

2023

**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, 2023. BoCom publishes its corporate social responsibility report (ESG Report) annually. Part of the information herein is beyond that timeframe.

The 2023 Corporate Social Responsibility Report (ESG Report) of Bank of Communications Co., Ltd. was published on March 27, 2024.

References

This report is prepared in accordance with the *GRI Sustainability Reporting Standards* issued by the Global Sustainability Standards Board, while conforming to the relevant opinions and guidelines, such as the *Opinions on Strengthening the Social Responsibility of Banking Financial Institutions* issued by the former China Banking Regulatory Commission, the *Green Finance Guidelines for Banking and Insurance Sectors* issued by the former 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 *Guidelines No. 1 for Self-Regulation of Listed Companies - Standardized Operation of Companies Listed on the Shanghai Stock Exchange* issued by Shanghai Stock Exchange, and the *Environmental, Social, and the Governance Reporting Guide* issued by the Stock Exchange of Hong Kong Ltd..

Principles

The 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 2023 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/ESG management and 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 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.

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".

"Bank of Communications International Trust Co., Ltd." is shortened to "BoCom International Trust"

"Bank of Communications Financial Leasing Co., Ltd." is shortened to "BoCom Financial Leasing"

"BoCom International Holdings Company Limited" is shortened to "BoCom International"

"China BoCom Insurance Co., Ltd." is shortened to "BoCom Insurance"

"BoCom Financial Asset Investment Co., Ltd." is shortened to "BoCom Investment"

"Bank of Communications Schroder Fund Management Co., Ltd." is shortened to "BoCom Fund"

"BoCommLife Insurance Company Limited" is shortened to "BoCommLife Insurance"

"BoCom Wealth Management Co., Ltd." is shortened to "BoCom Wealth Management"

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Message from Bank Leadership

In 2023, following the strong leadership of the CPC Central Committee with Comrade Xi Jinping at its core and Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as the guide, BoCom implemented the principles of the 20th CPC National Congress, the Central Financial Work Conference, and the Central Economic Work Conference. We adhered to the path of financial development with Chinese characteristics. We focused on high-quality growth while fulfilling social responsibilities and supporting the sustainable development of economy, society, and environment. With a strategy of "stable performance amid progress and quality enhancement", we continued to consolidate our market position and global influence. By the end of 2023, BoCom achieved RMB92.728 billion in net profit, a 0.68% increase year-on-year, ranking 9th in Tier-1 capital among the "Top 1000 World Banks" by *The Banker* and listed among Global Systemically Important Banks for the first time.

Stay true to our original finance mission of serving the real economy.

In 2023, we firmly executed the CPC Central Committee's decisions, demonstrating the strategic characteristics in serving the real economy. As a major state-owned banking group, we met the real economy's financing needs, enhanced financial supply, and optimized the financial structure. The balance of RMB loans increased to 10.54%. Centering on major national strategies, key areas, and weak links, we improved both the efficiency and quality of our financial services. We directed loans towards sci-tech SMEs and innovative firms to support technological self-reliance through novel product development. To serve the strategy of boosting China's manufacturing power, we supported the national manufacturing sector through financial initiatives. Additionally, we optimized our overseas operations, catering to cross-border financial demands along "the Belt and Road", promoting RMB internationalization.

Practice green finance and empower the green and low-carbon transformation.

With "green" as the defining feature of the Group's operations, we aligned with and served the new development philosophy of "lucid waters and lush mountains" with financial services. We worked to build a beautiful China where humanity and nature exist in harmony. In 2023, we increased financial backing for low-carbon transformation of traditional industries and the innovative development of green industries, expanded our green finance products and services, and fully integrated "green" into credit policies to establish a strong green finance presence. As of the end of the Reporting Period, domestic institutions green loans under PBOC standards reached RMB822.042 billion, growing by RMB186.61 billion (29.37%) annually. Specifically, clean energy sector loans rose to RMB205.252 billion, up by RMB66.218 billion (47.63%), surpassing the growth rate of other loan types within the same period.

Benefit both individuals and enterprises with financial services and optimize the supply of inclusive finance.

Emphasizing the importance of improving people's livelihoods, we are committed to a "people-first" approach to delivering financial services that truly benefit our clients. We have expanded the reach and ease of access to inclusive finance, establishing a standardized system for online inclusive products tailored to various scenarios. The number of balance of inclusive loans to small- and micro-sized enterprises and customers increased by 29% and 17% respectively from the end of last year. Through advancements in financial technology, we have nurtured new and high-quality economic drivers. Concurrently, our efforts in rural revitalization have ensured that rural residents have unimpeded access to financial services. Innovative products and services have been introduced to tackle financing challenges faced by micro and small enterprises. We have also enhanced online and offline financial services for individuals with disabilities, new urban dwellers, and the elderly. Furthermore, we have accelerated our digital transformation efforts across all sectors to establish a comprehensive digital business framework. The release of updated versions of personal mobile banking, corporate mobile banking, and corporate online banking has enabled us to provide more scenario-specific and intelligent online services.

Share development achievements and strive for a better future.

We have seamlessly integrated the concepts of environmental, social, and corporate governance (ESG) into our company's operations and growth. By prioritizing the needs of our employees, customers, and communities, we have ensured our own sustainable development. Emphasis has been placed on building a talented Fintech team, establishing a robust talent development system, and enhancing the well-being of our employees. We have diligently safeguarded consumer rights, actively engaged in financial education and awareness campaigns, and rigorously protected customer data and privacy. Additionally, our commitment to public welfare has remained steadfast. In 2023, our employees volunteered for 389,936 hours, and the Bank executed 278 charitable projects, contributing a total public welfare donation of RMB58,362,200.

"Thousands of ships are sailing down the river, braving strong winds and waves". In 2024, we will remain steadfast in safeguarding the country's core interests while advancing the development of "technology finance, green finance, inclusive finance, pension finance and digital finance". By providing superior financial services, we aim to make greater contributions to the economy, society, and the environment, and achieve new milestones in our dedicated pursuit of high-quality development.

Chairman of the Board of Directors of the Bank of Communications

Ren Deqi

President of the Bank of Communications

Liu Jun

Chairman of the Board of Supervisors of the Bank of Communications

Xu Jiming

About BoCom

Company profile

Founded in 1908, BoCom is one of the longest-standing banks in China. Following a reorganization on April 1, 1987, the Bank reopened as the first nationwide state-owned joint-stock commercial bank in China, with its Head Office located in Shanghai. It was listed on the Hong Kong Stock Exchange in June 2005 and on the Shanghai Stock Exchange in May 2007. In 2023, the Bank was selected as a Global Systemically Important Bank. The Bank ranked 9th among global banks in terms of tier-1 capital.

With the objective of "building a world-class banking group with distinctive advantages", we emphasized green development as the cornerstone of our business operations and development, and committed to fostering business characteristics in inclusive finance, trade finance, technological finance, and wealth finance. Our focus is on continually enhancing our professional competence in customer management, technological leadership, risk management, collaborative operation, and resource allocation. Simultaneously, we are dedicated to deepening our roots in Shanghai and advancing our digital transformation efforts. Through these strategic initiatives, we aim to lead and drive the high-quality development of the Bank.

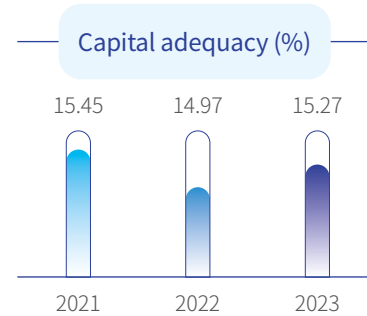
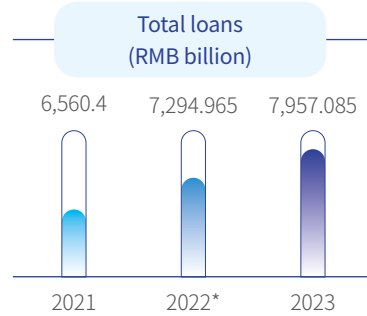
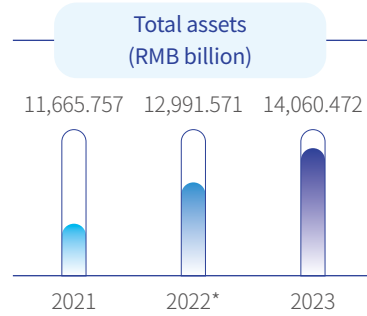
Approved by the National Administration of Financial Regulation, the Bank provides comprehensive financial services to 2,619,200 corporate customers and 192 million retail customers. These services are accessible through various online channels, including mobile banking and online banking, as well as through our extensive network of more than 2,800 domestic outlets, 23 overseas branches/subsidiaries, and representative offices. Our diverse range of 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 swaps through its wholly-owned or controlling subsidiaries.

As a major state-owned banking group with a long history, we position ourselves as a key supporter of the real economy and a pillar for financial stability, we will taking a leading role in driving financial reform and innovation. With unwavering strategic determination, we prioritize the prevention and mitigation of risks to safeguard our stability and resilience. Our dedication extends to providing high-quality services to our customers, generating greater value for our shareholders, fostering a positive and fulfilling work environment for our employees, and making meaningful contributions to society at large.

During the Reporting Period, the Group did not experience any significant changes in its operating model, main businesses, or key performance drivers.

Key performance

Economic



Net profits (RMB billion)
92.728



Total assets of branches outside Chinese mainland (RMB billion)
1,249.946



Balance of agriculture-related loans (RMB billion)
978.137



Balance of loans to micro-, small- and medium-sized enterprises (RMB billion)
2,760.982

*Note: The report has restated the relevant data for 2022 based on retrospectively revised financial statements.

Taxes (RMB billion) :30.440

Dividend distribution (RMB billion) : 27.849

Dividend per share (RMB) :0.375

Return on average assets (%) :0.69

Return on average equity (%) :9.68

NPL ratio (%) :1.33

Provision coverage (%) : 195.21

Tier-1 capital adequacy (%) :12.22

Core Tier-1 capital adequacy (%) :10.23

Total profits from branches outside Chinese mainland (RMB billion) : 5.318

Total assets of controlled non-bank subsidiaries (RMB billion) :650.999

Total profits of controlled non-bank subsidiaries (RMB billion) :9.081

Balance of loans to central and western China (RMB billion) : 2,417.331

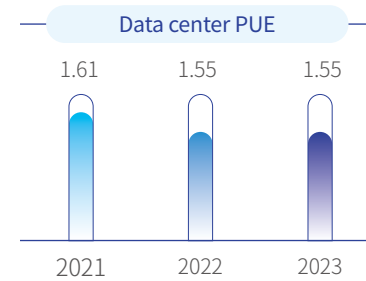
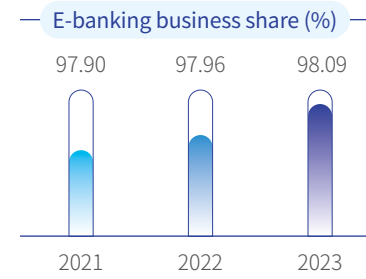
Balance of low-income-housing loans (RMB billion): 75.758

Balance of science, education, culture and health loans (RMB billion) :141.254

Balance of personal loans (RMB billion) :2,473.100

Number of outlets in the Chinese mainland: 2,834

Environmental



Quantity of water use by the Group (t):3,574,190
 Power consumption by the Group (MWh):659,263
 Office paper quantity by the Group (t):1,802
 Natural gas consumption by the Group (10⁴Nm³):574
 Video conferences: 43,084
 Hazardous waste generation by the Head Office (t): 1.45



Balance of green loans (RMB billion)
822.042



Balance of loans to clean energy industries (RMB billion)
205.252

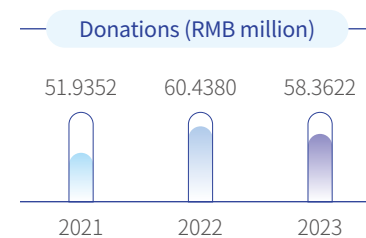
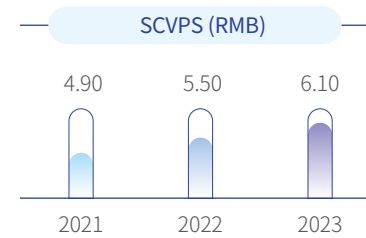


Total greenhouse gas emissions for Scope I and Scope II by the Group (t CO₂e)
444,059



Comprehensive energy consumption by the Group (tce)
107,028

Social



Employees of the Group
94,275



Female middle and senior management
2,936



Employees from ethnic minorities
4,378



Average training hours per employee
123

Honors

(The following awards are shown a part of those, which in no particular order)



2023 Rankings/Honors	Organizers or Awarding Institutions
Comprehensive Ranking	
The 2023 List of Global Systemically Important Banks	Financial Stability Board (FSB)
Top 1000 World Banks 2023 (No. 9)	The Banker
Business Awards	
First Prize of FinTech Development Award	The People's Bank of China
Best RMB/FX Market Maker	China Foreign Exchange Trade System
2022 Outstanding ESG Business Contribution Institution, Outstanding Underwriting Institution of CCDC Green Bond Index, Outstanding Investment Institution of CCDC Green Bond Index	China Central Depository & Clearing Co., Ltd. (CCDC)
Best Service Award of 2022	China Central Depository & Clearing Co., Ltd. (CCDC)
Gold Award for Market Making Business, Special Contribution Award of the Market Making Business Industry	Shanghai Futures Exchange
Outstanding Depository Bank of 2022	Shanghai Gold Exchange
IFF Global Green Finance Awards - Innovation Award	International Finance Forum (IFF)
Data Governance Best Practice Award	DAMA International
Fintech Case Award of the Year	China Finance
Most Innovative Private Bank Awards	Global Finance
Golden Bull Award for Bank Wealth Management Sales, Golden Bull Award for Bank Wealth Management Companies, Golden Bull Award for Bank Wealth Management Products	China Securities Journal



2023 Rankings/Honors	Organizers or Awarding Institutions
Gamma Award for Boutique Private Bank of 2023	Securities Times
Innovation Award for Fintech Application, Innovation Award for Industrial Digital Finance Construction	Financial Computerizing
Brand Awards	
Excellent Case of Sustainable Development Brands	Xinhua News Agency
ESG Best Practice of Listed Companies for 2023	China Association for Public Companies
The 18 th People's CSR Awards – Enterprise of the Year Award The 20 th People's Craftsman Awards – Craftsman Service Award	People's Daily Online
Corporate ESG Outstanding Fintech Practice Case for 2023	Xinhuanet
2023 Responsible Enterprise	China News Service, China Newsweek
Best Brand Development Bank of the Year	Financial Times
Brand Communication Case Award of the Year	China Finance
Top 20 for ESG Overall Performance of Banks Typical Social Responsibility Case of ESG in the Banking Sector for 2023	CBIMC
GoldenBee Excellent CSR Report 2023 - Evergreen Award	China Sustainability Tribune
2023 China Golden Tripod Awards - ESG Financial Pioneer of the Year	National Business Daily
China ESG Golden Awards 2023—Best Bank for Responsible Investment	Sina Finance
2023 Brand Influence Bank of the Year	Hexun.com

Road to Tomorrow

Action Plan of BoCom to Help the Disabled for Common Prosperity

The report to the 20th National Congress of the Communist Party of China states: "Improve the social security system as well as care and service system for the disabled, and promote the comprehensive development of the cause of the disabled".

According to data from the National Bureau of Statistics, the total number of disabled individuals in China has exceeded 85 million, accounting for over 6% of the total population. Despite being a minority, they are an integral part of the "real" world, with inner aspirations and desires deserving to be "seen". BoCom has been steadfastly supporting the cause of disabled individuals for 16 years since 2007, with a cumulative donation of RMB112 million to the China Disabled Persons' Federation. Our commitment remains unwavering, our compassion undiminished, as we leverage the power of finance to assist more disabled communities. With the strength of "love", we strive to propel "barrier-free" development.

Enlightenment and dream support

In 2007, BoCom collaborated with the China Disabled Persons' Federation to initiate the "Road to Tomorrow - Education Support Program for Young People with Disabilities". This program aims to empower young individuals with disabilities by providing them with opportunities to acquire essential skills and enhance their living conditions. Our mission is to ensure that every child, regardless of disability, has access to equitable and high-quality education, thereby furthering the cause of supporting individuals with disabilities.

The Program established the "BoCom Inspiration Award for College Students with Disabilities" to recognize exceptional students with disabilities who demonstrate remarkable self-improvement. Additionally, we established the "BoCom Gardener Award for Special Education" to honor individuals who have shown dedication and commitment to the field of special education.

Letter from stakeholders

"I am so grateful for BoCom's 'Road to Tomorrow' support program for the disabled! Your care and support throughout my educational journey have been truly invaluable. Without your assistance, I would not have been able to successfully complete my university studies, let alone secure the hard-earned job opportunities I have today. I am eager and committed to working diligently in my future career while striving to give back to the community as much as possible."

—Guo Bailing, a beneficiary of the program



Fang Xuejuan, winner of the BoCom Gardener Award for Special Education: "I want to thank both the China Disabled Persons' Federation and BoCom for giving special education teachers the opportunity to feel the unwavering support of the state and society towards special education."

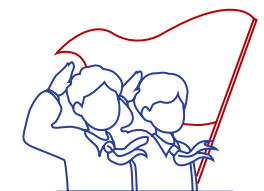
Award Ceremony of 2020 BoCom Gardener Award for Special Education



Wu Beifen, Principal of Shanghai No. 4 School for Hearing Impaired Children, winner of the 2010 BoCom Gardener Award for Special Education: "Thank you so much, BoCom, for showing such respect and care towards special education teachers!"

Key performance

Over the past 16 years, BoCom has contributed a total of RMB **112** million towards supporting individuals with disabilities. We have provided assistance to over **37,300** underprivileged students with disabilities, and improved **126** special education schools with their educational conditions. Additionally, we have recognized and honored **1,799** outstanding special education teachers and provided training to more than **7,600** special education teachers. Our efforts have directly benefited nearly **50,000** individuals with disabilities and workers dedicated to the cause of supporting the disabled



Main activities	Amount of donation	Assistance effect
Financial assistance to underprivileged students with disabilities	RMB48.95 million	Assisted more than 37,300 high school and college students with disabilities from families in need to complete their education.
Improve conditions in special education schools	RMB31.05 million	Equipped 126 special education schools spanning from compulsory education to university level, with additional educational resources, teaching equipment, devices, laboratories, and other essential facilities, thereby enhancing their hardware infrastructure.
BoCom Gardener Award for Special Education	RMB9.9 million	Encouraged and supported teachers with long commitments to the field of special education, resulting in the recognition of a cumulative total of 1,799 outstanding special education teachers.
BoCom training for special education gardeners	RMB4.9 million	Cooperated with the China Disabled Persons' Federation and the Ministry of Education to launch a training program for special education teachers, and provided training to more than 7,600 special education teachers.
BoCom Inspiration Award for College Students with Disabilities	RMB2.32 million	Encouraged students with disabilities to improve themselves, honoring nearly 400 outstanding college students with disabilities.
Skills Competition for Students with Disabilities	RMB1.1 million	Promoted the skills development of young individuals with disabilities through various initiatives, including competitions such as "Skills for Visually Impaired Students", "Painting and Calligraphy for Hearing Impaired Students", and the Vocational Skills Competition for Vocational Colleges and Universities organized in collaboration with the China Disabled Persons' Federation, a total of 582 students with disabilities have been recognized and awarded prizes.

Over the past 16 years, the collaboration between BoCom and the China Disabled Persons' Federation has evolved and diversified beyond the education for disabled youths. Our partnership now extends to various areas, including the training of special education gardeners, charity performances of China Disabled Persons' Art Troupe, and initiatives aimed at facilitating the employment of the disabled. Through these endeavors, we strive to enhance the quality of life for individuals with disabilities, promoting dignity and equality while fostering a community that values and cares for all its members. Together, we are committed to building a happier and brighter future.

Since 2021, we have been actively supporting the National Vocational Skills Competition for Disabled Elites and the "Beautiful Workshop" employment program for women with disabilities, driving the skills development of nearly 3,000 disabled people.



The Seventh National Vocational Skills Competition for the Disabled and the Fourth National Competence Demonstration of Disabled People were launched in Jinan, Shandong Province. BoCom, as a supporting enterprise, was awarded "Outstanding Contribution Unit" by the organization committee of the competition



BoCom sponsored the "BoCom Cup" Eighth National Vocational Skills Competition for Disabled Elites and the National Vocational Guidance Competition for Staff of Employment Service Agencies for the Disabled with the theme of "New Era, New Skills and New Dreams"

Help the disabled for common prosperity

On December 1, 2023, commemorating the 32nd International Day of People with Disabilities, BoCom and the China Disabled Persons' Federation came together in Shanghai to formalize a strategic cooperation agreement. This agreement marked the launch of the "Road to Tomorrow - Action Plan of BoCom to Help the Disabled for Common Prosperity". The upgraded "Road to Tomorrow - Action Plan of BoCom to Help the Disabled for Common Prosperity" initiative, significantly expanded its scope to encompass financial services and public welfare collaboration. Encompassing 12 key areas, including barrier-free services, e-channel services, consumer rights protection, inclusive finance, industrial chain finance, smart livelihood, smart government affairs, international exchange and cooperation, public welfare donations, charitable trusts, base co-construction, and volunteer services, this action plan signifies an expansion of BoCom's efforts to support individuals with disabilities.



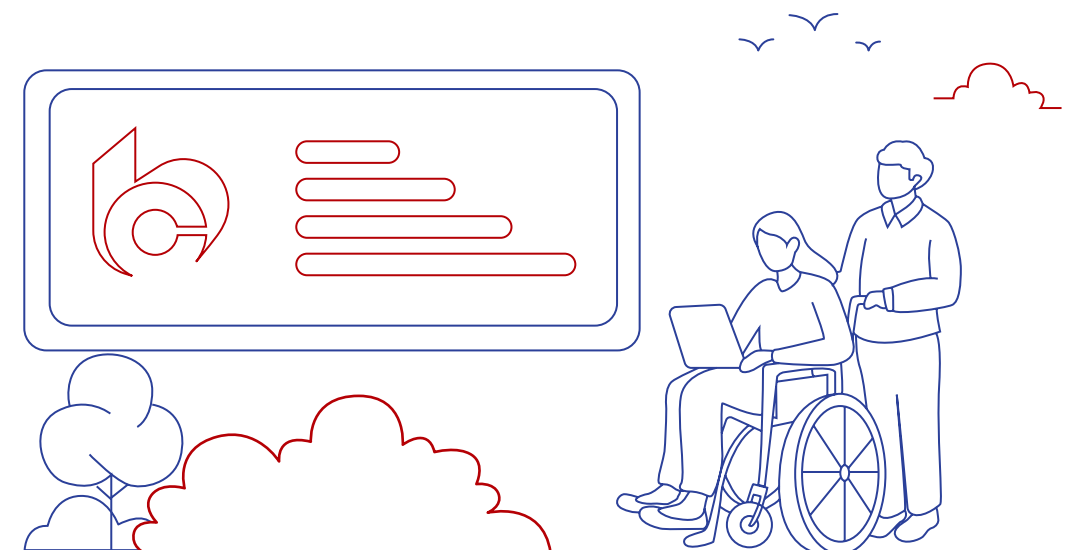
Signing Ceremony for the Action Plan of BoCom to Help the Disabled for Common Prosperity

Letter from stakeholders

"BoCom has been supporting the cause of the disabled for 16 years since 2007. Your significant contributions to the development of education for the disabled have garnered recognition and acclaim from diverse sectors of society. Currently, the partnership between the China Disabled Persons' Federation and BoCom is experiencing new opportunities for growth in a favorable environment. We are sincerely cooperating to improve the quality of life for disabled individuals, promote equal treatment and care for them within the community, and work together to create a happier and better future."

—Cheng Kai, Chairman of the Eighth Presidium of the China Disabled Persons' Federation

Going forward, BoCom remains dedicated to leveraging our financial strength to meet the diverse financial needs of individuals with disabilities. We are committed to offering tailored financial solutions to organizations, enterprise, and individuals within the disabled community, empowering them to lead fulfilling and prosperous lives.



Governance

Determine the Orientation and Make High-level Plans

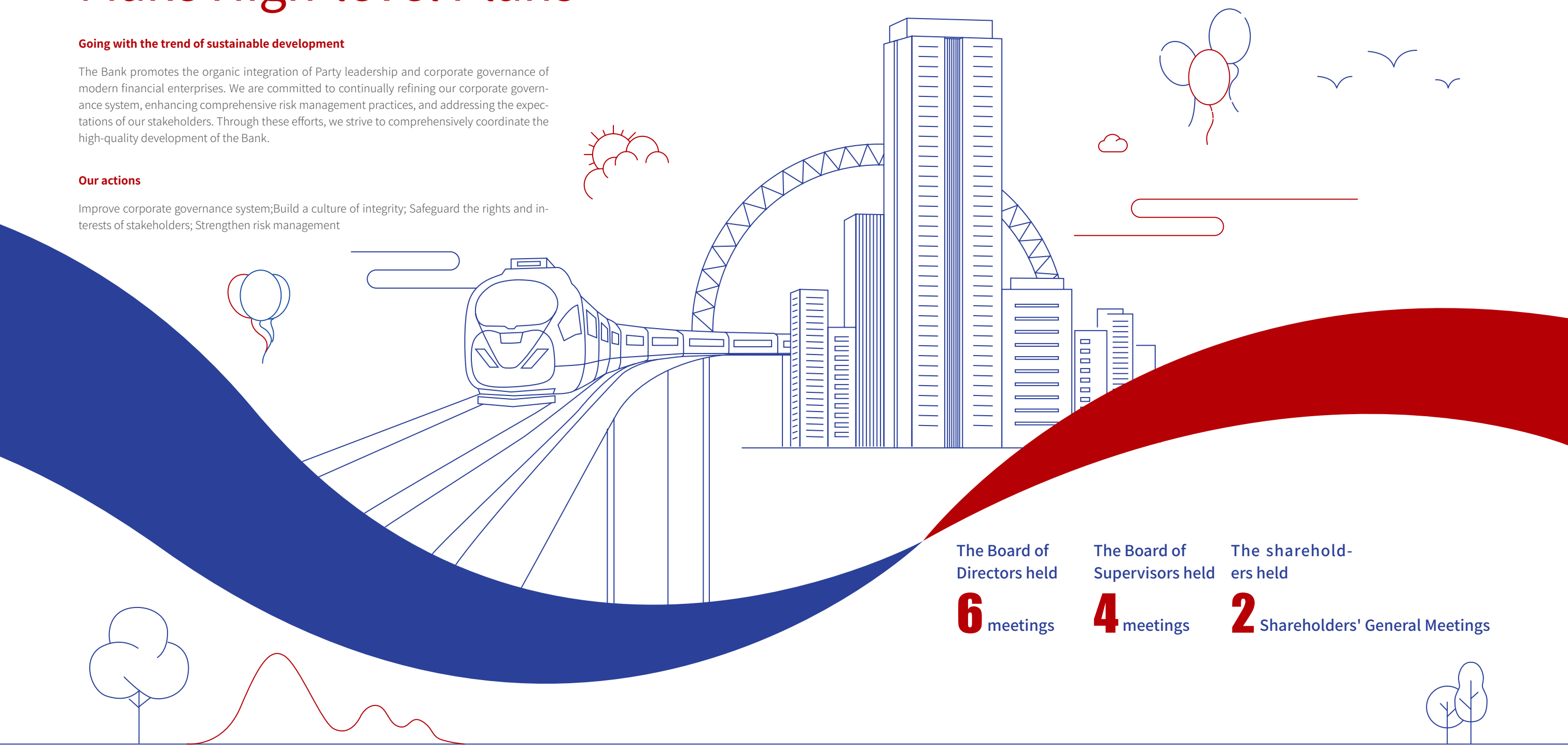
Going with the trend of sustainable development

The Bank promotes the organic integration of Party leadership and corporate governance of modern financial enterprises. We are committed to continually refining our corporate governance system, enhancing comprehensive risk management practices, and addressing the expectations of our stakeholders. Through these efforts, we strive to comprehensively coordinate the high-quality development of the Bank.

Our actions

Improve corporate governance system; Build a culture of integrity; Safeguard the rights and interests of stakeholders; Strengthen risk management

Aligning with SDGs



The Board of Directors held **6** meetings

The Board of Supervisors held **4** meetings

The shareholders held **2** Shareholders' General Meetings

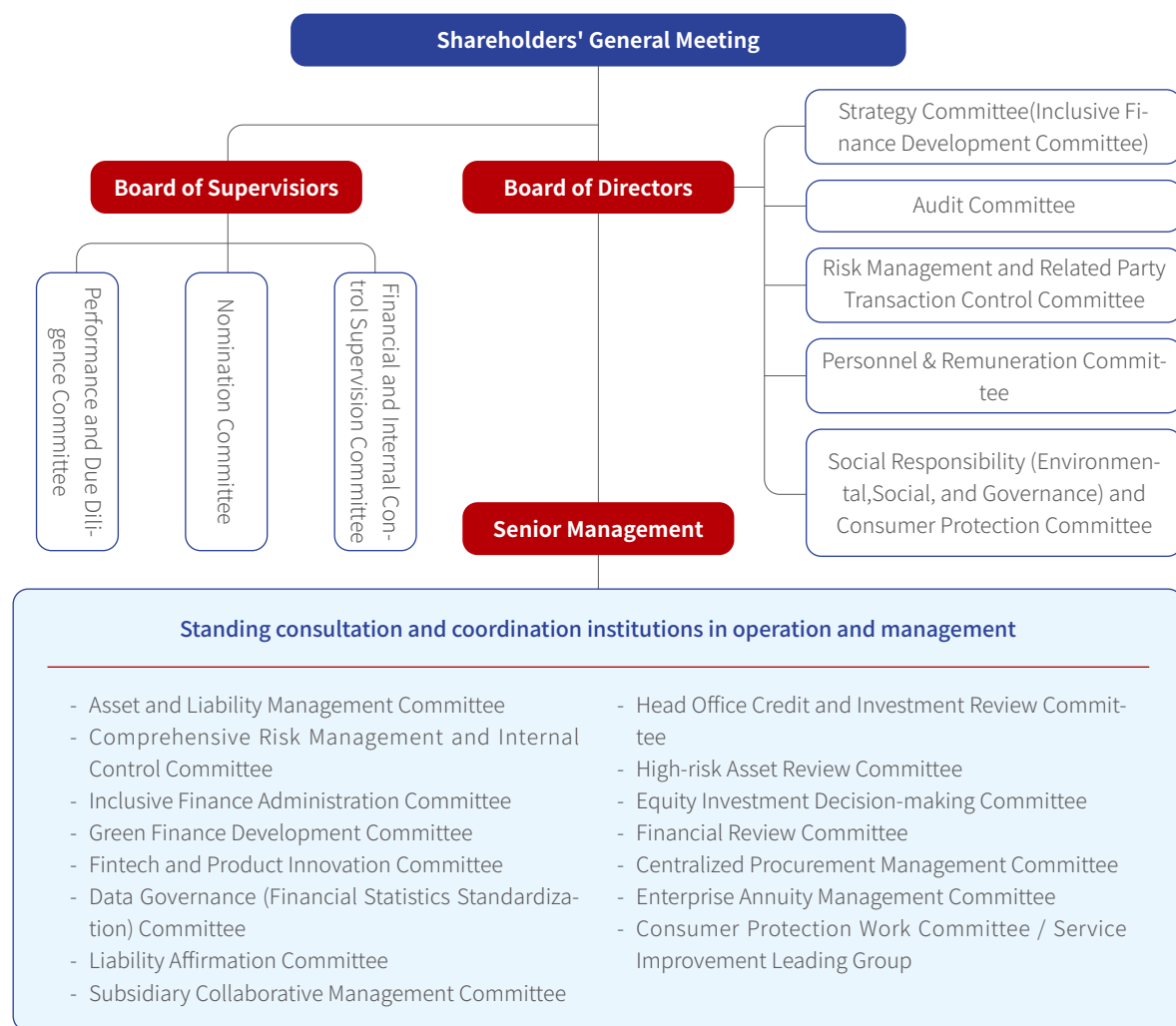
Overview

Party building leadership

We have remained steadfast in party-building efforts, emphasizing the organic integration and effective alignment of Party leadership with corporate governance. Our focus has been on clarifying the rights and responsibilities of each governance body to ensure the effective fulfillment of our political responsibility for maintaining full and strict Party self-governance. BoCom has formulated and revised the *2023 Arrangements of the Party Committee of BoCom for the Implementation of the Entity Responsibilities and Ensure Full and Strict Party Self-governance*, the *List of the Entity Responsibilities of the Party Committee of BoCom for Ensuring Strict Party Self-governance* and other documents. These measures have enhanced our responsibility and supervision systems, underscoring our commitment to political consciousness and a people-oriented approach to financial work.

Governance structure

BoCom has consistently strived to establish a robust corporate governance structure, adhering strictly to laws, regulatory regulations, and the listing rules of the stock exchanges where it is listed. We are committed to continuously enhancing information transparency to protect the rights and interests of our shareholders. During the Reporting Period, we have clearly defined the rights and responsibilities of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors, and the Senior Management of the Bank. Each party operates independently with effective checks and balances in place.



Governance structure of BoCom

Board of Directors

The Bank remains committed to strengthening the effective functioning of the Board of Directors. The Board of Directors regularly listens to reports from Senior Management on the implementation of resolutions from the Shareholders' General Meeting and the Board itself, as well as reports on authorized operations and the implementation of directors' opinions and suggestions. These measures aim to enhance supervision and assessment of decision implementation, forming a closed-loop management mechanism. BoCom adheres to the conversations between Chairman and independent directors and equity directors, the communications between independent directors and external auditors, and the regular reporting of the Senior Management, to give full play to the role of the Board of Directors in strategic decision-making and expert consultation.

The Bank places great emphasis on ensuring the independence, professionalism, and diversity of its Board of Directors. Executive directors possess extensive experience in the operation and management of commercial banks, boasting rich banking expertise and management acumen. Non-executive directors, on the other hand, possess deep theoretical knowledge and policy insights, coupled with extensive management experience in fields such as public finance, economics, finance, auditing, and corporate management. Independent directors are experts and scholars in the fields of economics, finance, auditing and law at home and abroad. They boast a comprehensive understanding of regulatory frameworks, corporate governance practices, and operational management within commercial banks, contributing significantly to the strategic decision-making processes of the Board of Directors. In 2023, the Bank's Shareholders' General Meeting elected Mr. Wang Tianze as an independent director, whose post qualifications were approved during the year.

Key performance

As of the end of the Reporting Period, the Board of Directors comprised

16 members

This included **2** executive directors

8 non-executive directors

and **6** independent non-executive directors.

Notably, the independent non-executive directors accounted for more than

1/3 of the total members of the Board

1 female director

During the Reporting Period, the Board of Directors convened

6 meetings

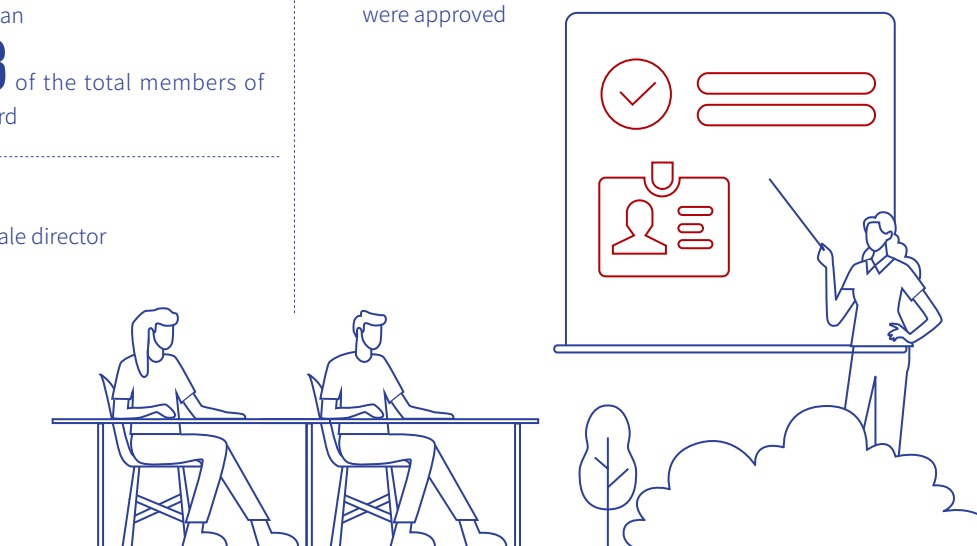
during which **69** proposals were approved

Additionally, the special committees under the Board of Directors held

24 meetings

where a total of **131** proposals and reports were approved

More than **40** participants from the Board of Directors attended various training sessions organized by the CSRC, SSE, Hong Kong Chartered Governance Institute (HKCGI), etc.



Board of Supervisors

During the Reporting Period, the Board of Supervisors diligently oversaw duty performance and made continuous enhancements to institutional policies. This included reviewing and approving relevant content of the *Articles of Association*, as well as revising and issuing the *Rules of Procedures*, implementing the "three specialties" working mechanism. The Board intensified supervision over strategies, finance and capital, risks, internal control, and compliance management and continued to supervise key areas.

Key performance

As of the end of the Reporting Period, the Board of Supervisors comprised

9 members

This included

2 shareholder supervisors

3 external supervisors

and

4 employee supervisors

During the Reporting Period, the Board of Supervisors held

4 meetings

8 meetings of special committees

55 proposals and reports were reviewed

Attended

2 General Meetings of Shareholders

Participated in

5 on-site meetings of the Board of Directors

The Board of Supervisors organized more than

30 on-site surveys

3 expert seminars

3 professional training sessions in seven branches



General Meeting of Shareholders

The Bank held the Shareholders' General Meeting punctually to address stakeholder concerns. We successfully completed the annual dividend payout and fulfilled tax-related obligations for ordinary A and H shares, as well as domestic preferred shares. In response to the demands of domestic branches and shareholders, we remained committed to maintaining a "zero" error approach.

Key performance

During the Reporting Period

2 Shareholders' General Meetings were held

reviewed and approved

12 proposals

In 2022, BoCom distributed cash dividends of RMB

0.373 per ordinary share (including tax)

totaling RMB **27.700** billion

representing **32.72** % of the Group's net profit (attributable to shareholders of the parent company).

The Bank paid RMB

1.832 billion in dividends to domestic preferred shareholders

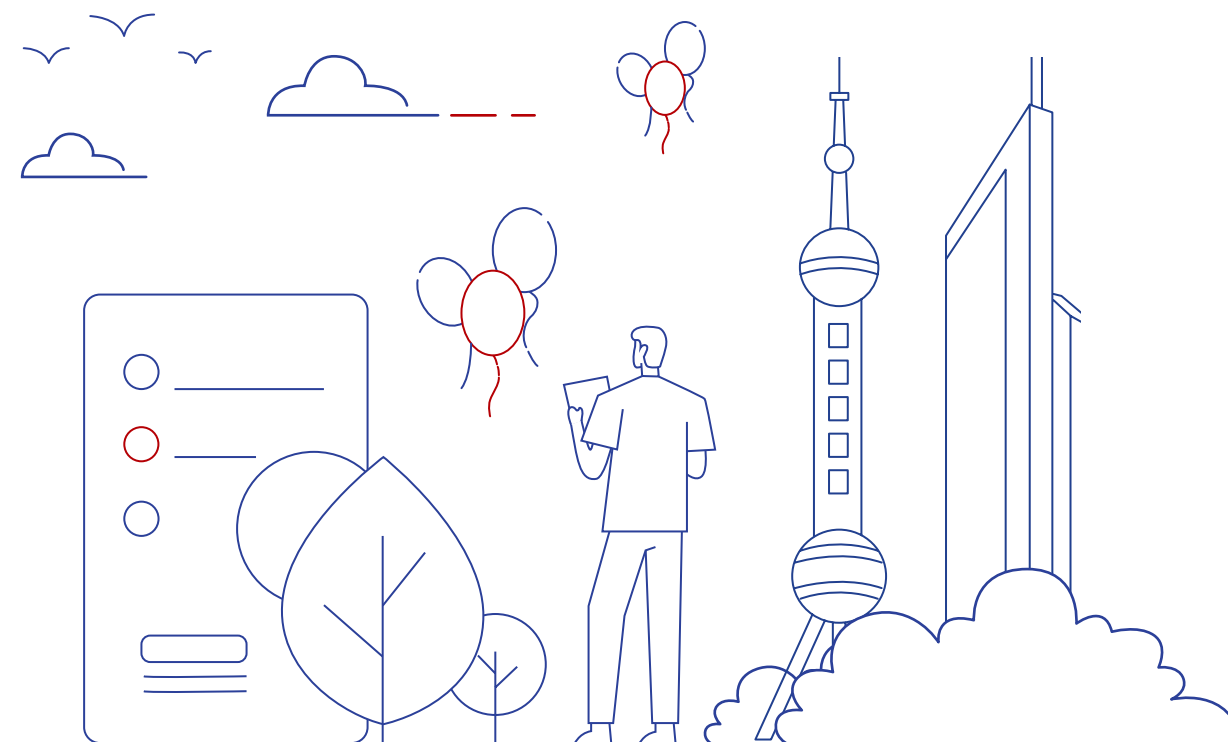
Investor relations management

In addition to the annual and semi-annual results announcement press conferences and online simultaneously, a dedicated performance briefing for small and medium-sized investors was organized following the Q3 results announcement press conference. This initiative facilitated communication with over 180,000 investors, analysts, and media representatives. We also released annual performance promotions and regular performance charts, diversifying our communication methods and enhancing effectiveness. At the same time, BoCom intensified roadshow promotions, engaging in discussions with 30 international investment institutions, 13 domestic institutional investors, and corporate shareholders. We conducted a special reverse roadshow themed "Deepen Root in Shanghai and Empower High-quality Development" to disseminate strategic implementation results to the market, yielding positive results. During the Reporting Period, the valuation management team participated in 14 domestic and overseas investor forums, received 43 investor surveys, and communicated with approximately 600 institutional investors.

Related party transaction and disclosure

The Bank's Board of Directors attaches great importance to the management of related-party transactions. To strengthen oversight in this area, we have established the Risk Management and Related Party Transactions Control Committee. This committee provides guidance and supervision on related party transactions, enhances related party transaction management policies and systems, standardizes related-party transaction procedures, and intensifies supervision and inspection. In 2023, we presented a report on the management of related party transactions in 2022 during the Shareholders' General Meeting.

BoCom's information disclosure was adequate and compliant. We promptly released 215 announcements on both stock exchanges, in addition to 21 announcements on carbon emission reduction loans and related-party transactions. Furthermore, we meticulously prepared our annual report with high quality, ensuring accessibility on our official website. By prioritizing underlying data and analyzing trends in data changes, we enhanced the effectiveness of information transmission and readability of our reports. BoCom remains steadfast in upholding compliance standards, earning consecutive Grade A evaluations for information disclosure by the Shanghai Stock Exchange for ten consecutive years.



Compliance development

Compliance management

The Bank has developed an internal control and management system with clearly defined responsibilities, precise objectives, stringent internal controls, and efficient operations. We conducted training and promotion activities to foster a culture of compliance, including issuing the *Notice on Centralized Educational Activities on "Analyzing Internal Control Problems and Enhancing the Awareness of Compliance"*. In addition, we have organized activities such as the "President's Talk on Internal Control and Compliance", "Internal Control and Compliance Talk", and internal control and compliance publicity and education to effectively raise employee awareness of compliance. In 2023, BoCom was not subject to any material administrative punishments.

Business ethics

In 2023, the Bank intensified efforts to bolster employee ethics risk management. Members of the Board of Directors participated in a variety of training programs on business ethics organized by the SSE, the HKCGI, the CAPCO, the Listed Companies Association of Shanghai and the Bank, covering various ethics-related themes including AML, inside information management, related-party transactions, compliance risk, etc. These programs aimed to continuously enhance their performance capabilities. At the same time, we conducted special audits in areas such as AML. In 2023, we were not involved in any significant legal proceedings for anticompetitive, antitrust and monopoly practices.

Anti-corruption

The Bank maintains rigorous compliance with party regulations and national laws as the *Constitution of the Communist Party of China*, 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*. We consistently reinforce political supervision, integrity, and anti-corruption efforts through stringent principles, measures, and a culture of integrity. We also provide anti-corruption training for all employees. During the Reporting Period, we conducted financial and disciplinary audits (including matters related to anti-corruption) and carried out a full-coverage inspection of subsidiaries.

Key performance

A total of **1,275** events of "President's Talk on Internal Control and Compliance" were organized covering more than **64,000** people

6,019 events of "Internal Control and Compliance Talk" were conducted covering more than **85,000** people

4 sessions of "Internal Control Lecture" were held

During the Reporting Period

Number of training sessions on the integrity culture for all disciplinary inspection cadres of the Bank

53

Number of anti-corruption training sessions provided to directors and employees

31

Number of corruption prosecutions concluded

0

Number of directors and employees participating in anti-corruption training

12,930

Duration of director and employee participation in anti-corruption training

25,860 hours

More information on the number and outcome of corruption prosecutions is available on the website of the Central Commission for Discipline Inspection of the Communist Party of China.



Continuously reinforce the Eight-Point Regulation of the Central Committee of the Communist Party of China

BoCom improved and perfected supporting policies for financial expenditures, official receptions, business hospitality, and out-of-town traveling expense management. We have strengthened supervision and inspection of key areas such as expense management and centralized procurement to prevent formalism, bureaucracy, hedonism, and extravagance. Throughout the year, we investigated and treated 67 cases of violation of the central Party leadership's eight-point decision on improving conduct, criticized and educated 111 persons, and imposed party disciplinary and political sanctions on 71 persons.

Resolutely and consistently combat corruption.

We adhered to the approach of "do not dare to be corrupt, cannot be corrupt, and do not want to be corrupt". We diligently investigate corruption linked to financial risks, paying close attention to "key minorities" and the exercise of power. Upholding integrity and anti-corruption principles, we earnestly investigate and address cases of serious violations of discipline and the law, while reinforcing the development and implementation of relevant policies.

Provide regular warning education

During the Reporting Period, we established an online warning case exhibition; organized two bank-wide warning and education conferences; the Work Style and Integrity Culture Lecture on E-Campus was viewed over 85,000 times; and applied the "four forms" of oversight and discipline enforcement to criticize, educate, assist, and address 1,464 individuals.

Key initiatives to combat corruption and promote integrity

Anti-money laundering

We continuously 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 *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)*, as well as other laws. We enhanced the Management Measures of Bank of Communications for Assessing and Classifying Customer Money Laundering Risks, the Anti-Money Laundering (AML) management system at BoCom, which includes revising and developing the *Management Measures of BoCom for Reporting Large-value and Suspicious Transactions*, the *Regulations of BoCom on the Management of Business in Countries and Regions with High Risks of Money Laundering* and the *Management Measures of BoCom for Anti-Money Laundering Information Security Protection*. We improved the regulations on the management of risk assessment of customer money-laundering and the requirements for reporting large-value transactions and suspicious transactions, enhanced overall AML management, optimized risk management in high-risk regions. These measures aim to carry out anti-money laundering work to provide institutional protection. At the same time, BoCom strengthened AML publicity, education and training covering all employees, and actively fulfilled legal and social responsibilities for AML.

Anti-fraud

The Bank strictly implemented the *Law of the People's Republic of China on Combating Telecom and Online Fraud*, improved the anti-fraud mechanism, strengthened anti-telecom fraud capacity building, and carried out anti-fraud publicity to firmly guard the people's property.

We organized publicity for the *Law of the People's Republic of China on Combating Telecom and Online Fraud*, providing interpretations of anti-fraud laws and regulations, along with essential fraud prevention knowledge. These efforts were integrated with activities promoting legal awareness, financial consumer protection education, and volunteer services.

BoCom organized centralized publicity activities during the "National Anti-fraud Action" month, aimed at combating and managing telecom and online fraud. With a focus on "early warning and dissuasion", our efforts aimed to enhance public awareness of countering and preventing fraud proactively. We conducted a total of 7,399 on-site publicity sessions and distributed 402,400 copies of publicity materials, reaching approximately 4,455,700 individuals.

We organized the "Anti-fraud and Anti-gambling in Campus" publicity activity to enhance students' awareness of preventing and combating gambling and fraud, with the offline publicity covering a total of 901 schools. In addition, we carried out publicity through thematic lectures, exchanges, award quizzes and other forms, distributing a total of 178,600 copies of materials and covering 538,900 people.

Main anti-fraud measures



Live Streaming of Bozhou Branch in Anhui Province on Preventing Telecom Fraud



Anti-fraud Publicity of Dalian Branch



Danling County Public Security Bureau awarded a pennant to the Business Department of Sichuan Branch for its strong support in investigating several telecom fraud cases

Whistle-blower protection

The Bank complied with the *Measures for Reporting via Letters and Visits of the Discipline Inspection and Supervision Group of the Central Commission for Discipline Inspection of the Communist Party of China in BoCom*. We revised the *Measures for the Use of Supervisory and Disciplinary Measures by Discipline Inspection Bodies of BoCom* and the *Measures for the Implementation of the Procedural Provisions Relating to the Filing of Cases by the Discipline Inspection and Supervision Group of the Central Commission for Discipline Inspection of the Communist Party of China in BoCom* to protect whistle-blowers. These measures stipulate that the petitioner's report, denunciation materials, and related information shall not be forwarded or disclosed to the person or unit against whom the report or denunciation is made. To enhance reporting channels, we published the email of the Audit Committee of the Board of Directors on our official website to receive reports from employees and others (e.g., customers and suppliers). In 2023, the Bank received a total of 1,192 reports via letters and visits, handled 1,541 problem clues, filed 204 cases, and imposed Party disciplinary and political punishments on 221 persons.

Intellectual property protection

We implement the *Intellectual Property Management Measures of BoCom*, actively safeguarding and proactively managing the Bank's intellectual property rights. We are committed to respecting and preventing infringement on the intellectual property rights of others. During the Reporting Period, there were no administrative sanctions related to the Bank's product and service information, logos, or marketing and communications.

Risk management

The Bank has continuously improved the risk structure and optimized the risk governance system.



During the Reporting Period, the Bank revised and improved the "14th Five-Year Plan" for risk management. We propelled three iterative optimization projects within the Group focused on unified risk management, the risk measurement center, and the digital transformation of risk management. Additionally, we conducted a comprehensive risk inspection based on key areas highlighted by the Central Financial Work Conference and refined response plans for identified issues to establish closed-loop management practices. At the same time, we promoted the digital transformation of risk management through technological empowerment. We advanced the comprehensive optimization and upgrade of the risk monitoring system, encompassing enhancements in data, models, rules, and applications. This included the development of a central hub for early warning rules and the implementation of hierarchical and classified management of risk warning information.

CSR management

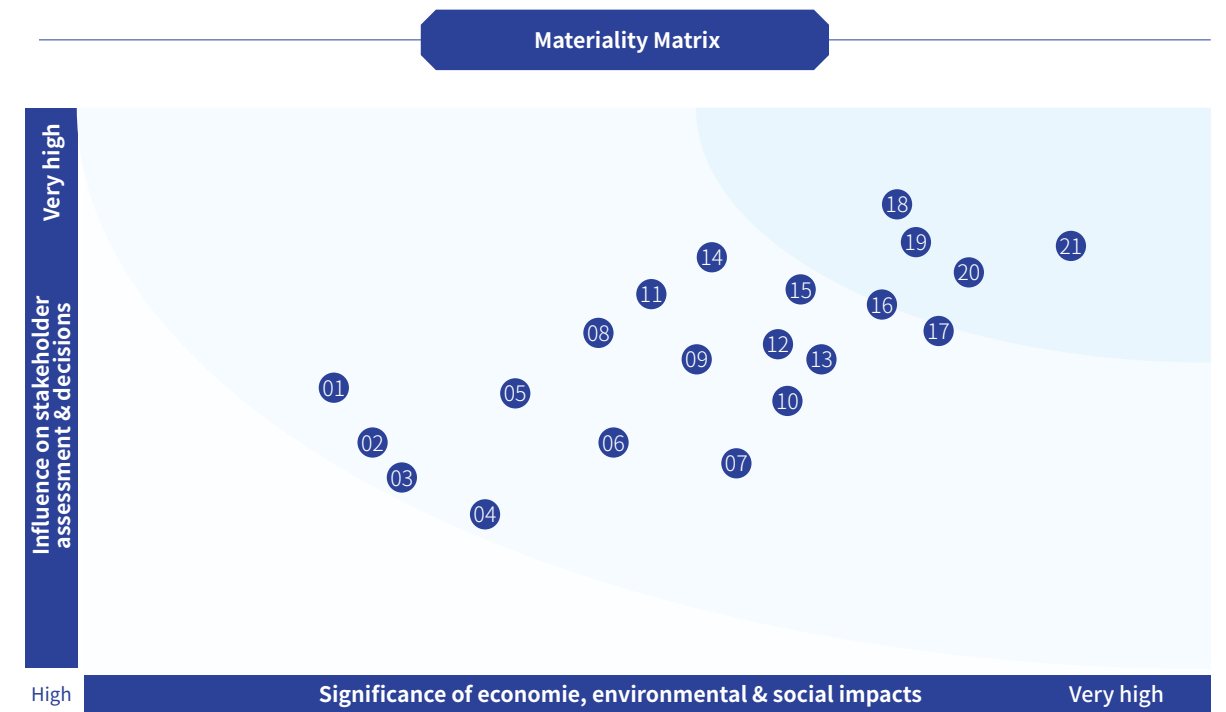
ESG management practices

BoCom has established a bottom-up ESG management system, with the Board of Directors serving as the highest decision-making body for the Bank's ESG endeavors. To oversee our ESG initiatives, the Board of Directors established the Environmental, Social and Governance and Consumer Protection Committee. This committee regularly receives reports on green finance and consumer protection from senior management and supervises, inspects, and assesses the progress in implementing our ESG objectives. In 2023, the Board of Directors approved the release of the *2022 Corporate Social Responsibility Report (ESG Report)* to the public. This report showcased our efforts and achievements in serving the real economy, enhancing corporate governance, driving green development, and contributing to social welfare in 2022. As of the end of 2023, the Environmental, Social and Governance and Consumer Protection Committee of the Board of Directors had 4 members and held 4 meetings.

Mr. Ma Jun, an independent director of the Bank, brings extensive expertise in ESG and green finance research and practice. During the Reporting Period, he served as Director of the Green Finance Committee of the China Society for Finance and Banking, Co-Chairman of the GIP Steering Committee of the "Belt and Road" Green Investment Principles, Chairman of the Beijing Green Finance Association and Chairman of the Hong Kong Green Finance Association. His professional background provides valuable support and complements the Bank's ESG initiatives.



Materiality analysis



- 01 Increase in shareholders' return
- 02 Responsible supply-chain management
- 03 Green operations
- 04 Charity initiatives
- 05 Employee training and development
- 06 Popularization of financial knowledge
- 07 Response to climate change
- 08 Optimization of corporate governance
- 09 Employee rights, interests and wellbeing
- 10 Compliant development
- 11 Customer experience improvement
- 12 Pension finance
- 13 Technological finance
- 14 Digital finance
- 15 Consumer protection
- 16 Green finance
- 17 Data security and privacy protection
- 18 Inclusive finance and rural vitalization
- 19 Serving real economy
- 20 Response to national strategies
- 21 Prevention of financial risks

Stakeholder communication

Stakeholders	Customers	Shareholders	Government agencies	Employees	Environment	Communities	Partners	Social organizations
Description	<ul style="list-style-type: none"> Current and prospective customers 	<ul style="list-style-type: none"> Holders of the Bank's shares 	<ul style="list-style-type: none"> Government at all levels; the People's Bank of China (PBOC) and its branches, National Administration of Financial Regulation (NAFR) and its local offices, China Securities Regulatory Commission 	<ul style="list-style-type: none"> Bank staff, regardless of position or job duration 	<ul style="list-style-type: none"> The ecological environment of areas where the Bank transacts business and other areas affected by the Bank's business operations 	<ul style="list-style-type: none"> General public and organizations in areas where the Bank transacts business and other affected areas 	<ul style="list-style-type: none"> Suppliers, peers, and other institutions in business with the Bank 	<ul style="list-style-type: none"> Industry associations (e.g. China Banking Association), and non-profit organizations (e.g. environmental, or public interest)
Primary concern	<ul style="list-style-type: none"> Convenient, efficient, and quality financial services 	<ul style="list-style-type: none"> Good return on investment; fair, impartial, transparent, and timely information disclosure 	<ul style="list-style-type: none"> Maintain the stability of financial system, facilitate the development of national economy, and improve the people's well-being 	<ul style="list-style-type: none"> Stable employment, proper benefits, satisfactory working conditions, growth opportunities 	<ul style="list-style-type: none"> Pay close attention to climate change, and support a low-carbon economy 	<ul style="list-style-type: none"> Social harmony and improved well-being 	<ul style="list-style-type: none"> Honesty, mutual benefit, fair procurement, and win-win cooperation 	<ul style="list-style-type: none"> Boost development of the industry as well as social harmony
Main source of information	<ul style="list-style-type: none"> Product promotion, customer service hotline, online and offline activities 	<ul style="list-style-type: none"> Shareholders' General Meetings, investor activities, hotline and fax, and company announcements, etc. 	<ul style="list-style-type: none"> Policy directives, work reports, day-to-day communication, etc. 	<ul style="list-style-type: none"> Employee congress, personnel opinion solicitation, counseling sessions, etc. 	<ul style="list-style-type: none"> Information disclosure, other events, and pricing strategies, etc. 	<ul style="list-style-type: none"> Financial service activities, charitable activities, etc. 	<ul style="list-style-type: none"> Invitations to bid, business exchanges and cooperation, etc. 	<ul style="list-style-type: none"> Information disclosure, various related activities
Main response	<ul style="list-style-type: none"> Provide efficient, quality services, develop new financial products, and protect customer information 	<ul style="list-style-type: none"> Maintain stable operations and effectively manage investor relations 	<ul style="list-style-type: none"> Implement compliance management, actively respond to national strategies and macroeconomic policies, serve the real economy, boost the development of technological finance, green finance, inclusive finance, pension finance, digital finance, etc. 	<ul style="list-style-type: none"> Develop together with employees, improve employee satisfaction by protecting employee rights and interests 	<ul style="list-style-type: none"> Promote green finance, green e-bank, green office, green procurement, and green charitable activities 	<ul style="list-style-type: none"> Engage in charitable activities, organize volunteer activities, and disseminate financial information 	<ul style="list-style-type: none"> Undertake responsible procurement and business cooperation 	<ul style="list-style-type: none"> Accept supervision and participate in industry activities

Economy

Pursuing Steady Progress and Taking Solid Actions

Responding to the trend of sustainable development

Finance serves as the backbone of the modern economy, representing the lifeblood of the national economy. We prioritize the fundamental interests of the country, aligning our capabilities and strengths with the needs of the nation and the aspirations of its people. We conscientiously understand our responsibilities and positioning, consistently striving to improve and enhance our capabilities for the long term. We provide high-quality financial services that drive economic and social development forward.

Our actions

Serve the national strategies; support the real economy; boost technology finance; promote green finance; develop inclusive finance; promote pension finance; deepen digital finance

The Bank recorded total assets of RMB

14,060.472 billion

total loans of RMB

7,957.085 billion

The balance of agriculture-related loans was RMB **978.137** billion

up by **24.80** %

Aligning with SDGs



total tax payments of RMB **30.440** billion

The balance of inclusive loans to small- and micro-sized enterprises was RMB **590.279** billion

up by **29.38** %

The balance of inclusive agriculture-related loans was RMB **97.505** billion

up by **41.68** %

Serving national strategies by fulfilling responsibilities

The Bank has taken proactive steps to serve the national strategy, leveraging its position as a major state-owned bank. We capitalize on our strengths in both domestic and overseas markets, as well as in onshore and offshore operations, encompassing both local and foreign currency transactions.

Promoting international business development

Relying on its global layout, the Bank fully grasped market opportunities to develop a cross-border, cross-industry and cross-market financial service system to support high-level opening-up.

Optimizing the layout of overseas institutions

As of the end of the Reporting Period, the Bank had 23 overseas banking institutions across 18 countries and regions spanning five continents, including 69 overseas business outlets, providing customers with comprehensive financial services, including deposits, loans, international settlement, trade finance, and foreign exchange.

As of the end of the Reporting Period

The total assets of overseas banking institutions amounted to RMB	The international settlement volume was USD	The cross-border trade finance placement volume was RMB	up by
1,249.946 billion	509.653 billion	215.505 billion	2.01 % year on year

Case | Successful Launching of South Korea RMB Clearing Forum

On December 11, 2023, Seoul Branch successfully held the RMB-KRW Direct Exchange Market 2023 and the South Korea RMB Clearing Forum. These events were instrumental in advancing the internationalization of the RMB, aiding in the establishment of the RMB-KRW Direct Exchange Market in South Korea, and fostering greater ease of trade and investment between China and South Korea.



BoCom received a Certificate of Appreciation for Outstanding Contribution to the RMB-KRW Direct Exchange Market from the Seoul Foreign Exchange Market Committee

Contributing to the construction of the "Belt and Road"

The year 2023 marks the 10th anniversary of the "Belt and Road" Initiative. Over the past ten years, the Bank has steadfastly embraced the task of supporting the construction of the "Belt and Road", considering it a fundamental strategic mission. Leveraging our integrated operations and globalized services, we have deepened exchanges and cooperation across various domains, including policy, infrastructure, trade, finance, and people-to-people connectivity. We have set up eight overseas banking institutions in the countries and regions along the "Belt and Road", and provided over RMB300 billion in credit support to nearly 1,000 related enterprises for their high-end equipment export, engineering contracting, investment and M&A projects.

In 2023, BoCom issued the *Opinions on Improving Financial Services for the High-Quality Development of the "Belt and Road"*, along with other financing policies aimed at bolstering support for projects and addressing the cross-border financing needs of high-quality Chinese-funded enterprises. In addition, the Bank adopted advanced technologies such as big data, artificial intelligence and electronic signing. By integrating with the financial service platform of "CHINA RAILWAY Express - Shanghai" and collaborating with cross-border electronic document platforms, we empowered the digital transformation of the entire "Belt and Road" trade chain. These initiatives contribute significantly to the high-quality development of the "Belt and Road" Initiative.

As of the end of the Reporting Period

The balance of offshore/onshore local and foreign currency loans of domestic banks in support of the "Belt and Road" was USD

4.215 billion

up by **59.12** % from the beginning of the year

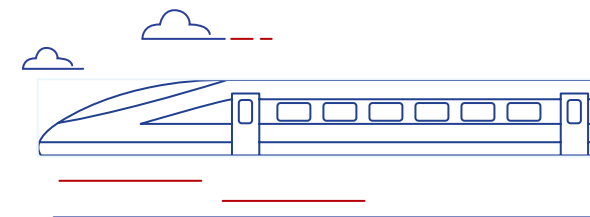
The balance of loans of overseas branches in support of the "Belt and Road" was USD

6.441 billion

up by **171.66** % from the beginning of the year



Shanghai Branch launched the "Silk Road E-commerce" / Cross-border E-commerce Comprehensive Financial Service Platform



Connecting to the financial service platform of "CHINA RAILWAY Express - Shanghai"

Enhancing cross-border service capacity

Guide by customer needs, we actively provide forward-looking services. We expanded international transaction channels and offered digital, scenario-based, and specialized cross-border financial services. These initiatives aim to empower enterprises to accelerate their growth, facilitating their journey towards success.

Innovate service models

Establish an integrated service management model in the new generation of online banking, provide more than 40 financial services such as optimizing the linkage between settlement and financing procedures, instant issuance of domestic L/Cs for trade financing, and offshore/onshore integrated spot FX trading.

Serve new foreign trade patterns and modes

Launch 23 new forms of foreign trade projects covering the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Greater Bay Area and other key regions, with the volume of FX collection amounting to RMB48.59 billion, up by 73.9% year on year.

Create scenario-based service solutions

Launch a comprehensive shipping finance service program, a financial service platform, a financial service platform tailored for the high-quality development of the CHINA RAILWAY Express, and an electronic bill of lading financial service program. The scale of the business of the electricity bill manager, shipping manager and capital fund manager reached RMB4.02 billion, RMB850 million and RMB8.63 billion, respectively.

Enhance platform development

Connect to government and regulatory platforms, expand the application scenarios of the SAFE's cross-border financial service platform, share multi-dimensional foreign trade data such as cross-border remittance collection and payment, and export credit insurance, and effectively broaden the processing channels of trade finance business.

Initiatives to improve cross-border business

Promoting the internationalization of the RMB

The Cross-border Interbank Payment System (CIPS) is an important vehicle for the internationalization of the RMB. Leveraging our comprehensive advantages, including our pioneering position in CIPS standard transceiver technology and our integrated domestic and overseas services, we have actively cultivated CIPS ecosystem. This strategic approach has enabled us to expedite the deployment of RMB cross-border payment solutions, contributing to the internationalization of the RMB.



BoCom was awarded the "Best Cross-border RMB Settlement Bank" in the 13th Most Trust-worthy Financial Service Provider for China Economic and Trading Companies (Golden Trade Award)

As of the end of the Reporting Period

The number of CIPS standard transceiver customers was

1,015 ranking **No. 1** in the market

The volume of cross-border RMB collection and payment was RMB

1,896.025 billion the **highest** in the same period in history

up by **23.30** % year on year

Case Issuance of the First Cross-border RMB Loan in the Brazilian Market

Beijing Branch and Banco BoCom BBM S.A. provided RMB loan of RMB1 billion in the Brazilian market for the San Simao Hydropower Station, a project owned by SPIC, which was the first cross-border RMB loan. This initiative introduced a pioneering business model of "cross-border RMB loan from domestic institutions + CIPS + domestic/foreign currency swaps", which encompasses the entire financing, settlement, and currency risk hedging process. It is expected to save the enterprise more than RMB60 million in finance costs, enriching the RMB acquisition and application scenarios in Brazil and promoting the internationalization of the RMB.

"This innovative exploration provides an exemplary role for overseas Chinese-funded enterprises to practice the 'Belt and Road' initiative and carry out diversified financing."

—Evaluation on www.zdcj.net of CCTV

Supporting the development of key regions

The Bank actively responded to the coordinated regional development strategy and major regional strategies, providing diversified pilot financial services to write a new chapter in China's modernization with the power of finance.

Supporting the building of the Shanghai International Financial Center and accelerating the integrated development of the Yangtze River Delta

The Bank intensified its awareness of "integration" and the idea of "a game of chess" to execute the national strategy for the integrated development of the Yangtze River Delta. In 2023, we established several supportive and pioneering policies, such as the *Measures of BoCom for the Implementation of the Requirements for the Comprehensive Reform Pilot in the Pudong New Area*. Additionally, we signed a comprehensive strategic cooperation agreement with the Shanghai Municipal People's Government and the Administration of the Lingang New Sub-zone, and participated in major events in Shanghai such as the Lujiazui Forum, Carbon Expo, World AI Conference, and China International Import Expo (CIIE).

Adhering to the strategy of building China into a scientific and technological powerhouse, BoCom prepared the *Implementation Plan of BoCom for Building Characteristic Sci-tech Finance Business and Playing a Leading Role in the Yangtze River Delta (2023)*. We persistently optimized the organizational structure of technology finance, establishing sub-branches specializing in technology finance under Shanghai Branch and Anhui Branch. Furthermore, we deepened collaboration with the G60 Science and Technology Innovation Corridor and introduced the G60 BoCom Science and Technology Innovation Talent Loan.

BoCom actively contributed to the digital transformation of urban areas. For two consecutive years, "Government Online-Offline" has been included in the work points of the e-Government Office of the General Office of the State Council and the "Government Online-Offline Shanghai", participating in more local initiatives than its peers. At the 2023 World Conference on Artificial Intelligence, we launched "Cloud BoCom" brand, which has been incorporated into Shanghai's government affairs toolbox as tool.

The "Remote Virtual Window" service supported by BoCom was selected as one of the *Typical Cases of Experience in Enhancing the Effectiveness of Government Services* by the General Office of the State Council. Through "Jiao Zheng Tong", we enable mutual empowerment with the government service platform. BoCom introduced government services to the "Yangtze River Delta Jiao Zheng Tong" on mobile banking, offering financial services such as personal pension account opening on the "Sui Shen Ban" and "Wan Shi Tong" platforms at the first time. Additionally, a new "BoCom Flagship Store" was launched on the "Sui Shen Ban" platform.

Promoting the development of the Guangdong-Hong Kong-Macao Greater Bay Area

Based on the new strategic positioning of the Greater Bay Area, encompassing the "two Special Administrative Regions of Hong Kong and Macao, and the municipalities of Guangzhou, Shenzhen, etc", the Bank has promoted the implementation of the "30 Articles on Finance" in Hengqin and Qianhai. We introduced the "BoCom Wan Tong" 2.0 service program and developed the "Bay Area Connect" technology platform. Furthermore, we have devised and launched scenario-based financial services such as ETC for Hong Kong vehicles traveling northward, bill payment for Hong Kong residents traveling northward, and direct remittance of salaries. These initiatives aim to propel the high-quality development of the Greater Bay Area.

Case "BoCom Wan Tong" 2.0 to Fully Facilitate the High-quality Development of the Greater Bay Area

On October 18, 2023, BoCom held a conference on "BoCom Wan Tong - Win the Future Together", and unveiled the iterative update of the "BoCom Wan Tong" 2.0 comprehensive financial service program. This update enhances the service program across five scenarios of exchange link, enterprise financing link, wealth management link, production and life link and service link. The program now offers a broader range of financial services that are more diverse, inclusive, environmentally friendly and convenient.



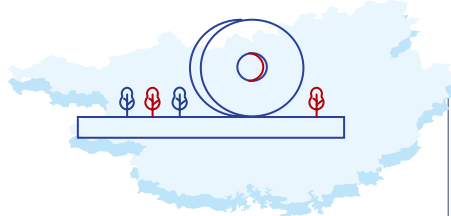
Conference on "BoCom Wan Tong - Win the Future Together"

Participating in Free Trade Zones development

The Bank issued opinions on supporting the development of Free Trade Zones and Free Trade Port business, and accelerated the development of a characteristic financial service system featuring Free Trade Zones and Free Trade Port businesses.

China (Shanghai) Free Trade Zone

- Actively respond to the Shanghai Municipal People's Government's plan to build a pilot zone for Silk Road e-commerce. This includes the independent development of a Silk Road e-commerce/cross-border e-commerce platform to support small- and micro-sized foreign trade merchants to carry out settlement of export receipt and remittance funds based on the electronic transaction information.
- Successfully launch more than 30 market-first innovative businesses.
- Innovate the comprehensive "Investor + Underwriter + Trustee + CCDC + Local Clearing Bank" five-in-one financial service system for Pearl Bonds, with a market share of 63% in clearing volume, ranking first in the market.

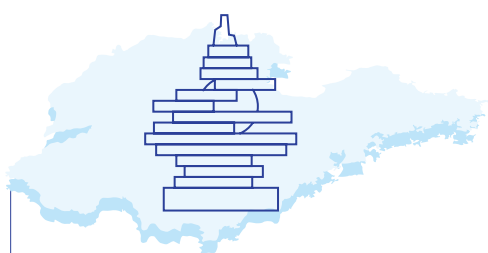
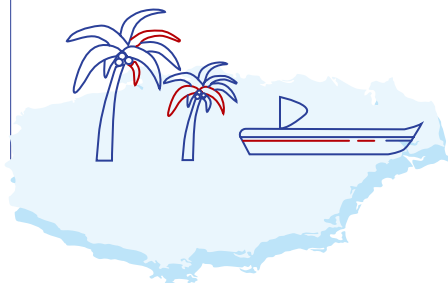


- Grasp major opportunities such as the construction of China-ASEAN Free Trade Area 3.0 and the effective implementation of RCEP, give full play to the advantages of full licenses and internationalization, and promote the facilitation of cross-border trade, investment and financing and the construction of digital scenarios.

China (Guangxi) Pilot Free Trade Zone

Hainan Free Trade Port

- Strongly support the four leading industries in Hainan, including tourism, modern service industry, high-tech industry, and high-efficiency agriculture with tropical characteristics, and enhance the capacity of innovative services.
- Launch a number of "first" investment and financing businesses.
- Assist the Hainan Provincial Government in issuing offshore RMB local government bonds in Hong Kong, with the underwriting scale ranking first among peers.



- Provide comprehensive and efficient financial support for enterprises in the Free Trade Zone to carry out offshore trade and other related business; focus on the two industrial chains of the Belt and Road, namely the infrastructure chain and the superior production capacity export chain, and actively promote the foreign contracting projects of central enterprises, the export of large-scale equipment, the exploration of emerging markets by "Going Global" enterprises, and other major projects.

China (Shandong) Pilot Free Trade Zone

Initiatives to support Free Trade Zones development

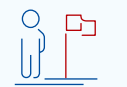
Constantly supporting the real economy

During the Reporting Period, the Bank issued the *Notice on Policy Support for Serving the Real Economy in 2023* to safeguard total volume growth and structural optimization. We continuously improved resource allocation efficiency and the quality of financial supply services. Additionally, resources were channeled to strategic directions, key areas, and weak links of high-quality development to upgrade and boost productivity.

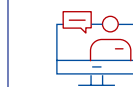
Contributing to the development of technology finance

The Bank formulated the *Action Plan of BoCom for Technology Finance*, which specifies an exclusive mechanism for serving technology enterprises throughout their life cycle, directing financial resources to key areas of science and technology, such as "hard technology" and "bottleneck" areas, and expanding the coverage and supply of technology finance.

- The Head Office established a dedicated technology finance team and developed a coordinated and integrated technology finance mechanism across the Group.
- According to the regional technology resource concentration, the Bank established differentiated and special technology finance teams/professional teams, technology sub-branches/special technology sub-branches to promote cross-departmental integration and development.



Coordinated organization



Product supply

- Launch the "BoCom Technological Innovation" brand and create exclusive service solutions covering four major product systems of "stocks, loans, debts and leasing" and three scenario ecosystems of "chains, circles and parks".
- Enrich online products and services to meet the small-value and quick financing needs of sci-tech SMEs, technology talents, and individuals involved in innovation and entrepreneurship.
- Leverage the advantages of diversified licenses to provide integrated cross-border, cross-industry and cross-market services to sci-tech enterprises.

- Develop differentiated credit policies for credit access and post-lending management of sci-tech SMEs, and increase the support of special authorization for technology finance.
- Separate credit lines for technology finance, provide integrated resources and support policies for qualified technology finance loans.
- Implement a non-performing tolerance policy for loans to sci-tech SMEs (T+3%) across the Bank and loans to sci-tech enterprises (T+2%) in 12 key branches.
- Actively communicate with government authorities and the three major exchanges, jointly organize a number of capital market roadshow activities and a series of training sessions to expand the technology finance "friend circle".



Support and guarantee



Risk prevention and control

- Use big data analysis and modeling to monitor, analyze and verify the risks of sci-tech customers through a combination of "technology prevention" and "human prevention".
- Regularly conduct special risk inspections for technology finance.

Initiatives to facilitate the development of technology finance

Case | Financial Support for the Large Passenger Aircraft Project

We closely aligned the characteristic demands of the aviation industry with our advantages in international layout and integrated operations. We improved diversified financing services, providing sustained impetus for the healthy and steady development of domestic aircraft with practical actions. The case of BoCom's C919 Large Aircraft Project was selected as one of the excellent cases of technology finance in the Financial Night of CCTV Finance.

Since the establishment of COMAC in 2008, BoCom has established business cooperation with COMAC as one of its strategic partners. The Bank has processed several of COMAC's initial business transactions, such as bond underwriting, single trust plans, interbank time deposits, and large certificates of deposit. In 2011, during the early design stages of the C919 Aircraft, BoCom Financial Leasing signed a start-up user agreement with COMAC for 30 C919 Aircraft, becoming the 9th start-up user of the C919 Aircraft. In November 2022, leveraging its global presence, BoCom Financial Leasing collaborated with COMAC through its Ireland Subsidiary and signed a *Letter of Intent for the Purchase of Fifty C919 and Ten ARJ21 Aircraft*. Under this agreement, the Bank provided the first overseas leasing platform for the C919, contributing to the international expansion of domestic large aircraft. Simultaneously, utilizing BoCom's global layout and diverse financial products, it offered COMAC comprehensive aviation financial service solutions, including aircraft leasing, effectively fostering the innovation, value, and industrial chains of domestic civil aircraft.

Promoting manufacturing development

The Bank attached great importance to the development of the manufacturing industry, and has issued the *Action Plan of Bank of Communications to Boost China's Strength in Manufacturing (Version 2023)*, and set up a task force led by the Bank's leaders and composed of front-, middle-, and back-office departments. With a focus on addressing "bottlenecks" in industrial upgrades, fostering advanced manufacturing clusters, and supporting sci-tech manufacturing enterprises, we bolstered our credit assistance, providing special support to the manufacturing industry through medium- and long-term loans. These measures included provisions for expenditure reduction, capital occupation reduction, and compensation for economic profit loss, actively supporting manufacturing enterprises and injecting financial vitality into the rapid advancement of the manufacturing sector.

Case | Successful Launch of the First Free Trade Zone SPV IC Equipment Direct Lease Project by BoCom Financial Leasing in the Financial Leasing Industry

On June 28, 2023, BoCom Financial Leasing successfully launched the equipment direct lease project of Suzhou Xinyu'an Electronic Technology Co., Ltd. by setting up an SPV in the Lingang New Sub-zone of Shanghai. This initiative aided the IC testing enterprise in acquiring eight sets of probe table equipment for wafer testing, marking the first Free Trade Zone SPV IC equipment direct lease project in the financial leasing industry. This innovative business approach underscores the Bank's alignment with national strategies, commitment to serving the technology industry, support for small- and micro-sized customers, and contributions to the high-quality development of the advanced manufacturing sector.

As of the end of the Reporting Period

The number of credit customers in technology finance increased by more than

40 % from the end of the previous year

The balance of loans to strategic emerging industries increased by more than

30 % from the end of the previous year

Serving nearly 40% of specialized and new "little giant" enterprises and the balance of loans increased by

55 % from the end of the previous year

As of the end of the Reporting Period

The balance of loans to the manufacturing industry was RMB

1,103.2 billion

up by **15.59** % from the beginning of the year

The balance of medium- and long-term loans to the manufacturing industry was RMB

574.4 billion

up by **39.41** % from the beginning of the year

Improving the quality and efficiency and developing inclusive finance

The Bank has introduced various regulations, such as the *Opinions on Enhancing Inclusive Financial Services in 2023*, the *2023 Targeted Action Plan of BoCom for Inclusive Finance* and the *Opinions on promoting the high-quality development of inclusive finance*, to foster the coordinated development of inclusive finance and rural vitalization businesses. Our focus is on expanding operations and enhancing our ability to provide specialized services to key sectors. Throughout this process, we have maintained stable loan interest rates and steadily reduced comprehensive financing costs for small- and micro-sized enterprises.

Facilitating the rural vitalization

The Bank has consistently prioritized supporting rural vitalization and fixed-point assistance as its "No.1 Project". With this in mind, we have spared no effort in providing diversified and comprehensive financial support to benefit farmers, villages, and agriculture in an aim to accelerate the development of a robust agricultural sector.

Financial services for rural vitalization

In compliance with regulatory mandates, the Bank has developed regulations such as the *2023 Action Plan to Advance Rural Vitalization and Agriculture Development* to enhance policy coverage. Additionally, through product and service optimizations, we have proactively enhanced the accessibility and convenience of financial services for agriculture, rural areas, and farmers.

Optimizing institutional mechanism

- Promoted financial services for rural vitalization by relying on the bank-wide leading group for rural vitalization. Amplified preferential policies, including inclusive agriculture-related loans and FTP subsidy to agriculture-related loans in county level, and economic capital reduction and exempt. Created a separate agriculture-related credit plan with intensified assessment and guidance.

Supporting key sectors

- Applied experiences learned from "Green Rural Revival Program" to elevate financial support to key sectors such as food security, rural industries, urban-rural integration and consolidation in poverty alleviation achievements, and enhance the quality and efficiency of the services.

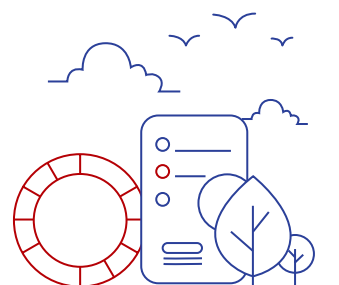
Increasing product innovation

- Fostered standardized online financing services and scenario-based differentiated services by establishing the "BoCom Yi Nong Tong" band system for rural vitalization, thus providing flexible and convenient financial services for agribusiness entities.
- Set up a rural vitalization service section "BoCom Yi Nong Tong" in the Bank mobile banking, Weixin mini program to provide comprehensive services such as credit financing, the shopping area to support farmers and agriculture, payment and settlement, and policy information.
- Enriched the database for rural vitalization and refine credit system for new types of agribusiness entities, thereby effectively supporting data empowerment and steering services into lower-tier market.
- Promoted themed card of rural vitalization to better serve rural residents.

Financial support for rural vitalization

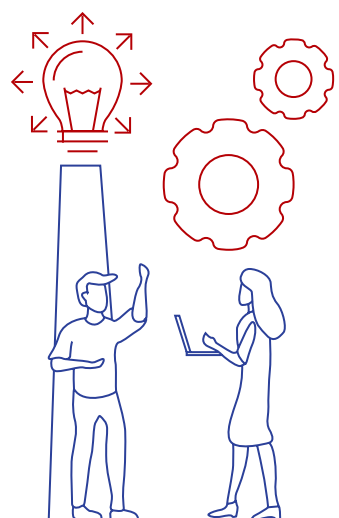
Optimizing the long-term assistance mechanism

The Bank strictly adheres to national requirements of "continuing poverty alleviation policies and government supervision for previously impoverished populations, villages, and counties until their status is secure" to prevent anyone from falling back into poverty. With this goal in mind, we have released the *2023 Work Plan for Targeted Assistance* and the *2023 Performance Assessment and Evaluation Plan for Targeted Assistance* to fulfill our responsibility of providing targeted support. These efforts empower the assisted areas to showcase financial support outcomes, consolidate and expand poverty alleviation achievements, and promote all-around rural revitalization.



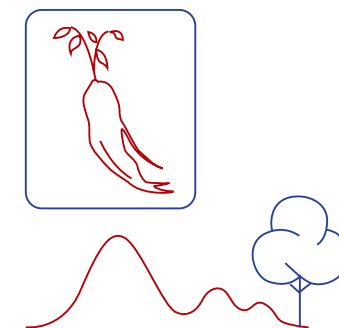
Optimizing institutional mechanism

- Hosted special meetings regularly to advance assistance work across the Group in a coordinated manner. Party committee members visited all assisted counties in person for eight consecutive years. Addressed misconduct and corruption in rural vitalization work to ensure our achievements stand up in practice and over the course of time.



Focusing on five vitalization sectors

- **Industry vitalization:** launched projects including storage and logistics in Litang County, forage base in Tianzhu County and Huangqi planting and processing in Hunyuan County.
- **Talent vitalization:** organized 10 training sessions throughout the year.
- **Ecology vitalization:** enacted projects such as garbage disposal and transfer in villages, living environment improvement, etc. to build a beautiful and harmonious countryside.
- **Culture vitalization:** assisted elders 60 years old and above in Tianzhu County in areas of facial recognition for elderly care, online inquiry and fee payment and other business. Carried out financial knowledge publicity in villages to promote awareness of anti-telecom fraud, anti-money laundering and personal credit protection.
- **Organization vitalization:** Head Office, branches and sub-branches, collaborated with primary-level Party organizations/village committees in assisted counties to carry out co-learning and co-building activities.



Assisting specialty industries

- Reinforced and upgraded links in the industrial chains of specialty industries across the region to enhance local capacity for independent development. For example, an assistance mode has been fostered in Tianzhu County to cover the entire industrial chain ranging from mushroom production, planting, processing, logistics, sales and variety research and development. In Litang County, home stay construction projects have been funded to boost the development of culture and tourism industry. In Hunyuan County, links in Huangqi industrial chain have been reinforced and upgraded to support the Huangqi planting become a local leading industry with distinctive features.

Multiple measures for long-term assistance

As of the end of the Reporting Period



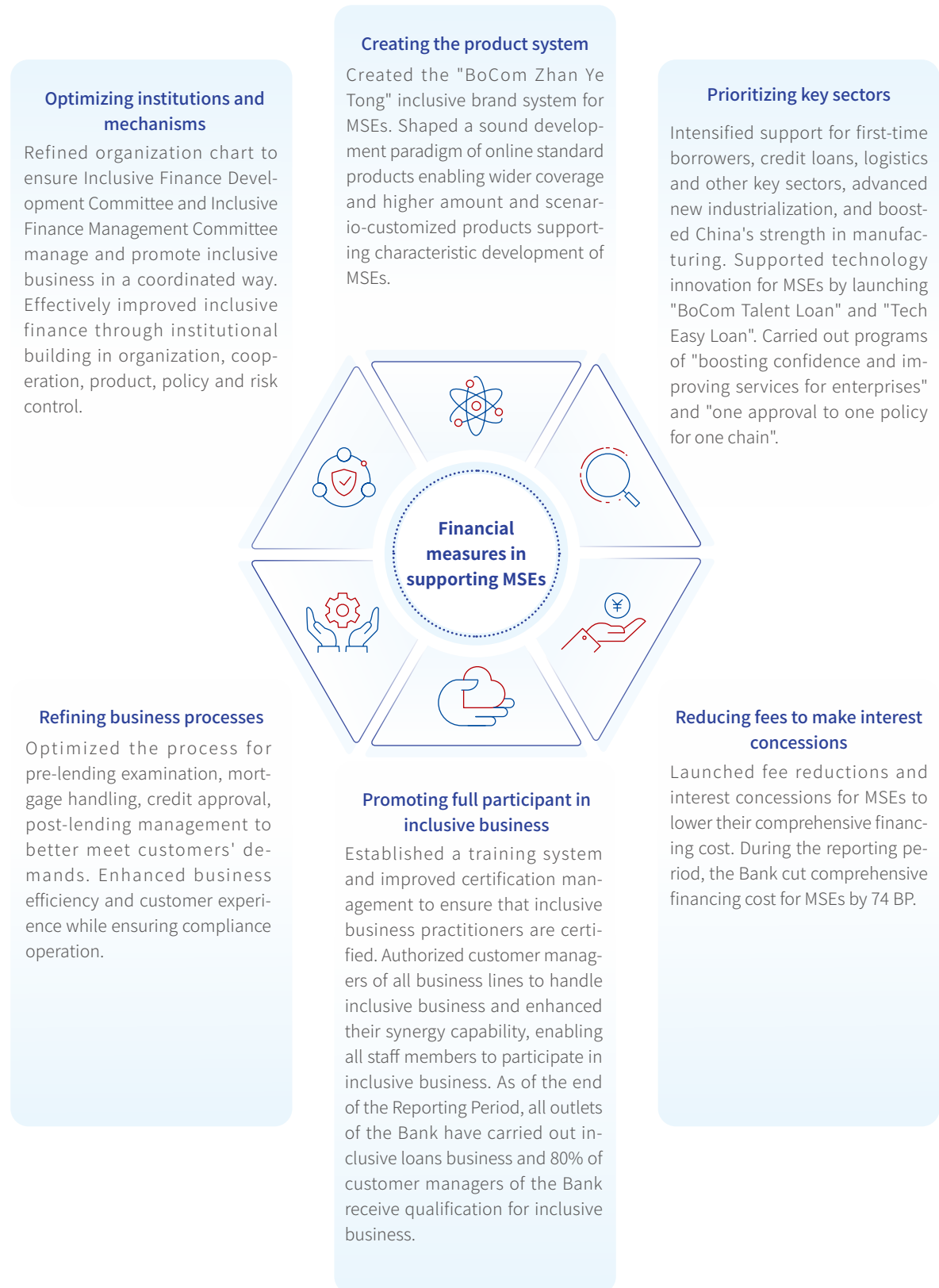
Case | Leveraging comprehensive licensing advantage to provide financial support for rural areas

By leveraging its licensing advantage, the Bank has channeled social resources towards establishing a normalized, sustainable and extensive comprehensive financial assistance model incorporating investment, trust, and FinTech.

In Tianzhu County, Gansu Province, scholarships and grants have been established by the Bank along with donations of teaching facilities through a charity trust. In Litang County, Sichuan Province, intelligent hive adoption programs have been launched and "agro-adoption services" scenarios have been established to enhance beekeeping development and boost farmers' income. In Hunyuan County, Shanxi Province, the first equity investment fund partnership has been established with a total investment of RMB153 million. This initiative has attracted investors and businesses and generated tax revenue, driving the high-quality development of the rural economy.

Supporting MSEs

In fulfilling its social responsibility, the Bank executed various measures to support the real economy, with a focus on stabilizing growth, expanding domestic demand, and boosting consumption. This included optimizing institutions and systems, refining business processes, prioritizing key sectors, and encouraging the participation of all staff in inclusive business activities, thereby promoting the high-quality development of inclusive finance.



Case | Dalian Branch implemented "Inclusive Leasing L/C + Forfaiting"

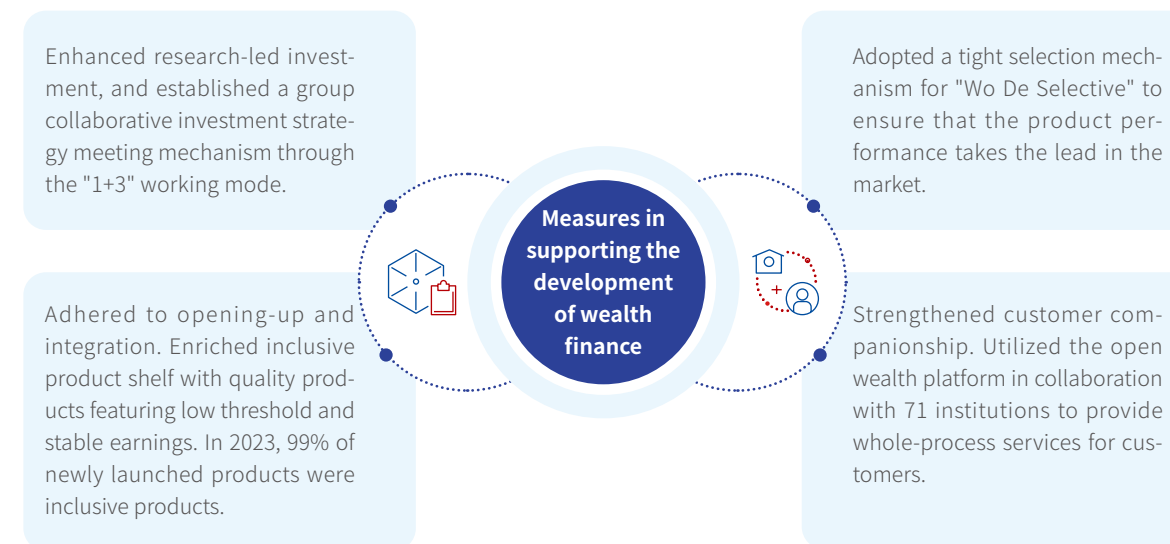
Using the new business model of "interbank + inclusive", the Dalian Branch has led the way in the Bank by conducting inclusive business along the industrial chain through "inclusive leasing L/C + Forfaiting". Specifically, it offered comprehensive services that integrate credit limit increases, settlement, and financing for small- and micro-sized enterprises engaged in sale-leaseback, with Bangyin Financial Leasing as the core enterprise. For instance, in the case of an off-site lessee, a company in Chuzhou, Anhui Province, the Dalian Branch completed the process from off-site material collection to granting RMB10 million in inclusive loans in just four days. The loan was intended to increase both the loan amount and the number of borrowers, providing funds for the company to purchase raw materials and establishing a new inclusive financing model for MSEs, thereby reducing their financing costs.

Improving people's well-being

Guided by a "people-centered" approach, the Bank strived to address the most critical challenges that are of great concern to the public. We offered comprehensive services throughout the entire process across various life scenarios. Providing broader and more accessible services, we aimed to fulfill people's desire for a better life with maximized economic and social values.

Developing wealth finance

The Bank, putting customers first, continued to optimize product supply, improve service capability and expand scope of service. In doing so, we've provided the public with financial products that are safe, profitable and adaptable.



Awards

"Brand Award for Bank Wealth Management of the Year" of Golden Wealth Management by Shanghai Securities News

"The Second China Fund Industry Innovation Yinghua Award – Sales Innovation Award" by CHINAFUND

"Golden Bull Award for Bank Wealth Management Sales" by China Securities Journal

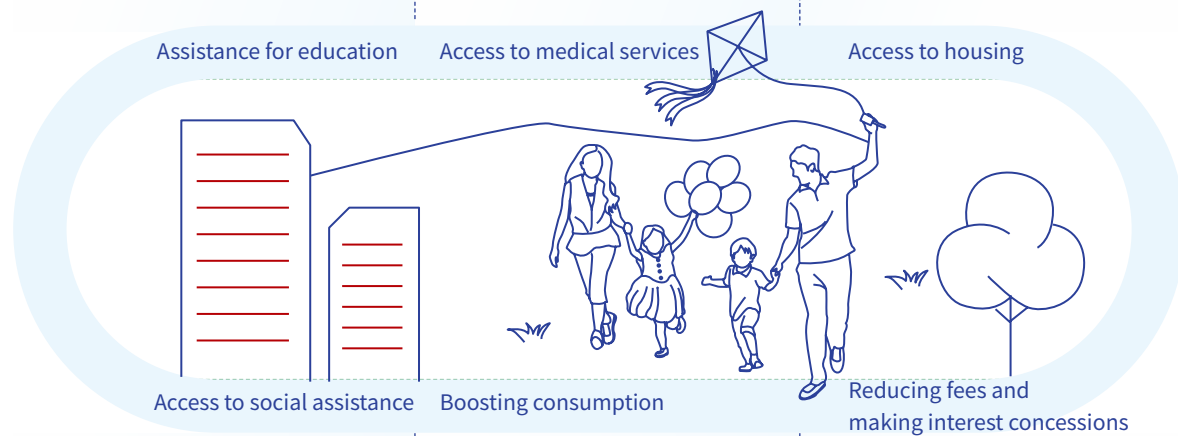
Safeguarding people's livelihood

Upholding the philosophy of serving the people, the Bank adopted a series of measures that deliver tangible benefits to the people and garner public support, thereby meeting their growing desire for improved quality of life.

Our initiative included introducing agency settlement services for student loans, enabling students in underprivileged regions like Guizhou, Gansu, and Xinjiang to access account opening and loan settlement services. Furthermore, through a point donation campaign designed to promote educational assistance, we have contributed RMB30 million towards supporting financially disadvantaged students. As of the end of the Reporting Period, this program facilitated agency settlement for student loans totaling RMB5.103 billion for approximately 480,000 students across 11 regions in its inaugural year.

We consistently innovated our payment processes, introducing features like frictionless payment, post-medical payment, add-on payment, and one-click repayment to establish a credit medical production. We've broadened our service offerings to include community hospitals, cross-provincial medical services, hospitalization for medication. Through enhanced collaboration with the government and major medical institutions, services such as account opening, agency payroll services, and fee collection management have also been launched. As of the end of the Reporting Period, credit medical treatment has been launched in 29 provincial branches, 82 cities and over 900 hospitals with 1,360,700 contracted customers, registering a total of 1,692,300 payments.

As part of developing a housing provident fund service ecosystem, we have established the initial set of "housing provident fund flagship stores", the first "24/7 housing provident fund convenience store", and the first group of innovative services such as "repaying commercial loans monthly using housing provident funds" in Dalian City. Specialized loan products tailored for housing provident fund contributors have also been launched.



In compliance with the *Barrier-free Environment Creation Law of the People's Republic of China*, we've enhanced the barrier-free construction of outlet facilities and communication. This included installing barrier-free ramps at outlet entrances, equipping clerks with iPads featuring sign language translation software, and promoting a mobile banking app with large print options. By addressing the "digital gap", we're able to provide better financial services for individuals with disabilities.

We have formulated the *2023 Action Plan to Boost Consumption with Stronger Financial Support*. Within this framework, we have launched marketing campaigns under the theme "BoCom Benefit Consumption", prioritizing significant purchase scenarios such as automobiles, home furnishing, and cultural tourism. Executing payment marketing initiatives on prominent e-commerce platforms to provide public benefits, we've also partnered with China UnionPay to organize the "carnival of famous brands".

Collaborating with China UnionPay, we launched routine marketing initiatives to decrease acquisition fees for micro-, small- and medium-sized merchants on transactions below RMB500 made through UnionPay codes. Throughout 2023, the Bank allocated RMB221 million in fee subsidies for self-employed individuals and small and micro-merchants, waived/reduced RMB1.692 billion in annual fees for individual customers, and waived/reduced RMB2.086 billion in bank card service charges and fees.

Serving new urban residents

The Bank has introduced the *2023 Financial Services Action Plan for New Urban Residents of Bank of Communications* to address the financial and non-financial service needs of new urban residents. The service scope covered start-ups, employment, housing, education, medical care, and elderly care. Our one-stop solutions aimed to provide worry-free services for new urban residents.

Basic financial service

- Issued the new citizen themed debit cards, adopted four types of card designs according to customer groups, and provided exclusive benefits such as travel and supermarket coupons.
- Issued the new citizen themed credit cards, provided cash installment and other installment services, and launched various benefits such as take-out discount, point redemption for audio and video App membership.

Employment and business start-up service

- Increased support for new urban residents to start their own businesses and enterprises employing new urban residents, strengthened policy guidance and resource allocation, and optimized product plan for mass entrepreneurship and innovation. Launched customized scenarios and exclusive products for merchants, and provided comprehensive financial services including credit and acquiring for MSE owners and self-employed business owners who do business outside of their home region.
- Provided exclusive insurance scheme for people in flexible employment and expanded social insurance payment channels, such as self-payment of provident funds and old age insurance via mobile banking and outlets, to alleviate their worries.

Consumer financial service

- Engaged with municipal and district-level state-owned enterprises (SOEs), property management committees, and housing management bureaus to facilitate the growth of public and government-subsidized rental housing, addressing the needs of new urban residents. Encouraged specialized and large-scale house-rental enterprises to own and operate rental housing projects to ensure the housing source for new urban residents.
- Launched exclusive consumer loan "Talent Benefit Loan" for university graduates, allowing graduates to withdraw the funds once they secure employment via online pre-graduate loan application. The loan provided preferential interest rates, high application efficiency, and combined payment options to alleviate financial burden for new graduates.
- Launched exclusive discount loans together with housing provident fund centers in many places. Eligible individuals in flexible employment can obtain commercial loans from the Bank, with subsidies provided by the provident fund centers. Customers can thus enjoy the same interest rate as provident loan, reducing their cost of buying a house.

Health and elderly care service

- The "Credit Medical Treatment" service was introduced to cater to the medical needs of new urban residents. This service features post-medical payment to reduce waiting time in line and alleviate the financial burden of medical costs. With a nationwide credit limit, registered individuals in the Yangtze River Delta Region can settle medical bills across provinces, removing barriers and concerns for medical treatment among new urban residents.
- Offered online and offline convenient services for elderly new urban residents. This included elderly care services such as flexible service window in offline outlets. Traditional services such as cash and passbooks, facilities such as caring seats and reading glasses, and appointment-based door-to-door service were also available. On online platforms, mobile banking 8.0 features an "Elderly Service Section" and releases an "Elder Care Version" with one-stop elderly care wealth management and value-added services for new urban residents, including the elderly population.

Measures for serving new urban residents

Case | Launching "Talent Benefit Loan" to meet new urban residents' diversified demands

At the 3rd China International Consumer Products Expo, held on April 12, 2023, the Bank organized a forum titled "Boosting Consumption · Benefiting People's Livelihood · Expanding Domestic Demand – A New Trend of Consumption Upgrading" in Haikou, Hainan Province. At the event, the Bank unveiled the "Talent Benefit Loan" program, offering exclusive consumer financial products tailored for new urban residents, particularly fresh graduates and employees. This initiative aimed to address their needs in renting, furnishing, and daily living, thereby extending consumer finance accessibility to a broader audience.



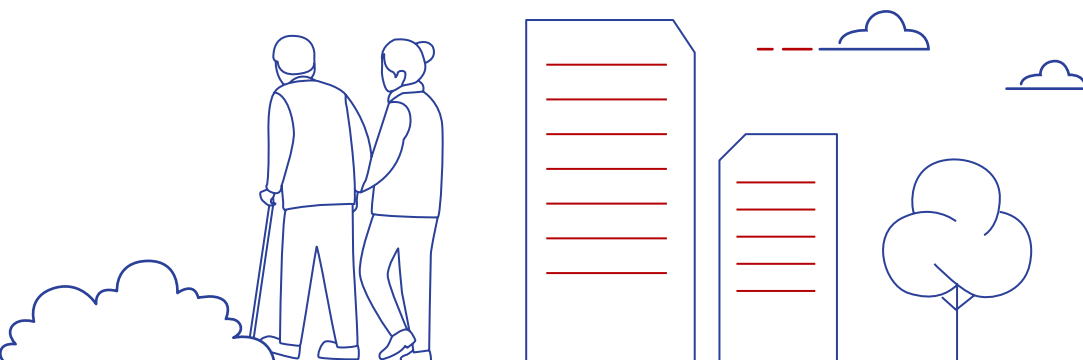
Product promotion of "Talent Benefit Loan"

Case | Ensuring housing provident funds benefit more people in flexible employment

To meet the housing needs of new urban residents in flexible employment, the Henan Branch, in collaboration with the Zhengzhou Housing Provident Funds Management Center, has introduced a housing provident funds-based discount loan. Individuals in flexible employment who have consistently paid their housing provident funds in full and on time for at least 12 months, and who qualify for a provident fund loan, can access commercial loans from the Henan Branch. Concurrently, the Zhengzhou Housing Provident Funds Management Center offered interest rate subsidies, enabling more individuals in flexible employment to settle in urban areas.

Boosting pension finance

In line with the proactive national strategy to address population aging, the Bank was committed to excelling in pension finance. We've optimized elderly care services system to support the building of a multi-layered, multi-pillared elderly care insurance system. By refining online and offline pension finance products and services in all channels, such as mobile banking, mini programs, WeChat banking, counters, handheld terminals and Zhi Yi Tong, we've improve the accessibility, convenience, and experience of pension finance services. This initiative aimed to promote the growth of the elder care industry and enhance the quality of life for elderly individuals.



Pension finance

Established the three-pillar pension product system and provided all-around pension management service. Vigorously improved private pension business and the number of private pension account continue to increase. Improved customer experience by integrating into all sorts of government affair and people's well-being scenarios to increase the availability and convenience of private pension service. Build an all-channel private pension product system covering deposits, funds, wealth management and insurance. Carried out elderly care financial business in subsidiaries by leveraging the advantage of comprehensive operation, meeting the diversified demands for elderly care wealth management. Continued to enhance custodian/account management services for National Social Security Fund, basic endowment insurance fund, and enterprise (occupational) annuity to ensure steady growth in business scale.

Elderly service finance

Strengthened online and offline elderly-friendly services, set up elderly service section on mobile banking, demonstrated and planned three-pillar pension asset, and provided intelligent pension measurement tools and investment plan services. Promoted elderly care services in outlets and established "BoCom demonstration outlets for elderly care services". Launched pension service consulting mechanism to enhance the outlets' ability to serve elderly clients. Introduced insurance products tailored for elderly people.

Pension industry finance

Launched products such as "Elderly Business Development Benefit Loan", "Elderly Assistance Loan" and "financial lease for the benefit of the elderly". Contributed to the building of inclusive pension service system and advanced the pilot of the inclusive elderly care re-lending business.

Measures of pension finance

Case | BOCOM MSIG Life launches pension annuity insurance to benefit more people

In 2023, BOCOM MSIG Life introduced the "pension annuity insurance for a happy life" to address the scarcity of annuity products for individuals aged 60 and above. This innovative product extends the age at issue to 80 years old, catering to a broader demographic and aiming to enhance the quality of life for elders. "Pension annuity insurance for a happy life" was awarded "Noteworthy Pension Product of 2023" at the 21st China Financial Ranking by Hexun.com.

As of the end of the Reporting Period

Asset under private pension account increased by **303.64%** from the beginning of the year

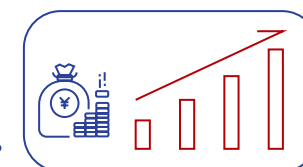
The assets managed by the targeted pension fund ranked **first in the industry**, with the yield of pension finance products also ranking among the **industry's best**

159 private pension products were marketed through agencies

placing the overall product availability among the **industry leaders**. The scale of pension custody ranked **first in the market**

The credit balance of elderly care industry increased by **22.09%** from the beginning of the year

The number of credit customers grew by **23.08%** from the beginning of the year



Keeping refining financial services

With a focus on "customer-centric", the Bank continuously strived to innovate its service approach in order to deliver convenient, efficient, and secure financial services.

Optimizing outlet layout

To enhance the reach and effectiveness of financial services, the Bank has strategically enhanced the distribution of outlets in key regions and counties across the nation. As of the end of the Reporting Period, the Bank boasted a network of 2,834 licensed operating outlets, covering all provincial administrative regions. The outlets were distributed in 252 cities at the prefecture-level and above, with a coverage rate of 75%. The Bank had 315 outlets in 191 counties (county-level cities, counties, autonomous counties), among which nearly 80% were top 100 counties of China.

Developing digital finance

Levering the new element of "data + technology", the Bank continues to innovate and integrate business with technology to improve product supply, expand the reach and accessibility of financial services, and propel socio-economic development to a new height.

Case | Launching "Cloud BoCom"

In July 2023, Bank of Communications hosted a forum with the theme "The New AI Era: Enabling an Era of Intelligent Finance" at WAIC 2023. During the forum, we officially unveiled "Cloud BoCom", a smart service driven by the advancements in intelligent finance. "Cloud BoCom", consolidates 12 sub-functions, such as audio and video capabilities, positioning itself as a valuable tool for government affairs. Building upon existing applications like remote virtual windows and rural government services, it broadened its scope to include various aspects of people's lives, such as government affairs, transportation, healthcare, wellness, and employment. With a focus on finance-grade security and comprehensive IT innovation certification, this platform aimed to enhance user experiences, establish new models of social governance, and showcase a high-quality life empowered by FinTech. Through the exploration of innovative scenarios and the identification of potential financial technology opportunities that benefit society, the Bank was creating an innovative ecosystem that enhanced people's quality of life through intelligent solutions.



Launch ceremony of the "intelligent service empowered by a new age of intelligent finance"

Innovating products and services

The Bank has set up the FinTech and Product Innovation Committee to oversee the innovation and evaluation of corporate, retail, and interbank products. Following a philosophy centered on the market and customer needs, we strive to contribute to the success of businesses and individuals by offering a range of innovative products and services that are warm, professional, and diverse, ultimately generating shared value for all stakeholders involved.

<p>SMEs wage and tax service platform (Jiao Xin Tong)</p> <p>Focused on six sections including personnel service, payroll service, cost control, synergistic work, corporate welfare, smart Party building. Solved the issues of SMEs in their daily management including segmented application systems, separated data management, onerous manual work and complicated wage and tax payment process. Provided SMEs with "unified, open, convenient and professional" digital management services to help them cut cost and increase efficiency.</p>	<p>Cross-bank fund management system</p> <p>Integrated 10 product system matrix and 5 distinctive scenarios, addressed enterprises' difficulties in cross-bank fund management, and enhanced efficiency of treasury management through FinTech.</p>	<p>Debit card points benefit platform (Jiao Xiang Fen)</p> <p>Created long-term operation system by increasing customer stickiness via "points + benefits". Customers could gain points through the interaction of assets, transactions and behaviors, and redeem the points for various benefits.</p>
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Innovating products and services

Expanding the application of e-CNY

As a designated operational institution for e-CNY, Bank of Communications consistently upheld the principle of putting people first, adopted a market-oriented approach, and complied with relevant laws in the e-CNY pilot program. With a particular emphasis on crucial sectors like cross-border services, government affairs, people's well-being, transportation, education, medical treatment, and loans, we have intensified our efforts to enhance the ecosystem of products and application scenarios. By doing so, we aimed to provide users with increased benefits and convenience, delivering a seamless and user-friendly experience.

As of the end of the Reporting Period

The accumulated transaction amount of e-CNY reached stood at RMB

723.341 billion

with a total of

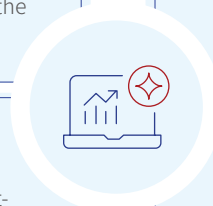
118 million transactions

Developing online intelligent business across diverse scenarios

Industrial chain finance has initiated online collaborative ventures with close to 30 core enterprises, introducing products like "instant loan approval" in Quick Easy Pay and intelligent vehicles, resulting in a business volume exceeding RMB466.4 billion. The medical payment service has been introduced in 34 provincial branches and 829 medical institutions. Furthermore, "Jiao Zheng Tong" has integrated 591 government services into outlets, enhancing accessibility to government services for the public.

Boosting product innovation capabilities

Retail Credit Shelves has introduced 54 new products, resulting in a credit balance exceeding RMB5 billion. BoCom e-payment has launched 15 products for sale, with business settlement amounting to RMB57.685 billion. The landing of Cloud Cross-bank has yielded a settlement value of RMB6.8 billion.



Improving service experience

The number of daily transactions via biometric reached 1.8 million at peak, covering more than 1,040 businesses. The registration rate for telephone banking voice recognition rate sit at 98%, while robot voice service share has reached 83.5%.

Advancing channel and scenario development

The "Cloud BoCom" service system featuring "cloud outlets", "cloud teller", and "cloud manager" has been set up to cover 56 transaction scenarios. "Cloud BoCom" was awarded the "First Prize of Shanghai Finance Innovation 2021-2022". Personal mobile banking 8.0, corporate online banking 6.0 and corporate mobile banking 2.0 have all been unveiled. The monthly active user count for personal mobile banking has reached 49,104,800, while the number of registered customers for corporate online banking and corporate mobile banking sit at 2,025,000. Open banking has been launched, with 4,675 connections established and over 4.1 billion interactions recorded.

Accelerating digital development

Environment

Green Finance has Much to Achieve

Responding to the trend of sustainable development

In 2023, BoCom thoroughly embraced the new development philosophy by prioritizing green operations and employing financial measures to safeguard the environment. This commitment aligns with the Beautiful China Initiative, which seeks to enhance the balance between human activities and the natural world.

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 total green loan balance based on PBOC standards reached RMB

822.042 billion

Notably, the loan balance for the clean energy sector stood at RMB

205.252 billion

marking a year-on-year surge of RMB

186.610 billion

equivalent to a growth rate of

29.37 %

reflecting a year-on-year rise of RMB

66.218 billion

or **47.63** %, surpassing the growth rates of other loan categories during the same period

Aligning with SDGs



Furthermore, the E-banking business share accounted for

98.09 % of the total



Green finance to consolidate the foundation of development

BoCom has been actively fulfilling its responsibility as a major 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)*, "green" serves as the defining feature of the Group's operations. Aligned with the significant directives from the CPC Central Committee regarding ecological civilization development, we have actively seized key growth opportunities and utilized financial services to promote environmental protection. In recognition of these efforts, the Bank was honored as the "2021 Advanced Organization in Green Bank Evaluation" by the China Banking Association during the Reporting Period.

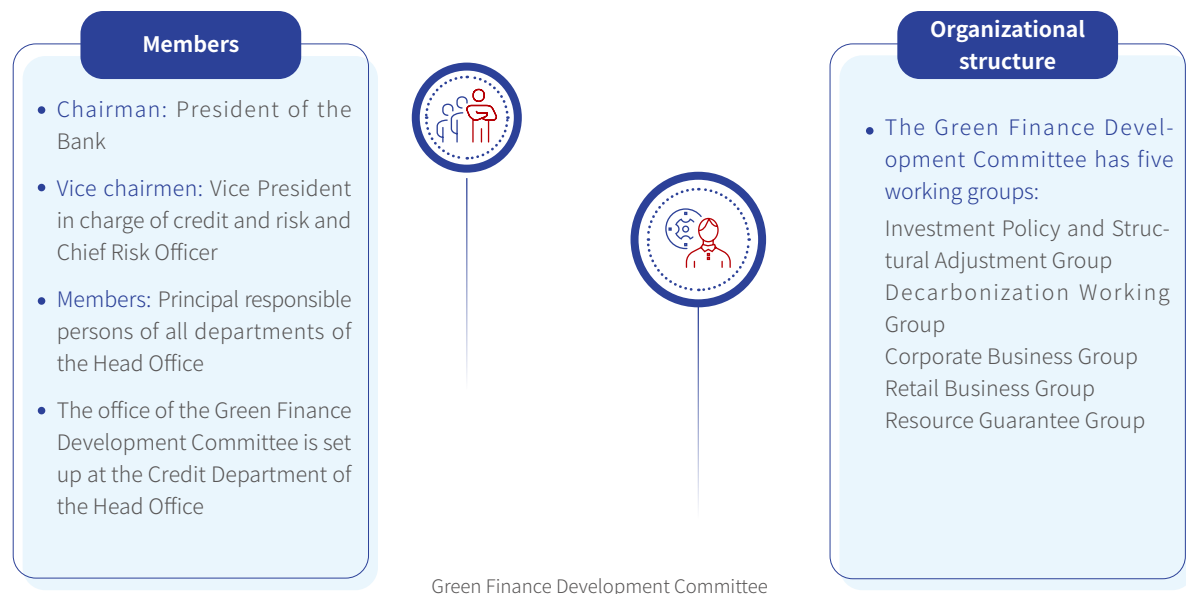
Addressing climate change

Overview

The Bank has proactively identified and responded to financial risks caused by climate change. Climate and environmental risks have 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), and has acquired the ISSB "Partnership for Early Awareness of Sustainability-Disclosure Today" (P4EAST).

Governance structure of climate and environmental risks

Continuing to optimize the green finance governance system. At the Head Office level, in 2021, the Bank established the Green Finance Development Committee. This standing business management agency is responsible for making decisions and formulating plans regarding major policies, regulations, and critical issues concerning the Group's green finance development. The Committee actively propelled the establishment and improvement of the "Four Mechanisms" and "Five Systems" to enhance the development capability of green finance. Its key responsibilities include deliberating on major plans, strategies, objectives, policies, and procedures related to green finance. It also coordinates and establishes institutional mechanisms for green finance work within the Group while providing supervision and guidance to all business development and innovation entities involved in green finance. As for branches, both provincial branches and overseas branches (subsidiaries) have established their own green finance development committees or leading groups. Some branches have even set up specialized green finance departments and outlets to further improve the quality and efficiency of green financial services.



Four Mechanisms

- Green finance policy research and transmission mechanism
- Green finance innovation and development mechanism
- Green finance resource allocation and guarantee mechanism
- Green finance assessment and evaluation mechanism

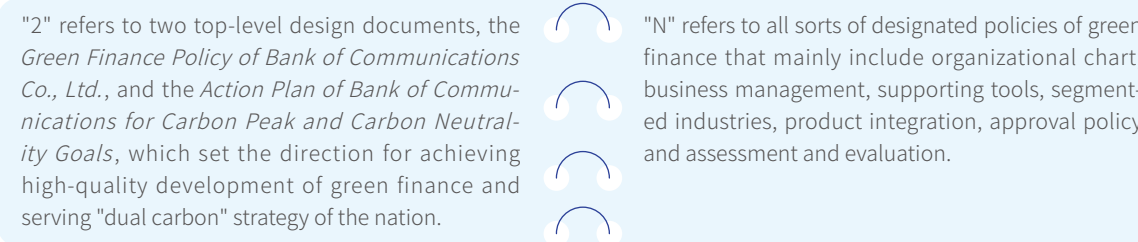
Five Systems

- Green finance governance system
- Green finance risk management system
- Green finance data governance system
- Green finance talent support system
- Green operation and information disclosure system

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

Policies and regulations of climate and environmental risks

According to the *Outline of the Development Plan of Bank of Communications Co., Ltd. for the 14th Five-Year Plan Period (2021-2025) (Revised in 2022)*, we have further established that green serves as the defining feature of the Group's operations and carried out related works. During the reporting period, we revised the *Risk Management Plan of Bank of Communications Co., Ltd. for the 14th Five-Year Plan Period (2021-2025) (Revised in 2023)* to step up climate and environmental risk management.



"2+N" green finance policy system

In 2023, the Bank revised the *Implementation Measures of Bank of Communications Co., Ltd. for Green Credit*, known as "the Measures," by enhancing the requirements for ESG-related risks and organizational structure and updating the *List of ESG-related Risk Compliance Documents*. The Measures now specify the establishment of a dynamic evaluation mechanism for ESG-related risks in compliance with regulatory standards and the Bank's internal management policies. This mechanism aims to dynamically assess customers' ESG performance and associated risk control measures. The evaluation outcomes serve as a crucial basis for credit approval, review, post-lending management, and exit strategies. Additionally, based on the *Dynamic Evaluation Form of Customer ESG Performance and Risk Control*, enterprises experiencing significant environmental, social, and governance risk events and failing to address them adequately are classified as "unsatisfactory." Such enterprises may include those instructed by regulatory bodies to halt operations, rectify violations of environmental regulations, or shut down, as well as those involved in major safety incidents or found to have misrepresented or concealed such incidents. Furthermore, businesses fined by regulators for breaching environmental or safety laws, resulting in substantial disruptions to their operations, are also categorized as unsatisfactory.

Action Plan of Bank of Communications for Carbon Peak and Carbon Neutrality Goals

Plan interpretation

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"). Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and 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 encompasses 16 specific action items, including optimizing the credit structure and facilitating the green and low-carbon transformation of the energy sector. It sets forth the Bank's targets for 2025, 2030, and 2060. By the end of the 14th Five-Year Plan period, the Bank expects significant achievements in terms of green finance branding and product innovation. As the principles of green and low-carbon practices permeate every aspect of our operations, the role of the green finance mechanism will become more prominent. We also aim to enhance our initiative and awareness in achieving carbon peak and carbon neutrality. The total balance of green loans is projected to reach at least RMB800 billion, with efforts made to reach RMB1 trillion.

Risks and opportunities arose from climate change

Identify major climate change related risks facing commercial banks

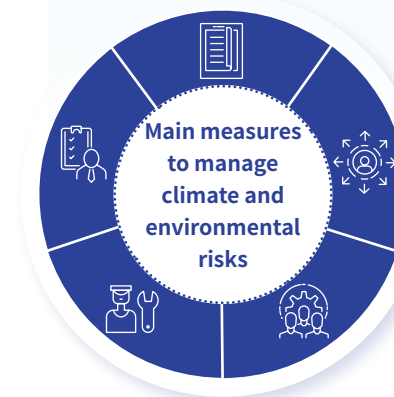
Risk type	Risk description	Impact of climate change	Scope of impact
Credit risk	Loss caused to the Bank due to failure of fulfilling obligations as agreed by borrowers or counterparties.	Borrowers may experience a decline in their ability to earn profits, depreciation of assets, or a decrease in the value of their collateral due to natural disasters or climate change. Borrowers fail to meet changes in laws, regulations, policies or technologies affects their ability to sustain operation.	Medium and long term
Market risk	Bank loss due to on- and off-balance-sheet activities brought by adverse changes in market prices (Interest rate, exchange rate, stock prices and commodity prices).	Abnormal changes in asset valuation triggered by climate disasters or quick transformation of the market in a short period.	Medium and long term
Liquidity risk	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.	Physical risk and transformation risk impact the balance sheets of financial institutions with more carbon intensive assets. 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.	Medium and long term
Operational risk	Bank loss due to incomplete or defective internal procedures, employees, IT systems or external events, including legal risk and excluding strategic risk and reputational risk.	Natural disasters or climate changes may directly damage 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.	Medium and long term
Reputational risk	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.	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.	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. In the past few years, significant progress has been achieved in both traditional financial products designed to support carbon emissions and financial products with carbon emission permits as the underlying assets.

Management of climate and environmental risks

- Consistently integrate climate and environmental risks into the comprehensive risk management system, set separate climate risk related indicators in the Group's risk appetite, and guide subsidiaries to incorporate climate risk into their respective risk appetite system. Designate climate risk as a standalone risk category in the primary risk assessment for evaluation in accordance with the latest stipulations outlined in the *Administrative Measures for the Capital of Commercial Banks*. Regularly obtain updates on climate risk management across the Bank through the Comprehensive Risk Management and Internal Control Committee.
- Strengthen the criteria for climate and environmental risk management in the programmatic documents on risk management and credit granting policies. Eliminate loans provided to projects that appear environmentally friendly but, in reality, exhibit high energy consumption and emissions, and conflict with central government policies.
- Include climate risk as a distinct category in addition to credit, market, and operational risks during the evaluation of new products and business ventures. The product department initially assesses the risk, and the risk gets reevaluated by the climate risk management department. Implement the *Green Finance Guide for Banking and Insurance Industries* by the former CBIRC to further regulate green finance management. Integrate ESG management requirements throughout the entire business process, including customer and project screening, due diligence, credit evaluation and approval, contract management, fund allocation management, post-lending oversight, internal control assessment, and information disclosure.



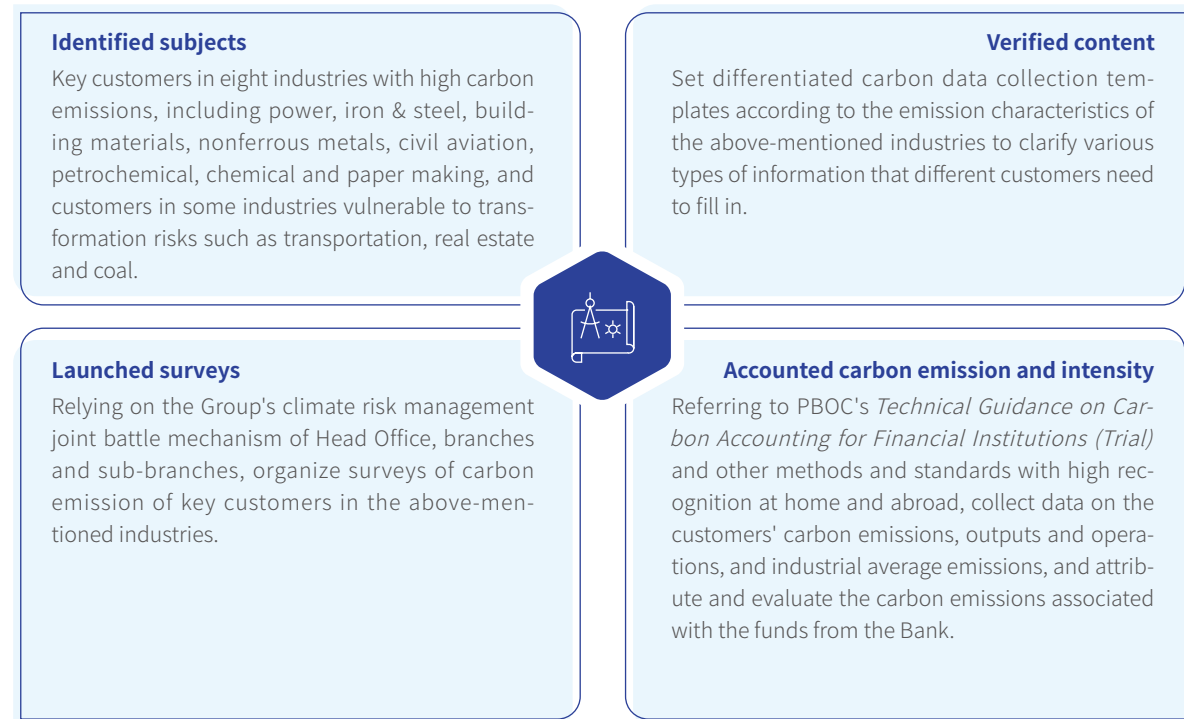
- Strengthen the quantitative analysis of climate and environmental risks, and expand climate risk sensitivity stress testing that are carried out to 8 industries with high carbon emissions in the previous year to all industries with typical green transformation risks. Monitor and assess the potential effects of the Carbon Border Adjustment Mechanism on the Bank's customers. Conduct examinations and stress tests on customers operating in key industries that might experience substantial impacts.
- Set rating indicators for climate and environmental risks in the risk assessment plan, and include the evaluation of green credit inspections and improvement efforts as part of the internal control process. Organize climate and environmental risk management training sessions, invite senior experts from ISSB to participate in discussion and seminars, and encourage all operating units to enact the concept of low-carbon development.

Quantitative analysis of climate and environmental risks

In 2023, the Bank conducted a quantitative analysis of the implications of the Carbon Border Adjustment Mechanism (CBAM). Targeting key customers in the steel and aluminum industries, the Bank performed specialized sensitivity stress tests. We also assessed the potential effects of CBAM stress on its credit asset quality. The results showed that customers in these industries saw mounting credit risk in relevant stress scenes. Nonetheless, the overall risk is manageable, with a limited impact on capital adequacy. The Bank further initiated and executed transformation risk stress tests for other high carbon-emitting industries and sectors susceptible to transformation risks. It also continued to enhance internal capability and conducted external exchanges on issues including the building of macroclimate scenario in line with national conditions and the implementation of physical risk stress test.

Carrying out quantitative evaluation of the impact of investment and financing activities on the environment

Since 2021, the Bank has evaluated Scope 3 carbon emissions from its investment and financing activities. In 2023, on the basis of previous carbon data management, it further increased the coverage and accuracy of its carbon data.



Highlights in practice

Making good use of the monetary policy tools of the PBOC

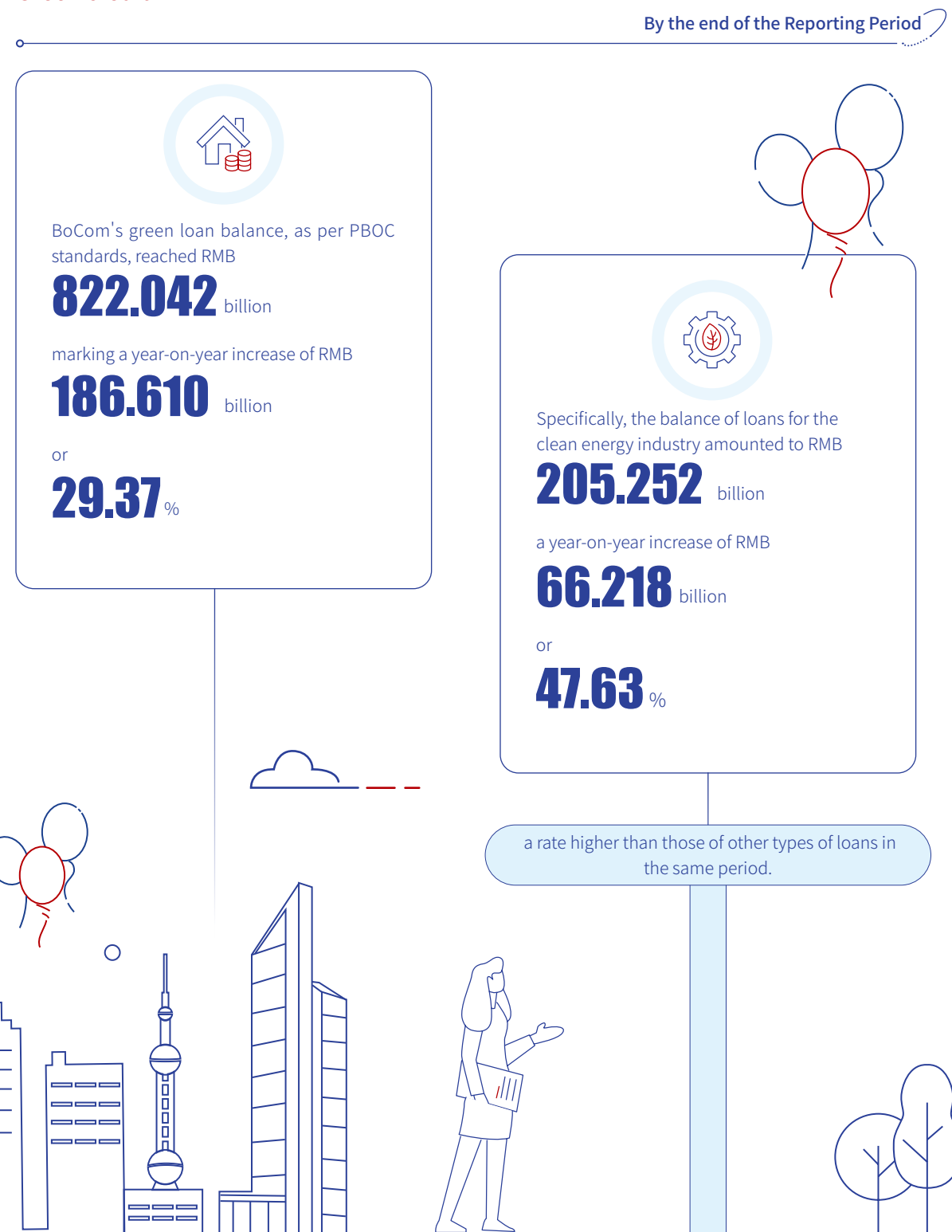
During the reporting period, the Bank formulated and issued the *Notice on Further Implementing Carbon Reduction Supporting Tools and Ensuring Carbon Reduction Loan Granting*. Per the notice, the Bank will continue to deploy carbon reduction supporting tools until the end of 2024. By upholding robust management across all branches, we ensure adherence and appropriate utilization of carbon reduction loans to effectively leverage the monetary policy instruments provided by the PBOC.

As of the end of the Reporting Period, BoCom was granted RMB12,826 million of funds under carbon-reduction supporting tools. In 2023, the Bank issued RMB4,935 million of carbon reduction loans to 74 projects that met the requirements of PBOC. The weighted average interest rate of such loans was 3.14%, driving the reduction of carbon emissions by 1,227,300 tons of carbon dioxide equivalent. Since obtaining the carbon-reduction supporting tools in 2021, we have issued RMB21,377 million of carbon reduction loans to 427 projects. The weighted average interest rate of such loans was 3.47%, driving the reduction of carbon emissions by 4,188,100 tons of carbon dioxide equivalent.

Actively developing green finance

With a strong focus on green finance, the Bank has constantly optimized governance and policy system of green finance. We've created a system of diversified green finance product and services, aligning them with the country's regional strategy to drive sustainable development. Green development practices has also been integrated throughout the entire business process, fortifying our commitment to green finance.

Green credit



Management measures for green credit

Strictly implementing the green credit access system

- Included ESG risks into project evaluation, review and approval process, and carried out the "one-vote veto" system for green credit to strengthen management of fund allocation and make customers' ESG risks a major basis for deciding on the granting of credit funds.

Intensifying training on green credit

- Enhanced the capability of green finance talent groups of credit business line in branches through "empowerment" training and major project practice;
- Organized various types of training sessions occasionally following national policy, regulatory rules and business requirements;
- Strengthened communication and co-training of green finance with HSBC based on BoCom-HSBC RES framework;
- Sent employees to participate in the trainings held by third party organizations of authority;
- Based on reality demand, held seminars and trainings following the progress of green intelligent recognition project and ESG evaluation system set up.

Including customer ESG performance as a major part in due diligence

- Made clear requirements that customer ESG performance should be included as a major part in due diligence. Formulated preliminary opinions of customer ESG risk based on due diligence results and write into due diligence report.
- Established a dynamic evaluation mechanism for customer ESG risks where a *Dynamic Evaluation Form of Customer ESG Performance and Risk Control* is embedded to dynamically evaluate the ESG performance and risk control and management by customers.

Including customer ESG performance as a major part in credit risk evaluation

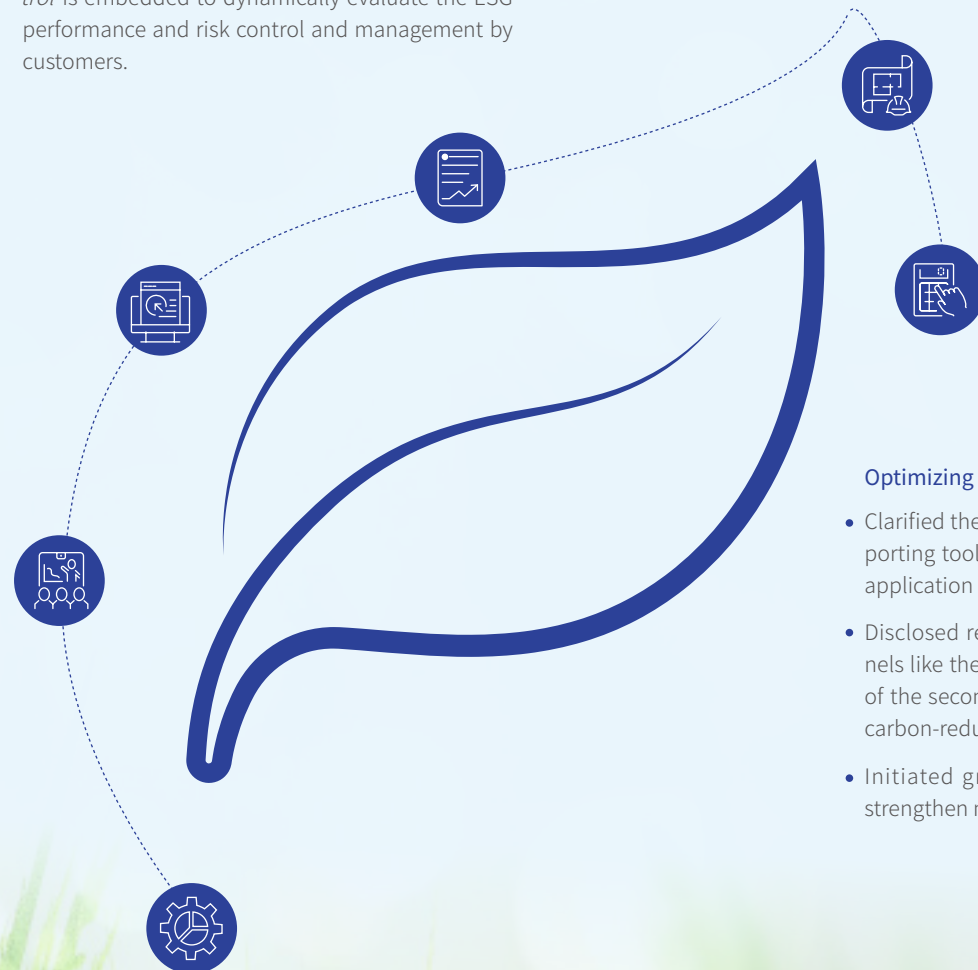
- Made clear requirements that customer ESG performance should be included as a major part in credit risk evaluation and customers' ESG risks be set as a major basis for credit fund-granting decisions. Strictly limit credit extension to customers with serious violations or major risks in ESG.
- Paid attention to customer ESG related risks in post-lending management. With detected risks, customer managers would initiate dynamic evaluation via credit memo. For customers rated "unsatisfactory" in dynamic evaluation, their credit limit should not be raised in principle until they complete rectification and gain approval.

Optimizing environmental data management

- Clarified the internal process of carbon-reduction supporting tool application and form synergy to increase application quality;
- Disclosed relevant information through public channels like the Bank's official website before the 15th day of the second month of a quarter after funds under a carbon-reduction supporting tool are granted;
- Initiated green credit intelligent classification to strengthen management.

Strengthening green credit internal control

- Included green credit regulation, process and implementation into internal audit and internal control.



Highlights in management measures



Including customer ESG performance as a major part in due diligence

The Bank has incorporated customer ESG performance, particularly in environmental, social, and governance aspects, as a significant component of its due diligence process. Environmental performance encompasses energy usage (e.g., electricity, heat, oil, coal, and natural gas), measures for pollution prevention and control, and compliance with environmental protection regulations. Social performance factors in employee count, the ratio of female employees, provision of a safe and healthy work environment, market reputation, and supply chain relationships. Additionally, governance performance encompasses risk and crisis management, protection of equity rights, taxation, and business ethics.

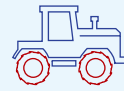


Accelerating the establishment of green intelligent recognition and ESG-related risk evaluation model to improve refined management of green credit

In 2023, the Bank launched an intelligent recognition and advisory program for green finance. Utilizing the industrial classification of national economic activities, it organized green investments and constructed a mapping model through segmentation techniques. This approach helped business operators categorize green loans based on investment streams, thereby preventing "greenwashing" and enhancing precise management. Furthermore, the Bank developed an ESG-related risk assessment model categorized by industry and customer scale to enhance refined management practices.

In 2023, the Bank provided further guidance on green credit investment and set "carbon access" indicator for high-carbon industries in the *Guidance on Credit Investment in Industries (Revised in August 2023)*. The document prohibits involvement in energy-intensive and high-emission projects listed as negative, aiming to promote the establishment of a green, low-carbon, and circular economic development framework.

Guidance on credit investment in industries in 2023



Modern agriculture



Energy conservation and environmental protection industries



Metallic and non-metallic mining industries



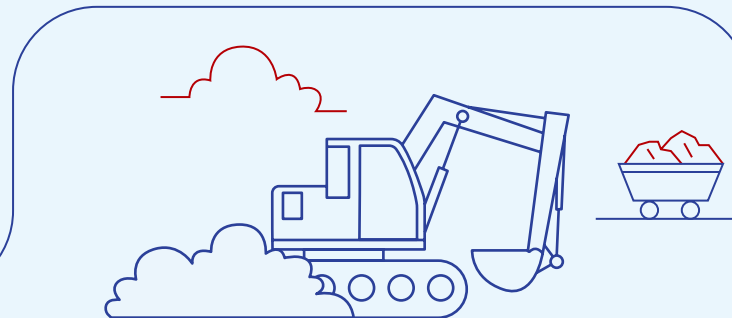
Oil exploitation and processing

- In combination with available resources and the features of industrial distribution, prioritized support to agricultural production and operation in the main production areas of national key agricultural products and regions with characteristic agricultural advantages.
- Selected and worked with new type of agribusiness entities that own large-scale operations that comply with environmental protection standards and food safety requirements. Developed smooth channels between production and marketing. Supported the green transformation of production modes and development of modern facility agriculture; place emphasis on and evaluated the impact of natural disasters, food safety, and environmental requirements on the sustainability of enterprises.

- Followed policies related to pollution treatment, ecological protection, response to climate change, and low-carbon development. Focused 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. Provided financial services to shore up and upgrade environmental infrastructures, promoted green development in urban and rural areas, and advanced energy conservation and emission reduction projects while ensuring controllable risks and sustainable business.

- Supported the development of guaranteed and advantageous minerals with available resources and the green and intelligent transformation of mines. Channeled additional credit resources into the mining enterprises that feature abundant resources, scale of operation, 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. Accelerated the exit of the small and medium-sized monomer mining enterprises with weak recourse continuity, high operating costs, great environmental protection hazards, difficulty in transformation and upgrading and continued weakening operations.

- Quickly exited the low-level enterprises that involve the following conditions and included them into the list for credit exit 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, that do not meet environmental protection or energy consumption standards, or that do not 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 RMB50,000 tons or lower.



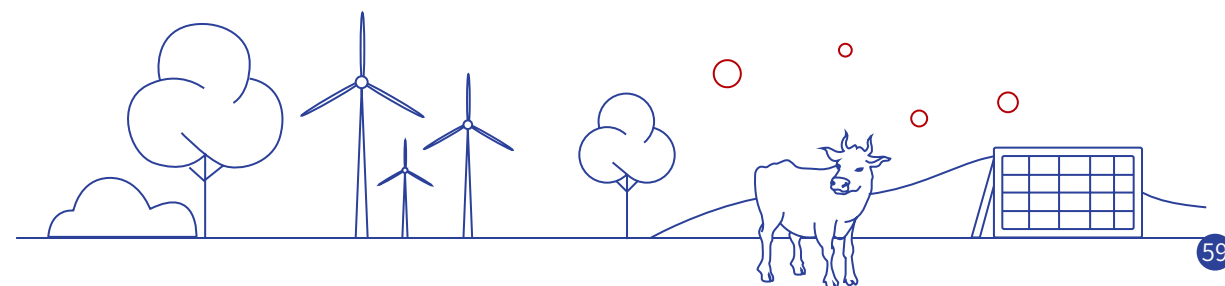
Case The first "carbon neutrality-linked loan" of Hebei Province launches in Xiong'an New Area

In September 2023, with the guidance of the Xiong'an New Area Branch of the People's Bank of China, Hebei Province launched its first "carbon neutrality-linked loan" in Xiong'an New Area. This loan exemplifies Hebei Branch of BoCom's commitment to implementing national strategies for carbon peaking and carbon neutrality. Xiong'an New Area, recognized as a model city for green development, spearheads the province's efforts in green and low-carbon transformation. The "carbon neutrality-linked" loan associates borrowers' interest rates with key performance indicators, such as carbon neutrality targets, monitored throughout the loan period, aiming to incentivize borrowers to achieve carbon neutrality by aligning economic benefits with social and environmental advantages.

The enhancement of traditional green credit to promote green initiatives reflects the increased financial innovation within Xiong'an New Area. Utilizing various investment and financing instruments like green credit, green bonds, and green funds, green finance directs financial resources towards energy-saving initiatives, eco-friendly transformations, and groundbreaking projects involving low-carbon technologies like Carbon Capture and Storage. This approach ultimately bolsters the high-standard and high-quality advancement of the region.

Biodiversity conservation

BoCom remains dedicated to biodiversity preservation. In its Action Plan of Bank of Communications for Carbon Peak and Carbon Neutrality Goals, the Bank emphasizes its commitment to supporting significant projects focused on the ecological conservation and restoration of forests, grasslands, wetlands, and oceans, guided by market principles and legal frameworks. In the Implementation Measures of Bank of Communications for Green Credit underscore its financial backing for initiatives addressing climate change, biodiversity protection, sustainable production, resource reuse, and ecological farming. During the customer assessment phase, BoCom strictly prohibits the admission of enterprises or projects that violate national environmental regulations or exhibit non-compliant ESG performance in areas such as ecological protection, pollution control, climate impact, and biodiversity. The 2023 BoCom Outline of Credit Extension and Risk Policy mandates "actively supporting green transitions across industries, transportation, construction, and energy sectors, while meeting financing needs for environmental pollution prevention and biodiversity conservation".



Green bonds

During the Reporting Period, the Bank was granted membership in China Green Bond Standard Committee. During the Reporting Period, BoCom underwrote 13 green bonds that amounted to RMB8.392 billion, a year-on-year increase of 17.12%.

During the Reporting Period, the Bank issued RMB30 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.

In 2023, the Bank introduced the *BoCom Green Bond Framework* as part of efforts to broaden its issuance channels. This framework marks the first time that the Common Ground Taxonomy by IPSF has been incorporated to facilitate the issuance of offshore green bonds by the Bank's Head Office and its overseas branches and sub-branches. The framework was assigned SQS2 Sustainability Quality Score (Very Good) by Moody's, the highest score for green bond framework of financial institutions in the Asia-Pacific region since Moody's has updated Second Party Opinion in October 2022. Subsequently, in August 2023, the Hong Kong Branch successfully issued BoCom's first offshore green bond under the framework, raising RMB500 million. The funds raised will be utilized for the financing and/or refinancing of qualified green assets.

In 2023, BoCom International Holdings Company Limited underwrote **19** green bonds, **10** bonds more than that of the previous year. The amount of enterprise financing reached HKD **46.3** billion, a year-on-year increase of **1.23** times.

In 2023, BoCom Financial Leasing issued its first RMB green finance bond in the national interbank bond market, with an issue size of RMB**3** billion, covering multiply types of investments entities including banks, brokers and insurance companies, with a total order value of more than RMB**6** billion.

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 International Holdings Company Limited helps Fujian Zhanglong Group issue the first offshore blue bond by Chinese non-financial enterprises

On October 26, 2023, as one of joint bookrunners, BoCom International Holdings Company Limited helped Fujian Zhanglong Group ("Zhanglong Group") issue USD 500 million of offshore bond with a coupon of 6.7% and a maturity of 2 years and 10 months. The bond is the first offshore blue bond issued by Chinese non-financial enterprises, aimed at financing or refinancing eligible blue projects under Zhanglong Group's *Green and Blue Financing Framework*. These projects encompass sustainable water and wastewater management, offshore renewable energy initiatives, sustainable fisheries, and other related endeavors.

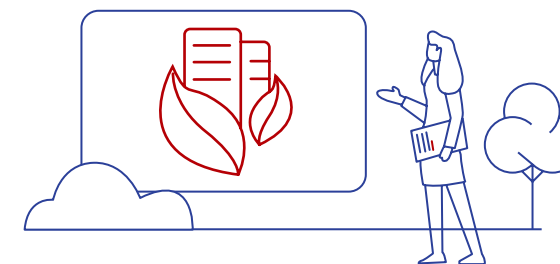
Green repo

In October 2023, under the guidance of China Foreign Exchange Trade System, BoCom, as one of the first four institutions, completed the first pledge-style repo transaction for supporting green business through the Renminbi transaction platform of interbank market. The funds raised in the transaction will support green projects aligned with the *Common Ground Taxonomy* by IPSF, marking the first instance of utilizing the Common Ground Taxonomy in the interbank repo market.

The launch of green repo further enriches green finance "tool kit". Relying on the flexible and convenient repo transaction, we fully leverage the price advantage in monetary market to channel the raised funds to green business of financial institutions, lowering green financing cost. This approach, an innovative approach to promote green development via financial assistance, demonstrates the support of monetary business for the real economy.

Green financial service for personal customers

In August 2023, the Bank introduced the "carbon account" system on the BoCom Credit Card Official APP to promote a low-carbon lifestyle. This system covers various areas like credit card usage, transportation, and daily services. It tracks and measures users' behaviors, such as checking accounts, making repayments, using public transport, cycling, and charging devices, to reduce carbon emissions. By showing users their low-carbon actions, it encourages them to develop eco-friendly habits. As of the end of the reporting period, 330,000 users had engaged in carbon reduction activities through the system.



Green trust

BoCom International Trust Co., Ltd. utilized its trust system and group synergy to contribute to green trust. By the end of the Reporting Period, it had covered five major sectors in green finance: green loan, green bond investment, green equity investment, green industry fund, and green asset securitization. The current green finance amount exceeds RMB8 billion. Through these initiatives, it continues to advance the development of green finance.

Case | Establish CCER carbon asset service trust to support enterprise in revitalizing existing CCER carbon assets

"BoCom International Trust · East Asia Power (Xiamen) Co., Ltd. CCER Carbon Asset Service Trust" is China's first foreign-owned non-fundraising CCER carbon asset service trust, established jointly by BoCom International Trust and the RGE group. In this partnership, East Asia Power (Xiamen) Co., Ltd. has set up a service trust with BoCom International Trust, using its Chinese Certified Emission Reduction (CCER) holdings as the underlying asset. BoCom International Trust mainly provides trust services to the entrusting party, including the opening, management and closure of dedicated account for the property trust. It also oversees the opening and management of trading accounts on the Shanghai Environment and Energy Exchange (SEEE) and CCER account.

Leveraging its trust resource and system, BoCom International Trust has set up this service trust plan to help real economy enterprises in maximizing the value of their existing CCER carbon assets. It also aims to find an effective way to achieve the dual carbon strategic goal, serve the real economy, and promote a new development pattern. This move holds significant importance in the trust industry.



On December 13, 2023, "BoCom International Trust · East Asia Power (Xiamen) Co., Ltd. CCER Carbon Asset Service Trust" was awarded the "The First Batch of Green Finance Innovation Practice Cases in Wuhan"

Green leasing

Committed to green development, BoCom Financial Leasing focuses on specialized green leasing as it paves the way for high-quality growth, setting a model of green transformation in financial leasing industry. As of the end of the reporting period, the equipment and facility leasing granted to new energy business increased by more than 300% year on year, and the balance of green leasing assets reached RMB139.084 billion.

BoCom Financial Leasing supports the national transportation network by establishing a green finance paradigm for air, land, and sea transportation to facilitate the green transformation of the transportation system. During the reporting period, over 50% of green leasing focused on new EEDI III-compliant ships, a fleet carbon emission analysis system was launched, and new eco-friendly ship models had a 100% delivery rate. It ventured into new energy charging pile construction in Haikou to promote green transportation infrastructure, aiding urban residents' eco-friendly travel. It expanded the green energy industrial chain with a focus on wind power, PV, hydropower, energy storage, and hydrogen energy, resulting in nearly RMB10 billion balance in wind power and PV businesses. Additionally, it supported over 15,000 farmers in building photovoltaic stations and applied solar power to modern agricultural practices. It launched equipment leasing business for 3 million tonnes of "green hydrogen +" coal to olefin project in Inner Mongolia, the only large-scale project in the world of producing high-end chemical products with green hydrogen instead of fossil fuel.

During the reporting period, BoCom Financial Leasing was granted "2023 Most Influential Green Financial Leasing Enterprise Brand" at the 9th Green Development Forum by www.news.cn, "Green Finance Model Award" by *China Banking and Insurance News* and other green awards by authoritative media. These achievements have positioned the company as a pioneer in low-carbon transformation, reshaping the landscape of green leasing.

Green insurance

In June 2023, China BoCom Insurance Co., Ltd. launched "Le Jia Bao", a holistic home insurance scheme offering green insurance for Hong Kong Branch customers. The plan includes charge-free "public liability insurance for solar panels" and "compensation in excess of the original guaranteed value for the purchase of applications with energy efficiency labels" as well as optional charged "public liability insurance for EVs chargers".

According to the *Green Insurance Classification Guidelines (Version 2023)* by Insurance Association of China, BoCommLife Insurance enhances the supply intensity of existing green life insurance, such as public transportation accident insurance, to align with policy requirements and social demands.

Green investment

As of the end of the reporting period, BOCOM MSIG Life Asset Management issued 4 green insurance debt investment programs. The total investment in plan totals RMB5.132 billion, and a total of RMB2.782 billion of funds has been granted. Among them, the investment from BoCommLife Insurance reached RMB1.497 billion. The "BOCOM - Fengfa Guhua Green Debt Investment Program" marked the company's first such initiative in Shanghai, supporting the green construction project of FengXian New City under Fengxian Development Group. This endeavor showcases the company's commitment to promoting green finance as a Shanghai-based entity.

Case | BoCom Financial Assets Investment Co., Ltd. implements green finance philosophy in carrying out green investment

Due to China's carbon peaking and carbon neutrality goals, the capacity and generation of wind and solar power stations have increased annually, contributing to rapid growth in new energy generation. In August 2023, BoCom Financial Assets Investment Co., Ltd. injected RMB500 million and RMB400 million into SPIC Northeast New Energy Aohan Wind Power Co., Ltd., and SPIC Northeast New Energy Zhaoyang Wind Power Co., Ltd., subsidiaries of SPIC, for repaying their bank loans. Through debt-to-equity swaps, BoCom Financial Assets Investment Co., Ltd. supports these companies and their parent company in consolidating capital, fostering long-term development, and aiding them in meeting dual carbon objectives.



Case | BoCommLife Insurance practices ESG idea by investing in green projects

In November 2023, the "Togtoh Power Station - Hohhot City Long-distance Heat Supply Network Project", supported by BoCommLife Insurance, was finished and put into operation. Heat from Togtoh power station, one of the largest coal plants in the world, now reaches millions of homes. It is now a vital project in the Inner Mongolia Autonomous Region. Spanning 104.7 km, it stands as one of Asia's longest heat supply projects with the largest single heating pile diameter, serving as the country's largest household heat supply initiative.

BoCommLife Insurance participated in the project company by leading project investment, construction, and operation. Once at full capacity, the project is expected to annually save 1.132 million tons of coal and 675.36 million m³ of natural gas. It also reduced annual CO₂ emissions by 3.394 million tons, SO₂ emissions by 3,435.8 tons, NO_x emissions by 6,222.7 tons, and dust particles by 1,109 tons.

Green Fund

BoCom Fund actively implements ESG philosophy and lays ground work for ESG products. It owns three ESG-themed funds.

ESG products	Features
BOCOM Schroders SSE 180 Corporate Governance ETF Connect Fund	Part of the stocks are from SSE Corporate Governance sector, which rates governance performance of listed companies through 7 index including shareholder governance and board governance. The product's high-quality samples showcase its ESG characteristics, with constituent companies demonstrating excellent governance and stability.
BOCOM Schroders National Securities New Energy Index (LOF)	Passive track national securities new energy index. The constituent stocks mainly concentrated in new energy and new energy vehicle industries, pointing to the medium-and long-term investment value of the index.
Bocom Schroders Csi Environmental Governance Index Securities Investment Fund (LOF)	Passive track Csi environmental governance index. The constituent stocks main concentrated in environmental protection public utility industry, with a focus on the environmental protection sector in ESG.

Green wealth management

BoCom Wealth Management Co., Ltd. actively promotes green finance by launching ESG-themed strategy products. These products direct social funds towards green and low-carbon sectors, providing financial support for enterprises' green transformation and industries like energy conservation, environmental protection, clean energy, and clean transportation. In terms of product issuance, as of the end of the reporting period, BoCom Wealth Management issued 4 new ESG-themed strategy products with a total amount of RMB4.8 billion. The amount of existing ESG-themed strategy products totaled RMB6.38 billion. These products come in both close and open types, catering to different liquidity and return requirements of customers and helping investors adopt green and low-carbon investment concepts.

BoCom Wealth Management has received recognition for its green finance initiatives. It won the "Best Asset Management Company for Responsible Investment" award at the "China ESG Golden Awards" by Sina Finance for three consecutive years (2019-2021). In 2022, its "Wenxiang Lingdong Huili Yangtze River Delta ESG-themed (90 days) Wealth Management Product" was honored with the "2022 Cailianpress CWGM Awards · Green Finance Product Innovation Award".

Promoting industrial development

The Bank has actively promoted the development of the green finance industry and carried out internal and external exchanges, contributing to the development of green finance.



Participating in the formulation of green finance standards

- In 2023, the Bank led the development of the water transport industry section in the Shanghai Transition Finance Catalog. This initiative was among the 32 major administrative decisions by the Shanghai Municipal People's Government. The Bank established criteria such as carbon reduction methods, Carbon Emission Reference Value (CER), and emission intensity for key ships/ports engaged in ocean transport, coastal transport, inland waterway transport, and port transport to support the industry's green transition.

The transition finance catalog is a key administrative decision of the Shanghai Municipal People's Government. BoCom, a major state-owned bank headquartered in Shanghai, has actively supported the development and implementation of this catalog. With a team of over 20 experts, we've engaged with government agencies, industry associations, and key enterprises to analyze carbon reduction strategies (including energy efficiency improvement, energy substitution, management optimization, etc.), and led the drafting of the transition finance catalog for water transport industry (shipping industry). Our efforts have been acknowledged by the government, PBOC, and other financial authorities. Following the catalog's release, we continue to craft a transition finance service plan for the shipping industry chain to expedite business implementation, aiming to contribute to Shanghai's green and smart growth as an international shipping hub.

- Led the formation of the green finance work group within the Shanghai Banking Association. Became a member of the Shanghai Carbon Peaking and Carbon Neutrality Standardization Technical Committee and the Green Finance Service Committee of the Shanghai Energy Conservation Association.

- We are among the first batch of cooperative banks of Shanghai Environment and Energy Exchange, and also one of the first batch of financial institution members and executive organizations of China Carbon Neutral Action Alliance. We actively cooperated with Shanghai Financial Association in establishing the Green Finance Specialist Committee, and engaged in the green finance legislation of Pudong New Area, making our contributions to building the green finance ecosystem.



Participating in industry exchange

Responsible for deepening the development of the green finance industry



Case Supporting the Organization of Shanghai International Carbon Neutrality Expo to deliver green development philosophy with peers

The first Shanghai International Carbon Neutrality Expo was held in National Exhibition and Convention Center (Shanghai) from June 11 to 14, 2023. Fully playing its role as the chairman of Shanghai Financial Association and Lujiazui Financial City, BoCom supported the organizer by inviting financial industry players and partners to join the Expo.

In the parallel forums, we collaborated with Shanghai Federation of Industry and Commerce, Council for the Promotion of International Trade Shanghai, Commercial Aircraft Corporation of China Ltd., China Baowu Steel Group Corporation, and other companies to launch the Global Partner of International Green Finance Hub. We facilitated the signing of Green Finance Cooperation between Shanghai Financial Association, Shanghai Lujiazui Financial City Authority, and Climate Bonds Initiative. In addition, we actively supported sustainable development of private economy and advanced green transition together with national high-tech parks.

Moving forward, we will leverage the expertise of various financial institutions to offer financial solutions that enhance green financial standards, drive green financial innovation, and collectively implement ESG concepts.



Promoting the Green Finance Specialist Committee of Shanghai Financial Association

Conducting green operation to advance low-carbon transformation

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've actively advocated for energy conservation and promoted low-carbon development. Throughout the reporting period, the Bank did not incur any administrative penalties concerning environmental protection.

Providing green services

We strive to create a range of online financial service channels using digital technology tools, offering customers environmentally friendly, high-quality, and convenient financial services while minimizing resource usage. In 2023, through the integration of self-service devices, the Bank significantly decreased the resource consumption and energy usage of electronic channels while expanding the functionality of the devices, making them more accessible for elderly customers and enhancing their overall efficiency. This effort resulted in a reduction of carbon emissions by approximately 6.97% compared to 2022, setting a positive precedent for energy conservation and emission reduction.

Customer category	Customer/transaction scale	Annual growth	Environmental benefits (equivalent)		
			Trees planted	CO ₂ emissions reduced	Paper use reduced
Corporate online banking (including corporate mobile banking)	2,025,000 accounts	11.46%	535,200	7,516.44 tons	30,364.73 tons
Personal online banking (Including personal mobile banking)	10.277 billion transactions	6.06%	1,881,600	26,402.72 tons	106,265.13 tons

The environmental benefits of green services

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.

Advocating green office

In 2023, BoCom evaluated carbon inventory across the Bank to understand its current carbon emissions generated from operations.

In accordance with the requirements outlined in *Specification for Facility and Equipment Green Operation Management Service T/C PMI 011-2020*, the Head Office has developed a Property Green Management Plan tailored to the specific characteristics of each building (park). This is to ensure that the environmental performance of each building (park) meets relevant standards and aligns with the ISO 14001 environmental management system. To achieve this, we have enlisted a specialized agency to conduct annual environmental testing. In 2023, the Head Office introduced the *Hazardous Waste Management System (Version 2023)* to enhance the management of hazardous waste, aiming to prevent environmental pollution and safeguard public health. Furthermore, energy-saving initiatives such as the installation of LED lighting in office and public areas, the renewal of motion-sensing faucets in bathrooms, and elevator upgrades in BoCom Financial Towers have been successfully completed and put into operation across the buildings (parks). Through these efforts, we are promoting the low-carbon operation of the Head Office, striving for economic development while protecting the environment.

In 2023, Xintongcheng Data Center in Pujiang New Town, Shanghai, was officially put into operation. The project passed the Green Building Design Certification and T4 Certification.



Reducing the environmental impact of daily operations

Pollution prevention and control

- Enforced stricter management protocols to ensure compliance with sewage discharge permits, standardized the operational management and maintenance of pollution prevention and control facilities, conducted third-party monitoring, maintained detailed records, submitted timely execution reports, and promptly disclosed environmental information. This is to guarantee that pollutant discharge from office area boilers adheres to national and local pollutant discharge standards and quantity control requirements.
- Encouraged the adoption of physical treatment technology for air conditioning circulating water to reduce the need for excessive flushing post-chemical treatment of pipelines, thereby minimizing water wastage and preventing chemical pollution resulting from flushing. When repairing and maintaining central air conditioning systems, ensured that personnel adhere to relevant operational standards; recycled old refrigerants during maintenance to mitigate the leakage of ozone-depleting substances.

Energy saving and emission reduction

- Established an energy management team to fully implement energy conservation and emission reduction practices across all staff members and processes. Utilized the "Intelligent Corporate Service" system platform to monitor energy data in real-time, recording electricity and gas usage to create energy trend charts for comprehensive data analysis and consumption prediction. Developed a water-saving unit by installing remote water meters tailored to specific purposes, implementing intelligent platforms, and conducting water balance tests. Simultaneously, conducted green renovations on existing buildings at the Head Office to transform them into environmentally friendly and low-carbon structures.

Water resource management

- Utilized the "Intelligent Corporate Service" information platform to monitor water usage, promptly addressed any errors, and prevented the wastage of water resources; advocated for water-saving techniques like reusing reclaimed water and high-temperature wastewater from boilers. (Note: The Bank solely utilizes water from the municipal network instead of natural sources and faces no issues in accessing suitable water sources.)

Waste management

Electronic wastes

- Signed contracts with qualified companies to recycle the waste electronic circuit boards from buildings (parks) of the Head Office.

Non-hazardous waste

- Vigorously advocated paperless office and encouraged double-sided printing of paper. Excelled in the sorting and disposal of waste by entering into agreements with sanitation companies for the regular transportation and disposal of non-hazardous waste.
- Increased the coverage of meal ordering sites using the "Intelligent Corporate Service" information system and initiated the "clean plate" campaign to minimize non-hazardous waste at its origin. Starting from October 7, 2023, meal ordering services were introduced at BoCom Financial Towers and Jinming Building. This initiative, combined with strategies such as serving half-portions and preparing meals in smaller batches, continues to lower food wastage. As a result, kitchen waste in these locations decreased by 25.7% compared to the previous year.

Hazardous waste

- Carried out hazardous waste collection, transportation, storage, and disposal in strict accordance with the technology roadmap that meets the requirements of relevant national regulations.
- Standardized the hazardous waste management process. Enforced additional management standards to delineate the boundaries for hazardous waste management within each organization. Adhered strictly to the new regulations that came into effect on July 1, 2023, on the creation of hazardous waste identification labels and signage for hazardous waste storage facilities.
- Disposed of discarded light tubes in accordance with regulations. To comply with the requirements of the environmental protection department that each case should be filed with a separate signature, the Bank completed the hazardous waste management plan report on Shanghai Hazardous Waste Management Information System before March 15, 2023. The Bank completed the Hazardous Waste Manifest Form beforehand, sent specialized vehicles and personnel, and arranged for qualified companies to regularly collect and dispose of fluorescent tubes in its Shanghai subsidiaries. During the reporting period, 1,450kg of waste fluorescent tubes were disposed of.



30%

reduction in greenhouse gas emissions in 2025 compared to 2021

10%

reduction in non-hazardous waste in 2025 compared to 2021

5%

reduction in electricity consumption in 2025 compared to 2021

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

5%

reduction in water consumption in 2025 compared to 2018

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.



In 2023, the Bank actively renovated and upgraded the existing buildings through green projects. These efforts included filming curtain walls, upgrading to LED lighting, waterproofing roofs, and installing water meters tailored to specific usage. Furthermore, water balance tests were administered to facilitate the Bank's transition into a more water-efficient and environmentally friendly organization. In October 2023, Jinming Building, the first green renovation site, was granted Silver Award for Green and Low-carbon Renovation of Existing Buildings in Shanghai



On August 10, 2023, Shanghai Environment and Energy Exchange granted Carbon Neutral Certificate for BoCom's two outlets, Shanghai Yangtze River Delta Integration Demonstration Zone Branch and Fenuh Sub-branch in Suzhou, making them the first batch of "zero carbon outlet" in the Yangtze River Delta Region

2023 data on green offices of the Group

Indicator	Total	Per capita (113,359 persons)
The Group	Water use: 3,574,190 tons Water discharge: 3,216,771 tons Water consumption: 357,419 tons	Water consumption: 31.53 tons per employee
	Power consumption: 659,263 MWh Nature gas consumption: 574 10 ⁴ Nm ³ Gasoline: 3,186,696 L Diesel: 265,428 L	Power consumption: 5,815.71 kWh per employee Gas consumption: 50.61 m ³ per employee Gasoline: 28.11 liters per employee Diesel: 2.34 liters per employee
Greenhouse gas emissions by the Group	Direct emissions: 20,504 tCO ₂ e Indirect emissions: 423,555 tCO ₂ e Total: 444,059 tCO ₂ e	Total: 3.92 tons of CO ₂ e per employee
Total energy consumption at the Group (equivalent to standard coal)	107,028 tons	3.92 tons per employee
Paper consumption of the Group	1,802 tons	0.02 tons per employee
Video conference	43,084 sessions	

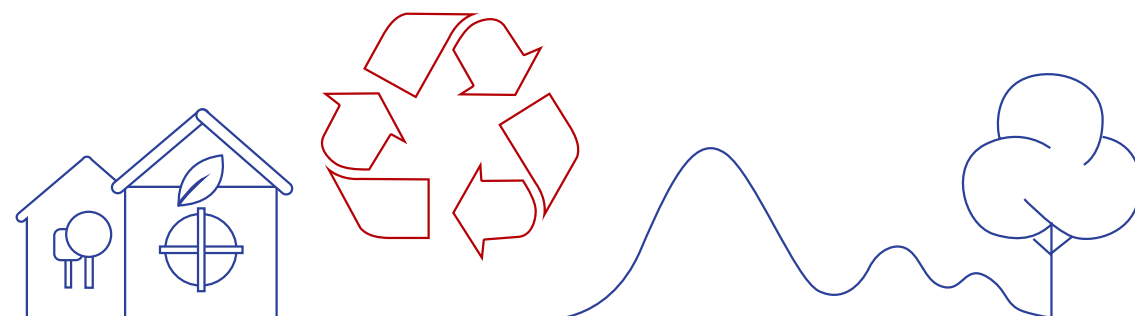
Note:

1.The factors utilized for computing direct and indirect greenhouse gas emissions are sourced from the *Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Public Building Operators (Provisional)*.The statistical scopes for direct and indirect energy usage align with those for greenhouse gas emissions, and the energy statistics conversion method of the National Bureau of Statistics has been implemented.
2.According to the *Notice on Managing the 2023-2025 Greenhouse Gas Emission Reports for Enterprises in the Power Generation Industry* issued by the Ministry of Ecology and Environment, the default value of electric power emission factor has since 2022 been adjusted from 0.5810tCO₂/MWh to 0.5703tCO₂/MWh when domestic institutions are calculating emissions caused by the use of purchased electricity. Overseas branches adopt the average electric power emission factors released by their host countries on a regular basis.

2023 non-hazardous waste discharge from the Group

Type of waste	Quantity (ton)	Per capita (ton/person) (113,359 persons)
Household waste	13,002	0.11
Kitchen waste (including wet waste)	7,787	0.07
Total	20,789	0.18

Note: The Group as a whole has 113,359 energy-consuming employees (including dispatched employees).



2023 vehicle use by the Head Office

Vehicle type	Distance traveled (km)	
Light vehicles (<= 2.5 tons)	439,309	
Light vehicles (2.5-3.5 tons)	145,178	
Light vehicles (3.5-5.5 tons)	53,233	
Medium and heavy vehicles (5.5-15 tons)	27,450	
Fuel type	Consumption (liter)	Per capita (liter/person) (5,043 persons)
Diesel	5,660.15	1.12
Gasoline	75,994.95	15.07

2023 emissions at the Head Office

Type	Emission (ton)
NOx	0.8702
SOx	0.0177
PM	0.1003

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

2023 electronic waste discharge from the Head Office

Types of electronic waste	Quantity (piece)	Per capita (piece/person) (5,043 persons)
Mainframe	721	0.14
Display	721	0.14
Laptop	1,200	0.24
Printer	298	0.06
Duplicator	20	0.004

2023 hazardous waste discharge from the Head Office

Type of waste	Quantity (ton)	Per capita (kg/person) (5,043 persons)
Waste lamps	1.45	0.2875

2023 packaging material used for finished products

Type	Total weight of packaging material		Weight of packaging material per piece (g, multiple specifications)
Credit card envelopes	75.22 tons	Down 91.55% from 2022	6、 10
Credit card covers	290.11 tons	Down 59.37% from 2022	14、 40
Credit card letters	64.47 tons	Down 37.40% from 2022	6

Society

Pursuing Harmonious and Beautiful Lives Together

Aligning with SDGs



Responding to the trend of sustainable development

The Bank actively assumes social responsibility, addresses the needs of all stakeholders through tangible actions, and prioritizes the development of its employees. Through community engagement, we share our expertise and resources to foster the establishment of a harmonious society.

Our actions

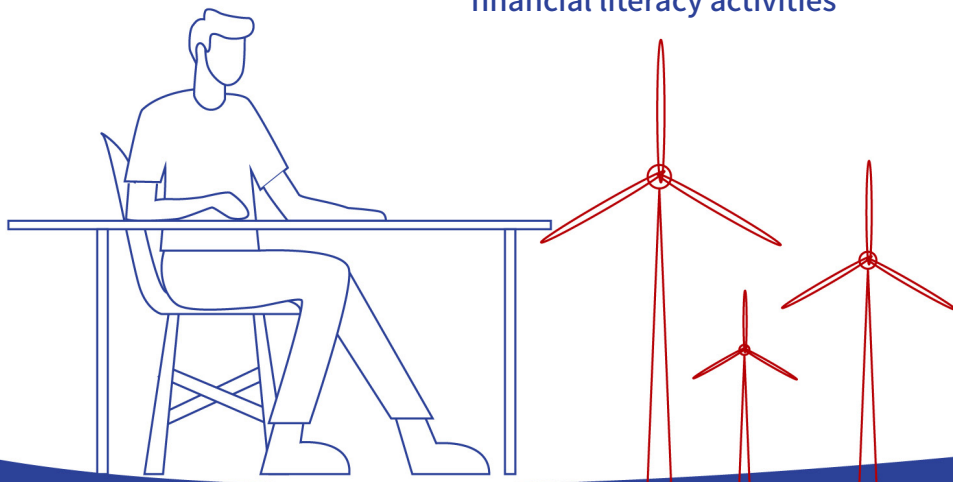
Safeguard employees' basic rights and interests; Empower employees to develop their careers; Care for the employees in need; Protect customers' rights; Building sustainable supply chains; Facilitate community development

Average training hours of employees

123 hours

We carried out

24.8 thousand financial literacy activities



Donation expenditure: RMB

58.3622 million

Public welfare projects carried out

278

Total voluntary service

389,936 hours

Putting people first and caring for employees

We work to protect the fundamental rights and interests of each employee, enhance their growth trajectory, and maximize their capabilities. Embracing the philosophy of employee development based on "collaboration, shared success, mutual responsibility, and mutual benefit", we strive to cultivate a positive and harmonious work environment for our staff.

Safeguarding employees' rights and interests

We strictly abide by relevant laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract 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 *Measures for Employment Contracts of Bank of Communications*, the *Management Measures of Bank of Communications for Recruitment and Hiring*, the *Management Measures of Bank of Communications for Employee Leave*, the *Interim Management Measures of Bank of Communications for Overtime Wages*, the *Management Measures for Stable Salary*, the *Management Measures for Supplementary Medical Insurance for Domestic Banking Institutions* and the *Management Measures of Bank of Communications for Employee Demission*. With these measures, we keep improving the management rules of employees while safeguarding their basic rights and interests.

The Bank upholds the principle of equal employment and equal pay for equal work, resolutely eradicate all discriminatory acts. By revising the *Special Collective Contract for the Protection of the Rights and Interests of Female Employees of Bank of Communications Co., Ltd.*, we've safeguarded female employees' rights and interests. At the same time, we've firmly rejected and forbidden the use of child labor, forced labor, and any other infringements on human rights. During the recruitment process, the Bank has prevented the involvement of child labor and forced labor through applicant identity verification. Infractions have been addressed in accordance with the applicable regulations outlined in the *Measures for Handling Violations by Employees of Bank of Communications*.

Key performance

During the Reporting Period, we signed employment contracts with all on-the-job contracted employees, offering them lawful and consistent compensation packages along with a robust social security framework. In strict accordance with the *Social Insurance Law* and other national laws and regulations, we covered the basic pension insurance, basic medical insurance, work-related injury insurance, maternity insurance, and unemployment insurance premiums for all employees

The Bank proactively listens to and addresses employees' legitimate needs in both work and personal life. By utilizing platforms like the workers' congress and other meetings, we've worked to advance a democratic management system centered around the workers' congress. This framework has safeguarded employees' rights to information, participation, expression, and oversight.

Democratic management

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

Satisfaction surveys

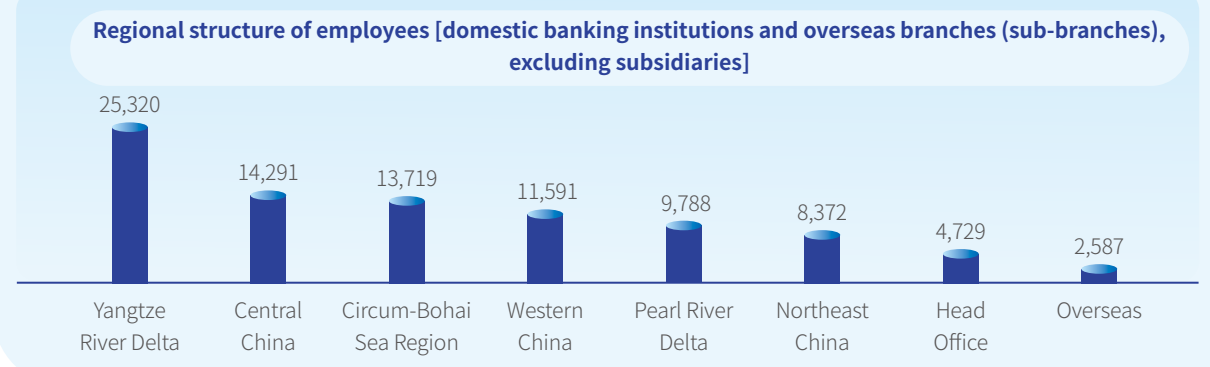
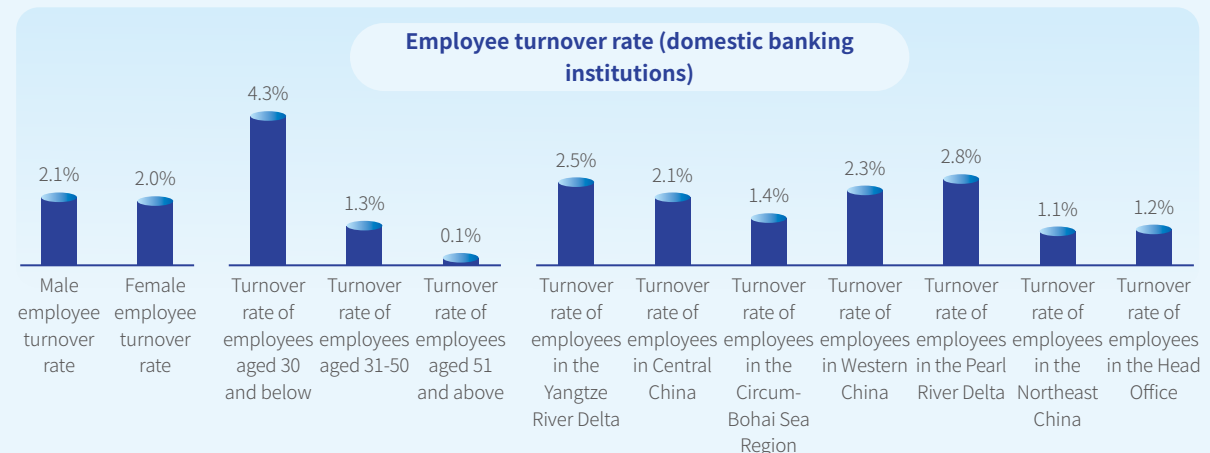
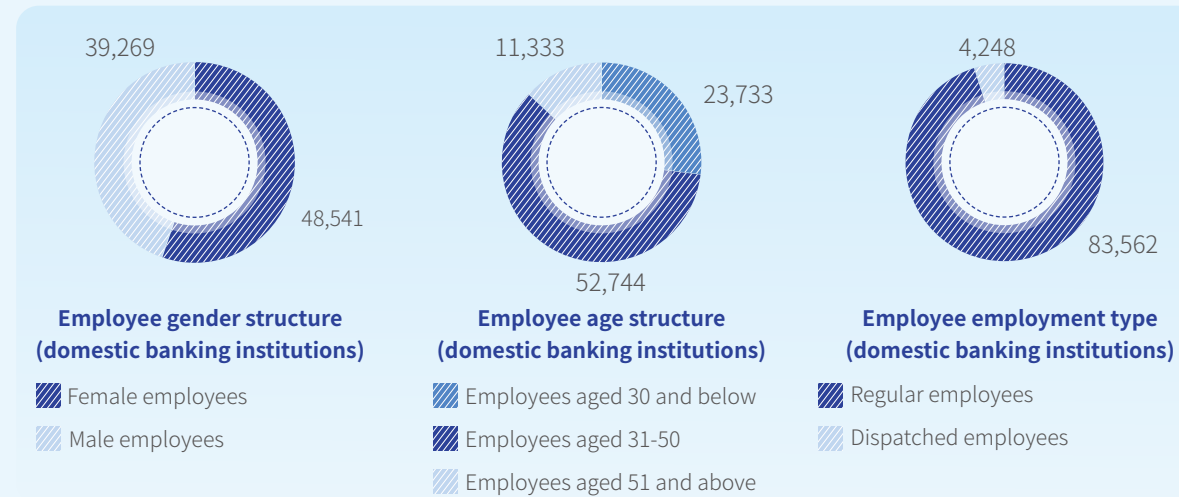
Solicited opinions and suggestions from primary-level employees through questionnaires and other forms to understand the most pressing issues of employees. Took solid steps to revise systems and boosted mutual help based on the results of surveys and questionnaires to increase employee satisfaction.

Communication and exchange

Leveraged the "Jiaozhi" platform to communicate with employees to enable direct and real-time communication between primary-level employees and the departments of the Head Office so that their voices can be heard and addressed effectively. Empowered Head Office departments to elucidate and offer guidance on pertinent policies through the platform, enhancing transparency and efficacy in departmental operations and management via constructive interactions.

Institutional guarantee

Continue to implement the *Measures for the Implementation of Democratic Management of Bank of Communications* and the *Management Measures of Labor Union*. Organize workers' congress and other meetings for the deliberation of the *Measures of the Bank of Communications for Caring and Assistance the Emeritus and Retired and Subsidy for Severe Illness and Extreme Poverty (Version 2023)*, the *Management Measures for Mutual Help Activities* and the *Implementation Rules of Bank of Communications for the Care and Assistance for Employees (Version 2023)*.



Empowering career development

In line with the strategy of "building ourselves into a talent-rich bank", we've established a multi-layered talent cultivation system and strived to build a FinTech team. At the same time, we've taken constant efforts to enhance our recruitment and human resources management systems, refined compensation structures, and established career progression pathways. In doing so, we've created a fair and diverse development platform for employees where we can grow together with employees.

Focusing on talent cultivation


We've actively responded to the strategy of cultivating a high-quality workforce in the new era. By formulating and issuing the *Opinions on Further Strengthening Bank-wide Talent Team Cultivation* and building a leadership team dedicated to talent development, we've enhanced the comprehensive coordination of talent cultivation efforts. 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.

Optimizing cultivation plan

Constantly improve the 10,000 Fintech Talents Project, refine the assessment, promotion and elimination mechanisms, and strive to build an "agile, efficient, forward-looking and value-creating" FinTech talent team.

Graduate internship program

Jointly carry out summer college intern programs to increase the reserve of outstanding graduates from universities, thus enhancing the quality and efficiency of campus recruitment.



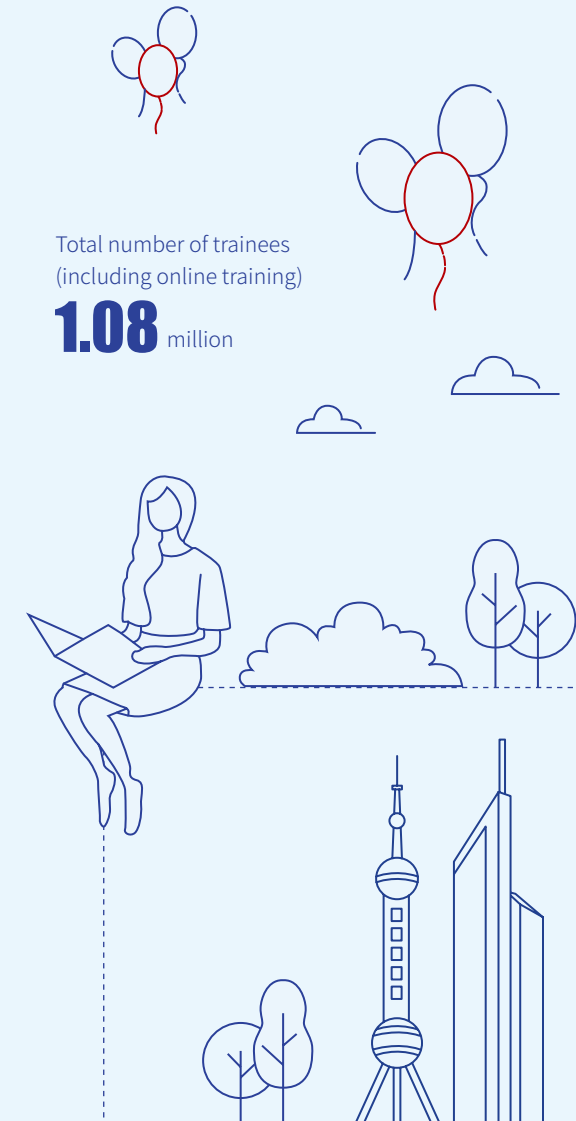
Expanding training channels

Optimize offline and online training channels by creating offline premium courses and online popular courses to make trainings more efficient and targeted.

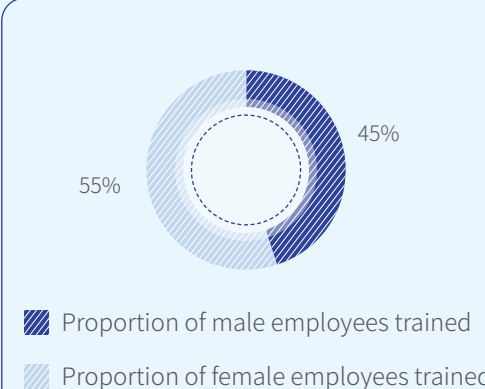
Leadership training

Signed a strategic cooperation agreement with China Executive Leadership Academy Pudong to organize middle manager training sessions. Based on framework agreements on training in cooperation with Huawei Technologies Co., Ltd. and Alibaba Cloud Computing Co., Ltd. Organized "middle-aged employees training courses" and "elite courses for potential talents" with the theme on digital leadership and digital organizational operations, etc.

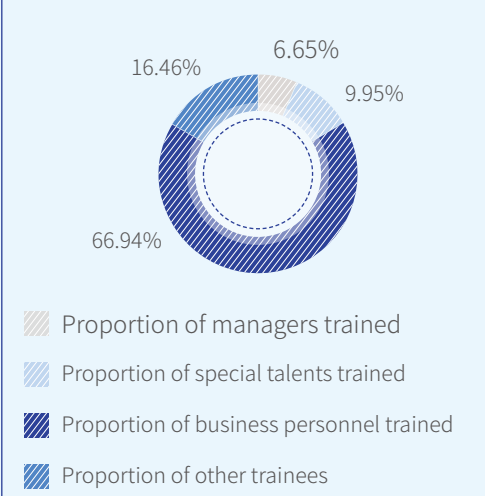
Talent cultivation projects



Total number of trainees (including online training)
1.08 million



- Proportion of male employees trained
- Proportion of female employees trained



- Proportion of managers trained
- Proportion of special talents trained
- Proportion of business personnel trained
- Proportion of other trainees

Average training hours (by employee type): 123 hours

125 hours	122 hours	120 hours	119 hours	119 hours	113 hours
Average training hours of male employees	Average training hours of female employees	Average training hours of managers	Average training hours of business personnel	Average training hours of special talents	Average training hours of other personnel

Improving the development path

In order to establish a robust, seamless, and transparent employee development trajectory, we've enhanced internal training for staff, refine performance appraisal and salary incentive structures, and conduct regular evaluations of all employees' performance. Through these measures, we've motivated and supported employees in realizing their individual potential and values.



During the reporting period, we organized 320 job qualification exams for over 80,000 employees. 440 employees obtained professional certificates, 153 obtained intermediate professional titles, and 41 obtained IT advanced qualifications.



Promoted the exchange and rotation of officials in the long term; built 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.



Refine the incentive and restraint mechanism, improve the post/rank hierarchy, and continuously reform and optimize the remuneration distribution system since 2018.



Promoted the establishment of performance assessment mechanisms for cadres and issue the *Implementation Rules for Management Cadre Promotion and Demotion of Bank of Communications Co., Ltd.* Established regular mechanisms for demoting or adjusting incompetent cadres, thus encouraging employees to compete for posts.



Regularly assess the performance of all in-service employees and tie their merit pay to the performance assessment results of themselves, their organizations and their departments. Assessment supervisors give feedback to employees on their performance assessment results during the year-end performance communication.



Give full play to the guiding role of remuneration in operation and management. We formulated and improved the *Measures for Managing Deferred Payment and Clawback of Merit Pay of Bank of Communications Co., Ltd.* to establish a system for the deferred payment and clawback of merit pay to senior management personnel and key position holders of the Group. Under the system, more than 40% of merit pay is subject to deferred payment for a period of at least three years. In subsequent years, payment of such pay may be stopped or the already paid part may be clawed back in case of extraordinary risk exposure or violation of laws, regulations, and rules.

Improving employee development path

Building a happy BoCom

Caring for employees' physical and psychological health

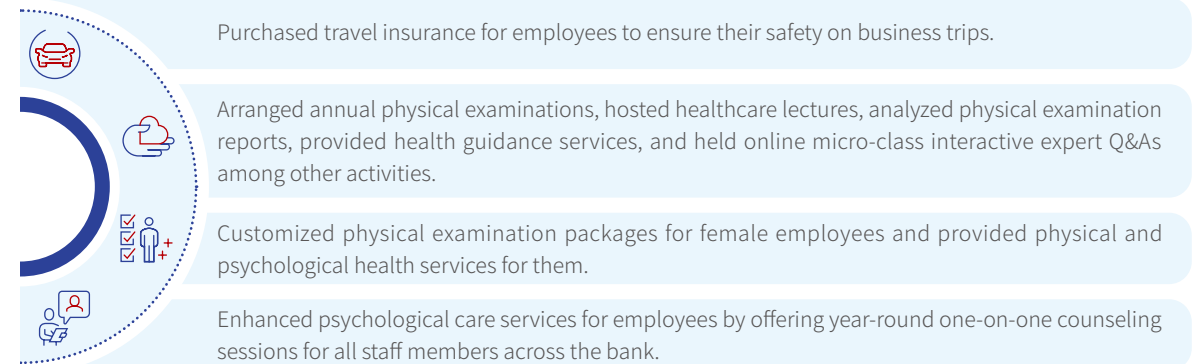
In strict compliance with laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Fire Protection Law of the People's Republic of China*, as well as industry safety standards such as the *Bank's Security Requirement*, we've enforced safety protocols such as the *Bank of Communications Security Management Measures*, *Bank of Communications Business Outlet Security Work Standards*, *Bank of Communications Fire Safety Management Implementation Rule*, among others. Building upon these policies, we've been improving the health protection measures to protect the health of employees to create a happy and harmonious environment for employees.

Based on the Bank's specific conditions, we've formulated and implemented the *Management Measures for the Establishment of Model Employees' (Small) Home of the Bank of Communications (Interim)*, the *Management Measures for Mutual Help Activities*, and the *Implementation Rules of Bank of Communications for the Care and Assistance for Employees* and other rules and regulations. We've kept up with efforts in improving health protection measures, boosting safety awareness among employees throughout the Bank via initiatives like "Work Safety Month" and the labor union's workplace protection endeavors, as well as perfecting our safety management mechanisms.

Indicator	2023	2022	2021
Work-related death (person)	3	3	2
Work-related death rate (%)	0.0034	0.0037	0.003
Lost days due to work injury (day)	9,317.5	6,880.5	6,471.5

Note on calculation standard: Work-related death rate=Work-related death/Total number of employees in domestic institutions in the year

Work-related injuries of BoCom employees



Employee health protection measures

Assistance to employees

Committed to employee well-being, we proactively address and cater to their work and life needs, prioritizing daily life support to foster a stronger sense of belonging among them.

We upgraded the mutual help activity system for employee assistance. In 2023, more than 70,000 employees joined in the event voluntarily, providing assistance to nearly 500 employees with an amount exceeding RMB7 million.

Clarified the minimum wage of each subsidiary not to be lower than that specified in the local government policies, providing employees with difficulties a relatively stable guarantee for basic incomes.

Made progress in setting up facilities such as employee homes, gyms in the park, employee libraries, and care rooms for female employees. Offered exercise courses taught by professional fitness trainers to create a happy and warm working environment.

Initiated offline exchanges of 16 cultural and sports clubs among institutions, and formulated relevant management regulations. Nearly 2,000 employees of the institutions participated in various club activities, promoting the communication and interaction among institutions in Shanghai.

Care for employees



Case | BoCom Insurance is honored as "Good MPF Employer 5 Years+"

"Good MPF Employer" is an annual event organized by Mandatory Provident Fund Schemes Authority (MPFA) in Hong Kong Special Administrative Region. It aims to cultivate employers' responsibility under the law and give recognition to employers who strive to enhance retirement protection for their employees. In 2023, BoCom Insurance's employee care effort was again recognized with the "Good MPF Employer 5 Years+" honor by MPFA. This reflects BoCom Insurance's sustained focus on "family culture", its dedication to employee well-being, and its efforts in providing comprehensive employee support services and ensuring retirement benefits.

Enriching the cultural life

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



We have held "BoCom Cloud Spring Festival Gala" for three consecutive years, attracting over 40,000 viewers online



Sichuan Branch launches flower arranging and tea art activity themed "Embracing Golden Autumn and Beautiful Life" for female employees



Ningbo Branch carries out parent-child carnival themed "Enjoying Wonderful Childhood and Preserving Family Culture" on June 1, where employees and their families enjoy the warmth of BoCom family



Dongying Branch of Shandong Province organizes fun games to celebrate Dragon Boat Festival



Beijing Branch organizes frisbee activity themed "Amazing Frisbee, Intimate Friends", providing a platform for having fun and making friends



BOCOM BBM holds "Panda Cup" Staff Games, enhancing collaboration and cohesion

Polling strength to serve the community

Building a sustainable supply chain

In full compliance with regulations such as the *Management Measures for Centralized Procurement of Bank of Communications* and *Supplier Management Measures of Bank of Communications*, we have established the Centralized Procurement Management Committee as the governing body responsible for decision-making and oversight of centralized procurement. This initiative aimed to build a management framework characterized by collaboration, connectivity, and hierarchical approval. Our goal is to cultivate an open, equitable, and transparent procurement environment that mitigates environmental and social risks, while also protecting the interests of suppliers, thereby promoting the sustainable development of the value chain.



- For projects within the centralized procurement scope, we prioritized open procurement methods, such as open tendering and "open soliciting + non-tendering" (including competitive consultation and negotiation, but excluding single sourcing), to engage suppliers through transparent processes. Any non-open tendering involving recommended candidates must be reviewed by the Centralized Procurement Management Committee. These measures aimed at fostering an open and competitive atmosphere, promoting transparency and fair competition. In 2023, the Bank's open procurements accounted for 84.71% of the total, marking a year-on-year increase of 2.06 percentage points.



- Enhanced information transparency and limit the use of single sourcing. Adhered strictly to the pre-implementation announcement system for single sourcing to enable public oversight. Promptly disclosed procurement outcomes through accessible channels for non-open tendering processes.



- Proactively broadened the supplier base to enhance procurement efficiency. The Head Office spearheaded market research efforts to investigate avenues, processes, and utilization of supplier resources in order to identify potential suppliers. Integrated supplier competition into centralized procurement evaluations promotes a culture of fair competition.


Implementing Sunshine Procurement




Advocating green procurement

- Adhering to green philosophy and environmental protection in procurement, we prioritized energy-saving and environment-friendly products, placed "energy saving and environmental protection" as one of the scoring elements for technical performance and conveyed green philosophy and environmental protection to suppliers.


- We drove forward digital procurement by putting e-commerce procurement platform into place and optimizing intelligent procurement system. We pushed for the building of digital tendering and bidding sub-system, and promoted online contract signing and stamp management to improve the quality and efficiency of green procurement.



- Enacted the *Measures for Handling Questions and Complaints about Centralized Procurement of the Bank of Communications* to build a standardized and efficient response mechanism.



- Based on the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, protected company and personal information of suppliers by strengthening education and training, signing confidentiality agreements, and strictly controlling access rights.



- Signed contract with suppliers in the principle of honesty and good faith, established a win-win cooperation with suppliers, and committed to timely payment.

Focusing on protection of legitimate rights and interests of suppliers

During the reporting period, we had **35,260** suppliers in our supplier pool (All suppliers are required to follow the above-mentioned management initiatives), which were classified by region as follows

Circum-Bohai Sea Region

8,468

Yangtze River Delta

8,617

Pearl River Delta

5,194

Central China

4,715

Western China

6,755

Northeast China

1,492

Overseas

19



Customers' rights protection

In line with the principle of equity, justice and honesty, we've incorporated the protection of consumers rights and interests into our corporate governance and development strategy. It strictly abides by the *Civil Code of the People's Republic of China*, 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've worked to optimize the institutional mechanism to protect customers' rights and interests, and taken multiple measures to bolster control and management throughout customer protection process. This commitment ensures that financial consumers are treated fairly, justly, and honestly.

Protecting the rights of consumers

The Bank has established the Environmental, Social, and Governance (ESG) and Consumer Protection Committee within the Board of Directors, as well as the Senior Management Consumer Protection Committee in the Senior Management, creating a dual-committee mechanism. By embedding customer protection principles into our corporate governance, culture, business strategy, operations, and management, we have enhanced the quality and effectiveness of customer protection. In 2023, to further enhance our customer protection management system, the Bank developed and updated nine regulations, including the *Policy on Consumer Rights Protection of the Bank of Communications Co., Ltd.*, the *Management Measures for Complaint Handling of the Bank of Communications*, and the *Management Measures for Identifying Responsibilities Related to Customer Protection of the Bank of Communications*. With such measures, solid progress was made in customer protection.

Complaint management system

- Set up a complaint handling team to deal with complaints received from telephone, outlet, mobile application, email, etc., in order to achieve closed-loop management of accepting, transferring, processing and replying to customer complaints.
- Established a step-by-step review and approval process for complaint handling, overseen by senior management, to enhance the quality and efficiency of the process. Identified the root causes of complaints, put in corrective measures, and addressed any issues or challenges related to customer experience and employee service. The measures mainly involved improving the display and notification of information regarding personal loans, debit cards, credit cards, online channels, marketing activities, products, and services.

Dispute resolution process

- When consumers or the Bank apply to relevant authority for dispute mediation, if both parties are willing to mediate, they should submit supporting materials and participate in mediation. If the Bank and customers come to an agreement voluntarily, the mediation is successful. Otherwise, it is considered a failure. In the former case, both parties shall perform their duties and obligations in accordance with the mediation agreement. In the latter case, customers may pursue arbitration, litigation, or other remedies to resolve disputes.
- In 2023, the Bank doubled efforts in taking multiple measures to resolve disputes. By using non-litigation third-party mediation and other methods, it actively negotiated with consumers to resolve conflicts and disputes. The Bank participated in 8,063 financial dispute mediations and successfully settled 3,903 of them, accounting for 48.4% of the total.

Collection management

- The Bank followed the principles of legal compliance, due diligence, truthful recording and privacy protection in managing SMEs credit and personal business loans. It proactively sent reminders for overdue accounts, guided debtors for repayment, and outlined prohibited acts in the debt collection process. Through tailored policies, it provides renewal services for SMEs. Based on the real situation of SMEs and adhering to the market-oriented and law-based principles, we promptly extended loans that were about to expire instead of blindly withdrawing, cutting off, or withholding loans from the enterprises.
- For credit card business, the Bank established refined internal regulations and assessment methods to standardize collection business. The Bank strictly adhered to laws, regulations, and regulatory requirements when issuing reminders for overdue payments and prohibited any form of aggressive debt collection practices. Prior to engaging in any collection activities, all personnel received comprehensive training.

Advertising and trademark management

- Implemented the *Management Measures of Bank of Communications for Advertising*, the *Measures of Bank of Communications for the Management of the Group's Brand Architecture System* and the *Measures of Bank of Communications for the Management of Trademarks*. Trained related personnel, enhanced the integrated management of the Group's brands and trademarks, and standardized the workflow. Clearly defined the procedures for addressing commercial disputes or risk events related to advertisements and trademarks.
- During the reporting period, there were no violations regarding advertising and trademarks.

Internal training on customer protection

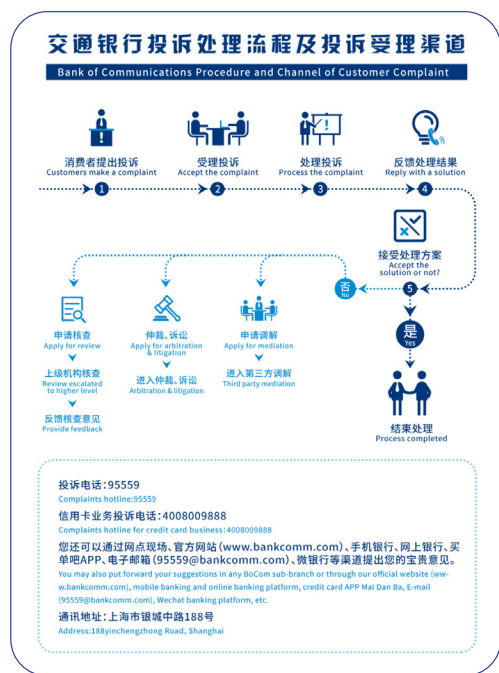
- The Head Office conducted 14 specialized training sessions on consumer protection for 31,000 participants, including senior and mid-level managers, employees in the customer protection and retail business lines, as well as customer service staff in financial service centers at the Head Office and branches. The training focused on consumer protection management measures within banking and insurance institutions, key aspects of operational implementation, guidelines for identifying responsibilities, and complaint handling skills.

Taking multiple measures to protect consumers' rights

Indicator	2023
Number of complaints handled	225,000
Time for handling complaints	24/7 manual service

Handling of complaints

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



Bank of Communications Procedure and Channel of Customer Complaint

Key performance

During the Reporting Period

there were no cases involving infringement of customer privacy or loss of customer information

We were rated A for consumer protection of year 2022 by the PBOC

10 of our outlets were awarded "Top 100 Demonstration Units" by China Banking Association, accounting for

10 % in the industry

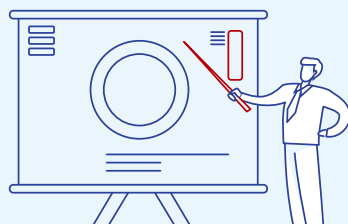
Protecting data security

In strict accordance with the *Cybersecurity Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, we've improved the responsibility system and government structure of data security. By emphasizing the role of policies as a guiding force, we've established a comprehensive data security institutional framework that encompasses security measures with specific provisions for data classification, impact assessment, data transfer, cross-border data transmission, emergency response, among others. Data security policies are implemented across all business operations to ensure that the Bank's data security practices are conducted systematically and lawfully.

Key performance

During the Reporting Period, data security coordination departments organized

13 data security training sessions (including departmental staff training and E-campus training)



Rankings/Honors in 2023	Granted by
External Data Management Level Certificate (Robust Level)	China Academy of Information and Communications Technology
Best Practice Award for Data Governance	DAMA International
"Galaxy Award" for Data Asset Management Benchmarking Case, Industry Data Application Benchmarking Case, and Industry Data Application Excellent Case	China Academy of Information and Communications Technology

During the Reporting Period, we won the following awards in data governance and application



Clarifying the division of responsibility of data security

Established a data security management framework that encompasses the board of directors, senior management, the data security coordination department, and the data security technical protection department. Formulated a FinTech Committee and a Data Governance (Standardization of Financial Statistics) Committee to enhance related initiatives, thereby guaranteeing the systematic implementation of data security management and technical protection measures.



Data security management assessment and examination

Conducted routine data security assessments and audits to comprehensively review data security management, rights protection, technology safeguards, data export practices, terminal security controls, and other relevant areas, prompting necessary corrective actions and enhancements.



Customer data and privacy protection

Kept up with the building of personal customer information protection system and clarified each department's responsibility in protecting personal customer data. In line with the principle of "who collects the data should bear the responsibility", set the storage period and destroy methods after data are collected to minimize the collection and storage of customer data. Established a procedure for acknowledging and handling customers' requests to exercise their rights to revoke consent, access, rectify, delete, and obtain copies of their information. The Bank strictly prohibited renting or selling customers' information to third parties, setting an emergency response mechanism for personal customer information security events to carry out regular drills for emergency leakage.



Strengthen data security emergency drills

Issued the *Measures for Data Security Emergency Management of Bank of Communications* and the *Emergency Plan for Personal Customer Information Leakage Event of Bank of Communications*, and established workflow for security risk report and emergency response. Organized emergency drills for data security and personal customer information events to enhance the emergency response mechanism, fostering collaboration between the Head Office and branches and strengthening the ability to address data security events.



Data mobility security protection

Refined security management requirements for data mobility scenarios and urged organizations at all levels to assume their responsibilities. Established mutual agreements with data recipients regarding data security protection responsibilities. Assessed and reviewed data mobility in advance via the data security impact assessment management mechanism to ensure the security of data transfer during business operations.

Key performance

During the Reporting Period,

Held **2** Data Governance Committee meetings
Hired an external organization to carry out one audit on its computer information system, involving IT risk assessment, procedures and data security management and other aspects

The Bank's credit card center passed ISO 27001 certificate (Information Security Management System)

Carrying out public education

By actively innovating, we have introduced online digital financial education and awareness campaigns. We have also made strides in establishing a foundation for regular financial education and awareness to enhance consumers' financial literacy.

Focus on important groups

Targeting key demographic segments such as the elderly, teenagers, new urban residents, farmers, and individuals with disabilities, we conducted a range of educational and awareness campaigns in business districts, communities, enterprises, campuses, and rural areas during events like the "3.15" customer protection education week, banking industry financial knowledge outreach events, financial consumer protection education month, and initiatives like "Jiaojiao & Consumer Protection".

Cooperate with institutions

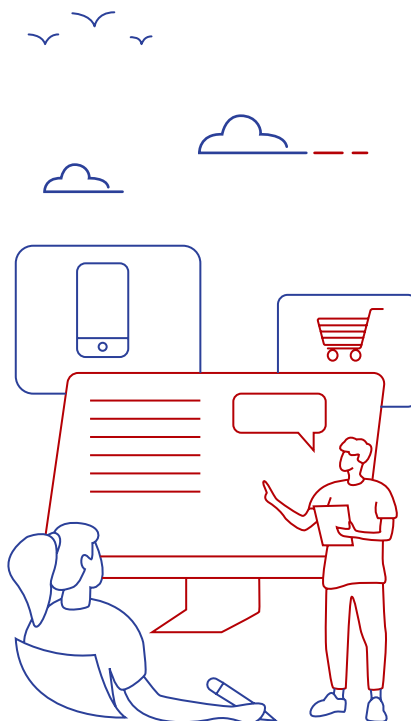
Engaging in collaborations with various institutions, we maintained partnerships with communities, senior universities, elderly care facilities, educational departments, schools, and other organizations for customer protection awareness initiatives. This involved establishing ongoing cooperation through regular communication, training sessions, open visits to financial education centers, and encouraging participants to disseminate knowledge to their communities, collectively safeguarding financial security.

Education and publicity base

Establishing 22 "Financial Education Demonstration Bases", we served as national exemplars in financial education. Additionally, we extensively promoted education and awareness through customer protection zones or columns on our official website, official Weibo account, mobile banking platform, and "Pay for It" service, enhancing the brand influence of "Jiaojiao & Consumer Protection".

Key performance

We carried out **24.8** thousand online and offline activities covering **466** million consumers



Consumer education and publicity campaign



Guangxi Branch brings "3.15" series event themed on financial consumer protection education to campus, where it carries out "planting the tree of integrity" activity to popularize financial knowledge



Jiangxi Branch popularizes financial knowledge to new urban residents



Shanghai Branch carries out special activity themed "Financial Customer Protection Education and Publicity Month in Tongji University"



Tianjin Branch carries out publicity activity in the pedestrian street of Heping Road, where volunteers are explaining financial knowledge to elderly people

Strengthening the power of women

By offering thoughtful products and services, we've demonstrated our commitment to supporting women. We strive to empower women in this new era, accompanying them on their journey to follow their hearts and explore improved lifestyles, thereby helping them achieve new levels of success in life.



Shanghai Branch carries out "godness" skin-caring activities



The Bank launches "best friend" female credit card

Supporting the female economy

In March 2023, we introduced the "American Express Yiran Platinum Credit Card" under the theme of "Easy for More". It marked the Bank's first luxury card tailored specifically for women, aiming to provide financial benefits for female customers and elevate their quality of life.

Safeguarding the female rights and interests

We've created the female exclusive zone on "Pay for It" App to customize long-term interests for female customers, offering various features such as "triple points of girlfriend card", "50% discount on installments" and "free card replacement".

Unleashing the female potential

Hengyang Branch of Hunan Province donated RMB100,000 to build "Energy Home for Hunan Women". This initiative aims to empower and motivate rural women left behind in villages to engage in grassroots governance, ultimately supporting the development of beautiful rural communities.

Caring for the female health

In May 2023, focusing on female health protection, we launched "Guardian Angel" insurance on mobile banking to provide exclusive illness insurance for female customers, ensuring better protection for females.

Making the power of women blossom through financial services

Giving back to communities

The Bank has actively engaged in community building the *Measures for the Management of External Donations by Bank of Communications*. To fulfill our social responsibility, we've dedicated to social welfare undertakings and carry out special community public welfare activities, contributing our wisdom and strengthen in building a more harmonious community.

中国共产党甘肃省委员会

感谢信

交通银行股份有限公司：

我省临夏州积石山县发生的6.2级地震，造成重大人员伤亡和财产损失，牵动了全国人民和海内外同胞的心。党中央、国务院高度重视抗震救灾工作，习近平总书记作出重要指示，李强总理等中央领导同志先后作出批示，李强总理、张国清副总理专门赴现场指导抢险救援和应急处置工作，并对受灾群众过冬安置和灾后重建工作作出安排部署。

一方有难、八方支援。在抗震救灾的关键关头，贵公司坚决贯彻习近平总书记重要指示精神和，认真落实李强总理等中央领导同志批示要求，积极响应党中央、国务院号召，与甘肃人民同“甘”共苦、并肩作战，甘肃省分行第一时间向灾区捐款100万元，充分彰显了贵公司强烈的社会责任担当，极大鼓舞了灾区群众抗震救灾、重建家园的信心决心。在此，我们谨代表灾区群众及2500万陇原儿女，向贵公司致以衷心的感谢和崇高的敬意！

上下同欲者胜，风雨同舟者赢。当前，地震救援工作

Key performance

During the Reporting Period, we donated RMB **58.3622** million

our employee volunteer service recorded **389,936** hours and **34,371** person-times



All staff of Macau Branch participate in the activity of "Edição Marcha de Caridade" to support the charity undertaking in Macau



Hong Kong Branch takes part in "Duck Run" charity run event to support charity service and advocate environmental protection idea

Gansu Branch donates RMB1 million to the earthquake-stricken area in Jishishan County



In the charity activity themed "Friendship Makes Wishes Come True", members of the Chinese Communist Youth League of the Bank play friendly games with football club in local primary school



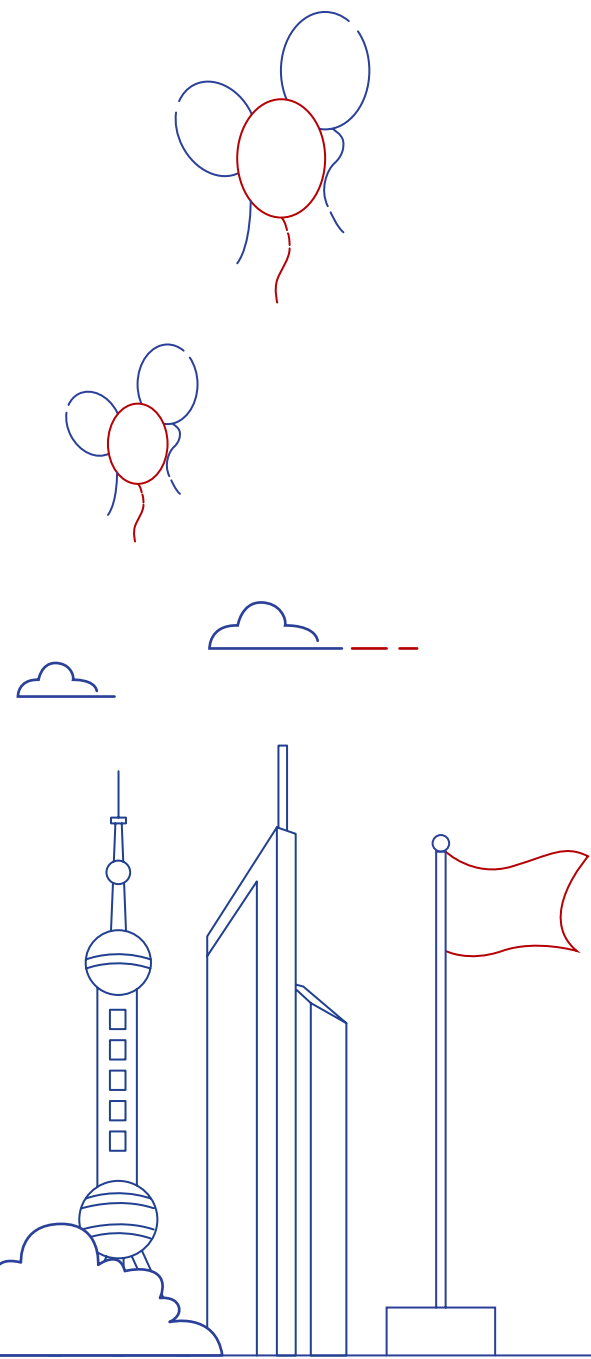
Volunteers from Luzhou Branch of Sichuan Province actively engage in flood relief in Gulin County, Luzhou City



"President's Challenge" is a charity organization launched by Singapore's President and managed by Singapore government. Singapore Branch offers aid to "President's Challenge" in a bid to help poor families, people with disabilities, elderly people who live alone and other vulnerable groups in society



BOCOM BBM participates in the heartwarming Christmas activity organized by Viver Solidario, a non-governmental organization, for the third consecutive year. It mobilizes employees to raise a total of over RMB90,000 to buy food and medical and sanitary supplies. More than 8 charities receive the goods and distribute them to individuals and families in poor communities in Brazil



Outlook for 2024

2024, commemorating the 75th anniversary of the founding of the People's Republic of China, BoCom will uphold Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as our guiding principle. We are committed to fully implementing the new development philosophy across all sectors, serving the establishment of a new development paradigm. Through dedicated efforts, we will advance the growth of "technology finance, green finance, inclusive finance, pension finance and digital finance", positioning ourselves as a key supporter of the real economy and a pillar for financial stability. Our goal is to expedite the establishment of a world-class banking group with distinctive features and strengths, actively contributing to China's modernization endeavors.

BoCom will concentrate on five key sectors to bolster support for the real economy.

Our focus will be on advancing the fields of "technology finance, green finance, inclusive finance, pension finance, and digital finance", intensifying our efforts to benefit a wider range of individuals and businesses. Through targeted initiatives, we aim to enhance self-reliance and technological prowess, while broadening the reach and offerings of financial services to better cater to the diverse financial requirements of customers and the real economy. Additionally, we will fortify our capabilities to proactively address population aging, drive innovation-led progress, seamlessly integrate into the Digital China initiative, and comprehensively elevate the quality and efficiency of services for the real economy.

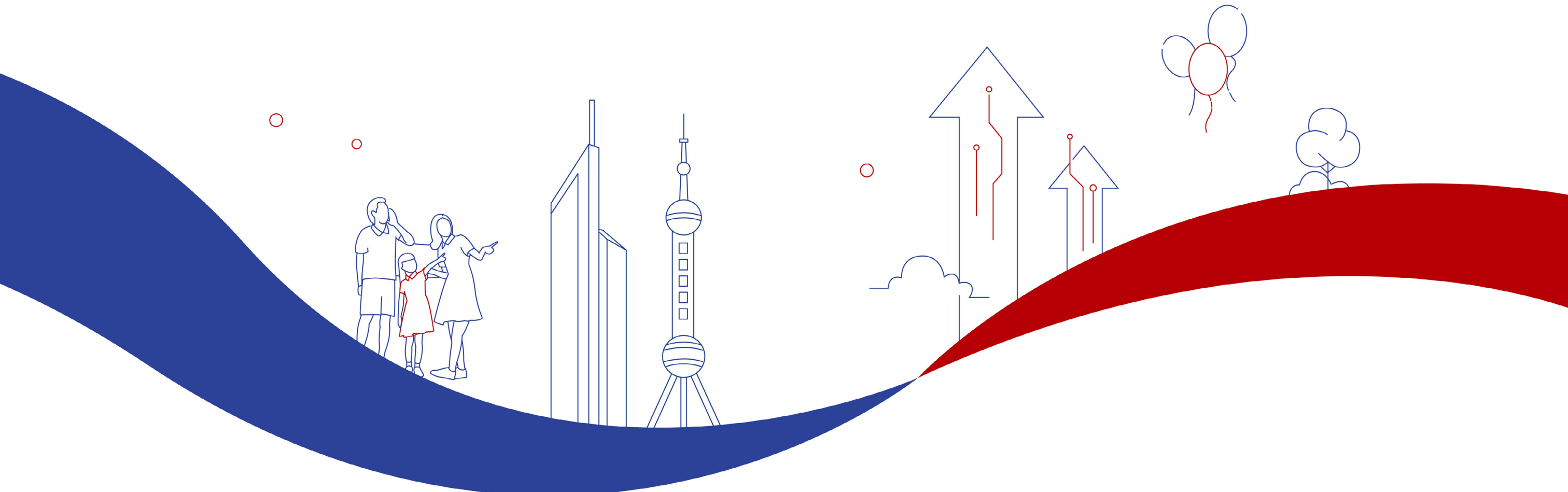
BoCom will commit to green development and preserve ecological harmony.

We will strive to proactively identify and mitigate financial risks stemming from climate change, enhance the governance framework for green finance, introduce innovative and varied green finance products, and establish a hub for green development to support national and regional progress. Embracing a steadfast commitment to green operations, we will champion and implement eco-friendly office practices to harmonize economic growth with environmental conservation.

BoCom will cater to diverse needs and foster inclusive communities.

We will prioritize the well-being of our employees, customers, and communities while advancing our own growth. Our efforts will not only focus on safeguarding the rights and interests of our employees by providing a fair and equitable platform for career advancement but also on protecting the rights and interests of our customers by enhancing communication channels to enrich their experience. Embracing the ethos of "finance for the people", we will extend support to marginalized groups, including persons with disabilities, and enhance public welfare initiatives. Furthermore, we are committed to actively contributing to community development and engaging in meaningful philanthropic endeavors. Lastly, we will champion gender equality and collaborate with all stakeholders to cultivate a harmonious society where everyone can partake in the benefits of sustainable development.

The essence of traditional Chinese culture lies in the great philosophy emphasizing sustainable development. As a state-owned financial institution, BoCom has played a crucial role in China's modernization efforts. We advocate for harmony between humanity and nature, strive for common prosperity within society, and promote financial culture with distinct Chinese characteristics. Consequently, BoCom is dedicated to fostering balanced development across the environmental, social, and corporate governance spheres. As a responsible financial entity, we are earnestly developing a robust ESG system tailored to Chinese characteristics.



Independent Statement of Assurance



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独立鉴证报告

毕马威华振通字第 2400059 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 2023 年社会责任(ESG)报告》(以下简称“《社会责任(ESG)报告》”)中选定的 2023 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 2023 年度关键数据,《社会责任(ESG)报告》中所披露的其他信息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 93-94 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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KPMG Huazhen LLP, a People's Republic of China partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited ("KPMG International"), a private English company limited by guarantee.

毕马威华振会计师事务所(特殊普通合伙) — 中国合伙制会计师事务所,是与英国私营担保有限公司—毕马威国际有限公司("毕马威国际")相关联的独立成员所全球性组织中的成员。



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，尚无公认的评价和计量标准体系，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 2023 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：2024 年 3 月 27 日



Foundations to Key Performance

- 1 "Controlled non-bank subsidiaries" refers to eight non-bank subsidiaries, i.e., Bank of Communications Schroder Fund Management Co., Ltd., Bank of Communications International Trust Co., Ltd., Bank of Communications Financial Leasing Co., Ltd., BoCommLife Insurance Company Limited, BoCom International Holdings Company Limited, China BoCom Insurance Co., Ltd., BoCom Financial Asset Investment Co., Ltd., 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, San Francisco, Tokyo, Singapore, Seoul, Frankfurt, Macao, Ho Chi Minh City, Sydney, Brisbane, Melbourne, Taipei, London, Bank of Communications (Luxembourg) Limited/Luxembourg Branch, Bank of Communications (Luxembourg) S.A. Paris Branch, Bank of Communications (Luxembourg) S.A. Rome Branch, Bank of Communications (Brazil) Co., Ltd., Prague Branch, Johannesburg Branch, and the Toronto Representative Office.
- 3 Central and western China refers to the 18 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, Tibet 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 "The Group carbon emissions" includes direct and indirect emissions produced by the Group. "The Group energy consumption equivalent to standard coal" refers to the standard coal equivalent of natural gas consumption and electricity consumption. The Group water use refers to the annual tap water consumption of the Group. The Group electricity use refers to the annual electricity consumption of the Group. The Group gas use refers to the annual natural gas consumption of the Group. The Group paper use refers to the annual paper consumption of the Group. "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 refers to the five office buildings in Lujiazui (BoCom Financial Towers), Zhangjiang, Hongqiao (Jinming Building), Gaoke and Caohejing of Shanghai.
- 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=earnings per share + (taxes + staff cost + interest expense + total public welfare investment)/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*.

Statement of Greenhouse Gas and Environmental Data

Statement of Greenhouse Gas and Environmental Data

This statement focuses on **Bank Of Communications Co.,Ltd.** **No.188, Yincheng Middle Road, China (Shanghai) Pilot Free Trade Zone, 200120**, and covers the greenhouse gas emissions and main environmental data of Bank Of Communications Co.,Ltd. globally in the period 1st January 2023 – 31st December 31 2023.

Energy consumption		2023
Gasoline consumption (L)		3,186,696
Diesel consumption (L)		265,428
Fuel oil Consumption (L)		33,782
Natural gas consumption (10 ⁴ Nm ³)		574
Coal gas consumption (10 ³ Nm ³)		4
Liquefied natural Gas Consumption (t)		8
Liquefied petroleum Gas Consumption (t)		51
Methanol consumption (L)		13,005
Power consumption (MWh)		659,263
Heat consumption (GJ)		423,331
Comprehensive energy consumption (tce)		107,028
Greenhouse gas emissions		2023
Total greenhouse gas emissions for Scope I and Scope II (tCO ₂ e)		444,059
Among which	Greenhouse gas emissions for Scope I (tCO ₂ e)	20,504
	Greenhouse gas emissions for Scope II (tCO ₂ e)	423,555
Other environmental footprint		2023
Office paper quantity (t)		1,802
Quantity of water use (t)		3,574,190
Quantity of water drainage (t)		3,216,771
Quantity of water consumption (t)		357,419
Total discharge amount of harmless waste (t)		20,789

Greenhouse gas accounting is based on the accounting scope proposed in ISO14064-1 "Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals" and the "Greenhouse Gas Protocol" issued by the World Resources Institute (WRI). Based on the nature of Bank Of Communications Co.,Ltd., this statement uses the emission factors provided in "the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Public Building Operating Enterprises (Trial)", "2006 IPCC Guidelines for National Greenhouse Gas Inventories" and "2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories", the latest average carbon dioxide emission factors of China's power grid, and the latest electric power emission factors issued by local governments abroad.

CECEP Hundred Technical Service (Beijing) Co., Ltd.
 1607, 16th Floor, No.42, Xizhimen North
 Street, Haidian District, Beijing
 Date of declaration: February 21, 2024



Signature of person
 in charge 

ESG Index

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

Environmental

Aspect	Indicator	Description	Section	Exposure
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 transformation	Disclosed
	A1.1	The types of emissions and respective emissions data.	Conducting green operation to advance low-carbon transformation	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 transformation	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 transformation	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 transformation	Disclosed
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Conducting green operation to advance low-carbon transformation	Disclosed
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of reduction target(s) set and steps taken to achieve them.	Conducting green operation to advance low-carbon transformation	Disclosed
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Conducting green operation to advance low-carbon transformation	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 transformation	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 transformation	Disclosed

Aspect	Indicator	Description	Section	Exposure
Aspect A2: Use of Resources	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Conducting green operation to advance low-carbon transformation	Disclosed
	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 transformation	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 transformation	Disclosed
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment: Green Finance has Much to Achieve	Disclosed
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment: Green Finance has Much to Achieve	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 consolidate the foundation of development	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 consolidate the foundation of development	Disclosed

Social

Aspect	Indicator	Description	Section	Exposure
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.	Putting people first and caring for employees	Disclosed
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Putting people first and caring for employees	Disclosed
	B1.2	Employee turnover rate by gender, age group and geographical region.	Putting people first and caring for employees	Disclosed

Aspect	Indicator	Description	Section	Exposure
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.	Putting people first and caring for employees Putting people first and caring for employees	Disclosed
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Putting people first and caring for employees	Disclosed
	B2.2	Lost days due to work injury.	Putting people first and caring for employees	Disclosed
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Putting people first and caring for employees	Disclosed
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Putting people first and caring for employees	Disclosed
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Putting people first and caring for employees	Disclosed
	B3.2	The average training hours completed per employee by gender and employee category.	Putting people first and caring for employees	Disclosed
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.	Putting people first and caring for employees	Disclosed
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Putting people first and caring for employees	Disclosed
	B4.2	Description of steps taken to eliminate such practices when discovered.	Putting people first and caring for employees	Disclosed
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Polling strength to serve the community	Disclosed
	B5.1	Number of suppliers by geographical region.	Polling strength to serve the community	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.	Polling strength to serve the community	Disclosed
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Polling strength to serve the community	Disclosed

Aspect	Indicator	Description	Section	Exposure
Aspect B5: Supply Chain Management	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Polling strength to serve the community	Disclosed
	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.	Polling strength to serve the community	Disclosed
Aspect B6: Product Responsibility	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.	Polling strength to serve the community	Disclosed
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Compliance development	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.	Polling strength to serve the community	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 development	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 development	Disclosed
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Compliance development	Disclosed
	B7.3	Description of anti-corruption training provided to directors and staff.	Compliance development	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.	Polling strength to serve the community	Disclosed
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Polling strength to serve the community	Disclosed
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Polling strength to serve the community	Disclosed

GRI Index

Statement of Use BoCom has its report in accordance with the GRI Standards for the period lasting from January 2023 to December 2023.

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	Polling strength to serve the community
2-7	Employees	Putting people first and caring for employees
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	CSR management
2-18	Evaluation of the performance of the highest governance body	Overview
2-19	Remuneration policies	Putting people first and caring for employees
2-20	Process to determine remuneration	Putting people first and caring for employees
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

GRI Standards	Disclosures	Section
2-28	Membership associations	CSR management
2-29	Approach to stakeholder engagement	CSR management
2-30	Collective bargaining agreements	CSR management
GRI 3: Material Topics 2021		
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
Economic		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Economy: Pursuing Steady Progress and Taking Solid Actions
201-2	Financial implications and other risks and opportunities due to climate change	Green finance to consolidate the foundation of development
201-3	Defined benefit plan obligations and other retirement plans	Putting people first and caring for employees
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Economy: Pursuing Steady Progress and Taking Solid Actions
203-2	Significant indirect economic impacts	Economy: Pursuing Steady Progress and Taking Solid Actions
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Compliance development
205-2	Communication and training about anti-corruption policies and procedures	Compliance development
205-3	Confirmed incidents of corruption and actions taken	Compliance development
Environment		
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Conducting green operation to advance low-carbon transformation
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Conducting green operation to advance low-carbon transformation
302-3	Energy intensity	Conducting green operation to advance low-carbon transformation
302-4	Reduction of energy consumption	Conducting green operation to advance low-carbon transformation
302-5	Reductions in energy requirements of products and services	Environment: Green Finance has Much to Achieve
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Conducting green operation to advance low-carbon transformation
303-2	Management of water discharge-related impacts	Conducting green operation to advance low-carbon transformation
303-3	Water withdrawal	Conducting green operation to advance low-carbon transformation

GRI Standards	Disclosures	Section
303-4	Water discharge	Conducting green operation to advance low-carbon transformation
303-5	Water consumption	Conducting green operation to advance low-carbon transformation
GRI 304: Biodiversity 2016		
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 consolidate the foundation of development
304-2	Significant impacts of activities, products and services on biodiversity	Green finance to consolidate the foundation of development
304-3	Habitats protected or restored	Green finance to consolidate the foundation of development
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Conducting green operation to advance low-carbon transformation
305-2	Energy indirect (Scope 2) GHG emissions	Conducting green operation to advance low-carbon transformation
305-4	GHG emissions intensity	Conducting green operation to advance low-carbon transformation
305-5	Reduction of GHG emissions	Conducting green operation to advance low-carbon transformation
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Conducting green operation to advance low-carbon transformation
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Conducting green operation to advance low-carbon transformation
306-2	Management of significant waste-related impacts	Conducting green operation to advance low-carbon transformation
306-3	Waste generated	Conducting green operation to advance low-carbon transformation
306-4	Waste diverted from disposal	Conducting green operation to advance low-carbon transformation
306-5	Waste directed to disposal	Conducting green operation to advance low-carbon transformation
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Polling strength to serve the community
308-2	Negative environmental impacts in the supply chain and actions taken	Polling strength to serve the community
Social		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Putting people first and caring for employees
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Putting people first and caring for employees
401-3	Parental leave	Putting people first and caring for employees
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Putting people first and caring for employees
403-2	Hazard identification, risk assessment, and incident investigation	Putting people first and caring for employees

GRI Standards	Disclosures	Section
403-3	Occupational health services	Putting people first and caring for employees
403-4	Worker participation, consultation, and communication on occupational health and safety	Putting people first and caring for employees
403-5	Worker training on occupational health and safety	Putting people first and caring for employees
403-6	Promotion of worker health	Putting people first and caring for employees
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Putting people first and caring for employees
403-8	Workers covered by an occupational health and safety management system	Putting people first and caring for employees
403-9	Work-related injuries	Putting people first and caring for employees
403-10	Work-related ill health	Putting people first and caring for employees
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Putting people first and caring for employees
404-2	Programs for upgrading employee skills and transition assistance programs	Putting people first and caring for employees
404-3	Percentage of employees receiving regular performance and career development reviews	Putting people first and caring for employees
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Putting people first and caring for employees
405-2	Ratio of basic salary and remuneration of women to men	Putting people first and caring for employees
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Putting people first and caring for employees
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Polling strength to serve the community
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Polling strength to serve the community
414-2	Negative social impacts in the supply chain and actions taken	Polling strength to serve the community
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Polling strength to serve the community
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Compliance development
417-2	Incidents of non-compliance concerning product and service information and labeling	Compliance development
417-3	Incidents of non-compliance concerning marketing communications	Polling strength to serve the community
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Polling strength to serve the community

