

Corporate Social Responsibilities

In 2020, the Bank actively shouldered its responsibilities as a state-owned commercial bank, and spared no effort to provide society with solid financial services. By proactively functioning as a financial hub and industry connector, the Bank increased its support for the real economy and the lifting of living standards. It also continually improved its environmental, social and corporate governance mechanisms. Based on the new development concepts of “innovation, coordination, green development, opening up and sharing”, the Bank continuously launched extensive practical initiatives in sustainable development, and actively built up its economic, social and environmental influence.

Bravely assumed responsibilities to fight COVID-19 together

At the start of the epidemic, the Bank immediately established an emergency response steering group for COVID-19. It actively supported global fight against the virus by leveraging the advantages of its global institutional layout. It thoroughly formulated emergency plans, integrated bank-wide resources, and made inter-institution arrangements for headquarters and its domestic and overseas branches. The Bank prioritised the work of fighting the pandemic and ensuring employee safety and health, and supported the pandemic containment.

The Bank built a pandemic prevention safety net to ensure uninterrupted financial services. During the pandemic, all outlets arranged work shifts, reduced activities that cause physical clustering, and adopted protective and quarantine measures. They also cleaned and disinfected all workplaces to cut off the transmission chain of the virus. At the same time, the Bank strengthened its electronic channel services, such as mobile banking, online banking and ATMs, to continuously ensure that customers' needs for financial services were met. In face of the overseas pandemic, the Bank timely formulated and implemented the continuity plan and emergency response plan, continuously enhanced the risk resistance capacity of overseas businesses, and ensured the safe, continuous and prudential

operation of overseas business. At the same time, the Bank continuously refined the emergency response plan, strengthened country risk monitoring, and reinforced the management of credit risk, market risk and liquidity. It also intensified the application of risk quantification techniques, inspected the overseas business and asset quality, and hence lifted the risk warning capability. The Bank pushed forward the building of a long-effect compliance management mechanism for overseas institutions, reinforced the implementation of rules and regulations, enhanced the compliance management capability, and thereby ensured the safe and sound operation of business.

The Bank improved the supply of credit resources and provided greater financial support for pandemic prevention and control. In quick response to the financing needs of anti-pandemic organisations, the Bank formulated credit policies for key industries involved in pandemic prevention and control, satisfied the credit demands arising from pandemic prevention and control, and actively supported the production and supply of medical materials. In 2020, the Bank cumulatively granted RMB21.2 billion of new preferential loans to 834 national key enterprises involved in pandemic prevention and control, and RMB11.693 billion of new preferential loans to 485 local key enterprises involved in pandemic prevention and control.

The Bank actively supported the resumption of work and production and increased its assistance to enterprises affected by the pandemic. It issued the *Notice on Increasing Financial Support for Enterprises to Resume Work and Production*, and set up a special corporate credit programme of RMB200 billion. At the same time, the Bank granted a special credit line of RMB50 billion to Hubei, and formulated 30 special measures to support the epidemic prevention and control in Hubei Province and the resumption of work and production at different levels in different regions. The Bank gave full play to its advantages in global network layout, spared no efforts to provide various financial services for the pandemic prevention and control as well as the reopening of economy across the globe. Specifically, the Bank improved fund

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settlement, financing support and online services, opened a special account for pandemic-related donations, and upgraded mobile banking, online banking and other supporting services. Furthermore, the Bank provided services for central banks and policy banks in many countries, supported the pandemic-related fund raising and remittance in relevant countries, and made its due contributions to the global fight against the virus.

The Bank mobilised its resources across the world to donate goods and funds to regions severely affected by the pandemic. Immediately following the onset of the epidemic, the Bank donated RMB30 million to Hubei Province, and established the “Joint Fight against COVID-19 in Hubei” programme. In conjunction with the China Charity Federation, the Bank called on staff to donate to Hubei, with total donations amounting to RMB18.02 million from

135,400 donors. Meanwhile, the Bank closely tracked the pandemic situation, and coordinated prevention materials to support domestic and overseas pandemic containment. Based on its global presence, the Bank provided anti-pandemic supplies and necessary living assistance for Chinese students stranded overseas, and donated anti-pandemic supplies to neighbouring countries, countries along the Belt and Road, and key overseas markets of the Bank. All domestic and overseas institutions of the Bank stuck together through thick and thin, participated in the fight against the pandemic through charitable donations, materials raising and voluntary services, and built a solid defence line for the fight. They donated more than 10 million pieces of anti-prevention supplies to the Chinese mainland and 57 countries and regions, and hence contributed to the pandemic prevention and control.



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Adopted New Assistance Measures to Win a Decisive Victory in Poverty Alleviation

In strict accordance with national requirements for achieving results in poverty alleviation during the prevention and control of COVID-19, the Bank made coordinated efforts to advance pandemic prevention and control and poverty alleviation. It formulated the *Bank of China Plan for Targeted Poverty Alleviation in 2020* and the *Measures on Strengthening Targeted Poverty Alleviation Efforts of Bank of China*. It also focused on consolidating the results of its past assistance efforts, bolstering areas of weakness, and linking poverty alleviation to rural revitalisation, in a bid to achieve the goal of poverty alleviation.

The Bank channelled greater resources to assisting targeted poverty-stricken areas and ensured that all impoverished people got out of poverty. In 2020, the Bank went all out to provide targeted assistance for the four poverty-stricken counties of Yongshou, Xunyi, Chunhua and Changwu in Xianyang, Shaanxi Province (the “four counties in Xianyang”), and arranged for institutions at all levels to offer assistance

to 1,034 villages across the country. Taking into account local natural endowments, resources and industrial weaknesses, the Bank implemented various industrial projects with good development prospects and remarkable results to help local counties get rid of poverty, and carried out livelihood programmes covering education, healthcare, care for the elderly, housing, drinking water safety, etc., to further improve impoverished people’s production capacity and quality of life. At the same time, relying on the “Bank of China Philanthropy” platform, the Bank boosted the consumption of rural products. To fully support rural areas in improving the brand influence of their agricultural products, the Bank arranged for the local specialty “Xianyang Malanhong” apples to be advertised by China Central Television and displayed at the 3rd China International Import Expo (“CIIE”). As at the end of 2020, 386 poverty-stricken villages in the four counties of Xianyang were all removed from poverty, with all of the 168,629 registered impoverished people from 47,347 households liberated from poverty. All of the 1,034 poverty-stricken villages that have received the assistance of institutions at all levels of the Bank also freed themselves of poverty.

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The Bank strengthened its financial service support for the goal of comprehensive poverty alleviation. It launched comprehensive products around the country, such as loans for industries involved in poverty alleviation, loans for programmes involved in poverty alleviation, small-amount loans for poverty alleviation, government-sponsored student loans, and poverty alleviation bonds, in order to support impoverished people in increasing their income and poverty-stricken areas in developing specialty industries. The Bank also addressed the financial needs of such sectors as transportation, water conservancy, electric power, tourism, environmental protection and industry in impoverished areas. It took special measures to further support the fight against poverty in areas of extreme poverty, namely the “three regions and three prefectures”, as well as areas where specific assistance goals have been publicised in advance and completion progress has been placed under supervision. As at the end of 2020, the Bank’s poverty alleviation loans granted to the “three regions and three prefectures” stood at RMB5.892 billion.

Implemented National Strategies to Support the Development of Dual Circulation

The Bank integrated its business development with the implementation of national strategy implementation. Within the national context of fostering a new development paradigm in which domestic and international circulations reinforce each other, the Bank gave full play to its advantages in globalised and integrated operations and vigorously boosted economic and social development.

The Bank utilised its financial resources to serve the domestic and international circulations. In implementing the national strategy of regional coordinated development, the Bank established an integrated regional financial services system which focused on and injected vitality into the Beijing-Tianjin-Hebei region, the Yangtze Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area, the Xiongan New Area and the Hainan Pilot Free Trade Port. It also followed up with more than 600 major overseas projects along the Belt and Road,

and granted a variety of credits exceeding USD185.1 billion. In addition, the Bank vigorously supported the RMB internationalisation. Across the year, its cross-border RMB settlement volume stood at RMB9.20 trillion, up 25.75% year on year, and its cross-border RMB clearing volume stood at RMB471 trillion.

The Bank strengthened domestic and foreign collaboration to help stabilise the fundamentals of foreign trade. It formulated and released 13 measures to “stabilise foreign trade”, and launched exclusive service plans or measures to “stabilise foreign trade and foreign investments” in more than 30 provinces and cities jointly with local commerce departments, further strengthening the financial service support for foreign trade enterprises. The Bank increased the support for export credit insurance financing to help companies hold orders and stabilise production. It set over 120 expert hotlines for import and export, with a total of more than 30,000 consulting services offered for foreign trade enterprises throughout the year. What’s more, the Bank continued providing all-round financial services for the CIIE. The online + offline trade and investment matchmaking conferences held via the BOC Global Matchmaking System attracted the participation of 674 exhibitors and 1,351 purchasers from 64 countries and regions, with 861 tentative deals reached.

The Bank integrated its advantageous resources to drive the development of new infrastructure. It formulated the *Guiding Opinions on Credit Granting for Supporting New Infrastructure and Strengthening Weak Links of Infrastructure*, placing equal emphasis on new and old infrastructure as well as new urbanisation. It also formulated credit policies for 5G, artificial intelligence, the industrial internet, big data centres, charging piles for new energy vehicles and other key areas of new infrastructure. In the meantime, the Bank focused on credit granting opportunities in areas such as expressway, urban rail transit and railway construction, explored key water conservancy projects, and conducted land transfer, urban renewal, the renovation of old urban communities and other services in an orderly manner.

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The Bank provided services to high-end manufacturing in order to activate new drivers for industrial development. To support the high-quality development of the manufacturing industry, the Bank issued credit policies for such industries as integrated circuits, new energy vehicles and new materials. As at the end of 2020, outstanding loans granted to the domestic manufacturing industry totalled RMB1.46 trillion, representing an increase of RMB105.7 billion over the year beginning.

Deeply Developed Inclusive Finance to Help Stabilise the Economy and Ensure Living Standards

The Bank fully implemented the nation's overall plans for ensuring stability on the six key fronts and maintaining security in the six key areas, and strengthened its comprehensive service capabilities in inclusive finance to ensure job security, basic living needs, and the operations of market entities.

The Bank increased credit support for inclusive finance to facilitate the steady and healthy development of micro and small-sized enterprises. In strict accordance with relevant requirements, the Bank cut fees for micro and small-sized enterprises, and launched inclusive preferential interest rates for such enterprises. Where enterprises suffered temporary operating difficulties, the Bank did not blindly withdraw their loans in advance, cancel their loans or delay the granting of loans. By doing so, the Bank eased the pressure on enterprises, individual businesses and owners of micro and small-sized firms on capital turnover. Meanwhile, the Bank supported enterprises' resumption of work and expansion of production capacity, and helped maintain stability in employment. As at the end of 2020, the balance of loans for inclusive finance under the target of "two no-less-than and two control" amounted to RMB611.662 billion,

an increase of RMB198.714 billion from the beginning of the year.

The Bank used FinTech to connect key nodes of inclusive finance. Relying on digital technologies, the Bank improved its digital service capabilities, intensified technical security and data protection, and strengthened the construction of inclusive financial infrastructure. In addition, the Bank continuously optimised the BOC Global Matchmaking System, and had held 72 cross-border matchmaking activities, attracting 30,000 Chinese and foreign enterprises from 125 countries and regions.

The Bank facilitated the country's rural revitalisation initiative by providing solid support for agriculture-related and small-sized enterprises in counties. As at the end of 2020, the Bank had outlets in 1,167 counties, with a coverage rate of 62.1%. Specifically, it set up 320 outlets in state-level poverty-stricken counties. It also established 89 outlets in the deep poverty-stricken areas of "three regions and three prefectures", with 703 offsite self-service banks opened and 519 mobile smart counters put into use. BOC Fullerton Community Bank had established 126 village banks and over 180 township sub-branches in 22 provinces (or municipalities) across the country. 65% of these institutions were distributed in the central and western regions in places with relatively weak access to financial services.

The Bank provided targeted financial services for business startups and innovation. It granted entrepreneurial loans to college graduates, returning migrant workers and veterans who intended to start their own businesses or work on innovation projects. The Bank granted a total of RMB1.102 billion of personal entrepreneurial loans in 2020, and the balance of such loans amounted to RMB2.273 billion, covering 18,119 customers.

Drove Innovations in Green Finance to Address Climate Challenges

Following the green development concept, the Bank promoted its green finance strategy. By improving its green finance management structure and formulating and refining green finance policies, rules and procedures, the Bank integrated green finance into its entire business process. This had the ultimate effect of providing financial momentum for the transformation of the economic development mode, the optimisation of its economic structure, and the development of the green economy, thus contributing to achieving China's "2060 carbon neutrality" goal.

The Bank strengthened strategic drivers and top-level design, and established a long-effect development mechanism for green finance. The Green Finance Management Committee was set up under the Senior Management (Executive Committee) to coordinate the Bank's green finance management and professional decision-making, with the Board of Directors regularly receiving the work report on green finance each year. The Bank formulated the *Green Finance Development Plan*, which embeds green finance into all of its business and management links, and identifies matters to be advanced, specific responsibilities and key nodes on a year-by-year basis. In doing so, it ensured the effective implementation of green finance throughout the Bank.

The Bank developed innovative green financial products so as to expand financing channels for green industries. It launched comprehensive businesses such as green credit, green bonds, climate investment and financing, and green bills, and built a multi-tiered and three-dimensional green financial business system to vigorously support green industries and projects. As at the end of 2020, the Bank's balance of green credit in the Chinese mainland denominated in RMB reached RMB896.798 billion. The Bank has established a management framework for sustainable development bonds. As at the end of 2020, the Bank's total scale of sustainable development bonds reached approximately USD9.3 billion, including 7 issues of

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green bonds equivalent to USD8.3 billion. In 2020, the Bank also issued the first "blue bond" among Chinese and foreign commercial organisations, with the funds raised used to support marine-related sewage treatment and offshore wind power projects.

The Bank actively participated in domestic and international cooperation to promote the development of green finance. It acted as Co-Chairman of the Task Force of Green Financial Product Innovation under the Green Investment Principles for the Belt and Road, and hosted the "Online International Seminar on Green Financial Innovation Products". As a full member and board member of the International Capital Market Association, the Bank assisted in the international promotion and integration of Chinese green bond standards. In 2020, the Bank participated in the preparation of the China National Green Development Fund and contributed RMB8.0 billion, accounting for 9.04% of the fund's total endowment. It also became a founding partner of the Singapore Green Finance Centre.

The Bank managed climate and environmental risks and deepened green finance practices. It closely monitored the climate and environmental risks and conducted stress tests for climate and environmental risks in some high-carbon industries and sensitive areas. In addition, the London Branch assessed and managed the climate risks of its financial business during the year.

Protected Customer Rights and Interests and Safeguarded Financial Security

The Bank attached great importance to consumer protection and incorporated it into its business development strategy and corporate culture building. It continuously refined relevant systems and mechanisms to consolidate the policy foundation, improved the whole-process control mechanism for consumer protection, and stressed the requirements for ex-ante consumer protection review, financial marketing and publicity control, and proper settlement of consumer complaints and disputes. With the focus placed on the protection of consumers' financial

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information, the Bank effectively protected the information security of customers. It carried out extensive publicity and education activities, such as the “3.15” consumer protection education and publicity campaigns, publicity and education campaigns against illegal fund-raising, the “Protecting Personal Wealth” campaign, and the “Financial Knowledge Popularisation Month” using its official website, WeChat official account and in workplaces. By doing so, the Bank further strengthened financial consumers’ self-protection awareness and risk prevention abilities, and created a healthy and harmonious financial consumption environment.

Built Professional Platforms to Continually Contribute to Public Welfare

The Bank set up professional public welfare institutions such as BOC Charity Foundation and Zhongyi Shanyuan to carry out targeted charitable assistance activities for the poor and vulnerable groups, and to jointly promote the development of the charitable cause.

In terms of education aid, the Bank carried out continuous public welfare programmes such as the “Winter Warm Heart Campaign”, “Yixinzhuxue Student Aid Action” and “Colourful Breaktime Growth Programme”. Through these programmes, the Bank strived to fund impoverished students’ schooling, improve the teaching environment in poverty-stricken areas, raise rural teachers’ overall quality, and promote educational equity. In terms of cultural inheritance, the Bank organised study tours, social events and other activities, in an effort to strengthen the education regarding excellent traditional Chinese culture,

facilitate the generational inheritance and sustainable development of such traditional culture, and to nourish national cultural confidence. In terms of care and aid for the elderly, in response to the *Opinions of the General Office of the State Council on Promoting the Development of Elderly Care Services*, the Bank developed the Bank of China Philanthropy Mutual Assistant Platform for Elderly Care with reference to time banking and other practices, and created innovative models of elderly care services, in a bid to support the development of public welfare pension undertakings. As at the end of 2020, this platform had been piloted in Beijing, Shanghai, Shenzhen, etc., engaging approximately 10,000 elderly people and volunteers.

The Bank continued to build and operate the “Bank of China Philanthropy” Online Public Donation-raising Information Platform for Charitable Organisations, one of the 20 platforms designated by the Ministry of Civil Affairs of the PRC. It committed itself to providing the public with convenient, transparent and secure donation services and helping charitable organisations to publish donation raising information and manage volunteers. At the same time, the Bank strived to mobilise its partners to participate in public welfare activities and jointly create a scenario of “public welfare + internet + finance” for the development of public welfare. In 2020, the “Bank of China Philanthropy” platform hosted a total of 142 programmes from 48 charitable organisations, raising RMB20.6818 million of funds from 254,600 donors.

For details of the Bank’s corporate social responsibility performance, please refer to the *2020 Corporate Social Responsibility Report of Bank of China*.

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Contributing to the Decisive Victory in Poverty Alleviation with Financial Strengths

Fixed-point poverty alleviation

From 1994 to 2001, the Bank carried out fixed-point poverty alleviation in four counties of Longyan City, Fujian Province. In 2002, the Bank turned to the four counties of Yongshou, Changwu, Xunyi and Chunhua in Xianyang City, Shaanxi Province, and provided targeted assistance there for 18 consecutive years. In addition, the Bank's institutions at all levels also provided targeted assistance to 1,034 villages across the country.

Since 2016, the Bank has accumulatively invested RMB700 million in over 5,900 poverty alleviation projects in agricultural industry, infrastructure, medical and health care, education and training, lifting 400,000 people out of poverty. A total of over 3,000 employees have been assigned to serve as poverty alleviation officials, and 322 village-stationed first secretaries and 862 poverty alleviation officials are still working hard on the frontline of poverty alleviation. At the same time, the Bank established the company Zhongyi Shanyuan, developed the "Bank of China Philanthropy" platform to support poverty alleviation through online consumption, with more than 30,000 kinds of agricultural products from 155 poverty-stricken counties across the country being offered. The Bank itself purchased and helped sell over RMB700 million agricultural products from impoverished areas. Moreover, it launched the first charitable foundation of a state-owned commercial bank, which raised more than RMB54 million at home and abroad, and implemented over 50 poverty alleviation projects.

In 2020, the Bank overcame the impact of the pandemic, and pushed ahead the pandemic containment and poverty alleviation in a coordinated manner. The Bank made more than RMB160 million of anti-poverty grant funding and helped introduce more than RMB83.00 million of such funds, totalling more than RMB243 million. Throughout the year, the Bank had implemented more than 1,700 poverty alleviation projects, purchased and helped sell agricultural products of RMB246 million from impoverished areas, and trained 110,000 primary-level officials and technicians. Through these efforts, the Bank has made its due contributions to the fight against poverty.

Finance-powered poverty alleviation

The Bank continued to leverage its industry advantages and enhanced credit support. As at the end of 2020, the Bank recorded a balance of poverty alleviation loans of RMB148.491 billion, underwrote six poverty alleviation bonds amounting to RMB10.77 billion, and cumulatively extended more than RMB24.6 billion of government-sponsored student loans, helping more than 1.8 million students with financial difficulties complete their studies. The Bank also launched products such as "Farmer's Benefit Loan" and small-amount loans for poverty alleviation, giving full play to its leading role in poverty alleviation through financial services. Meanwhile, the Bank made continuous efforts in outlet building in impoverished areas and improved financial facilities there. As at the end of 2020, 320 institutions were set up in former national-level poverty-stricken counties. About 20 branches nationwide, including Hebei Branch and Shandong Branch, set up rural aid stations in local rural areas. 89 institutions were established in the deep poverty-stricken areas of

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“three regions and three prefectures”, with 519 mobile smart counters put into use and 703 offsite self-service banks opened in the related branches. BOC Fullerton Community Bank, the village bank with the largest number of institutions and the widest geographical distribution in China, gave full play to its role in supporting agricultural enterprises and small and micro enterprises. As at the end of 2020, BOC Fullerton Community Bank granted 91.6% of its loans to agricultural enterprises and small and micro enterprises, and its balance of poverty alleviation loans stood at RMB2.859 billion. It set up 126 legal person institutions, 180 sub-branches and outlets, 109 rural aid stations and 6 inclusive finance service stations. 65% of these institutions were distributed in Central and Western China, with some established in 34 national-level poverty-stricken counties.

