

Corporate Social Responsibilities



As a responsible state-owned commercial bank with century-long operations, the Bank attaches great importance to sustainable development. In 2019, guided by the strategic goal of “building a world-class bank in the new era” and under the guidance of the new development concepts of “innovation, coordination, green development, opening up and sharing”, the Bank launched extensive practical initiatives in sustainable development, devoted itself to win-win cooperation with stakeholders, and endeavored to make contributions to the economy, society and environment.

Responsibility to the country

Capitalising on its unique strengths, the Bank further expanded its cross-border financial services worldwide. It has set up subsidiaries in 61 countries and regions outside the Chinese mainland, maintaining its global top one position in cross-border RMB clearing and settlement. The Bank continuously provided premier financial services for the Belt and Road Initiative.

As at the end of 2019, it followed up on over 600 major projects along the Belt and Road with a total investment of approximately USD160 billion. The Bank has established an integrated regional financial services system with focuses on the Beijing-Tianjin-Hebei region, the Yangtze Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area and the Hainan Pilot Free Trade Port. The Bank optimised its credit direction by strengthening the support for next-generation information technologies, high-end equipment, energy conservation and environmental protection, the silver economy, winter sports, cultural tourism and health care. The Bank vigorously extended the reach of inclusive finance. It provided private enterprises with broader access to financing, and built the BOC Global SME Cross-border Matchmaking Services platform for micro, small and medium-sized enterprises. The Bank made advances in its support for agriculture, rural areas and farmers. It developed the *Programme of Bank of China for Serving the Rural Revitalisation*, accelerated the development of BOC Fullerton Community Bank, and improved the financial

services network in rural areas. As at the end of 2019, the Bank reported a balance of agro-related loans at RMB1,411.9 billion, and BOC Fullerton Community Bank had established 125 banking corporations in 22 provinces (or municipalities) across the country. The Bank provided financial aid for the construction of the venues and auxiliary infrastructure of the Beijing 2022 Olympic Winter Games and key winter sports centres. In addition, it launched the programme of developing the payment environment for the Winter Olympics with the aim of realising a “technology-enabled Winter Olympics”. The Bank continued to provide all-round financial services for the CIE, attracted 4,625 domestic and foreign enterprises from 103 countries and regions to attend, and reached 2,160 tentative deals.

Responsibility to shareholders

The Bank improved its corporate governance capability, effectively protected shareholders’ right to be informed, to participate and to make decisions, and continuously improved the operation mechanisms of the shareholders’ meeting, the Board of Directors, the Board of Supervisors and the Senior Management. The Bank continued to strengthen risk prevention and control as well as compliant operation, propelled the building of the system of three lines of defence for risk management, timely followed up on the regulatory updates, regulatory inspection findings, regulatory assessment results and other compliance risk information from around the world, and complied with the requirements of Chinese and foreign regulators. The Bank intensified its efforts in compliant operation and anti-money laundering (AML) at home and abroad, improved its long-acting anti-corruption mechanism, maintained a “high-handed posture” in the anti-graft drive, and resolutely investigated and punished all kinds of post violations and crimes in the key areas and processes. It carried out the building of a clean culture across the board, gave play to the role of cases in warning education, and strengthened the defence against the corruption and corrosion in mind. Besides, the Bank refined investor relations management, held road

shows, performance conferences and other activities to enhance communication with the capital market and continuously improve its information disclosure.

Responsibility to customers

The Bank optimised its mobile banking functions, and improved the user experience by applying digital technologies such as facial recognition, remote video and electronic signature. It promoted mobile smart counters across all of its outlets in the Chinese mainland. It concentrated on developing strategy-level scenarios in such areas as cross-border, education, sports and silver economy, and stepped up the pace of its digitalisation. The Bank improved its consumer protection in an all-round way, including setting up the Corporate Culture and Consumer Protection Committee under the Board of Directors, introducing online and process-based complaint management, and improving the efficiency of addressing customer complaints. Big data and cloud computing, among other technologies, were applied in its efforts to develop a network security defence system and enhance the real-time anti-fraud capabilities of internet finance. The Bank stepped up the efforts in the protection of customers’ fund security, account security and information security, promoted the financial knowledge, innovated risk management models, and protected the legitimated rights and interests of consumers in multiple ways, from diverse perspectives, and via a variety of channels.

Responsibility to employees

Always abiding by the “open, fair and equal” employment policy, the Bank set no discriminative condition for employee recruitment, remuneration and welfare, and career development. It fully respected and protected the legitimate rights and interests of employees through signing labour contracts, launching collective consultations and holding the Employee Delegates’ Meetings. The Bank cared for the employees’ physical and mental health by providing a diverse set of medical insurance schemes and advocating a healthy lifestyle. In carrying out

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the talent development plan, the Bank organised a series of key talent programmes, e.g. the “Hundred-Talent Programme” and the “Sailing Programme”, and accelerated the training of excellent personnel. In 2019, the Bank topped the “Best Employer in Financial Industry in the Opinion of Chinese University Students” for the 12th consecutive year.

Responsibility to the society

The Bank carried out the government’s plans for poverty alleviation, and made great efforts to launch new models of alleviating poverty through finance by focusing on the industrial characteristics of poverty-stricken areas, and increased financial support for infrastructure, public services and featured industries in these areas to meet the financing needs of poverty-relief enterprises and projects. It made great efforts to launch new models of alleviating poverty through finance, formulated and issued the *Bank of China Plan on Finance-powered Poverty Alleviation* in 2019, introducing green channels of prioritised acceptance, due diligence and approval of poverty alleviation loan projects, with the aim of comprehensively improving the quality and efficiency of anti-poverty loan approvals. The Bank provided small-amount loans for poverty alleviation, supporting the people in impoverished areas to expand production and operation. At the end of 2019, the Bank’s poverty alleviation loans stood at RMB117.3 billion.

The Bank continuously increased the support for designated poverty alleviation areas. In the year, it invested and attracted gratuitous anti-poverty funding of RMB170 million, trained over 44,000 community management personnel, technicians and underprivileged masses, directly bought and helped sell RMB180 million worth agricultural products from

impoverished areas, directly benefited more than 115,000 members of the registered poverty-stricken population and lifted 7,000 people out of poverty. Poverty has been eliminated in all counties and regions in Yongshou, Changwu, Xunyi and Chunhua counties of Xianyang, Shaanxi Province.

The Bank extended government-sponsored student loans and so far has accumulatively granted more than RMB24 billion for over 1.8 million financially underprivileged students. In addition, the Bank recruited over 300 financially-disadvantaged college students in 2019 under its separate “Financially Underprivileged Students Recruitment Plan” for campus recruitment. Relying on its global network, the Bank carried out civil and cultural exchanges all over the world. It sponsored the Chinese Spring Festival celebration in Trafalgar Square in London for the 19th consecutive year. It also sponsored the Tan Kah Kee Science Award for the 16th consecutive year, rewarding young people devoting themselves to the country’s scientific and technological advancement, in a bid to drive the prosperous development of China’s scientific and technological undertakings. For the 11th consecutive year, the Bank conducted strategic cooperation with the National Center for the Performing Arts to support the development of high-end arts in China.

Since the outbreak of novel coronavirus pneumonia (COVID-19), the Bank has carefully studied and followed the guiding principles from General Secretary Xi Jinping’s important instructions on the epidemic prevention and control, resolutely implemented the plans and decisions of the CPC Central Committee and the State Council, and implemented the relevant requirements of regulatory authorities. It effectively fulfilled its responsibilities as a large state-owned

bank, introduced ten measures to further strengthen financial services and enhance performance in the epidemic prevention and control, and resolutely made contributions to win the battle of epidemic prevention and control.

Responsibility to the environment

To further the implementation of the concept of sticking to green development, the Bank developed and released the *Green Finance Development Plan of Bank of China* in 2019. It made active efforts to fulfil its green commitments, and signed the *Green Investment Principles for the Belt and Road* in the year to lift the environmental and social risk management standards of Belt and Road investments to a new high. It accelerated further innovation in green financial services, channelled credit resources into such green industries as energy conservation, environmental protection, clean energy and eco-manufacturing. In 2019, the Bank's balance of green credit stood at RMB737.57 billion, up 16.58% compared with the prior year. The Bank established an energy management system, formulated water and electricity consumption criteria, strengthened day-to-day management, monitored the operational status of high energy-consumption equipment, and reduced the consumption of resources and environmental impact through the smart application of energy-conserving technologies. The Bank pooled efforts in order to digitalise its channels, expanded

mobile finance, promoted the use of intelligent service equipment to provide intelligent and paperless services across outlets. It built a next-generation intelligent, green data center to enable green management throughout the whole life cycle ranging from planning, design, construction to operation, in order to improve the performance and efficiency of the center across the board. It also actively promoted the "green office" concept by launching the online conference platform — BOC Conference Link, which is independently developed by the Bank and has been deployed across the Bank, and enabling meetings to be held in an environment-friendly, technological and paperless way.

The Bank's fulfilment of its social responsibilities was widely recognised by the society. It won awards including "Achievements in Assisting with the Fight against 'Three Critical Battles'", "Achievements in Belt and Road Initiative" and "Best Social Responsibility Manager" from the China Banking Association, and "2019 CSR Special Honor — Pioneer in the Construction of the Guangdong-Hong Kong-Macao Greater Bay Area" from the *New Weekly*. In 2019, the Bank was also added to the Hang Seng ESG Index and the Hang Seng Corporate Sustainability Index.

For details of the Bank's corporate social responsibility performance, please refer to the Bank's *2019 Corporate Social Responsibility Report* published on the websites of SSE, HKEX and the Bank.