shanghai Commercial Paper Exchange Corporation Ltd
2021 RMB cross-border payment system – "Outstanding Participant in RMB Cross-border Payment and Clearing", "Excellent Institution Participant in RMB Cross-border Payment and Clearing", and "Outstanding Cooperation Institution in RMB Cross-border Payment and Clearing"	CIPS Co., Ltd.
Outstanding Clearing Member, Outstanding Settlement Agent Award, Green Finance Award	Shanghai Clearing House
Data Asset Management Benchmarking Case Award	China Academy of Information and Communications Technology, China Communications Standards Association
Excellent Enterprise 2021	China Academy of Information and Communications Technology
Digital Pioneer Enterprise Award	Tencent
Best Custodian, Pension Funds, China 2021	<i>The Asset</i>





# BoCom

## Creates A Beautiful Life



With the rapid development of emerging technologies such as big data, artificial intelligence, mobile internet, cloud computing and 5G, digital economy development has been elevated to a national strategy. Rapid build-up of digital economy is conducive to promoting high-quality development. Aiming at people's needs, the Bank strengthens digital philosophy and means to push for a "new digital BoCom". Deepening product and service innovation, we provide financial services that adapt to the new era, demonstrate new development philosophy, and serve new development patterns. By making financial products and services more accessible, we aim to create a better environment for the people.

## Accelerating product innovation

Focusing on the development of one-stop services to meet people's needs, the Bank diversifies its products and application scenarios to continuously enhance user experience and satisfaction.

### One-stop service for micro and small enterprises (MSEs) financing

By integrating data such as tax, credit investigation, industry & commerce authorities, and settlement via Internet technology, the "Inclusive e-Loan" product uses the "big data" model to quickly assess the operation of enterprises and extends loans to MSEs online. Commutes and queues are bygone as MSEs may apply for and obtain financing online instantly.

### One-stop service for mortgage registration

By establishing a remote mortgage registration and handling platform in the Head Office, the Bank forms a variety of inter-provincial mortgage registration modes. Branches in the Yangtze River Delta Region, including Shanghai, Jiangsu, Suzhou, Zhejiang, Ningbo and Anhui, have realized direct handling of mortgage registration. Inter-provincial mortgage registration service is launched in Shanghai, Ningbo, Suzhou, Zhenjiang, Hefei, Nanning, Ili Kazakh Autonomous Prefecture, etc. As the first in the industry to realize inter-provincial mortgage registration in the Yangtze River Delta Region, the Bank pioneers in supporting online mortgage registration of real estate in Shanghai. Meanwhile, it also provides more real estate mortgage registration services on an inter-provincial basis to places outside the Yangtze River Delta Region.

### One-stop service for medical payment

As the first to launch "credit medical treatment with frictionless payments" and provide exclusive credit lines and "post-medical payment", the Bank enables customers to obtain credit online instantly in Shanghai. As of the end of the reporting period, credit medical treatment has been launched in 29 provincial branches and 45 cities with 936,300 contracted customers.

### One-stop service for electronic IDs

The Bank connects with the service website in more places and pushes for deeper application of electronic IDs. By using electronic IDs, corporate customers can now make appointments to open bank accounts on third-party platforms. Individual electronic IDs are made possible via "branch to branch" links relying on local big data centers. Inter-provincial electronic IDs can now be used at outlet counters, handheld terminals, and intelligent devices in the branches via hall channel and intra-bank routing. The Bank has connected with trustworthy platforms in the Yangtze River Delta for electronic IDs and has established a "Head Office to Head Office" mode. Promoting inter-provincial individual electronic IDs service in the Yangtze River Delta Regions helps to enhance customer service efficiency.

### One-stop service for technological innovation finance

The Bank has set up a professional group for technological finance in Shanghai for all branches in the Yangtze River Delta Region to push organizational structure reform. Enriching the brand of "BoCom technological innovation", it has formulated the *Interim Measures of Bank of Communication for Business Management of "BoCom Technological Innovation" and "Equipment Purchase Loan" in the Yangtze River Delta Region*. Equipment purchase loan has been launched to meet the financial needs of science and technology enterprises. The Bank has also set up equity investment funds with focus on scientific and technological innovation enterprises in the Yangtze River Delta and enhances synergy of technological finance service. As of the end of the reporting period, "BoCom technological innovation" equity investment funds have accumulated 32 equity investment projects.

### "One-stop service" product family

In collaboration with the Dalian Healthcare Security Administration, the Dalian Branch has enhanced its medical payment services and expanded its coverage to include hospitalization settlements. Building on the medical insurance service platform, it explores the "post-medical payment" mode featuring "settlement after diagnosis and treatment with free deposit hospitalization". This initiative serves as a prime example of public-interest programs. Leveraging the convenience brought by digital technologies, the efficiency of medical admission has been significantly improved with the burden of patients reduced. The picture shows a volunteer guiding a patient to use "post-medical payment" for free deposit hospitalization.



## Supporting business transformation

To align with national strategy of digital economy development and bolstering innovation and transformation, BoCom takes the digital transformation as an opportunity for experimentation and innovation and fulfilling our obligations as a major state-owned bank, focuses on payment and retail as crucial domains, expedites our establishment of enterprise-level systems to augment enterprise-level business capability, thereby contributing to the sound growth of China's digital economy.

### Key Performance

As of the end of the reporting period, the transaction scale of B2B payment enterprise-level architecture modeling project reached

RMB **1.62** billion

### B2B payment enterprise-level architecture modeling project to create a competitive B2B payment capability

- Establishing enterprise-level architecture covering business, application, data and technology, the Bank has realized configurable product parameters to quickly adapt to payment and settlement needs of customers, facilitated the high-quality development of financial factor market, capital market, consumer finance, and other industries, it has also enhanced the quality and efficiency of services for financial innovation and inclusive people's livelihood.
- As of the end of the reporting period, six business components including order payment, contract management, ledger management, user management, payment risk control, and fund collection and payment are formed. The Bank has assembled products based on components, parameters and configuration and launched six products available for sale including BoCom e-insurance, bank-enterprise payment, online bill payment, electricity fee management, cross-border e-commerce and factor market. The Bank has launched bank-level payment brand "BoCom e-payment".

### Retail credit enterprise-level architecture modeling project to empower the development of retail credit business

- Refining retail credit business process down to components, modules and parameters, the Bank has met specific business demands in various scenarios through flexible assembly and configuration, strengthened product supply capacity, improved the product catalogue and process, and increased BoCom's competitiveness in retail credit and response efficiency to the regional innovation demands of branches.

Building enterprise-level systems

### Case

### Enterprise-level B2B bank-enterprise payment facilitates SaaS cloud services

On November 12, 2022, BoCom officially launched the B2B bank-enterprise payment. By using the open bank docking mode and replacing the traditional B2B receipt with push notification payment, it offers various payment forms, including guaranteed payment, direct payment, and cash and bill payment for corporate customers. Head enterprises in the internet industry, well-known enterprise service providers, and other high quality customers have become the first to try out such services.

To meet the digital transformation and upgrading needs of a large number of MSMEs using SaaS cloud services, B2B bank-enterprise payment has, on top of the existing payment function, added a series of new functions, including electronic receipt download, balance inquiry, transaction details inquiry, group entrusted payment, salary payment. Enterprises can enjoy one-stop financial services when using BoCom settlement accounts for payment on SaaS services. This service accurately solves the problem of disconnection between business flow and capital flow, addresses the weakness in financial functions of SaaS service providers, and delivers convenient digital financial services for MSMEs.

## Empowering risk management

Fully enacting digital transformation in risk management, BoCom builds a new digital risk management system that features enterprise-level mentality and the principles of "unity, collaboration, continuity, and openness".

### Plan digital risk management projects

Initiating the building of "6 + 1" priority projects, BoCom has set up exclusive project groups and established regular communication mechanisms. Project management manuals and management plans for project managers have been created to strengthen the management process and expedite the project schedule.

### Optimize the risk monitoring system

The Bank optimized five sectors, covering reconstruction of monitoring data, enhanced monitoring model, updated warning platform, simplified system use, and centralized display of regional risks. BoCom has integrated internal control and inclusive warning signals to enable all-in-one warning for multidimensional risks. Characteristic warning and monitoring functions tailored to different industries and regions have been put in place to promote the unified output of monitoring and warning signals to business departments. The Bank has also looked into the application of security multi-party computation technology to further explore how electric power data can be applied in financial risk control.

### Build the digital internal control system

We initiate the build-up of an enterprise-level supervision and management system, based on which continue to promote the establishment of digital internal control subsystem within its framework, and improve the level of intelligence in problem monitoring, material collection, problem rectification, and responsibility identification, etc.

### Consolidate the foundation of risk data

Investigating and sorting out data needs, BoCom has promoted the building of business master table in the data middle office system throughout the bank. This effort helps to strengthen the unified collection of risk data of the Group, and supports various risk management applications.

Measures for digital transformation of risk management

## Promoting industry development

With an innovation-led approach, the Bank increases investment in scientific and technological resources. Collaborating with partners, we push for the Bank's digital transformation and enhance scientific and technological innovation in the financial industry.

### Advance technology application research

- The Bank has established and promoted enterprise-level privacy computing platform involving key fields of anti-fraud, new customers attraction, precision marketing, and risk control. Regulatory sandbox innovation projects are promoted and the *Bank Card Marketing Service Based on Privacy Computing Technology* is the third privacy computing project which has been shortlisted in the regulatory sandbox. The *Guide for Privacy Computing Application* is also formulated to support branches in privacy computing business applications. The Bank Explores cutting-edge technologies such as connectivity and also joins to create the *Technical Specifications for Privacy Computing Connectivity*.
- The Bank carries out research in cutting-edge field of artificial intelligence and in trustworthy AI.
- The Bank has laid out quantum computing financial applications and actively participated in industry research in quantum computing.

### Contribute to the prosperity of FinTech through cooperation

- Leveraging the role of co-chairman of Shanghai FinTech Industry Alliance, the Bank has taken the lead in operating the first data industrialization committee of the Alliance. Hosting the 4<sup>th</sup> Shanghai International FinTech Forum and sub-forum of "New Area, New Arenas: The Construction of the FinTech Talent Highland in the Digital Economy Era", the Bank has enhanced its brand influence of BoCom Fin-Tech innovation.
- Strengthening the cooperation with universities and other scientific research institutes, BoCom has pushed for the landing of joint laboratories with Fudan University, China Mobile, iFLYTEK, Tencent, etc.

Measures for scientific and technological innovation



On December 18, 2022, Bank of Communications hosted the sub-forum of "New Area, New Arenas: The Construction of the FinTech Talent Highland in the Digital Economy Era" of the 4<sup>th</sup> Shanghai International FinTech Forum. Focusing on crucial topics and directions of FinTech talent training, the forum facilitated collectively efforts in finding new approaches to talent cultivation during the digital economy era, and gathered strength to carry through national and Shanghai talent strategies

### Key Performance

As of the end of the reporting period, the Bank's investment in financial technology increased by **32.93%** year-on-year

The Bank took the lead in formulated the Shanghai local standard of *Technical Specification of Secure Multi-Party Computation for Public Data Development and Utilization in Shanghai*, and participated in the formulation of several standards, including two national standards of the *Artificial Intelligence Federated Learning Technical Specification* and the *Artificial Intelligence Privacy Computing Technology Application Specification*, and three financial sector standards such as the *Guide to Internet of Things Technology Finance Application*, the *Digital Bank Card Finance Specification*, and so on, as well as three Shanghai local standards and two group standards of Beijing FinTech Industry Alliance



# Governance

## Keep Steadfast to Coordinated Development

### Going with the trend of sustainable development

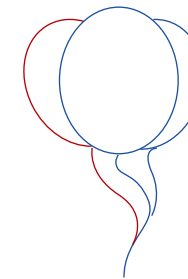
Refined corporate governance standards are not only essential for the modern financial enterprise system, but also play a crucial role in preventing financial risks and maintaining financial stability. With strict governance protocols and constantly enhanced responsible governance practices, we respond to the needs of stakeholders by reinforcing risk management and consolidating the foundation for development.

### Our actions

Improve corporate governance system; Building a culture of integrity; Safeguarding the rights and interests of stakeholders; Strengthening risk management



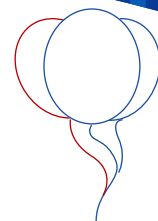
### Aligning with SDGs



The Environmental, Social and Governance (ESG) and Consumer Protection Committee of the Board of Directors held **3** meetings



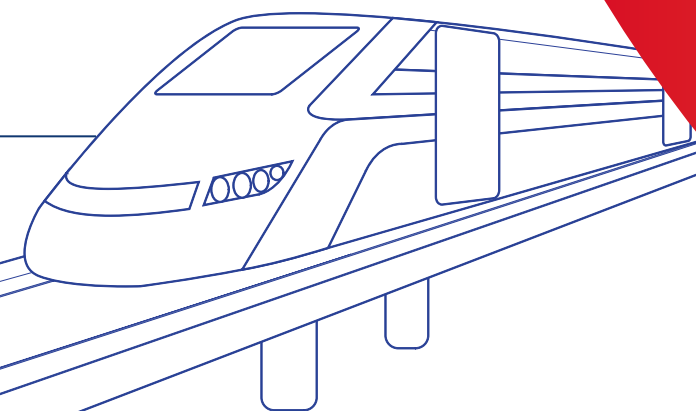
The Board of Directors held **7** meetings



The Board of Supervisors held **5** meetings



The shareholders held **4** Shareholders' General Meetings



# Cultivate new customs to consolidate the foundation of development

The BoCom Party committee fully implements the guiding principle laid out by the 20<sup>th</sup> CPC National Congress and ensures that CPC Central Committee's decisions and arrangements are put into action. We ensure that relevant officials assume their full responsibility for strict and thorough governance over the Party. We take coordinated steps to prevent officials from having the audacity, opportunity, or desire to partake in corrupt practices, lead high-quality development with high-quality Party building, and promote rigorous self-governance over the Bank through Party self-governance. In doing so, we aim to realize "a stable performance amid progress and quality improvement", where "equal emphasis is placed on development and Party building to make progress on both ends."

## Studying and implementing the guiding principle of the 20<sup>th</sup> CPC National Congress

The Bank has issued the *Notice on Thoroughly Studying, Publicizing and Implementing the Guiding Principle of the 20<sup>th</sup> CPC National Congress*, the *Notice on Strengthening the Lecture and Study of the Guiding Principle of the 20<sup>th</sup> CPC National Congress*, the *Plan Schedule of BoCom Head Office Authority for Studying, Publicizing and Implementing the Guiding Principle of the 20<sup>th</sup> CPC National Congress*, and the *Implementation Plan of Training Campaign for BoCom C Level and above Managing Officials to Study and Implement the Guiding Principle of the 20<sup>th</sup> CPC National Congress*. The Central lecture group has been invited to deliver lectures both within lecture groups and at the community level, while centralized training campaigns and exhibition panels have been set up to study and implement the guiding principle of the 20<sup>th</sup> CPC National Congress. Through a variety of studying campaigns across tiers and the Bank, we ensure that the spirit of 20<sup>th</sup> CPC National Congress is fully implemented.

Throughout the Reporting Period, the Bank complied and issued 32 thematic brief reports on studying, publicizing, and implementing the guiding principle of the 20<sup>th</sup> CPC National Congress. The interview series of "Studying, Publicizing and Implementing the Guiding Principle of the 20<sup>th</sup> CPC National Congress • Dialogue with Party Secretaries and Department Heads of Head Office Party Organization" was published on the newspaper of *Bank of Communications*. We also leveraged new media platforms, including the "20<sup>th</sup> CPC National Congress" column on BoCom xuexi.cn, and headline news of "studying the guiding principle of 20<sup>th</sup> CPC National Congress" on BoCom WeChat official account, exhibiting the results of studying and fostering a sound study environment.

### Key Performance

During the Reporting Period

Invited Central lecture group members to deliver **1** lecture

Head Office set up **10** lecture groups

The theory learning group of the CPC BoCom Committee organized **4** symposiums

Held **2** "Youth Lecture" activities to study and implement the guiding principle of the 20<sup>th</sup> CPC National Congress



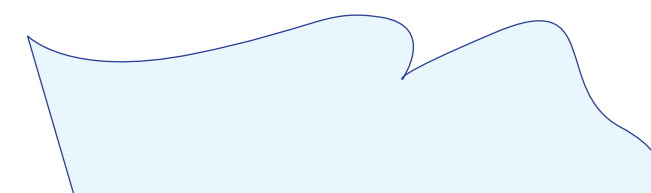
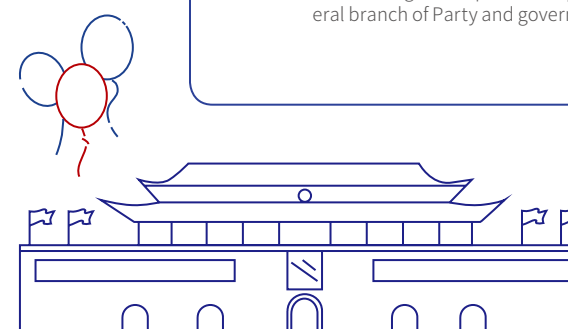
Ren Deqi, Secretary of BoCom Party Committee and Chairman of BoCom, delivers a report at the lecture session of studying and implementing the guiding principle of the 20<sup>th</sup> CPC National Congress



Liu Jun, Deputy Secretary of BoCom Party Committee and President of BoCom gives a special Party course to Party general branch of Party and government office



Xu Jiming, Deputy Secretary of BoCom Party Committee and chief supervisor of BoCom, holds a symposium in Changzhou Branch for studying and implementing the guiding principle of the 20<sup>th</sup> CPC National Congress and for party building at community level



### Main Measures of BoCom to study, publicize and implement the guiding principle of the 20<sup>th</sup> CPC National Congress



#### Lecture

- Central lecture group members, Head Office Party Committee secretaries and members, Head Office lecture group members, and heads of directly affiliated institutions deliver lecture to different levels.



#### Study

- The Head Office Party Committee leads by example in promoting study through Party Committee Meetings and Party Committee Enlarged Meetings, theory learning group and other forms; Party Organizations in all levels of the Bank carry out study campaigns through the "Three Meetings and One Lecture" system, thematic Party days, joint study and building and other activities; The youth in Head Office authority participate in thoroughly study through the youth theory study group, "Youth Lecture" and other events.



#### Publicity

- Publicize the guiding principle of the 20<sup>th</sup> CPC Nation Congress using all online and offline platforms, company website, internal website, official Micro-blog, internal newspaper, magazine, Xuexi.cn, wall newspaper, and digital screens in forms of interview, audio, video and poster that appeal to the people. Exhibiting the study actions of Party organizations at all levels across the Bank, and publicize the enthusiasm of all officials and members to the Congress, creating a sound environment for forging ahead on the new journey.



#### Training

- Carry out training campaigns for leading officials or the "key few". Formulating special training campaign plans for BoCom managing officials of C Level and above to study and implement the guiding principle of the 20<sup>th</sup> CPC National Congress. Officials must participate in at least one centralized training that lasts for no less than five days. From November 27 to December 1, a centralized training campaign for key heads of directly affiliated institutions of the Bank to study and implement the guiding principle of the 20<sup>th</sup> CPC National Congress was held in China Executive Leadership Academy Pudong.





Xie Fuzhan, a member of the Central lecture group, is invited to give a lecture on studying and implementing the guiding principle of the 20<sup>th</sup> CPC National Congress



A centralized training campaign for key heads of directly affiliated institutions of the Bank to study and implement the guiding principle of the 20<sup>th</sup> CPC National Congress is held in China Executive Leadership Academy Pudong

## Promoting Party building in a high-quality and high-standard manner

The BoCom Party Committee reinforces its political accountability by strictly following Xi Jinping's speech and instructions, improving the responsibility system and principal responsibilities list of comprehensive and rigorous governance over the Party. We also optimize the assessment plan for Party building and continue to strengthen the "four-responsibility coordination". We implement the requirements of the CPC Central Commission for Discipline Inspection, our emphasis on political tasks of rectification found in disciplinary inspection. With solid systems of primary-level organizations, we've strictly conducted Party member education and management, and commended Party organizations of community-level outlets that play a key role in ensuring the exercise of the Party's leadership. Such efforts have given full play to the key role of primary-level Party organizations, served as pioneering model for all Party members.

### Key performance

During the Reporting Period,

**12** Head Office Party organizations were awarded the Central and State organs "four-strength" Party branch

**85** Party branches/groups at community-level outlets were honored for playing key roles for the Party

**30** exemplary cases of primary-level Party building were formed

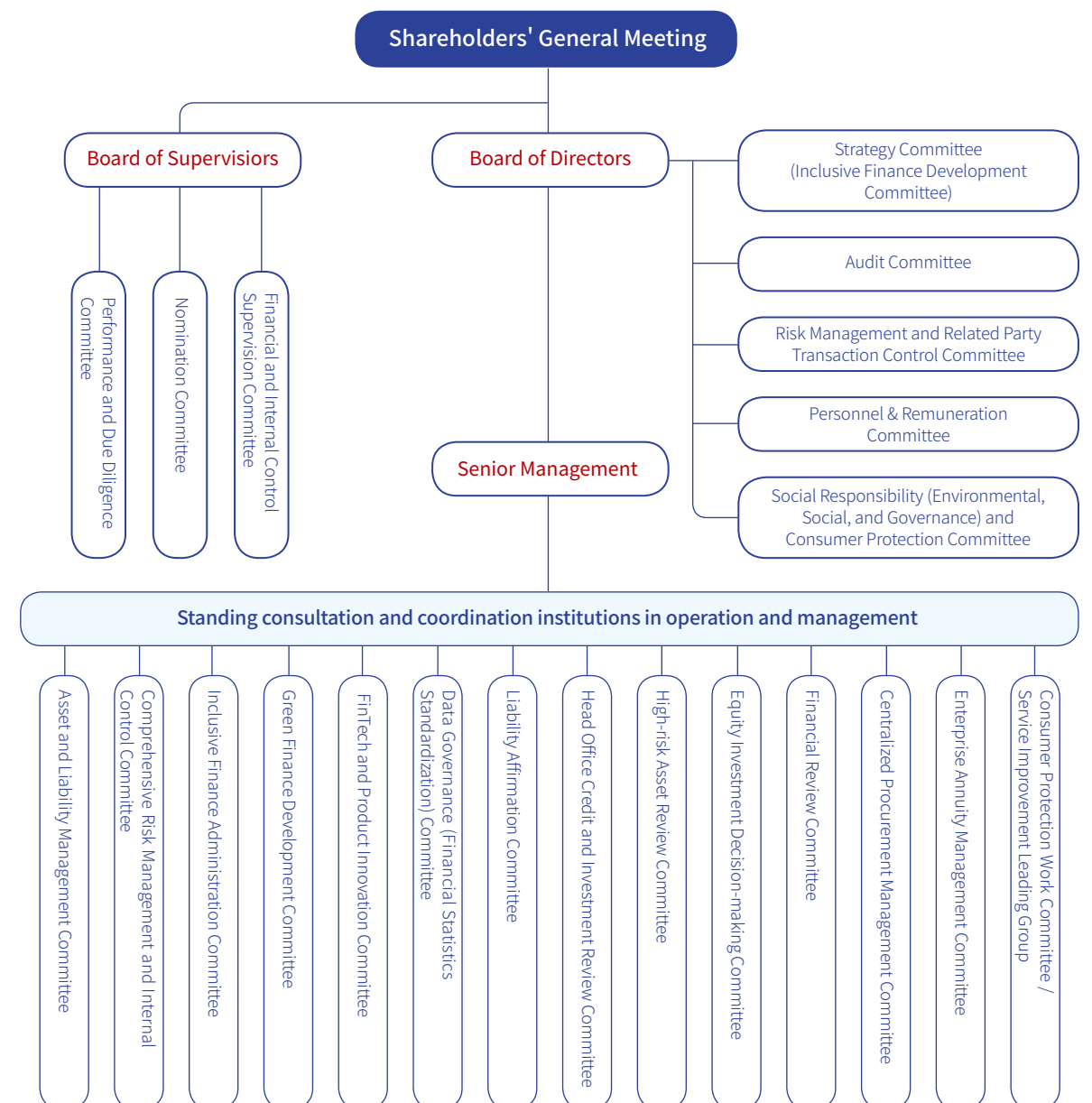


## Strengthening CSR management to show the responsibilities as a major bank

### Overview

The Bank strictly abides by the laws and regulations, rules for listed companies, regulatory provisions, and the Articles of Association at home and abroad. We improve the modern financial enterprise system and perfect the corporate governance mechanism with statutory and transparent powers and responsibilities, coordinated operation, and effective checks and balances. This makes corporate governance more scientific, robust, and effective.

The Bank has established a corporate governance structure covering the general meeting of shareholders, board of directors, board of supervisors and senior management. The structure maintains clear powers and responsibilities, effective checks and balances, as well as coordinated operation and independent work. During the Reporting Period, we've maintained good corporate governance to realize good value return for shareholders and investors.



Governance structure of BoCom

### Improving institution and system

- In 2022, the Bank revised 8 institutions and rules, including the *Rule of Procedure of Shareholders' Meeting*, the *Rule of Procedure of the Broad of Directors*, and the work rules of special committees under the Broad of Directors. The powers and responsibilities, as well as decision-making mechanisms of the shareholders' meeting, the board of directors, and its special committees were further defined and standardized.

### Promoting investment value

- The Bank held the earnings release conference regularly, more than 200,000 investors, analysts, and journalists participated in it.
- In line with the Shanghai Stock Exchange requirement, annual earnings release conference were open to small and medium-sized investors for participation and interactive channels. After the third-quarter conference, the Bank held an earnings release conference live online with a response rate of nearly 100% to the investors' questions
- The Bank actively engaged in interaction and reception through both online and offline channels. Hosting over 20 online and offline roadshows with 51 teleconferences, and attending 3 domestic and foreign investor forums, it effectively communicated with small and medium-sized investors and responded to their concerns through various platforms such as Shanghai Stock Exchange e-platform, online reception day, investor hotline, and investor e-mail.

### Safeguarding shareholders' rights and interests

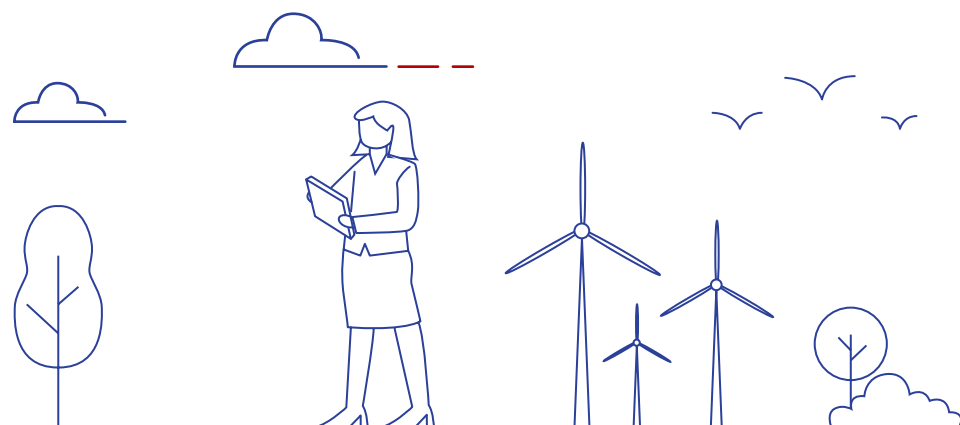
- In 2021, the Bank distributed a cash dividend amounting to RMB 0.355 per ordinary share (tax inclusive), totaling RMB 26.363 billion, accounting for 32.16% of the Group's net profit (attributable to the parent company).
- RMB 1.832 billion in dividends were distributed to domestic preference shareholders.

Highlights of corporate governance







#### The Board of Directors

The Board of Directors has effectively fulfilled its role in strategic decision-making and completed the board election process that introduced one female director, enhancing the diversity of the Board of Directors. The number of independent non-executive directors accounts for one-third of the total number of members of the Board of Directors, meeting regulatory regulations.

The Bank's directors possess a professional background that enables them to well support and advance its work in the ESG field. Among all the directors, Ma Jun, who serves as an independent non-executive director, is an expert in ESG and green finance research and execution. During the Reporting Period, the Board of Directors actively responded to climate risks by formulating the *Action Plan of Bank of Communications for Carbon Peak and Carbon Neutrality Goals*. The plan focuses on determining the specific objectives and key tasks of achieving carbon peak and carbon neutrality through green financial services, thereby fulfilling the Bank's commitment to Corporate Social Responsibility (CSR).



### Content of the Action Plan of Bank of Communications for Carbon Peak and Carbon Neutrality Goals

 <p><b>Adhere to green development</b></p> <ul style="list-style-type: none"> <li>Make "green" a distinctive characteristic of the Group's business development and its organizations' operation and management.</li> </ul>	 <p><b>Stick to systematic thinking</b></p> <ul style="list-style-type: none"> <li>Establish and improve the "Four Mechanisms" and "Five Systems" to guide the high-quality development of green finance.</li> </ul>	 <p><b>Remain open and cooperative</b></p> <ul style="list-style-type: none"> <li>Learn from the successful green finance practices and experience at home and abroad, align with advanced peers, actively engage in international cooperation, and speed up the adoption of advanced green finance practice.</li> </ul>
 <p><b>Ensure that risks are controllable</b></p> <ul style="list-style-type: none"> <li>Maintain a balance between development and security by strengthening risk awareness, and effectively respond to various risks in the process of green and low-carbon transformation to ensure safe and sound carbon reduction.</li> </ul>	 <p><b>Persist with breakthroughs</b></p> <ul style="list-style-type: none"> <li>In terms of industries and sectors, the Group prioritizes green and low-carbon development in key areas, including energy, industry, urban and rural development, and transportation to closely align with the state's "ten actions for carbon dioxide peaking". Additionally, the Group will lend support to areas that yield significant carbon emissions reduction effects, such as clean energy, energy conservation and environmental protection.</li> </ul>	 <p><b>Insist on "placing equal emphasis on two ends"</b></p> <ul style="list-style-type: none"> <li>Emphasize low-carbon transformation of the real economy to provide multi-level, comprehensive and high-quality financial services to meet the aspiration for better lives of the people; focus on achieving carbon peak and carbon neutrality in organization operation and management across the Group, prioritize energy and resource conservation, and stick to a moderate, green and low-carbon way of work.</li> </ul>

### Key performance

As of the end of the Reporting Period, there were **16** members in the Board of Directors. Among them, there were **2** executive directors, **8** non-executive directors, and **6** independent non-executive directors

During the Reporting Period, the Board of Directors held **7** meetings of the Board of Directors, approving **72** proposals; **22** meetings of the special committees under the Board of Directors, approving **119** proposals and reports; and **4** General Meetings of Shareholders, reviewing and approving **13** proposals





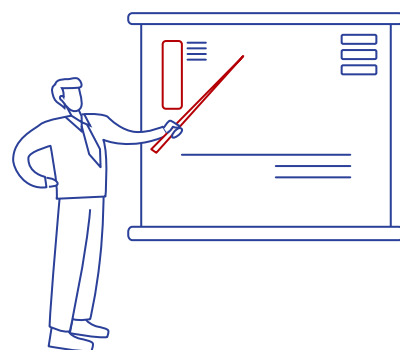
• The Board of Supervisors

The Board of Supervisors continues to play its supervisory role in key areas such as strategy, finance, risk, internal control, and compliance management. During the Reporting Period, it established the 10<sup>th</sup> Board of Supervisors by completing the board selection, further optimized its institutions and systems, enhanced *munications Co., Ltd.*, the *Rule of Procedure of the Board of Supervisors* and work rules of its special committees, and established supervision mode of "three executive teams". The Board of Supervisors awarded the "Excellent Case of the Board of Supervisory of Listed Companies 2022".

Key performance

As of the end of the Reporting Period, there were **9** members in the Board of Supervisors, including **2** shareholder supervisors, **3** external supervisors, and **4** employee supervisors

During the Reporting Period, the Board of Supervisors held **5** meetings, reviewing **29** proposals; held **12** meetings of the special committees, reviewing **37** proposals and reports; attended **4** General Meetings of Shareholders, and sat in on **6** meetings of the Board of Directors



## Compliance management

The Bank has established and continues to improve its compliance management system. By refining our mechanism and cultivating a compliance culture where "all employees prioritize active compliance", we reinforce compliance risk prevention and control. During the Reporting Period, we were not subject to regulatory penalties that had a material impact on its operations and management.

• Combating corruption

To carry through the CPC Central Committee's directive towards winning the tough and protracted battle against corruption, the Bank Party Committee has intensified anti-corruption efforts in the financial sector, complied with the *Code of Integrity and Self-discipline of the Communist Party of China*, the *Regulations on Internal Supervision of the Communist Party of China*, the *Regulations on Disciplinary Punishment of the Communist Party of China*, the *Implementation Regulations of the Supervision Law of the People's Republic of China* and the *Several Provisions on Integrity of Leaders of State-owned Enterprises*. With a tough stance on corruption, we continue to address the practice of unnecessary formalities, bureaucratism, hedonism, extravagance and cultivates new customs. Furthermore, the Committee has thoroughly examined clues to violation of discipline, investigated and addressed the issue of "degenerate into corruption from malfeasance" and "coexistence of malfeasance and corruption". The efforts have been put in to improve conduct, enforce discipline and fight corruption. Focusing on key areas, we've strictly looked into corruption that led to various financial risks, paid close attention to the "key few" and the exercise of power, and combated new and disguised forms of corruption. Holding a zero tolerance attitude and firm deterrents against corruption, we've further toughened education, warning, notification, and disclosure. The CPC Central Committee's instruction of promoting a culture of integrity in the new era has been put into practice as we carried out a series of activities involving "education, warning and guidance aimed at strengthening the awareness and vigilance of members to combat corruption". We've also cultivated a culture of integrity to form an integral, coordinated whole of resisting corruption from awareness, ability, and resolve, thus further creating a positive and healthy intraparty political culture.

Key performance

During the Reporting Period **29** regulations were revised for implementing the Party's Eight-point Regulation's spirit

More than **3,400** education activities (including anti-corruption training for Directors and staff) were organized with the theme of integrity culture

**32** education bases were established with distinctive characteristics

**998** reports were accepted, **1,295** clues were handled, **309** cases were filed, and **371** employees were punished according to the Party and administrative discipline

**2,019** person-times were handled through the four forms of oversight over discipline compliance

**155** violations of the Eight-point Regulation of the Center were investigated and closed, **413** employees were reprimanded and educated, and **176** employees were punished by Party and administrative discipline

**1** corruption case

Optimize the supervision system

- Promote regular political supervision, and formulate the *Opinions on Strengthening Regular Supervision*, the *Measures of Strengthening and Improving the Follow Up of Punishment of Supervision, Discipline and Law Enforcement*, and the *Measures on Carrying Out Political Ecological Analysis*.

Improve the handling of public complaints and reports

- Formulate the *Measures for Reporting to the Discipline Inspection and Supervision Group of CCDI Dispatched to Bank of Communications*, strengthen supervision in the processes of "receiving, transferring, supervising, reporting and closing," and improve the rule-based management of reports.

Reinforce warning education

- Carry out studies on the *Opinions on Strengthening the Developing of a Culture of Integrity in the New Era*, and distribute integrity education books including the *Building White Family Traditions and the Strict Rules and Standards of Families* to Party officials. Double the effort to cultivate a clean financial culture and hold 4 bank-wide warning education meetings. Select and report 4 batches and 24 violations of the Party's Eight-point Regulation as well as 7 accountability cases of the four malfeasances throughout the Bank.

Improving the supervision mechanism through multiple measures to help build integrity

• **Anti-money laundering and anti-fraud**

During the Reporting Period, The Bank has thoroughly implemented the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Terrorism Law of the People's Republic of China*, the *Law of the People's Republic of China on Combating Telecom and Online Fraud*, the *Opinions on Improving the Supervision System and Mechanism of Anti-Money Laundering, Anti-Terrorist Financing and Anti-Tax Evasion*, the *Measures for the Administration of Anti-Money Laundering and Anti-Terrorist Financing in Banking Financial Institutions*, the *Guidelines for the Risk Management of Money Laundering and Terrorist Financing in Legal Person Financial Institutions (Trial)*, the *Working Methods for Case Prevention in Banking Financial Institutions*, the *Guidelines for the Behavior Management of Banking Financial Institution Employees*, and the *Guiding Opinions on the Prevention of Financial Crimes in Banking and Insurance Industry*, as well as other laws, improving the AML management systems such as the *Anti-Money Laundering Management Measures of Bank of Communications Co., Ltd.* Reinforcing AML management and integrating it into each process of operation management with a stronger build-up of related systems, we've worked to fulfill the legal and social responsibility of AML by elevating the capacity, quality, and efficiency of AML management.

**Key Performance**



During the Reporting Period, the Bank carried out compliance training related to legal compliance, AML, and operation and management of commercial banks, covering **1,407** primary-level branches and providing **200,000** training opportunities to the Bank's staff

Publicity and education on the Constitution, the Civil Code, laws and regulations closely related to social governance were conducted, along with the rule of law on protecting financial customers' rights and interests, covering **1,572** primary-level branches. Over **10.66** million people, including the Bank's staff and the public benefitted from training opportunities



**Bank of Communications launched various measures to lower the risk of fraud**

BoCom has launched the industry's first intelligent anti-fraud application based on sequence diagram. While the identification coverage of retail fraudulent accounts has increased by 16.28%, the prediction accuracy of corporate fraudulent accounts has also increased by 47.68%, twice the original regular model.

Meanwhile, the Bank has emphasized online anti-fraud tips by embedding intelligent risk tips to prevent telecom fraud in transactions. The coverage ranges from mobile banking transfer, digital wallet recharge, to account opening on mini apps. More than 2 million prompts were used on mobile banking during the year, effectively preventing customers from being cheated.

**Letter from stakeholders**



Taiyuan Anti-Fraud Center expresses gratitude to Shanxi Branch of Bank of Communications for its outstanding performance in "anti-telecom network fraud" and "card cutting" actions in the first half of 2022, particularly for its close cooperation with our center in reducing suspectable bank cards and arresting suspects of telecom network fraud.

— Taiyuan Anti-Fraud Center

• **Intellectual Property Protection**

The Bank highly committed to safeguarding and managing intellectual property rights, and has formulated the *Management Measures of Bank of Communications for Intellectual Property Rights (2020 Version)* to actively protect and manage the intellectual property rights of the Bank. The *Management Measures of Bank of Communications for Advertising (2020 Version)* was also revised to effectively respect the intellectual property rights of others and prevent relevant infringement. During the Reporting Period, 100 trademark registrations were obtained and no regulatory penalties related to product and service identification occurred.

• **Business ethics and whistleblower protection system**

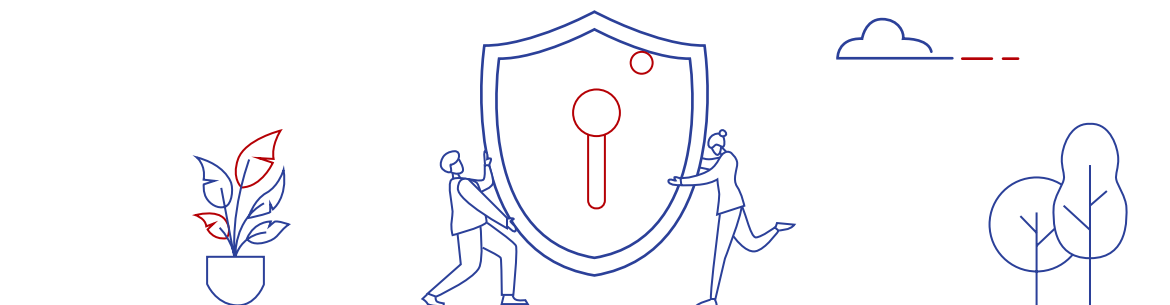
During the Reporting Period, the Bank constantly strengthened the management of moral hazard by requiring employees to abide by work ethics and carrying out study of regulations including the *Code of Conduct for Employees* and the *Treatment Measures for Employee Violations*. We've undertaken strict measures to ensure accountability for employees breaking the rules, and worked to enhance awareness of compliance and ethical behaviors among employees to form good work ethics. The efforts include education and training tasks such as warning education of case prevention, incorporated compliance practice, and risk prevention. We've revised the *Working Rules of Audit Committee of the Board of Directors of Bank of Communications Co., Ltd.*, clarifying that the Audit Committee shall, in a non-public/anonymous manner, accept the concerns raised by the Bank's employees and other traders with the Bank (such as customers and suppliers) to the Committee on improper matters related to the Bank. We've strictly abided by the *Measures for Reporting to the Discipline Inspection and Supervision Group of CCDI Dispatched to Bank of Communications*, and enhanced confidentiality requirements in reporting and accusation. Furthermore, the *Regulations on Petitions of Bank of Communications* has stipulated that relevant employees at all levels are prohibited from transferring or disclosing the complaints, disclosure materials, or any information relevant to the person or organization being reported or disclosed. On top of existing reporting channels, the contact information and email address of the Audit Committee have been added to widen the channels. Reports from the Bank's employees and other traders with the Bank (such as customers and suppliers) can thus be accepted confidentially.

**Risk management**

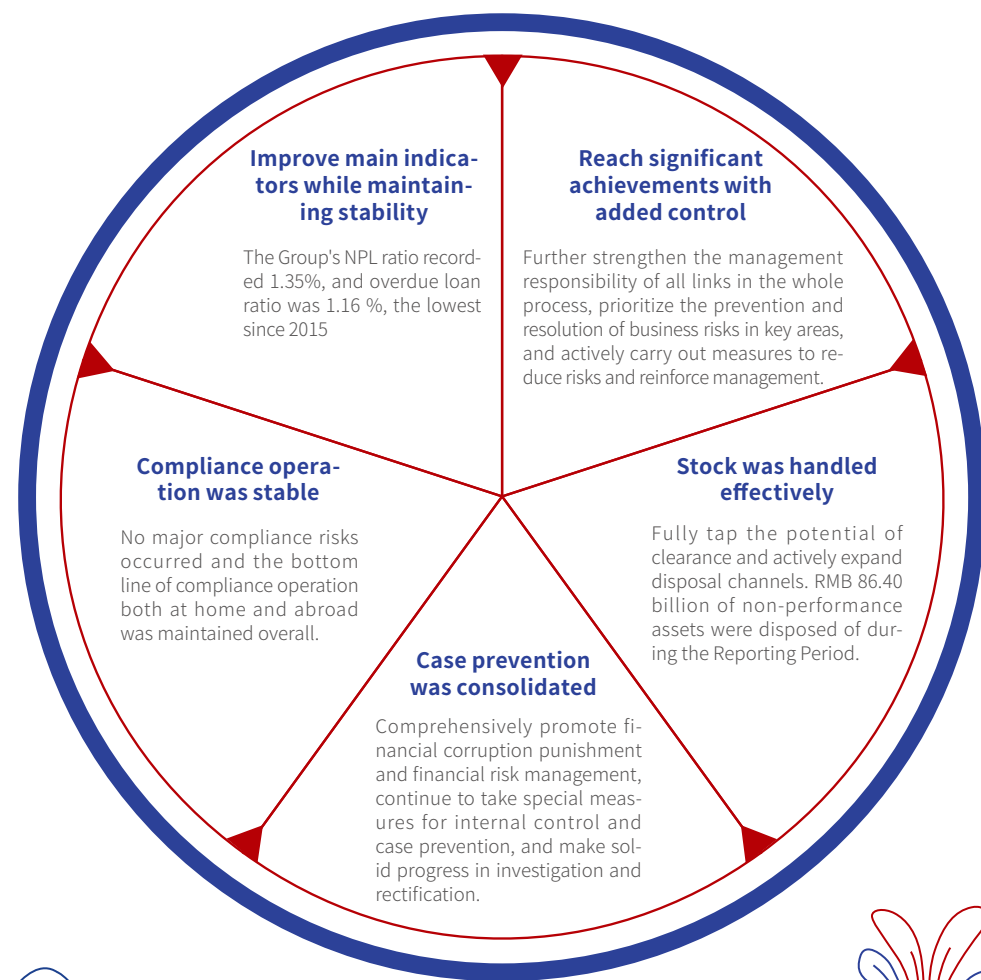
The Bank has firmly shouldered its political responsibility of rectification found in disciplinary inspection. Prioritizing preventing and defusing financial risks, we've put regulatory requirements into practice. Significant efforts have been put in to improve the quality and efficiency of serving the real economy, and to enhance the capacity of financial service provision. With a commitment to win the asset quality battle, we've engaged deep into the reform of risk credit and AML, overcome multiple pressures and difficulties brought by economic downturn and market fluctuation. Remarkable achievements in risk management has been yielded since then.

• **Risk management structure**

The Board of Directors is the highest decision-making body responsible for the Bank's comprehensive risk management, with the Risk Management and Related Party Transaction Control Committee set under it. The Board of Supervisors, responsible for overseeing the comprehensive risk management, also monitors and examines the risk management performance of the Board of Directors and the Senior Management and urges for rectification when necessary. The Senior Management is responsible for implementing comprehensive risk management. A regular risk decision-making mechanism with "1+2" committees known as the Risk Management Committee, Credit and Investment Review Committee, and High-risk Asset Review Committee, sits at the core. The set up enhances risk research and judgment, and follows up on the risk monitoring, control, and response in key areas. With reference to the above framework, consultation and decision-making institutions and business review committees, such as Comprehensive Risk Management and Internal Control Committee, are established at all provincial branches, overseas branches, and subsidiaries.







Strengthening financial risk prevention and control in key areas



- Promote the implementation of the 14th Five-Year Plan for risk management.
- Deepen the reform of risk credit and AML across the Bank.
- Strengthen the unified risk management of the Group, ensure that those who have fulfilled their duties are not fairly acknowledged and those irresponsible are punished, and carry out risk assessment in key areas of subsidiaries.
- Refine comprehensive risk management, improve the operation quality and efficiency of the Comprehensive Risk Management and Internal Control Committee, strengthen unity of the Group's preference management framework, and enhance the management capability of business organizations via means of training, publicity, and experience sharing.
- Optimize the mechanisms for comprehensive risk investigation and risk prevention plan, strengthen risk investigation in key areas, and make risk prevention plan more targeted and available.

Deepen the risk management system building and management capacity modernization in all respects.

• Risk management training

Throughout the year, the Bank held 14 online risk management training courses, covering more than 4,000 managers and professionals in risk lines. Online courses received more than 180,000 person-times clicks. We've bolstered our online training resources and developed our special zone of risk management training center. Training resources of different sectors were organized to form curriculum database and teacher database, thereby enriching the risk event case database.

CSR Management

The Bank is committed to the philosophy of high-quality modern corporate responsibility governance. To fulfill the commitment, we've optimized the mechanisms of rights and interests protection of stakeholders. Furthermore, we've improved the CSR management system and fully disclosed the results of our social responsibility performance. As we spread and integrate the social responsibility concept into our corporate culture and development strategies, we strive to create common value together with stakeholders.

Key Performance

In 2022, the Bank was rated A in MSCI ESG Ratings, taking the lead among domestic peers

• Statement from the Board of Directors

The Board of Directors is the highest decision-making body for the Bank's corporate social responsibility work. The Environmental, Social, and Governance (ESG) and Consumer Protection Committee, in accordance with regulations governing their functioning and as authorized by the Board of Directors, assumes responsibility for shaping the Bank's corporate social responsibility strategy and policy. The committee also review the overall work of ESG every year and regularly reviews relevant objectives and implementation of ESG. The Senior Management, in charge of executing the strategy and policy as approved by the Board of Directors, conducts regular reporting to the Board and the Committee.

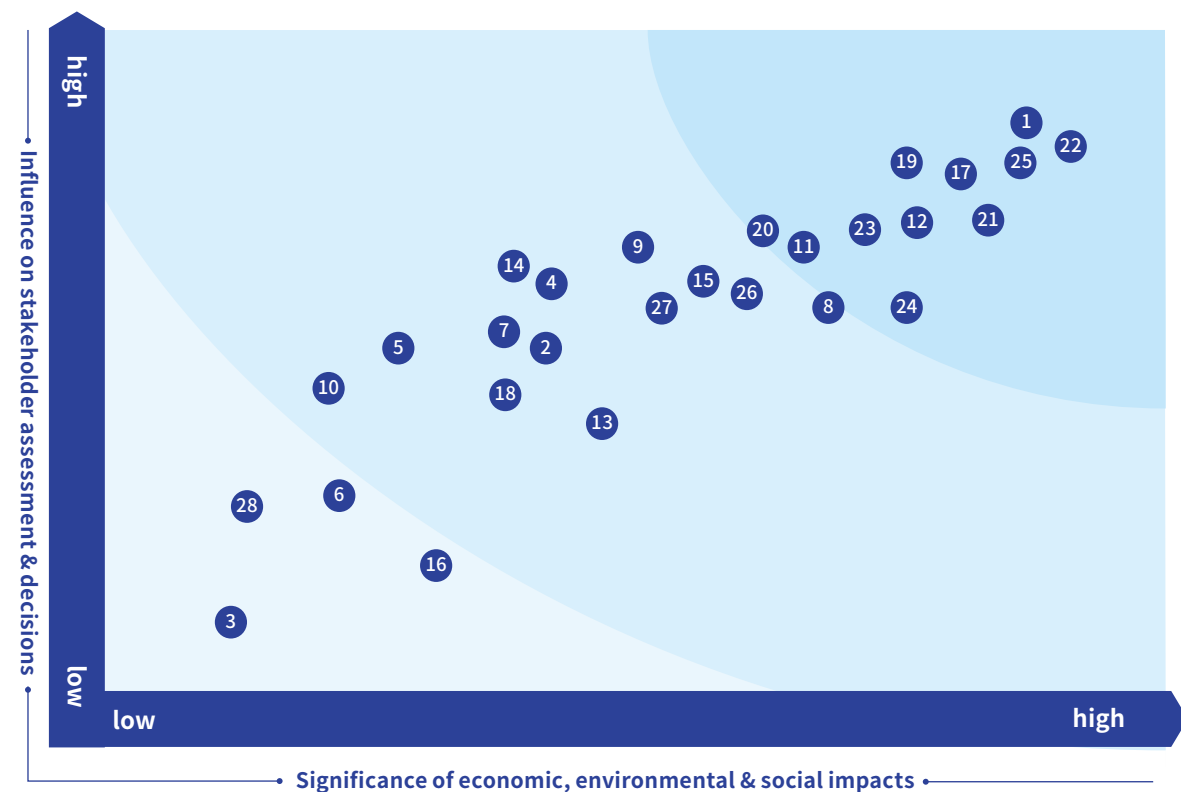
In 2022, 10<sup>th</sup> Board of Directors of the Bank held their second meeting. At the meeting, the Board deliberated and approved the *Proposal on Amendment of the Working Regulations of the Environmental, Social, and Governance (ESG) and Consumer Protection Committee*, and renamed it as the *Working Rules of the Environmental, Social, and Governance (ESG) and Consumer Protection Committee of the Bank of Communications Co., Ltd.*, further standardizing the decision-making mechanisms of the Committee.

During the Reporting Period, the Environmental, Social, and Governance (ESG) and Consumer Protection Committee of the Board of Directors integrated the ESG concept into the whole process of strategic development planning and operation management of the Bank. Throughout the year, the Committee held 3 meetings that deliberated and approved 12 proposals, including annual ESG report, annual work report of green finance, work report of consumer rights and interests protection, as well as the *Action Plan of Bank of Communications for Carbon Peak and Carbon Neutrality Goals* and the *Proposal on Amendment of the Working Regulations of the Environmental, Social, and Governance (ESG) and Consumer Protection Committee*. In addition, the Committee extensively participated in ESG research and exchange activities inside and outside the industry, actively engaging in industry research initiated by China Banking and Insurance Regulatory Commission, China Banking Association and other organizations. It improved ESG information disclosure to promote the communication with stakeholders, and compiled and released the *2021 Corporate Social Responsibility Report (ESG Report)* with supervision from stakeholders all across.



• Materiality analysis

During the Reporting Period, BoCom identified, updated, adjusted, and ranked the material topics of 2021 following the procedure methods proposed in the *GRI Sustainability Reporting Standards*, determining Bank's key topics of management and information disclosure.



1 Party building	2 Care for employees	3 Voluntary services	4 Equality and diversity
5 Occupational health and safety	6 Green operations	7 Employee training and development	8 Address climate change
9 Protect the rights and interests of employees	10 Increase returns to shareholders	11 Optimize corporate governance	12 High-quality development
13 Popularize financial knowledge	14 Innovative financial products	15 Green finance	16 Engagement in charity
17 Inclusive finance	18 Rural vitalization	19 Follow national strategies	20 Improve customers consumption experience
21 Serve people's livelihood	22 Serve the real economy	23 Protect the rights and interests of customers	24 Compliance
25 Forestall financial risks	26 Deepen reform	27 Support people's livelihood	28 Responsible procurement

BoCom Materiality Analysis Metrics

• Stakeholder communication and engagement

Stakeholder	Description	Primary concern	Main source of information	Main response
<b>Customers</b>	Current and prospective customers	Convenient, efficient, and quality financial services	Product promotion, customer service hotline, online and offline activities	Provide efficient, quality services, develop new financial products, and protect customer information
<b>Shareholders</b>	Holders of the Bank's shares	Good return on investment; fair, impartial, transparent, and timely information disclosure	Shareholders' General Meetings, investor activities, hotline and fax, and company announcements, etc.	Maintain stable operations and effectively manage investor relations
<b>Government agencies</b>	Government at all levels; the People's Bank of China (PBOC) and its branches, China Banking and Insurance Regulatory Commission and its local offices, China Securities Regulatory Commission; Administration for Industry and Commerce, and Taxation Bureau at all levels, etc.	Maintain the stability of financial system, facilitate the development of national economy, and improve the people's well-being.	Policy directives, work reports, day-to-day communication, etc.	Follows through with compliance management, actively respond to national strategies and macroeconomic policies, assist designated targets, serve the real economy, support the development of MSEs, serve rural vitalization, focus on agriculture, rural areas and inclusive finance, and carry through green credit, etc.
<b>Employees</b>	Bank staff, regardless of position or job duration	Stable employment, proper benefits, satisfactory working conditions, growth opportunities	Employee congress, personnel opinion solicitation, counseling sessions, etc.	Develop together with employees, improve employee satisfaction by protecting employee rights and interests
<b>The environment</b>	The ecological environment of areas where the Bank transacts business and other affected areas	Pay close attention to climate change, and support a low-carbon economy	Information disclosure, other events, and pricing strategies, etc.	Promote green credit, green services, green operations, green procurement, and green charitable activities
<b>Communities</b>	General public and organizations in areas where the Bank transacts business and other affected areas	Social harmony and improved well-being	Financial service activities, charitable activities, etc.	Engage in charitable activities, organize volunteer activities, and disseminate financial information
<b>Partners</b>	Suppliers, peers, and other institutions in business with the Bank	Honesty, mutual benefit, fair procurement, and win-win cooperation	Invitations to bid, business exchanges and cooperation, etc.	Undertake responsible procurement and business cooperation
<b>Social organizations</b>	Industry associations (e.g. China Banking Association), and non-profit organizations (e.g. environmental, or public interest)	Boost development of the industry as well as social harmony	Information disclosure, various related activities	Accept supervision and participate in industry activities



# Economy

## Focus on Quality and Make Progress While Ensuring Stability

### Responding to the trend of sustainable development

Finance is the lifeblood of a nation's economy and an essential element of its core competitiveness. The Bank, playing its role as a main force of finance to serve the real economy, responds to major national strategies by increasing support for inclusive finance. By further improving the quality and efficiency of services, we've contributed to the high-quality economic and social development.

### Our actions

Support the real economy; Raise the country's manufacturing power; Respond to national strategies; Contribute to the rural vitalization; Assist MSEs; Make every effort to improve people's livelihood

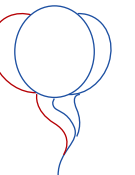
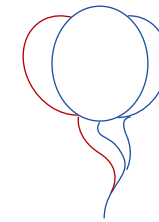
The Bank recorded total assets of RMB **12,992.419** billion  
 Taxes amounted to RMB **36.045** billion  
 Total loans amounted to RMB **7,296.155** billion

The balance of inclusive agriculture-related loans was RMB **68.823** billion  
 an increase of **73.18%**

The outstanding inclusive loans for MSEs stood at RMB **456.239** billion  
 an increase of **34.66%**

The balance of agriculture-related loans was RMB **789.029** billion  
 an increase of **22.15%**

### Aligning with SDGs



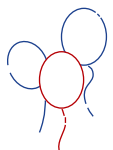
## Ensuring stability and improving the quality of services provided to the real economy

The Bank, committed to the core mission of serving the real economy, has consistently increased financial support and optimized business structure. We've provided more assistance to weak sectors and key areas that align with the national development planning and related to people's livelihood, ensuring that services to the real economy features "enhanced amounts, improved structure, and reduced fees".

### Facilitating the development of technological finance

As a major state-owned bank committed to serving the real economy and supporting technological innovation, BoCom has actively worked to foster the virtuous cycle of positive interactions between finance, technology, and industry. Through top-level design, Group coordination, product innovation, policy support, and favored resource allocation, we've shaped an effective service system for technological finance that yielded tangible results.

#### Measures to support the development of technological finance

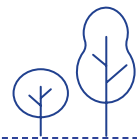


##### Improve the policy system

Formulate the 2022-2023 Action Plan of Bank of Communications to Financially Support High-level Technological Self-reliance to guide the Bank's work in technological finance in a coordinated way.

##### Enhance government-enterprise cooperation

Maintain contact with government authorities, high-tech parks, scientific research institutes, etc., and join hands with capital market service resources including the Shanghai Stock Exchange, private equity, venture capital, and industrial funds to establish a technological finance "ecosystem" where policies, resources, and information are integrated and shared.



##### Innovate in products and services

With a focus on financing problems of technology enterprises involving "light assets, long cycle, difficult evaluation and realization, and high technical barriers", provide "investment + loans + IPO sponsorship + M&A financing + wealth management" integrated financial services for technology- and innovation-driven enterprises of high growth with core technologies in key fields.



##### Optimize the credit process

Establish a scientific evaluation system for technological achievements and a risk rating model to enable differentiated credit limit approval and credit enhancement. Launch templates for differentiated credit application and individualized post-lending management reporting, provide technology MSEs with 12 models of credit limit approval and 28 types of key points for access due diligence standardization in 6 categories, and improve credit policies for key industries.

##### Grant higher credit

Introduce external data and use data such as taxes to explore existing micro and small customers and grant higher credit lines. Fully utilize various platforms to enhance credit information sharing, and weaken dependence on collaterals through digital empowerment and scenario customization.

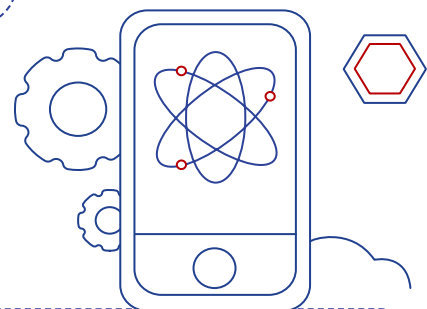
#### Key Performance



As of the end of the Reporting Period, the number of technological finance credit customers grew by **49.55%** year on year

The balance of loans granted to strategic emerging industries increased by **109.88%** over the end of 2021

**3,275** "little giant" enterprises were served, realizing a market coverage of **36.30%**, and their loan balance grew by **75.52%** over the end of 2021



#### Case

### BoCom Science and Technology Innovation Fund completes investment in multiple sci-tech innovation enterprises to support "hard technology" development

Since its launch in 2019, BoCom Science and Technology Innovation Fund, with BoCom International Holdings Company Limited as fund manager, has been closely following the trend of strategic emerging industries and making far-sighted arrangements. As we constantly refine the equity investment management and exit mechanism, we've enriched "BoCom Science and Technology Innovation" brand and improved our capability to serve multi-dimensional customers.

In 2022, the fund completed investment in 11 companies such as Sunwoda Electric Vehicle Battery Co., Ltd., Shenzhen DeepRoute.ai Co., Ltd., and Atech Automotive Wuhu Co., Ltd. Across sectors of semiconductors, high-end equipment, intelligent manufacturing, key parts of new energy vehicles, and complete vehicles, we've sped up our layout to support the high-quality development of sci-tech innovation enterprises.

As of the end of the Reporting Period, 15 serial funds were set up and 34 investment projects were completed, over 50% of which were concentrated in the Yangtze River Delta region. The projects covered cloud computing, genetic testing, big data, artificial intelligence, biomedicine, intelligent transportation, chips, semiconductors, new energy, etc., and some were actively preparing for getting listed on the STAR Market.

## Contributing to the rise of the country's manufacturing power

Manufacturing is the foundation of the real economy, serving as the backbone of national development efforts. As a potent tool for rejuvenating the country, it is also the basis for making the country a great power. In 2022, BoCom promptly responded to the national strategy of "accelerating the construction of a manufacturing powerhouse". We increased support to the country's manufacturing industry, contributing to the development of a strong manufacturing country and support for the real economy.

### Supporting the development of manufacturing

BoCom fully leverages its strength in comprehensive operations, meeting the financial demand of manufacturing across policies, resources, services, financing, and other aspects, and facilitating high-quality development. We continue to improve our capability, quality and efficiency in serving the manufacturing industry.

#### Policy guidance

Formulate policy documents such as the *Notice on Advancing the High-quality Development of Corporate Assets Business in 2022*, the *Action Plan of Bank of Communications to Support the Rise of the Country's Manufacturing Power (2022 Version)*, and the *Notice on Further Promoting the High-quality Development of Manufacturing with Financial Service*. Expand financial services for manufacturing, especially mid- and long-term loans for manufacturing.

#### Service innovation

Promote "chain finance" innovative services, launch the "100 cores and 1,000 chains" industrial chain finance marketing campaign, build the benchmark industrial chain of manufacturing, stage core industrial chain for key corporate customers in manufacturing, and provide manufacturing chain customers with integrated and targeted financial services.

#### Resource support

Offer special loan granting subsidy for manufacturing and for national "little giant" enterprises, and provide greater resource support.

#### Project financing

Actively support major project financing in manufacturing. For instance, support the development of large aircrafts in China by participating in the financing delivery of the world's first made-in-China C919 aircraft manufactured by Commercial Aircraft Corporation of China, Ltd.

#### Key Performance



As of the end of the Reporting Period, domestic investment in manufacturing loans grew by **23.23%** over the beginning of the year

Specifically, mid- and long-term loans to manufacturing and loans to high-tech manufacturing increased by **57.72%** and **41.16%** respectively, ranking among the top in the market



## Supporting industrial chain finance

At present, stable operation in the upstream and downstream of the real economy's industrial chain is core to stabilizing the economy. BoCom has responded to the needs of stabilizing, maintaining, consolidating, and enhancing the industrial chain with efforts put into special authorization, institutional innovation, and process optimization. As the "one policy for one chain" has been adopted to cater to individualized financing needs of enterprises, the business volume of industrial chain finance has grown by 41.92% year on year.

### Key Performance

As at the end of the Reporting Period, industrial chain financial business of the Bank amounted to RMB **479.126** billion, an increase of **41.92%** year on year

With the "chain finance" product as a foundation, actively align with the "chain leader system" of local government, and deepen cooperation with central SOEs, manufacturing frontrunners, and other backbone enterprises to expand the service radius for chain MSEs.

Speed up the industrial chain financing business such as Quick Easy Pay, Quick Easy Discount, intelligent vehicles, and commission receivables with focusing on core enterprises, unfold the "100 cores and 1,000 chains" expansion campaign, guide branches to enhance government-enterprise cooperation, and build benchmark chains to provide a role model.

Enhance agriculture-related industrial chain financial services and support the comprehensive development of rural primary, secondary, and tertiary industries. Cooperate with agricultural industrialization leaders to financially support chain extension, maintenance, and enhancement in key sectors such as pigs, poultry, dairy, and feed. Utilize an "enterprise + peasant household" approach to drive integrated development throughout agricultural industrial chain for customers upstream and downstream. Cater to financial demand of high-quality and new agricultural business types, such as planting-breeding-processing combination, leisure agriculture, rural tourism, and rural e-commerce, thereby advancing rural vitalization.

Stage the smart transaction chain platform leveraging strengths in convenient information and credible circulation, facilitating the revitalization of receivables, and improving capital turnover efficiency for micro-, small-, and medium-sized enterprises.

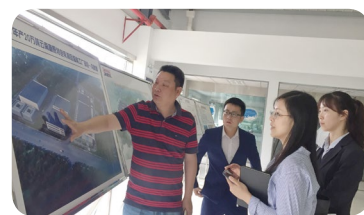
Connect with core enterprises and industrial chain platforms to overcome the limitations of offline business models. Provide integrated financial services for upstream and downstream MSEs relying on fund flow, information flow, and logistics. Support the normal operation of industrial chain and supply chain, and provide greater support for strategic emerging industries revolving around people's livelihood and consumption, manufacturing, new energy, and new infrastructure, as well as areas prioritized for development in the 14th Five-Year Plan period. For upstream suppliers, provide online "instant discount" and "instant loan granting" services; for downstream distributors, connect with core enterprise data to realize whole-process online business application, loan approval, and loan granting for distributors.

Measures to support industrial chain finance

### Case Optimizing models of industrial chain finance and innovating in fast loans for distributors through industry-finance cooperation

Yunnan Huangshi Lesson Dairy Industry Co., Ltd. is a national leader in agricultural industrialization and a provincial "little giant". Among its 1,000 distributors nationwide, around 200 are located in Yunnan, with a stable average collaboration period of 5-10 years. Most distributors, however, cannot provide traditional collaterals or guarantees. The issue of "short-term, small-sum, frequent and urgent" way of capital utilization makes financing difficult.

BoCom thoroughly puts the requirements for stabilizing the six key fronts and securing the six key areas into practice. We focus on securing the basic livelihood, industrial chain, and supply chain to offer greater financial support and enhance service innovation. We've established the fast loan group for Lesson Dairy Distributors with the logistics, information flow, capital flow and other data between Lesson Dairy and downstream distributors. By recommending "white-listed" customers through core enterprise, we've actively introduced guarantee from guarantor companies and customized the "credit + guarantee" project for the distributors. With a credit line of up to RMB 50 million and financing cost of 4.0%, the project has landed multiple transactions in Kunming, Dali, and Baoshan. As we contribute our financial power to the strategy of building up the "green food brand" in Yunnan, the stable development of dairy industrial chain has been steadily pushed forward.



Site survey at Lesson Dairy

## Aligning with and implementing national strategies

With the country's top priorities in mind, the Bank focuses on services that revolve around the new development paradigm featuring dual circulation. The paradigm, characterized by the reinforcement of domestic and overseas markets, takes the domestic market as mainstay. We strive to improve cross-border, cross-sector, and cross-market financial services by leveraging advantages in the integration of domestic & overseas businesses and on-shore & off-shore businesses.

## Promoting the development of international business

### Improving the layout of overseas institutions

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

### Key Performance

As of the end of the Reporting Period, the total assets of overseas institutions reached RMB **1,262.918** billion

The Bank's international settlement amounted to USD **538.77** billion, an increase of **11.5%** year on year

The financing volume for cross-border trade increased by **1.8%** year on year to RMB **220.49** billion

The cross-border RMB receipts and payment exceeded RMB **1.5** trillion, increased by **26.84%** year on year

### Case Passing the ISO 20022 project testing and improving the quality and efficiency of USD clearing service

New York Branch is one of the 43 member banks of CHIPS (Clearing House Interbank Payment System) and an online member bank of FEDWIRE (Federal Reserve Wire Network). On par with major U.S. banks as to clearing position, it runs full-time USD clearing business.

In 2022, on the basis of ensuring stable and compliant USD clearing business, the New York Branch fully pushed to pass all the tests for the ISO 20022 upgrading of USD clearing system for higher clearing efficiency. Meanwhile, it responded to customer demand in time and established the efficient liaison mechanism. With its staff on standby 24/7 via mobile phone, the New York Branch responded to USD clearing demand of all the overseas branches as soon as possible.



### Serving the Belt and Road Initiative

The Bank is committed to facilitating the "go global" strategy of Chinese enterprises and provides diverse Belt and Road Initiative services. As of the end of the Reporting Period, we have eight overseas institutions established in the countries and regions participating in the Initiative, and conducted cross-border RMB business that reached RMB 66.983 billion in total amount with 48 countries along the Belt and Road. 11 medium- and long-term credit insurance financing projects were also landed in eight countries along the Belt and Road.

#### Key Performance

As of the end of the Reporting Period, overseas branches of BoCom granted a total of USD **21.971** billion loans to support the Belt and Road Initiative

#### Case

### Successfully launching the first foreign currency-to-RMB "Baihuitong" business in support for the Belt and Road Initiative

The aluminum wheel project of Hebei-based CITIC Dicastal Co., Ltd., a wholly-owned subsidiary of a large central state-owned enterprise, is the largest Chinese investment project in Morocco. It is also a major project in the Belt and Road international cooperation between China and Morocco. In 2022, the Hebei Branch provided assistance to CITIC Dicastal in opening an offshore account. It also launched the first foreign currency-to-RMB "Baihuitong" business across the Bank. This move met the corporate needs of cross-border remittance and lower currency exchange cost in multiple countries and regions, and also highlighted BoCom's unique advantage in offshore financial business and our responsibility as a major bank.



CITIC Dicastal Belt and Road cooperation project

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

The Bank has intensified its focus on online and platform-based development of cross-border business. This proactive approach aims to foster the connection of domestic and international markets, facilitate the foreign exchange business of market entities, and create a favorable international business environment.

#### Strengthen the online and platform-based development

- Launch the "Digital Trade Service" online and intelligent trade finance product, continue to enrich the trade service system, and improve the quality and efficiency of financial services.

#### Ramp up technology empowerment

- Streamline the non-stop, contactless and paperless financial service functions of the "Easy" series through a wide range of online cross-border settlement and financing products. Through these efforts, satisfy the business demand of customers who prefer to stay indoors and significantly reduce the time required to handle business items.

#### Innovate in scenario-based financial service solutions

- To address the needs in a variety of scenarios, such as electricity bill collection, shipping logistics, digitalized capital services, and exchange rate management, product series such as "Shipping Manager" "Electricity Bill Manager" "Capital Manager" and "Exchange Rate Manager" are launched.

#### Actively serve the foreign trade of new business forms

- Cooperate with third-party payment institutions to offer capital access. Build a payment collection ecosystem for cross-border e-commerce to solve the challenge of small-sum and frequent export proceeds collection in large batches for small and micro merchants.
- Cooperate with comprehensive foreign trade service platforms and local procurement platforms to build the new bridge for cross-border capital flow through synergy of banking, government and enterprises.

Measures to strengthen the development of cross-border business

#### Case

### Tianjin Branch innovatively launches the "comprehensive financial service platform for cross-border e-commerce"

In September 2022, the Tianjin Branch launched the innovative "comprehensive financial service platform for cross-border e-commerce", marking the first cross-border e-commerce project based on cooperation between banks and domestic payment institutions in Tianjin. The platform provides efficient and convenient financial services for medium, small and micro foreign trade enterprises, enabling digitalized cross-border e-commerce financial services to spread throughout the Beijing-Tianjin-Hebei region and even nationwide.

The service platforms targets the characteristics of cross-border e-commerce business and handles "small-sum, highly frequent, electronic" business information in batches. This means that cross-border e-commerce market players can now enjoy safe, efficient, and convenient cross-border RMB settlement service. Also, embedded with modules such as merchant registration, opponent access, limit control, and anti-money laundering screening, the platform has developed risk control models that fit well with cross-border e-commerce features, facilitating a healthy and orderly development of new business forms and growth models for foreign trade. As of the end of the Reporting Period, the platform registered over 17,000 merchants and its cross-border RMB collection amounted to RMB 1,598 million.



Launch ceremony of the "comprehensive financial service platform for cross-border e-commerce"

### Boosting RMB internationalization

The Cross-border Interbank Payment System (CIPS for short) is one of significant parts of China's financial infrastructure. In the opening of the financial sector and the advancement of RMB internationalization, CIPS is also becoming more important. In 2022, BoCom has picked up its speed and pushed its overseas institutions to join CIPS as direct participant. While constantly refining CIPS functions, we've enhanced customer access to CIPS standard transceivers to ensure the "last mile" of cross-border RMB clearing service was provided.

#### Image transmission

Realize the electronic handling of cross-border RMB business throughout the entire process and improve the support efficiency via online transmission and pre-approval of cross-border remittance notes.

#### Cross-border straight-through service

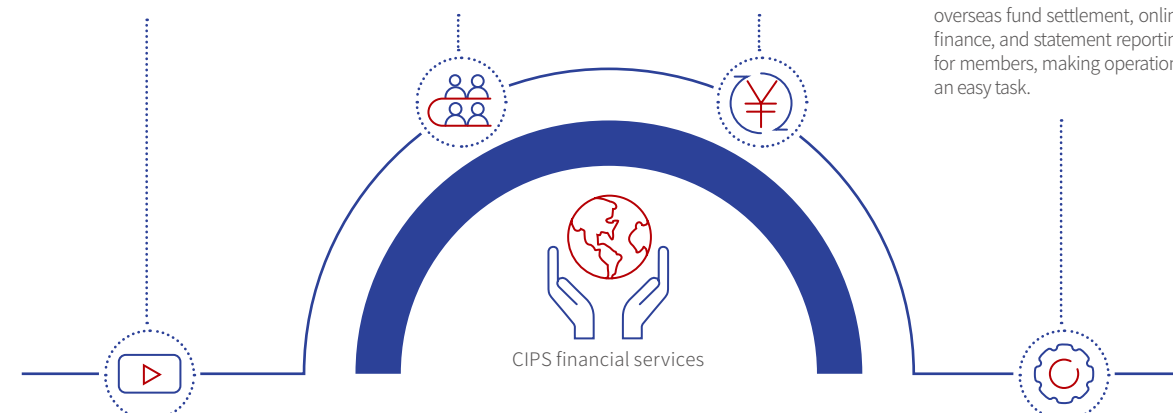
Customize service to meet individualized demand of integrating users' internal system with standard transceiver system (API access is necessary).

#### Cross-border two-way capital pool

Support functions such as centralized collection and payment of foreign exchange, foreign debt collection, and centralized management of overseas loans to facilitate global cash management of users.

#### Financial asset management

Connect standard transceivers directly to the financial asset management system of financial companies to satisfy the demands such as domestic and overseas fund settlement, online finance, and statement reporting for members, making operations an easy task.





In 2022, the BoCom Seoul Branch became the first bank to get access to CIPS standard transceivers in South Korea. To commend Seoul Branch's contribution in achieving full coverage of CIPS indirect participating bank services and the expansion of global RMB clearing network across 15 Korean local banks, the Seoul Branch was granted the "Advancement in RMB Cross-border Interbank Payment Institution Service" award by Cross-Border Interbank Payment System Co., Ltd.



## Facilitating regional economic development

The Bank actively responds to national major strategies revolving around the integrated development of the Yangtze River Delta, development of the Guangdong-Hong Kong-Macao Greater Bay Area, coordinated development of Beijing-Tianjin-Hebei region, and development of Free Trade Zones. Such response is demonstrated by our strong financial support for the rapid economic development of key regions.

As of the end of the Reporting Period, the Bank had 2,849 licensed operating outlets, covering all provincial administrative regions. Specifically, it had 38 provincial branches, 214 branches in provincial jurisdiction, and 2,596 sub-branches. The outlets were distributed in 251 cities at the prefecture-level and above, with a coverage rate of 75%; the outlets covered all cities at the Macao and above in the 12 provinces and municipalities in the key regions including the Beijing-Tianjin-Hebei region, the Yangtze River Delta region and the Greater Bay Area. The Bank had 312 outlets in 187 counties (county-level cities, counties, autonomous counties). It had 120 branches in 21 Free Trade Zones, with a coverage ratio reaching 65%.

### Serving the coordinated development of Beijing-Tianjin-Hebei region

As the Beijing-Tianjin-Hebei region is one of the major engines for Chinese economic development, the Bank has set up a leading group for the coordinated development in Beijing-Tianjin-Hebei and business development in Xiong'an New Area. The President of the Bank serves as the group leader, and the Vice President serves as the deputy group leader. The leading group aims to coordinate and advance financial services for relieving Beijing of non-capital essential functions, support the development of the Xiong'an New Area, and continue to enhance the coordinated development of Beijing-Tianjin-Hebei region.

**Case**

#### Boosting e-CNY consumption in Xiong'an New Area with FinTech

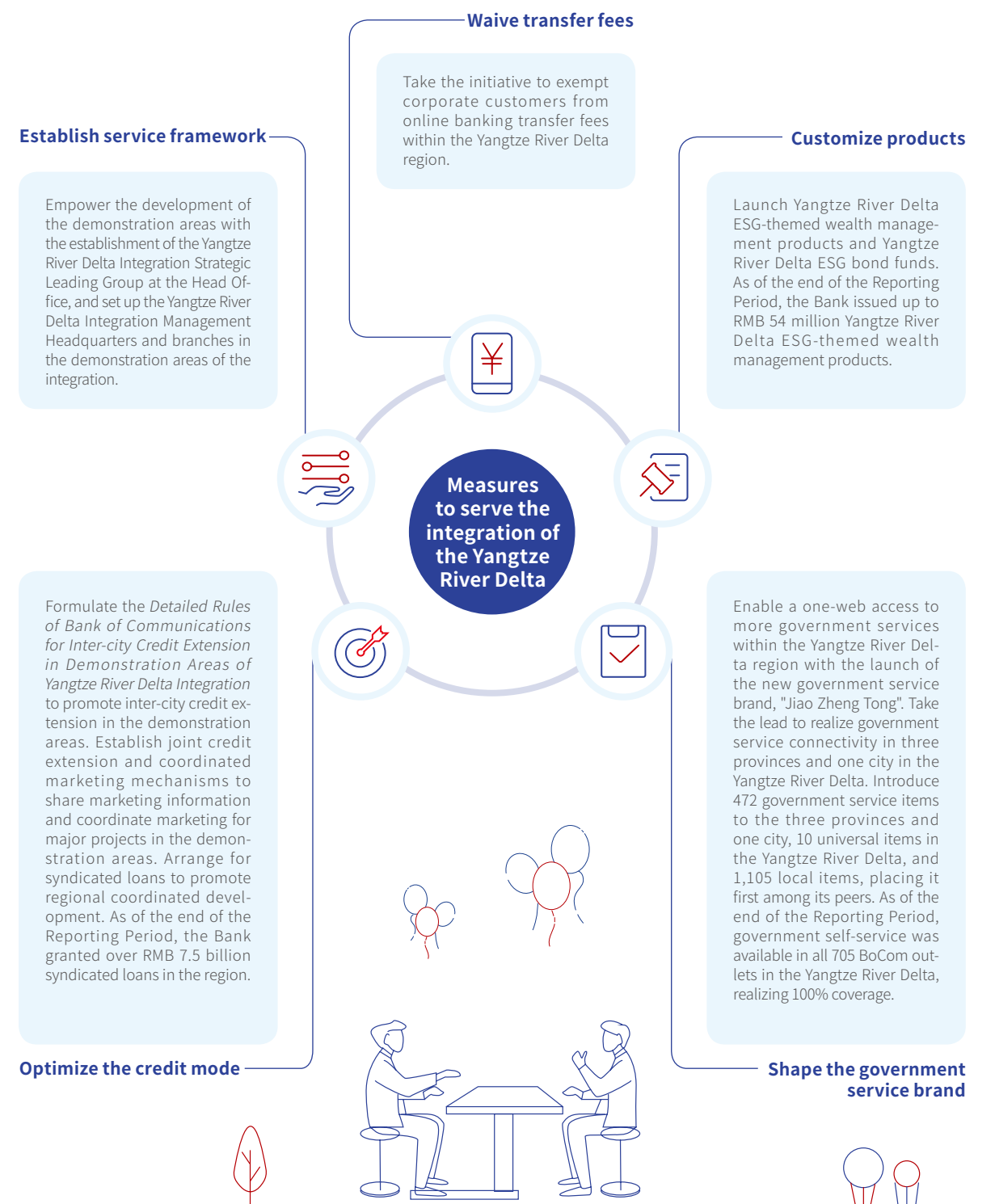
In September 2022, the Xiong'an New Consumer app customized by BoCom for the government of Xiong'an New Area was launched. As China's first and only app supporting payment to e-CNY merchants of any bank with e-CNY wallet of any bank where financial subsidies were automatically deducted, it is also the official platform to issue and verify subsidies for boosting consumption with e-CNY. The first batch of financial subsidies, nearing RMB 40 million in amount, was distributed via the four consumption scenarios of furniture, household appliances, catering, and supermarkets. The app has helped to push the consumption growth in Xiong'an New Area, drive the livelihood economy, and benefit local residents.



An employee of Hebei Xiong'an Branch introduced the Xiong'an New Consumer app to a citizen

## Empowering the integration of the Yangtze River Delta

As the only central state-owned financial enterprise headquartered in the Yangtze River Delta, we have adhered to the ideals of "integration" and "high quality". With Yangtze River Delta as the innovative source and test site, we aim to empower the integrated development of the Yangtze River Delta.





**Case** Building up "Jiao Zheng Tong" to enable the Yangtze River Delta region to access more government services via a single website

In 2022, the Wuxi Branch joined hands with the Administrative Examination and Approval Bureau of Wuxi to land the "Jiao Zheng Tong" inter-provincial government services. The joint efforts enabled the Yangtze River Delta region to have a one-web access to more government services. As of the end of the Reporting Period, the Wuxi Branch launched 992 items of local government services in the city, ranging from human resources and social security, medical insurance, to provident fund. Users could finish handling, inquiry, and printing of multiple types of business with just one device. This has enabled people to enjoy the convenience of "finance + life + government service" all-in-one. Meanwhile, the Wuxi Branch launched government services in each administrative region in Wuxi, Jiangsu Province, as well as Shanghai, Zhejiang, and Anhui. We became the first bank in Wuxi to expand government services from prefectural level cities to Yangtze River Delta regions.



Putting the "Jiao Zheng Tong" demonstration site for government services in the Yangtze River Delta into use

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

The Guangdong-Hong Kong-Macao Greater Bay Area is one of the most open, economically dynamic, and innovative regions in China. The Bank proactively seizes the market and policy opportunities, capitalizes on its advantage in integrated financial services, and formulates the *Opinions on Continuing to Deepen the Services for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (2022 Version)* to further provide quality financial services.

**Case** BoCom launches the financial service brand "BOCOM BAYPAL" for the Guangdong-Hong Kong-Macao Greater Bay Area

In August 2022, the Bank simultaneously launched "BOCOM BAYPAL", a financial service brand for the Guangdong-Hong Kong-Macao Greater Bay Area, in Guangzhou, Shenzhen, Hong Kong, and Macao. As the Bank's first financial service brand in national major economic zones, the brand marked a new chapter for the Bank to serve the Greater Bay Area.

"BOCOM BAYPAL" is a fruitful result of the integration and development of BoCom, securities, funds, investment banks, and wealth management institutions in the field of cross-border business. It serves to facilitate the flow of funds in the "Southbound Trading" and "Northbound Trading" capital flow, and promotes the interconnectedness of the financial market in the Greater Bay Area. With financial, technological, and industrial advantages, it provides all-round financial support for domestic enterprises going global and foreign companies coming into China. It also meets the lifecycle operation needs of enterprises, and contributes to investment facilitation in the Greater Bay Area. Focusing on themes of wealth management and consumption for residents in the Greater Bay Area, it caters to people's pursuit of a better life and satisfies the needs of building a quality life circle.

**Actively participating in the development of Free Trade Zones**

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

**Hainan Free Trade Port**



- Issue the *Cross-border Financial Service Solution for Hainan Free Trade Port* tailored to the policies and industrial features of the Free Trade Port to customize six featured cross-border financial services, including digitalized trade finance, integrated foreign investment service, exclusive service for exchange rate and interest rate risk management, global cash management, offshore financial service, and innovative financial service for Hainan Free Trade Port.
- Realize the joint contribution of "government - business - consumer" in seven major e-CNY application scenarios - duty-free shopping, smart campus, smart scenic spot, and welfare subsidy. As of the end of the Reporting Period, the Bank implemented 10,154 scenarios in 16 categories, including duty-free shopping, tourist attractions, and smart campus. Actively promote the application of e-CNY in government services and people's livelihood. Multiple "first of the kind" financial transactions, such as China's first e-CNY allocation of financial funds, China's first e-CNY issuance of job stabilization subsidy, Hainan's first e-CNY subsidy for new energy vehicles, and Hainan's first corporate and individual e-CNY tax refund have implemented, and thus promoting the full-cycle circulation and application of e-CNY in tax closed-loop scenarios and facilitating the building of e-CNY government service ecosystem.

**China (Guangxi) Pilot Free Trade Zone**

- Actively serve the build-up of a new development paradigm with the launch of a ASEAN-oriented cross-border financial service brand. Stimulate foreign investment with capital brought to Guangxi, landing Guangxi's first QFLP fund business valued at USD 3.16 million. Win the bid for the Guangxi regional cooperation project of Asian Development Bank, becoming the first correspondent bank for the EUR 84 million loans to support local economic growth and social sustainability. To provide convenience for enterprises in corporate cross-border financing, carry out the "23-point financial policy measures" and manage Guangxi's first facilitation business of "one foreign debt account co-used by multiple foreign debts", totaling USD 74 million. Push forth capital account facilitation and land the "Capital Manager" business, boasting the largest business share in Guangxi.

**China (Yunnan) Pilot Free Trade Zone**

**China (Jiangsu) Pilot Free Trade Zone**

- Advance trials to facilitate foreign exchange settlement for quality trade companies and implement the first foreign exchange settlement facilitation business for trade.
- Customize the integrated service solution of NRA account + forward exchange settlement + structured deposit + RMB/foreign currency loan portfolio to provide customers with one-stop, integrated, and all-round financial services.

**China (Fujian) Pilot Free Trade Zone**

**China (Hebei) Pilot Free Trade Zone**

- Complete the initial launch of corporate-version CIPS standard transceivers in the market, enabling direct and streamlined processing of cross-border RMB of foreign trade enterprises via CIPS.
- Boost the long-term economic development of Xiong'an New Area as a "builder" with the Xiong'an New Area Reform and Development Bureau strategic cooperation agreement signed, integrating various resources.
- Provide foreign trade enterprises with multiple financial services, such as cross-border investment and financing, trade financing, and cross-border settlement.

Measures to support the development of Free Trade Zones

## Improving the quality and efficiency simultaneously and practicing inclusive finance

The Bank, fully committed to rural vitalization, puts the concept of inclusive finance into real practice and takes targeted measures to help MSEs. To offer greater financial support for key sectors and weak areas, we also expand the scale, increase the amount, improve the quality, and reduce costs for inclusive finance.

### Facilitating the rural vitalization

National rejuvenation necessitates a thriving countryside, and finance comes before rural vitalization. With financial support granted to rural key sectors and weak areas, we've improved the coverage and depth of rural inclusive finance. Such efforts can better cater to the diversified and multi-level financial demand of rural vitalization and accelerate the course.

#### Financial services for rural vitalization

Closely following the market demand, the Bank actively explores the scenarios and patterns of serving the rural vitalization. As we steer channels, services, and funds into lower-tier market, we've established a differentiated and featured path of financially serving the rural vitalization. Multiple measures have also been put in place to bring financial support to countryside, ensuring that the "last mile" of financial services for rural vitalization has been provided.

#### Financial service mechanism for rural vitalization

##### Party Committee leadership

Fulfill our political and social responsibilities with service for rural vitalization prioritized as "project No.1". Set up a leading group for rural vitalization, with the Chairman and the President serving as group leaders, the Party Committee members as deputy group leaders, and the Head Office departments as group members.

##### Policy guidance

Issue the *2022 Action Plan of BoCom for Financial Services for Rural Vitalization*, the *Opinions on Further Enhancing Inclusive Finance and Improving Services for Rural Vitalization in 2022*, and the *Action Plan of BoCom for Financial Services for County-level Development* to further refine the build-up of the financial mechanisms related to agriculture, rural areas, and rural residents.

##### Resource support

Offer rural vitalization business related preferential policies in economic capital allocation, internal funds transfer pricing, staffing, cost arrangement, special competition, credit extension process, approval authority, and research and development of products. Enhance assessment and incentives to constantly optimize the supply of financial services for rural vitalization.

##### Case

#### Setting up the Group's first rural vitalization charity trust

In 2022, the "Bank of Communications International Trust · Shanghai Yuanxing Rural Vitalization Public Charity Trust" and "Bank of Communications International Trust · Ruihe Hefeng Rural Vitalization Charity Trust" was founded by the Bank of Communications International Trust. The former, through charity trust, introduced RMB 100,000 in social capital to support the student aid project of public education institutions for rural vitalization in Tianzhu Tibetan Autonomous County, Gansu. It was also the first rural vitalization charity trust in the Group. The latter provided RMB 260,000 in corporate donation to the charity project of environmental improvement for rural vitalization in Tangjiapu Village, Rongmei Town, Hefeng County in Hubei Province.

The integration of charity trust, facilitating the high-quality development of rural vitalization and philanthropy, is crucial to aspects like safe use of capital and tracking of project effects. Based on this breakthrough, charity trust will play a bigger role in rural vitalization, mobilize more social forces and resources, and support related work more extensively.



BoCom director Zhang Xiangdong conducting a field study at a kiwi fruit industrial park in Liupan Mountain, Guizhou

Establish the "BoCom Yi Nong Tong" 4-3-3 service matrix to serve rural vitalization by leveraging comprehensive licensing advantage and the power of FinTech. Construct the four modules of credit financing, financial market and investment banking, payment and settlement, and policy consulting to serve frontrunners in agricultural industrialization, agriculture-related micro-, small- and medium-sized enterprises, and the broad agricultural-related individual customers. Offer three standardized and customized online product lines according to scenarios that integrate primary, secondary, and tertiary industries. Empower the entire service matrix with the power of FinTech.

##### Brand building

Develop the three sectors of agricultural and rural infrastructure construction, facilities agriculture, and straight-through credit featuring BoCom characteristics. Send dedicated teams to follow major agricultural and rural infrastructure projects, offer policy support, and increase credit input. Work with the Ministry of Agriculture and Rural Affairs to study and compile the *Report on Investment Analysis for Facilities Agriculture*, thereby guiding and driving social capital to support the development of facilities agriculture. Actively participate in local-version straight-through activities and straight-through activities in rural areas by allocating resources to benefit and assist farmers.

##### Build-up of characteristics

##### Deeper cooperation

Issue the *Notice on Further Implementing the Strategic Cooperation Agreement between BoCom and the Ministry of Agriculture and Rural Affairs and the National Rural Revitalization Administration* to offer greater financial support toward key sectors covering food security, rural industries, rural infrastructure, credit system, as well as consolidation and expansion in poverty alleviation achievements.

##### Channel building

##### Digital empowerment

Build the "BoCom Agriculture Development e-Loan" online product system and "integratable, scalable, replicable" credit system via digital means for new agricultural business types and empower rural vitalization.

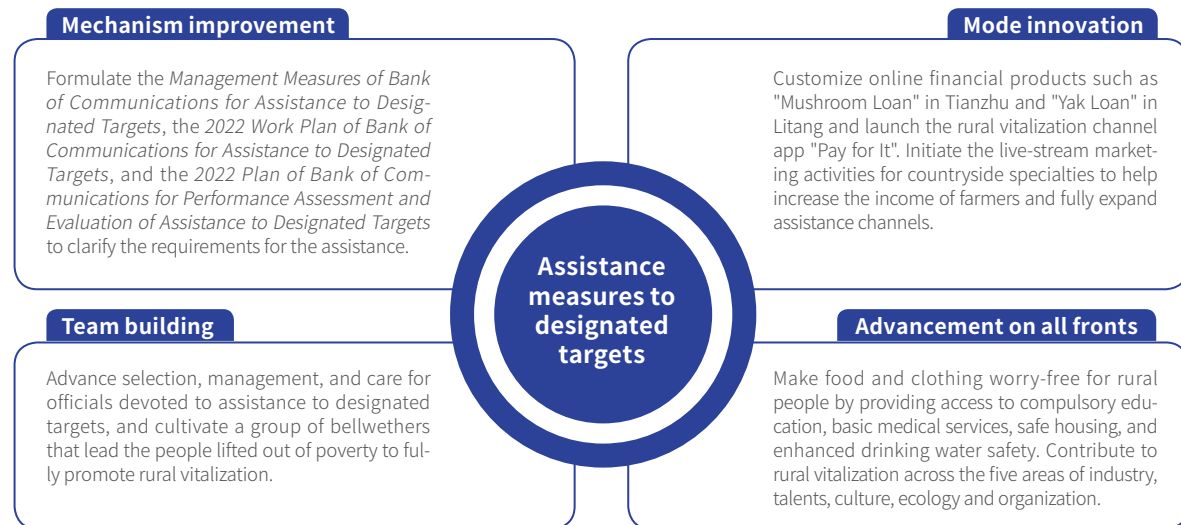
##### More trainings

Organize 14 online and offline training sessions and lectures on rural vitalization, covering 18,000 people in and out of the Bank, among which 3,783 people belong to paired counties for assistance.



### Invigorating long-term assistance

The Bank, focusing on building a beautiful and harmonious countryside, actively leverages its financial advantage to improve the living and production conditions in areas lifted out of poverty. Meanwhile, with enhanced assistance to designated targets and increased income of people lifted out of poverty, we provide excellent financial services that connect poverty alleviation with rural vitalization.



### Key Performance

During the Reporting Period, the Bank invested RMB **25** million of assistance funds to paired counties assisted by the Head Office

Invested RMB **222.98** million of financial assistance funds, an increase of **500.95%**

Introduced RMB **8.66** million of assistance funds, an increase of **6.87%**

Realized RMB **32.0155** million of assistance through consumption, an increase of **12.33%**

Trained **3,783** people in designated counties for assistance, an increase of **23.02%**

Bought RMB **10.5525** million in agricultural products

Assisted in selling RMB **21.463** million of agricultural products

**Case** Taking multiple measures to open a new chapter in assistance and development

- Litang County, Sichuan Province**  
With RMB 2.3 million invested to implement the drinking water safety project on campus, we equipped 149 administrative villages with mobile medical kits and organized trainings for village doctors via the "Angel Project - Ability Improvement for Village Doctors" project.
- Hunyuan County, Shanxi Province**  
The Bank has facilitated the Affiliated Hospital of Inner Mongolia Medical University and Nanjing Hospital of Traditional Chinese Medicine to pair up with Hunyuan County People's Hospital and Hunyuan County Hospital of Traditional Chinese Medicine to explore greater assistance in medical software.
- Tianzhu County, Gansu Province**  
With RMB 7.5 million invested to build 52 intelligent greenhouses for pleurotus geesteranus, we increased the per capita income by RMB 6,500 and effectively promoted the development of collective economy.

### Supporting MSEs

MSEs are fundamental to national economic and social development. BoCom has prioritized inclusive finance as a Bank-wide strategy and established an all-around inclusive service system to provide more targeted services for MSEs. As issues of difficult and costly financing get solved via the system, we're able to build up the core competitiveness in inclusive finance.

Measure	Content	Result (as of the end of the Reporting Period)
Providing greater financial support in key sectors	<ul style="list-style-type: none"> <li>Offer greater support for strategic emerging industries revolving around livelihood and consumption, manufacturing, new energy, and new infrastructure construction, as well as key development areas in the 14th Five-Year Plan period. Fully utilize the various internal and external data and guarantee of guarantor companies/government risk compensation resources to provide technology MSEs with customized products and innovative services. Rely on technology empowerment for greater credit loans for MSEs and better services for first-time borrowers.</li> </ul>	Industrial chain inclusive loans granted to MSEs grew by 88.35% over the year. The proportion of credit loans to MSEs increased by 4.5 percentage points over the year. The proportion of loans granted to manufacturing MSEs grew by 1.97% over the year.
Improving the product system	<ul style="list-style-type: none"> <li>Enrich and enhance the "basic + characteristic, online + offline, inclusive + rural, individual + legal person" multi-dimensional product system which covers the five categories of inclusive basic financing products, inclusive offline characteristic products, "Inclusive e-Loan" online financing products, inclusive industrial chain financing products, and rural vitalization financing products.</li> </ul>	Shape the dual-wheel drive of on-line standard products supporting wider coverage and higher amount and scenario-customized products building characteristics in key fields.
Enhancing team building	<ul style="list-style-type: none"> <li>Carry out the integrated development requirements of customer managers, authorize customer managers of all business lines to handle inclusive business, and encourage the use of system tools in integrated application. Refine assessment methods for key indicator such as inclusive business coverage of customer managers, business volume, etc. Offer trainings on inclusive business and strengthen certification management to ensure that inclusive business practitioners are certified, enabling the entire staff to participate in inclusive business.</li> </ul>	24,442 bank employees received qualification for small and micro business posts, and 46,764 employees received qualification for simple small and micro business. 71% of customer managers of the Bank receive qualification for inclusive business.
Expanding service channels	<ul style="list-style-type: none"> <li>Enhance building of outlet channels. Integrate offline inclusive business into outlets, maintain basic full coverage of inclusive loans in branches, and steadily improve the coverage of customer managers' inclusive loans. Enable customer service managers to cooperate with inclusive business and promote outlets to provide inclusive financial services on a continuing basis.</li> <li>Strengthen building of online channels. Leveraging various types of online channels such as mobile banking, online banking, centralized outbound calls, and mini programs to expand customer service touchpoints and improve the service capabilities of inclusive online business.</li> <li>Intensify building of external cooperation channels. Based on the bank-guarantor traditional business cooperation, actively support branches to expand cooperation coverage with national guarantee, agricultural guarantee, political guarantee and other major guarantee institutions. Guide branches to wisely use bank-guarantor "headquarter-to-headquarter" batch guarantee dividends, and actively optimize the application of "Inclusive e-Loan" solutions. In August 2022, BoCom and National Center for Public Credit Information signed the strategic cooperation agreement that solidified deeper cooperation for the next step.</li> </ul>	2,771 outlets across the Bank are available to provide financing service for MSEs.
Continuing to reduce fees to make interest concessions	<ul style="list-style-type: none"> <li>Continue to exempt self-employed as well as small and micro merchants from business service fees. Advance marketing activities for small and medium merchants such as "Prosperity Program" and "Happy Weekend" to energize their business.</li> <li>Provide MSEs with preferential policies such as waived annual fees for debit cards, waived mobile banking transfer fees, and waived service charges for inner- and inter-city, and inter-bank cash withdrawal.</li> </ul>	The Bank provided RMB 246 million in fee subsidies to self-employed as well as small and micro merchants, waived and reduced RMB 1.61 billion annual fees for individual customers, and waived and reduced RMB 2.204 billion bank card service charges and fees.

Measures to establish an all-round inclusive service system




## Improving people's well-being

The foundation of a happy life and a harmonious society is the well-being of its people. Adhering to a "people-centered" philosophy, the Bank leverages the advantage in integrated business and prioritizes support for two critical groups: the elderly and new urban residents. As offer more targeted support, we bring convenient financial services with enhanced access to the elderly and new urban residents, thereby fulfilling the aspiration for a better life for the people.


### Developing wealth finance

With ongoing efforts to build the characteristic "wealth finance" business, the Bank taps into its advantage in wealth management products, services, and brands. By doing so, we provide customers with multi-layered and individualized wealth management services. This can ultimately help realize people's aspiration for a better life and contribute to common prosperity.



#### Products

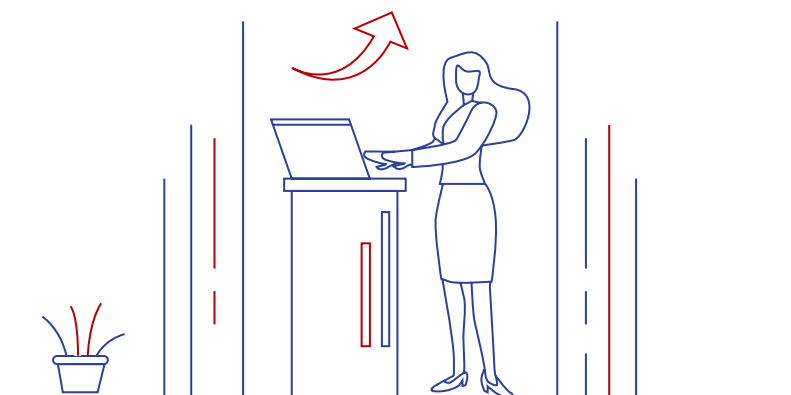
- Integrate quantitative indicators and expert experience to build up the "Wo De Selective" product system covering wealth management, fund, insurance, noble metal, etc.
- Enrich the product shelf, especially products compatible with the risk tolerance and risk appetite of mid- and low-income customers.



#### Channels and services

- Provide more intelligent, accurate, and efficient delivery service to customers by applying the marketing middle office more extensively.
- With online open wealth platform and in collaboration with fund companies, wealth management companies, and insurance companies totaling 53 partners, provide customers with services containing investment information, market insights, product interpretation, and investment education articles, etc. As the first batch to receive qualification to sell pension funds, and offer preferential fund subscription rate via mobile banking for seven consecutive years.

Measures to develop wealth finance



BoCom builds up the "Wo De Selective" product system

### Key Performance

As of the end of the Reporting Period, the Bank newly launched another **745** inclusive low-threshold products

accounting for **95%** of newly launched products throughout the year

Specifically, "Huo Qi Ying" product served **630,000** customers

### Boosting elderly care finance

Elderly care is under the spotlight of public concern and an important area of financial institution services. BoCom offers professional, inclusive, and steady elderly care services to the public.

#### Pension finance

- Improve the three-pillar pension product system and refine the layout of elderly care finance.
- Continue to enhance custodian/account management services for National Social Security Fund, basic endowment insurance fund, and enterprise (occupational) annuity.
- Among the first batch to receive qualification for private pension business and officially launch the private pension business.

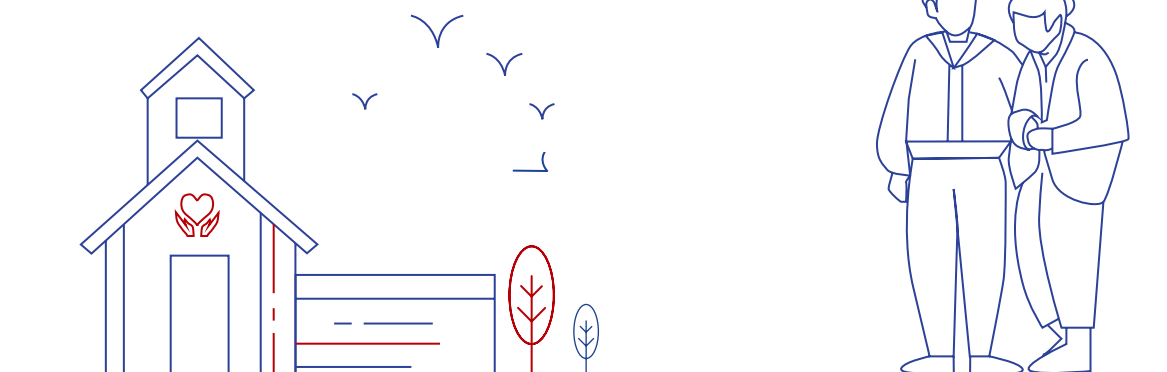
#### Pension industry finance

- Develop credit products exclusively for the pension industry, such as "Elderly Benefit Loan" and "Elderly Assistance Loan". Construct a financial business system for the pension industry.
- Support the development of micro-, small- and medium-sized elderly care providers, come up with innovative characteristic services for the elderly, and develop "fund regulation for the benefit of the elderly" and "financial lease for the benefit of the elderly" products and services.
- Actively carry out national policies to advance the inclusive elderly care re-lending business.

#### Elderly service finance

- Rely on business qualifications covering all three pillars of endowment insurance system (basic endowment insurance, annuity, and private pension) to provide all-round wealth management services for elderly care.
- Adhere to the "finance + service" concept, focus on individual or household demand in elderly care scenarios, such as wealth management, assets safety, elderly care support, and health and medical care, and offer one-stop elderly care financial services.

Measures of elderly care finance



### Key Performance

During the Reporting Period,

the Bank received qualification for pilot elderly care wealth management programs and assets under management of target pension fund ranking first in the industry

The number of credit customers for elderly services grew by **176%** over the end of 2021

Mobile banking and the "Pay for It" app were upgraded to be elderly-friendly, cumulatively serving over **910,000** elderly customers

The number of elderly care customers reached **54.875** million



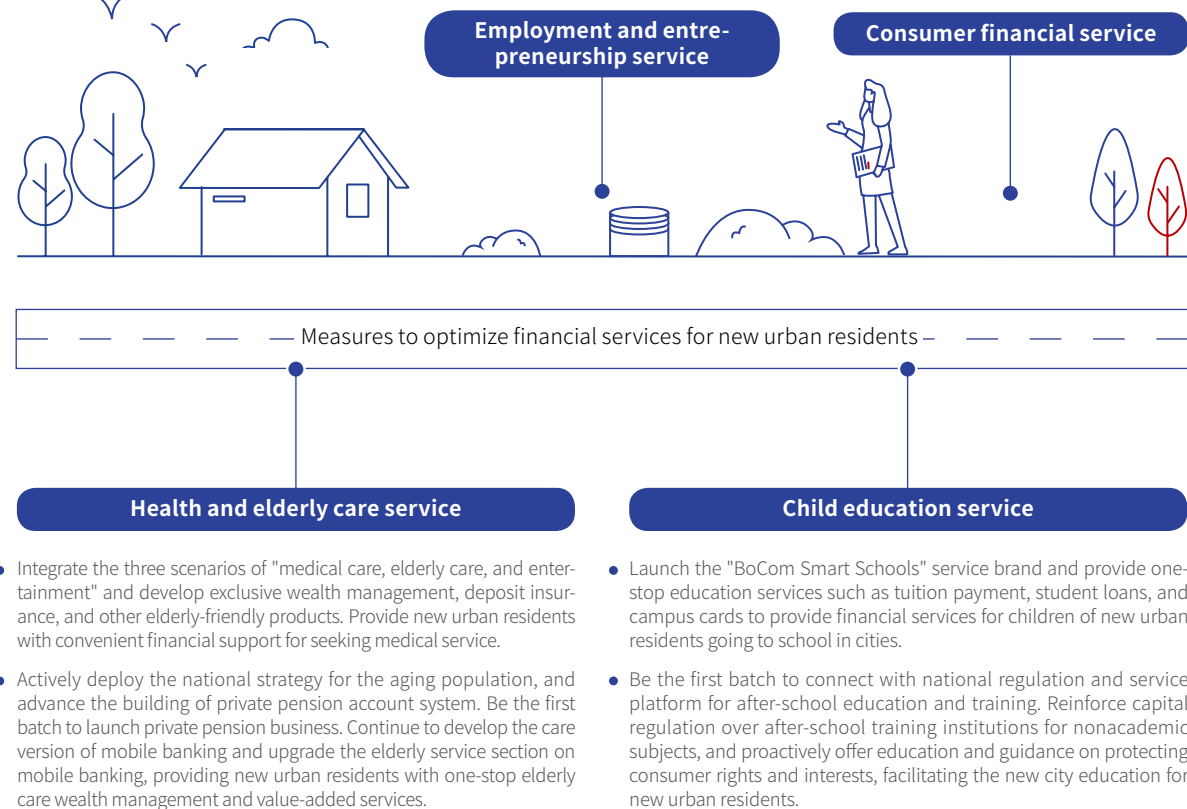
## Providing considerate services for new urban residents

To meet the "financial + non-financial" service demand of new urban residents in start-ups, employment, housing, education, medical care, and elderly care, the Bank has issued the *Action Plan of Bank of Communications for Enhancing Financial Services for New urban residents*, the *Ten Measures of Bank of Communications to Serve New urban residents*, and the *Action Plan of Bank of Communications Credit Card Center for Providing Financial Services for New urban residents*. With warmer financial services covering a wider range, we aim to give new urban residents a stronger sense of gain, happiness, and security.

### Key Performance

As of the end of the Reporting Period, the balance of personal consumer loans amounted to RMB **84.893** billion, an increase of **58.38%**

- Optimize accounts for mobile employees, provide "Project Manager" service, and practice salary account management for migrant workers to protect their legitimate rights and interests.
- Issue a new citizen themed debit card, adopt four types of card designs according to customer groups, and provide exclusive benefits such as travel and supermarket coupons to meet the daily demands of customers.
- Customize exclusive loans for mass entrepreneurship and innovation to support the entrepreneurship and employment of key groups, such as college graduates, veterans, and migrant workers returning home for start-ups.
- Explore micro and small first-time borrowers and grant more credit loans. Respond to policies on startup guarantee loans in local areas. Resort to digital means to improve the efficiency and experience of start-up financing services for new urban residents.
- Provide, at maximum, 20% discount on acquiring fees for businesses that give more jobs to new urban residents, such as catering, department stores, and hotel merchants. Reduce or waive "Pay for It" QR code charge for quality catering merchants with preferential policies. As of the end of the Reporting Period, a total of 26 catering merchant brands of the kind applied for reduction or exemption of "Pay for It" QR code charge, with nearly RMB 120,000 being reduced or exempted cumulatively.
- Develop policies revolving around mortgage loans for first-time home buying of new urban residents, meet first-time and upgrading home buying demand, and differentiate ways of repayment to offer greater credit support for home-buying new urban residents.
- Step up financial support for the development and supply of rental housing, and provide convenient rental financial service solutions for new urban residents. Actively support the development of public and government-subsidized rental housing, as well as urban renewal construction projects that include the renovation of old urban residential communities. Provide new urban residents with more sources of quality rental housing.
- Provide products such as "Benefit-for-People Loan" "Credit Pay", and credit card installment to meet the daily consumer demand of new urban residents, including rent payment, utility bill payment, daily life and entertainment, and car purchase and decoration etc.



### Case Issuing the Financial Service Solutions for New urban residents to cater to new urban residents' demand on all fronts

On July 27, 2022, at the 2<sup>nd</sup> China International Consumer Products Expo, the Bank held the forum themed "New Consumption · New Finance · New Urban Residents --- Resident Consumption Trend". It released the *Financial Service Solutions for New Urban Residents* to the forum attendees and online audience. Over ten measures were launched to meet the "financial + non-financial" service demands of new urban residents that just arrive to a new city. The services range from employment and entrepreneurship, daily consumption, health and medical care, education and training, housing, to wealth protection.



Related head of BoCom introduces the *Financial Service Solutions for New urban residents*

### Case BoCom issuing the new urban residents themed debit cards

In October 2022, the Bank issued the new urban residents themed debit cards nationwide to provide more convenient and accessible financial products and services. On November 18, with the theme of "service for new urban residents all the way forward", the Shanghai Branch successfully held the spiritual civilization building activities and launch ceremony of new citizen themed debit cards in Shanghai.

The newly issued debit cards, based on UnionPay Unbounded Card, launched in four versions of city builders, entrepreneurs, workplace elites, and the elderly according to different characteristics of new urban residents. In addition to basic benefits of UnionPay Unbounded Card, cardholders also enjoy exclusive benefits. From reduction and exemption of annual fee, card issuing fee, mobile banking transfer fee, and inner- and inter-city, and inter-bank cash withdrawal charge to travel discounts, the debit cards also support various local featured benefits. In Shanghai, for instance, cardholders can enjoy a travel discount of up RMB 120 and can join a lottery draw for gifts every month.



New urban residents themed debit cards of BoCom

# Environment

## Pursue Green Development to Realize Finance for Good

### Responding to the trend of sustainable development

As climate change is increasingly concerned by the world, cutting greenhouse gas emissions and achieving carbon neutrality have been an irresistible trend. To deliver on the "carbon peak and carbon neutrality" goals, China needs to act in both economic and social areas to make a change. In 2022, BoCom thoroughly implemented the new development philosophy to promote the realization of the "double carbon" goals, and efficiently contribute to the green transformation of both economy and society in all aspects.

### Our actions

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

The balance of green loans by the standard of the PBOC totaled

RMB **635.432** billion, representing a year-on-year increase of RMB **158.669** billion, or **33.28%**

Specifically, the loan balance for the clean energy industry amounted to

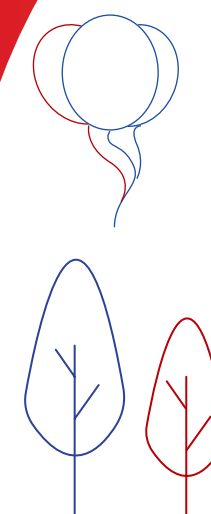
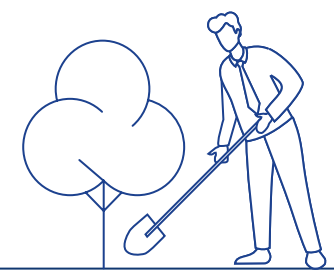
RMB **139.034** billion, representing a year-on-year increase of RMB **51.423** billion, or **58.69%**, a rate higher than those of other types of loans in the same period

The E-banking business share was **97.96%**



Aligning with SDGs

<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
<p><b>13</b> CLIMATE ACTION</p>	<p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>		





## Green finance to empower green transformation

BoCom has been actively fulfilling its responsibility as a large state-owned commercial bank. As determined in the *Outline of the Development Plan of Bank of Communications Co., Ltd. for the 14th Five-Year Plan Period (2021-2025) (Revised in 2022)*, "green" serves as the defining feature of the Group's operations. To resolutely carry out the major decisions and plans of the CPC Central Committee on ecological civilization construction, we've seized important development opportunities, strengthened top-level design, and shored up real economy in key areas and geographical regions through green finance. Our aim is to offer stronger financial support for the building of a beautiful China, boost green development, and promote the harmony between humans and nature. During the Reporting Period, the Bank was awarded "Advanced Organization in Green Bank Evaluation".

### Addressing climate change

The Bank has actively taken measures to identify and respond to financial risks caused by climate change. Climate and environmental risks has been officially incorporated into the comprehensive risk management system. To serve the national strategy of "carbon peak and carbon neutrality", we've continued to follow the "One plus N" policy system. The Bank is also a supporting institution for Task Force on Climate-Related Financial Disclosures (TCFD).

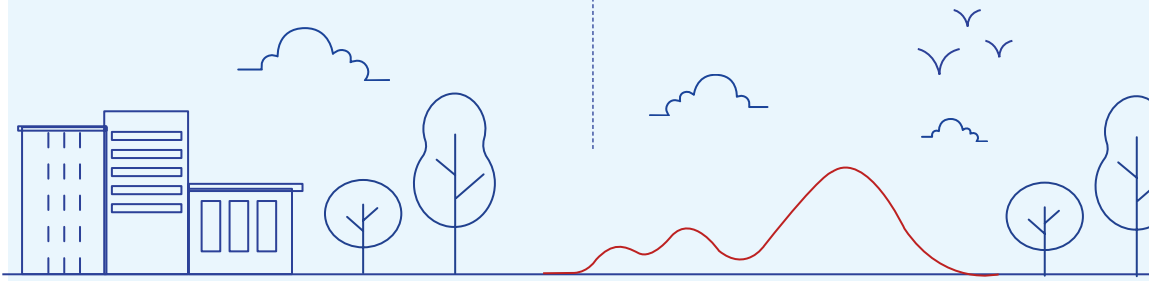
<b>Governance</b>	<ul style="list-style-type: none"> <li>Strengthen the top-level design, establish the Green Finance Development Committee to coordinate the efforts in planning and advancing green finance across the Group; set up the Decarbonization Working Group under the committee, establish and perfect the climate and environmental risk management system, and work to promote carbon peak and carbon neutrality at asset portfolio and operation levels.</li> </ul>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>Revise the <i>Outline of the Development Plan of Bank of Communications Co., Ltd. for the 14th Five-Year Plan Period (2021-2025)</i> to further establish that green serves as the defining feature of the Group's operations.</li> <li>Advance the implementation of the <i>Plan of Bank of Communications Co., Ltd. for Risk Management during the 14th Five-Year Plan Period (2021-2025)</i> to step up climate and environmental risk management.</li> <li>Issue the <i>Action Plan of Bank of Communications for Carbon Peak and Carbon Neutrality Goals</i> to promote carbon peak and carbon neutrality in operations as well as investment and financing activities.</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>Continue to incorporate climate and environmental risks into its comprehensive risk management system and climate risk related indicators into risk appetite management; get regular insights on climate risk management across the Bank through the Comprehensive Risk Management and Internal Control Committee.</li> <li>Tighten requirements on climate and environmental risk management in the programmatic documents on risk management and credit granting policies; eliminate loans granted to seemingly green projects that are actually high energy-consumption and high-emission and are inconsistent with central government policies.</li> <li>Strengthen the quantitative analysis of climate and environmental risks, increase the number of industries with high carbon emissions subject from 3 in the previous year to 8, intensify management on the list of key customers based on relevant results, promote risk screening, and propose recommendations on risk control.</li> <li>Set rating indicators for climate and environmental risks in the risk assessment plan, assess green credit inspection and rectification efforts as part of internal control, hold mobilization meetings to publicize the strategy about carbon peak and carbon neutrality, organize climate and environmental risk management training sessions, and urge all operating units to practice the concept of low-carbon development.</li> </ul>
<b>Indicators and targets</b>	<ul style="list-style-type: none"> <li>Formulate operational carbon peak and carbon neutrality objectives, and conduct carbon inventory surveys and data analysis.</li> <li>Specify the stage targets of carbon peak and carbon neutrality for 2025, 2030, and 2060. By the end of the 14th Five-Year Plan period, the total balance of green loans should reach at least 800 billion yuan, and efforts should be made to reach 1 trillion yuan.</li> <li>Expand the data collection scope on carbon emissions by customers in both investment and financing activities; conduct carbon data surveys targeting customers in eight industries covering high carbon emissions, including power, iron &amp; steel, building materials, nonferrous metals, aviation, petrochemical, chemical, and paper making.</li> <li>Reinforce the carbon emission reduction calculation for items related to the PBOC's Carbon-reduction Supporting Tool.</li> </ul>

Main measures taken by the Bank to manage climate and environmental risks

Identify major climate change related risks facing commercial banks			
Risk type	Risk description	Impact of climate change	Scope of impact
Credit risk	<ul style="list-style-type: none"> <li>Loss caused to the Bank due to failure of fulfilling obligations as agreed by borrowers or counterparties.</li> </ul>	<ul style="list-style-type: none"> <li>Borrowers may experience a decline in their ability to earn profits, depreciation of assets, or a decrease in the value of their collateral due to natural disasters or climate change.</li> <li>Borrowers' failure to meet changes in laws, regulations, policies or technologies affects their ability to sustain operation.</li> </ul>	Medium and long term
Market risk	<ul style="list-style-type: none"> <li>Loss caused to the Bank's on- and off-balance-sheet activities due to adverse changes in market prices (Interest rate, exchange rate, stock prices and commodity prices).</li> </ul>	<ul style="list-style-type: none"> <li>Abnormal changes in asset valuation triggered by climate disasters or quick transformation of the market in a short period</li> </ul>	Medium and long term
Liquidity risk	<ul style="list-style-type: none"> <li>Failure to obtain adequate funds at a reasonable cost makes it difficult for the Bank to repay mature debts, fulfill other payment obligations, or secure funds for normal operations.</li> </ul>	<ul style="list-style-type: none"> <li>Physical risk and transformation risk impact the balance sheets of financial institutions with more carbon intensive assets;</li> <li>The securities issued by the banks with poor response to climate risks may be cold-shouldered by the market, making it difficult to raise funds.</li> </ul>	Medium and long term
Operational risk	<ul style="list-style-type: none"> <li>Loss caused to the Bank due to incomplete or defective internal procedures, employees, IT systems or external events, including legal risk and excluding strategic risk and reputational risk.</li> </ul>	<ul style="list-style-type: none"> <li>Natural disasters or climate changes may directly cause damage to the offices, outlets and data centers of financial institutions, and may directly affect the normal operation of important financial infrastructures of the industry, thereby interrupting the operations of commercial banks.</li> </ul>	Medium and long term
Reputational risk	<ul style="list-style-type: none"> <li>Negative comments from stakeholders, the social public and media on the Bank due to institution behaviors, employee behaviors or external events may impact the value of the Bank's brand, hamper normal operation, and even affect market and social stability.</li> </ul>	<ul style="list-style-type: none"> <li>Direct or indirect actions that exacerbate climate change or failure to take effective measures to address and assist customers in coping with climate change by financial institutions may put the Bank under negative external comments, damage their reputation, and end up affecting their operations and market cap management.</li> </ul>	Short, medium and long term

#### Outlook on opportunities associated with climate changes

- China, according to research, would need hundreds of trillions of yuan to achieve its "30·60" Decarbonization Goal, thus creating massive opportunities for commercial banks in green finance and transformation finance.
- Innovative carbon finance products present new opportunities for financial institutions. Over the past few years, there has been significant progress in both traditional financial products designed to support carbon emissions and financial products with carbon emission permits as the underlying assets.



Analysis of risks and opportunities associated with climate change

### Highlights in practice

#### Developing the decarbonization action plan to drive green development



In 2022, the Bank developed and issued the *Action Plan of Bank of Communications for Carbon Peak and Carbon Neutrality Goals* (hereinafter referred to as "the Plan"). Based on its reality, the Plan defines the targets and priorities for the Bank in developing green finance to support China's "double carbon" goals.

The Plan outlines the Bank's targets for supporting carbon peak and carbon neutrality by 2025, 2030 and 2060. By the end of the 14th Five-Year Plan period, the Bank should see considerable results in green finance brands and product innovation. The role of green finance mechanism should be more obvious as the green concept gets incorporated in every part of operations. We also aim to significantly enhance the initiative and awareness in carbon peak and carbon neutrality. The total balance of green loans should reach at least 800 billion yuan, and efforts should be made to reach 1 trillion yuan. The Plan also proposes 16 concrete action items, including optimizing the credit structure and serving the green transformation of energy.

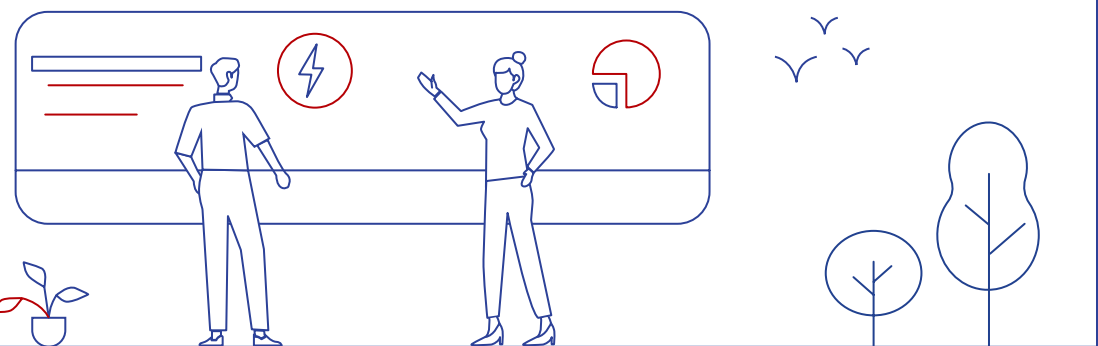
The Plan serves as a guide to green development at the industrial, regional and product levels for the Bank. At the industrial level, adhering to national carbon peak and carbon neutrality goals, the Bank should serve key areas such as energy, industry, urban and rural construction, and transport. We will also encourage carbon reduction through clean energy and energy conservation initiatives. At the regional level, aligned with China's overall plans and local strategies, we will focus on environmentally friendly practices in key regions and pilot areas for green finance reform and innovation. At the product level, we will expand the size of green credit and green bonds, and build signature practices in green industrial investment, green asset management, green lease, green trust, securitization of green credit assets, green insurance and carbon finance.

### Highlights in practice

#### Climate risk stress testing

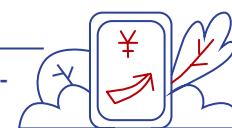


In 2022, the Bank conducted climate risk sensitivity stress testing across eight industries with high carbon emissions, including power, iron & steel, building materials, nonferrous metals, civil aviation, petrochemical, chemical and paper making. The results showed that customers in these industries saw mounting credit risk in relevant stress scenes. However, the risk is controllable overall with limited impact on capital adequacy.



### Highlights in practice

#### Quantitative evaluation of the impact of Bank's investment and financing activities on the environment



Since 2021, the Bank has evaluated Scope 3 carbon emissions from its investment and financing activities. In 2022, key customers in eight industries with high carbon emissions, including power, iron & steel, building materials, nonferrous metals, civil aviation, petrochemical, chemical and paper making, were identified. Referring to relevant methods and standards defined in the Partnership for Carbon Accounting Financials (PCAF), we've collected data on the customers' carbon emissions, outputs and operations audited by competent authorities, and industrial average emissions. Taking the proportion of the balance of loans granted to customers to customers' debts and equities as the attributional factor, we've evaluated the carbon emissions associated with the funds from the Bank.

Furthermore, the Bank has evaluated the carbon emissions by customers in high carbon emissions industries and the carbon emissions attributable to its investment and financing activities. As of the end of 2021, the assets of the eight industries with high carbon emissions totaled RMB 11.61 trillion, and their balance of loans from the Bank was about RMB 183.9 billion, accounting for 2.95% of the credit assets included in evaluation; their carbon emissions totaled 2.789 billion tons, including 62 million tons attributable to the Bank's investment and financing activities. Their average carbon intensity of assets was 3.39 tons per RMB 10,000. The carbon emissions by customers in all industries totaled about 3.121 billion tons, including 70 million tons attributable to the Bank's investment and financing activities. Their average carbon intensity of assets was 0.11 tons per RMB 10,000.

### Highlights in practice

#### Making good use of the monetary policy tools of the PBOC



Formulating and issuing policies such as the *Notice on Using the PBOC's Carbon-reduction Supporting Tool to Boost the Realization of Carbon Peak and Carbon Neutrality Goals* and the *Notice on Using the PBOC's Special Re-loans to Boost the Green and Low-Carbon Development of Coal Energy*, the Bank actively leverages the monetary policy tools of PBOC to develop green and low-carbon credit business.

In 2022, the Bank granted RMB 18.605 billion of carbon reduction loans to 332 projects that met the requirements of PBOC. The weighted average interest rate of loans was 3.48%, driving the reduction of carbon emissions by 3,647,700 tons of carbon dioxide equivalent.

## Actively developing green finance

With a strong focus on green finance, the Bank has resolutely carried out the major decisions and plans of the CPC Central Committee on the ecological conservation, made green its defining feature of operation, constantly improved the governance system for green finance and strengthened top-level design. Also, We work to diversify products and services related to green finance, and increase support for real economy in key areas and geographical regions to drive the low-carbon and high-quality development of both economy and society.

### Green finance management

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

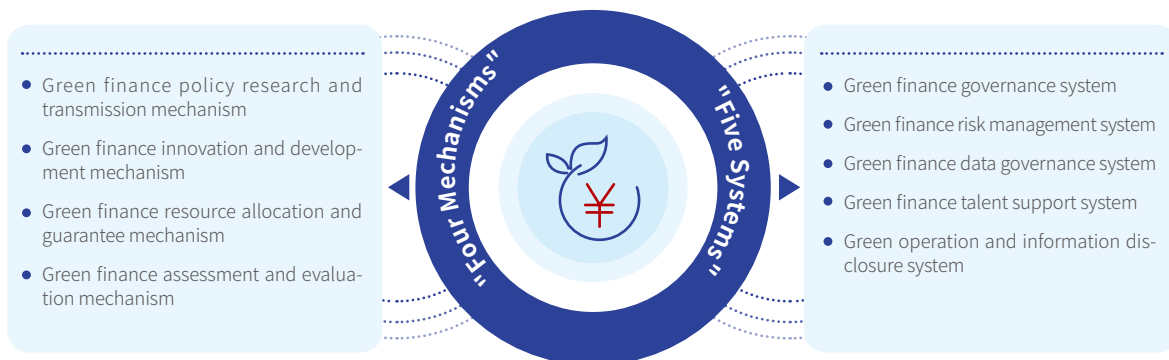
**Members**

- Chairman: President of the Bank
- Vice chairmen: Vice President in charge of credit and risk and Chief Risk Officer
- Members: Principal responsible persons of 20 departments of the Head Office
- The office of the Green Finance Development Committee is set up at the Credit Department of the Head Office

**Organizational structure**

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

Green Finance Development Committee



"Four Mechanisms" and "Five Systems" of green finance

In May 2022, the Bank held the 1st plenary meeting of the Green Finance Development Committee of the Year. The meeting highlighted the efforts to implement the new development philosophy, serve China's major strategies, decisions and plans about carbon peak and carbon neutrality, and build strategic and distinctive advantages in green finance. The meeting also defined green finance as a major direction for its operation, with a focus on the key areas and projects supported by the country, and called for continuous efforts to refine policies, systems, standards and processes and leverage opportunities to expedite green finance development.

**Making green finance a long-term strategy of BoCom**

We have issued the *Green Finance Policy of Bank of Communications Co., Ltd.*, which upgrades green credit into green finance, and covers green credit, green securities, green development funds, green insurance, green trusts, securitization of green credit assets and carbon finance. It also defines the Board of Directors as the top decision-making body for green finance and the Senior Management as the body responsible for formulating strategies and targets about green finance.

**Further upgrading green finance policies**

We have issued the *Opinions on Accelerating the Development of Green Credit Business (2021 Version)*, the *Opinions on Implementing the Plan of the PBOC for Green Finance Evaluation of Banking Financial Institutions*, and the *Action Plan of Bank of Communications for Carbon Peak and Carbon Neutrality Goals*.

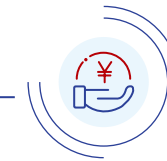
**Incorporating the requirements on developing green finance into the credit granting policy system of "One Outline + Three-Dimension Extensions"**

We improve green finance related requirements in credit granting policies including the *Outline, Industry Orientation Policy, One Bank, One Policy and Special Policies*.

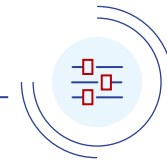
**Further improving implementation rules under the top-level design framework**

The *Implementation Measures of Bank of Communications for Green Credit* is revised and the *Green Finance Policy Package of Bank of Communications (2022 Version)* is summarized to offer institutional support for operations.

Strengthening the formulation of regulations on green finance



- The *Implementation Measures of Bank of Communications Co., Ltd. for Green Credit* clearly specifies that for the credit business, the Bank should continue to improve risk management and guard against customer risks related to ESG while enhancing its own ESG performance. Also, a mechanism for dynamic evaluation of ESG related risks should be established to dynamically evaluate the ESG performance and related risk control by customers and small-size customers supported by inclusive loans.



- The *Outline of the Development Plan of Bank of Communications Co., Ltd. for the 14th Five-Year Plan Period (2021-2025) (Revised in 2022)* requires efforts to refine the management process for green finance, improve the innovation and development mechanism, complete the differentiated credit granting policy, and include ESG requirements into the enterprise risk management system.

Strengthening ESG-related risk management

**Green financial product and services**

- **Green credit**

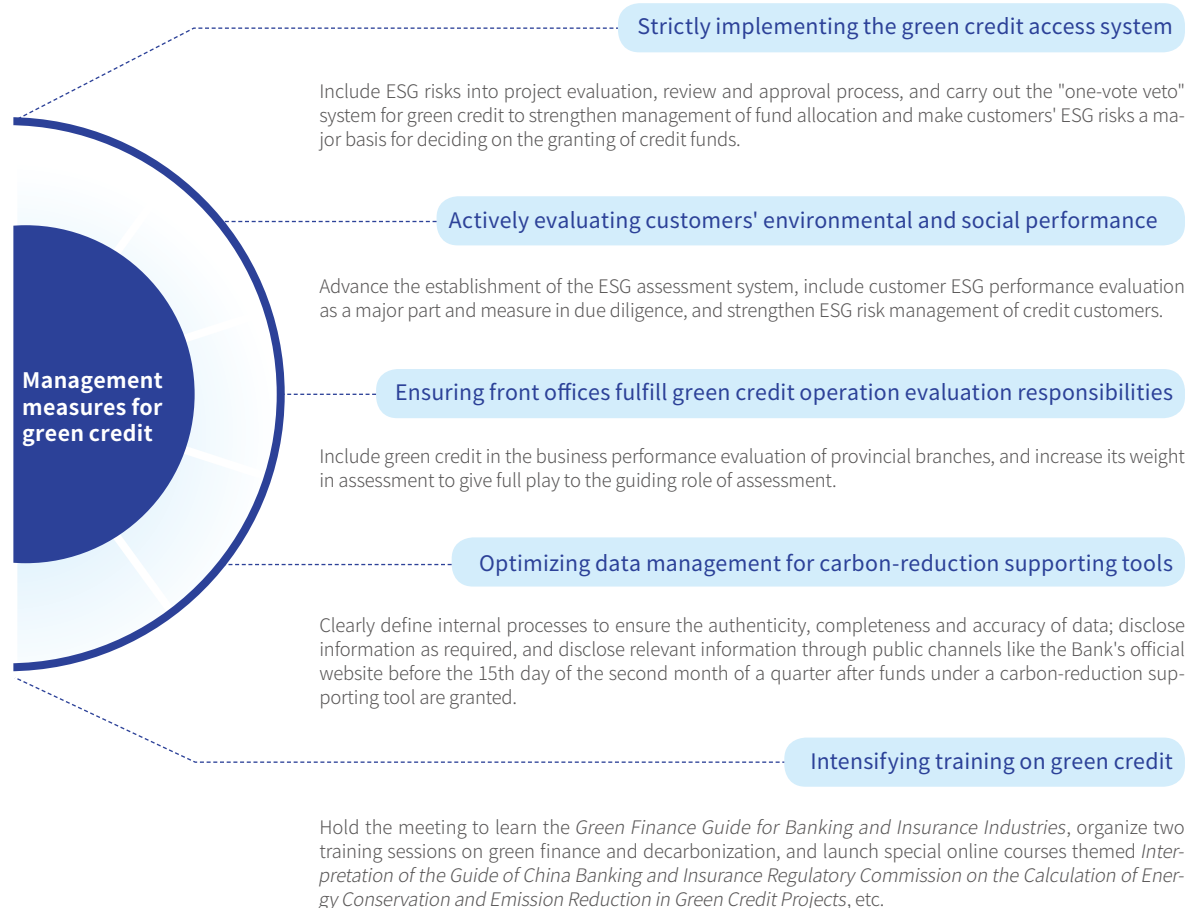
**Key Performance**

- By the end of the Reporting Period, the balance of green loans of BoCom by the standard of the PBOC amounted to RMB **635.432** billion,
- a year-on-year increase of RMB **158.669** billion,
- or **33.28%**.

- Specifically, the balance of loans for the clean energy industry amounted to RMB **139.034** billion,
- a year-on-year increase of RMB **51.423** billion,
- or **58.69%** a rate higher than those of other types of loans in the same period.







In 2022, the Bank provided further guidance on green credit investment to facilitate the construction of a green, low-carbon, and circular economic development system.

BoCom pays continued attention to biodiversity conservation. In the *Implementation Measures of Bank of Communications for Green Credit*, the Bank clearly shows its financial support for projects in areas like climate change, biodiversity conservation. In the *Action Plan of Bank of Communications for Carbon Peak and Carbon Neutrality Goals*, the Bank highlights support for major projects related to the ecological protection and restoration of forests, grasslands, wetlands and ocean. We serve the green development of the Yangtze River Economic Belt, and advance the ecological protection and high-quality development of the Yellow River basin.



The Bank's Qingdao Branch includes biodiversity conservation in the scope of green finance support, and develops the risk appetite in favor of biodiversity protection. It has granted RMB 20 million of working capital loans to a modern agricultural sci-tech enterprise that provides "saline-alkali soil improvement + smart agriculture" industrial chain services, to fund the enterprise in treating and improving saline-alkali soil and contribute to a better local ecological environment with sustained biodiversity.

**Case** **Supporting biodiversity protection and governance of the plateau lakes in Yunnan**

By supporting a number of enterprises devoted to ecological protection and sewage treatment, BoCom's Yunnan Branch protected the plateau lakes and water sources in Yunnan including Dianchi Lake, Erhai Lake and Fuxian Lake, contributing its share to protecting local ecosystem and biodiversity and driving local economic and social sustainability.

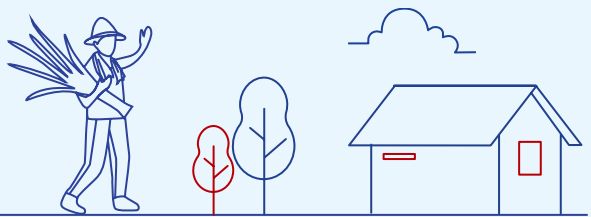
Supporting lake governance and protection and promoting biodiversity shows the Bank's efforts to fulfill its responsibility as a major state-owned bank, and channel the financial resources to facilitate green development. The Bank has resolutely implemented national strategies about green development and consistently improved the management system and long-term operating mechanism for green finance, so as to contribute to "lucid waters and lush mountains" and biodiversity conservation with financial services.

**Guidance on credit investment in industries in 2022**

- Modern agriculture
- Energy conservation and environmental protection industries
- Metallic and non-metallic mining industries
- Oil exploitation and processing

- Based on available resources and the features of industrial distribution, prioritize support to agricultural production and operation in the main production areas of national key agricultural products and regions with characteristic agricultural advantages.
- Select and work with new type of agribusiness entities that own large-scale operations, comply with environmental protection standards and food safety requirements, and have smooth channels between production and marketing, and support the green transformation of production modes; pay continuous attention to and evaluate the impact of natural disasters, food safety, and environmental requirements on the sustainability of enterprises.

- Follow policies related to pollution treatment, ecological protection, response to climate change and low-carbon development, focus on major national strategies including the coordinated development of the Beijing-Tianjin-Hebei region, the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta and the Yangtze River Economic Belt, and the ecological protection and high-quality development of the Yellow River Basin; provide financial services to shore up and upgrade environmental infrastructures, promote green development in urban and rural areas, and advance energy conservation and emission reduction projects, while ensuring controllable risks and sustainable business.
- Increase support for leading environmental protection enterprises that are in line with national policy guidance, have strong technological and market advantages, reasonable debt rates and stable cash flow; prioritize support for the quality energy conservation and environmental protection enterprises and projects that are aligned with the *Green Industry Guidance Catalogue (2019 Version)* and the *Green Bond Backed Project Catalogue (2021 Version)*.



- Select customers, step up restructuring, and channel credit resources further into the mining enterprises that feature abundant resources, scale of operation, solid strength, integrated industrial chain, leading exploitation technologies, fully-mechanized mining cost, green and safe operation, high comprehensive utilization rate, sound intelligent operation results, and advanced management levels; accelerate the withdrawal from the enterprises with a small size of resource reserves, short remaining service life, high operating costs, great environmental protection hazards, difficulty in transformation and upgrading and continued weakening operations.



- Quickly withdraw from the low-level enterprises that see the following conditions and include them into the list for credit withdrawal or risk management reinforcement:**
- Enterprises with weak oil supply guarantee, lack of long-term stability in sales, weakening financial indicators, and uncertain development prospects
  - Oil and gas exploitation enterprises that have backward technical equipment, do not meet environmental protection or energy consumption standards or comply with the *Pollution Prevention and Control Technology Policy for Oil and Natural Gas Exploitation Industry*, and oil refiners that do not comply with the *Emission Standards for Pollutants from Oil Refining Industry*
  - Enterprises with main production facilities that do not meet national industrial policies: enterprises with atmospheric and vacuum distillation units rated two million tons per year or below (except Golmud, Qinghai and Zepu, Xinjiang); those with kettle-like distillation units that produce oil through heating with open flame at a high temperature; those that use waste rubber and plastics for indigenous refining processes; and coal tar enterprises that use tar batch process to produce asphalt and have an annual capacity of RMB 50,000 tons or lower

• **Green bonds**

During the Reporting Period, BoCom underwrote nine green bonds that amounted to RMB 7.165 billion, a year-on-year increase of 45.93%. All the funds raised through green bonds are dedicated to the green industries, green projects and green economic activities qualified for required standards. Besides, during the Reporting Period, the Bank issued RMB 30 billion of green finance bonds in the inter-bank market, with the funds raised used to finance the green credit projects covered by the *Green Bond Backed Project Catalogue (2021 Version)* in areas like clean energy, green upgrade of infrastructures, energy conservation and environmental protection, and clean production.

**Opening escrow accounts for the funds raised**

The fund supervisory agency manages the funds raised in the process from arrival to storage and allocation to ensure they are used for green projects.

**Supervising information disclosure by issuers**

Besides disclosing information pursuant to the self-discipline rules specified in the *Rules for the Disclosure of Information on Debt Financing Instruments of Non-Financial Enterprises in the Interbank Bond Market*, an issuer of green bonds should also disclose the use of funds raised and the progress of green projects in the previous year before April 30 of the year, and disclose the use of funds raised and the progress of green projects in the first half of the year before August 31 of the year.

Supervisory measures after underwriting green bonds

**Case BoCom successfully launches China's first green dual-currency free trade zone offshore bond**

In November 2022, BoCom helped the successful launch of China's first green dual-currency free trade zone offshore bond ("Pearl Bond") – the RMB 1 billion and EUR 50 million Free Trade Zone Offshore Bond ("Lingang Green Bond") of Shanghai Lingang Economic Development (Group) Co., Ltd.

The successful issue of Lingang Green Bond is a major innovation practice by the Bank in which we leverage the opportunity of financial reform and innovation in the free trade zone, take active action in the building of Lingang Special Area and promote the "dual circulation" development pattern that takes domestic development as the mainstay, with domestic and international development reinforcing each other. On one hand, the bond pooled global resources and introduced overseas investors, with the funds raised to be used to support projects aligned with the green finance framework within China, and will attract more industrial investors to Lingang Special Area. On the other hand, the move advanced empowerment through green finance and promoted the implementation of the decarbonization strategy. The Bank's deep involvement in China's first green free trade zone offshore bond rated by an international agency further enriched the Bank's innovation practice of contributing to China's decarbonization strategy and exploring green finance.

**Case The Bank's Brazil Branch strengthens product innovation to support low-carbon transformation of the economy**

In 2022, Tranche II of ENC Energy's green bond underwritten by the Bank's Brazil Branch was successfully issued, which has a size of BRL 110 million (about RMB 150 million) and is to mature in 2029. Established in 2012, ENC Energy has nine power plants that generate power mainly through the decomposition of organic waste in refuse landfills. Also, as the lead underwriter, the Bank's Brazil Branch assisted São José S.A. in issuing Tranche I green agriculture CRA, which has a size of BRL 80 million (about RMB 110 million) and is to mature in 2028. São José S.A. focuses on the production and sales of fuel ethanol, refined sugar and bioelectric energy, and produces sustainable fuel and clean energy through the combustion of bagasse to promote circular economy.

Upholding the ESG philosophy, BoCom Brazil Branch steps up product innovation to meet Brazilian enterprises' diverse demand for funds during green transformation, offers targeted support for low-carbon transformation of the economy, and facilitates the orderly flows and efficient allocation of green finance resources.

• **"Inclusive Carbon" business**

BoCom incorporates the philosophy about green finance into MSEs financing, drives the low-carbon development of MSEs through the strength of finance, and explores the application of green data in MSEs financing through new modes of business and digital empowerment. The Bank prioritizes support for MSEs in key sectors like green energy, energy conservation and emission reduction, and environmental protection.

• **Other green finance products and services**

The subsidiaries under the Group also expand business presence in green leasing and green trust, among others. As of the end of the Reporting Period, BoCom Leasing saw the balance of green leasing assets total RMB 143.476 billion, which represented 45.28% of the total balance of leasing assets. In particular, the balance of green financial leasing assets was RMB 71.184 billion, comprising 22.47% of the total balance of leasing assets. BoCom International Trust Co., Ltd. participated in the securitization of RMB 2.516 billion of green assets.

**Case Leveraging both investment banking and commercial banking to support the new energy vehicle industry**

Giving full play to its advantage in the Yangtze River Delta where it's headquartered, BoCom helped IM, a new energy vehicle brand under SAIC, complete the first wave of market-based equity financing through BoCom Capital as the lead investor. By far, BoCom Shanghai Branch has provided services for IM in areas of account opening, deposits, wage payment and acquiring business, and became its first banking partner for motor loans, meeting the customer's demand for diverse financial services.

Leading investment in IM is a new outcome of the Bank's efforts to build its advantage in Shanghai where it's headquartered and give further play to technological finance, as well as a concrete move of the Bank to implement China's major decisions and plans regarding the "30· 60" Decarbonization Goal. BoCom Financial Assets Investment will continue to play its role as the Group's equity investment platform through BoCom Capital, to advance the transformation in areas like advanced manufacturing and low-carbon operation and act as the mainstay to serve real economy.

**Participating in industrial development**

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



**Launching strategic cooperation with governments**

- In July 2022, BoCom Shandong Branch signed a strategic cooperation agreement with the Energy Administration of Shandong Province, according to which it will provide RMB 150 billion to Shandong's energy industry during the 14th Five-year Plan period to finance the building of a clean, safe and efficient modern energy system.



**Promoting cutting-edge research**

- In 2022, the Bank conducted preliminary stress testing in macro climate risk scenarios, trying to analyze the regression relation between the historical default rates and macroeconomic indicators of various industries.
- The article titled the *Status Quo, Difficulties and Suggestions for Commercial Banks to Develop Green Finance* was rated as an excellent work by *New Insights 2022*.

Responsible for deepening the development of the green finance industry

# Conducting green operation to advance low-carbon development

In strict compliance with the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and other laws and regulations, we practice the concept of green development, provide green services, advocate the green way of life and popularize environmental protection. In addition, through better management, upgraded technology and equipment transformation, the Bank works to reduce daily energy consumption and pollutant emissions to realize energy conservation and carbon reduction. During the Reporting Period, the Bank saw no environmental violations.

## Providing green services

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

Customer category	Customer/transaction scale	Annual growth	Environmental benefits (equivalent)		
			Trees planted	CO <sub>2</sub> emissions reduced	Paper use reduced
Corporate online banking (including corporate mobile banking)	1,816,800 accounts	14.02%	480,200	6,743.64 tons	27,242.79 tons
Personal online banking (including personal mobile banking)	9.689 billion transactions	7.96%	1,774,100	24,893.52 tons	100,190.93 tons

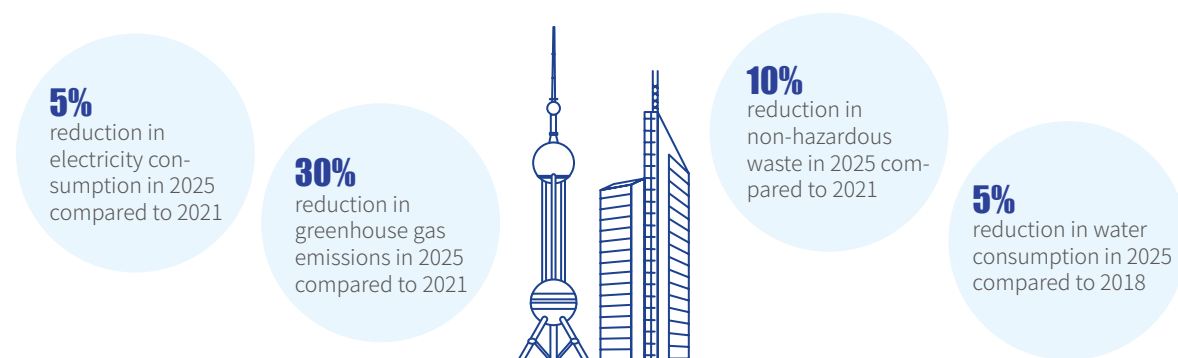
Note: The calculation is based on the average paper use per account of corporate online banking and the average paper use per transaction of personal online banking.

The environmental benefits of green services

## Advocating green office

In 2022, BoCom evaluated carbon inventory across the Bank to understand its current carbon emissions generated from operations. Furthermore, we set carbon reduction goals for our operation, defined key measures, and developed plans to achieve carbon peak and carbon neutrality.

The Head Office has enacted the *Green Property Management Plan* based on the different characteristics of each building (park). To ensure that the environmental indicators of each building (park) meet relevant standards and the ISO 14001 environmental management system, we have engaged a specialized agency to carry out environmental testing annually. Besides, the Head Office has developed the *Energy Measurement Management System*, to set objectives for energy measurement and strengthen energy measurement management.



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

Environmental management targets for the buildings (parks) of the Head Office



Reducing the environmental impact of daily operations

**Case** The "Intelligent Corporate Service" information system helps building economical canteens by digitalizing catering management

To reduce food waste, BoCom has steadily advanced the building of economical canteens at the Head Office. By improving technological empowerment and strengthening supervision and inspection, we focused on cost control, and developed the catering management module as part of the "Intelligent Corporate Service" platform. First, the system establishes a dish database based on meal allowances; then, it automatically generates menus according to rules and the quantity of ingredients to be purchased based on the number of diners. Big data is used to make menu design and ingredient purchase more reasonable. The efforts have cut purchase cost, avoided excessive purchase and reduced the waste of food, water, electricity and gas resulted from preparation of excessive meals.



2022 data on green offices of buildings (parks) of the Head Office

Indicator	Total	Per capita (10,680 persons)
Head Office's buildings (parks)	Water use: 270,400 tons Water discharge: 243,400 tons Water consumption: 27,000 tons	Water consumption: 25.32 tons per employee
	Power consumption: 122,836,700 kWh Gas consumption: 1,387,200 m <sup>3</sup>	Power consumption: 11,501.56 kWh per employee Gas consumption: 129.88 m <sup>3</sup> per employee
Greenhouse gas emissions by the Head Office	Direct emissions: 3,525.28 tons of CO <sub>2</sub> equivalent Indirect emissions: 55,279.72 tons of CO <sub>2</sub> equivalent Total: 58,804.99 tons of CO <sub>2</sub> equivalent	Total: 5.51 tons of CO <sub>2</sub> e per employee
Total energy consumption at the Head Office's buildings (parks) (equivalent to standard coal)	36,170.16 tons	3.39 tons per employee
Paper consumption at the Head Office	32.29 tons	0.003 tons per employee
Video conference	33,163 sessions	

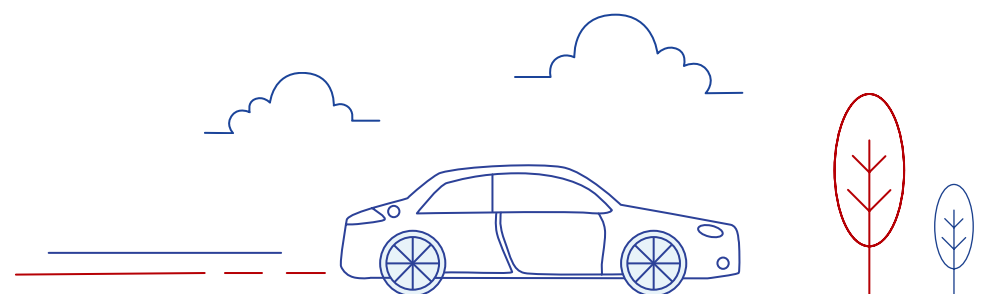
Note:

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

2. According to the *Notice of Shanghai Municipal Bureau of Ecology and Environment on Adjustment of Emission Factor Value of Greenhouse Gas Emission Accounting Guidelines*, since February 2022, the default value of electric power emission factor has been adjusted from 7.88tCO<sub>2</sub>/10<sup>4</sup>kWh to 4.2tCO<sub>2</sub>/10<sup>4</sup>kWh when calculating emissions caused by the use of purchased electricity.

2022 vehicle use by the Head Office

Vehicle type	Distance traveled (km)	
Light vehicles (<= 2.5 tons)	376,828	
Light vehicles (2.5-3.5 tons)	57,616	
Light vehicles (3.5-5.5 tons)	23,289	
Medium and heavy vehicles (5.5-15 tons)	19,100	
Fuel type	Consumption (liter)	Per capita (liter/person) (10,680 persons)
Diesel	5,160.01	0.48315
Gasoline	62,056.95	5.81058



2022 emissions at the Head Office

Type	Emission (ton)
NOx	0.5995
SOx	0.0149
PM	0.0744

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

2022 electronic waste discharge from the Head Office

Types of electronic waste	Quantity (piece)	Per capita (piece/person) (10,680 persons)
Mainframe	741	0.06938
Display	741	0.06938
Laptop	560	0.05243
Printer	112	0.01049
Duplicator	11	0.00103

2022 non-hazardous waste discharge from the Head Office

Type of waste	Quantity (ton)	Per capita (ton/person) (10,680 persons)
Household waste	1,987.2	0.18607
Kitchen waste (including wet waste)	772.44	0.07233
Total	2,759.64	0.25839

2022 hazardous waste discharge from the Head Office

Type of waste	Quantity (ton)	Per capita (ton/person) (10,680 persons)
Waste toner cartridge	0.32	0.00003

Note: 10,680=Headquarters staff in Shanghai (dispatched employees included).

2022 packaging material used for finished products

Type	Total weight of packaging material (ton)	Weight of packaging material per piece (g, multiple specifications)
Credit card envelopes	890	10, 14.2
Credit card covers	714	40, 50
Credit card letters	103	26

# Society

## Put People First to Achieve Harmony and Common Growth

### Responding to the trend of sustainable development

As a company, we benefit from and contribute to a harmonious society. To actively assume our social responsibilities, we support employee development, and work with our partners to create value while protecting consumers' rights and engaging in community building. In response to the demands of all stakeholders, we perform our responsibilities as a corporate citizen.

### Our actions

Safeguard employees' basic rights and interests; Empower employees to develop their careers; Care for the employees in need; Protect customers' rights; Facilitate community development; Building sustainable supply chains.



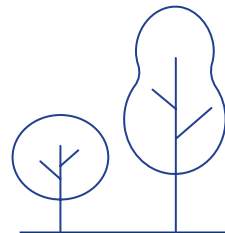
Aligning with SDGs



The proportion of female employees at management positions was **39.65%**



the total voluntary service stood at **367,620** hours



Our donation expenditure is RMB **60.438** million with **291** public welfare projects carried out



## Caring for employees to build a happy BoCom

Committed to the employee development philosophy of "joint creation, common prosperity, sharing, mutual responsibility and win-win", we create a healthy and harmonious workplace for employees, safeguard their basic rights and interests, empower their career development, and care for their life and health, striving to make them feel happier and more satisfied.

### Safeguarding employees' rights and interests

We strictly abide by relevant national and local laws and regulations such as the *Labor Law of the People's Republic of China* and the State Council's *Provisions on the Prohibition of Using Child Labor*. Based on our reality, we have formulated rules and regulations such as the *Measures for Employment Contracts of Bank of Communications*, the *Management Measures of Bank of Communications for Employee Leave and Attendance*, the *Management Measures of Bank of Communications for Employee Dimission*, the *Management Measures of Bank of Communications for Recruitment and Internal Transfer of Employees*, the *Detailed Criteria of Bank of Communications for Honors and Awards*, and the *Management Measures of Bank of Communications for Group Honors*. We have revised the *Special Collective Contract for the Protection of the Rights and Interests of Female Employees of Bank of Communications Co., Ltd.* to safeguard female employees' rights and interests and eradicate all discriminatory acts.

We Uphold the principle of equal employment and equal pay for equal work, resolutely oppose and prohibit child labor, forced labor, and other violations of human rights. In recruitment, the Bank avoids child labor and forced labor via means of applicant identity verification. All violations in question have been dealt with in accordance with relevant provisions of the *Measures for Handling Violations by Employees of Bank of Communications*.

Through the workers' congress and other conferences, we continue to promote the democratic management system based on the workers' congress to safeguard employees' legitimate rights and interests.

#### Key Performance

During the Reporting Period, we signed employment contracts with all on-the-job contracted employees and provided compliant and stable remuneration packages and a sound social security system. In strict accordance with the *Social Insurance Law* and other national laws and regulations, we paid basic endowment insurance premiums, basic medical insurance premiums, employment injury insurance premiums, maternity insurance premiums and unemployment insurance premiums for all employees.

#### Democratic management

Further standardize negotiation and decision-making processes in accordance with implementation measures regarding the workers' congress; standardize the holding of the workers' congress to protect the employees' right to know, to participate, to express and to supervise.

#### Safeguarding rights and interests

Safeguard employees' legitimate rights and interests and resolve relevant disputes in accordance with the *Regulations on Petitions of Bank of Communications*, *Measures on the Letters and Visits for Whistle-blowing to the Disciplinary Inspection and Supervision Team Stationed by the Central Commission for Discipline Inspection (CCDI) and the National Supervisory Commission (NSC)* and other important rules and regulations.

#### Institutional guarantee

Implement the *Management Measures of Bank of Communications for Employee Leave and Attendance*; require the minimum wage of each subsidiary not to be lower than that specified in the local government policies; define the provisions related to paid leave (annual leave) and parental leave for employees; establish welfare systems such as enterprise annuity, supplementary medical insurance and employee physical examination based on relevant national and local policies and regulations.

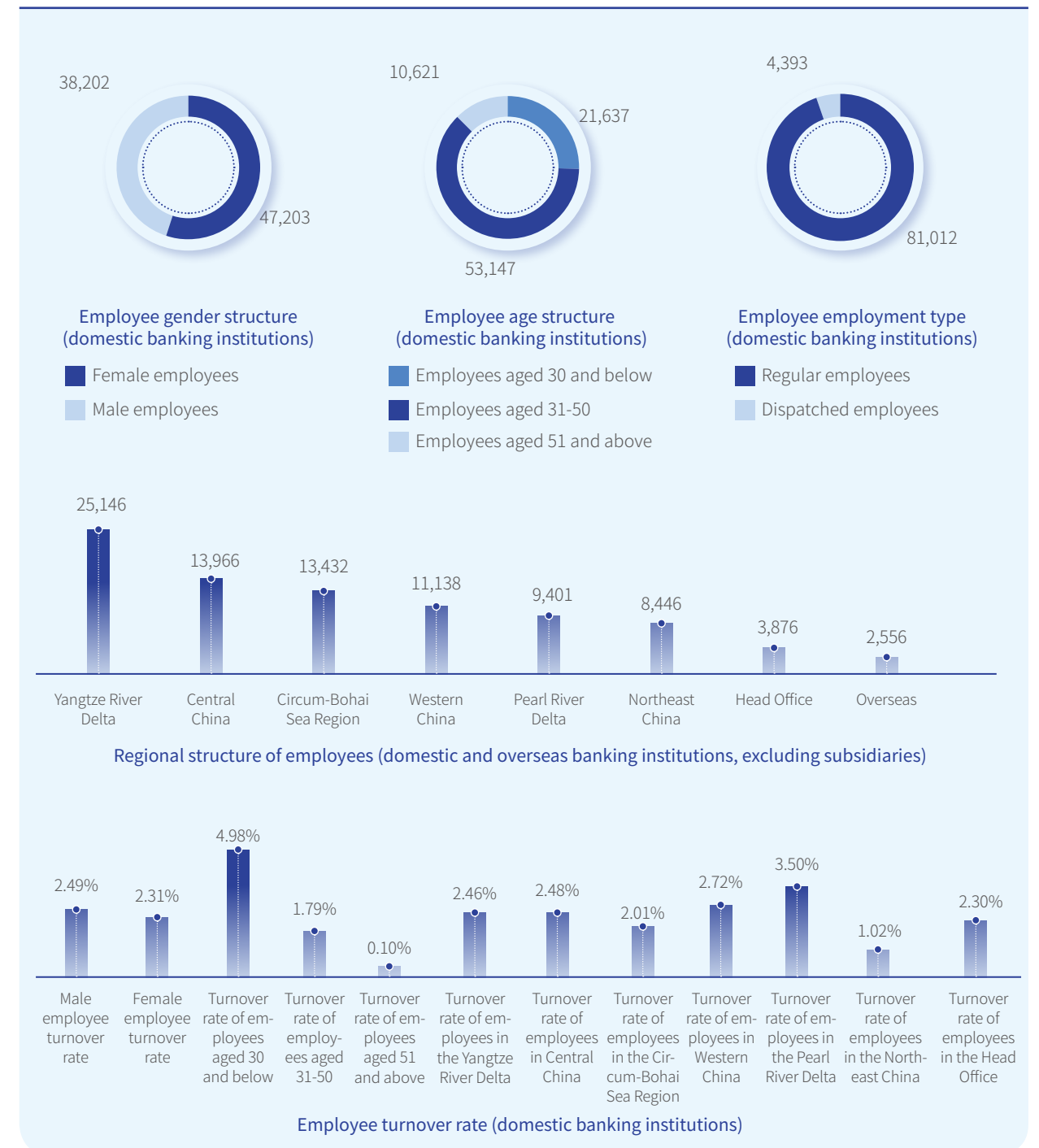
#### Listening to the voice of employees

Utilize the "Jiaozi" platform to communicate with employees so that their voices can be heard and addressed effectively; empower the departments of the Head Office to explain and advise on relevant policies on the platform; enable direct and real-time communication between primary-level employees and the departments of the Head Office.

Our approaches to protect employees' rights and interests

#### Key Performance

At the end of the Reporting Period, the Group had a total of **91,823** employees, including **85,405** employees in domestic banking institutions, **2,556** local employees in overseas branches (subsidiaries), and **3,862** employees in subsidiaries (excluding those assigned by the Head Office to subsidiaries)





## Empowering career development

In line with the strategy of "building ourselves into a talent-rich bank", we highly value the FinTech talent cultivation. Accordingly, we have introduced more talents and enriched our talent cultivation modes. The matchmaking and innovation platforms for talents, technologies and projects are also established with a multi-layered talent cultivation system. All in all, we strive to build a FinTech team to enhance our digital transformation and independent innovation capabilities.

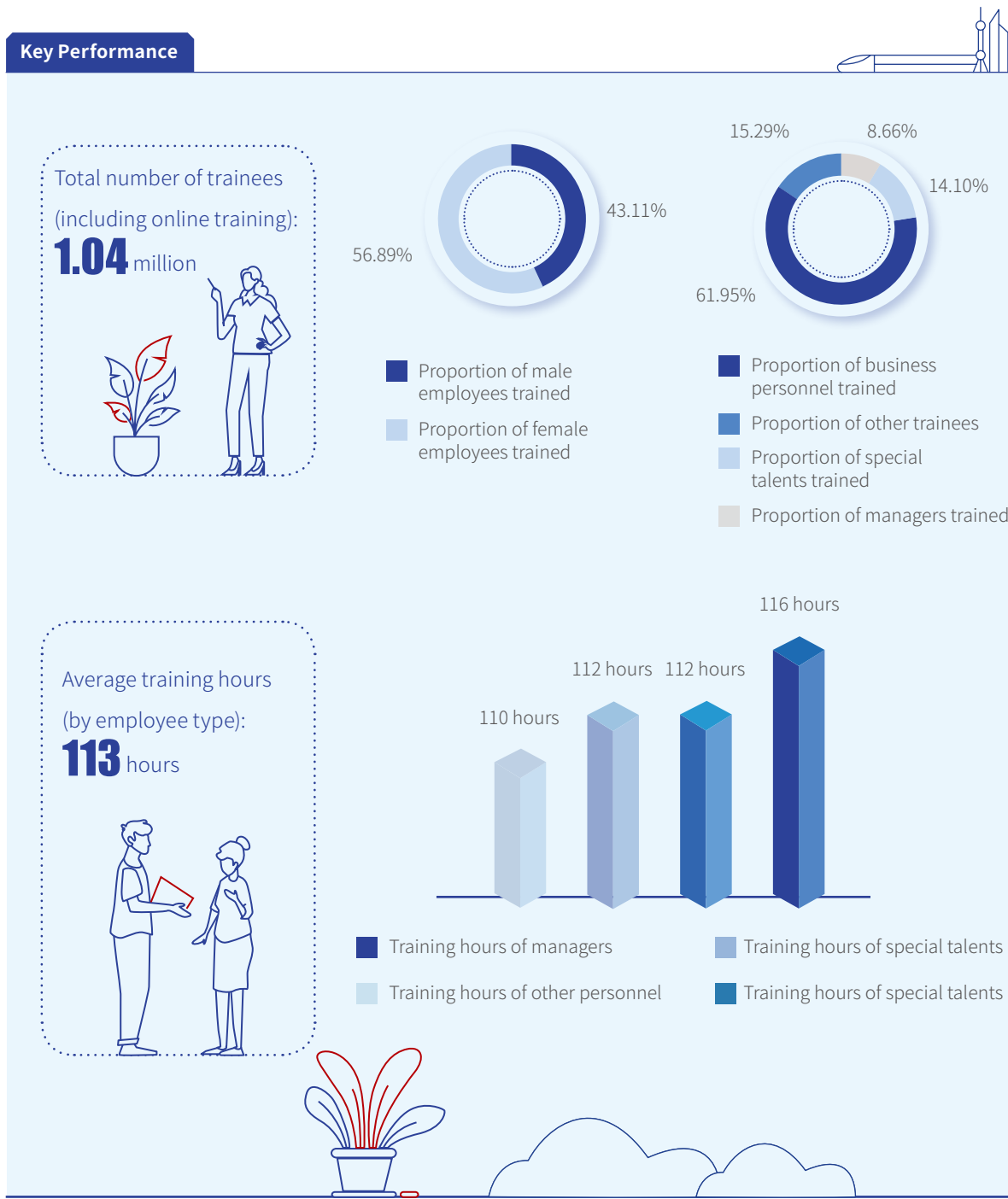
### Focusing on talent cultivation

We have an active response to the strategy of developing a quality workforce in the new era, and formulated and issued the *Opinions on Further Strengthening Bank-wide Talent Team Cultivation*, and established the leading group for talent cultivation, to strengthen the overall planning of talent cultivation. By implementing the *Bank of Communications FinTech Talent Team Building Plan (2020-2024)*, we strive to create a multi-sectoral, multi-channel and multi-layered talent development system for employees.



**Case Strategic partnership with Tongji University for the cultivation of high-quality modern professional talents**

We have been in a partnership with Tongji University for more than 25 years. our partnership has achieved fruitful results. In January 2022, we signed a strategic partnership agreement with Tongji University. Based on our respective advantages, we created an innovative "Industry-University-Research-Finance" model and strengthened the training of high-level innovative financial talents. By doing so, we have intellectually enabled our digital transformation and high-quality development.



### Improving the development path

In addition to talent cultivation, we also focus on building a sound, smooth and clear employee development path to support employees' promotion and development. Besides, we strengthen the internal training of officials, optimize the performance appraisal and salary incentive mechanism, and regularly assess all employees' performance, encouraging them to achieve their personal values.

- Encourage employees to take job qualification exams. For example, we organized 346 job qualification exams for 62,588 employees during the Reporting Period, 3,679 of which obtained professional certificates.
- Optimize the leadership allocation of organizations directly under our bank and departments of the Head Office; promote the exchange and rotation of officials; build a "double-cycle" system of exchanges of officials featuring multi-post training within the organization and across organizations of the Group to strengthen the development of talent teams.
- Improve the incentive and restraint mechanism; optimize the bank-wide position system and the classification rules of provincial branches; refine the salary distribution mechanism and the standardized and reasonable distribution system.
- Establish a bank-wide unified salary system featuring "rank-based pay and performance-based reward"; regularly assess the performance of all employees and tie their merit pay to the performance assessment results of themselves, their organizations and their departments.

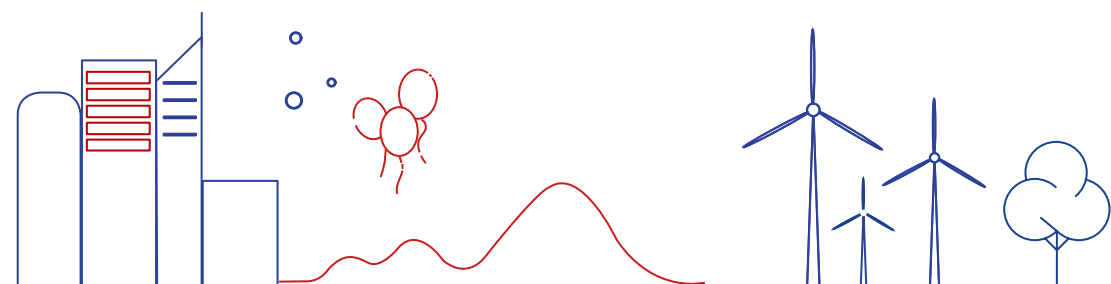
Improving employee development path

### Building a happy BoCom

We Uphold the "people-oriented" corporate culture, and focus on employees' physical and mental health and respond to their concerns. We work to create a happy culture where "employees are united, inspired, warmed and gratified" to make them feel happier and more satisfied.

#### Caring for employees' physical and psychological health

In strictly accordance with laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China* and the *Regulation on Internal Security and Safeguard for Enterprises and Public Institutions*, as well as industry safety standards such as the *Bank's Security Requirement*, we implement safety specifications such as the *Bank of Communications Security Management Measures*, *Bank of Communications Business Outlet Security Work Standards*, *Bank of Communications Fire Safety Management Implementation Rules* and other safety management measures. Based on those policies, we constantly improve our health protection measures to protect the health of employees. In accordance with the *Measures of Bank of Communications for Management of the Mutual Help Association (2021 Version)*, the *Implementation Rules of Bank of Communications for the Care and Assistance for Employees* and other rules and regulations, we care for employees and keep refining health protection measures to build a happy and harmonious workplace for employees.



Indicator	2022	2021	2020
Work-related death	3	2	0
Work-related death rate (%)	0.0037	0.003	0
Lost days due to work injury	6,880.5	6,471.5	40.5

Note on calculation standard: Work-related death rate=Work-related death/Total number of employees in domestic institutions in 2022  
 Note: The work-related injuries of employees in 2020 were calculated by the standard of the Head Office, and those in 2021 and 2022 were calculated by the standard of domestic institutions.

Work-related injuries of BoCom employees

#### Employee health protection measures

- Purchase travel insurance for employees to ensure their safety on business trips.
- Arrange annual physical examinations, hold healthcare lectures, analyze physical examination reports, provide health guidance services, and host online micro-class interactive expert Q&As and other activities.
- Customize physical examination packages for female employees, arrange screening programs for common diseases of females and provide health services for them.
- Provide online consultation services to ensure the health of employees.

### Enriching the cultural life

We advocate a "positive, healthy, free and happy" lifestyle and keep launching innovative and diverse cultural and sports activities to balance employees' work and life in a healthy and happy workplace and strengthen the cohesion of our employees.



We hold the speech contest themed "Words of BoCom Young Employees", and the publicity campaign of "Singing the Same Song to Express Our Love for China" under the brand of "The Voice of BoCom" to celebrate the National Day and the 20th CPC National Congress



Jiangsu Branch launches the Fun Games themed "Women Shining with Charm under the Leadership of the Party" on March 8th Women's Day



We have held "BoCom Cloud Spring Festival Gala" for three consecutive years

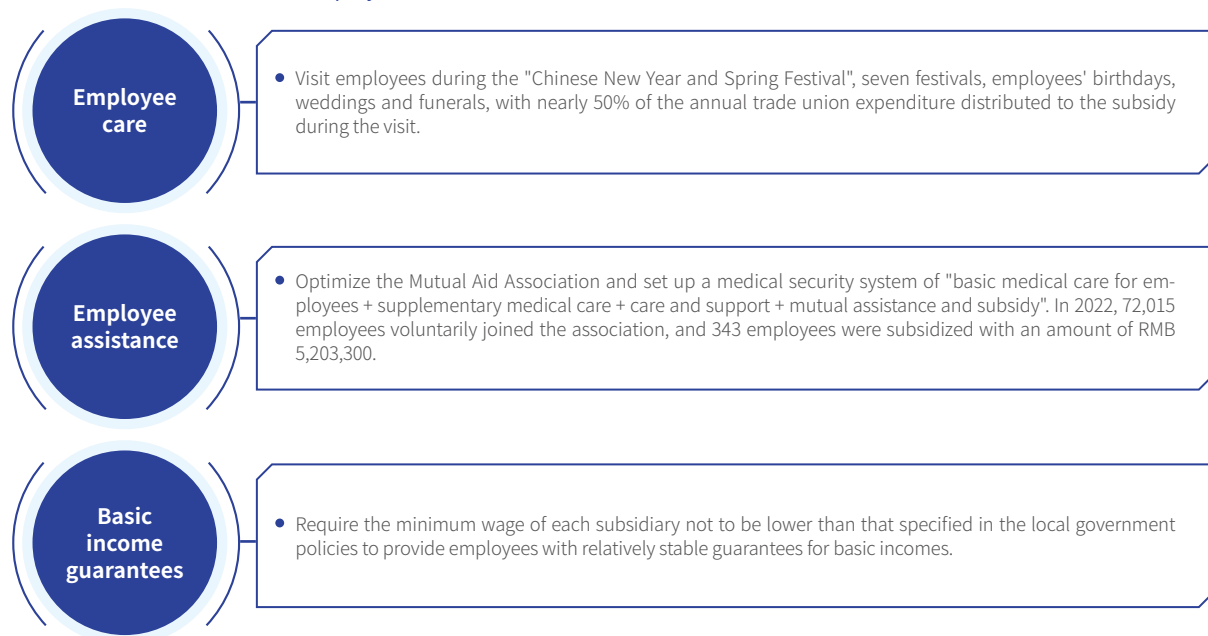


Weinan Branch in Shaanxi launches parent-child activities for employees

### Assistance to employees

Dedicated to serving employees, we provide better care for employees in daily life to make them feel happier, securer, and more satisfied.

#### Care for and assistance to employees



## Serving the community to jointly build a better home

We continue to practice sustainable procurement to improve customer experiences. Meanwhile, we actively perform our responsibility as a corporate citizen and participate in community public welfare activities, contributing our strength to building a harmonious society.

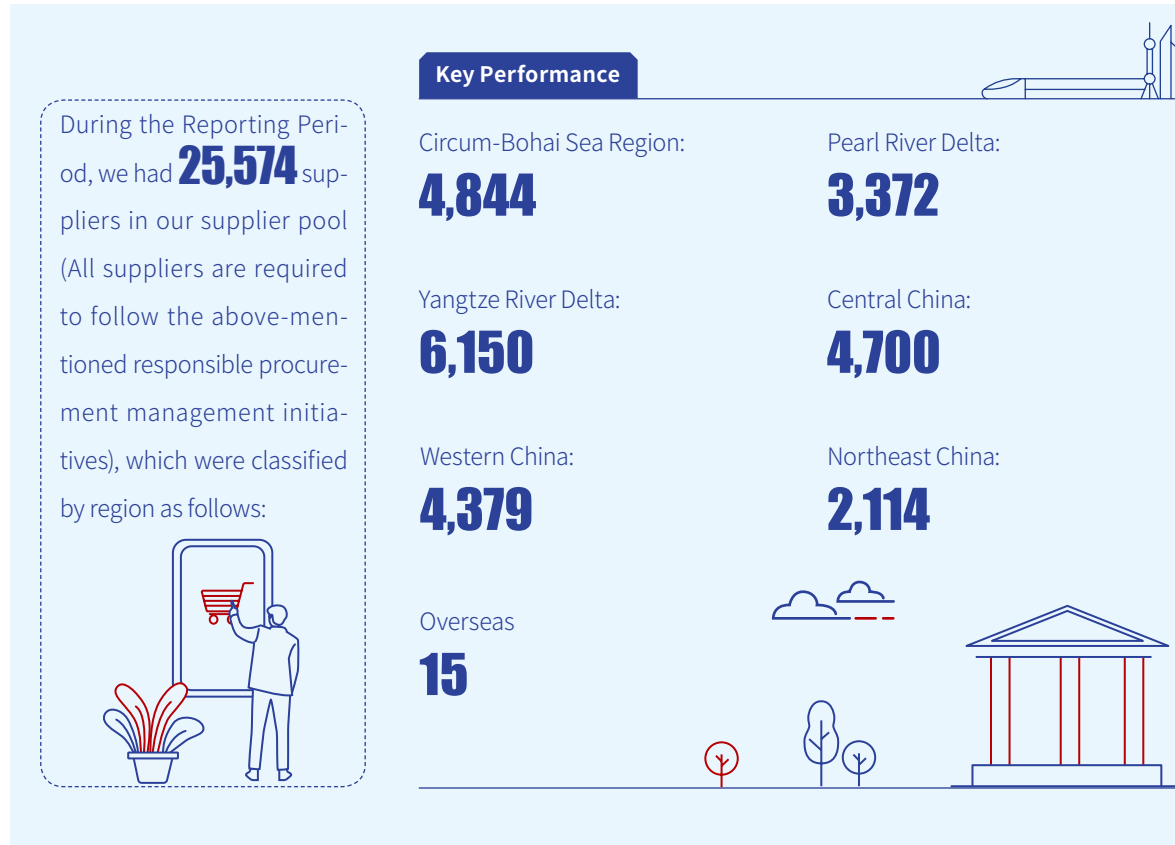
### Supply chain management

We strict accordance with the *Measures for the Administration of Centralized Procurement of Bank of Communications (2021 Version)*, *Measures for the Management of Suppliers of Bank of Communications (Trial)* and other regulations, we have comprehensively identified and prevented environmental and social related risks of suppliers. In addition, a rotation system for procurement personnel is launched to tighten the prevention of commercial bribery in centralized procurement activities, safeguard the interests of suppliers, and lead the sustainable development of the value chain.

#### Responsible procurement management initiatives







## Protecting the rights of customers

We treat consumers in line with the principle of equity, justice and honesty, incorporate the protection of consumers rights and interests into our corporate governance and development strategy. It strictly abides by the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, the Personal Information Protection Law of the People's Republic of China, the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Implementation Measures of the People's Bank of China for Protecting Financial Consumers Rights and Interests, the Guiding Opinions of the China Banking and Insurance Regulatory Commission on Banking and Insurance Institutions Strengthening the Building of Working Systems and Mechanisms for Protection of Consumer Rights and Interests, the Measures for the Administration of the Handling of Banking and Insurance Consumer Complaints, and other laws. We work to establish a sound whole-process control mechanism to protect financial consumers' rights and interests and integrate consumer protection requirements into all business processes.

We have established the FinTech and Product Innovation Committee ( "FTPIC" ) and revised the Regulations on the Work of the FinTech and Product Innovation Committee of Bank of Communications. The FTPIC has four specialized committees, namely, the Corporate Product Innovation Committee, the Retail Product Innovation Committee, the Interbank Product Innovation Committee, and the Technical Review Committee. The first three committees collaborate on their product innovation work under the guidance of the FTPIC. The FTPIC is a standing business management agency under the Head Office and is responsible for the Senior Management. It coordinates the work on FinTech, information security, product innovation, etc.



## Taking multiple measures to protect consumers' rights

**Privacy protection system**

- Issue the Management Measures of Bank of Communications for Personal Customer Information Protection, the Implementing Rules of Bank of Communications for Personal Customer Information Protection, the Emergency Plan of Bank of Communications for Personal Customer Information Security Incidents and other management systems, to define the division of responsibilities launch bank-wide training on personal customer information protection policies, comprehensively analyze and optimize business gaps and carry out emergency drills for personal customer information security incidents.
- Implement the authorization process as required before collecting personal customer information and keep improving the system functions to respond to customers' requests and rights to add, delete and modify their information.

**Advertising and trademark management**

- Carry out the Management Measures of Bank of Communications for Advertising (2020 Version) and issue the Measures of Bank of Communications for the Management of the Group's Brand Architecture System to strengthen the integrated management of the Group's brands and trademarks and standardize the workflow; revise the Measures of Bank of Communications for the Management of Trademarks and the Measures for the Management of Bank of Communications for Advertising Publicity to specify the handling measures for commercial disputes or risk events involving advertisements and trademarks.
- During the Reporting Period, there were no violations regarding advertising, trademarks and marketing communication.

**Formulating policies relating to consumer protection**

- Issue ten documents including the Action Plan for Deeply Solving People's Concerns and Strengthening Consumer Protection, the Plan for Optimizing Business Process and Improving Customer Experiences in 2022, and the List of Key Points for Consumer Protection Review Version 2.0, to keep improve the consumer protection system and strengthen the management in all links.

**Dispute resolution process**

- Leverage the dispute resolution mechanism. In 2022, we jointly mediated 3,152 financial disputes, including 1,659 handled with Shanghai Financial Dispute Resolution Center and 1,493 handled with Shanghai Banking Dispute Resolution Center.

**Complaint management system**

- Unblock complaint handling channels, speed up complaint handling, and keep improving the quality and efficiency of complaint handling. 99.98% of complaints were handled within 15 days of receipt and the complainants were informed of the handling results.

Indicator	2022
Number of complaints handled	181,000
Time for handling complaints	7*24 manual service

Handling of complaints

Note: Complaints handled mainly involve credit cards, debit cards, loans, and other services, and mainly from Shanghai, Guangdong, Jiangsu, Hubei and other places.

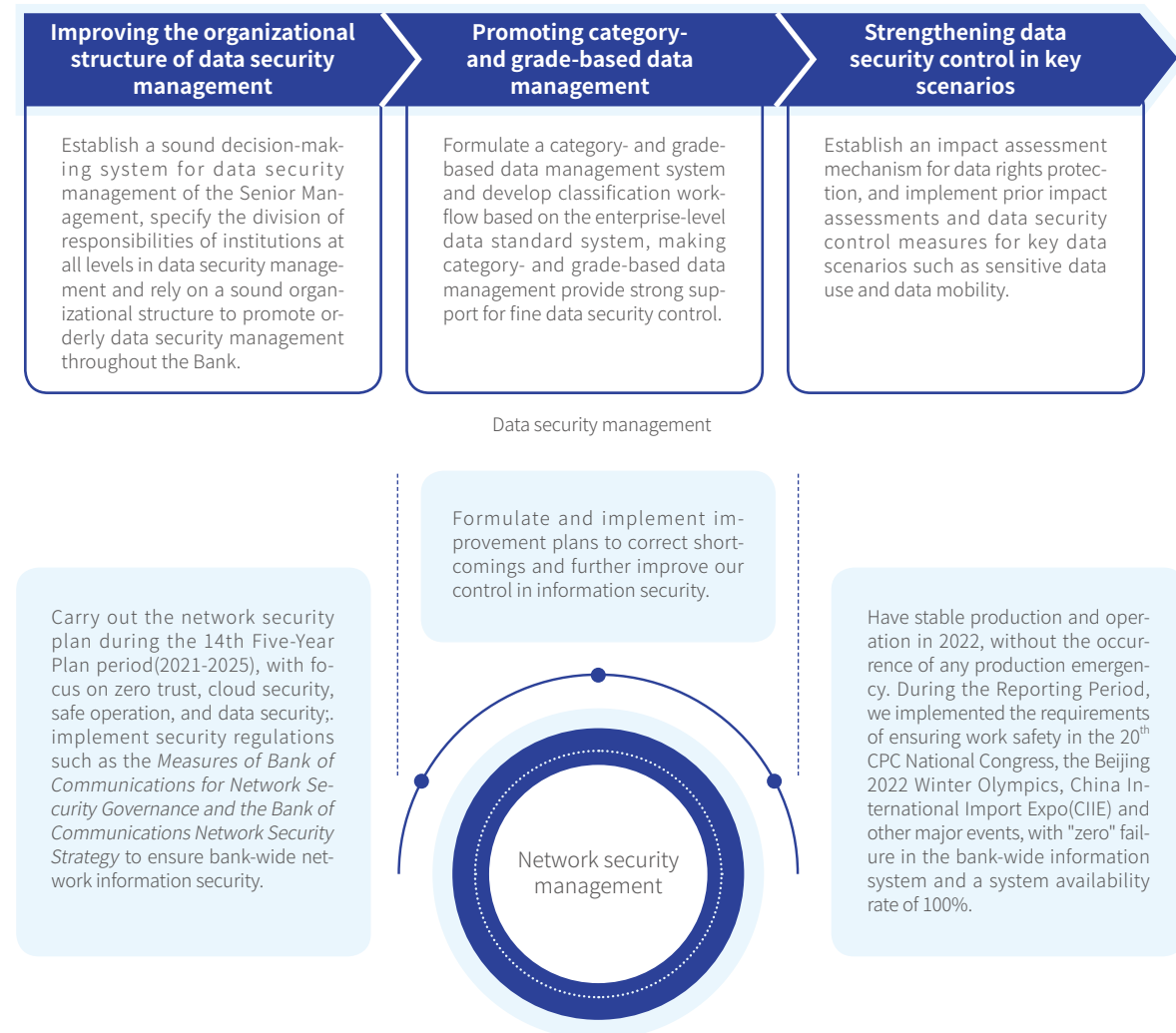
**Key Performance**

During the Reporting Period, there were no complaint cases involving infringement of customer privacy or loss of customer information.

the Head Office carried out ten special training sessions on consumer protection for **35,000** trainees.

We were rated A+ for consumer protection of year 2021 by the PBOC. We were rated as an "Excellent Organizer" in the "March 15th" Education and Publicity Week organized by the CBIRC. We were rated as an "excellent organizer" in the "Financial Knowledge Popularization Month for the Cultivation of Rational Investors and Good Financial Netizens" co-launched by the PBOC, the CBIRC, the CSRC and the CAC in 2022.

We have implemented the *Cybersecurity Law of the People's Republic of China* and continuously improved our data security management systems. The *Measures of Bank of Communications for Network Security Management* is developed to strengthen network security management, and improve the network security responsibility system.



Honor	Granted by
Best Practice Award for Data Governance	Data Management Association
"Galaxy Award" for Data Asset Management Benchmarking Case	China Academy of Information and Communications Technology
Annual Data Asset Innovation Award	Shanghai Data Service Provider Association, National Data Trading Alliance
Level 4 Certification for Maturity Assessment of Data Management Capability (Quantitative Management Level)	China Federation of Electronics and Information Industry

During the reporting period, we won the following awards in data governance and application.

**Key Performance**

During the Reporting Period, data security-related departments organized nine data security training sessions (including departmental staff training and E-campus training).

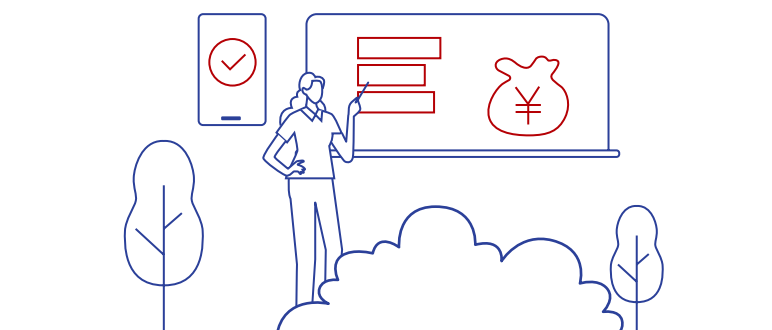
**Carrying out public education**

We have actively carried out diversified publicity and education activities on consumer protection. Through active innovations, we have launched online digital financial knowledge education and publicity programs and the selection of "One Hundred Financial Educational and Publicity Ambassadors" to guide consumers to learn financial knowledge and raise their risk awareness. Every month, we hold regular education and publicity campaign under the brand of "Jiaojiao & Consumer Protection" to raise consumers' financial literacy.

**Case** Popularizing financial knowledge to protect people's wallets

Beijing Branch further implemented the consumer protection philosophy of "prevention first and education foremost". It spread financial knowledge and helped financial consumers safeguard their rights and interests through online and offline forms such as short videos, promotional leaflets, and "Jiaojiao & Consumer Protection" cartoon posts. Specifically, the post, *I am in Charge of My Account—Joint Efforts to Protect New Citizens' Financial Security* was adopted and published by the WeChat official account of the business management department of the PBOC. In a street interview by Beijing TV Station, the publicity series of "Jiaojiao & Consumer Protection" was well received by the public.

The publicity series of "Jiaojiao & Consumer Protection" is well received by the public in a street interview by Beijing TV Station



**Key Performance**

We carried out **19,900** online and offline activities, covering **383.00** million consumers.



**Focusing on important groups**

Focusing on important groups such as the elderly, teenagers and new citizens, we carry out a series of thematic publicity and education activities online and offline. 22 demonstration bases of the PBOC financial education are set up to broaden the channels for financial knowledge popularization.

**Multi-dimensional interactive channels**

We launch the financial knowledge publicity campaign themed "BoCom Serving the Public" to interact with people through online media, social platforms, outdoor big screens and other forms, with 2.98 million people participating in financial knowledge competitions. During the campaign, we strive to strengthen financial knowledge publicity and raise the public's awareness of risk prevention.

Consumer education and publicity campaign



Shanghai Branch launches the activity of "Financial Knowledge on Campus" to help students establish correct financial concepts



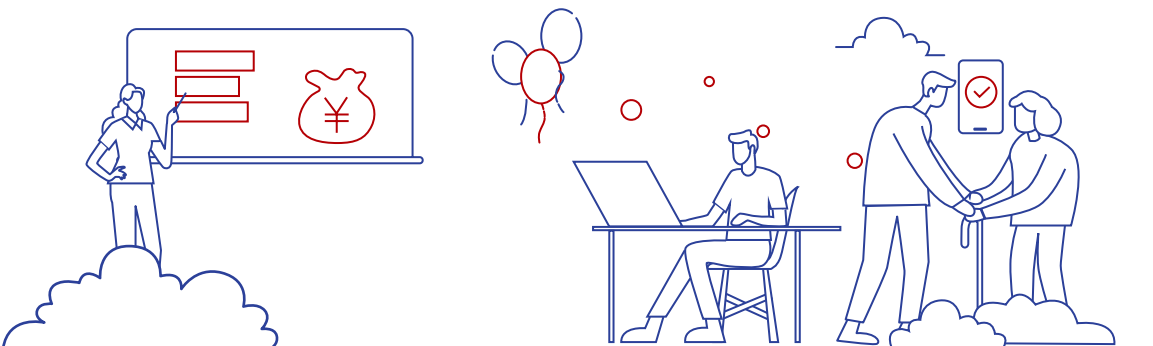
Sichuan branch goes into elderly community to promote financial literacy



Chongqing Branch publicizes consumer protection knowledge in the community



The financial education demonstration base of Anhui Branch



**Giving back to communities**

We have been actively participating in social welfare undertakings, caring for special populations, and carrying out special community public welfare activities. The *Measures for the Management of External Donations by Bank of Communications (2020 Version)* put in place have promoted the standardization of public welfare management, bringing warmth to the society.

**Main Public Welfare Projects of the Head Office**

Project name	Partner or beneficiary	Total donations	Project term	Project profile
"Leading to Tomorrow" — Student Aid Program for Disabled Teenagers	China Disabled Persons' Federation, China Foundation for Disabled Persons	RMB 110 million	From 2007 to now	37,300 disabled students and 126 special education schools were subsidized, 1,700 outstanding special education teachers and 260 outstanding disabled college students were commended, and more than 6,000 special education teachers benefited from the training under the project.
Targeted assistance project in Tianzhu County, Gansu Province	The Head Office and branches of BoCom	RMB 25 million	From 2021 to now	Help build the plateau edible mushroom base in the national rural industrial integration demonstration park. Facilitate the "one park and N area" layout of the mushroom industry. Cultivate the edible mushroom industry into a pillar industry to promote rural vitalization in Tianzhu County. Rely on means like fixed dividends, work in the park, and independent operation to stably increase the incomes of households lifted out of poverty.
Targeted assistance project in Hunyuan, Shanxi Province	The Head Office and branches of BoCom	RMB 10.4 million	From 2021 to now	Develop a new rural collective economy supported by the Huangqi Cultural Industrial Park and the Corn, Grains and Noodle Processing Factory in Lingding Village, Wangzhuangbao Town, Hunyuan County to extend the corn industrial chain and drive the income growth of the village.
Targeted assistance project in Litang, Sichuan	The Head Office and branches of BoCom, China Foundation for Rural Development	RMB 14.6 million	From 2021 to now	Strengthen the technological and equipment support for agriculture. Push for yak breeding (the deep processing of yak meat) and hotel tourism in Litang, and actively cultivate the local characteristic polar fruit and vegetable agriculture. Introduce intelligent agricultural machinery sorting equipment for Litang Modern Agricultural Park to address the primary sorting needs in producing plateau fruits and vegetables in Litang. Improve production efficiency and stimulate farmers' enthusiasm in expanding production and planting.

**Key Performance**

During the Reporting Period, our employee volunteer service recorded **367,620** hours and **41,235** person-times



• Care for children

**Case** "BoCom International Trust Playroom" offering a better childhood for hospitalized children

"BoCom International Trust Playroom" is a charitable project funded by Bank of Communications International Trust · Ruihe—Children's Humanities and Medical Care No.1 Charity Trust", the industry's first charity trust for children's humanities and medical care. Since its establishment, the Trust has actively organized a variety of themed activities to ease the emotions of hospitalized children and understand common medical tools. Treatment compliance has thus been improved, helping children to get accustomed to hospital life. By the end of December, 2022, Aiyou had carried out more than 142 themed activities for more than 1,000 children and their families. It also provided medical adaptation support and case services for more than 2,115 people.



Since 2012, Macau Branch has been holding the annual "Bank of Communications Cup" children's painting competition. The competition is now an iconic event of Macau International Automobile Expo. Themed "Walking with Love in the Sun", the 2022 competition introduced environmentally-friendly transportation by land, sea and air and safety knowledge to children from different areas such as Macao and Zhuhai

• Public welfare student aid

The new dormitory building of Shiwang Town Central Primary School. Guangdong Branch has been carrying out public welfare student aid activities for seven consecutive years. In 2022, the Branch donated RMB131,040 to Shiwang Town Central Primary School in Yangchun City to help improve its basic education conditions

**Case** Sharing the Chinese Dream—Hong Kong University Student Scholarship Program

During the Reporting Period, the Hong Kong Branch kept up its collaboration with third-party non-profit organization—Hong Kong Direct Subsidy Scheme Schools Council—on "Sharing the Chinese Dream—Hong Kong University Student Scholarship Program of Bank of Communications (Phase II)". This program encourages Hong Kong middle school students to further their studies in the Mainland so that they can better understand the national conditions and grow into talents that contribute to Hong Kong's development.

• Emergency rescue and disaster relief

**Case** Volunteer services in extinguishing mountain fires in Chongqing

In August 2022, when sudden mountain fires broke out throughout Chongqing, the Beibei Sub-branch established a volunteer team to deliver drinking water, heatstroke prevention herbal tea, and fire-fighting equipment to firefighters on the front line. The Bishan Sub-branch organized volunteers to connect with the Management Committee of Bishan High-tech Zone for purchase of fire-fighting materials such as towels and rakes for the local fire-fighting frontline.

• Ecological protection

**Case** Protection of "Water Tower of China" under green development concept

We actively practices the concept of green development, promotes the building of ecological civilization, and takes part in driving the Qinghai Province to grow into a national park demonstration province. At the critical stage of the Sanjiangyuan National Park construction, the Qinghai Branch donated RMB1 million to Sanjiangyuan Ecological Protection Foundation for Sanjiangyuan ecological protection projects, including ecological protection, ecological restoration, biodiversity protection, scientific research and monitoring in the park. By doing so, the Qinghai Branch contributed to ensuring clear sources of waters.

The Beihai Branch in Guangxi participating in the "Learning from Lei Feng—Planting Trees on Wetlands" and Voluntary Tree Planting for the Protection of Marine Environment event in 2022

• Charitable donations

We continue to fulfil our corporate social responsibilities and actively give back to the community. In 2022, we made charitable donations of RMB60.438 million.

**Case** Charitable donations to spread love

The Singapore Branch, putting the BoCom social responsibility concept into practice, donated SGD 20,000 (equivalent to roughly RMB 100,000) to the President's Challenge charity organization in support of vulnerable groups such as poor families, disabled people, and the elderly who lived alone. The Branch also donated SGD 20,000 (equivalent to roughly RMB 100,000) to Ding Yi Music Company in Singapore to give support to the performance, contributing to the spread of traditional Chinese folk culture.

Singaporean President Halimah Yacob presents to Singapore Branch the Certificate of Donations to the President's Challenge



• Support for rural vitalization

The key to national governance is to make its people well-off. We actively perform our social responsibilities, facilitate rural development, and promote common prosperity.



Fujian Branch provides financial assistance for Longta Village, Gekeng Town, Dehua County, Quanzhou City, with a donation of RMB 200,000 to the Longta Village Neighborhood Center



Zunyi Branch of Guizhou donates RMB 150,000 to Yanghua Village, supporting the pavement hardening, parking lot repair and street lamp installation of Cultural Square and the building of a beautiful, harmonious and safe countryside



Zhuzhou Branch in Hunan supports cultural tourism resource development in Futian Village, Lutian Town, Youxian County with a donation of RMB 100,000 to Yetang Village for the dredging of mountain ponds



Yanbian Branch in Jilin donates RMB 80,000 to Beidao Village, Songjiang Town, Antu County, enabling villagers to buy equipment to remove straws from fields after autumn harvest



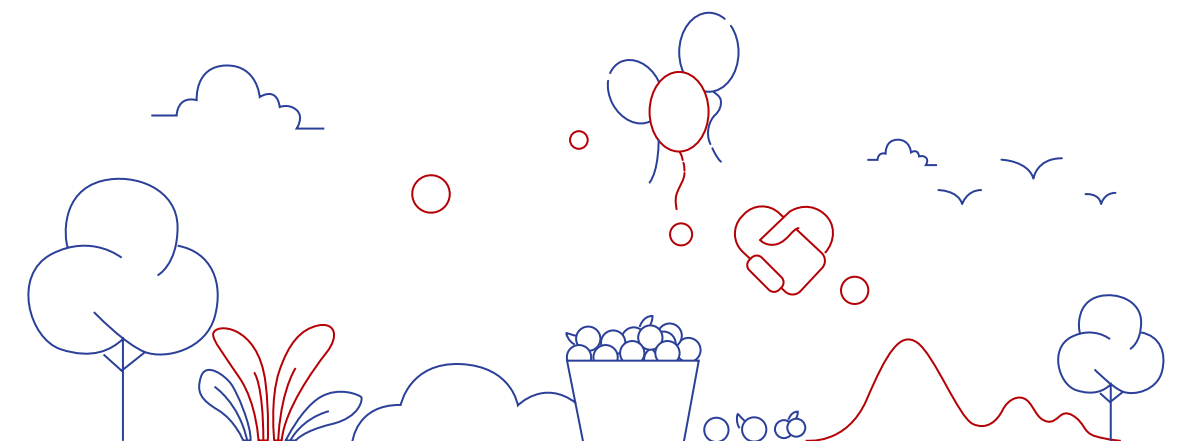
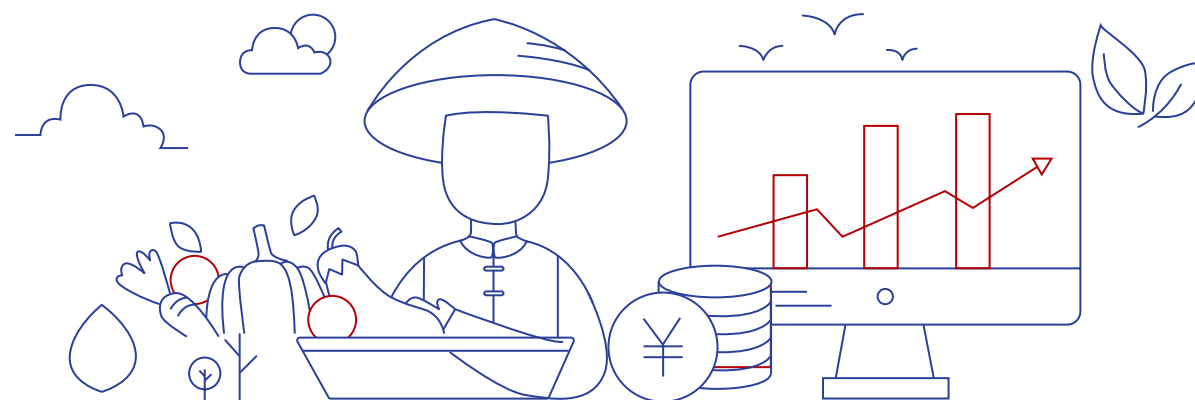
In 2017, Liaoning Branch established "Aiqinghe" Rice Cooperative in Dexing Village. Ever since, the cooperative has lifted poor households out of poverty into prosperity. The donations total RMB 1.95 million now



Ningxia Branch introduces RMB 250,000 to help renovate the heating systems as well as to install solar street lamps and more garbage bins in Luozhuang Village, Huoshizhai Township, Xiji County, contributing financial strength to the building of a beautiful and ecologically livable countryside



Inner Mongolia Branch donates RMB 282,500 to Xinfu Village, Wulubutie Town, Oroqen Banner, Hulunbuir City, for the development of its collective edible fungus industry. This is expected to create jobs for the villagers and increase their incomes



## Outlook for 2023

In 2023, BoCom will set to closely rallied around the Party Central Committee with Xi Jinping at its core, and progress steadily in accordance with the *Outline on Development Plan of Bank of Communications Co., Ltd. for the "14th Five-Year Plan" Period (2021-2025) (revised in 2022)*. We will progress while ensuring stability in our efforts to deepen reform and innovation, as well as to refine the corporate governance system. By capitalizing on the geographical advantages in Shanghai and the Yangtze River Delta, BoCom will focus on developing business features, building solid operational foundations, and cementing its professionalism. Continuing to act as a main force among the financial "national teams" of state-owned big banks, we will grow into a world-class banking group with distinctive advantages.

**BoCom will develop main businesses in depth to fuel economic development.** Always be ready for the worst but never set limits. Following this philosophy, we will launch the "Year of Asset Quality Consolidation" campaign designed to enhance our risk control capability on all fronts, allowing us to strike a dynamic balance between business development and risk control. Meanwhile, we will keep up with our development of featured technology finance, inclusive finance, trade finance, and wealth finance to enhance support for the real economy. While ensuring steady improvements in asset quality, we seek to consolidate and enhance value creation, bringing a high-quality economic development. As we dive deeper into digital transformation by leveraging the power of FinTech, we will also speed up on building various online channels. The set-up of open bank and expansion of scenario applications will allow smart finance to contribute to a better life. We will always adhere to a customer-centric and innovative business structure, products, and services, satisfying customers' financial demands.

**BoCom will insist on low-carbon, environment-friendly operation and empower China's green transformation.** We are determined to put the major decisions and plans on ecological advancement made by the Party Central Committee into practice. Green will continue to serve as the defining feature of the Group's operations, fueling green, low-carbon, high-quality economic and social development. We will work to make sure that the "1+N" policy system is put in place to serve China's "carbon peaking and carbon neutrality" strategy. Furthermore, we will identify and cope with financial risks incurred as a result of climate change. To increase green finance supports for the real economy, especially for key fields and key regions, we will refine the green finance governance system, improve the top design, and create a diversified portfolio of green finance products and systems. In our operations, we will also practice green operation, advocate green low-carbon lifestyle, popularize environmental awareness, and endeavor to reduce energy consumption and pollutant emissions. In our routine operation, we'll practice the green concept via management enhancement, technology upgrading, and equipment overhaul, ultimately pioneering energy conservation and carbon emission reduction.

**BoCom will practice its social responsibility for building happy homes.** Upholding the development philosophy of "mutual creation, mutual prosperity, sharing, mutual responsibility, and win-win", BoCom will pay heed to demands of its customers, employees, communities and other stakeholders. Not only will we protect the basic rights and interests of our employees, but we'll also tend to their health and empower their career development. With an enhanced top design for consumer protection, we will also refine the consumer protection mechanism to constantly improve our consumer experience. Optimizing supply chain management rules and improving the sustainability of the supply chain, we actively devote to community development and building harmonious communities with our community-based featured public welfare activities.

The future has come; now is the time to live up to the present and live up to the youth. BoCom will forge ahead with enterprise and fortitude, so let us stride together toward a win-win future!





# Independent Statement of Assurance



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## 独立鉴证报告

毕马威华振通字第 2300052 号

交通银行股份有限公司董事会:

我们接受委托,对交通银行股份有限公司(以下简称“交通银行”)编制的《交通银行股份有限公司 2022 年社会责任(ESG)报告》(以下简称“《社会责任(ESG)报告》”)中选定的 2022 年度关键数据(以下简称“关键数据”)执行了有限保证的鉴证业务。

### 一、 关键数据

本报告就《社会责任(ESG)报告》关键数据(即《社会责任(ESG)报告》第 6-7 页关键绩效)实施了有限保证的鉴证工作。

我们的鉴证工作仅限于《社会责任(ESG)报告》中选定的 2022 年度关键数据,《社会责任(ESG)报告》中所披露的其他信息、2021 年度及以前年度信息均不在我们的工作范围内。此外,我们工作的目的不是就交通银行内部控制的有效性发表意见。

### 二、 标准

交通银行编制《社会责任(ESG)报告》关键数据所采用的标准列示于《社会责任(ESG)报告》中第 91-92 页的关键数据编制基础(以下简称“编制基础”)中。

### 三、 管理层的责任

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

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## 独立鉴证报告(续)

### 四、 我们的独立性与质量控制

我们遵守了国际会计师职业道德准则理事会《国际会计师职业道德守则》对独立性和其他道德的要求。该职业道德准则以诚信、客观、专业胜任能力及应有的关注、保密和良好的职业行为为基本原则。

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

### 五、 注册会计师的责任

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

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

### 六、 实施的工作总结

有限保证的鉴证业务所实施程序的性质和时间较合理保证鉴证业务有所不同,且范围较小。因此,有限保证的鉴证业务的保证程度远低于合理保证的鉴证业务。我们不会就《社会责任(ESG)报告》关键数据是否在所有重大方面按照编制基础编制,发表合理保证意见。我们的鉴证工作包括评估《社会责任(ESG)报告》关键数据是否存在由于舞弊或错误导致的重大错报风险,选择的鉴证程序取决于我们的判断及对项目风险的评估。

我们所实施的程序包括:

- 1) 对交通银行参与提供《社会责任(ESG)报告》关键数据的相关部门进行访谈;
- 2) 对《社会责任(ESG)报告》关键数据实施分析程序;
- 3) 对《社会责任(ESG)报告》关键数据选择样本进行检查;
- 4) 重新计算。

第 2 页,共 3 页



## 独立鉴证报告 (续)

### 七、固有限制

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

### 八、结论

基于已实施的程序及获取的证据，我们没有注意到任何事项使我们相信《社会责任 (ESG) 报告》中选定的 2022 年度关键数据未能在所有重大方面按照编制基础编制。

### 九、使用限制

本报告仅是为董事会编制《社会责任 (ESG) 报告》之用，并不适合及不能用作其他用途。我们不会对除交通银行董事会以外的任何第三方承担任何责任。

毕马威华振会计师事务所 (特殊普通合伙)

毕马威华振会计师事务所 (特殊普通合伙)

中国 北京

日期：2023 年 3 月 30 日

# Foundations to Key Performance

1. "Controlled non-bank subsidiaries" refers to eight non-bank subsidiaries, i.e., Bank of Communications Financial Leasing Co., Ltd., China BoCom Insurance Co., Ltd., BoCom Financial Asset Investment Co., Ltd., Bank of Communications Schroder Fund Management Co., Ltd., Bank of Communications International trust Co., Ltd., BoComLife Insurance Co., Ltd. and BoCom International Holdings Company Limited, plus BoCom Wealth Management Co., Ltd. The figures on profits from controlled subsidiaries indicate profits attributable to the parent company.

2. Branches outside Chinese Mainland refers to the 23 overseas branches/subsidiaries and representative offices established in 18 countries and regions, including Hong Kong Branch/Bank of Communications (Hong Kong) Co., Ltd., branches in New York, Tokyo, Singapore, Seoul, Frankfurt, Macao, Ho Chi Minh City, San Francisco, Sydney, Taipei, London, Bank of Communications (Luxembourg) Limited/Luxembourg Branch, Brisbane Branch, Bank of Communications (Luxembourg) S.A. Paris Branch, Bank of Communications (Luxembourg) S.A. Rome Branch, Bank of Communications (Brazil) Co., Ltd., Melbourne, Prague Branch, Johannesburg Branch, and the Toronto Representative Office.

3. Central and western China refers to the 17 provinces, autonomous regions, and municipalities of Shanxi Province, Inner Mongolia Autonomous Region, Anhui Province, Jiangxi Province, Henan Province, Hubei Province, Hunan Province, Guangxi Zhuang Autonomous Region, Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province, Shaanxi Province, Gansu Province, Ningxia Hui Autonomous Region, Xinjiang Uyghur Autonomous Region and Qinghai Province.

4. Outstanding loans, micro-, small- and medium-sized enterprises is the sum of outstanding loans to small- and micro-enterprises and those to mid-sized enterprises as reported to the People's Bank of China.

5. Outstanding loans, agro-related refers to the sum of outstanding agro-related loans reported to the People's Bank of China, including agro-related loans to enterprises and organizations in cities, farm loans, loans to enterprises and organizations in rural areas, and non-farm loans concerning agriculture, forestry, animal husbandry, and fisheries.

6. The data on outstanding low-income housing loans were collected in accordance with the CBIRC's S66 Information Table of Low-income Housing Loans by Region.

7. The data on outstanding science, education, culture, and health loans were obtained based on the 2011 classification of sectors in the national economy, including "scientific research and technology services," "education," "health and social work," and "culture, sports and entertainment."

8. Number of outlets in the Chinese mainland refers to the number of all licensed outlets of BoCom in the Chinese mainland.



9.Outstanding loans to clean energy industries are the total outstanding loans to industries of new energy and clean energy equipment manufacturing, building and operation of clean energy facilities, clean and efficient use of traditional energy resources, and efficient operation of energy systems granted by branches in the Chinese mainland. They were calculated according to the standards of the People's Bank of China.

10.Outstanding green loans are the total outstanding loans to energy conservation and environmental protection industry, clean production industry, clean energy industry, ecological environment industry, green upgrading of infrastructure, and green services granted by branches in the Chinese mainland. They were calculated according to the standards of the People's Bank of China.

11.E-banking business share refers to the ratio of the volume of transactions conducted via e-channels to those conducted via electronic and non-electronic channels combined and covers only domestic branches. Overseas branches and subsidiaries are excluded.

12.Head Office refers to the five office buildings in Lujiazui (BoCom Financial Towers), Zhangjiang, Hongqiao (Jinming Building), Gaoke and Caohejing of Shanghai. "Head Office carbon emissions" includes direct and indirect emissions produced by the Head Office. "Head Office energy consumption equivalent to standard coal" refers to the standard coal equivalent of natural gas consumption and electricity consumption. "Head Office hazardous waste disposed" means the total hazardous waste received and disposed by the third-party company with qualification to which the Head Office transfers hazardous waste. Head Office water use refers to the annual tap water consumption of the Head Office. Head Office electricity use refers to the annual electricity consumption of the Head Office. Head Office gas use refers to the annual natural gas consumption of the Head Office. Head Office paper use refers to the annual paper consumption of the Head Office.

13.The data on bank-wide video conferences refer to the number of meetings held using television and telephone to transmit sound and images in real-time between users in two or more locations.

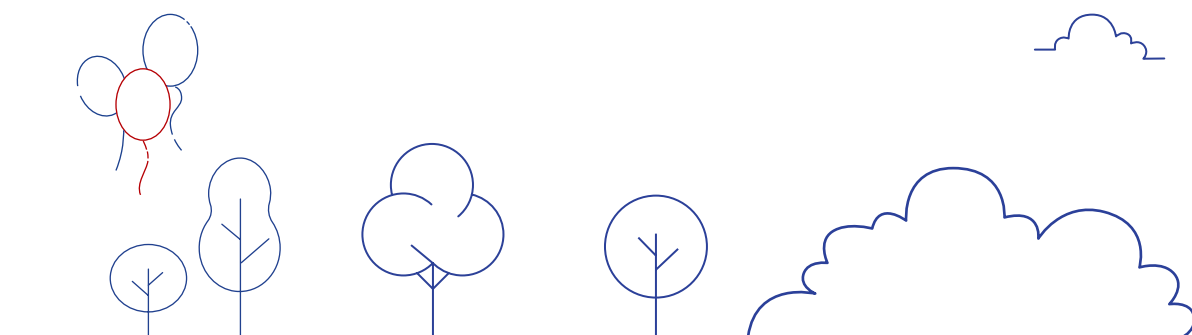
14.The data center PUE is the ratio of total facility power to total IT equipment power at the Bank's Data Center.

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

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

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

18.Charitable donations made refers to the donations made in the name of BoCom to public programs for rural vitalization and charity in accordance with BoCom's Measures for Managing Donations to Other Organizations.



# ESG Index

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

## Environmental

Aspect	Indicator	Description	Section	Disclosure
Aspect A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Conducting green operation to advance low-carbon development	Disclosed
	A1.1	The types of emissions and respective emissions data.	Conducting green operation to advance low-carbon development	Disclosed
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Conducting green operation to advance low-carbon development	Disclosed
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Conducting green operation to advance low-carbon development	Disclosed
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Conducting green operation to advance low-carbon development	Disclosed
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Conducting green operation to advance low-carbon development	Disclosed
Aspect A2: Use of Resources	A1.6	Description of how hazardous and nonhazardous wastes are handled, and description of reduction target(s) set and steps taken to achieve them.	Conducting green operation to advance low-carbon development	Disclosed
	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Conducting green operation to advance low-carbon development	Disclosed
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	Conducting green operation to advance low-carbon development	Disclosed
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Conducting green operation to advance low-carbon development	Disclosed
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Conducting green operation to advance low-carbon development	Disclosed



Aspect	Indicator	Description	Section	Disclosure
Aspect A2: Use of Re-sources	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Conducting green operation to advance low-carbon development	Disclosed
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Conducting green operation to advance low-carbon development	Disclosed
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Pursue green development and to realize finance for good	Disclosed
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Pursue green development and to realize finance for good	Disclosed
Aspect A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green finance to empower green transformation	Disclosed
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green finance to empower green transformation	Disclosed

 Social

Aspect	Indicator	Description	Section	Disclosure
Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Caring for employees to build a happy BoCom	Disclosed
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Caring for employees to build a happy BoCom	Disclosed
	B1.2	Employee turnover rate by gender, age group and geographical region.	Caring for employees to build a happy BoCom	Disclosed
Aspect B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Caring for employees to build a happy BoCom	Disclosed
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Caring for employees to build a happy BoCom	Disclosed

Aspect	Indicator	Description	Section	Disclosure
Aspect B2: Health and Safety	B2.2	Lost days due to work injury.	Caring for employees to build a happy BoCom	Disclosed
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Caring for employees to build a happy BoCom	Disclosed
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Caring for employees to build a happy BoCom	Disclosed
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Caring for employees to build a happy BoCom	Disclosed
	B3.2	The average training hours completed per employee by gender and employee category.	Caring for employees to build a happy BoCom	Partially disclosed, currently unable to collect the statistics by gender and is planning to add the "average training hours" statistical indicator by gender in the intelligent human resources system.
Aspect B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Caring for employees to build a happy BoCom	Disclosed
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring for employees to build a happy BoCom	Disclosed
	B4.2	Description of steps taken to eliminate such practices when discovered.	Caring for employees to build a happy BoCom	Disclosed
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Serving the community to jointly build a better home	Disclosed
	B5.1	Number of suppliers by geographical region.	Serving the community to jointly build a better home	Disclosed
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Serving the community to jointly build a better home	Disclosed
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Serving the community to jointly build a better home	Disclosed
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Serving the community to jointly build a better home	Disclosed

Aspect	Indicator	Description	Section	Disclosure
Aspect B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Serving the community to jointly build a better home	Disclosed
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable since the Group's operations do not involve sold or shipped products.	
	B6.2	Number of products and service related complaints received and how they are dealt with.	Serving the community to jointly build a better home	Disclosed
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection	Disclosed
	B6.4	Description of quality assurance process and recall procedures.	Not applicable since the Group's operations do not involve quality assurance process and recall procedures.	
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Serving the community to jointly build a better home	Disclosed
Aspect B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Compliance management	Disclosed
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Compliance management	Disclosed
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Compliance management	Disclosed
	B7.3	Description of anti-corruption training provided to directors and staff.	Compliance management	Disclosed
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Serving the community to jointly build a better home	Disclosed
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Serving the community to jointly build a better home	Disclosed
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Serving the community to jointly build a better home	Disclosed

# GRI Index

**Statement of Use** BoCom has its report in accordance with the GRI Standards for the period lasting from January 2022 to December 2022.

**GRI 1 used** GRI 1: Foundation 2021

GRI Standards	Disclosures	Section
GRI 2: General Disclosures 2021		
2-1	Organizational details	Overview
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	About This Report
2-5	External assurance	Independent Statement of Assurance
2-6	Activities, value chain and other business relationships	Serving the community to jointly build a better home
2-7	Employees	Caring for employees to build a happy BoCom
2-9	Governance structure and composition	Overview
2-10	Nomination and selection of the highest governance body	Overview
2-11	Chair of the highest governance body	Overview
2-12	Role of the highest governance body in overseeing the management of impacts	CSR management
2-13	Delegation of responsibility for managing impacts	CSR management
2-14	Role of the highest governance body in sustainability report	CSR management
2-15	Conflicts of interest	CSR management
2-16	Communication of critical concerns	CSR management
2-17	Collective knowledge of the highest governance body	Message from Bank Leadership
2-18	Evaluation of the performance of the highest governance body	Overview

GRI Standards	Disclosures	Section
2-19	Remuneration policies	Caring for employees to build a happy BoCom
2-20	Process to determine remuneration	Caring for employees to build a happy BoCom
2-22	Statement on sustainable development strategy	Message from Bank Leadership
2-23	Policy commitments	Message from Bank Leadership
2-24	Embedding policy commitments	Message from Bank Leadership
2-25	Processes to remediate negative impacts	CSR management
2-26	Mechanisms for seeking advice and raising concerns	CSR management
2-27	Compliance with laws and regulations	Overview
2-28	Membership associations	CSR management
2-29	Approach to stakeholder engagement	CSR management
2-30	Collective bargaining agreements	CSR management
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	CSR management
3-2	List of material topics	CSR management
3-3	Management of material topics	CSR management
<b>Economic</b>		
<b>GRI 201: Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	Focus on quality and make progress while ensuring stability
201-2	Financial implications and other risks and opportunities due to climate change	Green finance to empower green transformation
201-3	Defined benefit plan obligations and other retirement plans	Caring for employees to build a happy BoCom
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-1	Infrastructure investments and services supported	Focus on quality and make progress while ensuring stability

GRI Standards	Disclosures	Section
203-2	Significant indirect economic impacts	Focus on quality and make progress while ensuring stability
<b>GRI 205: Anti-corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	Compliance management
205-2	Communication and training about anti-corruption policies and procedures	Compliance management
205-3	Confirmed incidents of corruption and actions taken	Compliance management
<b>Environment</b>		
<b>GRI 301: Materials 2016</b>		
301-1	Materials used by weight or volume	Conducting green operation to advance low-carbon development
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	Conducting green operation to advance low-carbon development
302-3	Energy intensity	Conducting green operation to advance low-carbon development
302-4	Reduction of energy consumption	Conducting green operation to advance low-carbon development
302-5	Reductions in energy requirements of products and services	Pursue green development to realize finance for good
<b>GRI 303: Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	Conducting green operation to advance low-carbon development
303-2	Management of water discharge-related impacts	Conducting green operation to advance low-carbon development
303-3	Water withdrawal	Conducting green operation to advance low-carbon development
303-4	Water discharge	Conducting green operation to advance low-carbon development
303-5	Water consumption	Conducting green operation to advance low-carbon development



GRI Standards	Disclosures	Section
<b>GRI 304: Biodiversity 2016</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Green finance to empower green transformation
304-2	Significant impacts of activities, products and services on biodiversity	Green finance to empower green transformation
304-3	Habitats protected or restored	Green finance to empower green transformation
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	Conducting green operation to advance low-carbon development
305-2	Energy indirect (Scope 2) GHG emissions	Conducting green operation to advance low-carbon development
305-4	GHG emissions intensity	Conducting green operation to advance low-carbon development
305-5	Reduction of GHG emissions	Conducting green operation to advance low-carbon development
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Conducting green operation to advance low-carbon development
<b>GRI 306: Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	Conducting green operation to advance low-carbon development
306-2	Management of significant waste-related impacts	Conducting green operation to advance low-carbon development
306-3	Waste generated	Conducting green operation to advance low-carbon development
306-4	Waste diverted from disposal	Conducting green operation to advance low-carbon development
306-5	Waste directed to disposal	Conducting green operation and advancing low-carbon development
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	Serving the community to jointly build a better home
308-2	Negative environmental impacts in the supply chain and actions taken	Serving the community to jointly build a better home

GRI Standards	Disclosures	Section
<b>Social</b>		
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	Caring for employees to build a happy BoCom
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Caring for employees to build a happy BoCom
401-3	Parental leave	Caring for employees to build a happy BoCom
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	Caring for employees to build a happy BoCom
403-2	Hazard identification, risk assessment, and incident investigation	Caring for employees to build a happy BoCom
403-3	Occupational health services	Caring for employees to build a happy BoCom
403-4	Worker participation, consultation, and communication on occupational health and safety	Caring for employees to build a happy BoCom
403-5	Worker training on occupational health and safety	Caring for employees to build a happy BoCom
403-6	Promotion of worker health	Caring for employees to build a happy BoCom
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Caring for employees to build a happy BoCom
403-8	Workers covered by an occupational health and safety management system	Caring for employees to build a happy BoCom
403-9	Work-related injuries	Caring for employees to build a happy BoCom
403-10	Work-related ill health	Caring for employees to build a happy BoCom
<b>GRI 404: Training and Education 2016</b>		
404-1	Average hours of training per year per employee	Caring for employees to build a happy BoCom
404-2	Programs for upgrading employee skills and transition assistance programs	Caring for employees to build a happy BoCom

GRI Standards	Disclosures	Section
404-3	Percentage of employees receiving regular performance and career development reviews	Caring for employees to build a happy BoCom
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	Caring for employees to build a happy BoCom
405-2	Ratio of basic salary and remuneration of women to men	Caring for employees to build a happy BoCom
<b>GRI 406: Non-discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	Caring for employees to build a happy BoCom
<b>GRI 413: Local Communities 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	Serving the community to jointly build a better home
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	Serving the community to jointly build a better home
414-2	Negative social impacts in the supply chain and actions taken	Serving the community to jointly build a better home
<b>GRI 416: Customer Health and Safety 2016</b>		
416-1	Assessment of the health and safety impacts of product and service categories	Serving the community to jointly build a better home
<b>GRI 417: Marketing and Labeling 2016</b>		
417-1	Requirements for product and service information and labeling	Strengthening CSR management to show the responsibility as a major bank
417-2	Incidents of non-compliance concerning product and service information and labeling	Strengthening CSR management to show the responsibility as a major bank
<b>GRI 418: Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Serving the community to jointly build a better home

# Feedback Form



Please scan the code to fill in the feedback form

Dear Sir/Madam,

Thank you for reading BoCom CSR (ESG) Report 2022. Your feedback is helping us to perform our CSR management and practice better. To leverage the communication role of this Report, we sincerely invite you to give your opinions and suggestions.

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

Very good     Good     Fair     Poor     Very poor

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

Very good     Good     Fair     Poor     Very poor

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

Very good     Good     Fair     Poor     Very poor

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

Very good     Good     Fair     Poor     Very poor

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

Very good     Good     Fair     Poor     Very poor

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

Very good     Good     Fair     Poor     Very poor

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

Very good     Good     Fair     Poor     Very poor

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

Very good     Good     Fair     Poor     Very poor

9. Do you think this Report is readable in both content and layout?

Yes     No

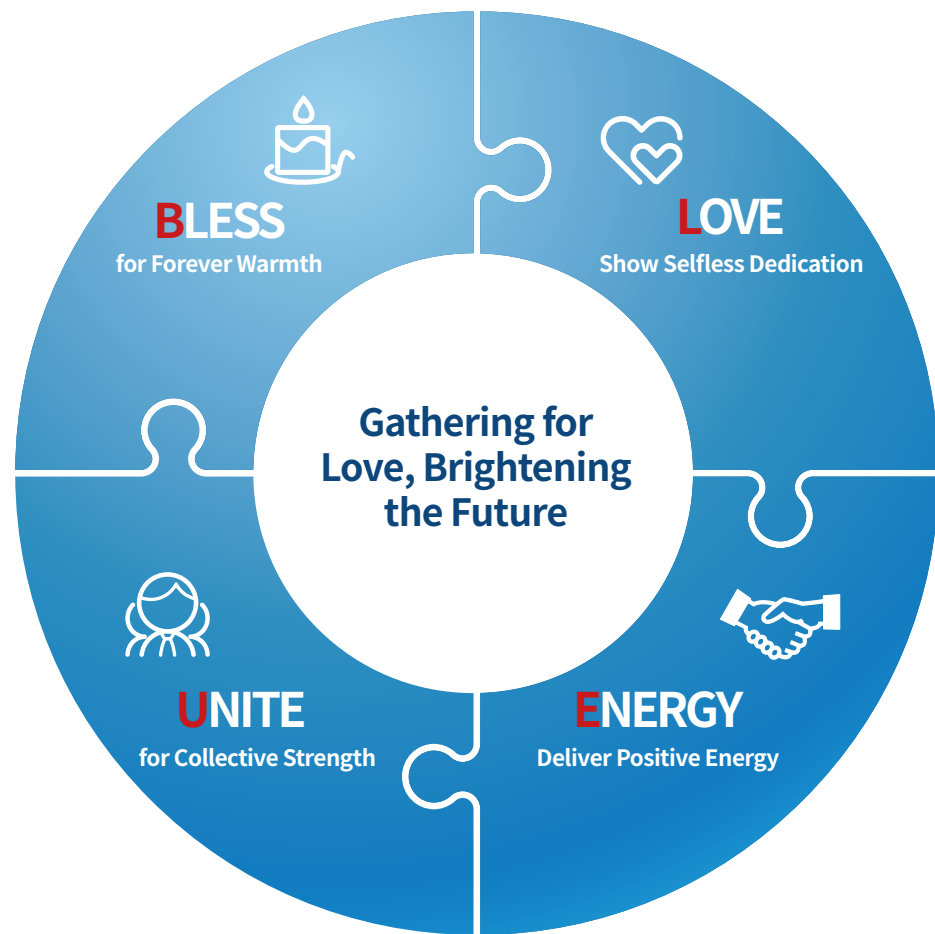
10. Your comments and suggestions for BoCom's social responsibility work and this Report:

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Note: Please tick the appropriate box.







Scan QR code to access the  
H5 version of BoCom 2022  
CSR Report (ESG Report)

