

**China Construction Bank Corporation  
Corporate Social Responsibility  
Report 2020**

**[Environmental, Social and Governance]**

**March 2021**

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## Introduction

China Construction Bank Corporation (hereinafter referred to as “the Bank”) publishes CSR Report annually, which covers the period from 1 January to 31 December of each year. There are no significant changes in the method of obtaining and calculating the data for this annual report compared with the previous one. The financial data of the report is derived from the audited annual A-share financial report.

This report was reviewed and approved by the Board of Directors of the Bank on 26 March 2021. The Board and all directors of the Bank guarantee that there are no false records, misleading statements or major omissions in the contents of this report, and bear individual and joint responsibility for the truthfulness, accuracy and completeness of the contents.

### Guidelines of the Report

This report is compiled on the basis of The Stock Exchange of Hong Kong Limited's *Environmental, Social and Governance Reporting Guide* (“ESG Reporting Guide”), Shanghai Stock Exchange's *Guidelines for Environmental Information Disclosure of Listed Companies* and *Guidelines for Preparing Corporate Social Responsibility Report* (collectively referred to as “SSE Guidelines”), and *Sustainability Reporting Guidelines* published by Global Reporting Initiative (GRI). In the meantime, the report is in line with requirements set out in the *Opinions on Strengthening the Social Responsibility of Banking Institutions* by the China Banking and Insurance Regulatory Commission (CBIRC), the *Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2: Contents and Formats of Annual Reports* by China Securities Regulatory Commission, and the *Guidelines for Corporate Social Responsibilities of China's Banking Institutions* by China Banking Association.

### Principles of the Report

The report follows the principles of materiality, quantitative measurement, balance and consistency, reports material information and ensures consistent and comparable quantitative data. When disclosure of extended data causes the statistical method for the disclosure to change, related explanations will be reported along with the data disclosure of the period.

### Coverage of the Report

Businesses of the headquarters as well as domestic and overseas affiliated institutions.

### Assurance Method

Ernst & Young Hua Ming LLP conducted independent and limited assurance of this report prepared by the Bank in accordance with the ESG Reporting Guide, the SSE Guidelines and the GRI Sustainability Reporting Guidelines.

### How to Obtain

The printed version of the report can be found available at Public Relations & Corporate Culture Department of the Bank. The electronic version can be downloaded from the Bank's website (<http://group.ccb.com/cn/ccbtoday/common/include/report.html>). The report is written in

simplified Chinese with English, traditional Chinese versions. If there is any difference between the three versions, the simplified Chinese version shall prevail.

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### More Information

For more ESG information on the Bank, please visit  
[http://group.ccb.com/cn/ccbtoday/manage/manage\\_1.html](http://group.ccb.com/cn/ccbtoday/manage/manage_1.html).

### Definitions

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below.

“Huidongni”: A one-stop mobile finance service platform built by the Bank for inclusive finance customers by using the Internet, big data, artificial intelligence and biometric technologies

“Yunongtong”: A comprehensive financial services provided by the Bank to support rural revitalization, and rely on FinTech to sink inclusive financial service points in the vast rural areas

“Mingonghui”: Innovated financial service products of the Bank to address pain points in migrant workers' wage payment

“CCB Startup Station”: A one-stop online and offline comprehensive service platform featuring “Finance + Incubation + Industry + Education” for startups and innovative enterprises, established by the Bank in cooperation with government departments, venture capital companies, core enterprises, research institutions and incubators with internal and external high-quality resources

“Yunyi Loans”: Credit business of the Bank designed to serve the whole industrial chain of COVID-19 prevention and control (including medical care), as well as inclusive finance customers affected by COVID-19, such as small and micro businesses, business owners, and individual business owners

## Chairman's Statement

Looking back on the extraordinary year of 2020, it's time for us to recall how far we have gone together last year and remember how every individual among us stood up for the challenge and worked hard to play their due part to overcome the crisis. In the face of the COVID-19 pandemic and its disruptive economic and social ramifications, we always put the people first. We supported the global fight against COVID-19, and delivered targeted services for economic re-opening. We contributed to ensure stability on six fronts and maintain security in six areas, supported the development of the real economy, and played our due role in fighting poverty. Through all these efforts, we have stood major tests and opened a glorious chapter in the Bank's history following the New Finance philosophy.

### People-First New Finance Guided by the New Development Philosophy

Under the guidance of the new development philosophy, we are deeply aware that finance is vital to nearly every aspect of people's life, clothing, food, housing and travel, etc.; it should not be a privilege reserved for the elites, but should serve the real economy and the general public. Committed to meeting people's aspiration for a better life and addressing social pain points and challenges, we work to reconstruct financial logic and reshape financial values and methodology, and have formed systematic concepts, methods and models for New Finance.

New Finance is distinctly people-first. We continue to pursue people-centered development, and shift our practices in New Finance from capital-oriented to people-oriented and from serving customers, to serving users and serving the people. It's driven by this pursuit that we took the initiative to channel New Finance to key areas and weak links in economic and social development in a targeted manner, thus to contribute to serving the public wellbeing and creating a modern, better life.

To practice New Finance, we must fulfil our social responsibilities in all respects. To maximize the overall social value, we combine our financial expertise and social responsibilities, and make particular efforts to tackle social challenges, serve economic development and help improve people's living standards. Since COVID-19 struck, we have earnestly honored the vision of a community with a shared future for mankind with concrete deeds. We provided a full range of New Finance services to help fight the virus. Shortly after its outbreak, we formulated ten measures to respond to the epidemic and ensure the delivery of financial services, and donated money and goods to hard-hit areas at home and abroad. We also took the initiative to develop various anti-coronavirus management platforms and the CCB Match-Plus platform which matched overseas buyers with domestic suppliers of personal protective equipment, thus contributing to the global battle against the virus.

### New Finance Responds to the Call and Serves the Needs of the New Era

As the world is undergoing "radical changes unseen in a century", we should broaden our horizon for the new era. In 2020, we fearlessly withstood the extreme stress test to fulfil the glorious mission of New Finance in such defining moments. Our corporate management for sustainable development was recognized by the public and the capital markets, and our MSCI ESG rating continued to climb up to A.

In addressing people's housing needs, we manage the real estate assets for homeowners and help renters settle down in the city. Our house rental service is like a ladder taking those who cannot yet

afford expensive properties in the city to a decent home with dignity. In addressing the global financing problem facing micro and small enterprises (MSEs), we upgraded the “Huidongni” platform; our balance of inclusive finance loans exceeds RMB1 trillion, the most among Chinese banks; and we set up “CCB Startup Stations” to support projects of science, technology and innovation. In responding to the call of the tech era, we have opened up and empowered small and medium-sized banks to jointly weave a financial safety net. We have launched the smart government services platform which, through data flow, enhances governance capacity and efficiency, and makes it much easier for businesses and individuals to access government services. In responding to the people’s diverse demands for financial services, CCB University opens its door to all to cultivate life-time learners. It is positioned to be a finance academy for city dwellers, farmers and micro and small-sized business owners alike, a training base for our employees and a cradle for New Finance specialists.

New Finance is to “serve the majority, not the minority”. Bearing this in mind, we set up comprehensive service centers for rural revitalization across China, which are like a “water conservancy project” to direct financial resources to the most-needed areas. We further extended the service network to towns, rural areas and farmers. Our banking outlets become more inviting to ordinary people: couriers and food-delivery workers are welcomed to take a comfortable break in the “Workers’ Harbour”. Our “Mingonghui” service makes sure that migrant rural workers get paid on time and in full. Our “Huidongni” platform has empowered the dreams of entrepreneurship of vast small and micro business owners. Our Yunong School has admitted thousands of rural students and enabled them to chase their dreams.

### **New Finance Empowers the Green Future**

We mankind have only one Earth that we call home. It is our common aspiration to pursue green development and make the world more beautiful and livable. In the post-COVID-19 era, green recovery and low-carbon development will become a global topic in pursuit of sustainable development, and play an important part in China’s ecological progress during the 14th Five-Year Plan period (2021-2025). For CCB, they are the top priorities to strengthen “three capabilities”.

In 2020, we responded to the government call and prioritized ecological conservation and green development. We explored more dimensions of green finance, and systematically implemented the development plan for green finance. Our business and services, including credit extension, bond issuance and underwriting, were greener and we promoted low-carbon operation in corporate management. We drove the integrated development of inclusive finance and green finance, and allowed FinTech to play a bigger role in the innovation and development of green finance. We accelerated the cultivation of specialists in green finance, consolidated the foundation for environmental and social risk management, and actively responded to climate challenge.

In 2021, the Communist Party of China (CPC) will celebrate its centennial birthday, and the 14th Five-Year Plan will gradually unfold as China embarks on the new journey of building a modern socialist country in all respects. Standing at the new historic point, CCB will earnestly study and implement the guiding principles of the Fifth Plenary Session of the 19th CPC Central Committee, and keep in mind the new development stage, new development philosophy and new development paradigm, while upholding our original aspiration and promoting New Finance. We will further the implementation of the “three major strategies,” better serve the real economy, and assist in continuing reform and defusing risks. As a responsible financial institution, we will contribute to China’s high-quality economic and social development and realizing the target of “peak carbon

dioxide emissions by 2030, achieve carbon neutrality by 2060", and write a new glorious chapter in the new era.

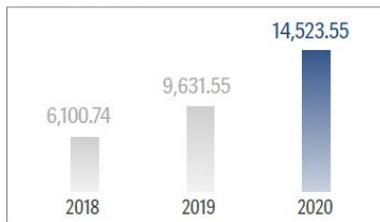
**Tian Guoli**

Chairman  
China Construction Bank Corporation

Balance of green loans (RMB 100million)



Balance of inclusive finance loans (RMB 100 million)



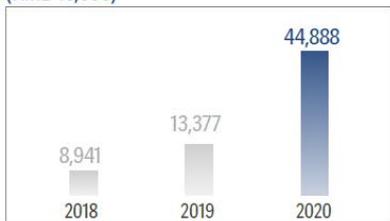
Number of inclusive finance loan customers (10,000)



Balance of agriculture-related loans (RMB 100 million)



Expenditure on public welfare donation (RMB 10,000)



Overall personal customer satisfaction (%)



Overall corporate customer satisfaction (%)



Proportion of off-counter account transactions (%)



Financial transaction migration rate via electronic channels (%)



Number of personal mobile banking users (10,000)



## Fostering New Opportunities amid Changes

The sudden outbreak of the COVID-19 pandemic in early 2020 has profoundly changed social life and economic activities, and remarkably affected the landscape of international relations and politics. The outbreak has exerted great impact on both China's and the world's economy, and brought new risks and challenges to the banking industry.

According to the *Proposals of the Central Committee of the Communist Party of China for Formulating the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035* adopted at the Fifth Plenary Session of the 19th CPC Central Committee, efforts should be scaled up to create a new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other.

The new paradigm comes as a result of China's major adjustment and refinement to its economic development strategy and path for the 14th Five-Year Plan period and beyond, and has a significant and far-reaching influence on China's pursuit of achieving better quality, more efficient, fairer, and more sustainable development and promoting world economic prosperity.

## Staying True to Original Aspirations and Missions

In 2020, facing the complicated changes in internal and external environments and the impact from the pandemic, CCB maintained high political consciousness to integrate its thoughts and actions into the decisions and plans of the CPC Central Committee with Comrade Xi Jinping at its core. The Bank strengthened its consciousness of the need to maintain political integrity, think in big-picture terms, follow the leadership core and keep in alignment with the central Party leadership; stay confident in the path, theory, system and culture of socialism with Chinese characteristics; and uphold General Secretary Xi Jinping's core position on the CPC Central Committee and in the Party as a whole, and uphold the CPC Central Committee's authority and its centralized, unified leadership. It resolutely implemented the decisions and plans of the CPC Central Committee, the State Council and the regulators, upheld the concepts of innovative, coordinated, green, open, and inclusive development, and improved its governance capabilities in terms of serving national development, preventing financial risks, and participating in international competition. By advancing its "Three Major Strategies" and digitally empowered operation, the Bank helped to win a decisive victory in fighting against the pandemic, supported the economic and social recovery, and contributed to fostering the "dual circulation" development pattern through financial means.

In implementing General Secretary Xi Jinping's requirements for preventing major epidemics and resolving public health emergency risks, the Bank made solid and meticulous efforts in regular epidemic prevention and control to eliminate hidden hazards in all links. Around the task of ensuring stability on six fronts and maintaining security in six areas, especially for the "pain points" facing market entities and the key points threatening normal economic circulation, the Bank adopted the thoughts, technologies, products and services of New Finance to promote problem solving and smooth economic circulation, to help market entities go through difficulties and transitions, and to lay a solid foundation for steady and sustainable development.

The Bank continued to deepen New Finance practices to provide customers with "extensive and targeted" financial services. It kept improving its capability of supplying targeted financial services, in a bid to help create a sound business environment where various market entities could obtain fair resources and pursue common growth and prosperity. Relying on technological means and digital platforms, the Bank moved faster to develop inclusive finance, to help build a moderately prosperous society in all respects, and to enrich the service functions of "Yunongtong". It also made intensified efforts to extend its services to the community level and sought practical results. By doing so, the Bank has formed new advantages while promoting high-quality development.

In studying and implementing the guiding principles of the Fifth Plenary Session of the 19th CPC Central Committee, the Bank gave full play to its professional capabilities and advantages formed under the "Three Major Strategies". With a deep understanding of the key role of house rental in smoothing domestic economic circulation, the Bank worked faster to advance its house rental strategy. It also made proactive efforts to support the new infrastructure, new urbanization initiatives and major projects. Moreover, it issued the *Action Plan on Financial Support for Integrated Ecological and Green Development of Yangtze River Delta*, and deeply empowered the development of technology and innovation in the Guangdong-Hong Kong-Macao Greater Bay Area. All these financial endeavors were aimed to support the formation of the new development pattern with domestic circulation as the mainstay and domestic and international circulations reinforcing each other.

## Promoting Governance Innovation

The Bank strengthened the leadership of the Party and relied on high-quality Party building to promote its own high-quality development. The Discipline Inspection and Supervision Office at CCB played a supervisory role and provided an effective carrier for fulfilling the political responsibility of practicing strict Party self-governance and for conducting joint supervision and discipline inspection.

The Bank promoted the modernization of its governance system and governance capabilities. The Bank developed an all-item and

all-process smart government service platform featuring full coverage and full-scenario application. This platform integrates online and offline administrative approval, makes digital payments available for people's daily transactions, and provides intelligent industry applications and digital urban services. It serves as a powerful tool for governments to improve governance. In the battle against COVID-19, the Bank supported the command centers of epidemic prevention and control of Hubei Province and Wuhan City in quickly es-

tablishing a smart government service system for emergency material supply and management. During this process, the Bank contributed to the epidemic prevention and control of the whole Hubei Province.

The Bank participated in environmental and climate governance. It vigorously pushed ahead with the structural reform of the financial supply side, further highlighted the strategic position of green finance, and kept exploring the new concepts, new models, and new methods to develop green finance. The Bank also

facilitated the modernization of the ecological environment governance system and governance capabilities, and responded to the challenges that climate change brought to the whole society.

The Bank assisted in FinTech risk management. It participated in the pilot project of FinTech regulatory sandboxes and built an inclusive and prudent financial risk monitoring and early warning system. Through these efforts, the Bank improved its ability to withstand the impact of financial risks in an open environment.

## Empowering Economic Resilience

**Ensuring job security and overall stability.** During the pandemic, the Bank issued the *Notice on Fully Supporting Pandemic Prevention and Control with Intensified Credit Services and the Notice on Providing Further Credit Support for COVID-19 Prevention and Control*. Intensified credit services were offered to the key enterprises and sectors engaged in the pandemic response. Contingency plans were prepared for the companies that experienced repayment difficulties due to the pandemic, to help them weather the storm. Through these efforts, the Bank contributed to facilitating enterprises' resumption of work and production and ensuring job security.

While increasing jobs by 10% for the new year, the Bank kept launching more online products on the "Mingonghui" platform. It helped to tackle the issue of "difficulty for migrant workers to get paid" by focusing on sufficient funding, precise payee confirmation and safe waged transfer. In doing so, the Bank ensured that during the special period, migrant workers at the end of industrial chains received wages immediately after their work and enjoyed the

protection of rights and interests in employment and wages.

**Ensuring living standards and boosting the real economy.** On one hand, the Bank further reduced and exempted service fees on basis of the existing policy; on the other hand, it enlarged the application scope of LPR and drove the changes in policy interest rates to flow to the real economy, in an active bid to reduce enterprises' financing costs. The Bank made a special plan for inclusive finance loans with increased scale, to ensure that it could provide sufficient amount of loans and targeted assistance for inclusive users.

During the pandemic prevention and control, the Bank provided safe accommodation for medical and non-medical staff, infected patients to be quarantined, and people who couldn't return home due to the pandemic. In response to the government's temporary supporting policies on housing provident funds to fight the pandemic, the Bank launched relevant financial services to assist customers in contributing and withdrawing such funds and using them for loan application. These efforts helped to ensure security in living standards.

**Ensuring stability in foreign trade and foreign investment.** The Bank signed the *Memorandum of Cooperation on Leveraging FinTech Advantages to Help Ensure Stability in Foreign Trade and Foreign Investment* with the Ministry of Commerce, and made every effort to execute this Memorandum. The Bank released the *Implementation Plan on Providing Financial Support to Ensure Stability in Foreign Trade and Foreign Investment*, rolling out 29 measures in seven areas. With the smart enterprise matchmaking platform, the Bank acted as a go-between for domestic and overseas businesses, bringing warmth to the international communities fighting the pandemic and offering financial wisdom to stabilizing foreign investment and foreign trade.

**Ensuring security in operations of market entities and facilitating industrial chains.** CCB gave full play to its role of supply chain finance in stabilizing, protecting and strengthening industrial chains. The Bank built a group-level supply chain service platform to gather products and capabilities, and provided targeted scenario-based and embedded financial services for various enter-

prises on industry chains, especially for small and micro enterprises at the end of industry chains. The Bank also continued intensifying the integration and coordination of finance and industries and facilitated the efficient collaboration among industrial chains, striving to ensure the security and stability of industrial and supply chains.

With enhanced digital operation capabilities, CCB promptly provided enterprises with the online operation toolkit which covered seven types of online services: portal creation, customer development, operation management, salary payment, cloud-based customer services, rapid financing, and park administration, to help enterprises quickly resume production. By cooperating with the departments of commerce, financial bureaus, and large-scale enterprises of various provinces and cities, the Bank kept enriching the digital contents and technologies of the "Jianrongzhihe" smart matchmaking platform to provide targeted support for the coordinated resumption of production in industrial chains.

## Advancing Social Inclusion

In 2020 accompanied with COVID-19 transmission

the Bank kept donating funds and materials to relevant domestic regions and overseas countries and regions to support the global fight against the pandemic. As at the end of 2020, the Group and its employees contributed a total of RMB317 million worth of funds and goods for the global pandemic containment. Specifically, a total of 11.5 million pieces of anti-pandemic materials were donated;

**RMB317 million**

the Group and its employees contributed a total of RMB317 million worth of funds and goods for the global pandemic containment

**11.50 million pieces**

a total of 11.50 million pieces of anti-pandemic materials were donated

the Bank upgraded the "Yunongtong" platform into the "Fangyitong" platform, and set up an online medical service platform to make sure farmers could get basic medical assistance. With particular attention paid to special groups in rural areas, the Bank provided 36,000 village doctors with the pandemic containment insurances featuring the maximum coverage which totaled RMB35.6 billion, with an aim to let them work with no worry. Besides, the Bank bought insurances for the migrant workers who returned to cities for work, in a move to boost the resumption of work and production. To raise the awareness of pandemic control among rural residents, the Bank, as a health defender and a loud-speaker of epidemic prevention, enabled farmers to learn anti-pandemic knowledge, get minor illness diagnosed and treated, handle trifles, and access information on mobile phone without leaving their homes.

**RMB35.6 billion**

the Bank provided 36,000 village doctors with the pandemic containment insurances featuring the maximum coverage which totaled

**RMB263,215 million**

the Bank reported a balance of loans for targeted poverty alleviation at

**RMB132 million**

The Bank's donated for targeted poverty alleviation

**1,622**

The Bank's institutions at all levels directly donated RMB350 million and dispatched 1,622 employees to serve as poverty alleviation officials at targeted poor areas

**1,370**

Eventually, the Bank helped 1,370 poor villages

**195,500**

lift 195,500 impoverished people out of poverty

**RMB1.45 trillion**

the Bank reported a balance of inclusive finance loans granted to small and micro enterprises<sup>1</sup> at RMB1.45 trillion and a balance of

**RMB2.09 trillion**

a balance of agriculture-related loans at

**within 1%**

the Bank controlled the non-performing loan (NPL) ratio of its new product, "Quick Loan for Small and Micro Businesses"

**RMB560 billion**

the Bank granted RMB560 billion of loans to the network supply chain

**65,500**

served 65,500 enterprises on industry chains

**over 90%**

of which were small and micro enterprises

**RMB82 billion**

the Bank intensively allocated RMB82 billion of funds to the "Mingonghui" platform

enabling **7.68 million**

enabling 7.68 million migrant workers to receive wages on time during the pandemic

**43,300**

CCB University carried out a total of 43,300 free "Jinzhuihuimin" series training sessions across the country benefiting

**3.31 million people**

the Bank supported the Women's Household Service Contest organized by the All-China Women's Federation to help women find jobs and increase incomes



the Bank joined hands with the All-China Women's Federation to launch special training on finance for entrepreneurship and employment of female college students, receiving

**130 trainees**

**1,381**

CCB University built 1,381 "Yunong Schools"

**600,000**

which delivered free training sessions to over 600,000 "Yunongtong" business owners, persons who led fellow villagers to a better life, and young people returning the countryside to start up their businesses, among others

**14,200**

14,200 "Workers' Harbours" cumulatively

over **140 million**

served over 140 million people

**165**

around the country, CCB Start-up Station set up 165 incubators

**275**

cooperated with 275 social institutions of all sorts

**8,302**

served 8,302 enterprises

**RMB14.7 billion**

granted credit loans of RMB14.7 billion for 24,757 companies

the Bank provided strong support for work and production resumption through online procurement and remote negotiation (bidding) and review during the pandemic;

the Bank intensified inclusive financial services to solve small and micro enterprises' operating difficulties. It successively launched "Eight Measures on Dedicated Channel, Special Scale, Professional Policies and Exclusive Services" and a "Support Plan for Enterprises' Resumption of Work" for inclusive finance;

the Bank optimized the interactive interface elements of mobile banking, supported the use of mobile screen readers and provided intelligent voice interaction service to help visually impaired customers and the aged. In the internet product information accessibility evaluation released by the China Information Accessibility Product Alliance (CAPA), CCB's mobile banking APP ranked first in the banking sector;

from visiting the elderly customers' homes to provide considerate and comprehensive financial services including exclusive wealth management, investment consulting and medical insurance, to holding intelligent assistance activities such as micro salons on inclusive finance, health lectures and financial courses, the Bank made digital life available to more elderly people;

the Bank rolled out timely policies and measures such as extension of loan terms, renewal of loans and deferred payment of interest to solve the difficulties of small and micro enterprises. To release corporate and personal consumers' concerns about credit, the Bank stated that deferred payment of principal and interest would not affect the credit records of small and micro enterprises and their owners;

besides credit services, the Bank provided small and micro enterprises with comprehensive services like insurance cover, transaction matchmaking and online training. For example, the Bank set a special liability insurance with an insured amount of RMB200,000 for death of COVID-19 infection. It utilized the "Jianrongzhihe" smart matchmaking service platform to provide smart matchmaking services for corporate procurement and sales, and launched a special program of "Selected Courses for Small and Micro Enterprises", customizing excellent courses to help these enterprises resume work.

<sup>1</sup>Calculated by the standard the CBIRC set for the evaluation of how the target of "two increases" was fulfilled.

## Boosting Green Recovery

Since its onset in early 2020, COVID-19 has brought sustained, violent and destructive impact and immeasurable wealth loss to society and the global economy. In the meantime, the pandemic has also corroborated the great value of green development and ecological cultivation. Green development is the fundamental way towards ecological cultivation. Relying on green finance to guide and inspire social funds towards green industries, such as ecological and environmental protection, water and energy conservation, renewable energy and clean transportation is a fundamental and innovative institutional arrangement for the promotion of green development.

The Bank grasped opportunities arising from China's accelerated development of a green and low-carbon circular economic development system, and contributed its strength in promoting green transformation of the economic and social development in all respects.

The Bank grasped financing opportunities arising from green upgrading of infrastructure. According to the Paris Agreement, the annual amount of investment needed in the world reaches

several trillion US dollars, and the annual amount of investment needed in China approximates RMB4 trillion, which has provided a broad market space for the development of green finance.

The Bank grasped opportunities arising from the national campaign to speed up the formation of a modern industrial system to make structural adjustments. This campaign is continuously bringing forth new forms of green industries, such as green construction,

green manufacturing, green logistics, green life and green consumption. Under this background, financial institutions are offered new opportunities to adjust asset structures.

The Bank grasped opportunities arising from the modernization of ecological environment governance capabilities and governance systems for product innovation. With the gradual improvement in the mandatory requirements on listed companies' environmental

information disclosure, incentive mechanisms for green projects, and environmental pollution prevention and control laws, financial services like mortgage and pledge financing against environmental rights and interests will have a broad development space and inject strong impetus into the innovative development of green finance.

As at the end of 2020



RMB **1.34** trillion

the balance of green loans stood at

RMB **166.9** billion

increasing by from the beginning of the year

In 2020



**35.0648** million tons

the Bank's green credit projects saved of standard coal

**3.0952** million tons

up by over the previous year



**73.8866** million tons

such projects reduced of carbon dioxide emissions

**1.5535** million tons

up by over the previous year

All these have vigorously promoted the green transformation of the economy and society.

## FinTech Prospects



The digital economy has developed faster due to the impact of the pandemic. For some industries, digitalization has turned from an option for further prosperity to an urgent necessity for survival, while for the financial industry always taking the lead in digitalization, the pandemic is a true stress test, a touchstone of digital finance, and an accelerator for the digital transformation of banks.

—Tian Guoli, Chairman of China Construction Bank



In improving its independent innovation capabilities, the Bank kept adapting its concepts, methods, systems and mechanisms to the requirements of deepening the science and technology strategy, and strengthened the engine that powers future development. The Bank examined the implementation progress of its *FinTech Strategic Plan (2018-2023)* and linked it up with the development goals of the 14th Five-Year Plan. Focusing on the frontier technological domains and bottlenecks, the Bank strengthened researches and made early layouts to continuously enhance its independent controllability.

In supporting the modernization of social governance, the Bank deeply advanced the optimization and iteration of the operation model, service process, risk and security control of smart government affairs, and improved its practical results in

the five aspects of refining administration, benefiting the people, revitalizing enterprises, assisting in management, and empowering development. In fostering the new development pattern, the Bank adhered to the thinking and logic of the strategy of smart government affairs, innovatively shaped its core competitiveness of serving "digital government" and "digital China", and put forward a larger number of better practical solutions to the modernization of service governance.

The Bank created an open and cooperative science and innovation ecosystem, played its advantages in connecting financial capital and social resources, summarized and promoted the mode of "CCB Startup Station" incubators, and refined the linkage mechanism of investment and loans. By doing so, the Bank provided technological start-ups with integrated financial and non-financial services.

The Bank advocated that finance and technology should guide society towards goodwill and betterment. It followed the intrinsic logic of finance and the concept of people first to subject technology to the value proposition, moral pursuit and spiritual power of New Finance.

The Bank stimulated its vitality of innovative development and carried forward the spirit of reform and innovation to improve its systems and mechanisms. Based on that, the Bank worked to promote its agile organization, flexible management and matriculated architecture and to create a new organizational system which is more collaborative, more efficient and more adaptive to future development.

## Human Capital Blueprint

In June 2020, CCB released the *Three-year Plan for the Development of Digital CCB University*, drawing a clearer roadmap for CCB University, a broad platform integrating lifelong learning, teaching management, intelligent operation, knowledge reserve and social services.

Advocating that employees develop the habit of lifelong learning with continuous improvement, the Bank has built CCB University into a physical and spiritual place for fireside talks. CCB University provides richer learning interfaces. Here, all screens are where classes begin, and all students and teachers participate in as leading roles and can constantly switch their roles.

CCB University has received 280 million visits and provided 47,000 sets of online learning resources. Behind these results are CCB's determination and ability to build an open university. With the cloud participation by countless villagers, owners of small businesses, poverty alleviation officials in towns, and CCB employees, a round-the-clock ubiquitous learning ecosystem is taking shape.

CCB joined together with all people to overcome the crisis of COVID-19. On the online platform of CCB University, the Bank launched the "Jinzhihuimin" channel to the public for free; the series micro-courses on pandemic prevention and control, which the Bank produced together with Laihua video, received a total of 180 million views; the special program of "Selected Courses for Small and Micro Enterprises", where the Bank provided customized excellent courses to help small and micro enterprises resume work, trained a total of 155,000 people.

## Inclusive Finance for Better Livelihood

### Deeply supporting the development of small and micro enterprises



Since the CCB Strategic Plan for Inclusive Finance (2018-2020) was launched in 2018, the Bank has established a leading edge in the inclusive finance market, where its core competitiveness has preliminarily taken shape. With the development philosophy of "digital, platform-based, and ecosystem-based development with empowerment", the Bank successfully met its strategic plan objectives for inclusive finance leveraging FinTech and big data while adhering to innovation-driven growth, platform-based operation and social empowerment.



As at the end of 2020, the balance of inclusive finance loans granted to small and micro enterprises stood at **RMB1.45 trillion**, increasing by over **RMB489.2 billion** from the beginning of the year or **50.79%** year on year.



**1.7 million** small and micro enterprises enjoyed the inclusive finance loans, increasing by nearly **375,000** from the beginning of the year or **28.31%** year on year. The Bank completed the "Yunongtong · Village Link" project.



A total of **540,000** Yunongtong service stations were constructed, covering almost all towns and villages across the country.

### Winning a decisive victory in poverty alleviation



On the National Poverty Alleviation Summary and Commendation Conference held on 25 February 2021, both CCB Leading Group for Poverty Alleviation and CCB Ankang Poverty Alleviation Taskforce were awarded the honor title of "Advanced Group in National Poverty Alleviation".



As at the end of 2020, the balance of the Bank's targeted poverty alleviation loans stood at **RMB263,215 million**, increasing by **RMB43,708 million** from the beginning of the year and representing a growth rate of **19.9%**. The balance of the Bank's industrial loans for targeted poverty alleviation as well as poverty relief for impoverished people totaled **RMB121,704 million**, increasing by **RMB30,198 million** from the beginning of the year. These loans helped lift **115,100** impoverished people out of poverty.



The Bank's institutions at all levels directly invested donor funding of **RMB350 million** and dispatched **1,622** employees to serve as poverty alleviation officials at targeted poor areas. Eventually, the Bank helped **1,370** poor villages and lifted **195,500** impoverished people out of poverty.



The Bank assisted poverty-stricken areas in selling agricultural products worth **RMB2.518 billion** through e.ccb.com e-commerce platform, benefiting **108,700** impoverished people.

#### Our achievements

### CCB Strategic Development Plan for Inclusive Finance (2021-2023)

The Board of Directors reviewed and approved the *CCB Strategic Development Plan for Inclusive Finance (2021-2023)* in February 2021. The Bank will remain guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, implement important plans of the CPC Central Committee and the State Council for vigorously developing inclusive finance and put the new finance philosophy into practice. Under the theme of pursuing high-quality development of inclusive finance, the Bank will create an open and shared ecosystem for inclusive finance in the course of deepening the financial supply-side structural reform, taking innovative development as the underlying force and digital operation as the basic approach.

**Improve systems and mechanisms:** The Bank will build an agile organizational system and a comprehensive assessment system.

**Deepen business coordination:** Group-wide consensus will be deepened to generate synergies and ensure in-depth coordination of development.

**Strengthen team building:** Through the inclusive finance practices, the Bank will foster a large talent pool competent for navigating CCB through the next two decades of development.

**Carry forward corporate culture:** The Bank will foster an inclusive finance culture with distinct characteristics of the times and turn it into its core competence in inclusive finance development.

**Empower the social governance system:** The Bank will empower the implementation of the rural revitalization strategy to enrich the Yunongtong service system. It will also empower the smart government service platform to get integrated into the public service system.

#### Set out upon reflection

- ▶ CCB adhered to the people-centered development thought, the customer-centric business concept, and the fundamental purpose of serving the real economy. In doing so, the Bank enhanced financial inclusiveness to help solve pain points and difficulties in economic and social development.
- ▶ The Bank improved the coverage of inclusive finance and expanded its service radius. It used finance to empower social development, drive social resources towards impoverished and disadvantaged groups, ameliorate the issues of imbalance and inadequacy, and expand new space for further development.
- ▶ The Bank deeply integrated the technological, inclusive and sharing attributes of New Finance, and focused on the concept of "digital, platform-based, and ecosystem-based development with empowerment" to explore new development models of inclusive finance. The Bank innovated the "Quick Loan for Small and Micro Businesses" and other online products series, as well as the mobile financial service platform "Huidongni". It created a credit service model featuring "batch customer acquisition, accurate profiling, automated approval, intelligent risk control, and integrated services" and "one-minute" financing, "one-stop" services, and "all-in" fee-charging. By doing so, the Bank kept improving the quality and efficiency of inclusive financial services.
- ▶ With a close combination of goal orientation and problem orientation, the Bank concentrated all efforts on helping the areas of extreme poverty like the "three regions and three prefectures" as well as remaining impoverished counties, villages and people.
- ▶ The Bank integrated poverty alleviation and rural revitalization. It adhered to the leadership of Party building in promoting modernized rural governance, cultivated rural characteristic industries according to local conditions, built platforms to introduce modern modes of production to rural areas, and encouraged education to promote cultural and ethical progress in these areas.
- ▶ The Bank organically combined targeted poverty alleviation and New Finance practices. It utilized the technological, inclusive and sharing attributes of New Finance to provide direct and targeted resources for poverty alleviation. It also gave play to the integration and connection functions of New Finance to smooth the domestic economic circulation between the urban and rural areas.



### i. Facilitating Private Enterprises and Small and Micro Enterprises

Adhering to the concept of “digital, platform-based, and ecosystem-based development with empowerment”, the Bank has utilized innovation and technology to develop an inclusive finance mode. In this mode, data is the key production factor, technology is the core production tool, and the platform ecosystem is the main production mode.

#### Progress

- The Bank relied on digital operation to improve service quality and efficiency. The Bank consolidated its data resource foundation and data application capabilities, and innovated the “Quick Loan for Small and Micro Businesses”, “Yunong Quick Loan”, “Transaction Quick Loan”, “Individual Business Quick Loan”, and other online product lines oriented to customer demands. By doing so, the Bank kept improving its coverage and service capabilities in inclusive finance.
- The Bank conducted innovation-driven and platform-based operation. By strengthening internal service skills, the Bank integrated the “three-in-one” inclusive finance operation and management platform to fully improve its customer response capabilities. By ingeniously resorting to external resources, the Bank developed and launched the “Smart Federation of Industry and Commerce” service platform, providing such scenario-oriented services as funding, solutions, credit enhancement, benefits and technology. In supporting rural development, the Bank built a smart platform to guide financial resources towards the rural areas and thus enabled farmers to use their mobile phones as new farming tools.
- The Bank shared its ecosystem to empower society. The Group promoted the construction of “CCB Startup Station” and provided startups and innovative enterprises with the

comprehensive services such as equity investment, credit financing, and entrepreneurial growth. The Bank advanced the “Jinzhihuimin” program and launched the “Training Program for One Million Entrepreneurs on Inclusive Finance”. The Bank pushed ahead with the collaboration between industry, education and research, and studied and published the Blue Book of Inclusive Finance and the “CCB-Xinhua Inclusive Finance-SME Index”, striving to create an operational “barometer” for the development of China’s inclusive finance.

## Case

### “CCB Huidongni” enabled enterprises to enjoy rapid inclusive financial services

CCB launched an updated version 2.0 of “CCB Huidongni”, transforming the pure credit business platform into an integrated smart financial service terminal. Thus, enterprises can not only get rapid loans but also enjoy one-stop financial services.

“After we submitted the materials, the system automatically generated the amount we could apply for, and the approval was done quickly. That’s very convenient.” Ms. Zhong, leader of a hotel in Anhui Province, soon obtained a credit line of RMB800,000, which effectively alleviated her financial pressure.

In the next step, the Bank will design products focused on economic and social “pain points” to help improve weak links. The Bank will rely on the “CCB Huidongni” platform to keep developing the inclusive finance ecosystem, to refine the inclusive market systems for small and micro enterprises, and to allow more people to enjoy modern financial services.

### “Yunyi loans” supported pandemic prevention and control as well as resumption of work

In the face of the ruthless pandemic, CCB showed love and responsibility. After the outbreak of COVID-19 in 2020, relying on the new online mode of “Quick Loan for Small and Micro Businesses”, the Bank innovated “Yunyi loans”, a special product adaptive to the new characteristics of enterprises affected by the pandemic and especially those in the entire medical industry chain. By doing so, the Bank provided targeted support for small and micro enterprises’ resumption of work.

In Yunnan, CCB customer relationship managers visited the medical device and material trading companies to guide their directors to apply for “Yunyi loans” through the CCB “Huidongni” App. “Yunyi loans” helped these enterprises alleviate the difficulty in capital turnover and allowed them to continuously supply medical devices and materials to major hospitals in Yuxi City.

CCB granted a loan of RMB3 million to an anti-pandemic material production company in Tianjin. That helped the company solve the urgent need for raw material purchasing funds and allowed it to work overtime to produce masks.



## ii. Winning a Decisive Victory in Poverty Alleviation

The Bank closely combined poverty alleviation with New Finance actions and made coordinated efforts in promoting poverty alleviation and the “Three Major Strategies”. During this process, the Bank formed a targeted poverty alleviation mechanism featuring inter-agency responses between the Head Office and branches and between parent and subsidiary companies; the Bank formulated the documents like the *Action Plan of “Transcend 2020” for Targeted Financial Poverty Alleviation*, and created a grand financial poverty alleviation pattern featuring e-commerce channels first, relevant credit innovation, service network extension, public welfare activities for promotion, and comprehensive support.

### Measures

The Bank introduced the industrial poverty alleviation mode of “N + Households Registered as Living under the Poverty Line”. Through the four major mechanisms of FinTech assistance, credit enhancement, industrial chain refinement, and management improvement, the Bank built a new interest linkage mechanism between agricultural entities and impoverished households to support the industrial development of poor areas.

- The “FinTech assistance” mechanism enabled convenient and fast online financing in poor areas. The Bank applied FinTech achievements to provide convenient and fast online financing in poverty-stricken areas. That contributed to driving the impoverished households to find jobs and increase incomes.
- The “credit enhancement” mechanism helped increase credit for the enterprises and farmers in poor areas. The Bank carried out guarantee cooperation to increase credit for impoverished households. That contributed to making mortgage, credit, and loans accessible and sufficient for small and micro enterprises and rural households in poor areas.
- The “industrial chain refinement” mechanism helped improve the entire agricultural industry chain. The Bank matched the leading agricultural industrial enterprises with the industrial development needs of poor areas. In the meantime, it assisted in establishing a long-term mechanism from production to sales.
- The “management improvement” mechanism helped improve the credit system building in poor areas. The Bank cooperated with professional agricultural service companies, professional agricultural cooperatives, village committees, primary-level party organizations, work teams stationed in villages and other institutions and organizations. During the cooperation, the service companies provided rural markets with professional experience in raw materials, agricultural machinery, and agricultural technical services; agricultural cooperatives, village committees, and other institutions played their advantages in rural information, resources, administration, organization, and management. The Bank integrated such experience and advantages to efficiently manage the borrower entities and to promote credit building in poor areas.

**Case**

**Awakening sleeping mountains: supporting targeted assistance in Ankang**

Located in the area of extreme poverty in the Tsinling Mountains, Ankang has the largest number of poor people in Shaanxi Province, hence as the “Key to Poverty Alleviation in Shaanxi”. In 2020, for poverty alleviation of Ankang, the Head Office of CCB invested RMB175 million of assistance funds, introduced RMB21.16 million of assistance funds, trained 48,900 primary-level officials and 67,800 technicians, purchased RMB350 million of agricultural products from poor areas across the country, and helped local poor areas sell RMB2,128 million of products. As a result, the Bank overfulfilled all the tasks set out in the Letter of Responsibilities for Targeted Poverty Alleviation.

**Brightening the pearl of Tsinling Mountains with smart governance**

Impoverished households can register online their disabled family members’ information for job application, withdraw all provident funds and cancel the accounts for the reason of unemployment, and withdraw part of provident funds for reason of suffering from serious illnesses. Besides, impoverished households can make online applications for anti-poverty and pro-agricultural loans, new community factory loans, and small-amount loans for poverty alleviation to develop industries, increase incomes, and get out of poverty. By providing “Jinzhihuimin” courses via CCB University, the Bank has created an online smart education platform to help Ankang develop education and get out of poverty.

**“Cloud Production”, an innovative practice of targeted poverty alleviation**

Capitalizing on its intensive operations and platform advantages, the Bank released the information to be entered to the cloud, allowing users to flexibly participate in the work and get corresponding rewards at any time anywhere.

**Supporting women in mountainous areas with “Start-up Loans for Women”**

Without mortgage guarantee, borrowers can apply for loans only by abiding by the convention, form a 5-person mutual aid group, and participate in weekly exchange meetings. As at the end of 2020, the CCB-Grameen “Start-up Loans for Women” program assisted 266 borrowers in Ankang, with a total loan of RMB7.095 million and a repayment rate of 99.5%.

**Sanliu Village, a sample of ecological poverty alleviation**

Under the Bank’s assistance, Sanliu Village relied on its natural resource advantages to develop green ecological agriculture. It introduced high-quality crayfish to create an ecological poverty alleviation mode of “rice-crayfish co-cultivation”. Ultimately, Sanliu Village got out of poverty in 2017.

**A better tomorrow for Ankang**

Getting out of poverty is not the destination but the starting point for a new life and new struggle, and “people’s yearning for a better life” is the goal of New Finance in the new era.



### iii. Supporting Rural Revitalization

In supporting rural revitalization, the Bank put the concept of green development of New Finance into practice to explore the co-prosperity, co-existence, co-construction and co-governance between finance and the rural economic and social development. In 2020, we went deep into the fields and villages and took various measures to serve the implementation of the rural revitalization strategy.

#### Progress

- CCB developed the characteristic brand of “Yunongtong”. The Bank built a complete service system including the offline integrated service center of “Yunongtong” inclusive financial service outlets, the “Yunongtong” online integrated service platform for rural revitalization, and the financial service system of the “Yunongtong” industry chain-based ecosystem scenarios.
- CCB created a cluster of “Yunongtong” inclusive financial service outlets. With financial counters, concepts, methods, and means brought to villages, the service outlets could be likened to an intimate friend who rendered farmers with basic financial services at the village entrance and to a distribution center through which agricultural products could be sold to cities and industrial products be introduced to the countryside. Local villagers were expected to play a leading role, turning these service outlets into CCB’s permanent strategic strongholds in rural areas.
- CCB established the “Yunongtong” integrated service platform for rural revitalization. Relying on FinTech and well-connected data, the Bank strove to create an integrated service platform to realize rural revitalization in combination of various service scenarios in the vast countryside. In the process, farmers, small and micro enterprises, and agriculture-related market entities were able to get financial and non-financial services online on their own. The online self-service availability covered e-government, ecological and financial scenarios. The platform, therefore, became the primary channel through which farmers carried out activities of daily living and socialized. The “Yunongtong” app was forged into a new farming implement and a circle of friends for the vast number of farmers.
- CCB provided solid credit support for the key areas of rural revitalization. In line with the central government’s plans and arrangements on the rural revitalization strategy and the task regarding agriculture, rural areas, and farmers in building a moderately prosperous society in all respects, the Bank focused on the weak areas in rural infrastructure to support the construction of rural drinking water safety, village roads, information communications, energy, etc.
- It constructed a financial service system of the “Yunongtong” industry chain-based ecosystem scenarios. The Bank focused on the agricultural industry chain and targeted full scenarios, all customer groups, and the entire industry chain. The Bank intensified product and mode innovation to integrate the primary, secondary and tertiary industries in the agricultural sector, to aggregate the data of production, daily life, and assets, to serve large, medium, small and micro enterprises, new agricultural business entities, farmers and agriculture-related customers, and to explore creating various forms of agricultural ecosystem scenarios related to milk, vegetables, tea, sugar, rice, fruits, etc.

- The Bank developed the service mode of “Yunong Quick Loan+”. For this mode, the Bank launched four sub-types: Credit, Mortgage, Guarantee, and Industrial Chain. The Bank combined local resource endowments, data accumulation and operations to meet the differentiated fund demands from different characteristic agricultural industries and customer groups. By doing so, the Bank solved farmers’ difficulties in accessing affordable borrowing, obtained and used resources from the people and for the people, and raised farmers’ sense of gain during joint construction and shared development.

## Case

### Launching special village version of mobile banking

To enhance its rural financial service capabilities and facilitate rural revitalization, the Bank innovated a special version of lightweight mobile banking, providing rural customers with exclusive services of “easy listening”, “easy reading” and “barrier-free communication”.

Besides the queries at “Yunongtong” service outlets, the exclusive product of “Yunong Quick Loan”, and the account services of “Mingonghui”, this version of mobile banking also provides exclusive rural government affairs. It provides convenient access to government services by regions based on customer’s positioning, allowing rural customers to apply for provident funds, medical and social insurance and to enjoy other government services without leaving home.

In addition, this version of mobile banking also provides rural customers with high-value and rich information related to financial products, finance, agriculture, rural areas and farmers. That helps rural customers learn and accumulate knowledge and information. In this sense, it has provided impetus for rural revitalization and development.

### Fujian Branch supported rural revitalization with green finance

- CCB kept enriching innovative products of rural green finance. In product design, the Bank took reasonable differentiated risk mitigation measures like forest tenure mortgages, promoted the mortgage loans against the management right of rural contracted land, the ownership of farmers’ houses and the right to the use of their homestead. Besides, it focused on solving the pain points and difficulties like small economic scale, few mortgages, low amounts, and slow financing in providing financial services for agriculture-related businesses.
- CCB supported the modernized and industrialized development of agriculture in accordance with the planning and arrangements of sustainable agricultural development. The Bank assisted in expanding the scale of ecological industries and developing the green eco-tourism industry chains such as “characteristic towns”, “boutique homestays”, and “village scenery”.
- The Bank supported the construction of rural infrastructure such as the treatment facilities of waste separation and the renovation of power supply, to help improve the rural ecological environment and farmers’ life quality.
- CCB supported farmers in increasing green incomes. For the characteristic competitive industries based on the ecological resources of “lucid water and green mountains”, the Bank formulated service plans for targeted small-amount loans for poverty alleviation and

developed new poverty alleviation products based on local conditions.

- CCB supported rural green financial services. The Bank promoted the construction of “Yunongtong” inclusive financial service outlets and built a financial service platform featuring “greenness + inclusion + Yunongtong”.



#### iv. Providing Better Housing Services for the People

CCB adheres to the concept of openness and sharing and always carries the mission of “solving social pain points and supporting the people’s comfortable housing”. The Bank has kept promoting relevant platforms, expanding housing availability, developing the idle real estate properties management business, advancing social empowerment and doing other work to build a new house rental ecosystem. The Bank deepened the development of digital provident funds. It used FinTech to refine relevant business processes, improve customer services, and facilitate the government’s reform to delegate power, streamline administration and optimize government services. The Bank supported people’s reasonable housing consumption needs. As at the end of 2020, the Bank provided a total of over 17 million customers with personal housing provident fund loan services and granted more than RMB110 billion of personal loans for government-subsidized housing to nearly 600,000 low- and middle-income families.

#### Vigorously promoting development of government-subsidized rental housing

With the comprehensive advantages in capital, technology, channels, and the collaboration between its parent and subsidiary companies, the Bank signed strategic cooperation agreements on the development of policy-based rental housing with 11 pilot cities, including Guangzhou, Hangzhou and Jinan, to provide a package of integrated services, including financial product support, house sourcing and operation, and information system support. In this way, the Bank contributed its strength to China’s constructing and refining the housing security system and transforming the housing system that encourages both housing purchase and renting.

It helped develop the national public rental housing information management system, assisted the government in managing public rental houses more efficiently, and took part in the pilot program of promoting public rental houses towards market-based operation, with an aim to resolve the housing difficulties of low-income population.

#### Supplying available rental houses through multiple sources and channels

In Guangdong, CCB reconstructed the aging public apartments of the government into high-quality rental properties with a separate kitchen and bathroom. These quality living spaces would be rented to the laborers providing basic public services like sanitation workers.

In Jiangsu, the Bank supported Jiangning Economic and Technological Development Zone in renovating staff dormitories. The upgraded new apartments greatly improved the industrial workers’ sense of happiness.

In Suzhou, CCB rolled out the innovative government-bank-enterprise cooperation model. It transformed and upgraded the Dongjing Industrial Workshop, an idle asset at the Suzhou

Industrial Park, into the Lejing Community, which built warm family harbours for over 5,000 migrant workers nearby from all walks of life.

### Innovating financial products with social strength

The Bank assisted a house rental company in listing on Beijing Financial Assets Exchange for equity trading. That was among the first batch of pilot projects for China's real estate investment trusts (REITs). In supporting the listing of this house rental company, the Bank facilitated the long-term development of the house rental market. During the process, the Bank organized professional personnel to cooperate with the regulatory agencies on studying the policies of REITs, and explored how to apply the corporate REITs model in the housing rental field. Wuxi Phoenix City, a recommended pilot project of CCB Ruiju, finished the first equity transaction. The Bank achieved innovative breakthroughs in the aspects such as institutional norms, equity attributes, and transaction structures. This practice provided examples and references for the regulatory agencies in issuing relevant policies and organizing business processes. It also broadened the financing channels for the house rental market.

### Case

#### CCB Jianrong Jiayuan · Pukun Community

Located in the Fuyang Dongzhou Industrial Park where Hangzhou's high-tech enterprises gather, CCB Jianrong Jiayuan · Pukun Community supplies various types of new citizens with direct house rental at preferential rents. Meanwhile, it meets tenants' differentiated needs for "one bed" (migrant workers), "one room" (college students) and "one suite" (newly married couples). This Community has not only helped employees with accommodation, but also assisted enterprises in attracting, retaining, and motivating talents and the government in ensuring stability in corporate operation and economic development.

The public area of the community is equipped with a gymnasium, an electronic reading room and other shared functional spaces. A small comprehensive commercial complex with a construction area of 2,100 square meters is introduced to this Community to fully meet tenants' demands for health, social interaction, entertainment, learning, and growth. In the meantime, high-standard services are provided to ensure tenants' comfortable living and working.



### v. Protecting Customers' Rights and Interests

Knowing deeply the importance of personal information to customers, CCB took multiple measures to improve the security management on personal customer information.

In terms of regulations, according to the new requirements on consumer rights protection and the business development needs, the Bank has successively updated and formulated relevant systems and administrative measures, mainly including: *Measures for Information Management of Personal Customers of China Construction Bank*, the *Regulation on Collecting Identity Information of*

*Personal Customers of China Construction Bank, the Detailed Rules for Management of Outlet Customer Relationship Managers' Business Behaviors of China Construction Bank, and the Guidelines on Information Security Management for Personal Customer of Housing Finance and Personal Credit Business.* By doing so, the Bank further refined the personal information security protection policies.

In terms of systems, on the one hand, CCB examined the scenarios related to personal customer information queries in the business systems throughout the Bank. By filtering out sensitive customer information, reducing unnecessary information displays, strengthening the management on query authorization and other means, the Bank intensified the security protection for personal customer information and implemented the "legal, justified and necessary" principle for the use of personal customer information; on the other hand, the Bank explored the application of artificial intelligence (AI), big data and other technologies in the prevention against personal customer information risks. Specifically, the "Longzhidun" piloted in CCB branches enabled intelligent management and control on personal customer information and supported comprehensive monitoring on suspicious query transactions with timely reminders.

In terms of management and supervision, CCB carried out the inspections of safety management on the use of personal customer information throughout the Bank. Regarding the implementation of rules and regulations, authorization and system user management, information extraction and processing, information transmission and storage, information query and use, and other aspects, the Bank combined the self-inspection of branches and the spot inspection of the Head Office together. Through these means, the Bank strengthened the supervision for the security management on personal customer information and further regulated personal customer information protection.

In terms of training and education, CCB carried out special training on "protect consumer information security with consideration of worst-case scenarios". By combining theoretical study and case education, the Bank strengthened the employees' awareness and abilities of thinking about worst-case scenarios and protecting customer information. The training covered more than 198,000 trainees in total.

#### Measures

- For the threat of external attacks aimed to steal online data, CCB established a defense-in-depth data security system which becomes the technical support system for personal financial information.
- Following the management ideas of cloud storage and border prevention and control, the Bank strengthened data security protection, strictly controlled the data leakage channels of terminals and network borders, and timely blocked employees' intentional or unintentional data leakage behaviors.
- The Bank established a monitoring platform and a model library for employees' behaviors in using information systems, to provide technical guarantees for punishment of violations; the Bank developed a management platform for security operations in the production environment, to ensure the information technicians' secure and standard operations.
- The Bank prepared a series of training education manuals and online courseware, such as Warnings against Information Security Incidents, Skill Manual of Employee Information

Security, and Code of Conduct for Employee in Using Information Systems, for all employees.

- The Bank established the mechanisms of induction training for new employees and annual security training for in-service employees. Every year, the Head Office publishes annual information security training plans, holds on-site or video training sessions to publicize rules, analyze cases and promote security technologies, prepares textbooks for in-depth training, and organizes sustained training on security awareness among employees.
- CCB promoted the annual inspection mechanism for security warning education. The Bank combined the monitored incidents and the corporate security system requirements to make short and snappy micro-courses for warning education. These micro-courses were produced regularly and updated annually. Relying on the network learning system of CCB University, all employees are required to take these courses and complete the annual tests. In this way, CCB strengthened its employees' compliance awareness.

## Green Development against Climate Challenges



### Preserving natural ecology and promoting green development with financial forces

Ecological conservation is of millennial significance to the development of the Chinese nation. Under the guidance of Xi Jinping Thought on Ecological Civilization, CCB vigorously pushes forward the financial supply-side structural reform. With green finance put in a more prominent position, the Bank explores new concepts, new models, and new methods to develop green finance. At the same time, it goes all out to support the implementation of many major national strategies, including the Belt and Road Initiative, the coordinated development of Beijing-Tianjin-Hebei Region, the development of the Yangtze Economic Belt, the integrated green development of the Yangtze River Delta, the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the ecological protection and high-quality development in the Yellow River Basin, and supporting Hainan in furthering all-round reform and opening-up. In the process, CCB seeks to propel inclusive finance and green finance towards integrated development, and enable FinTech to underpin the innovative growth of green finance at a greater depth, moves faster to recruit and train professionals as required by green finance business, and puts environmental and social risk management on a consolidated footing. What the Bank does gives a boost to the building of “a Beautiful China”, and helps the country usher in a new era of socialist ecological civilization.

#### Green credit

- As at the end of 2020, the Bank’s balance of green loans stood at RMB1.34 trillion, an increase of RMB166.9 billion from the previous year. In 2020, the green credit-supported projects saved 35,064,800 tons of standard coal, an increase of 3,095,200 tons from the previous year; cut 73,886,600 tons of carbon dioxide emissions, an increase of 1,553,500 tons from the previous year; and conserved 113,338,700 tons of water, an increase of 47,039,700 tons from the

<p>previous year. CCB tried its best to build and safeguard a “Beautiful China” with its concrete action.</p>
<p>Green fund</p>
<ul style="list-style-type: none"> <li>➤ CCB took an active part in the establishment of the National Green Development Fund as one of the founding shareholders.</li> </ul>
<p>Green bond</p>
<ul style="list-style-type: none"> <li>➤ With its Hong Kong Branch as the mainstay, CCB issued USD1.2 billion senior green bonds in a dual-tranche offering, which won the Best Green Bond Award in the Chinese Offshore Market from the Hong Kong magazine <i>The Asset</i>.</li> <li>➤ CCB underwrote the first green building panda bond in the Chinese interbank market.</li> <li>➤ CCB underwrote the issuance of China’s first carbon-neutral green bonds, and provided direct financing plans for carbon emissions cut and climate governance.</li> <li>➤ CCB underwrote the world’s first blue bond for commercial institutions, the first green bond dubbed as “lotus bond” in Macao, and the first beautiful town-themed green bond.</li> </ul>
<p>Green asset-backed securitization</p>
<ul style="list-style-type: none"> <li>➤ CCB issued the first green credit asset-backed securities worth RMB4.4 billion under the Bond Connect mechanism.</li> </ul>
<p>Green leasing</p>
<ul style="list-style-type: none"> <li>➤ CCB Financial Leasing, a subsidiary of the Bank, led the industry to announce that it would forge a “green leasing” brand. To this end, it endeavored to expand its business presence in such key areas as new energy vehicles, urban rail transit, passenger and freight rail transportation, clean energy, and water environment governance, developing green leasing as a top priority. The subsidiary supported the manufacturing industry in its green upgrading and transformation. Specifically, with financial leasing as the primary means, it helped the manufacturing sector to put into extensive application new technologies for energy conservation, emission reduction, and energy consumption cut, and to make its existing production capacities of coal, steel and other products eco-friendly.</li> </ul>
<p>Green trust</p>
<ul style="list-style-type: none"> <li>➤ While transforming its business, CCB Trust, a subsidiary of the Bank, also explored how to practice the ESG concepts in the trust industry. As a result, it adopted such measures as private equity investment, mergers and acquisitions (M&amp;As), and asset securitization to support the implementation of a number of green finance projects.</li> <li>➤ The subsidiary teamed up with industry leaders to map out the industry development plan, and took advantage of industry capital to support the growth of green industries. When enabling investors to benefit from the sustainable development, it also used financial tools to channel social capital in support of the high-quality development of green economy.</li> </ul>

- The subsidiary conducted green asset-backed securitization business worth RMB1.33 billion, helping revitalize green credit assets greatly. It supported the comprehensive environmental management in urban and rural areas through trust plans and industry funds.

### 1. Improving management mechanisms

In terms of target setting, CCB included raising the proportion of green credit in the annual credit policy. As to organizational promotion, the Bank incorporated green finance business goals into the integrated annual business plan and broke them down to every business line, branch, and subsidiary. With respect to resource allocation, it channeled more resources preferentially to meet the needs of green credit-related sectors for business development. In regard to supervision and inspection, CCB puts the completion rate and quality of green finance business indicators under daily monitoring. When it comes to performance evaluation, the Bank adds green credit indicators into the annual key performance indicator (KPI) appraisal system, where more new economic capital will be diverted to green loan projects and domestic branches will have their performance in promoting green finance evaluated every year.

### 2. Promoting environmental and social risk management

CCB has strictly exercised the veto power over the environmental protection-related projects since 2006. In the credit review and approval process, the Bank stringently inspected the applying enterprises' compliance with environmental laws and regulations. Those failing to meet the national standards shall be prohibited from access strictly. For over a decade, environmental and social risks have been incorporated into the entire credit management flow (before, during and after lending). In 2020, the Bank proposed to include environmental and climate risks into the comprehensive risk management framework.

With respect to environmental and social risks, the Bank studied the stress testing techniques and methods, and predicted the impact of the risks on related industries and customers. Specifically, it went deeper in systematic control, integrated the environmental monitoring information available externally and the information on its own asset portfolios, kept a close eye on the regions and industries causing serious pollution and committing severe environmental violations, and located the possible "black swan" events in the environmental protection process. At the same time, the Bank improved active management and control, put new information technologies for environmental protection into extensive application, and stepped up efforts to identify the environmentally sensitive regions and industries. Besides, it also adjusted the credit structure. To intensify intelligent management and control, the Bank made full use of big data tools. Through the risk early-warning platform, it tried to identify risks and hidden hazards in advance, push risk information to specific targets, and realize graded forewarning issuance and classified management. CCB always takes precautions and sounds alarm bells, to ensure that the bottom line for risk management is upheld firmly.

### 3. Developing green finance through innovative modes

CCB gave full play to its advantages in providing comprehensive and multi-functional financial services. Specifically, it leveraged a comprehensive set of financial instruments such as green bonds, green industry funds, green guarantees, green compensation funds, and green non-standard assets to open up more financing channels and hold down financing costs. To further ease the shortage of medium and long-term funding, it mobilized various types of resources available in society to support and cultivate green industries.

To make sure regions, with different resource endowments, can select appropriate pathways to green development, CCB has rolled out the Head Office-level pilot projects to operate green finance in a host of places, including Huzhou of Zhejiang, Huadu of Guangdong, Wanzhou of Chongqing, Qingpu of Shanghai, Jiashan of Zhejiang, and Wujiang of Suzhou. Given the social, economic, and ecological characteristics of these places in the current period, these pilot projects are tasked to explore green finance models that not only suit local needs but also can be applied to a wider range of fields flexibly, thus serving as a great extension to the CCB plan.

## Case

### Zhejiang Branch

Huzhou was designated as a pilot site of propelling green building and green finance towards coordinated development. Seizing this great opportunity, the branch explored how to support the development of green building with green finance. In addition to making in-depth research on the green building industry chain, it increased support for a host of relevant products such as green building supply chain financing, Mingonghui, and green building bill financing.

### Guangdong Branch

The branch participated in the formulation of green credit standards for the Greater Bay Area along with the Guangdong Financial Supervisory Authority and the Hong Kong Quality Assurance Agency; and rolled out innovative green finance products such as Pollution Rights Pledged Loan, Eco-town Supporting Loan, and Xiannong Loan.

### Jiangxi Branch

The branch accepted green energy subsidy-inflicted accounts receivable as a pledge to innovate green financing service methods. This move, therefore, helped solve the problem that the delayed disbursement of subsidies negatively impacted customers' daily operations.

### Guizhou Branch

The branch supported the sponge city of Gui'an New Area in piloting a large array of green finance projects aimed at ecological protection and environmental governance such as "Two Lakes and One River", waste power generation, and sewage treatment. It designed the green asset-backed securitization service plan for the project of a regional multi-energy complementary distributed energy center, in a bid to help revitalize the asset stock.

### Chongqing Branch

Relying on the advantages of PPP comprehensive financial services, the branch financed Chongqing's major development plans that "put ecology first and seek green development" such as Clear Waters and Green Banks and Two Rivers and Four Banks. It also launched a number of innovative agriculture-related inclusive loans such as Wushan Plum Loan, Mountain City Farmer Assistance Loan, and Gold Pig Loan, in an effort to fund green industries and ecological protection.

### CCB Financial Leasing

The subsidiary integrated itself into the Group's "Jianrongzhihe" smart matchmaking platform, to align with the parent bank's green leasing projects precisely. It built an ecological chain composed of new energy vehicle manufacturers, bus companies, taxi companies, and users. Through these

efforts, it continued to promote the innovative development of green leasing.



## Innovation Sharing Empowering Better Life



### 1. Deepening FinTech implementation

Since 2020, the Bank has adapted itself to the digital transformation, and started the all-round explorations of digital operation centering on “building an ecosystem, setting up scenarios, and expanding the base of users”. In terms of strategic implementation, it sought to coordinate different regions, business lines, departments, and levels as well as the parent company and subsidiaries as a whole. Relying on modern technologies, it tried to build the infrastructure of New Finance which would channel funds from the very source to the sectors of the real economy where they were most needed, in a bid to boost the high-quality development of the Chinese society.

#### Building a grand middle office

- Building a middle office for business. From the enterprise-level perspective, CCB focused on the top-level design and primary-level practices in parallel, streamlined and planned the sharing capacity of middle office for 30 businesses in line with the general business procedures, and provided high-quality and efficient services to over 100 million users. With agile response to the frontline needs, the middle office supported the fast innovation in businesses and enabled the development and transformation of the whole bank.
- Building a middle office for data. The Bank created an intelligent data hub and a global data supply network, to underscore a host of core functions such as data integration, sharing and reuse, embedded business, as well as instant empowerment.
- Building a middle office for technology. The middle office would develop the platform or module-based technologies as needed by R&D, delivery, and operation. Basic technical

capabilities such as AI, cloud computing, blockchain, and the Internet of Things could be supplied fast in the form of cloud services, thus empowering business development agilely.

### **Making explorations around “ecosystem, scenarios, and users”**

- Personal users: Centered on a host of business scenarios such as public services, mobility of car owners, payment of utility bills, consumption through merchants, and community services, CCB gained comprehensive insights and drew precise portraits so as to get these scenarios connected by digital means, deliver an integrated package of products, and render services through multiple channels.
- Enterprise users: Relying on various platforms such as the “Huidongni” inclusive credit service platform, the “Jianrongzhihe” smart matchmaking platform, and the supply chain service platform, CCB was committed to creating an open and shared ecosystem that furnished enterprises with services throughout their entire lifecycle.
- Government users: CCB promoted the formation of a grand government affairs ecosystem. The platforms in the ecosystem were enabled to better support digital operation, joined hands to shape the Chinese society into a harmonious ecology, and helped the country and society migrate to the digital ecology in the future. Focused on the goal of “optimizing governance, benefiting the people, and prospering enterprises”, the Bank invented the Yunnan model, Shanxi model, Chongqing model, and Shandong model under the initiative of smart government affairs available on one integrated online platform. In doing so, it aimed to modernize the government governance regime and capabilities with financial forces.

## **2. Enabling smart government affairs**

The Bank closely follows the trends of the times, explores the concepts and models of New Finance, and uses its own FinTech advantages to build a smart government affairs platform, which is aimed to open up more communication channels between the government and the public, thus extending its reach to social groups at all levels.

### **Measures**

- Empowerment for the enhancement of people’s livelihood: By streamlining business processes, improving service channels, and innovating service methods, CCB provided fair and inclusive government services in a convenient and efficient manner. In doing so, it did better in improving people’s livelihood with its financial forces.
- Empowerment for the improvement of governance standards: Focused on the challenges and difficulties facing government operation, CCB helped governmental agencies reshape their governance systems, business systems and data systems, get information islands connected, promote process reinvention, and cement business collaboration, in a joint effort to put in place the standardized, simplified, and convenient government affairs service flows.
- Empowerment for the application of data as assets: By building a unified data platform, CCB worked on reducing information barriers, breaking data silos, digging deeper into the value of data assets, reducing market transaction costs, and raising data governance standards, in a bid

to continuously enable national governance through data.

- Empowerment for the intensified supervision and inspection: CCB employed FinTech to intensify the supervision of governmental agencies in eight key areas including approval supervision, law enforcement, engineering construction, and resource development. In doing so, the Bank could help to bring the government under sunlight and improve its ability of open, transparent governance.

## Case

### **Government affairs can be handled at CCB outlets**

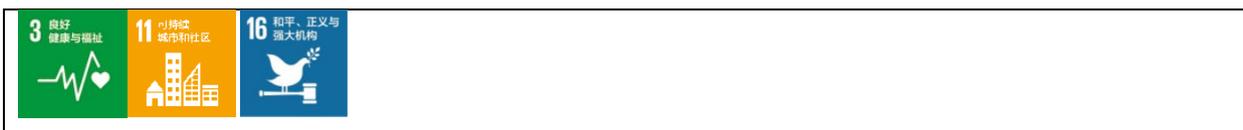
In 2020, all 806 outlets and 4,000 smart devices under the charge of Shandong Branch launched government affair functions, through which local citizens could receive public services from nearby outlets through both online and offline channels.

Jinan Quancheng Sub-branch became China's first smart government affairs and financial service demonstration hall. Based on this, the sub-branch built a "1+4" intelligent display platform, which made it one of China's first national financial education demonstration bases and the first of its kind in Shandong Province. Deeply integrated with the branch's intelligent business scenarios, the sub-branch therefore became not only a great showcase of the local banking sector's achievements in smart ecosystem management, product and service application, and scientific and technological achievements, but also an important window for the branch to carry out its marketing activities and a major platform for technological output. It averagely offered financial education and government affairs services to over 400 recipients on a daily basis. More than 10,000 persons in over 1,100 delegations had visited the sub-branch to survey the platform. They came from the provincial Party committee, provincial government, departments, bureaus, municipalities, and strategic partners.

### **A medical supplies assurance management system was urgently launched for the Hubei Provincial Government and the Wuhan Municipal Government during the pandemic response**

"CCBers have embodied what a socially responsible state-owned financial enterprise should look like with their actions. The Hubei people will always remember the support and contribution from CCBers at these critical moments!" The Governor of Hubei Province Wang Xiaodong said emotionally.

In the early days of the COVID-19 outbreak, CCB moved fast to undertake the development of a medical supplies assurance management system for Hubei Province, especially Wuhan City. It took the Bank only 48 hours to complete and put online the first version of the system. Supporting the closed-loop online management, the system ensured medical supplies could be rapidly gathered and precisely allocated across the province. It covered 393 units including the pandemic control commands at the levels of Hubei Province and Hunan Municipality, as well as health commissions, medical institutions, charitable organizations, emergency response agencies, and materials procurement, production, storage and transportation enterprises at the provincial and municipal levels and in other places, helping circulate 480 types of medical supplies in 228 million parcels. The system thus became the main "artery" on which the province relied to dispatch medical supplies during the pandemic response. It greatly facilitated Hubei's efforts to bring the virus under control, and laid a solid foundation for the resumption of work and production.



### 3. Carrying forward the building of CCB University

CCB is well aware that as a practitioner of New Finance, it must and should become an organization of learners. CCB University will play an increasingly important role as an advocate of lifelong learning. Since its establishment, CCB University has upheld the mission to serve the society, the Group's strategies and the employees, with its roots reaching down and deep and trunks growing up and strong. It is dedicated to serving New Finance and creating a new ecosystem, and has been recognized by different social communities.

#### Progress

- In serving the society, CCB University contributed new financial solutions. It established the "Jinzhihuimin" training system through which it continuously carried out training series themed on benefiting the government administration, innovation, agriculture, industry and education. With a focus on poverty alleviation, smart government administration and public education among others, the training system aimed to improve the financial literacy and empower the general public. It also built the Industry-Education Integration Alliance for New Financial Talents with 64 members and six overseas observers taking part, and took the lead to promote cooperation in industry and education integration, scientific research, talent training, innovation and entrepreneurship.
- Relying on primary and secondary schools in rural areas, Party-mass service centers, rural medical stations and "Yunongtong" service outlets, CCB University built more than 1,000 "Yunong Schools". It attracted and integrated multiple public education and training resources and ushered in a new style of online learning among farmers. The university organized more than 10,000 students to take summer internships in the countryside as part of the massive rural revitalization drive. In accordance with the requirements of pandemic prevention and control, 40% of students attended online practice programs and submitted more than 2,000 pieces of practice results in forms such as micro-classes and survey reports.
- In serving the implementation of the Group's strategies, CCB University strove to promote transformation, innovation and development. It actively explored New Finance practices and supported the leading role of Party building, the Three Strategies, rural revitalization drive and core business development, laying a solid foundation for CCB to initiate the Second Curve and carry forward its grand vision of New Finance.

#### CCB University turning two years old

- The university disseminated knowledge to the public and meanwhile learned from them. In the process of facilitating learning through practice, it gradually developed into a university for all with the vision to help satisfy the public's longing for knowledge and a better life.
- The university endeavored to shatter industry barriers. Through the "Jinzhihuimin" project, the University brought entrepreneurs, township chiefs, town chiefs and bank staff together and allowed participants from different backgrounds with different identities and visions to help, inspire and collaborate with each other to seek solutions to problems. As at the end of the

reporting period, 43,300 sessions of training have been organized with the attendance totaling 3.31 million, and over a thousand Yunong Schools have been built, building up the momentum of lifelong learning.

- Under the summer internship program, over 20,000 college students went to the countryside where they visited our Yunongtong service outlets, wandered through wheat terraces, and bonded with local villagers. This not only created an occasion where fellow villagers and young students met each other, but also was an attempt to explore possibilities of industry-education integration and rural-urban integration.

### **Broadening the dimensions of New Finance for a brighter future together**

Great changes unseen in a century provide a wider perspective. Advancing with the times, CCB University will encompass richer dimensions and assume greater responsibilities. Looking back and going forward, CCB University has been and will be:

- Not only a university for employees, but a much enjoyed one where they can realize their professional ambition;
- Not only a university for citizens, but a much applauded one that serves as a cultural corridor they can easily access;
- Not only a university for intellectuals, but a much celebrated one where knowledge and practice go hand in hand;
- Not only a university for farmers, but a much commended one through which they can broaden horizons and connect with the broader world.

### **Case**

#### **Lecture series on New Finance serving rural revitalization**

A series of lectures on New Finance serving rural revitalization kicked off at CCB University on 23 September 2020.

“To serve the rural revitalization drive, we must first understand China’s rural areas. Only by knowing well the differences between urban and rural China, the issues of agriculture, rural areas and farmers, and the connotation of the revitalization policy, can we figure out how to make full use of New Finance. This lecture series is very timely and necessary. I hope that it will help people understand the deep changes arising from the integration of urban and rural areas, locate challenges and opportunities, inspire thinking and shape solutions on how New Finance can promote rural revitalization. This requires that all business lines and institutions at various levels of the Bank think and act from an overall perspective.”

Tian Guoli, Chairman of China Construction Bank and President of CCB University

#### **Reflection and dialogue**

“How to find a way out in the dilemma where there are not only institutional constraints but also agricultural assets of particularity and exclusiveness is an urgent challenge facing the rural financial system. Mortgage isn’t a way out.”

Chen Xiwen, Member of the Standing Committee of the National People’s Congress and Chairman

of the Agriculture and Rural Areas Committee

“What are the most urgent challenges that the rural financial system needs to overcome or address? From which perspectives could state-owned commercial banks participate in and promote the improvement of the entire system?”

Yang Shaoping, Dean of the Inclusive and Retail Research Institute, CCB University



#### 4. Devotion to community welfare

CCB joins hands with persons from all walks of life who are interested in public welfare. Through vigorous interaction and cooperation with surrounding communities and a variety of organizations such as labor unions, authorities of environmental sanitation, transportation, traffic management and urban construction, China Banking Association, and Disabled Persons’ Federation, the Bank has continued to spread the “open, sharing and responsible” philosophy of the “Workers’ Harbour”, and advocate a culture of “for convenience, for sharing and for community” culture. Relying on the “Workers’ Harbour+” model, it has explored new collaboration contents and modes and enriched its services in a wider range of fields, such as optimizing public services, improving people’s livelihood, facilitating poverty alleviation, and serving customer groups engaged in mass entrepreneurship and innovation.

#### Case

##### “Workers’ Harbour”-based ecosystem

“Workers’ Harbour + Party Building”: Laifeng County Sub-branch of Hubei Branch, located in a place where revolutionary heroes had fought and lived, built the Comrade Zhang Fuqing’s Exemplary Deeds Demonstration Station at its business department, with a view to promulgate the hero’s lofty spirit of frugality, altruism, adherence to original aspirations and indifference to fame and fortune.

“Workers’ Harbour + Reading Promotion”: Nanguang Sub-branch of Xiamen Branch, adjacent to Xiamen University where learning atmosphere was strong, placed book shelves and e-readers with a collection of millions of books at its “Workers’ Harbour”, so that teachers and students could kill their waiting time reading some books.

“Workers’ Harbour + Poverty Alleviation”: Shaanxi Branch worked with a host of local unites including the human resources and social security bureau and the vocational skills training center to publish the information on job recruitments and free training courses at the “Workers’ Harbour” to help local citizens land jobs and hone their vocational skills.

“Workers’ Harbour + Judicial Consulting”: Guizhou Zunyi Branch pioneered the “Workers’ Harbour + Judicial Consulting” model through which it cooperated with local law firms to disseminate the knowledge about the *Civil Code* at the Workers’ Harbour area of some local outlets and to provide one-on-one legal consultation activities to the outdoor workers in need.

“Workers’ Harbour + Veterans’ Station”: Hebei Branch collaborated with the Department of Veterans Affairs of Hebei Province to fully tap into the labor demand of the high-quality corporate

customers, and built a matchmaking platform between enterprises and veterans which provided six series of services, named “help you get employed”, “help you start your own business”, “help you save money”, “help you get advice”, “help you receive training”, and “get connected and make interaction”.

“Workers’ Harbour + Accessibility Service”: The Business Department of Chang’an Sub-branch of Beijing Branch introduced a simultaneous sign language interpretation system to assist hearing-impaired customers in coping with complex business scenarios.

### Giving a new implication to the city spirit

At the noon of a blazing summer day, some special guests appeared in the lobby of the business department of Shanghai Pudong Branch. They were Ms. Chen and her colleagues in charge of environmental sanitation at Lujiazui. After a busy morning, they went there to drink water, have lunch, and recharge their cellphones as usual. In the lobby, they would have a break throughout their busy working day.

In the past two years, CCB’s “Workers’ Harbour” delivered tangible care to a countless number of ordinary workers, serving as a way that the Bank expressed respect for their hard work.

To make it easier for workers and the public to enjoy the “Workers’ Harbour” service, the “Workers’ Harbour” app was launched simultaneously with functions such as automatic push of nearby service outlets, fast access to services, and precise positioning and intelligent navigation of service facilities. Through successive upgrades, the app was being transformed into an online comprehensive service platform that would facilitate the public welfare and cover a variety of needs of the public.

In the early stage of pandemic prevention and control, the app was promptly equipped with new services and functions such as the “COVID-19 Real-time Assistance Platform”, “Pandemic Prevention Class”, and “Online Vegetables Basket”, providing convenience in a difficult time. With practical actions, CCB proved that it was a socially responsible enterprise.



## Performance: Our Achievements

### 1. Economic performance

Economic performance	2020	2019	2018
<b>Total assets (RMB trillion)</b>	28.13	25.44	23.22
<b>Net profit (RMB 100 million)</b>	2,735.79	2,692.22	2,556.26
<b>Return on average assets (%)</b>	1.02	1.11	1.13
<b>Return on average equity (%)</b>	12.12	13.18	14.04
<b>Number of banking outlets worldwide</b>	14,741	14,912	14,977
<b>Tax contribution (RMB 100 million)</b>	703.62	641.52	586.66
<b>Social contribution per share (RMB)</b>	3.41	3.08	2.88
<b>Balance of agriculture-related loans (RMB 100 million)</b>	20,888.00	18,124.89	17,646.50
<b>Balance of inclusive finance loans (RMB 100 million)</b>	14,523.55	9,631.55	6,100.74
<b>Number of inclusive finance loan customers (10,000)</b>	170.03	132.51	101.79
<b>Balance of personal housing loans (RMB 100 million)</b>	58,308.54	53,050.95	47,535.95
<b>Balance of real estate development loans for indemnificatory housing (RMB 100 million)</b>	1,421.96	1,521.00	1,313.22
<b>Balance of shantytown renovation loan (RMB 100 million)</b>	1,276.90	1,402.94	1,199.52
<b>Payment to suppliers (RMB 100 million)</b>	128.50	52.75	48.82
<b>Expenditure on public welfare donation (RMB 10,000)</b>	44,888	13,377	8,941
<b>Including: Targeted poverty alleviation donations (RMB 10,000)</b>	13,200	10,807	6,188

## 2. Environmental performance

Green credit	2020	2019	2018
<b>Balance of green loans (RMB 100million)</b>	13,427.07	11,758.02	10,422.60
<b>Standard coal equivalent emission reduction (10,000 tons)</b>	3,506.48	3,196.96	3,011.71
<b>Carbon dioxide equivalent emission reduction (10,000 tons)</b>	7,388.66	7,233.31	6,926.12
<b>COD emission reduction (10,000 tons)</b>	99.37	33.44	29.63
<b>Ammonia and nitrogen reduction (10,000 tons)</b>	4.80	3.54	3.87
<b>Sulfur dioxide emission reduction (10,000 tons)</b>	87.23	60.09	24.73
<b>Nitric oxides emission reduction (10,000 tons)</b>	90.22	30.65	3.96
<b>Water saving (10,000 tons)</b>	11,333.87	6,629.90	123.06

Note: In line with the *Notice on Work Related to Green Financing Statistics Rules* issued by the CBIRC in 2020, the Bank recorded a balance of green loans of RMB1,447.638 billion as at the end of 2020.

Greenhouse gas emission	2020	2019	2018
<b>Total greenhouse gas emissions (Scope 1 &amp; 2) (tons)</b>	351,076.88	272,029.03	261,547.00
<b>Total greenhouse gas emissions per employee (Scope 1 &amp; 2) (tons per person)</b>	3.79	7.41	7.38
<b>Direct emissions (Scope 1) (tons)</b>	18,615.57	17,936.84	17,518.07
<b>Natural gas (tons)</b>	8,874.61	7,803.19	7,258.00
<b>Liquefied petroleum gas (tons)</b>	85.27	34.49	214.05
<b>Coal (tons)</b>	7.92	1.59	1.58
<b>Gasoline (tons)</b>	7,770.85	6,179.63	7,092.32
<b>Diesel (tons)</b>	1,876.92	3,917.94	2,952.12
<b>Indirect emissions (Scope 2) (tons)</b>	332,461.31	254,092.19	244,028.93
<b>External power purchase (tons)</b>	332,461.31	254,092.19	244,028.93

Notes: 1. The environmental performance statistics standard was adjusted in 2020, covering the working premises of the Head Office, 10 city branches, and headquarters of 27 provincial and district-level branches. Data on institutions under 10 city branches (Beijing, Tianjin, Shanghai, Chongqing, Dalian, Ningbo, Suzhou, Shenzhen, Xiamen and Qingdao) was added in comparison with 2019 and 2018. Therefore, the data shows a significant increase and has no comparability with that of previous years.

2. Number of employees only includes those from the Head Office, 10 city branches and headquarters of 27 provincial and district-level branches. Due to the COVID-19 pandemic, the consumption of energy and resources required in daily operations decreased year-on-year, and the per capita consumption intensity of environmental performance data decreased significantly.

3. Based on the nature of the Group's business, greenhouse gas emissions are mainly derived from purchased electricity and fossil fuel combustion. The greenhouse gas refers to carbon dioxide, methane and nitrous oxide. Greenhouse gas emissions data are presented in terms of carbon dioxide equivalent, and calculated according to the *2015 China Regional Power Grid Baseline Emission Factor* published by the National Development and Reform Commission of China and the *2006 IPCC National Greenhouse Gases* published by the Intergovernmental Panel on Climate Change (IPCC).

Waste	2020	2019	2018
<b>Harmless waste (tons)</b>	689.65	409.31	371.47
<b>Discarded electronic devices (tons)</b>	445.03	244.64	173.67
<b>Scrapped vehicles (tons)</b>	229.83	155.38	188.43
<b>Waste batteries (tons)</b>	4.35	2.30	2.19
<b>Discarded office supplies (tons)</b>	10.44	6.99	7.18
<b>Annual total harmless waste consumption per employee (tons/person)</b>	0.007	0.011	0.010
<b>Hazardous waste (tons)</b>	36.06	19.46	20.58
<b>Discarded toner cartridges (tons)</b>	36.06	19.46	20.58
<b>Annual total amount of hazardous waste consumed per employee (tons/person)</b>	0.0004	0.001	0.001

Notes: 1.The types of non-hazardous waste generated in the operation of the Group mainly include discarded electronic devices, discarded office supplies and scrapped vehicles.

2. The discarded electronic devices include desktop computers, monitors, laptops, printers and servers.

3. Waste batteries include dry batteries and exclude storage batteries.

4. Discarded office supplies include waste pens, clippers and staples.

Energy and water consumption	2020	2019	2018
<b>Energy consumption (MWh)</b>	551,005.25	438,501.83	446,323.04
<b>Direct energy consumption (MWh)</b>	84,479.09	79,633.36	78,505.55
<b>Natural gas (MWh)</b>	45,385.38	39,906.61	37,118.44
<b>Liquefied petroleum gas (MWh)</b>	384.71	155.60	965.67
<b>Coal (MWh)</b>	23.25	4.65	4.65
<b>Diesel (MWh)</b>	7,148.00	14,477.82	11,703.93

<b>Gasoline (MWh)</b>	31,537.76	25,088.68	28,712.86
<b>Indirect energy consumption (MWh)</b>	466,526.16	358,868.47	367,817.49
<b>External power purchase (MWh)</b>	466,526.16	358,868.47	367,817.49
<b>Annual total energy consumption per employee (MWh/person)</b>	5.95	11.94	12.60
<b>Water consumption (tons)</b>	3,581,566.03	2,424,149.36	2,280,545.68
<b>Annual municipal tap water consumption per employee (tons/person)</b>	38.65	66.03	64.36

Notes: 1.The Group's main sources of energy consumption are from natural gas, liquefied petroleum gas, coal, diesel, gasoline and power purchase.

2. The energy consumption data are based on the consumption of electricity and fuel and the conversion factor provided by the General Rules for the Comprehensive Energy Consumption (GB/T 2589-2008).

3. Diesel consumption includes diesel consumption of motor vehicles and fixed source diesel consumption. Due to the COVID-19 pandemic, the number of public diesel vehicle trips decreased remarkably in 2020. The use of diesel generators as backup energy was significantly reduced because of the adoption of the flexible working system.

4. The Group's main water consumption includes municipal water supply, recycled water and drinking water.

<b>Paper consumption</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total paper consumption (tons)</b>	3,143.61	2,171.35	2,277.20
<b>Office use (tons)</b>	2,435.37	1,688.55	1,730.00
<b>Counter use (tons)</b>	708.24	482.80	547.20
<b>Annual paper consumption per employee (tons/person)</b>	0.034	0.06	0.06

Notes: 1.Office paper consumption includes A3 and A4 printing paper.

2. Paper consumption at counter services only includes the mostly used three types of paper.

<b>Low carbon operation</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Proportion of off-counter account transactions (%)</b>	99.51	99.40	99.23
<b>Financial transaction migration rate via electronic channels (%)</b>	96.57	94.77	92.66

### 3. Social responsibility performance

Employee distribution	2020	2019	2018
<b>Total number of employees (persons)</b>	349,671	347,156	345,971
By gender			
<b>Male employees (persons)</b>	160,030	158,306	157,664
<b>Female employees (persons)</b>	189,641	188,850	188,307
By age			
<b>Below 30 (persons)</b>	73,949	74,583	77,033
<b>31-40 (persons)</b>	100,037	93,704	88,190
<b>41-50 (persons)</b>	105,665	117,718	129,481
<b>51-59 (persons)</b>	69,859	60,952	51,076
<b>Above 60 (persons)</b>	161	199	191
By region			
<b>Yangtze River Delta (persons)</b>	52,083	51,654	51,641
<b>Pearl River Delta (persons)</b>	44,833	44,300	43,618
<b>Bohai Rim (persons)</b>	57,346	57,268	57,478
<b>Central China (persons)</b>	78,228	77,720	77,865
<b>Western China (persons)</b>	67,348	66,570	65,625
<b>Northeastern China (persons)</b>	34,650	34,961	35,116
<b>Head Office (persons)</b>	13,842	13,626	13,643
<b>Overseas (persons)</b>	1,341	1,057	985
By employment type			
<b>Additional labor contractors (persons)</b>	3,556	3,774	3,937
By other type			
<b>Ethnic minority employees (persons)</b>	20,382	19,689	19,138

<b>New employees (persons)</b>	16,397	15,290	12,234
<b>Foreign employees (persons)</b>	1,034	811	763

<b>Employee turnover rate</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Overall turnover rate (%)</b>	1.6	1.9	3.0
By gender			
<b>Male (%)</b>	1.5	-	-
<b>Female (%)</b>	1.7	-	-
By age			
<b>Below 25 (%)</b>	5.5	5.1	5.9
<b>26-35 (%)</b>	2.9	3.8	6.1
<b>36-45 (%)</b>	0.8	1.2	2.0
<b>46-54 (%)</b>	0.3	0.4	0.6
<b>Above 55 (%)</b>	0.2	0.2	0.2
By region			
<b>Yangtze River Delta (%)</b>	2.8	3.1	3.7
<b>Pearl River Delta (%)</b>	1.5	2.1	2.3
<b>Bohai Rim (%)</b>	1.3	1.6	1.6
<b>Central China (%)</b>	1.2	1.5	1.8
<b>Western China (%)</b>	1.5	1.6	1.9
<b>Northeastern China (%)</b>	1.0	1.1	1.2
<b>Head Office (%)</b>	2.6	5.3	7.5
<b>Overseas (%)</b>	9.0	9.7	9.1

Notes: 1.CCB Head Office includes the Headquarters, Credit Card Center, Customer Service Center, Operation Centers under Direct Management of CCB and Training Centers.

2. The overall turnover rate and turnover rate by gender and by age do not include overseas employees.

<b>Employee work injury</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Death toll on business (persons)</b>	8	11	4
<b>Business death ratio (%)</b>	0.002	0.003	0.001
<b>Working days affected as a result of work injuries (days)</b>	21,093	19,753	15,889

<b>Training sessions for employees</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Online training</b>			
By employment type			
<b>Tier-one branches and departments of the Head Office (number of persons)</b>	946	648	253
<b>Tier-two branches, departments of tier-one branches, and divisions of the Head Office (number of persons)</b>	13,534	11,919	8,023
<b>Business managers and lower levels (number of persons)</b>	330,607	309,724	299,408
<b>On-site training</b>			
<b>Employees attending training (number of trainees)</b>	24,932	1,210,863	1,305,351

Note: Due to the COVID-19 pandemic, staff training sessions were mainly delivered online in 2020, resulting in a sharp drop of the number of on-site trainees.

<b>Supply chain management</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Number of suppliers in the Yangtze River Delta</b>	6,584	2,060	518
<b>Number of suppliers in the Pearl River Delta</b>	4,874	2,608	294
<b>Number of suppliers in the Bohai Rim</b>	4,366	1,593	1,867
<b>Number of suppliers in Central China</b>	3,544	1,068	87
<b>Number of suppliers in Western China</b>	5,088	1,883	52
<b>Number of suppliers in Northeastern China</b>	2,533	719	34
<b>Local supplier procurement expenditure as a percentage of the total (%)</b>	99.63	99.92	99.92

<b>Contract fulfillment rate (%)</b>	100	100	100
<b>External expert participation rate (%)</b>	6.68	7.55	4.23
<b>Number of social responsibility training sessions for suppliers (including interviews and business exchanges)</b>	32	28	30

Note: Due to the launch of Longjicai system, suppliers across the Bank were integrated in 2020.

<b>Customer satisfaction</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Overall personal customer satisfaction (%)</b>	81.0	81.1	81.0
<b>Overall corporate customer satisfaction (%)</b>	94.7	94.3	93.8

<b>Service channel development</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Number of online banking users (10,000)</b>	38,167	35,002	31,256
<b>Number of personal mobile banking users (10,000)</b>	38,794	35,076	30,954
<b>Number of users that connect bank accounts with WeChat (10,000)</b>	9,441	7,694	6,443
<b>Number of phone banking users (10,000)</b>	41,964	38,147	33,649
<b>Number of self-service bank branches</b>	25,529	27,126	28,238
<b>Number of ATMs</b>	79,144	86,767	92,225
<b>Number of smart banks</b>	63	61	10
<b>Number of branches with the wheelchair ramp</b>	10,904	10,684	10,056
<b>Number of branches with "Courtesy Window"</b>	14,145	14,292	13,923
<b>Number of branches with "Workers' Harbour"</b>	14,163	14,310	14,307

## Social Recognition

Evaluating/Awarding Organization	Evaluation Results/Title of Recognition
<b>MSCI</b>	ESG rating was upgraded to A in 2020
<b>FTSE Russell</b>	H-shares as a constituent of FTSE4Good Index Series
<b>Ministry of Civil Affairs, P.R.C.</b>	11th China Charity Award under the category of Charitable Enterprises
<b>Chinese Financial Workers' Union</b>	CCB Ankang Anti-poverty Team won the title of the National Financial Pioneer of the Year 2020.
<b>PBOC Banking Technology Development Award</b>	<p>The "Comprehensive Smart Government Affairs Service Platform" project won the first prize.</p> <p>The "Theories and Practices on the FinTech-enabled Industry-education Integration" project won the second prize.</p> <p>The "Digitalized Marketing Platform of Retail Business", the "Investment Banking Assets Management System Enabling Commercial Banks for Group-wide Operation throughout the Entire Industry Chain", the "Intelligent Platform for Comprehensive Risk Management and Control", and the "Digitalized Management Platform of Smart Outlet" – all of the four projects won the third prize.</p>
<b>China Banking Association</b>	<p>Award of Achievements in Helping Fight against the "Three Critical Battles"</p> <p>Best Contribution to Targeted Poverty Alleviation</p> <p>Best Case for Social Responsibility Practice: "United as One in the Fight against Pandemic Spread"</p> <p>Best Outlet with Special Contribution to Social Responsibility</p> <p>Best Social Responsibility Manager</p>
<b>The 15th People's Corporate Social Responsibility Award by people.cn</b>	Enterprise of the Year
<b>2020 China CSR Cloud Summit by xinhuanet.com</b>	Outstanding Chinese Enterprise in Social Responsibility for 2020
<b>The 16th China Corporate Social Responsibility Forum by <i>China Newsweek</i></b>	Responsible Enterprise of the Year 2020

<b>Sina Finance.com</b>	Best Bank for Responsible Investment
<b>The 12th Annual Conference on Social Responsibility of Chinese Enterprises by <i>Southern Weekly</i></b>	Outstanding Responsible Enterprise of the Year Outstanding Responsible Enterprise of the Year in the Banking Industry Model Enterprise of the Year 2020 Excellent Social Responsibility Report of the Year 2020
<b>2020 Global Enterprise Sustainable Competitiveness Summit Forum</b>	Sustainable Competitiveness: Enterprise Engaging in Green Finance Governance and Innovation Sustainable Competitiveness: Excellent Enterprise in ESG Information Disclosure Enterprise with A Sustainably Influential Brand in 2020: CCB University
<b>The 17th Selection of Chinese Corporate Citizens by the <i>21st Century Business Herald</i></b>	Responsibly Managed Enterprise of the Year
<i>The Asset</i>	Best Green Bond of the Year 2020 by the Chinese issuer in the Chinese Offshore Market
<b>IFENG.COM Action League Public Welfare Ceremony</b>	Top 10 Public-spirited Enterprises

## ESG Disclosure<sup>1</sup>

### i. Governance

#### 1. Governance structure

The Board of Directors of the Bank is responsible for working out the Group's ESG related strategy, and supervising and evaluating the implementation of the strategy. The Related Party, Social Responsibility and Consumer Protection Committee is set up under the Board of Directors, and major departments of the ESG management team regularly report to the Committee on analysis and progress on important issues. In 2020, the Committee held six meetings, which deliberated core topics and proposals on ESG including supervision and management of related party transactions, protection of consumers' rights and interests, inclusive finance, rural revitalization, house rental, green finance, disclosure of non-financial information, public benefit donation and donation in support of the fight against the Covid-19 pandemic. It also provided guidance opinions and supervised the implementation of important matters. The senior management is responsible for developing ESG work plans and objectives, and relevant committees hold a meeting periodically to discuss the Bank's ESG work, and report the progress to the Board of Directors and its specialized committees. In 2020, ESG risk was included in the Bank's comprehensive risk management framework. The ESG risk-related departments regularly held meetings and reported important matters and work progress according to the requirements specified by all special committees under the Board of Directors. The board of supervisors is responsible for supervising the performance of the board of directors and senior management in ESG management, regularly listening to the development of ESG-related work, and putting forward guidance and work requirements.

The Bank strengthened the organizational guarantee for the green finance work. It took further steps to make sure the Board of Directors and the senior management could lead and coordinate green finance as a whole, by putting in place a meticulously designed governance framework that could be broken down vertically as follows: the Board of Directors, the Green Finance Committee, Head Office departments, specialized divisions and offices, and branches. The Board of Directors shall study and draft the Bank's green credit strategies, and supervise and evaluate the implementation of such strategies. The senior management shall formulate the bank-wide strategies and medium to long-term goals for green finance development. The Green Finance Committee shall meet on a regular basis to discuss the matters concerning the development of green finance across the Bank, and deliver reports on green finance to the Board of Directors and its special committees. In 2020, the Green Finance Committee convened two meetings where attendees fully discussed the key tasks related to green finance and ESG management, and the key measures to gain new advantages in green finance.

The Bank fully implemented the *Guidelines on Strengthening the Development of Consumer Rights and Interests Protection System and Mechanism in Banking and Insurance Institutions* issued by the CBIRC, and strengthened the overall planning, supervision and guidance of the Board of Directors and the Board of Supervisors with respect to the protection of consumers' rights and interests. The Board of Directors assumes the ultimate responsibility, the Board of Supervisors

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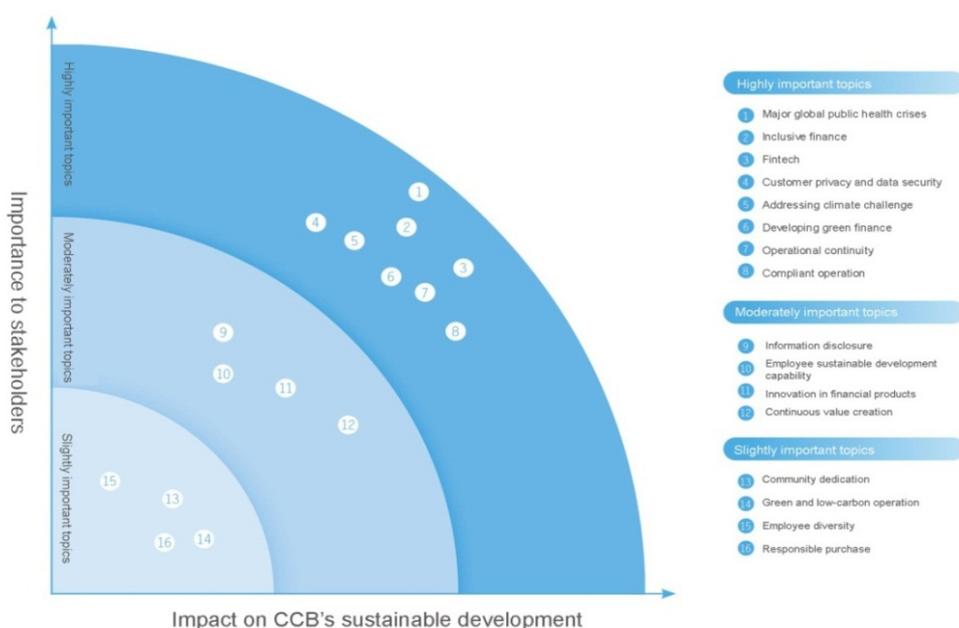
<sup>1</sup>This part is prepared in accordance with the following requirements of the *Environmental, Social and Governance Reporting Guide* issued by The Stock Exchange of Hong Kong Limited on 18 December 2019. Of it, A4 "Climate change" should be read with reference to "Green Finance against Climate Change" and B3 "Development and training" be read with reference to "Carrying forward the building of CCB University".

assumes supervision responsibility. The Bank also established the Consumer Protection Committee of the Senior Management, developed the working rules of the Committee, and specified the deliberation content, rules and procedures of the Committee. In 2020, the Related Party, Social Responsibility and Consumer Protection Committee under the Board of Directors specifically studied the report on the work done in 2019 and the work plan for 2020 concerning consumer protection as well as the report on the work done in the first half of 2020 and the work plan for the second half of 2020, and submitted the two reports to the Board of Directors for reading.

The Bank organized the highly pertinent ESG training sessions from multiple perspectives, which helped all employees enhance their understanding and comprehension of ESG. The training courses on ESG strategy and management and on disclosure of non-financial information were delivered across the Bank. These training sessions covered nearly 30 Head Office departments, 37 tier-one branches, and all domestic subsidiaries. Proceeding from their actual conditions, relevant departments conducted ESG transfer training programs and thematic research programs, took a step further to incorporate ESG into such steps as management, business and disclosure. For example, CCB Principal Asset Management organized ESG-themed training sessions.

## 2. Materiality analysis

In 2020, the Bank included major global public health crises for the first time. In the meantime, it maintained interaction with important stakeholders in global core ESG issue areas. The Bank paid great attention to the latest developments of the Task Force on Climate-related Financial Disclosures (TCFD), and continuously followed up on the prospective study of regulators such as the PBOC and the CBIRC on climate change. It took into full consideration investors' and ESG rating agencies' concerns about core ESG topics, fully listened to the appeals of various stakeholders including customers, employees, professional consulting institutions, academic institutions, social organizations and media, and continued to improve CCB's quality of information disclosure about substantive topics.



**For more information on corporate governance, please refer to the *Annual Report 2020 of China Construction Bank Corporation*.**

## ii. Environmental

### Serial A1: Emissions

On 7 August 2016, the Beijing Municipal People's Government issued the *Plan of Beijing for Energy Conservation and Consumption Reduction and Responses to Climate Change in the 13th Five-Year Plan Period*. The Bank established the leading group of energy conservation and emission reduction work at the Head Office and formulated the Low Carbon Manual of China Construction Bank Corporation. With forceful and effective measures taken during the 13th Five-Year Plan period, the Head Office smoothly completed the planning goals of energy conservation and consumption reduction in terms of total annual energy consumption and intensity. Over the past five consecutive years, its average annual electricity consumption dropped by over 2 million kilowatt-hours, which not only reduced energy consumption but also improved the office environment. In 2018 and 2019, the Bank was evaluated as "Excellence" in the energy-saving target responsibility assessment of major energy consumption units in the place where the headquarter was registered.

The Bank updated its facilities to reduce energy consumption. It successively implemented projects such as the air-conditioning system upgrading for buildings, the infrastructure upgrading for data rooms, the lighting system energy-saving upgrading, and energy-saving upgrading for controlled mechanical ventilation system. The Bank has achieved more accurate self-control of building air-conditioning units, reducing energy consumption and improving the office environment. It applies scientific working means to reduce energy consumption, and adopts paperless office, precise control of room temperature, scientific utilization of computer and water, and timely power cut.

The Bank put into effect the scrapping process as stipulated in the *Interim Measures for Computer Equipment Management of China Construction Bank* and *Interim Measures for Financial Management of China Construction Bank*. Equipment that need be scrapped was handed over to companies qualified for electronic waste disposal and filed with governmental environmental authorities on website, so as to ensure harmless disposal of the electronic waste and minimize impact on the environment.

### Serial A2 and A3: Use of resources and environment and natural resources

The Data Center adopts energy-efficient measures and renewable energy to ensure its safe and stable operation and energy conservation. In the winter and transition seasons, natural cooling technology is used to reduce energy consumption of the refrigeration system; waste heat in the computer room is recycled with water-source heat pumps and supplies to offices for heating; supply and return water temperature of chilled water is increased to effectively lower energy consumption of water chillers and reduce carbon emissions.

#### Low Carbon Awareness Week

Practicing the development concept that "lucid waters and lush mountains are invaluable assets", the Bank held the one-week campaign "Low Carbon Awareness Week" at the Head Office building. During the noontime, it collected signatures for declaration on low carbon commitment, organized small interactive games, and distributed the *Low Carbon Manual of China Construction Bank Corporation*, to jointly create a good atmosphere in which everyone cares and participates in environmental protection and continue to enhance employees' awareness of resource crisis,

energy conservation awareness and low carbon awareness.

### Advancing the “clear your plate campaign”

The Bank implemented in depth the guiding principles of General Secretary Xi Jinping’s important instructions on resolutely stopping food waste, put in place relevant requirements specified in the *Notice on Saving Food and Stopping Food Waste* issued by the Head Office Party Committee, gave full play to the exemplary and leading role of Head Office departments in strictly practicing thrift and reducing waste, and continued to carry out the “Practice Thrift and Reduce Waste” clear plate campaign.

### Serial A4: Climate change

#### ■ Risks and opportunities

CCB identified the climate change risks facing itself. Physical risks consist of acute risks (those caused by extreme weather events, such as droughts and hurricanes) and chronic risks (referring to long-term shifts in climate patterns such as sustained higher temperatures that may cause sea level rise or chronic heat waves). Transition risks refer to extensive policy, legal, technology, and market changes required by transition to a lower-carbon economy to meet mitigation and adaptation requirements related to climate change.

Type	Climate-related risks	
Transition risks	Policy and legal risks	Technology risk
	<ul style="list-style-type: none"> <li>➤ Increased pricing of GHG emissions</li> <li>➤ Enhanced emissions-reporting obligations</li> <li>➤ Mandates on and regulation of existing products and services</li> <li>➤ Exposure to litigation</li> </ul>	<ul style="list-style-type: none"> <li>➤ Substitution of existing products and services with lower emissions options</li> <li>➤ Unsuccessful investment in new technologies</li> <li>➤ Costs to transition to lower emissions technology</li> </ul>
	Market risk	Reputation risk
	<ul style="list-style-type: none"> <li>➤ Changing customer behavior</li> <li>➤ Uncertainty in market signals</li> <li>➤ Increased cost of raw materials</li> </ul>	<ul style="list-style-type: none"> <li>➤ Shifts in consumer preferences</li> <li>➤ Industry stigmatization</li> <li>➤ Increased stakeholder concern or negative stakeholder feedback</li> </ul>
Physical risks	Acute risks	Chronic risks
	<ul style="list-style-type: none"> <li>➤ Increased severity of extreme weather events such as cyclones and floods</li> </ul>	<ul style="list-style-type: none"> <li>➤ Changes in precipitation patterns and extreme variability in weather patterns</li> <li>➤ Rising mean temperatures</li> <li>➤ Rising sea levels</li> </ul>

■ Stress testing

Scenario	Industry	Analysis
Transition risks: policy risk and market risk	Thermal power generation	Coal is the main source of energy in China. With a stable supply, coal power has long played a dominant role in the energy mix of the country. However, coal burning is responsible for high-level carbon emissions. Due to the introduction of carbon emission limits, some coal-fired power plants may find it difficult to make a profit.  The Chinese photovoltaic industry advances rapidly, with the cost of power generation reduced significantly. Some front-runners of the demonstration projects have achieved grid parity. In some provinces and regions, the cost of photovoltaic power generation has become lower than that of thermal power. The soaring photovoltaic industry will squeeze the market share of the thermal power industry.

To accumulate more experience and explore feasible approaches, CCB decided to conduct stress tests on the customers from the thermal power industry which is greatly affected by climate risks and has a set of relatively sophisticated research indicators. In doing so, the Bank aimed to assess the impact of climate transition risks on the financial costs, credit ratings and risk-weighted assets of thermal power customers. The testing results show that the financial status of the customers in the thermal power industry is hardest affected by carbon trading factors and that their credit ratings and risk-weighted assets are less affected by climate risks. These risks are controllable overall.

In addition, CCB also selected the customers from the chemical industry which faces high environmental risks and account for a large proportion of its business volume to undergo special stress tests. Since the Bank has always exercised strict access criteria over the enterprises from the high-polluting industries, the existing customers are all high-quality companies in the industry. A small proportion of them have seen their credit ratings being downgraded, and for those with downward ratings, downgrades are minor. According to the testing results, the effects exerted by environmental factors on the credit risks of the customers are controllable overall.

■ Research summary

China has pledged to hit peak emissions by 2030 and achieve carbon neutrality by 2060. To facilitate the realization of such a target, CCB will improve the green finance system with higher requirements and stricter standards, and take the initiative to adjust the credit structure. Pursuing an innovation-driven approach, it will do more to forestall and manage environmental and social risks. As per the requirements for green development, it will press ahead with an all-around green transition from such dimensions as industries, regions, customers, and products.

With respect to credit policy, CCB will accelerate the green upgrading of the industry structure, move faster to phase out the companies unable to engage in green production in the industry, and further help those with advanced production capacity to enhance their competitiveness. It will control the total amount of credit extended to the steelmaking, coal and other similar industries,

and add such indicators as energy consumption to the customer selection criteria. According to the requirements for green and low-carbon operation, the Bank will optimize the mix of industries to which credit goes, support energy-saving and environmental protection industries as well as enterprises that develop and use cutting-edge low-carbon technologies, and increase the proportion of credit channeled to renewable energy sectors such as wind power and solar power. On the premise of safety and reliability, it will facilitate the development of nuclear power in a robust yet orderly way, and control the scale of credit going to fossil energy sectors such as thermal power, in hopes of supporting the strategic transformation of the energy mix.

### **Supporting Ansteel's Energy Saving and Emission Reduction Projects**

Ansteel Energy-saving Technology Services Co., Ltd. (hereinafter referred to as "Ansteel Energy-saving") is a member unit of the ESCO Committee of China Energy Conservation Association. As one of the only two energy conservation service companies in the Chinese metallurgical industry, it is highly competitive in the field of industrial energy conservation. It constitutes an integral part of Ansteel's strategy to march into non-steel industries and realize diversified operation.

In early September 2017, CCB successfully extended a 6-year "energy-saving loan" worth RMB36 million to Ansteel Energy-saving. This was the first "energy-saving loan" the Bank issued to a central enterprise customer. The conclusion of this business helped the Bank build a green credit financial service brand. The energy-saving loan was used to finance an energy management project of Ansteel Co., Ltd. named "the Wet-to-dry Type TRT Conversion of Blast Furnace 1# at Ansteel Co., Ltd.". After the conversion, the facility could save electricity of 7,228 MWh and water of 940 kilotons every year, with the annual energy-saving benefits amounting to RMB11,648,000.

Since the beginning of 2019, CCB has continued to consolidate its market share in green credit, and made great strides in the field of energy conservation and environmental protection. In 2019, the Bank issued a loan of RMB70 million to Ansteel Energy-saving for its energy management financing project. The energy-saving loan was used to fund an energy-saving transformation project carried out by Ansteel Central Iron-making Plant to the vertical cooling kiln of Sintering Machine 1# at its new sintering plant. After the transformation, the facility could save electricity of 13,804.5 MWh every year, with the annual net energy saved reaching 24,006.5 tce and the annual energy-saving benefits amounting to RMB41,739,000.

## **iii. Social**

### **Serial B1 and B4: Employment and labor standards**

The Bank's operation and management are compliant with the laws and regulations of the PRC and countries of registered offices. The Bank is committed to protecting employees' employment rights, and other legitimate rights and interests, making it clear that overseas branches must respect the customs and habits of local residents and should not violate their rights. When recruiting new employees to meet the needs of business development, the Bank is committed to recruiting employees following laws and regulations, upholding transparency and equality, and prohibiting discrimination. Child labor and forced labor are strictly avoided and prohibited. Democratic management is also applied to the Employee Representatives' Conference, where employees submit proposals through their employee representatives to participate in management and business development. It has also established an open letter box or a petition department to

accept complaints about employee right protection.

In 2020, the Bank convened the Joint Meeting of the Employee Representatives' Conference to consider such issues as the *Enterprise Annuity Plan of China Construction Bank*, to make sure that all matters of concern to staff shall be decided by the Employee Representatives' Conference democratically. Besides, it did better in institutional strengthening, and put forth a host of innovative policies such as the key proposal policy, the policy for speaking at the conference, and the policy of sending employee representatives to the primary-level units.

### Carrying out "Three Campaigns" and the "Beauty Plan"

In 2020, centering on deepening the "Three Major Strategies", starting the "Second Curve" and throwing itself into "New Finance", the Bank developed and carried out three campaigns, namely, management creativity campaign, business innovation campaign and excellent service campaign. To motivate female employees to make achievements, protect their legitimate rights and interests, enrich their cultural life and care about their physical and psychological health, the Bank promoted "Five Dedicated Campaigns" (Find CCB Golden Roses, CCB Women's Tour, creatively developing "Good Family Credit Loan", selection of the Most Beautiful Family of CCB, and Psychological Robot's Intelligent Service). Women's labor committees at all levels took actions in holding independent innovation activities in combination of the Second "New Era · New Journey · New Women" activity, and shared their experiences with peers at the "Women's Day Lecture Hall" organized by the Chinese Financial Workers' Union.

### Serial B2: Health and safety

The Bank attaches great importance to the protection of employees' rights and interests and highlights the safety of employees' working environment and occupational safety. After the outbreak of the COVID-19 pandemic, the Bank resolutely implemented the CPC Central Committee's decisions and plans and requirements on pandemic prevention and control, always maintained heightened alertness, strictly put in place all measures, intensified pandemic prevention and control at outlets and offices, and prevented the risk of the pandemic effectively and efficiently. The Bank held the meetings of the Head Office's Production Safety Committee, formulated and issued the *Management Measures for Production Safety of China Construction Bank (Version 2020)*, and launched and implemented the *Three-year Action Plan of China Construction Bank to Address Problems in Production Safety*, to screen and control major safety risks, and resolutely prevent accidents. To adapt to new changes in national standards and regulators' new requirements, the Bank revised and refined regulations for construction and use of safety protection facilities, and raised the safety protection level of key parts such as places of business. Adhering to the philosophy that puts employees and prevention first, the Bank strengthened safety management and established and enforced the classified response mechanism of safety and security emergencies. The Bank carried out the "Month for Safety Promotion" campaign across the Bank. The WeChat official account "Safe CCB" published 72 issues of publicity periodicals, including disaster prevention and alleviation, common sense of safety, typical cases, etc. As a result, employees' safety and protection awareness and emergency risk avoiding capability further improved.

### Serial B5: Supply chain management

The Bank upheld the green purchase idea. Through its procurement platform Longjicai, the Bank

realized paperless process of electronic bidding, reducing paper documents and supporting green environmental protection. The Bank conscientiously implemented the low toxicity, less pollution, energy conservation and emission reduction strategy. In purchasing office furniture and other supplies across the Bank, it included such indicators as environmental protection and energy conservation in the evaluation system, supporting green industries with actions.

The Bank strengthened development driven by science and technology. The social, digital procurement platform Longjicai integrates enterprise procurement, electronic bidding and e-commerce procurement, and introduces advanced technologies such as AI, big data and cloud computing to effectively control procurement risk. It uses the knowledge graph analysis technique to precisely describe the association of suppliers, and effectively identifies suppliers' bid rigging with the help of automatic comparison technique. By effectively combining purchase regulations and procedures and technological means, it forms a fair and impartial procurement platform and empowers the society.

During the pandemic, the Bank promoted online procurement and adopted remote negotiation (bidding) and review. In particular, when signing a procurement contract with a small or medium-sized enterprise, the Bank strictly implemented the requirements on payment term, payment conditions, proportion of security deposit, overdue interest, etc. as specified in the *Payment Regulations for Small and Medium-sized Enterprises*, to truly protect SMEs' legitimate rights and interests.

### **Serial B6: Product responsibility**

CCB carries out national policies on protection of intellectual property (IP) rights and pays attention to IP creation, application, protection and management. According to CCB's rules and regulations on IP management, the Bank applies for IP rights, including patents, trademarks, etc. in time to protect the legitimate rights and interests derived from various innovations of the Bank. It is also committed to fully respecting the IP rights of others and preventing risks of IP infringement. No major IP infringement incident occurred during the year.

The Bank has formulated and issued the *Measures for Data Risk Management of China Construction Bank (Version 2020)*, *Management Rules on Security of Production Data Application of China Construction Bank (Version 2020)*, *Management Measures on Personal Customers' Information of China Construction Bank (Version 2019)*, etc. to fully safeguard personal information security of customers.

## **Protection of Consumers' Rights and Interests**

### **1. Strengthening top-level design**

The Bank fully implemented the requirements of the *Measures of the People's Bank of China for the Protection of Financial Consumer Rights* and the *Guidelines on Strengthening the Development of Consumer Rights and Interests Protection System and Mechanism in Banking and Insurance Institutions* issued by the CBIRC. It formulated the work plan for protection of consumers' rights and interests. In line with the principles of unified planning and step-by-step implementation, the Bank improved the level of refined and intelligent management of the protection work of consumers' rights and interests across the board, by strengthening basic management, enhancing compliant management, standardizing consumer protection review, planning publicity and education as a whole, etc. The Bank carried out the digital construction

project for the protection work of consumers' rights and interests, further advanced systematic, standard management of consumer protection work, continued to improve the technological support for consumer protection work, and made contributions to practices of New Finance.

## **2. Improving rules and polices**

The Bank formulated the *Management Measures for Consumer Protection Work of China Construction Bank*, and helped realize scientific and standard management of the Group's consumer protection work. The Bank developed the *Management Measures for Consumer Protection Review of China Construction Bank*, and established the consumer protection review system, which has further defined the subject, scope, process, etc. of consumer protection review, to ensure the products and services provided to consumers are subject to consumer protection review before appearing on the market, and identify and warn about risks to protect consumers' eight rights and interests. The Bank strove to do well in prevention, so as to better protect consumers' legitimate rights and interests from the source.

## **3. Implementing management in key fields**

The Bank strictly implemented the regulators' requirements of recording and filming sale of wealth management products. At the end of November 2017, the Bank already realized integrated management of "recording and filming" systems in 37 branches across the country and embedded "recording and filming" in business transaction processes, to safeguard consumers' financial transaction security.

The Bank strengthened consumer protection review compliance management. First, the Bank included consumer protection review into the internal control evaluation system, attached equal importance to online and offline channels, and started risk control procedures earlier than before. Second, the Bank stressed review of the Bank's performance of responsibilities, and enhanced suitability management in the selling process, to provide suitable products and services to suitable customers. The Bank strengthened employee behavior management, requiring employees not to exaggerate return, give false advertising or bundle any product in sales but to fully disclose product and service risks and strictly fulfill sellers' duties. Third, the Bank strengthened consumer protection supervision and evaluation of intermediaries and third party institutions, included consumer protection requirements into the access and delisting criteria of intermediaries and third party institutions, and specified such requirements in the cooperation agreements, to prevent transmission of external risks to the Bank.

## **4. Deepening special training**

The Bank strengthened deep integration of consumer protection concepts and business, organized training of consumer protection specialists, and enhanced the initiative of business departments to support and participate in consumer protection work. It reasonably designed products and services from the perspective of consumer protection, and embedded consumer protection concepts and requirements in the whole business management process from ex ante management to in-process management to ex post management. The Bank further intensified training of the entire staff on consumer protection work. On the basis of continuing to conducting bank-wide training on consumer protection, it urged branches to include consumer protection into new employees' induction training, business training, etc., in a bid to realize the training objectives of "covering all employees" step by step, and ensure effective transmission of policies and requirements.

## 5. Continuing to popularize financial knowledge

The Bank continued to research new measures for publicity and education of financial knowledge, issued the *Implementation Suggestions on Further Doing Well in Publicity and Education of Consumer Protection*, and built a publicity and education ecosystem of financial knowledge in which the whole Bank participates, takes actions and works together. In the meantime, the Bank innovated in the form, content and channel of publicity and education activities, and helped the broad masses of financial consumers understand their rights and enhance self-protection ability.

By organizing themed publicity and education activities such as “March 15 Financial Consumer Rights Day”, “Financial Knowledge Popularization for Wealth Maintenance” and “Month of Financial Knowledge Promotional Services” and regular consumer education events, the Bank helped consumers understand their rights and identify risks. In 2020, all CCB outlets participated in publicity and education activities, which covered nearly 280 million audiences and were widely welcomed and supported by consumers. The Bank was thus awarded the titles of “Excellent Organization of March 15 Education and Publicity Week” and “Excellent Organization of Joint Publicity and Education Activities 2020” and so on.

## 6. Focusing on doing well in complaint management

The Bank has always paid great attention to customer problems and complaints. The Bank formulated the *Management Measures for Consumer Complaints of China Construction Bank*, requiring complaint handling personnel at all levels to strictly implement the “first-inquiring responsibility system”. Through various measures including expanding handling channels, improving handling process, strengthening statistical analysis and attaching importance to improvement, the Bank enhanced complaint handling during the pandemic. While continuously improving handling efficiency, it tried to reduce customer problems and complaints. To handle major consumer complaints well, the Bank established the contingency plan for major consumer complaints to improve handling efficiency, quickly solve major consumer complaints and effectively protect consumers’ rights and interests.

In 2020, the Bank provided financial services to several hundred million personal customers and had about 15,000 outlets. Throughout the year, the Bank handled 219,400 cases of customer problems and complaints, most of which were about the businesses in bank cards (including credit cards), loans, payment, settlement and the like. The branches in Liaoning, Qingdao, etc. received relatively more customer complaints. (Since the recognition criteria and statistical scale of customer complaints vary from bank to bank, the number of customer problems and complaints disclosed by the Bank is not comparable with that of peers.)

## Employee conduct management

In March 2018, the CBIRC issued the *Guidelines for the Management of Conduct of Practitioners of Banking Financial Institutions*, clearly requiring banking financial institutions should carry out dynamic and long-term monitoring over the conduct of their practitioners. While earnestly implementing the regulatory requirements, CCB formulated the *Operational Procedures* to identify violations more efficiently and make its employee conduct management more intelligent. The Bank strove to identify, forewarn, discover, and dispose of the risks related to employee conduct as early as possible.

CCB will build an employee conduct management system that has “one goal, seven elements, and

two pillars". In 2020, the Bank launched the employee conduct management system, which set up a digital platform to manage employee conduct. The system consists of many functional modules such as grid building and management, routine employee management, unusual conduct screening, verification of doubts and clues, employee compliance education, and reporting of clues to violations. With the entire process of employee conduct management brought online, the system will strongly support the "offline gridded operation" and the "online intelligent operation".

## **Serial B7: Anti-corruption**

### **1. Reinforcing supervisory functions and responsibilities and stepping up efforts in anti-corruption in the financial sector**

The Discipline Inspection and Supervision Office of the CCDI and NCS at China Construction Bank formulated different daily supervision programs for the five groups (namely, members of the Head Office Party Committee and Senior Management, heads of the Head Office departments and institutions directly under the Head Office, heads of tier-one branches and audit institutions in business areas, heads of domestic subsidiaries, and heads of overseas institutions).

The Bank has put in place the 4-in-1 complaint reporting system encompassing channels of "letters, emails, phone calls and visits". The Bank requires that institutions at all levels and relevant departments should timely report findings of any clue to suspected duty-related crimes to the Discipline Inspection and Supervision Office of the CCDI and NCS at China Construction Bank and offer full support for related investigation and handling. Meanwhile, application of banking big data was explored to intensify proactive supervision and improve the capability in detecting clues.

Overseas institutions constitute an important part of CCB Group. The Bank takes strict precautions against the moral hazards of employees from overseas institutions and establishes policies for the integrity work in overseas institutions. It explicitly requires that overseas institutions should consider the laws and regulations and regulatory requirements of the local countries or regions in developing and improving the management policies for employees' integrity operation and timely review and revise them. The Bank strengthens the supervision and inspection for the implementation of the policies and focuses on whether the employees commit violations such as power abuse, irregularities and favoritism, benefit transmission, corruption and bribery.

In addition to the anti-corruption training for directors, the Bank continued to conduct anti-corruption education for employees throughout the Bank, organized regular learning sessions with the self-produced case collections and videos, and convened the general meeting for warning education.

**For more information on the number of corruption cases and litigation outcome and so on, please go to the official website of the Central Commission for Discipline Inspection of the CPC and the National Supervisory Commission.**

### **2. Anti-money laundering (AML)**

The Bank continued to adopt the risk-based approach, strove to improve the Group's AML capability, kept refining its AML governance system, strictly implemented regulatory requirements, and earnestly fulfilled AML obligations. The Bank cracked down on money laundering crimes of particular types such as telecom fraud, illegal trade of wild animal and plants, money laundering using a shell company, illegal private banks and gambling, and effectively identified, reported and controlled money laundering risk. In 2020, the Bank received over 90 commendation letters from

the PBOC and public security organs for providing clues to major money laundering cases.

In the face of the pandemic, the Bank acted quickly and proactively. It formulated and implemented emergency measures of AML management in support of pandemic prevention and control, adopted simplified personal identification measures for customers relating to pandemic prevention and control, launched the quick review mechanism for relevant services, and implemented emergency management for relevant accounts. On the basis of effectively controlling money laundering risk, the Bank gave great support to the smooth implementation of pandemic prevention and control, by giving full play to its unique strength in AML management.

### 3. Tax transparency

The Bank conducts business in more than 30 countries and regions. The Bank strictly abides by the local tax laws governing its places of business. The tax policy is supervised by related Departments.

#### Serial B8: Community investment

With the professionalism and dedication of a financial practitioner and the enthusiasm and responsibilities of a social worker, the Bank deeply studies the difficult social issues and participates in seeking solutions. Basing on the jointly building and sharing of public welfare platforms, the Bank participates in the public welfare together with its employees, clients, institutions and integrated business to help more people in need and to inject new positive energy into society. It is our responsibility to well manage and use each donation. The Bank has formulated the whole-process management measures for public welfare donations. Detailed provisions have been made from various perspectives including feasibility analysis, implementation, publicity, and supervision and audit of projects.

In 2020, the Bank donated a total of RMB449 million for public welfare (including employees' donations to support the fight against the pandemic). The Bank steadily donated money and goods worth RMB317 million (which included 11.5 million pieces of anti-pandemic supplies) to cities in China and relevant countries and regions to support the global fight against the pandemic with one heart, demonstrating CCB's image as a humanistic, responsible large international bank and reflecting the humanistic spirit of a community with a shared future for mankind. Moreover, RMB132 million was used for targeted poverty alleviation, and over 740 poverty alleviation programs through improvement of people's livelihood were implemented, which assisted a number of poor villages and poverty-stricken households getting rid of poverty.

#### Implementation Results of Major Public Welfare Programs

Program	Partner	Amount of total donation	Timescale	By the end of 2020
Building the Future – CCB Sponsorship Program for High School Students	China Education Development Foundation	RMB150 million	2007-Now	Donated RMB150 million and funded 93,500 high school students.
CCB Sponsorship Program of	China Women's Development	RMB62 million	2011-Now	Purchased 410 Mother Health Expresses and

"Mother Health Express"	Foundation			put them into use in 24 poverty-stricken townships and counties in Xinjiang, Tibet, Gansu, Qinghai and other provinces and regions.
Support CCB Hope Primary School	China Youth Development Foundation	RMB13.06 million	1996-Now	Supported the construction of 46 Hope Primary Schools, equipped these schools with libraries, computer rooms, and sports grounds, funded the training for over 800 teachers, and organized 250 teachers and students to participate in the Beijing Summer Camp Program.
Love in Tibet – CCB and JIC Scholarship (Grant)	China Foundation for Poverty Alleviation	RMB3.5 million	2007-Now	Donated RMB2.99 million and funded 880 poverty-stricken students in Tibet.
"Donation of Bonus Points to Make Dream Come True • Micro-Charity"	China Youth Development Foundation, China Literature and Art Foundation, China Youth Volunteer Association, League Central Committee Young Volunteer's Guidance Centre	RMB9.1 million	2012-Now	Made donations for the construction of 136 "Happy Music Classrooms", trained rural music teachers, and built the "Home for Youth" of the Chinese Young Volunteers Association and the Youth Volunteers' Guidance Center of the Central Committee of the Communist Youth League of China
"Do Good, Be Wise" Caring Student Action	CCB Youth Volunteers Association, local league committees of	RMB6 million	2016-Now	Donated funds and goods to over 16,000 teachers and students in poverty-stricken areas, and organized

	branches			over 150 teachers and students from poverty-stricken areas to participate in summer (winter) camp activities.
"Harbour of Love" Volunteer Action	CCB Youth Volunteers Association, local league committees of branches	RMB2.43 million	2019-Now	Provided services and help to over 2.01 million laborers



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## Independent Assurance Report On the Social Responsibility Report

安永华明（2021）专字第60438537\_A01号  
China Construction Bank Corporation Co.,Ltd.



**To the Board of Directors of China Construction Bank Corporation Co.,Ltd.:**

We have been engaged by China Construction Bank Corporation Co.,Ltd. ("CCB") to express a limited assurance opinion on the selected key data in the *2020 Corporate Social Responsibility Report of China Construction Bank Corporation Co.,Ltd* (the "CSR Report").

### **I. The Board of Directors' responsibilities**

The Board of Directors of CCB are responsible for the preparation and presentation of the selected key data in accordance with the standard for preparation of the report. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the selected key data; and making estimates that are reasonable in the circumstances.

### **II. Our responsibilities**

Our responsibility is to express a conclusion on the selected key data in the CSR Report based on our work performed. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work on the selected key data in accordance with the *International Standard on Assurance Engagements 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance as to whether any matters have come to our attention that causes us to believe that the selected key data as at 31 December 2020 and for the year then ended in the CSR Report is not prepared in all material respects in accordance with the standard for preparation of the report.

### **III. Scope of work, approach, and limitation**

The selected key data (all currency is denominated in Chinese Yuan) in the CSR Report of CCB for 2020 that is covered by this report is presented as follows:

## Independent Assurance Report On the Social Responsibility Report

安永华明（2021）专字第60438537\_A01号  
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- Total assets (RMB trillion)
- Net profit (RMB100 million)
- Return on average assets (%)
- Return on average equity (%)
- Number of branches worldwide
- Tax contribution (RMB100 million)
- Social contribution per share (RMB)
- Balance of agriculture-related loans (RMB100 million)
- Balance of inclusive finance loans (RMB100 million)
- Number of inclusive finance loan customers (10,000)
- Balance of personal housing loans (RMB100 million)
- Balance of real estate development loans for indemnificatory housing (RMB100 million)
- Balance of shantytown renovation loans (RMB100 million)
- Payment to suppliers (RMB100 million)
- Expenditure on public welfare donation (RMB 10,000)
- Including: Targeted poverty alleviation donations (RMB 10,000)
- Balance of green loans (RMB100 million)
  - Standard coal equivalent emission reduction (10,000 tons)
  - Carbon dioxide equivalent emission reduction (10,000 tons)
  - COD emission reduction (10,000 tons)
  - Ammonia and nitrogen reduction (10,000 tons)
  - Sulfur dioxide emission reduction (10,000 tons)
  - Nitric oxides emission reduction (10,000 tons)
  - Water saving (10,000 tons)
- Total greenhouse gas emissions (Scope 1&2) (tons)
- Total greenhouse gas emissions per employee (Scope 1&2) (tons per person)
- Direct emissions (Scope 1) (tons)
  - Natural gas (tons)
  - Liquefied petroleum gas (tons)
  - Coal (tons)
  - Gasoline (tons)
  - Diesel (tons)

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### On the Social Responsibility Report

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China Construction Bank Corporation Co.,Ltd.

- Indirect emissions (Scope 2) (tons)
    - External power purchase (tons)
  - Harmless waste (tons)
    - Discarded electronic devices (tons)
    - Scrapped vehicles (tons)
    - Waste batteries (tons)
    - Discarded office supplies (tons)
  - Annual total harmless waste consumption per employee (tons/person)
  - Hazardous waste (tons)
    - Discarded toner cartridges (tons)
  - Annual total amount of hazardous waste consumed per employee (tons/person)
  - Energy consumption (MWh)
  - Direct energy consumption (MWh)
    - Natural gas (MWh)
    - Liquefied petroleum gas (MWh)
    - Coal (MWh)
    - Diesel (MWh)
    - Gasoline (MWh)
  - Indirect energy consumption (MWh)
    - External power purchase (MWh)
  - Annual total energy consumption per employee (MWh/person)
  - Water consumption (tons)
  - Annual municipal tap water consumption per employee (tons/person)
  - Total paper consumption (tons)
    - Office use (tons)
    - Counter use (tons)
  - Annual paper consumption per employee (tons/person)
  - Proportion of off-counter account transactions (%)
  - Financial transaction migration rate via electronic channels (%)
- Supply Chain Management:
- Number of suppliers in the Yangtze River Delta
  - Number of suppliers in the Pearl River Delta
  - Number of suppliers in the Bohai Rim
  - Number of suppliers in Central China
  - Number of suppliers in Western China
  - Number of suppliers in Northeastern China
  - Local supplier procurement expenditure as a percentage of the total (%)
  - Contract fulfillment rate (%)
  - External expert participation rate (%)
  - Number of social responsibility training sessions for suppliers (including interviews and business exchanges)

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### On the Social Responsibility Report

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- Total number of employees (persons)

By employment type

- Additional labor contractors (persons)

By other type

- Ethnic minority employees (persons)

- New employees (persons)

- Foreign employees (persons)

By gender

- Male employees (persons)

- Female employees (persons)

By age

- Below 30 (persons)

- 31-40 (persons)

- 41-50 (persons)

- 51-59 (persons)

- Above 60 (persons)

By region

- Yangtze River Delta (persons)

- Pearl River Delta (persons)

- Bohai Rim (persons)

- Central China (persons)

- Western China (persons)

- Northeastern China (persons)

- Head Office (persons)

- Overseas (persons)

On-site training

- Employees attending training (number of trainees)

Online training

By employment type

- Tier-one branches and departments of the Head Office (number of persons)

- Tier-two branches, departments of tier-one branches, and divisions of the Head Office (number of persons)

- Business managers and lower levels (number of persons)

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### Employee turnover rate

- Overall turnover rate (%)

#### By gender

- Male (%)
- Female (%)

#### By age

- Below 25(%)
- 26-35 (%)
- 36-45 (%)
- 46-54 (%)
- Above 55 (%)

#### By region

- Yangtze River Delta (%)
- Pearl River Delta (%)
- Bohai Rim (%)
- Central China (%)
- Western China (%)
- Northeastern China (%)
- Head Office (%)
- Overseas (%)

### Employee work injury

- Death toll on business (persons)
- Business death ratio (%)
- Working days affected as a result of work injuries (days)

### Customer satisfaction

- Overall personal customer satisfaction (%)
- Overall corporate customer satisfaction (%)

### Service channel development

- Number of online banking users (10,000)
- Number of personal mobile banking users (10,000)
- Number of users that connect bank accounts with WeChat (10,000)
- Number of phone banking users (10,000)
- Number of self-service bank branches
- Number of ATMs
- Number of smart banks
- Number of branches with wheelchair ramp
- Number of branches with “Courtesy Window”
- Number of branches with “Workers’ Harbour”



## Independent Assurance Report

### On the Social Responsibility Report

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Our work was performed at the Head Office of CCB and Beijing branch.

The procedures we performed comprised:

- 1) Interviews with personnel in the departments involved in providing information for inclusion in the CSR Report in relation to the selected key data;
- 2) Analytical procedures;
- 3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- 4) Recalculation;
- 5) Evidence collection, including system screenshot, statistics ledger, copies of invoice;
- 6) Other procedures deemed necessary.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material non-compliance of the selected key data prepared in accordance with the standard for preparation of the CSR Report.

Our work was limited to the selected key data as of 31 December 2020 and for the year then ended in the CSR Report. In addition, our work performed was not for the purpose of expressing an opinion on the effectiveness of CCB internal controls.

#### IV. Conclusion

Based on the limited assurance work which we have performed, nothing has come to our attention that causes us to believe that the selected key data as at 31 December 2020 and for the year the ended has not been prepared, in all material respects, in accordance with the standard for preparation of the report.

## Independent Assurance Report On the Social Responsibility Report

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### V. Our independence, quality control and assurance team

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants. We have complied with the quality control requirements of the *International Standard on Quality Control 1*. Our team has required competencies and experience for this assurance engagement.



Ernst & Young Hua Ming LLP  
Beijing, China  
25 March 2021