

Bank of China Limited

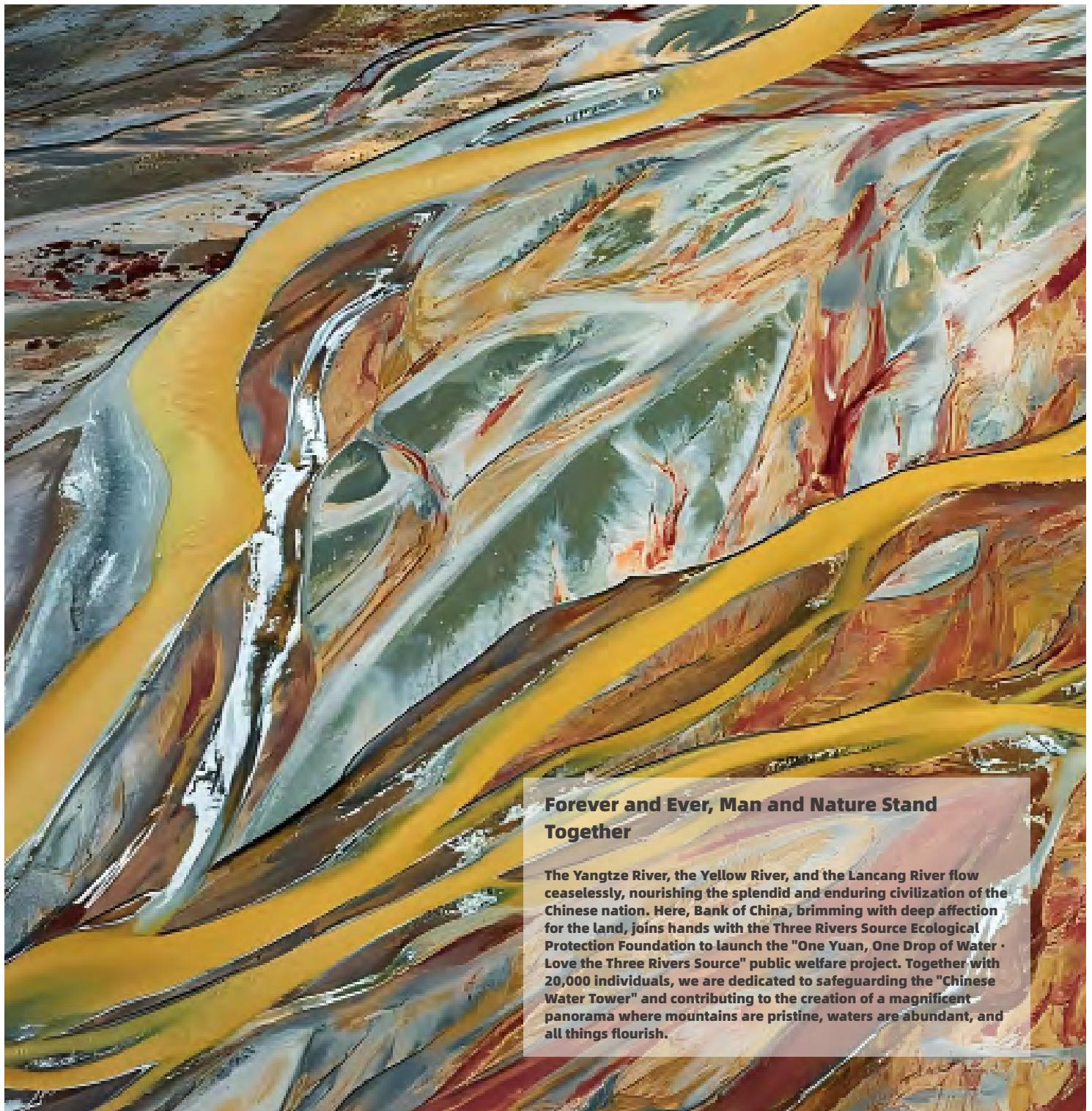
Corporate Social Responsibility Report

Environmental

Social

Governance

2023



Forever and Ever, Man and Nature Stand Together

The Yangtze River, the Yellow River, and the Lancang River flow ceaselessly, nourishing the splendid and enduring civilization of the Chinese nation. Here, Bank of China, brimming with deep affection for the land, joins hands with the Three Rivers Source Ecological Protection Foundation to launch the "One Yuan, One Drop of Water · Love the Three Rivers Source" public welfare project. Together with 20,000 individuals, we are dedicated to safeguarding the "Chinese Water Tower" and contributing to the creation of a magnificent panorama where mountains are pristine, waters are abundant, and all things flourish.

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Message from the Chairman



The year 2023 that has just passed was the first year for fully implementing the guiding principles from the 20th National Congress of the Communist Party of China. We adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, highlighted the political significance and people-oriented nature of financial work, earnestly fulfilled our economic and social responsibilities as a major bank, built a diversified and professional system of financial products and services and went all out to support high-quality economic and social development.

We stayed committed to our fundamental mission, optimized financial supply and did a better job in serving the real economy. Our RMB loans increased by about RMB2.4 trillion, strongly supporting the recovery of the real economy. In a bid to boost the development of new quality productive forces, the balance of loans in strategic emerging industries, manufacturing industry, and technology finance increased by 74.35%, 28.05%, and 30.94%, respectively. Focusing on the comprehensive financial needs of micro and small enterprises (MSEs), we expanded the coverage of more convenient financial services. The number of MSE customers and the balance of inclusive loans to them both grew by 43%, and continued to reduce fees and provide benefits to the inclusive customer groups. We supported the formation of a new model of real estate development, with rental housing loans up by 97.48%, and the interest rate lowered for stock personal housing loans totalling about RMB2.5 trillion, promoting the steady and healthy development of the real estate market.

We put people first, enhanced service warmth, and continued to deepen finance that benefits the people. We continued to carry out the "job stabilization and expansion campaign" thematic activity and provided special loans to MSEs to help expand employment. Making efforts on both the supply and demand sides of the silver economy, we actively created new financial products, business forms, and models for elderly care, accelerating the establishment of a "finance +" pension service system. Our silver service scene served 9.26 million people, a year-on-year increase of 40.94%. We went all out to serve rural revitalization, and our agriculture-related loans increased by 28.53% to reach RMB 2,656,100 million, driving the effective connection between the achievements of poverty alleviation and rural revitalization, and we extended our institution network to cover 26 more counties. We doubled down on assistance to the four counties of Yongshou, Changwu, Xunyi and Chunhua of Xianyang. In 2023, we implemented 101 assistance projects and spent non-reimbursable funds of RMB 80,570 thousand on them, continually enhancing the public's sense of gain and happiness.

Acting on the belief that lucid waters and lush mountains are invaluable assets, we supported green development, and served the construction of a beautiful China. Actively responding to climate change, we continued to internalize the green and low-carbon development philosophy in all processes and aspects of business development, and worked with all sectors of society to create a high-quality ecological environment. We reviewed the Group's green finance indicator system for the 14th Five-Year Plan period, revised the green finance work plan, and clarified our development goals and work measures. In 2023, the actual new green loan amounted to RMB1.1195 billion, an increase of 56.34% from the beginning of the year. We continued to lead the market in the scale of green bond underwriting. Aimed at the goal of becoming "the preferred bank for green financial services", we upgraded and improved the "BOC Green+" product and service portfolio and enhanced the ESG risk management level of customers. We actively performed our duties in over 10 domestic and foreign green mechanisms, including the United Nations Principles for Responsible Banking (PRB) and Green Investment Principles for the Belt and Road Initiative (GIP), and promoted international cooperation for green development.

We leveraged our global advantages to serve high-level opening up and support the formation of a new development pattern that would feature positive interplay between domestic and international economic circulations. Making full use of our institutional network covering 64 overseas countries and regions, we served "going global" enterprises and "bringing in" enterprises and helped to stabilize foreign trade and foreign investment. We provided high-quality services for the China-Central Asia Summit and thoroughly participated in the Third Belt and Road Forum for International Cooperation, making our contributions to global sustainable development. Phnom Penh Branch and BOC (Serbia) were approved to operate as RMB clearing banks by local authorities, and the cross-border RMB clearing volume of the Group increased by 26.55% year-on-year. We delivered more convenient cross-border RMB use, and saw the volume of cross-border RMB settlement business rise by more than 80% year-on-year and the number of Cross-boundary Wealth Management clients increasing by 62.71%, better meeting the financial service needs of cross-border trade and investment.

We strengthened our bottom-line thinking, solidified our risk defences, and continuously improved our robust operational capabilities. We enhanced comprehensive risk management, improved risk assessment, investigation and emergency response mechanisms, and strengthened the management and control of non-traditional risks, continuously increasing our risk resilience and firmly safeguarding against systemic financial risks. We promoted the alignment of risk management with market conditions and

business strategies, facilitating a dynamic balance and mutual reinforcement between development and security. We strengthened risk management and control in key areas such as real estate, local government debt, and small and medium-sized financial institutions, and stepped up efforts in collection and risk mitigation. We reinforced overseas risk management and control, effectively responding to fluctuations in the international financial market, and ensuring the safety of our overseas assets. We continuously improved the Group's work safety system, conducted hidden danger investigations, and strived to ensure complete safety.

We consolidated the foundation of management, improved corporate governance, and continued to strengthen the momentum of sustainable development. The ESG philosophy is deeply embedded into our corporate governance. The Board of Directors regularly reviewed issues concerning consumer rights protection and green finance. We improved the effectiveness of corporate governance and stepped up in the daily communication of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors, and the management. We made timely and comprehensive information disclosures to the public and received the highest rating from the Shanghai Stock Exchange for ten consecutive years for our information disclosure work. To build a strong talent force, we improved mechanisms for talent cultivation, recruitment, and utilization. We also promote talent exchanges between the Head Office and branches, between domestic and foreign institutions, and between departments, and broaden the career development channels for employees. We took solid steps to promote the development of digital finance, promoted the deep integration of business and technology, accelerated digital and intelligent transformation, and focused on making our financial services more convenient and competitive.

This year marks the 75th anniversary of the founding of the People's Republic of China and a crucial moment for achieving the goals and tasks outlined in the 14th Five-Year Plan. Bank of China will unwaveringly apply the new development philosophy, and find out how to strike an optimal balance between serving macro economic and social development and driving our high-quality corporate development, where to start and what points of support we can leverage. We will take the initiative to fulfil our mission and responsibility as a large bank, and actively serve the sustainable development of the economy, society and environment. We will contribute more to building a great country and rejuvenating the nation.

A handwritten signature in black ink, appearing to read "郭树清".

Chairman

Message from the President



In 2023, Bank of China fully and faithfully applied the new development philosophy on all fronts, adhered to a people-centred value orientation, carried on our century-old fine tradition, took the initiative to seize market opportunities, actively responded to various challenges, and continuously enhanced the adaptability, competitiveness, and inclusiveness of its financial services, so as to continuously improve the quality of its development in the course of fully serving the sustainable development of the economy, environment and society.

We fulfilled our responsibility as a major bank and helped drive economic recovery and improvement. We continuously optimized financial supply, channeling more resources into major strategies, key areas, and weak links. We provided comprehensive financial services to over 15,000 national and provincial-level "specialized, refined, unique, and innovative" enterprises, better meeting the full life-cycle needs of technology companies. Lending growth in the private and small and micro sectors exceeded the Bank's overall average, and corporate integrated financing costs declined. We extended our reach in pension services, supported the accelerated development of the elderly care industry, enriched elderly care service scenarios, and deepened the age-friendliness of various financial service channels. With the goal of "high standards, sustainability, and benefiting livelihoods", we cumulatively followed up on over 1,000 credit projects in countries jointly building the Belt and Road Initiative, cumulatively providing over USD 316 billion in credit support. It served investment promotion and exhibition activities at national-level events such as the China International Import Expo and China International Consumer Products Expo, interfacing and serving over 100 local overseas investment promotion delegations. Throughout the year, we held 19 cross-border business matchmaking activities, in which nearly 3,000 domestic and foreign enterprises reached the intent of cooperation, involving more than USD20 billion. We optimised the service plan for protecting micro, small and medium-sized enterprises from exchange rate risks, and helping them better cope with market risks.

We worked toward China's carbon peaking and carbon neutrality goals and promoted green and low-carbon development. We have incorporated climate and environmental factors into the comprehensive risk management system, and added the requirements for green development to over 90 industry-specific credit policies. The Group's green financial service system

was perfected, and has fully covered such areas as loans, deposits, investment, debt, stocks, leasing, insurance, and carbon markets. The incentive and restraint mechanisms were improved, too. We moved faster to build use into a "preferred bank for green financial services", and contribute to ecological conservation. We enriched the scenario-based financial service system, upgraded and iterated online products, and vigorously supported green and low-carbon consumption. Green operations were advancing solidly. 310 more outlets were designated on a cumulative basis as specialty outlets in green finance. We are moving orderly towards the goal of a carbon-neutral operation. In 2023, we received more than 10 awards from authoritative organizations at home and abroad, including the "Best ESG Bank in China", "Best Sustainable Finance Bank in China" and "Exemplary Units for Green Banking", and our brand influence in the field of green development continued to increase.

We enhanced service quality and effectiveness and went all out to provide livelihood financial security. Focusing on education, healthcare, employment, childcare, elderly care, housing, urban renewal and other fields, we coordinated efforts in product innovation, process optimisation and scenario integration. We continued to improve the customer experience, expanded the "finance + government affairs" service scenarios at smart counters to over 1,100 scenarios, optimised services for groups with special needs, and provided customers with warmer finance service. We continuously enriched mobile banking functions and optimized services in clothing, food, housing, transportation, medical, education, and entertainment scenarios, continuously enhancing the diversity and convenience of its services. For 24 consecutive years, we have conducted the national student loan business, supporting over 1.9 million students to complete their studies. We organized 75 thousand awareness activities on consumer rights protection, reaching about 800 million consumers. We launched a campaign to crack down on account frauds, and put into use the monitoring model and control tools before, during, and after the event, to effectively protect the "money bag" of customers.

We fulfilled our social responsibilities and actively participated in charitable activities. To facilitate rural revitalization, we helped poor people build the confidence and capacity to help themselves. We offered 32 thousand training opportunities to primary-level

government officials, role models in rural revitalization, and technical personnel. We established bases for the convenience of the public, with nearly nine thousand BOC Sharing Stations opened, covering all provinces in China. To promote people-to-people exchanges between China and the rest of the world, BOC, as the "financial envoy", supported a number of landmark projects such as the concert to commemorate the 50th anniversary of the Philadelphia Orchestra's inaugural visit to China. We also reformed the financial model of philanthropy, built a BOC philanthropy platform, promoted charitable fundraising projects, and raised nearly RMB25 million in 2023. We co-launched the "BOC Private Enjoyment Love – Spring Bud" project with the China Children and Teenagers' Fund for 10 consecutive years and immediately raised funds and materials for disaster-stricken areas such as Gansu and Hebei. We assisted clients in setting up over 50 charitable trusts in the fields of rural revitalization, education, medical care, and art.

In 2024, BOC will unswervingly adhere to the path of financial development with Chinese characteristics, strike an even better balance between functionality and profitability, vigorously promote the financial culture with Chinese characteristics, forge ahead with shareholders and employees, seek common development with customers and partners, and write a new chapter in the high-quality corporate development on the grand blueprint of Chinese modernization.

President

About BOC

Profile of BOC



Bank of China is the bank with the longest continuous operation among Chinese banks. Formally established in February 1912, the Bank served consecutively as the country's central bank, international exchange bank and specialised international trade bank. After 1949, drawing on its long history as the state-designated specialised foreign exchange and trade bank, the Bank became responsible for managing China's foreign exchange operations and offering international trade settlement, overseas fund transfer and other non-trade foreign exchange services. Restructured into a wholly state-owned commercial bank in 1994, the Bank provides various financial services, and has developed into a large commercial bank delivering services in local and foreign currencies and featuring complete business varieties and strong strength. The Bank was listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange in 2006, becoming the first Chinese bank to launch an A-Share and H-Share initial public offering and achieve a dual listing in both markets. The Bank is the official banking partner of the Beijing 2008 Summer Olympics and the Beijing 2022 Winter Olympics, thus making it the only bank in China to serve two Olympic Games. In 2011, Bank of China became the first financial institution from an emerging economy to be designated as a Global Systemically Important Bank, a designation it has now maintained for 13 consecutive years. With its growing international status, competitiveness and comprehensive strengths, the Bank has marched forward into the ranks of the world's large banks. At present, following the guiding principles of the 20th National Congress of the CPC and the Central Financial Work Conference, the Bank takes serving the real economy as its mission, risk prevention and control as its eternal theme, consolidating and expanding globalised advantages and improving global layout ability as its primary task, and improving market competitiveness and serving national strategies as the core key. Proceeding from deepening reform, opening up and innovation, improving governance and operation efficiency, and promoting financial culture with Chinese characteristics, the Bank concentrates on the five major tasks of promoting technology finance, green finance, inclusive finance, pension finance, and digital finance, and contributes to the building of a strong financial powerhouse through practical and earnest practice.

As China's most globalised and integrated bank, Bank of China has institutions across the Chinese mainland as well as 64 countries and regions, and BOCHK and the Macau Branch serve as local note-issuing banks in their respective markets. The Bank has a well-established global service network and an integrated financial service system based on the pillars of its corporate banking, personal banking, financial markets and other commercial banking business, which covers investment banking, direct investment, securities, insurance, funds, aircraft leasing, asset management, financial technology, financing leasing and other areas, thus providing its customers with financial solutions featuring global expertise and all-round services accessible at any point of contact.

Bank of China embodies a noble sense of commitment and responsibility. Since its establishment 112 years ago, the Bank has steadfastly upheld its historic mission of "promoting social welfare and contributing to a prosperous nation". This mission has formed a valuable spiritual legacy that aligns with the financial culture with Chinese characteristics: to remain committed to honesty and trustworthiness, to seek interest without compromising moral principles, to be prudent and cautious in work, to uphold fundamental principles and break new ground, and to be compliant with law and regulations. On the new journey towards building a modern socialist country in all respects, Bank of China will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and faithfully implement the new development philosophy. It will accurately identify the convergence points, focal points, and supporting points for implementing the national policies and plans and achieving its high-quality development. It will serve as the main force in supporting the real economy and as the bedrock for maintaining financial stability. It will unwaveringly follow the path of financial development with Chinese characteristics, continue to open new grounds for its high-quality development, and make greater contributions to the comprehensive advancement of building a stronger country and the great cause of national rejuvenation with Chinese modernisation.



Awards and Honors

Category	Awards	Awarding institution	Category	Awards	Awarding institution
General category	4th in the Global Top 1,000 Banks 2023	The Banker	Social category	China's Typical Case of Inclusive Finance (2023)	China Banking Association
	4th in the Global Bank Brands Value 500 2023	The Banker, Brand Finance		Outstanding Case of Inclusive Finance 2023	People's Daily
	49th in the Fortune Global 500 2023 Fortune	Fortune		"ESG Pioneer" Annual Responsible Pioneer	Bloomberg Green
	Best ESG Bank in China 2023	Asiamoney		Outstanding Contribution Bank for Rural Revitalization (BOC Fullerton)	Economic Observer
	Forbes China ESG Innovation Enterprise 2023	Forbes China		20th "People's Craftsmanship Service Award" (BOCG Insurance)	People's Daily
	New China Net ESG Excellent Case 2023	Xinhua Net		9 Party Branches Named as the "Top Four" Party Branches	Central and State Organs Central and State Organs Working Committee
	ESG Enterprise of the Year Titanium Award 2023	The Asset		China Listed Companies Investor Relations "Pegasus Award" Best Investor Relations Case Award	Securities Times
Environmental category	China's Best Sustainable Finance Bank Award Outstanding Leader in Sustainable Finance in the Asia Pacific, Outstanding Leader in Sustainable Bonds	Global Finance	Governance category	Best IR Hong Kong Listed Company (A+H Shares)	New Fortune
	Product Innovation Award	Green Investment Principles for the Belt and Road Initiative (GIP)		Best Practice Award for 2022 Annual Report Performance Presentation of Chinese Listed Companies	China Listed Companies Association
	Carbon Neutral Benchmark Enterprise of the Year 2023	Caijing		Highest Rating "A" for Annual Information Disclosure Evaluation	Shanghai Stock Exchange
	18th People's Enterprise Social Responsibility Award - Green Development Award	People's Daily			
	Best Environmental Responsibility Award, Annual Sustainable Development Award, Best Bank for Responsible Investment	Sina Finance			

Embarking on a Path of Green Development

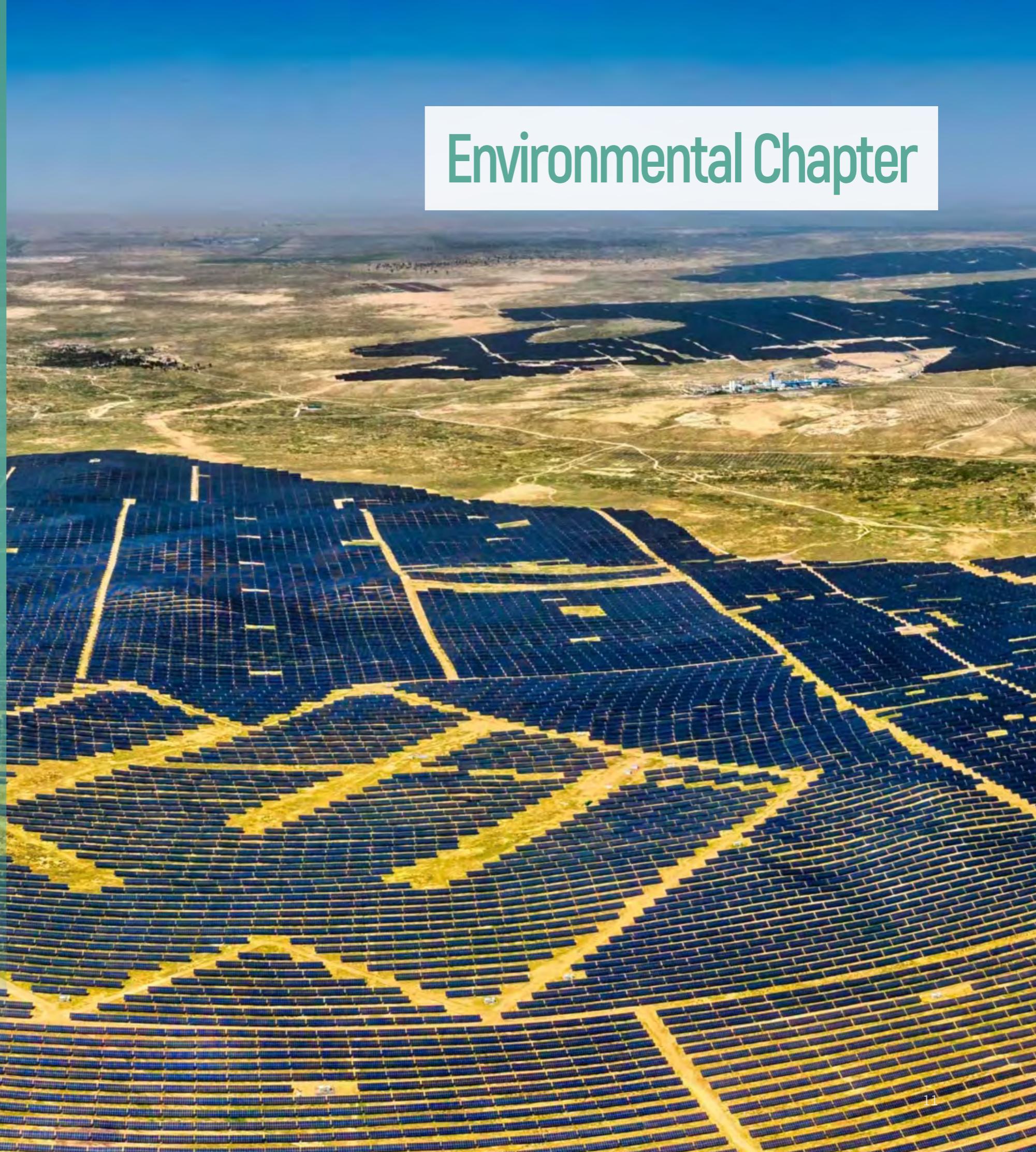
Promoting Harmonious Co-existence between Humanity and Nature

Green is the base colour of high-quality development. BOC firmly establishes the concept that lucid waters and lush mountains are invaluable assets, endeavours to build the preferred bank for green financial services, continuously optimises the green top-level design, strengthens the management of environmental (climate), social, and governance risks (hereinafter referred to as "Customer ESG risks") associated with customers, and enhances the capacity for managing climate-related risks. The Bank diversifies the mix of green finance products and services to provide green and sustainable momentum for high-quality economic and social development. Better geared up for attaining green development, it gets actively involved in global climate governance, practises the concept of green and low-carbon operation, works to achieve the carbon peaking and carbon neutrality ("dual carbon") goal, and does what it can to advance the overall green transition of economic and social development, thus making greater contributions to the modernisation in which human beings and nature coexist harmoniously.

Sustainable Development Goals (SDGs)



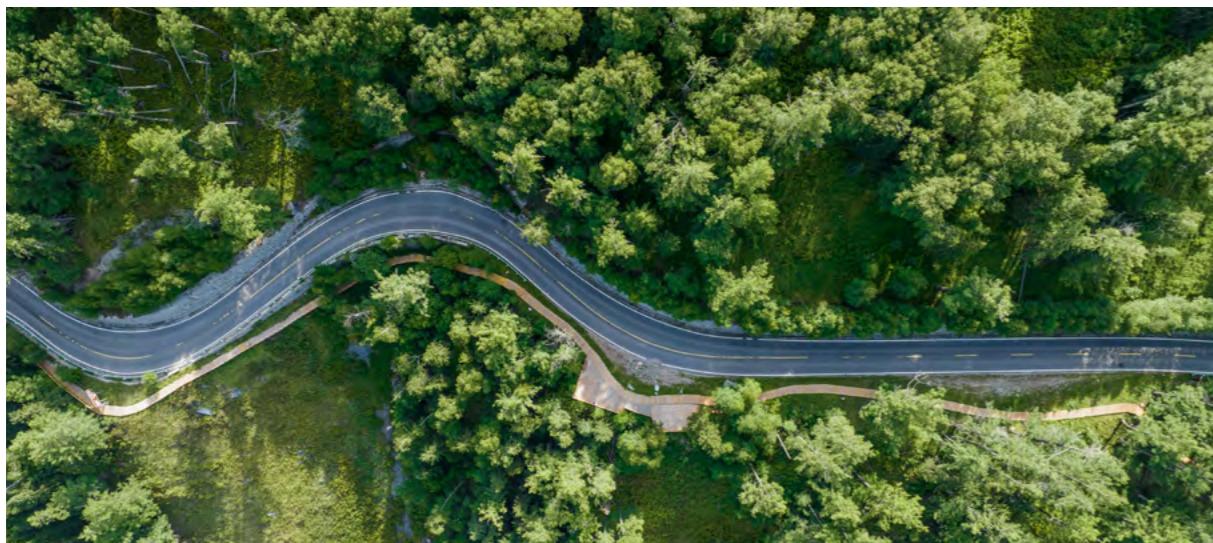
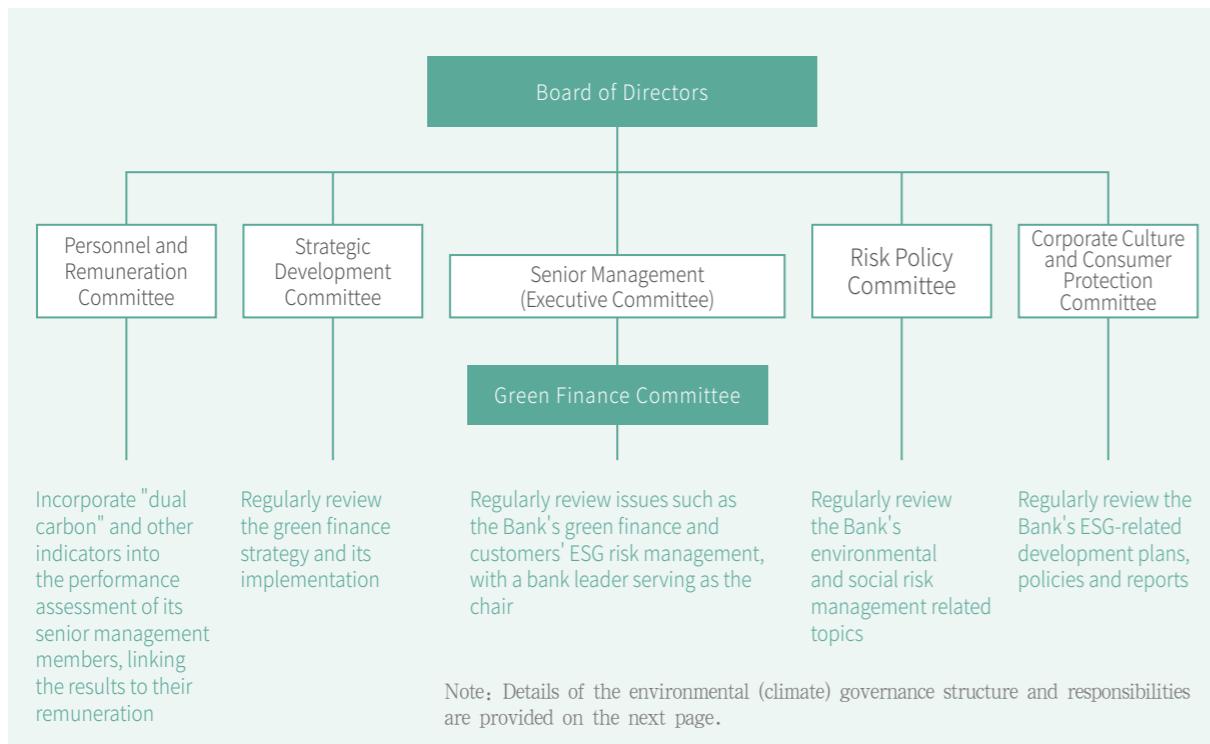
Environmental Chapter



Governance



While implementing the philosophy of green development on all fronts and optimising the top-level design related to financial support for green, low-carbon development constantly, the Bank has put in place a three-tier governance architecture in which the Board of Directors, the Senior Management, and professional teams work together to improve environmental (climate-related) governance and greatly underpin the sound development of green finance.



Governance framework	Duties assumed	Progress made in 2023
Board of Directors and its special committees	<p>They are responsible for reviewing and approving the green finance development plan as well as the green finance targets and the green finance reports. At the same time, they also supervise and evaluate the implementation of the green finance development plan at the Bank.</p> <p>Directors of the Bank have rich experience in the field of environmental (climate) risk management. For instance, Mr. Huang Binghua, Non-executive Director of the Bank, used to work at the Ministry of Finance of China (MOF) for a long period of time, where he was dedicated to enhancing state-owned enterprise (SOE) environment and social corporate responsibilities (CSRs).</p>	<p>The Board of Directors and its Strategic Development Committee reviewed and adopted the report on green finance development for 2022 and the green finance targets for 2023.</p> <p>The Board of Directors and its Corporate Culture and Consumer Protection Committee reviewed and adopted the <i>Corporate Social Responsibility Report 2022 of Bank of China Limited (Environmental, Social, Governance)</i>.</p> <p>The Risk Policy Committee of Board of Directors deliberated the Group's risk appetite statement and comprehensive risk management policy and reviewed/heard the Group's quarterly risk reports in written form, which all covered the content related to ESG risk management.</p> <p>The Audit Committee of Board of Directors continued to monitor and timely updated on sustainable development trends.</p> <p>Chairman of the Board of Directors convened the ESG and green finance meetings to make arrangements for such aspects of work as top-level design related to ESG and green finance, business development, and data governance.</p> <p>The Senior Training Course on Green Finance was held, with course materials sent to all directors for reference. A full-time member of the International Sustainability Standards Board (ISSB) was invited to have discussions around the topic of environmental information disclosure.</p>
Senior Management	<p>The Green Finance Committee is responsible for the overall management and professional decision-making of the Group's green finance work. Its main functions include implementing the resolutions and decisions of the Board of Directors (or its special committees) related to green finance, forwarding and acting on important national and regulatory policies, reviewing important policies and systems for the management of green finance and Customer ESG risks, organising or conducting self-evaluations of green finance, and hearing reports on green finance development.</p>	<p>The Green Finance Committee reviewed and adopted such proposals as the list of demonstration institutions for green finance in 2023 and the <i>Report on Green Finance of Bank of China in 2022 (TCFD)</i>, and heard the reports on performance in green finance, progress in key aspects of work, inventory of business environment information, etc.</p>
Professional teams	<p>The Credit Management Department of the Head Office sets up a green finance team to promote the specific work of green finance across the Group.</p> <p>Each department sets up full-time and part-time positions to carry out work related to green credit, green bonds, management of ESG risks associated with customers, carbon market services, data system development, and carbon neutral operation, among other aspects.</p>	<p>Professional teams developed green finance across the Group with concrete efforts and put it in place properly.</p>

Strategies and Policies



The Bank has fully integrated the concept of sustainable development into its own development strategies, and contributed positively to the achievement of carbon peaking and carbon neutrality goals.

Strategic goals ➤

BOC has set out the basic principles, strategic goals, and incentives for the development of green finance in the *14th Five-Year Plan for Green Finance of Bank of China Limited*. In 2023, the Bank actively implemented the core requirements put forth at the Central Financial Work Conference and, re-examined the Group's 14th Five-Year Plan and the Action Plan for Green Finance, and formulated more aggressive green finance targets in light of market conditions and business developments, including "implementing the green and low-carbon concept to become the preferred bank for green financial services", "achieving leapfrog development of green finance business", "managing environmental and social risks properly", "exploring and progressively reducing carbon footprints of group operations and asset portfolios".



Practice by BOC

The Bank's green finance has developed rapidly and gained market recognition. In 2023, it won more than ten international and domestic authoritative awards in the field of green sustainability.

Green credit: The target of new credit support for green industries during the 14th Five-Year Plan period was raised from "at least RMB1 trillion" to "at least RMB3 trillion". As at the end of 2023, the balance of green credit extended by the Bank domestically amounted to RMB3,106.7 billion, an increase of 56.34% from the end of the previous year.

Green bonds: The target of "scaling up investment in green bonds year by year and leading the market in the underwriting of green bonds" was proposed. Investment of BOC in green bonds exceeded RMB100 billion as at the end of 2023. The Bank ranked first in the interbank market by green bonds underwritten both domestically and overseas, and took the first place among Chinese institutions in Bloomberg's global offshore green bond rankings. Therefore, it became the most active Chinese sustainability bond issuer.

Customer ESG risks: The current management policy on ESG risks associated with customers of the Bank is applicable to corporate banking (including corporate working capital loans and project financing), and runs through the business processes such as risk identification and classification, due diligence, business approval, contract management, fund appropriation, post-lending management, and post-investment management.

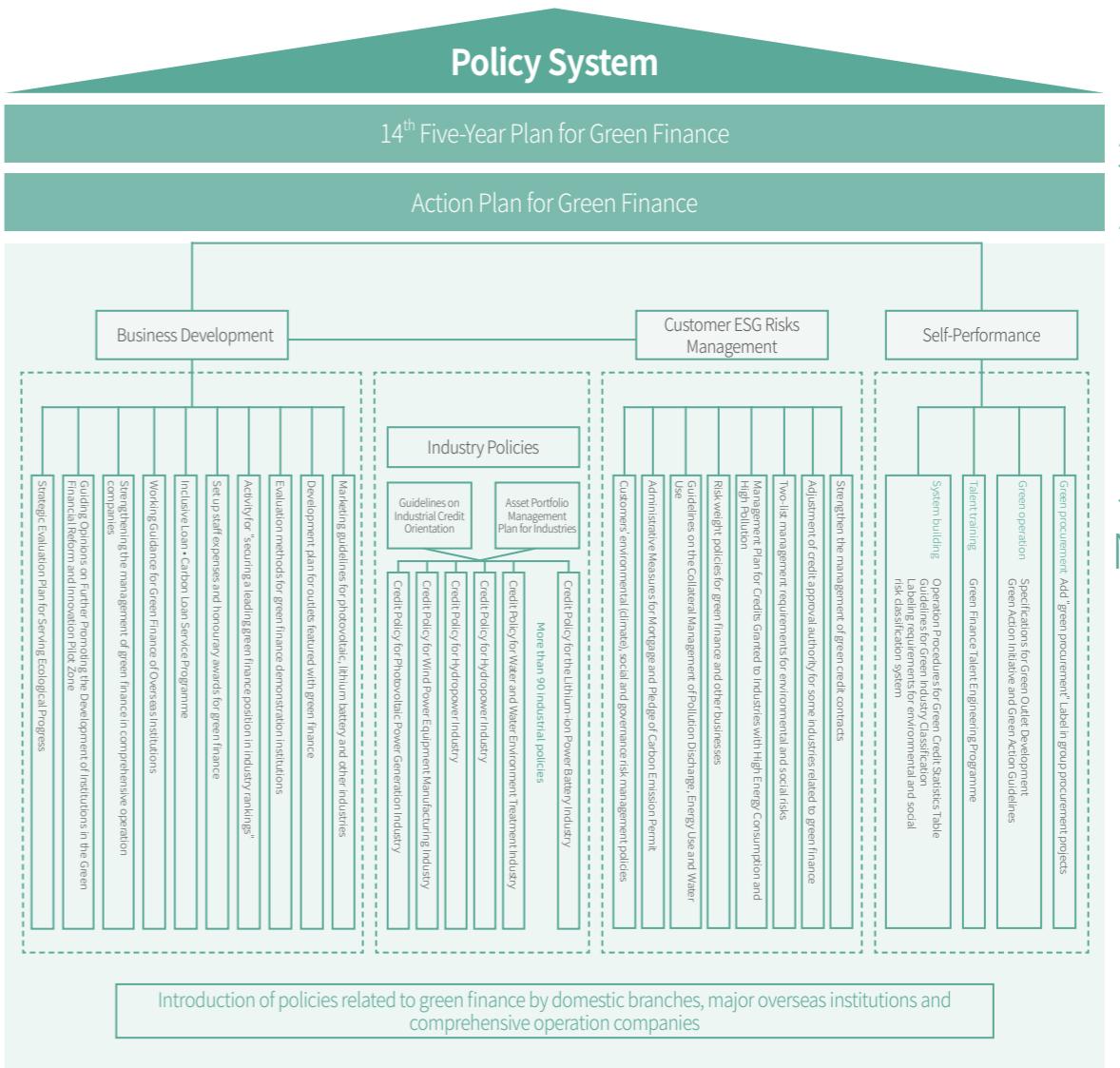
Green operations: Based on local policy requirements and actual condition, the Bank continuously improved and refined its energy and resource management system, vigorously promoted green and low-carbon production and lifestyle, actively applied energy-saving technologies and utilized green power, and persistently controlled and reduced the total consumption and intensity of various energy resources, taking practical actions to support the implementation of the dual carbon goal.

Asset portfolios: The Bank explored and researched a methodological system suitable for the carbon accounting of its asset portfolios and finished a trial calculation of carbon footprints for asset portfolios in carbon-intensive industries. On the premise of ensuring energy security and industrial chain/supply chain stability, it kept reducing the carbon intensity of asset portfolios in a progressive way until they finally became carbon neutral, as a response to the dual carbon goal of the state.

Environmental (climate-related) policies ➤

An overall set of policies

With the aim to achieve the dual carbon goal of the state, BOC took the *14th Five-Year Plan for Green Finance* as the strategic guide to continuously improve the "1+1+N" green finance policy system.



By far, the Bank has developed a policy support package covering 13 areas such as performance assessment and incentive reinforcement, economic capital optimisation, differentiation of related authorities, and staff cost allocation, establishing "four beams and eight columns" for its green finance policy system. The Bank formulated a green finance work plan, outlining a comprehensive roadmap covering 15 aspects, including reinforcing top-level design, optimizing process management, supporting green industries, facilitating the transformation and upgrading of traditional industries, enhancing intelligent management of green finance, serving the construction of the carbon market, promoting green and low-carbon operations within the Bank, strengthening external exchanges and cooperation, and bolstering capacity building.

The Bank established and improved the green finance appraisal mechanism, set up targets for the Head Office departments, domestic branches, overseas branches, and comprehensive operation companies, which covered business development, management of ESG risks associated with customers, and other aspects of work, and added sustainability indicators to the assessment of senior management personnel, such as serving the dual carbon goal, serving inclusive finance, serving the rural revitalization strategy, case risk rate, and market risk control. Such indicators had a combined weight of more than 20%, and the appraisal results were linked to the distribution of remuneration.

Industry-specific credit policies

The Bank formulated the *Industry-specific Credit Investment Guidelines of Bank of China Limited (Version 2023)* and the *Industry-specific Asset Portfolio Management Program for Bank of China Limited (Version 2023)*, in which green and low-carbon industries such as new energy vehicles, wind power, new-type energy storage, ecological conservation, and environmental governance were put under the active growth category and supporting measures were improved to direct the supply of credit to related industries. In addition, the Bank newly formulated or revised credit policies for related green industries such as environmental governance, wind power equipment, and solar photovoltaic (PV) manufacturing, providing detailed guidance in terms of customer and project access standards, identification and prevention of related risks, credit management strategies, etc.

Master credit policy of BOC for green finance



Supporting eco-friendly industries

The Bank shall offer support for the enterprises that belong to green industries and those carrying out eco-friendly production and operational activities, conserving biodiversity, protecting employees and their health, conducting sound corporate governance, safeguarding legitimate rights and interests of shareholders, and putting in place a complete set of financial management and risk management mechanisms.

On the premise of effective risk prevention, the Bank shall channel resources to the green industries in the Guiding Catalogue for Green Industries, a document of the competent authority in China.

The Bank shall facilitate the construction of a clean and low-carbon energy system, support key industries and fields to save energy consumption, reduce pollution, cut carbon emissions, increase the adoption of green operation, and prevent disasters, and implement clean production, and promote the adoption and application of green and low-carbon technologies.

The Bank shall strengthen the combination of green finance and inclusive finance, to support green and inclusive enterprises.

The Bank shall actively guide customers and their upstream and downstream industrial chains to regulate their ESG behaviour.



Tightening the control over brown industries¹

While resolutely curbing the blind expansion of energy-intensive, high-emission, and low-level projects, the Bank shall promote the transformation and upgrading of carbon-intensive industries, pursue the approach to overall planning, categorised strategies, and differentiated management requirements, and refrain from "one-size-fits-all" solutions and movement-style carbon reduction attempts.

At the same time, the Bank shall optimise the structure of assets allocated to brown industries, promote production capacity replacement, green transition, and technology upgrading, and get resources concentrated in key areas of advanced capacity, low power consumption of output per unit, technology upgrading and transformation, safe, green, intelligent and efficient operation, etc.

¹ The brown industries mentioned herein are the eight major industries under emission control that have been and will be included in the national carbon market as well as the coal industry. Specifically, the eight industries are the thermal power generation, iron and steel, petrochemical, chemical engineering, non-ferrous metals, cement, paper-making, and civil aviation industries.

BOC credit policies for some key industries or fields

Key industry or field	Credit policy
 Agriculture, forestry, animal husbandry & fishery	<p>Crop seed industry: The <i>Credit Policy of Bank of China Limited for Crop Seed Industry (Version 2021)</i> is currently adopted at the Bank. It was formulated as per the <i>Opinions of the State Council on Accelerating the Development of Modern Crop Seed Industry</i>, the <i>Modern Seed Industry Enhancement Program for the 14th Five-Year Plan Period</i> of the National Development and Reform Commission (NDRC) and the Ministry of Agriculture and Rural Affairs of China (MARA), and other policy documents. Customers that trigger severe environmental accidents, face significant environmental and social risks, and fail to comply with quality control, environmental protection, and other policies/provisions of the international crop seed industry shall be included in the category of exit.</p>
 Electricity industry	<p>Slaughtering and meat processing industry: The <i>Credit Policy of Bank of China Limited for Slaughtering and Meat Processing Industry (Version 2021)</i> is currently adopted at the Bank. It was formulated as per the <i>Food Safety Law of the People's Republic of China</i> adopted by the Standing Committee of the National People's Congress (NPC), the <i>Regulations on the Management of Pig Slaughtering</i> of the State Council, the <i>Guiding Opinions on the Action to Improve the Quality and Safety of Meat Products</i> of the State Administration for Market Regulation (SAMR), and other policy documents of national ministries and commissions. With respect to environmental risks, special attention shall be paid to the annual environmental ratings of enterprises as well as records of previous environmental penalties and rectification measures. It shall be cautious about involvement in customers (projects) with great environmental risks. In terms of social risks, focus shall be put on checking whether the slaughtering process complies with norms for humane slaughters and respects religious and folk customs. It is strictly prohibited to provide credit for enterprises that slaughter wild animals and protected animals in violation of the law.</p>

BOC credit policies for some key industries or fields

Key industry or field	Credit policy
 Energy and coal	<p>The Credit Policy of Bank of China Limited for Coal Industry (Version 2022) is currently adopted at the Bank. It was formulated as per the Catalogue for the Guidance of Industrial Structure Adjustment (Version 2019) of the NDRC, the Guiding Catalogue for Green Industries (Version 2019), the Opinions on Playing the Role of Advanced Capacity in the Process of Eliminating Overcapacity to Transform and Upgrade the Coal Industry, and other policy documents of national ministries and commissions. BOC shall provide key support to large advanced and efficient coal mines with good product quality, cutting-edge production technology, good safety conditions, and qualified energy conservation and emission reduction. The Bank shall cut the volume of businesses carried out with or even withdraw from the coal enterprises that have small production capacity, weak profitability, and poor production conditions and cannot comply with the national industry policy. It shall accelerate the withdrawal from the coal mines that do not meet environmental protection requirements.</p> <p>It shall adopt strict management and control measures on new coal mining and coal power projects outside China. Starting from the fourth quarter of 2021, it shall no longer provide financing to such projects, except for those already signed, which shall be implemented in accordance with commercial principles.</p> <p>The Bank shall, together with financial institutions, release the <i>Initiative for Supporting BRI Energy Transition with Green Finance</i>, and continue to strengthen support for green and low-carbon energy transition in the Belt and Road Initiative (BRI) participating countries.</p>
 Oil and natural gas	<p>Petroleum refining industry: The Credit Policy of Bank of China Limited for Petroleum Refining Industry (Version 2021) is currently adopted at the Bank. It was formulated as per the Guiding Opinions of the State Council General Office on Structural Adjustment, Transformation Promotion, and Efficiency Enhancement in Petrochemical Industry, the Catalogue for the Guidance of Industrial Structure Adjustment (Version 2019), the Planning and Deployment Program for the Petrochemical Industry, and other policy documents of national ministries and commissions. The Bank shall strictly implement the Guiding Opinions of the National Development and Reform Commission and the Ministry of Industry and Information Technology on Promoting Green Development of the Petrochemical Industry, the Catalogue of Construction Projects with Environmental Impact Assessment Documents Approved by the Ministry of Ecology and Environment (Version 2019), as well as pollution discharge-related policies and systems.</p> <p>Natural gas industry: The Credit Policy of Bank of China Limited for Natural Gas Industry (Version 2022) is currently adopted at the Bank. It was formulated as per the Opinions on Accelerating the Utilisation of Natural Gas of the NDRC and other 12 departments, the Opinions on Accelerating the Construction of Gas Storage Facilities and Improving the Market-based Auxiliary Service Mechanism for Gas Storage and Peak Regulation of the NDRC and the NEA, and other policy documents of national ministries and commissions. It is required to implement green credit concepts and requirements and strengthen environmental and social risk management. The Bank shall pay adequate attention to the environmental impact of ongoing projects and refrain from supporting projects with significant environmental and social risks/hazards.</p>

BOC credit policies for some key industries or fields

Key industry or field	Credit policy
 Mining and metallurgy	<p>Steel and copper industries: The Credit Policy of Bank of China Limited for Iron and Steel Industry (Version 2022) and Credit Policy of Bank of China for Copper Industry (Version 2022) are currently adopted at the Bank. They were formulated as per the Guiding Opinions of the State Council on Addressing the Problem of Severe Overcapacity, the Specifications for Iron and Steel Industry (Revision in 2015) of the Ministry of Industry and Information Technology (MIIT), the Implementation Measures for Capacity Replacement in the Iron and Steel Industry, and other policy documents of national ministries and commissions. Support shall be focused on projects in line with capacity replacement, energy consumption reduction, process optimisation, intelligent transformation, green transformation, and ultra-low emissions. It is required to gradually withdraw from projects with backward technology and equipment, unqualified products, substandard energy consumption and emissions, and backward production capacity.</p>
 Biodiversity	<p>BOC pays close attention to the impact that its customers cause on the ecosystem in their business activities, strictly complies with the laws, regulations, and rules on the protection of biodiversity, and prohibits the provision of credit support for acts that seriously damage biodiversity.</p> <p>For controversial projects, after making sure their compliance with the laws and regulations in the countries/regions where they are located, the Bank will extensively solicit the suggestions of professional assessment agencies, residents, media, and non-profit environmental protection organisations, among other stakeholders, prudently assess the environmental and social risks and nail down credit strategies, and urge related enterprises to establish ecological protection compensation mechanisms and consciously undertake ecological protection and restoration obligations.</p> <p>BOC incorporates clear biodiversity protection requirements into the credit policies of key industries such as wind power generation, pumped storage, and coal, as part of its efforts to safeguard the boundary of natural ecological protection as well as the national ecological safety.</p> <p>For the enterprises (projects) that are found to go against national policies and regulatory requirements, fail to meet environmental protection standards, and have significant environmental and climate risks; destroy critical habitats, important biodiversity areas and national nature reserves; illegally log, fish, and poach wildlife; blindly expand oil palm plantations leading to deforestation; and illegally occupy and destroy forest lands, the Bank requires not providing credit or investment support for these corporate customers; as to the existing business relations, it shall urge related customers to make rectifications and take effective measures to mitigate risks; and if rectifications are impossible, it shall exit from the projects with such customers as soon as possible.</p> <p>As a co-publisher of the <i>Common Action Plan for Banking Sector to Support Biodiversity Conservation</i>, the Bank shall continuously step up the financial support for biodiversity undertakings.</p>

To ensure the binding nature of the credit policies for key industries or fields, the Bank shall specify customers' ESG risk management requirements in related contracts, set rigid limits for the industries with overcapacity such as iron and steel and cement, carry out list-based management, and strengthen authorisation management. Meanwhile, it shall strictly examine project documents of projects in the industries featuring "heavy pollution, high energy consumption, and overcapacity" with respect to approval and filing, environmental assessment, and energy-saving review, among other aspects and refrain from providing credit support to projects that do not meet the requirements for controlling the intensity and total volume of energy consumption, projects that are constructed prior to approval, or projects without any energy consumption quota or environmental capacity.

Managing ESG Risks Associated with Customers



As global climate change intensifies, the prevention of non-traditional financial risks, such as ESG risks, has become a key issue of concern for banking financial institutions. BOC proactively identifies climate-related risks and opportunities, and made every effort to build a new system of green finance and makes the management of ESG risks associated with customers a key task in serving the dual carbon goal and implementing and developing green finance, so as to better manage such risks.

Climate-related risks and opportunities ➤

Climate-related risks

Taking for reference the definition and classification of climate risks by the Task Force on Climate-related Financial Disclosures (TCFD) and the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), the Bank, from the perspectives of physical risk and transition risk, identified and analysed the short-term, medium-term, and long-term impacts of climate risk on its credit risk, market risk, liquidity risk, operational risk, reputational risk, country risk, and other major risks.

Risk Type	Examples of environmental (climate) risks	Impact Timeframe
Credit risk	<p>Physical risks: Extreme weather events damaging assets held by the Bank's clients, leading to the destruction or devaluation of collateral, or affecting supply chains, thereby impacting clients' operations, profitability, and survival, resulting in increased default rates.</p> <p>Transition risks: Carbon reduction policies affecting the profitability of carbon-intensive corporate clients, with related assets potentially becoming stranded.</p>	Medium to long-term
Market risk	<p>Physical risks: Extreme weather events may damage national infrastructure, weaken economic growth and employment, lead to credit rating downgrades, thereby impacting the value of assets held on the Bank's balance sheet.</p> <p>Transition risks: "Carbon peaking" and "carbon neutrality" goal will trigger a shift in investor preferences, reducing expected returns of carbon-intensive assets, posing risks of valuation decline and increased investor volatility for the Bank. Short-term to medium to long-term.</p>	Short-term and medium to long-term
Liquidity risk	<p>Physical risks: Extreme weather events may cause extensive damage to physical properties, resulting in substantial construction and repair costs, leading to a surge in customer fund withdrawals and demand for emergency loans, exacerbating the Bank's liquidity pressures.</p> <p>Transition risks: With increasing environmental awareness, depositors and investors will strengthen their support for green finance businesses, affecting the funding sources of other financial businesses.</p>	Medium to long-term
Operational risk	<p>Physical risks: Extreme weather events negatively impacting the Bank's infrastructure, systems, processes, and staff, disrupting business continuity.</p> <p>Transition risks: Inadequate internal procedures and systems to address climate change can lead to losses.</p>	Medium-term
Reputation risk	<p>Physical risks: Providing financial support to clients and projects that harm habitats and biodiversity may expose the Bank to reputation risks.</p> <p>Transition risks: Continuously financing "high-pollution, high-energy consumption, high-emission" enterprises or significantly increasing holdings of carbon-intensive assets may result in reputation risks for the Bank.</p>	Short-term to medium to long-term
Country risk	<p>Physical risks: Rising sea levels causing adverse effects on coastal countries' infrastructure and economy.</p> <p>Transition risks: Countries relying on traditional high-carbon development models will face impacts and challenges in transitioning to green and low-carbon development models.</p>	Medium to long-term
Information Technology Risk	<p>Physical risks: Extreme weather events negatively affecting the Bank's equipment and systems, potentially causing system failures, data loss, or damage, resulting in financial or reputational losses.</p> <p>Transition risks: Significant changes in customer business operations due to the low-carbon transition may render the Bank's existing information technology inadequate to meet new demands, resulting in financial losses.</p>	Short-term to medium to long-term

At this stage, banking financial institutions face significant transition risk. While the Chinese economy and society go green, related enterprises in traditional industries will see their financial position change to different degrees. In the process, their solvency will be impacted. There may be a rise in the default rate, which will in turn impact the asset quality of banks.

Climate-related opportunities

At a time when the world is active in addressing climate change and China has announced the dual carbon goal, the ongoing industrial restructuring and upgrading drive has presented both challenges and opportunities for the banking industry.

	<p>Green finance has become a common discourse worldwide. The exchange and cooperation in green finance have become key drivers for the global development of the Group.</p>
	<p>From the central to local governments, multi-level and diversified green finance policy systems promote the vigorous development of green finance business in commercial banks.</p>
	<p>The green industries are presented with new opportunities, triggering a wave of green upgrades in traditional industries.</p>
	<p>China's carbon emission trading market is poised to expand under the "zero-carbon vision." Deep involvement of banks in the carbon finance field can effectively promote revenue growth.</p>

The regime of managing ESG risks associated with customers ➤

The Bank has established a customer ESG risk governance architecture that is appropriate to its business scale and attributes, and defined ESG risk management responsibilities within the architecture.

Board of Directors

 Assuming the ultimate responsibility for the comprehensive risk management, including the management of ESG risks associated with customers.

Senior Management

 Assuming the implementation responsibility for the management of ESG risks associated with customers and executing the resolutions of the Board of Directors. The Chief Risk Officer acts as the Chair of the Green Finance Committee, and is responsible for managing ESG risks associated with customers. Independent from operation and business lines, the Chief Risk Officer can directly report to the Board of Directors updates about comprehensive risk management.

Professional teams

Business departments (the first line of defence)	Risk management departments (the second line of defence)	Audit departments (the third line of defence)
 They are responsible for implementing the policies and processes related to the management of ESG risks associated with customers. They shall accurately categorise, identify, measure, assess, monitor, control, and properly manage and address ESG risks associated with customers, and adequately identify and assess ESG risks associated with new products or businesses.	 They are responsible for developing ESG risk management policies and processes. They shall provide guidance for, give training to, monitor, and inspect the work done by the first line of defence, while transmitting ESG risk appetite effectively.	 They are responsible for organising and conducting internal audits of green finance on a regular basis.



In 2023, the Bank revised the *Comprehensive Risk Management Policy of the Bank of China Limited*, updating "environmental and social risks" as "environmental (climate), social, and governance risks", and including Customer ESG risks in its comprehensive risk management regime.

The qualitative statement about ESG risk appetite was also updated in the risk appetite statement Customer ESG risks.

The *Management Policy on Environmental (Climate), Social, and Governance Risks Associated with Customers of Bank of China* is currently adopted at the Bank. It was formulated according to regulatory requirements and the Group's 14th five-year plan for green finance, and with reference to the guidelines regarding climate-related financial risk management and sustainability performance standards, including those released by the Basel Committee on Banking Supervision, International Finance Corporation, and the Equator Principles. Approved by the Green Finance Committee, the policy is applicable to corporate banking (including corporate working capital loans and project financing) and investment, and runs through the business processes such as risk identification and classification, due diligence, business approval, contract management, fund appropriation, post-lending management, and post-investment management. Besides, the Bank has included requirements related to environment protection in due diligence on investment banking business.

The Bank has included binding requirements for environmental and social risk management in more than 90 industry credit policies, which involve agriculture, forestry, animal husbandry and fishery, mining and metallurgy, oil, gas and chemical engineering, construction and real estate, and transportation and logistics. It has also specified requirements for biodiversity conservation in credit policies for key industries like wind power generation, pumped-storage hydropower, and coal.

The whole-process management of ESG risks associated with customers ➤

The Bank has established a whole-process management approach that could cover risk identification, measurement, assessment, monitoring and reporting, and control and mitigation to control and reduce ESG risks associated with customers.

Risk identification

BOC categorises customers into three categories, that is, A, B and C, given many factors such as their potential environmental (climate) and social risks, industries to which they belong, and their stage of development, labels them in related business management systems, and takes more stringent assessment and review measures for high-risk customers. The categorisation results are re-examined periodically. In case of unexpected events that cause changes to the categorisation results, updates are made to the relevant systems in a timely manner.

Risk measurement

The Bank conducted bank-wise stress testing under the macro scenarios of climate risk. The stress tests were designed to examine the impact of various factors including temperature rise and carbon emission prices, on the change in credit risk associated with corporate loans across the Bank.



Conducting climate risk stress tests to analyse and manage climate risk in a science-based manner

In 2023, overseas branches/institutions of the Bank did work related to climate risk stress testing. They analysed the impact of physical risk caused by extreme climate conditions such as floods, typhoons, and sea level rise on key industries, with testing results indicating that relevant risks were manageable overall.

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In accordance with the latest requirements of the Hong Kong Monetary Authority in the Guidelines for Banking Sector Climate Risk Stress Test in 2023, it optimized the climate risk stress testing method and finished the "short-term scenario" climate risk stress testing as per regulatory requirements to assess financial impact of transition risk and physical risk on the banks.

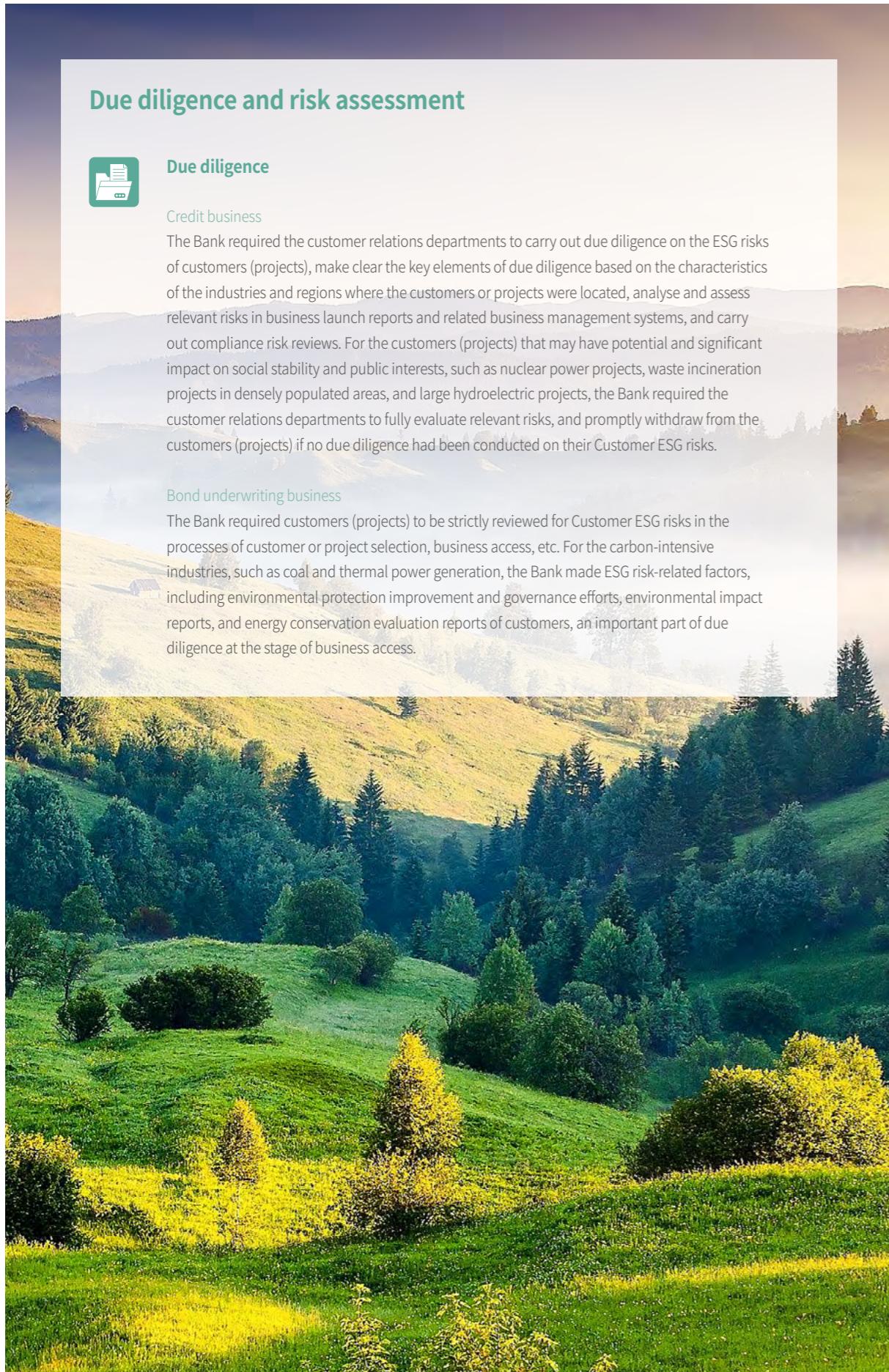
BOC (UK)

It actively advanced work related to climate risk stress testing to assess potential financial impacts of transition risk and physical risk under stress scenarios.

Singapore Branch and Paris Branch

They completed the climate risk stress test for the electricity industry. Based on the global stress scenarios provided by the NGFS, they devised transmission paths for transition risk and physical risk, and comprehensively assessed the impact of climate risk on the business and credit risk of the electricity industry in terms of regulatory policies and regulations, movements of carbon price, changes in market demand, changes in the cost of major raw materials, technological replacement, and losses due to climate disasters, among other aspects.

The Bank explored and researched the methodological system suitable for the carbon accounting of its asset portfolios, and finished the pilot calculation of carbon footprints of the asset portfolios in carbon-intensive industries. Taking reference to the *Global GHG Accounting and Reporting Standard for the Financial Industry* released by Partnership for Carbon Accounting Financials (PCAF) and the *Guide on the Carbon Accounting Technology for Financial Institutions (Provisional)* released by the PBOC, the Bank conducted trial accounting of carbon emissions from the corporate loans in three major carbon-intensive industries, including thermal power generation, iron & steel, and building materials.



Due diligence and risk assessment



Due diligence

Credit business

The Bank required the customer relations departments to carry out due diligence on the ESG risks of customers (projects), make clear the key elements of due diligence based on the characteristics of the industries and regions where the customers or projects were located, analyse and assess relevant risks in business launch reports and related business management systems, and carry out compliance risk reviews. For the customers (projects) that may have potential and significant impact on social stability and public interests, such as nuclear power projects, waste incineration projects in densely populated areas, and large hydroelectric projects, the Bank required the customer relations departments to fully evaluate relevant risks, and promptly withdraw from the customers (projects) if no due diligence had been conducted on their Customer ESG risks.

Bond underwriting business

The Bank required customers (projects) to be strictly reviewed for Customer ESG risks in the processes of customer or project selection, business access, etc. For the carbon-intensive industries, such as coal and thermal power generation, the Bank made ESG risk-related factors, including environmental protection improvement and governance efforts, environmental impact reports, and energy conservation evaluation reports of customers, an important part of due diligence at the stage of business access.



Risk assessment

BOC manages and assesses its ESG risks of customers and their projects in a category-based manner from 13 dimensions given the characteristics of the industries and regions to which they belong.

Key elements under mandatory inspection in the assessment of ESG risks associated with customers

Assessment and management system of ESG risks associated with customers and their projects

Specific assessment standards

- (1) whether a management system is in place to prevent ESG risks; (2) whether management personnel are in place to prevent environmental ESG risks; (3) whether there is a strong awareness of preventing ESG risks; etc.

Labour and working conditions

- (1) whether workers are treated fairly and provided with equal opportunities; (2) whether workers are provided with a safe and healthy work environment or appropriate safeguards; (3) whether employment and labour laws of the countries where projects are located are complied with; (4) whether there is a grievance mechanism for workers (and their organisations, where they exist) to raise workplace concerns; etc.

Pollution prevention and control

- (1) whether customers/projects have committed environmental violations and whether they have been rectified and passed acceptance examinations of the competent management authorities; (2) whether customers/projects avoid the release of pollutants or, when avoidance is not feasible, minimise or control the intensity and mass flow of their release; (3) whether customers/projects avoid the generation of hazardous or non-hazardous waste materials or, when wastage generation cannot be avoided, reduce the generation of waste, and recover and reuse in a way that is safe for human health and the environment (climate); etc.

Biodiversity conservation and sustainable natural resource management

- (1) whether customers/projects, as a matter of priority, seek to avoid impacts on biodiversity and ecosystem services; (2) when avoidance of impacts is not possible, whether customers/projects adopt measures to minimise impacts and restore biodiversity and ecosystem services; (3) given the complexity in predicting project impacts on biodiversity and ecosystem services over the long term, whether customers/projects adopt a practice of adaptive management in which the implementation of mitigation and management measures are responsive to changing conditions and the results of monitoring throughout the project lifecycle.

Carbon footprint management

- (1) whether customers/projects have formulated strategic plans or management policies concerning the green and low-carbon transition; (2) whether customers/projects carry out carbon emission accounting; (3) whether customers/projects intensify their energy and resource management to gradually reduce the carbon emissions in Scope 1 and Scope 2; (4) whether customers/projects pay enough attention to the carbon footprints of enterprises along supply chains to gradually reduce the carbon emissions in Scope 3.

In addition, other key elements in the assessment of ESG risks associated with customers and their projects include community health and safety, land acquisition and involuntary relocation, respect for cultures and customs of indigenous peoples and ethnic, cultural heritage protection, explosives and chemicals management, ESG risk management among supply chain, organizational framework and operational management, and financial management and risk management.

Risk monitoring and reporting

The Bank intensified monitoring of ESG risks associated with customers, issued internal risk prompts or early warnings for the customers (projects) located in the industries or regions identified by national environmental protection or work safety authorities as key ones for rectification of illegal practices, tracked and monitored relevant risk events throughout the process, and adjusted risk levels and disposal measures as appropriate based on actual conditions.

The Bank continued to improve the customers' ESG risk emergency response measures and reporting mechanism, categorised sudden ESG risk events into four levels, i.e. average, big, significant, and particularly significant, and required institutions where the events took place to initiate the plan right after the events, address the events legally, scientifically, efficiently, and properly, and report the events in a timely, objective, true and compressive manner based on the principle of leveled response. ESG risks associated with customers were fully investigated, monitored, and reported in a timely manner.

Risk control and mitigation

The Bank took risk management moves including key business strategies, differentiated authorities and processes, and list-based management, to actively control and ease the customers' ESG risks.



Key business strategies

In credit strategies, the Bank defined risk levels including active support, prudent credit granting or investment, and no credit granting or investment based on the environmental protection ratings of customers, and linked environmental protection ratings with credit ratings.

Circumstances in which the Bank will provide active support

- The Bank will actively channel resources into the green industries on the *Guiding Catalogue for Green Industries*, which engage in energy conservation and environmental protection, clean production, clean energy, ecological environment, green upgrading of infrastructures, and green services.
- It will actively serve the green and low-carbon implementation of the BRI.

Circumstances in which the Bank will be cautious about providing credit or investment support

- Enterprises whose environmental credit rating has a colour code of yellow.
- Enterprises that are above the industry average in pollutant emissions or energy consumption and have no technological adaption plans.
- Enterprises that may have a significant adverse impact on the health or living environment of indigenous people and ethnic minorities, or that may trigger severe conflicts over resources or land and have not developed effective mitigation measures.
- Enterprises that seriously infringe on the rights of shareholders of small and medium enterprises and that are severely short of financial management and risk management mechanisms and have no plan to rectify the situation.

Circumstances in which the Bank shall not provide credit or investment support

- Enterprises that fail to pass national environmental impact assessment, whose environmental protection credit rating is red or black, that are put on the "black list" for illegal environmental practices, that destroy key habitats, important biodiversity areas or national natural reserves, or that illegally log, fish, poach wildlife, cause deforestation through the excessive expansion of oil palm plantations, or illegally occupy and destroy forest lands.
- Existing businesses that involve any of the said circumstances shall be urged to rectify the problems and those that cannot rectify shall exit as soon as possible.



Differentiated authority and processes

In line with the implementation of the green finance development strategy and the adherence to the green lending concept, the Bank strengthened environmental (climate) and social risk management and re-examined the differentiated credit authorization delegation schemes across BOC. For industries with high Customer ESG risks, such as iron & steel, cement, electrolytic aluminium, and coal chemical, it was further clearly stipulated that in compliance with certain conditions, credit applications shall be submitted to the Head Office for approval. For green industries in the active growth category to which more credit would be extended, authorisation delegation shall be expanded.



List-based management

The Bank exercised list-based management for customers involving higher Customer ESG risks, differentiating management of members on the list, and urging customers to take measures to alleviate Customer ESG risks, such as formulating and implementing risk response plans and smoothening the complaint channels for stakeholders.

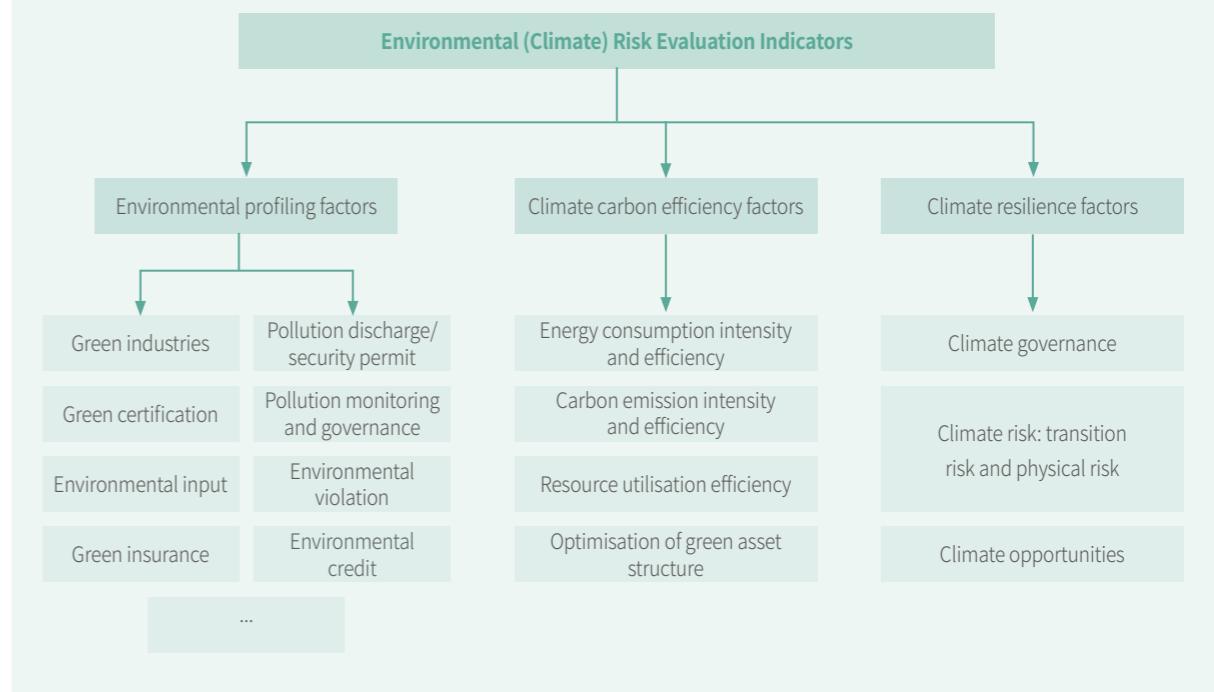
Digitising the management of ESG risks associated with customers ➔

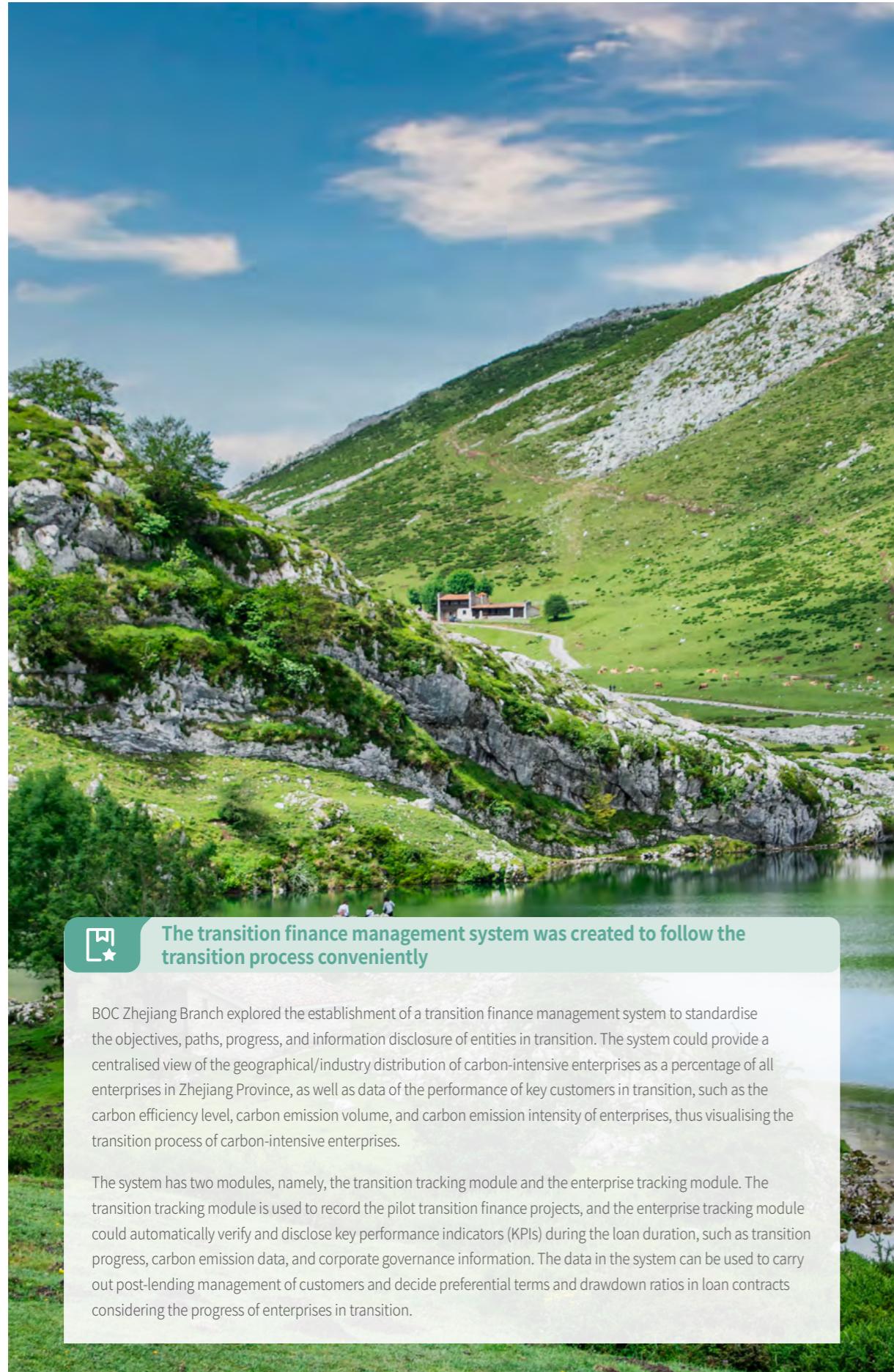
The Bank continued to improve the intelligent management of green finance. Phase II of the green finance management system was put into operation, enabling intelligent categorisation of ESG risks associated with customers and export of customer lists, dynamically monitoring customers' environmental protection information like ratings and punishments, and supporting intelligent forewarning, regular evaluation, and whole-process control of ESG risks associated with customers.



Developing a model specialising in environmental climate evaluation to strengthen climate risk prevention capabilities

BOC Shanghai Branch developed a model specialising in environmental climate evaluation. Capable of measuring an enterprise's environmental friendliness, potential for low-carbon development, and resilience to climate change with 60 indicators, the model could assess the enterprise's risks in relation to environmental and climate performance and sustainability comprehensively and dynamically, in an effort to effectively empower all aspects of the credit management process.





The transition finance management system was created to follow the transition process conveniently

BOC Zhejiang Branch explored the establishment of a transition finance management system to standardise the objectives, paths, progress, and information disclosure of entities in transition. The system could provide a centralised view of the geographical/industry distribution of carbon-intensive enterprises as a percentage of all enterprises in Zhejiang Province, as well as data of the performance of key customers in transition, such as the carbon efficiency level, carbon emission volume, and carbon emission intensity of enterprises, thus visualising the transition process of carbon-intensive enterprises.

The system has two modules, namely, the transition tracking module and the enterprise tracking module. The transition tracking module is used to record the pilot transition finance projects, and the enterprise tracking module could automatically verify and disclose key performance indicators (KPIs) during the loan duration, such as transition progress, carbon emission data, and corporate governance information. The data in the system can be used to carry out post-lending management of customers and decide preferential terms and drawdown ratios in loan contracts considering the progress of enterprises in transition.

Indicators and Targets



With becoming the "preferred bank of green financial services" as a goal, BOC improved its green finance products and services. While increasing its support for green industries such as clean energy and paying particular attention to the financial needs of traditional industries during their green transition and upgrading, the Bank continued to build the "BOC Green+" global brand by launching dozens of green finance products and services in five categories, covering deposit, loans, bonds, consumption, and integrated services, to actively support the green and low-carbon transition of the Chinese economy and society.

Target during the 14th Five-year Plan period

Status of completion in 2023

New credit support for green industries will be at least RMB3 trillion.

As at the end of 2023, the balance of green credit extended by the Bank domestically reached RMB3,106.7 billion, which included new credit of RMB1,119.5 billion and represented an increase of RMB2,209.9 billion from the end of the 13th Five-Year Plan period.

The balance of credit finance will go up year by year.

Year-on-year growth of 56.34%

BOC will maintain sound asset quality.

Non-performing ratio of green credit remained below 0.5%, which was lower than the overall NPL ratio of the Group.

Green bond investments will go up year by year.
The Bank will lead the market by the green bond underwriting capacity.

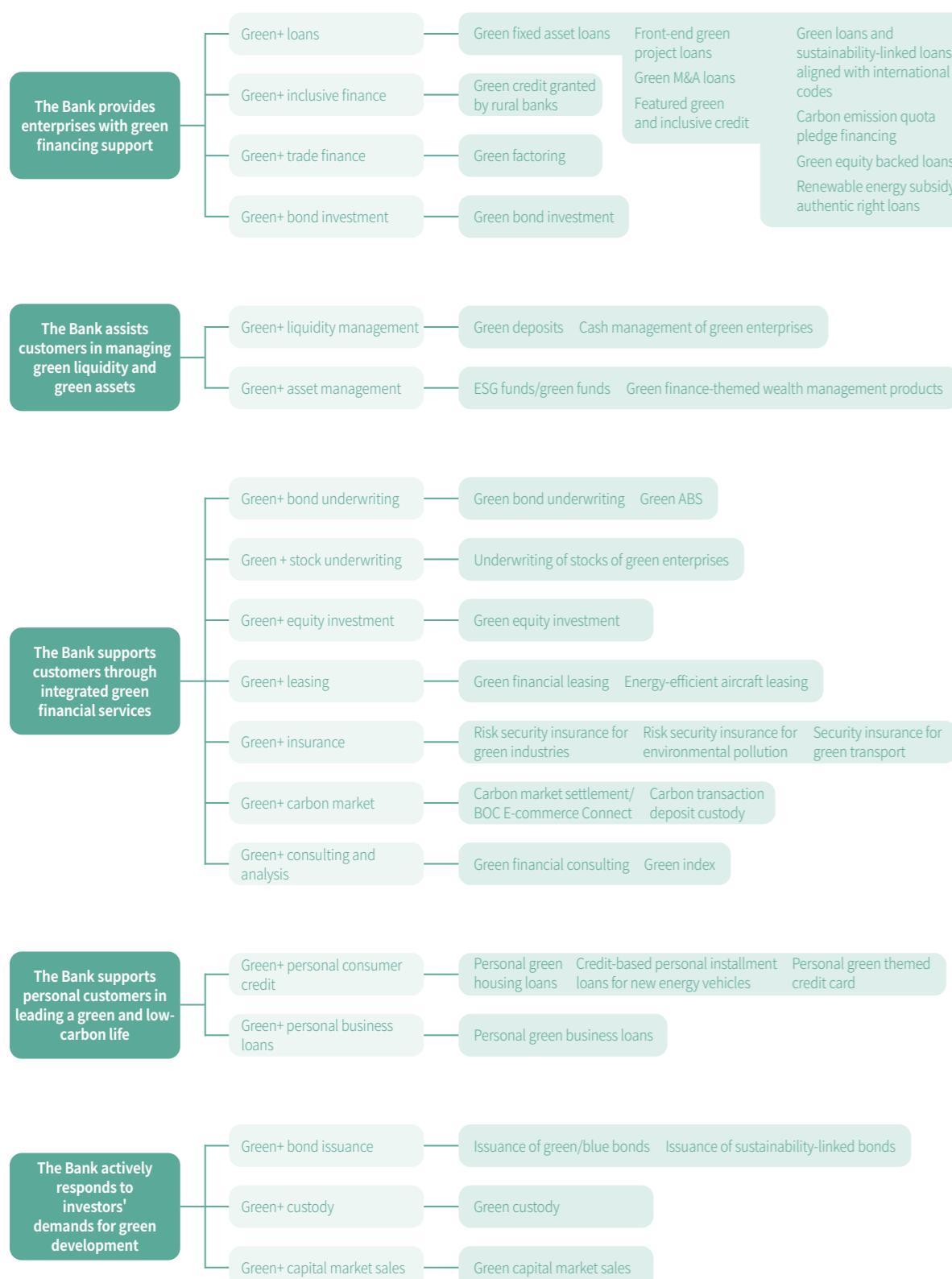
Investments in green bonds expanded in size continuously. Investment of BOC in green bonds exceeded RMB100 billion as at the end of 2023. The Bank ranked first in the interbank market by green bonds underwritten both domestically and overseas, and took the first place among Chinese institutions in Bloomberg's global offshore green bond rankings.

BOC will no longer provide financing for new coal mining and coal power projects outside of China from the fourth quarter of 2021 onwards, except for the projects already contracted.

There was no financing for new coal mining projects or new coal power projects overseas.

Green investment and financing ➤

"BOC Green+" financial product and service



"Green+" loans

The Bank made efforts to support green industries and projects, gave priority to approving green, low-carbon, or eco-friendly customers, and promoted fast growth of green credit. As at the end of 2023, the balance of green credit extended by the Bank domestically was equivalent to RMB3,106.7 billion, representing a year-on-year increase of 56.34%.



Serving as the exclusive lead arranger for the first sustainability-linked loan in China's shipping industry

In 2023, BOC Shanghai Branch arranged a sustainability-linked syndicated loan worth RMB1.5 billion for COSCO Shipping Energy Transportation Company Limited (COSCO Shipping) as the first of its kind in China's shipping industry.

Relying on the strategic plan of COSCO Shipping for sustainable development, the branch selected appropriate environmental and social KPIs, examined the progress the company had made toward its sustainable development targets in the past two years, and assisted the company in making energy transportation by ships a green and harmless process and in holding work safety management to high standards.



Highlights of globalisation practices

BOC, as a global co-lead bank, contracted a 1GW wind power project located in Bash and Zankeldi, Bukhara, Uzbekistan. It is the largest standalone wind power project in Central Asia and an important project planned by the Uzbek government for the benefit of the people. Upon completion, it could provide 3.5 billion kWh of electricity to the local power grid every year, reduce carbon emissions by 1.6 million tonnes, and create about 500 jobs in the local community.

BOC Sydney Branch, as the sustainability coordinator, launched an innovative sustainability-linked loan that contained biodiversity conservation indicators to support the sustainable development of the Macquarie University campus in Australia.



▲ BOC Zhejiang Branch participates in the syndicated loan for the "Dongtou Bay Sea Garden for Common Wealth" ecology-oriented development (EOD) project, China's first comprehensive marine environment governance project, to support the environmental improvement in the near-shore sea areas and the ecological restoration in islands and surrounding waters.

"Green+" bonds

The Bank developed the *Sustainability Bond Management Statement (Version 2023)* in accordance with the latest principles related to sustainability bonds published by the International Capital Market Association (ICMA). Meanwhile, it refined the *Transition Bond Management Statement* in accordance with the *Common Ground Taxonomy for Sustainable Finance* of the International Platform on Sustainable Finance (IPSF), the *European Union Taxonomy for Sustainable Activities*, and the industry recognition standards of the Climate Bonds Initiative.



Underwriting China's first non-financial enterprise debt financing instrument linked to local carbon market transactions

As the sole lead underwriter, the Bank assisted Fujian Energy Group Co., Ltd. in issuing the second tranche of ultra-short-term financing bonds (carbon assets) in 2023, which is the first carbon asset bond linked to the local carbon market and the first carbon asset-based bond issued by an enterprise qualified for issuing debt financing instruments (DFIs) in China. Therefore, it is of great significance for the companies in Fujian to explore the use of financial instruments to move toward the dual carbon goal.



Supporting an NEV manufacturer to issue green asset-backed securitisation products

In February 2023, the Bank acted as the exclusive lead underwriter and bookrunner to help XCMG New Energy Vehicle Co., Ltd. in Xuzhou issue the first tranche of green, private asset-backed notes in 2023, with an issuance amount of RMB597 million and a term of three years. While assisting the issuer to make its debut in the debt capital market, the Bank landed the first green bond in the field of new energy commercial vehicles in China. The proceeds would be used to support the issuer in manufacturing new energy commercial vehicles, in an effort to facilitate energy conservation and emission reduction.



Highlights of globalisation practices

BOC Sydney Branch issued the world's first USD300 million sustainability-linked loan-backed bond and the first sustainability-linked loan-backed bond in the Asia-Pacific region with the independent second-party opinion from an international ESG assessment agency.

"Green+" inclusive finance

To promote the integrated development of green finance, inclusive finance, and technology finance, the Bank increased support for the green development of inclusive finance customer groups such as agricultural-related enterprises and small and micro manufacturing enterprises. By the end of 2023, the Bank's green and inclusive finance loan balance was RMB16.737 billion, registering a growth rate of 41.69% in the year.

"Green+" consumption

The Bank innovated green finance products from the consumption side, guided or encouraged consumers to increase low-carbon behaviour and choose green products, and promoted the green and low-carbon transition of personal spending.



Wealth management products on the theme of green finance

As at the end of 2023, the Bank sold on an agency basis 49 green finance products such as "ESG Premium". The outstanding products had a size of RMB47,517 million.



Mutual fund products on the theme of green finance

As at the end of 2023, the Bank sold on an agency basis 50 green finance-themed mutual funds in aggregate, with an outstanding size of RMB10,081 million. These funds were invested in a wide range of green industries such as ecological conservation, low-carbon transition, new energy, and new materials.



Green, low-carbon bank cards

Debit cards

Green, low-carbon debit cards were issued on a pilot basis for the first time in places including Qinghai. BOC Qinghai Branch used these debit cards and the green account privilege platform of the mobile banking app to build an "account + privilege" service system. Combining the upgrading of green industries with the upgrading of green spending, the system could encourage the public to adopt a green and low-carbon lifestyle in their daily life and extended scenarios. As at the end of 2023, about 480,000 people were attracted to live a green and low-carbon life.

Credit cards

Green, low-carbon credit cards were upgraded. The "1-2-3-4 Green Travel" campaign (1 penny for one shared bike ride, 80% off bus fare, 70% off metro fare, and 60% off high-speed rail fare) to persuade new citizens into traveling green.



Green consumption services

New energy vehicle (NEV) instalment loans

The Bank introduced a diversity of zero-interest loans, low-interest loans, and flexible repayment plans with low monthly instalments in cooperation with carmakers, to reduce financial costs of car buyers. Meanwhile, it strengthened the coordinated support throughout the whole process from in-store acquiring to approval and disbursement of loans, thus opening up an efficient, green business channel. As at the end of 2023, the outstanding balance of New Energy Vehicle instalment loan receivables reached RMB34,464 million, representing a 105.06% increase compared to the beginning of the year.

Green home appliance loans

In response to the green home appliance subsidy policies of local governments, BOC launched the Green Home Appliance Instalment Loan activity, in which it cooperated with more than 8,000 stores of many large-scale home appliance sales chains across China.

"Green+" integrated services

Focused on the requirements of national strategies for economic restructuring and industrial development, BOC gave full play to its advantages in integrated operation and used various financial instruments such as equity, bond, investment, funds and asset management to provide green industries with a variety of financial services.

- BOC Wealth Management continued 17 green finance themed products, with the cumulative product volume of about RMB51,371 million.
- BOCIM developed green and ESG mutual fund products under the three categories of low-carbon and green development concept funds, social responsibility funds, and ESG concept themed funds, managing funds of around RMB3,214 million. (Calculated with reference to the ESG fund rating system of CITIC Securities)

Green asset management products

- BOCG Insurance developed 109 green finance-themed insurance products, in 2023 assuming insurance liabilities of RMB272.2 billion cumulatively.

Green leasing products

- The balance of green assets under the management of BOC Financial Leasing was RMB24,011 million, accounting for 43.79% of its total outstanding leasing assets.
- BOC Aviation ranked first place among the aircraft leasing companies in Asia as measured by the value of self-owned aircraft, and possessed new aircraft using the latest green technology.

Green bonds

- BOCI underwrote 11 green and sustainability bonds for 2023, with the underwriting amount exceeding USD4.215 billion in equivalent.
- BOC Securities underwrote a total of RMB30,175 million through green bond issuance.

Green investment products

- Green finance projects of BOC Asset Investment made proprietary investments of RMB33,539 million, accounting for 42.54%.
- BOC-Samsung Life had outstanding green finance investments worth RMB4,247 million, which included debt investment schemes, equity funds, bonds, and equities.

(Note: The data are available as at the end of 2023.)



Listing of BOC Hong Kong Greater Bay Area Climate Transition ETF

In March 2023, "BOC Hong Kong Greater Bay Area Climate Transition ETF" was successfully listed on the Main Board of the Hong Kong Stock Exchange. This ETF is the first of its kind in the Hong Kong market, focusing on climate transition and investing in the Guangdong-Hong Kong-Macao Greater Bay Area Index. It aims to assist investors in capturing the economic growth opportunities arising from the climate transition in the Greater Bay Area.

Green operations ➤

The Bank advocated the concept of green operations. Based on local policy requirements and actual condition, the Bank continuously improved and refined its energy and resource management system, vigorously promoted green and low-carbon production and lifestyle, actively applied energy-saving technologies and utilized green power, and persistently controlled and reduced the total consumption and intensity of various energy resources, taking practical actions to support the implementation of the dual carbon goal. The Bank didn't receive any punishment for violation of environmental laws and regulations in 2023.

In 2023, the Bank made an inventory of environmental information available across the Group, including GHG emissions, water, paper, waste, and green buildings. Results of the inventory show that compared with 2019, the total energy consumption across the Group in 2023 fell by 2.18%, and direct GHG emissions dropped by 4.49%.



▲ BOC Guangdong Branch sets up in Zhuhai the first financial institution in the banking sector of Guangdong Province, which is Carbon Neutral and LEED certified.



Green outlets

In 2023, all the newly built or decorated outlets met the basic standards for green construction. At the same time, further progress was made in building model outlets for green construction on a pilot basis. As at the end of 2023, 28 model outlets for green construction were built, four of which passed external certification for green construction and carbon neutrality in operations.



Green data centres

Taking advantage of the low ambient temperature of the local region, the Inner Mongolia Park Data Centre adopted the "indirect evaporative cooling" technology, which could exchange the hot air in the server room with the natural source of cold air when the outdoor temperature was low to achieve the cooling effect, with the PUE value at 1.18.

Leveraging the abundant water resources in the city, the Hefei Park Data Centre adopted the technology of "chilled water cooling system", which could make use of water evaporation and natural cold sources to cool the server room, and rely on the technology of "residual heat recovery" to recover large amounts of heat generated by the server room for heating the office area, with the PUE value at 1.23.



Green buildings

In strict accordance with the Evaluation Standards for Green Buildings, BOC took building energy conservation as an important reference for its construction, purchase, and leasing of offices. Priority was given to energy conservation in the entire process including the approval, design, tendering, construction, and use of office building projects. As a result, the energy efficiency of the Bank's office buildings reached a nationally advanced level.

Energy-saving technology was adopted more extensively. Energy-saving renovation projects such as energy-saving renovation of lighting, chiller repair, and replacement with new energy vehicles were carried out in the main office buildings of domestic institutions.



▲ BOC (Macao) creates an eco-friendly business premise, by highlighting natural lighting and ventilation at the stage of spatial design, adopting energy-saving and eco-friendly products such as LED lighting systems, sensor-controlled devices, and renewable building materials, and increasing the area of greenery.



Running a green office

The operating efficiency of existing equipment was improved through proper cleaning and maintenance. The water pumps, air-conditioners, and other facilities that were unworthy of maintenance after their operating efficiency declined were replaced with energy-saving alternatives. The sanitary wares in the Head Office buildings were gradually replaced with new water-saving products.

Based on factors such as weather conditions and the number of office staff, the operation plan for air conditioners was optimised. Utilizing the newly installed refrigeration unit inverters, reasonable operating parameters were set to reduce the operating load of air conditioning systems.

Offices went paperless by making full use of teleconferencing and videoconferencing systems to reduce conference travel emissions. A total of 2,844 video conferences were held by the Head Office and facilities in Beijing throughout the year.

The Head Office established consumption standards, quantitative control targets, and post-evaluation mechanisms for resources such as electricity and water.

Energy-saving training courses were provided for energy management personnel, energy-saving posters and slogans were posted at busy places such as entrances of office buildings, lifts, cafeterias, and bathrooms, and continued efforts were made to disseminate national policies on energy conservation and emission reduction policies as well as knowledge of the use of energy and other resources.



Green procurement

The upgraded "BOC e-Procurement" platform was promoted across the Group, which supported a host of functions such as e-commerce procurement, intelligent reimbursement & accounting, and supplier management, making procurement management an automated, refined, digital, and intelligent process faster.

The concept of green procurement was integrated into the procurement management policies. A "green procurement" logo was added to the centrally procured equipment. Energy-saving, water-saving, eco-friendly, recyclable, low-carbon, renewable, organic, and other factors were considered in nailing down procurement demands with reference to national standards, industry standards, and government procurement requirements set out in the catalogues of eco-friendly and energy-saving products, products up to environmental standards, green products, etc.

Green Finance Capacity Building

The Bank further built its green finance capacity to lay a solid foundation for accelerating the leapfrog development of green finance and properly managing climate risks.



Advancing green cooperation among multiple parties ➤

The Bank got actively involved in global green governance, intensified international exchanges and practical cooperation, and contributed wise solutions for the global response to climate change.



United Nations Principles for Responsible Banking (UN PRB)

Undertaking climate risk management and disclosure under the PRB framework and participating in relevant communication activities organised by the PRB.



Green Investment Principles (GIPs) for the Belt and Road Initiative

Getting various aspects of work related to the GIPs done properly, performing the duties assigned to the co-chair of the GIP Working Group for Transition Finance, and winning the "Product Innovation Award from GIP".



The Sustainable Markets Initiative (SMI)

Being re-elected as the vice chair of the SMI China Council and taking an active part in the cooperation and communication between Chinese and British enterprises on sustainable development.

Green Cooperation

Green Development Investment and Financing Partnership Beijing Initiative for BRI Green Development

As the only commercial bank, launching the "Green Development Investment and Financing Partnership" and the "Beijing Initiative for BRI Green Development" with Chinese and foreign partners.

China-UK Green Finance Group

Getting actively involved in the work of the China-UK Green Finance Group to promote the cooperation of the two sides in this regard.

Working Group for Sustainability Information Disclosure by UK-China Financial Institutions

Getting actively involved in seminars and exchanges on information disclosure.



Green Finance and Climate Response Side Event at the COP28

In December 2023, "Green Finance and Climate Change Response: The Role of and Opportunities for China's Banking Sector" was held as a side event at the 28th Conference of the Parties to the UN Framework Convention on Climate Change (COP28). Co-organised exclusively by BOC Dubai Branch, the event focused on the current objectives of and requirements for the development of green finance, provided a centralised view of what China's banking industry did and achieved in supporting the dual carbon strategy and responding to climate change. Liu Jiandong, Chief Risk Director of the Bank, delivered a speech via video link.

The "UAE Corporate Sustainability Report", compiled by BOC Dubai Branch in cooperation with the United Arab Emirates University (UAEU), was released at the side event for the first time as the only selected research result. Focusing on the ESG practices of local enterprises in the UAE, the report tried to explore a roadmap for sustainable development. It is the first corporate sustainability report (white paper) in the UAE and also the first in-depth research cooperation between Chinese financial institutions in the UAE and local higher education institutions.

Building a green finance workforce ➤

In 2023, the Bank made active progress in establishing a green finance personnel training system for the 14th Five-Year Plan period, which could cover 10,000 persons at three levels and in six areas. It completed searching and selecting the first batch of green finance talents at various levels, so as to make headway in green finance team building.



Fostering green development capabilities among all employees

The Bank actively built an online training regime for green finance personnel, offering around 100 courses on eight themes, which registered over one million views.

Offline training courses at different levels were organized for customer lines, risk lines and operation lines.

The Bank held competitions on innovative green finance products, performance competitions, and labour competitions, carried out a series of activities to select and commend individuals and groups with outstanding achievements in green finance, and took various measures to motivate employees to improve their skills and performance in green finance business.

To enhance the competitiveness of domestic institutions in the field of green finance, the Bank selected 20 tier-1 branches and tier-2 branches as demonstration institutions of green finance in the year, and constructed 310 green finance outlets cumulatively.

The *Green Action Initiative for Employees of Bank of China Limited* and the *Green Action Guide for Employees of Bank of China Limited* were implemented to develop and raise the awareness of green development among staff members.

The Research Report on Green Finance Practices under the Belt and Road Initiative was published, which was included in the list of outcomes of the Third Belt and Road Forum for International Cooperation.

The Bank made efforts to compile publications on green finance, ESG, and other themes to communicate and exchange views on the latest industry developments.

(Note: The data above are available as at the end of 2023.)

Staying True to Original Aspirations

Opening a New Chapter of Serving the Nation and the People

BOC stayed in sync with the latest requirements of the country and the times, firmly upheld the concept of serving the country and the people with finance, proactively integrated into and served the formation of a new development pattern, to provide higher-quality financial services as needed by economic and social development. With the fundamental mission of providing financial services to the real economy, the Bank got the channels for funds to enter the real economy unimpeded, with financial products and services accessible to the vast number of business entities. Guided by the people-centred values, it took the desire of the people for a better life as its goal and shared the dividends of financial development with the general public.

Sustainable Development Goals (SDGs)



Social Chapter

Serving Higher-quality Development of the Chinese Economy and Society



Focusing on major strategies, key areas, and weak links and relying on its globalisation and integration advantages, BOC optimised the allocation of resources, improved the quality and efficiency of financial services, and acted as a socially responsible major state-owned bank in providing quality financial services as needed by the development of the Chinese economy and society. As at the end of 2023, the Bank provided 1,299,300 private enterprises, registering a growth rate of 26.20% in the year, with credit support of RMB3.73 trillion of credit support, which grew by more than RMB797.1 billion compared with the beginning of the year and of which new credit accounted for 44.09%.

Supporting scientific and technological innovation ➤ to gear up for tremendous development

The Bank supported the implementation of the innovation-driven development strategy by channeling more financial resources in key areas such as scientific and technological innovation, advanced manufacturing, and industry chain & supply chain, helping to accelerate the formation and growth of new productive forces and propelling the modernisation of the industrial system.



The balance of loans extended by the Bank in strategic emerging industries hit RMB**1.9** trillion, registering a growth rate of **74.35%** in the year.

The balance of loans extended by the Bank to high-tech companies went up by **30.94%** to RMB**1.4** trillion in the year.

The Bank provided credit support worth about RMB**1.47** trillion to high-tech enterprises, along with a variety of comprehensive financial services worth over RMB**610** billion.

The balance of credit lines worth over RMB**260** billion the Bank provided for over **15,000** enterprises using special and sophisticated technologies to produce novel and unique products at national and provincial levels, with the Bank ranking among the top in the industry by loan amount, and number of customers.

A total of **242** technology finance outlets were constructed across the Bank.

(The data above are available as at the end of 2023.)



Serving the growth of sci-tech enterprises

The Bank endeavoured to build a technology finance system that could meet requirements for greater self-reliance and strength in science and technology, thus actively promoting the high-level planning, high-standard service, and high-quality development of technology finance.



Focused on key customer groups such as high-tech enterprises, sci-tech enterprises of small and medium sizes, and small and medium enterprises using special and sophisticated technologies to produce novel and unique products and keenly aware of what sci-tech enterprises actually needed, the Bank created a credit approval process and credit evaluation model adapted to the characteristics of sci-tech enterprises, used artificial intelligence, big data, and other information technologies to improve the credit risk assessment capabilities, and provided the accurately layered and categorised support through digital means.



The Bank surveyed a number of strategic emerging industries such as IC, new energy vehicles, smart wearable devices, lithium-ion batteries, medical research and experimental development, and electric motor manufacturing, and revised the credit policies of related industries based on the surveying findings.



The "1+2+3+4" (one channel, two-wheel drive, three key points, and four tools) service system exclusive to enterprises using special and sophisticated technologies to produce novel and unique products was improved. The Bank provided inclusive finance services for these enterprises, and provided financial products that meet the needs of these enterprises throughout their life cycle. Therefore, it could serve these enterprises on all fronts with quality and efficiency further assured.



Launching an online financial service mode for small and micro enterprises engaged in scientific and technological innovation

Aware of the fact that small and micro enterprises engaged in scientific and technological innovation are usually short in length of operation, highly innovative, and lacking in traditional collateral, the Bank in 2023 launched two fully online inclusive finance products, namely "High-tech Startup Loan" and "Inclusive Loan for Intellectual Property Owners", to support the small and micro enterprises with strong innovation capabilities and intellectual property rights and to enable whole-process online business processing. The products made financing more conveniently and easily accessible.

High-tech Startup Loan

Unsecured loans were provided to eligible small and micro enterprises engaged in scientific and technology innovation, with a view to flexibly meeting their needs for current funds.

Inclusive Loan for Intellectual Property Owners

Allowing enterprises to use intellectual property rights (IPRs) as collateral, it could revitalise the financing attributes of intangible assets such as patents. Meanwhile, the flexible combination of IPR pledge and collateral was effective in meeting the diversified financing needs of various types of small and micro enterprises.



Propelling the manufacturing industry toward high-quality development

Focused on the positioning of Shanxi Province to build an advanced manufacturing base in the central region at a faster pace, BOC Shanxi Branch formulated the *Financial Service Programme for Key Industrial Chains of the Manufacturing Sector* around the ten major industrial chains, and set up the Work Group for Industrial Chains to thoroughly analyse the situation of customers in each link of an industrial chain, and establish the full-life-cycle financial services mechanism for enterprises along industrial chains.

Promoting the high-quality development of inclusive finance to further move toward common prosperity ➤

As an important force in the development of inclusive finance, the Bank implemented the guiding principles put forth at the Central Financial Work Conference and the State Council's Implementation Opinions on Promoting the High-quality Development of Inclusive Finance. Committed to providing accurate and effective financial services to a wide range of inclusive finance customers, it enhanced the coverage and satisfaction rate of inclusive finance services and promoted high-quality development of inclusive finance..



An innovative financial product for high-tech start-ups

The Bank worked with the Ministry of Science and Technology of China (MOST) to develop the BOC-Torch "Innovation Reward Point Loan" credit model as a solution for sci-tech enterprises that were asset-light and short of collateral. Based on the innovation reward points of enterprises, a policy tool issued by the MOST for technology finance, the intelligent model integrated the credit analysis methods of commercial banks with the value analysis perspectives of investment banks to quantitatively evaluate the credit risk and growth potential of sci-tech enterprises, a prerequisite for providing them tailor-made credit services.

BOC Chongqing Branch

It launched the "BOC Innovation Reward Point Loan" product in cooperation with Western Science Town in Chongqing High-tech Industrial Development Zone, which introduced guarantee companies to pre-grant credit lines to sci-tech enterprises with innovation reward points, thus realising the purpose of fast and accurate lending. As at the end of 2023, the branch pre-granted credit lines of more than RMB400 million to enterprises in the list of enterprises with innovation reward points assembled by the development zone, and 36 enterprises already obtained credit lines of RMB131 million.

BOC Shenzhen Branch

Based on the model for assessing innovative sci-tech enterprises and combined with the "Innovation Reward Point Loan" and the internal big data platform, it built a quantitative assessment system with 150 million entries of IPR data at its core, so as to create an effective tool of technology finance for pre-lending customer outreach, during-lending approval, and post-lending management, which could enhance the service capacity of technology finance.

Serving small and micro market players

Large in number, small and micro market entities play an important role in promoting growth, ensuring employment, and improving people's well-being, among other aspects. The Bank focused on the finance needs of small and micro enterprises, self-employed individuals, small and micro business owners, and other market players, and continued to refine the comprehensive service system for inclusive finance. The Bank provided innovative services as per the comprehensive and targeted policies to help stimulate the vitality of the real economy.

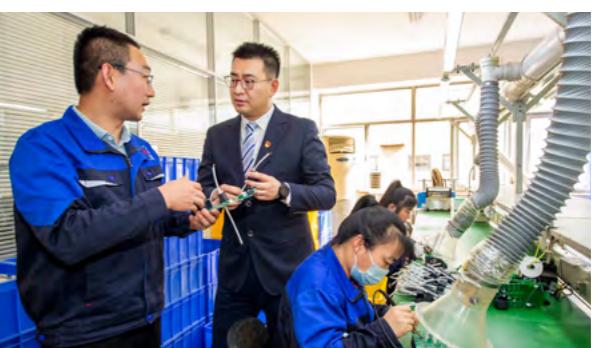


The balance of inclusive loans extended by the Bank to small and micro enterprises stood at RMB **1,758,543** million, registering a growth rate of **43.17%** for the year, which was higher than the average growth rate of various loans granted by the Bank in the year.

2,889 green finance outlets were constructed cumulatively.

Small and micro enterprises getting inclusive loans numbered **1,0710** million, registering a growth rate of **43.21%** for the year.

(The data above are available as at the end of 2023.)



▲ BOC Guangdong Branch staff visit the local piece market to get informed of the financing needs of commercial tenants there.

▲ BOC Hebei Branch staff learn about how a corporate customer manufactures and operates its power quality products.

Helping stabilise and unblock industrial chains and supply chains

Fully leveraging its advantages in integrated operation, the Bank embedded a full package of comprehensive financial services such as investment banking, insurance, and leasing into the supply chain finance service system and created seven supply chain finance product lineups, namely, "note, certificate, financing, loan, debt, insurance, and leasing" to provide customers along industrial chains with a service experience by coordinating all product lines.



Serving the persons who started their own businesses or got employed

The Bank further implemented the long-term mechanism for employment stabilisation and expansion by launching an employment promotion campaign in 2023, which provided comprehensive inclusive finance services for small and micro enterprises and the vast number of persons who started their own businesses and got employed in terms of credit services, job searching and matching, financial needs concerning people's well-being, skills training, and policy dissemination, in an effort to help these enterprises develop stably and create more job opportunities. In 2023, the Bank extended more than RMB270 billion in special loans to 47,300 enterprises for the purpose of stabilising and expanding employment.

In addition, the Bank carried out the "Pro-entrepreneurship" inclusive finance service campaign, published the *Guidelines on the Formulation of the "Inclusive Start-up Loan" Service Programmes for Entrepreneurial Customer Groups* and eight measures in support of university/college graduates and people starting their own businesses, and approved comprehensive solutions for inclusive finance such as special financing, entrepreneurial training, and supply and demand matching to provide precise support for those who started their own businesses and sought flexible employment.



Working to stabilise job creation and promote employment

BOC Gansu Branch

in cooperation with the Human Resources and Social Security Department of Gansu Province, introduced the "Longyuan Employment Promotion Loan" financing business to the public and enterprises, answered questions about related policies, and provided financial services to small and micro enterprises and individuals who started their own businesses and got employed.

BOC Shandong Branch

signed with the Human Resources and Social Security Department of Shandong Province the *Cooperation Agreement on Special Loans for Employment Stabilisation and Expansion*. The branch unveiled "Shandong Employment Loan", a special loan product for employment stabilisation and expansion, which would arrange RMB15 billion of credit funds in three years to support eligible small and micro enterprises.

BOC Ningbo Branch

signed with the Human Resources and Social Security Bureau of Ningbo Municipality the "Ningbo Employment Loan" Service Cooperation Agreement at the launching ceremony of the "Financial Assistance for Enterprises to Stabilise and Expand Employment" campaign / "Ningbo Employment Loan". The exclusive products, credit lines, and services were arranged to help small and micro enterprises in Ningbo stabilise and expand employment.



Serving the customer groups engaged in foreign exchange and foreign trade businesses

Small and micro enterprises in the sector of foreign trade

The *Inclusive Finance Solution of Bank of China for Small and Micro Enterprises Engaged in Foreign Trade* was released to carry out themed activities. Relying on innovative service modes in eight aspects, that is, orders, support policies, funds, labour, technologies, support services, logistics, and information, the Bank could provide small and micro enterprises engaged in foreign trade with a wide range of services such as order matching, matchmaking of upstream and downstream enterprises, credit support, employment promotion, technical cooperation, insurance coverage, customs clearance and settlement, policy interpretation, and product publicity, to help these enterprises find funds, services and information they needed.



Serving the self-employed individuals customer groups

The Bank took the initiative in supporting the development of self-employed individuals. In 2023, it continued to carry out the "Benefit Merchants, Promote Consumption" special campaign, coordinated with government authorities, launched special service programmes, and organized special events to provide precise financial services for the financial needs of self-employed individuals. As at the end of 2023, the balance of business loans extended by the Bank to self-employed individuals exceeded RMB260 billion, with a growth rate of 40.51% for the year, which covered more than 480,000 customers, with a growth rate of 44.61% for the year.

During the second "National Service Month for Self-employed Individuals" campaign, it visited the markets and business districts in order to disseminate policies and provide diversified products and services to the self-employed individuals in different industries and scenarios. It organized over 200 "Benefit Merchants, Promote Consumption" campaigns throughout the year.

Cross-border matchmaking platform

Relying on the "BOC e-Enterprise" global service platform that could integrate government-bank-enterprise cooperation, cross-border matchmaking activities, and financial services, the Bank provided in-depth services to six major exhibitions, and served the China International Import Expo for six consecutive years. In 2023, the Bank organised 19 matchmaking activities. As at the end of 2023, a total of 120 matchmaking events were held, which provided "finance+intelligent" value-added services for more than 50,000 enterprises from 126 countries and regions around the world, and reached more than 10,000 intentions of cooperation, amounting to over USD54 billion.

Developing digital finance and inclusive finance

In the process of developing digital finance, the Bank boosted its ability to support the real economy and enhance the accessibility, convenience and precision of inclusive financial services.

Optimising products



Diversifying the product system

"BOC Quick Loan" was created as a series of online inclusive finance products. As at the end of 2023, the series consisted of more than 25 products such as credit, mortgage, pledge, and warranty, and relevant online inclusive loans grew by 120.26% compared with the beginning of the year, of which new loans accounted for more than 70%.

Focusing on regional characteristics

The Bank rolled out featured online products and services such as "Foreign Trade Loan", "Carbon e-Loan", and "Quick Loan for Farmers" for the supply chain and industrial chain, foreign trade, green development, and agriculture-related scenarios in different places.

Building up capabilities



Upgrading the integrated service platform for inclusive finance

The precise forecasting and intelligent recommendation service for loans was added to the Inclusive Loan app, providing customers with efficient financing experience. The integration of "BOC Enterprise e-Manager" as the operational management tool satisfied the demand of diversified business development.

Constructing an intelligent operation platform for inclusive finance

An intelligent inclusive finance platform was created to realise real-time monitoring of multi-dimensional data such as business scale, asset quality, institutional efficiency, and system operation and integrate automated management and control mechanisms such as indicator configuration, early warning issuance, and threshold-triggered circuit breaker.

Enhancing digital inclusive finance service capabilities

The Bank expanded the application of external data, diversified customer profiling means. A joint laboratory was built with the National Center for Public Credit Information, with which "Credit Easy Loans" nationwide conducted further cooperation.



Expanding scenarios



Strengthening the construction of online supply chain scenarios

The "Order Loan" online financing service mode was introduced, which supported the connection to supply chains, other scenario platforms and characterised data, so as to enhance the online service capability of small and micro enterprises along supply chains.

Serving digital government affairs service scenarios

"Government Procurement e-Loan" was developed as an innovative product to provide online financing services for small and micro enterprises participating in government procurement.

Practising the concept of digital and inclusive finance to effectively reach out to inclusive finance customer groups



BOC Fullerton Community Bank created a mobile service mode that featured online and offline integration by making use of technologies such as digital mapping, face recognition, electronic certificates, and electronic seals. Under this mode, staff could handle information collection, bank card opening, on-site deposit and loan, and other major businesses on their iPads for customers when visiting them.

In addition, BOC Fullerton Village Community actively innovated financial products. It developed the "Automatically Approved Loan over iPad" product exclusive to agriculture, rural areas, and rural residents and tailored the "Village-wide Unsecured Loan" batch business for particular scenarios. Applications for petty loans could be automatically approved within 15 minutes. Besides, "BOC Fullerton Quick Loan" was developed as a purely online unsecured small-amount business loan product, which could provide convenient and efficient credit services for small and micro enterprises whose credit records were not as complete as they might be needed. It allows customers to apply for loans, sign contracts, and make repayments by themselves via their mobile phone. It usually takes three minutes on average from loan application to fund disbursement.

Serving the rural revitalisation strategy

A strong agricultural sector is fundamental to the building of a great modern socialist country, and promoting rural revitalisation on all fronts is an important task for building up China's strength in agriculture in the new era. With the strategic goal of modernising agriculture and rural areas and building China into an agricultural powerhouse, the Bank stepped up financial support for agriculture, optimised the agriculture-related finance service system from the supply side, and enhanced the quality and efficiency of agriculture-related finance services. In 2023, a number of documents, including the *Guiding Opinions of Bank of China Limited for Supporting the Building of an Agricultural Powerhouse and Modernising Agriculture and Rural Areas during the 14th Five-Year Plan Period*, *Key Points of Work of Bank of China Limited on Supporting Poverty Alleviation in Key Counties for National Rural Revitalization in 2023* were formulated to further improve the top-level design, enrich financial products and strengthen service capabilities.

As at the end of 2023, the balance of agriculture-related loans extended by the Bank was RMB2,656,079 million, representing a growth rate of 28.53% for the year, and the balance of agriculture-related inclusive loans stood at RMB376,521 million, representing a growth rate of 44.64% for the year.

Innovative products



"Pro-farmer Loan" was upgraded in light of what agriculture, rural areas, and rural residents actually needed to prioritize supporting self-employed individuals along the rural industrial chains, such as planting, breeding, forestry, and procurement of agricultural products, and processing of agricultural products.

The Bank issued RMB10 billion of special financial bonds for agriculture, rural areas, and rural residents, with the funds raised to be used exclusively for the disbursement of agriculture-related loans.



Focusing on key areas

Financial services were provided to ensure food security throughout the entire industrial chain from grain production, spring plowing preparation, and grain circulation, storage, and processing. As at the end of 2023, the balance of loans extended by the Bank in the key food areas was RMB121,618 million, representing an increase of RMB32,243 million from the beginning of the year and a growth rate of 36.08% for the year.

The Bank provided financing support for top seed enterprises in terms of scientific research, operation, and integration of breeding, propagation expansion, and promotion, made use of IPRs in the seed industry, and provided related enterprises with preferential interest rates and exchange rate hedging services. As at the end of 2023, the balance of credit lines extended by the Bank to seed enterprises nationwide stood at RMB13,629 million. "Seed Industry Loan", as an inclusive finance product, had a credit balance of RMB980 million.



Upgrading services

"BOC Smart Chain - Food and Beverage Chain" was launched to create a set of comprehensive products and services that could combine supply chain finance with inclusive finance. A wide range of financial services covering "upstream farmers and breeders, production and processing enterprises, and downstream sales channels and end consumers" were available to provide strong financial support for the development of upstream and downstream industries related to food and beverages and for the emergence and development of new industries and business forms in rural areas.



Expanding channels

The service reach of the Bank was extended. As at the end of 2023, 1,013 rural revitalisation outlets were constructed across the Bank accumulatively, 20 of which were distributed in national-level key counties designated to receive assistance for rural revitalisation.

Mobile smart counters were extensively placed in rural areas and counties to increase the accessibility of financial services. Staff members of the Bank took the initiative to go into townships, bazaars, and other places to enhance the off-site and door-to-door service capacity. As at the end of 2023, a total of 11,028 mobile smart counters were installed across the Group, representing a year-on-year increase of 29.5%, of which 3,335 were deployed in county areas, representing a year-on-year increase of 33.7%.

With the aim of "taking roots in county areas and supporting farmers and small-sized enterprises", BOC Fullerton Community Bank was committed to providing modern financial services to small and micro enterprises, self-employed businessmen, the wage-earning class, and rural residents. As at the end of 2023, 134 BOC Fullerton Community Banks were set up in 22 provinces (municipalities directly under the Central Government and autonomous regions) across China, of which 87 were located in the central and western regions.



Village-wide credit programme was created as an agriculture-related loan solution

BOC Guangdong Branch launched the *Village-wide Credit Service Programme*. Based on the industrial plans of villages, townships, and countries as well as credit records of farmers, the programme initiated the credit-granting process for all eligible farmer households across a village. Unlike the traditional practice where farmers could only get a loan if it's secured by collateral, the programme made it possible for farmers with good credit records to obtain a loan directly. This change, therefore, directed the flow of financial resources to agricultural economic entities with good credit records.

Since the launch of the village-wide credit programme, related policies have continued to benefit more people. As at the end of 2023, 92 village-wide credit projects were approved, with a total credit line of RMB3.4 billion, and 503 single business deals were granted, with a credit amount of RMB2.3 billion.

"Thanks to the village-wide credit programme, we have a better chance of getting rich in the future!"

-A Farmer in Zhaoqing, Guangdong



▲ Innovative agriculture-related service programme under inclusive finance.



▲ BOC Anhui Branch launches the beef cattle breeding loan to support the beef cattle revitalisation programme in Anhui Province and promote the sustainable and sound development of the beef cattle breeding industry.



▲ BOC Hubei Branch launches "CP Feed Loan" to provide financing support to small and micro enterprises and farmers along the upstream and downstream industrial chains in which CP Group is involved.



▲ BOC Hunan Branch staff visit farmers to understand their financial needs.



▲ BOC Jiangxi Branch extends "B&B Loan" to B&B operators in Wuyuan County, Shangrao in the hopes of facilitating rural B&B development.



Devising innovative product and service solutions to support the development of distinctive industries

BOC Xinjiang Branch

relying on the advantageous industries in Bayingolin Mongol Autonomous Prefecture, launched the "Chilli Loan" service programme, an inclusive finance product under "BOC Pro-agriculture Pal" to meet the financing needs of local chilli processing enterprises during the chilli harvesting season. As at the end of 2023, the branch approved credit facilities of RMB47.8 million for 16 local chilli processing enterprises.

BOC Shandong Branch

unveiled the "Yimeng Pro-farmer Loan" series of credit products in Linyi Prefecture City, which comprised eight sub-series, that is, wood loan, vegetable loan, honeysuckle loan, peanut processing loan, wickerwork loan, poultry slaughtering loan, Jinluo meat loan, and fruit loan, which helped the featured industries of counties under the jurisdiction of the city to grow larger and stronger.

BOC Hainan Branch

introduced the "Smart Livestock Farming Loan" product, which aimed at helping livestock farming enterprises get rid of obstacles to obtaining guarantees. Allowing livestock to be used as collateral, the product relied on the Hainan Cloud Mobile Platform for Livestock Management, to get a real-time view of the geographic location and physiological status of livestock, a prerequisite for ensuring the safety of livestock as collateral assets.

BOC Guangxi Branch

innovated a supply chain finance mode combining "banks, guarantee companies, top enterprises, and farmer households" represented by sugarcane loans, hog loans and poultry loans to facilitate the sound development of the featured industry in Guangxi. As at the end of 2023, the branch extended loans of RMB3,872 million through the service mode to more than 3,000 upstream and downstream enterprises and farmer households in the featured farming industry chain.

BOC Dalian Branch

implemented the *Opinions on Accelerating the High-quality Development of the Fishery Industry of Dalian Municipal People's Government*. The "Fishing Boat Loan" product was devised by the branch in light of the needs of fishermen, with the agricultural development guarantee companies introduced. As a solution to the lack of standard real estate collateral among fishermen, the product could direct financial resources to the customer group directly.

BOC Chongqing Branch

joined hands with Chongqing Anyou Feed Co., Ltd. to provide individual business loan service solutions for pig farmers to promote the development of the pig farming industry in Sichuan and Chongqing.



Intensifying cooperation to promote coordinated regional development



BOC took the initiative to get aligned with the national strategy for coordinated regional development and major regional strategies. Dedicated to the construction of key regions and cities, the Bank strengthened the top-level planning of key regions for financial services, boosted the coordinated support capacity across regions, and provided high-quality support that integrated financing, consulting, and commercial services for regional development, helping to build a regional economic structure that would feature complementary advantages and facilitate high-quality development.

Supporting the coordinated development of the Beijing-Tianjin-Hebei region

The Bank got deeply involved in serving the coordinated development of the Beijing-Tianjin-Hebei region. In the year, the *Work Plan of Bank of China Limited for Supporting the Coordinated Development of the Beijing-Tianjin-Hebei Region* was formulated to prioritise relieving Beijing of functions that were non-essential to its role as the capital city. A total of 35 financial support measures were proposed around the key areas concerning the coordinated development of the Beijing-Tianjin-Hebei region, such as the construction of Beijing Municipal Administrative Center and Xiongan New Area in Hebei, transport integration, ecological conservation, industry upgrading and transfer, equal access to public services, and infrastructure improvement and upgrading.

As at the end of 2023, the Bank continued to enhance the level of financial services provided in key areas related to the coordinated development of the Beijing-Tianjin-Hebei region. Its balance of loans for the projects supporting the coordinated development of the Beijing-Tianjin-Hebei region amounted to RMB455,358 million, of which new loans reached RMB192,819 million in the year. The Bank takes it as its responsibility to provide high-quality financial support for the construction of the Xiongan New Area and continued to increase its efforts in this regard. As at the end of 2023, its balance of credit lines of RMB31,792 million in Xiongan New Area of Hebei Province hit RMB 6,1890 million, a 49.78% increase compared to the previous year, which strongly supported the construction of a high-speed railway network featuring four vertical and two horizontal lines and an expressway network consisting of four vertical and three horizontal routes in the area, the development of market-oriented sub-districts, and other major projects in Xiongan New Area.

Supporting the high-quality development of the Yangtze River Economic Belt

Spearheaded by the strategy of "ensuring overall ecological conservation and refraining from large-scale development" and "prioritising ecological conservation and boosting green development", the Bank was active in providing quality financial services in a host of areas critical to the high-quality development of the Yangtze River Economic Belt, including the green transition and upgrading of industries in provinces and municipalities along the Yangtze River, the ecological conservation and restoration of the Yangtze River, the modernisation of industry chains and supply chains, and the optimisation of the industry distribution along the river.

In 2023, the *Action Plan of Bank of China Limited for Supporting the High-quality Development of the Yangtze River Economic Belt* was formulated, in which 22 concrete measures were put forward around six areas, namely, green development, transportation, upgrading of industries along the Yangtze River, new urbanisation, opening up to the outside world, and cultural and tourist consumption, to provide proper financial services or support. As at the end of 2023, 13 branches of the Bank along the Yangtze River Economic Belt had outstanding loans totaling RMB7.55 trillion, which grew by 15.59% in the year.

Supporting the construction of the Chengdu-Chongqing Economic Circle

As per the requirement for planning the development of Sichuan and Chongqing as a whole, the Bank advanced the joint operation between commercial banking and comprehensive management companies within the Group, better propelled the integrated development of the Chengdu-Chongqing region with financial services, facilitated the construction of key projects in the Chengdu-Chongqing region such as Chengdu-Dazhou-Wanzhou High-speed Railway, Yunyang Pumped Storage Power Plant, and Chongqing-Wanzhou High-speed Railway, and supported the construction of a western financial centre in Chongqing, so as to construct the Chengdu-Chongqing Economic Circle in a more thorough and practical manner.

Supporting the construction of the Guangdong-Hong Kong-Macao Greater Bay Area

The Bank continued to support the coordinated development of the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) by helping local governments attract investment, launching an integrated platform to serve customers in the Greater Bay Area, leveraging the Group's advantages in joint operations, and seizing the opportunities for the development of technology finance, industry finance, and cross-border finance within the Greater Bay Area to support a number of landmark projects. In 2023, the *Action Plan of Bank of China Limited for Serving the Construction of the Guangdong-Hong Kong-Macao Greater Bay Area (2023-2025)* was formulated to launch appropriate support measures around an array of areas such as serving high-standard opening up to the outside world, facilitating greater self-reliance and strength in science and technology, supporting the modernisation of industries, and promoting coordinated regional development. As at the end of 2023, four commercial banks of the Bank in the Greater Bay Area had outstanding loans equivalent to RMB4.52 trillion.



Supporting the implementation of major projects in the Greater Bay Area

BOC Guangdong Branch closely followed the development plan of the Greater Bay Area, focused on major projects in key domains, and spared no efforts to support the Greater Bay Area in realising infrastructural connectivity, capital integration, and life of convenience, thus helping stabilise investment and growth. In 2023, the branch provided financial support of RMB39,771 million for transport and logistics enterprises, and granted credit lines of more than RMB8.2 billion to 20 major infrastructure projects such as the Hong Kong-Zhuhai-Macao Bridge, Shenzhen-Zhongshan Bridge, Shiziyang Channel, Nansha Port, and Hengqin Port and Comprehensive Transportation Hub Development Project.



Facilitating the "Northbound Travel for Hong Kong Vehicles" scheme to promote integrated development in the region

To implement the "Northbound Travel for Hong Kong Vehicles" scheme and meet the travelling needs of Hong Kong residents, BOCG Insurance took the lead in launching "Hong Kong-Guangdong Cross Board Motor Insurance (Unilateral Recognition Extended Coverage)", which could provide one-stop auto insurance services for Hong Kong private car owners and drivers travelling to and from Guangdong Province via the Hong Kong-Zhuhai-Macao Bridge (HZMB), thus facilitating people-to-people contacts between the Hong Kong Special Administrative Region (SAR) and the Chinese mainland. Policies can become effective immediately after purchase. Throughout the year, 223 insurance policies were issued under the scheme with the coverage amounting to HKD 0.41 million.

Supporting ecological conservation and high-quality development in the Yellow River basin

The Bank provided all-around financial services by focusing on six key areas, that is, strengthening ecological conservation and environmental governance, building a modern industrial system with distinctive advantages, constructing a new pattern of coordinated development among different regions and between urban and rural areas, strengthening infrastructure connectivity, bolstering weak links and weaknesses in fields concerning people's well-being, and preserving, carrying forward, and promoting culture of the Yellow River basin. As at the end of 2023, branches of the Bank along the Yellow River basin had a green loan balance of RMB650.5 billion, representing a growth of 57.38%, had a balance of agriculture-related loans worth RMB644 billion, up 32.37%, and had a balance of inclusive finance totaling RMB288.3 billion, up 65.66%.



Supporting the integrated development of the Yangtze River Delta

Keenly aware of the strategic positioning of the Yangtze River Delta as "one pole, three regions, and one highland" as well as the two keywords, namely "integrated" and "high-quality", the Bank consistently prioritized supporting the integrated development of the Yangtze River Delta in its execution of regional strategy. Since its signing of the *Cooperation Agreement on Promoting the Integrated Development of the Yangtze River Delta* with the Yangtze River Delta Regional Cooperation Office and launching of the first comprehensive financial services programme for the integration of the Yangtze River Delta in the Chinese banking industry, the ability of banks and enterprises in the Yangtze River Delta region to provide coordinated services for the integrated development of the region has been significantly enhanced. As at the end of 2023, six branches of the Bank in the Yangtze River Delta had a combined loan balance of RMB4.99 trillion, posting an annual growth rate of 16.62% for the year.



Pioneering the cross-regional and cross-currency green deposit scheme in the Yangtze River Delta

In March 2023, BOC Suzhou Branch issued the green deposit scheme for corporate customers in the Yangtze River Delta, which was the first green deposit scheme offered in different currency types across regions in China. The green deposit scheme, with pre-issuance assurance conducted by an external professional institution, was intended to promote the sustainable development of the regional economy by earmarking the deposit funds in the Yangtze River Delta for green, low-carbon, and eco-friendly projects.

Relying on the global network to serve the high-standard opening up to the outside world ➤

As the most internationalised Chinese bank, BOC made "globalisation" a shining brand, actively integrated the domestic and international markets and resources available there, and made continuous efforts to serve high-standard "going global" enterprises and high-quality "bringing in" enterprises, contributing to the formation of a new development pattern that would feature positive interplay between domestic and international economic circulations.

Building up the cross-border financial service capacity

The Bank continued to enhance its cross-border financial services and promoted its globalised operations toward high-quality development steadily.



Continuously optimising the global network of branches/institutions

Functioning as the financial bridge, the Bank provided customers with comprehensive financial services all over the world. In 2023, Papua New Guinea Representative Office and Riyadh Branch commenced business successively. As at the end of 2023, the Bank established overseas branches and institutions in 64 countries and regions around the world, including 44 BRI participating countries. Therefore, it became the Chinese bank with the widest coverage in the world and among the BRI participating countries.



Pressing ahead with bilateral and multilateral financial cooperation

The Bank intensified its cooperation with a variety of financial institutions and expanded its range of international partners. As at the end of 2023, it established correspondent relationships with nearly 1,200 financial institutions worldwide, and cemented its collaboration with key correspondent banks in the BRI regions. In the meantime, it provided multinational institutions and enterprises with a full package of financial services such as international settlements, bond financing, foreign exchange trading, investment custody, and global cash management. Additionally, BOC also maintained good partnerships with international multilateral financial institutions such as the Asian Infrastructure Investment Bank (AIIB) and New Development Bank (NDB) as well as sovereign funds of many countries.



Providing digital and cross-border financial services

In 2023, the Bank optimised its online channels for cross-border financial services and relied on financial technology (FinTech) to empower globalisation.

- The cross-border finance zone of the corporate mobile banking app encompassed three parts, namely "One-Stop Cross-border Connect", "Cross-border Treasure Box", and "Well-selected Cross-border Services", which integrated collection, settlement, and payment of foreign exchange (FX) for joint operations and supported one-stop comprehensive cross-border services such as letters of credit, letters of guarantee, inclusive financing, and wealth management, as well as a series of convenient auxiliary functions such as FX quotations and calculation.
- Forward FX settlement and sales services were added to the overseas version of the corporate online banking app, supporting such functions as forward transaction initiation, transaction duration management, quotation enquiry, transaction, and entrustment enquiry. As at the end of 2023, the overseas version of the corporate online banking app was available in 56 countries/regions and in 14 languages including Chinese, English, Korean, Japanese, German, French, and Russian.
- "BOC Cross-border Remittance Express", an intelligent cross-border remittance product, introduced two functions, that is, direct outward remittance of cross-border funds and direct inward remittance of domestic foreign currency funds from other banks, realising cross-border remittance in both directions, intelligent direct processing of local and foreign currencies, and direct inward remittance of domestic and foreign currencies through all channels.

Supporting the key BRI projects

The Belt and Road Initiative (BRI) was proposed by China in 2013. Over the past decade, BOC, as the most internationalised Chinese bank with a history of over 100 years, has followed the principle of extensive consultation, joint contributions, and shared benefits, adhered to a vision of openness, green development, and clean governance, and aimed to reach high standards, enhance people's well-being, and advance sustainability. While fully leveraging its advantages in globalisation, the Bank made progress in increasing infrastructure connectivity and financial cooperation with the BRI participating countries. It helped to implement a number of key projects under the BRI, which better benefited the people of related countries.



The Bank carried out a total of over **1,000** corporate credit projects in the BRI participating countries, which offered credit of more than **USD316** billion.

13 outcomes were included in the list of practical cooperation projects of the Third Belt and Road Forum for International Cooperation, which indicated that fruitful results were achieved in the process of serving the joint implementation of the BRI.

Domestic institutions of the Bank issued **USD12,205** million in letters of guarantee for beneficiaries in **130** BRI participating countries in 2023, representing a year-on-year increase of **715%**.

(The data above are available as at the end of 2023.)

In recent years, the Bank has supported with a full package of financial services a number of landmark projects, including Jakarta-Bandung High-Speed Railway (the first high-speed railway project that Chinese enterprises undertook overseas), China-Laos Railway (a flagship cooperation project between the two countries), the Port of Chancay, Peru, (an important transport hub in the South Pacific Ocean), and a wind farm project in Bukhara, Uzbekistan (the largest standalone wind power project in Central Asia), as well as a number of "small yet significant" projects, including a hospital in Doboj, Bosnia and Herzegovina, all of which effectively enhanced the local people's sense of happiness, fulfilment, and identity.

Capitalising on its strengths in international capital markets and overseas businesses, BOC continued to catalyse financing among BRI participating countries. As at the end of 2023, the Bank issued five BRI-themed bonds, raising funds equivalent to nearly USD15 billion in seven currencies such as RMB, USD, and EUR. In addition, branches of the Bank in the BRI participating countries were organised to issue overseas green bonds with a view to supporting the development of green finance in their host countries/regions.



Jakarta-Bandung High-speed Railway commenced operation as a cooperation project between China and Indonesia with the financial support of Bank

Jakarta-Bandung High-speed Railway, jointly constructed by China and Indonesia, started operation in September 2023, marking a significant milestone reached by the two countries in the joint implementation of the BRI. As the flagship project of China-Indonesia cooperation under the BRI, the project was the first high-speed railway in Southeast Asia, and it also signified China's high-speed railway standards were practised overseas for the first time with the entire system, all elements, and the whole industry chain intact. The Bank actively supported the construction of the railway by providing related enterprises with a wide range of financial services such as account management, overseas custody agent, cash management, FX business, and agency payroll, all of which were necessary for the smooth progress of the project.



Issuing one of the world's first BRI-themed green bonds

BOC Dubai Branch and BOC Luxembourg Branch simultaneously issued one of the world's first BRI-themed green bonds, with a total size of USD800 million equivalent, and the proceeds would be used to support qualified green projects in the BRI participating countries, including the UAE, Saudi Arabia, Portugal, Austria, Bulgaria, and Poland.



Safeguarding the high-quality implementation of the BRI with the power of insurance

Over the years, BOCG Insurance has been actively involved in the joint implementation of the BRI. Giving full play to its financial advantages as a bank-backed insurance company, it provided underwriting, reinsurance, and claim settlement services in different regions and under varying legal backgrounds, to help implement a number of BRI landmark projects and support enterprises to go global.

In 2023, BOCG Insurance exclusively underwrote the engineering insurance for the regional hospitals in Guyana, constructed by China CAMC Engineering Co., Ltd., the first medical infrastructure construction project as part of the partnership between China and Guyana, which could effectively improve the local medical standards upon completion. Meanwhile, it underwrote the construction all risks insurance for the Batang Toru Hydropower Station Project in Indonesia and the Balakot Hydropower Station Project in Pakistan. The two important energy infrastructure projects aimed to improve the local energy mix, expedite the transition to clean energy, and provide the public with safe, stable and clean electricity supply.

BOCG Insurance underwrote more than 230 overseas projects throughout 2023, including 173 projects in the BRI participating countries, with the coverage amounting to over RMB80 billion. It was granted the Most Distinctive Service Award for the BRI Implementation Insurance by China Belt and Road Reinsurance Pool.

Stabilising the scale of and optimising the structure of foreign trade

Fully leveraging its advantage as the main channel bank for financial services in foreign trade and economic cooperation, BOC formulated the *Action Plan for Serving Import and Export Enterprises*, the *Work Plan on Strengthening Credit Support for Foreign Trade Customers*, and other related documents, to lay a solid institutional foundation for adopting a combination of measures to "stabilise foreign trade". "BOC Cross-border E-commerce Connect", a system of cross-border e-commerce settlement products and services, was refined around new forms of foreign trade, to make one-stop online financial services for market-oriented procurement trade available in the majority of the pilot provinces, and increased the supply of comprehensive financial services for overseas warehouses.

In 2023, domestic institutions of the Bank handled international settlement businesses totaling USD3.37 trillion, of which the cross-border settlement services provided for cross-border e-commerce enterprises grew at a rate of 123%. They connected with 28 market procurement trade platforms nationwide through the Internet to provide online settlement services.



Landing the first online FX collection business for corporate customers under the market procurement trade mode in Heilongjiang Province

BOC Heilongjiang Branch launched the "BOC Cross-border e-Procurement Connect - Loong Procurement Connect" system, which was connected to the networking platform of Suifenhe Municipal People's Government for market procurement trade. Capable of exercising the whole-process control over the authentication of trade entities, transaction registration, export customs clearance and other links, the system could provide entities engaged in market-oriented procurement trade with online services covering the entire business process from account opening and binding to application for FX collection and settlement, which made it possible for carrying out FX businesses for customers in a more timely and convenient manner, thus developing new modes of foreign trade.



▲ BOC Tianjin Branch establishes Tianjin's first shipping finance centre, focusing on five industries, that is, shipping transactions, automobile logistics, financial leasing, cold chain logistics, and deep processing of frozen goods, to satisfy the all-around financial needs of shipping logistics enterprises and freight forwarding enterprises in terms of settlement, financing, and guarantee.

Serving major national exhibitions and conventions

In 2023, the Bank continued to provide high-quality services for national trade fairs, thus erecting a financial bridge for trade promotion.

Name of exhibition	Role of the Bank
China International Import Expo	Sole strategic partner
China International Fair for Trade in Services	Sole global partner in the banking industry
China Import and Export Fair	Sole global strategic partner
China International Consumer Products Expo	Global strategic partner
China International Fair for Investment & Trade	Sole global strategic partner for financial services

Main work done

Pre-exhibition

The Bank supported investment invitation, exhibitor invitation, and roadshow activities. In 2023 it supported the organisation of 30 overseas promotional activities in over 40 countries/regions, and over 30 domestic investment attraction activities.

During-exhibition

The Bank provided exhibitors and buyers with comprehensive financial services such as policy counselling, account opening, fund exchange, cash management, and cross-border remittance. Leveraging the experience in global matchmaking activities and cross-border services, it provided enterprises with high-quality financial matchmaking activities. It supported the organisation of high-end forums and other activities to release financial service outcomes, deepen international communication and cooperation, and help integrate intelligence and commercial services.

Post-exhibition

The Bank cemented cooperation with the organising committees of exhibitions to provide enterprises with high-quality and efficient financial services on an ongoing basis.



▲ Striking appearance at the China International Import Expo for six consecutive years



▲ Outcomes achieved by the Bank in the fields of financial services such as the commitment to stabilising foreign trade and foreign investment at the Financial Services Zone of 2023 China International Fair for Trade in Services.



▲ "Beijing Day" Beijing-Tianjin-Hebei Region Collaborative Investment Promotion and "Invest Beijing" Global Summit co-hosted by the Bank and Beijing Investment Promotion Service Centre during 2023 China International Fair for Trade in Services.



▲ The Bank supports the organisation of the 4th China-Mongolia Expo by virtue of its advantages in comprehensive financial services.



▲ BOC Yunnan Branch works with the Department of Commerce of Yunnan Province to hold the "Bank of China Trade and Investment Matchmaking Meeting" during the 7th China-South Asia Expo.

Helping to advance the internationalisation of RMB with prudent and solid steps

The Bank made every effort to serve the national strategy of internationalising RMB as scheduled. Since the launch of the pilot programme where RMB could be used as a settlement currency for cross-border trade in 2009, BOC has always maintained its position as the main channel for cross-border flows of RMB funds. In 2023, the Group's cross-border RMB settlement volume reached RMB57.35 trillion, up more than 80% over the same period of the prior year, among which RMB12.81 trillion was undertaken by domestic institutions of the Bank, up 23.28% year on year.



Raising the level of RMB services in overseas markets

Most overseas institutions of the Bank have already launched RMB services. They worked to improve overseas RMB services by optimising RMB services for "going global" Chinese enterprises, expanding the volume of RMB settlements with local customers, and meeting the demand for diverse RMB services of overseas agencies.

Taking advantage of its professional experience in the field of foreign exchange and foreign trade and considering the new market conditions and policy guidance, the Bank formulated ten measures to support foreign trade enterprises in expanding the cross-border use of RMB, to enhance trade and investment facilitation, and to enlarge the whitelist of foreign trade enterprises entitled to facilitation services, which could better meet the exchange rate hedging needs of enterprises.



Publicising and promoting RMB Internationalisation with greater efforts

The Bank published the *White Paper on RMB Internationalisation* for 11 consecutive years, released the Cross-border RMB Index (CRI) and the Offshore RMB Index (ORI) on a quarterly basis, and launched the Introduction to *Main Scenarios and Products Related to Cross-border RMB Corporate Services* for overseas markets, to help customers know about RMB internationalisation policies and products.

Special activities on RMB internationalisation were held, including the Belt and Road Initiative/RMB Internationalisation Forum, and the Currency Cooperation and a Diversified International Monetary System, a parallel session at the Annual Conference of Financial Street Forum 2023, to have in-depth discussions about topics such as promoting the cross-border use of RMB with prudent and solid steps and building an offshore RMB market.

Publicity and training activities on the internationalisation of RMB were carried out on a regular basis to promote experience and practices related to serving RMB internationalisation and preventing or controlling relevant risks.



▲ BOC (Zambia) holds the Cross-border RMB Business Promotion under China-Zambia Economic and Trade Cooperation to introduce the background of RMB internationalisation, cross-border RMB policies, and related financial products, in the hopes of enhancing the understanding and recognition of RMB among various entities in the Zambian market.



Supporting the construction of RMB cross-border use infrastructures

The Bank stepped up efforts to expand the range of indirect participants in the RMB Cross-border Interbank Payment System (CIPS). As at the end of 2023, 626 domestic and overseas financial institutions of the Bank became indirect participating banks of the CIPS, representing an increase of 43 from the beginning of the year and marking that the Bank ranked first place in the industry by the market share. BOC acted as an RMB clearing bank in 15 countries and regions around the world.

Fulfilling People's Aspiration for a Better Life through Financial Services



With people's growing needs for a better life as our starting point and destination, the Bank continues to enhance people's well-being in areas of pension, healthcare, housing, consumption and education by providing professional and quality financial services to improve customers' experience and satisfaction. Leveraging industry strengths, we mobilize more resources for public welfare and charity to truly fulfill our responsibilities of serving the people and enabling prosperity for all.

Striving to meet needs of the elderly



The Bank laid out comprehensive strategies in pension finance, individual pension finance and pension industry finance to support the high-quality development of the elderly economy and improve quality of life for elderly people, enabling the transition from "living a retired life" to "enjoying a retired life".

Supporting the Construction of a Multi-tiered Pension Insurance System



Serving national health insurance reform

The Bank carried out Head Office-to-Headquarters Cooperation with the National Healthcare Security Administration (NHSA) and signed a framework agreement therefor. It provided convenient medical services for insured individuals by promoting the extensive use of medical insurance e-cards and mobile payment applications. As at the end of 2023, 28.04 million mobile banking users of the Bank were authorised medical insurance e-card holders.



Facilitating retirement fund finance

Building upon its retirement fund operation services, entrusted investment management capabilities, and system construction and institutional improvement, the Bank continuously enhances its retirement fund service capabilities. It consistently offers a series of products such as enterprise annuities and occupational pensions to its customers.



The pension funds under the custody of the bank reached RMB **209,886** million with a growth of **23.29%**.

The individual enterprise annuity accounts under the management of the Bank numbered **4,123,700** with a growth of **5.77%**.

The enterprise annuity customers served was **18,200**.

The working capital under pension custody was RMB **992,390** million with a growth of **9.46%**.

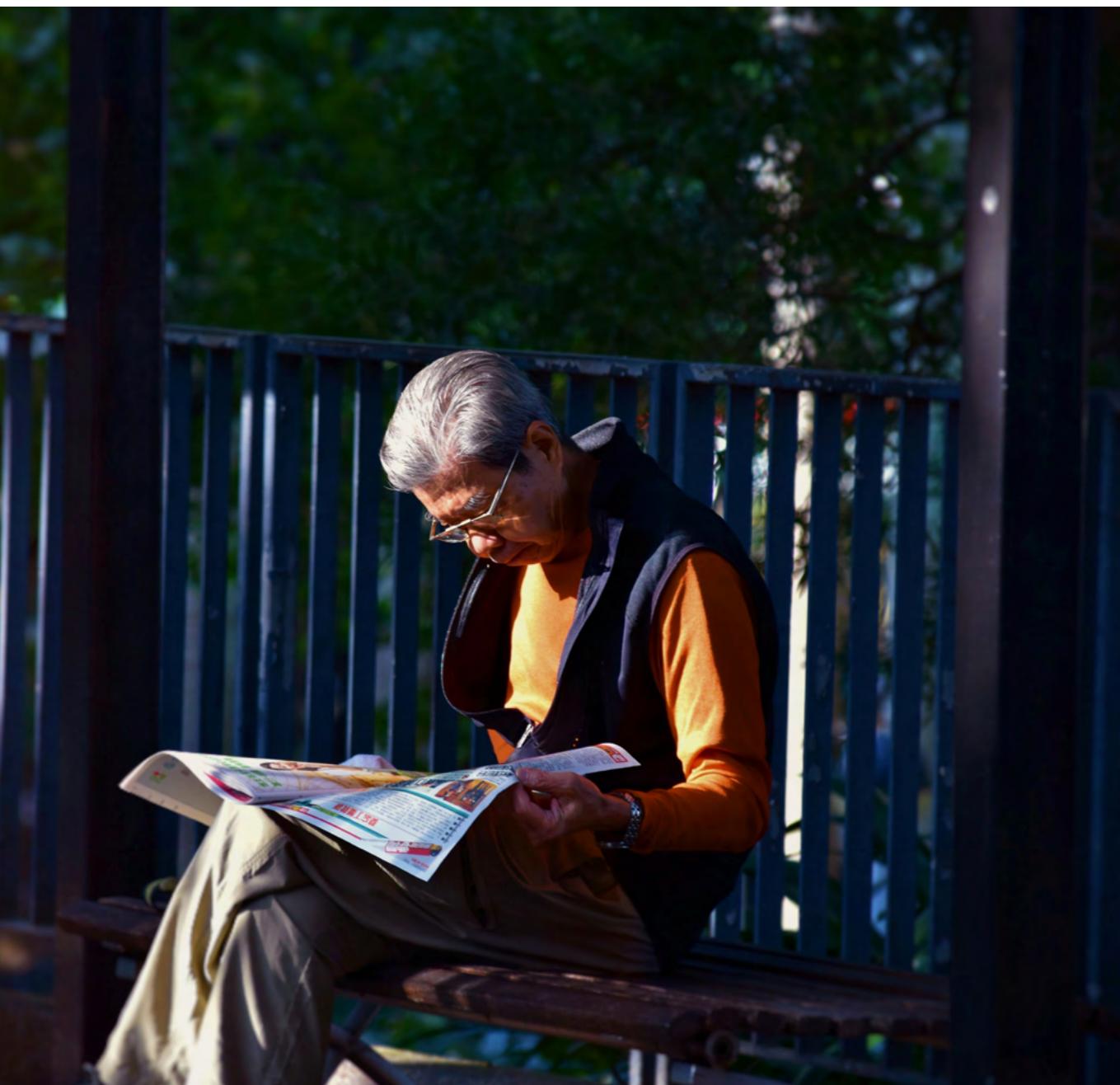
(The data above are available as at the end of 2023.)

Serving the elderly care industry



Elderly economy transaction delegation making appearance at CIIIE

In November 2023, the Bank's first elderly economy trading delegation made its appearance at the 6th China International Import Expo (CIIIE). The delegation consisted of over 200 members, covering government agencies, state-owned retirement groups, rehabilitation aids, professional elderly care services, elderly education, elderly cultural tourism, and age-friendly design-related entities. During the CIIIE, the Bank hosted the first Foreign Investment in Retirement Assistance Forum, providing a platform to promote advanced retirement concepts and facilitate matchmaking between Chinese and foreign clients in the elderly care industry.



Enriching the life of elderly people



Education for older people was provided to help enrich the spiritual life

The Bank has launched the CCB Senior University online learning platform on its mobile banking app, providing free online courses to the national silver population. The platform offers age-friendly courses on financial literacy, smartphone applications for bridging the generation gap, financial fraud prevention, and comprehensive health guides by renowned doctors. By the end of 2023, CCB Senior University had offered over 650 courses, with over 620,000 clicks.



Grey-hair Map was cast to provide a living guide for the elderly

As an online resource display platform built around core elderly needs, the Grey-hair Map collaborates with high-quality institutions in the elderly care service field. It provides information on retirement institutions, offline senior universities, medical institutions, community dining spots, specialty merchants, and bank service points to help build a "15-minute" retirement life circle. As at the end of 2023, the Grey-hair Map platform had accommodated over 4,000 elderly care service institutions, covering 31 provinces and cities nationwide.



A special elderly zone was created to increase the accessibility of elderly services

Based on the high-frequency scenarios of "medical care, food, housing, transportation, entertainment, emotions, and learning" for the elderly, the platform offers elderly people a variety of non-financial services such as online medicine purchase, video consultation, and senior travel. It helps older adults overcome the digital divide and enjoy a convenient life.



Mutual elderly care: innovating the elderly care service supply model

The Bank explores innovative retirement service supply models and creates a public welfare mutual aid retirement platform to fully support the development of public welfare retirement initiatives.

Serving the development of sports industry ➤



Optimizing mobile banking services for the sports industry

Non-financial services

The Bank established "CCB Keep Training Camp" in the mobile banking app and launched free online workout courses in five categories including ice and snow sports, Tai Chi, and indoor fat burning. It improved "Featured Venues" and "Equipment Center" modules were improved, integrating 706 sports venues for fitness, ice and snow sports, swimming, and various ball sports, and introducing 640 sports equipment brands.

Financial services

The Bank upgraded special product sections, benefiting for Winter Olympics-themed credit cards, the Great Wall Boundless Sports Card, and other distinctive products. It enabled customers to conveniently apply for cards and participate in activities online. It enriched payment methods in the sports zone, including the addition of digital RMB account opening and payment functions, providing customers with a one-stop digital RMB payment experience.



Enhancing customer service capabilities for the sports industry (both B2B and B2G)

Strongly supporting the digital transformation of the sports industry, the Bank provided services in four major modes: event management, association services, sports consumption vouchers, and sports venue ERP. It has also innovatively launched the "CCB Sports Merchant Smart Assistant," focusing on sports venues, upstream and downstream industries, and designated merchants for major sports events. This assistant provided digital solutions for payment acceptance and business management. As at the end of 2023, a total of 273 accounts were opened, with 113,400 transactions and a total transaction amount of RMB 54.2984 million.



Promoting the nationwide fitness trend

Actively promoting the concept of a healthy China, the Bank organized a variety of thematic activities and events in collaboration with popular occasions such as the Spring Festival, Olympic Day, National Fitness Day, and the China International Import Expo, as well as major sports events including the National Games and marathons. As at the end of 2023, the Bank had supported the hosting of 9,125 events or competitions, serving nearly 5.62 million participants.



Financial support for the spirit of the "Wuhan Marathon", energizing the City of Wuhan



▲ BOC Hubei Branch diligently serves the 2023 Wuhan Marathon.



▲ BOC Dalian Branch provides professional financial services such as foreign currency exchange guidance for overseas participants in the 30th China Bank Cup Asian Junior Squash Championships.



▲ BOCHK supports the inaugural China Construction Bank (Hong Kong) Zhuhai–Macao–Hong Kong Bridge (Hong Kong Section) Half Marathon.

Ensuring People's Livable and Enjoyable Living Conditions ➤

The Bank actively implemented the decisions and arrangements of the Party Central Committee and the State Council, adhering unwaveringly to the principle of treating all types of real estate enterprises equally and meeting their reasonable financing needs. It closely followed up on the implementation of rental housing work, conducts proactive research, and advances urban village transformation, affordable housing, and other related initiatives under the "Three Major Projects," accelerating the supply-side reform of real estate finance. The Bank ensured the delivery of housing projects by providing credit support based on market-oriented and legal principles. It actively explored new models of real estate development, promoting a virtuous cycle between finance and real estate.



Treating different types of real estate enterprises equally

The Bank visited various real estate enterprises of different ownership types, including private enterprises, to exchange views on deepening cooperation between banks and enterprises and the financial support for the development of the real estate market, thereby maintaining stable and healthy development of the real estate market.



Increasing support for rental housing

The Bank developed supportive financial measures for the rental housing sector, facilitating the establishment of a housing system with multiple suppliers, multiple channels, and a combination of renting and purchasing. It increased loan disbursements and continuously promotes financial support for the development of the rental housing market.

Fully Unleashing Consumer Vitality ➤

The Bank, focusing on popular consumer scenarios such as "clothing, food, housing, transportation, entertainment, medical care, and elderly care," provided quality consumer financial products and services to support consumption recovery and stimulate latent demand. It injected financial impetus into expanding domestic demand and promoting consumption.



Customer side

Leveraging major consumption peaks like e-commerce festivals and Golden Week holidays, the Bank enhanced discounts on Taobao, JD, Ctrip and other platforms. It promoted integral points redemption functions on Alipay, Meituan and others to boost consumption markets through people-benefiting payment activities.

The Bank increased support for automobile consumption, cooperating with manufacturers to roll out diversified zero-interest and low-interest subsidized products complementing auto enterprises' promotional activities to reduce residents' financial costs of car purchase. It optimized home decoration installment products according to the actual situation, created distinctive exhibition model that is suitable for the local market situation, and helped improve the quality upgrading of residential consumption, as well as enhanced the service experience of BOC E-instalment, so as to build the brand "Family Consumption Reserve Fund" and meet diversified consumption needs of residents.

The Bank developed a digital card product system targeting various consumer groups, including business travelers, supermarket shoppers, and sports enthusiasts. It supported the issuance of physical cards for digital cards to facilitate offline usage, especially for cross-border payment scenarios. It simplified the online card application process by enabling one-click binding with six major quick payment institutions. Once the card is activated, the binding process is to be automatically completed, enhancing customers' digital card application and usage experiences.

Collaborating with China Telecom and China Unicom, the Bank innovated and launched SIM card-based digital wallet products. These products, characterized by "security, reliability universality, convenience, and offline payment sharing," utilized SIM cards issued by telecommunication operators as secure carriers to load digital RMB wallets. They provided more diverse and convenient digital RMB payment experiences in people's daily lives, including consumer spending, public transportation, and campus transactions.



Merchant side

The Bank deepened construction of key business circles in international consumption center cities including Beijing, Shanghai, Tianjin, Chongqing, Guangdong and Shenzhen, carrying out consumption subsidies marketing activities.

The Bank increased resource investment and utilization. Under the brand "BOC Benefit Day", it collaborated with high-quality brands to carry out promotional events for participating merchants, promoting efficient consumption and increasing merchants' operating revenue.



Digital RMB facilitating cross-border consumption

To facilitate economic interconnection between Mainland China and Hong Kong and meet the demand for "cross-city consumption" between the two regions, the Bank relied on cross-border payment methods represented by digital RMB to provide more convenient consumption experiences for residents and invigorate cross-city consumption vitality.

Hong Kong residents' consumption in Mainland China

Collaborating with BOC Shenzhen Branch the Luohu District People's Government of Shenzhen, and Octopus Cards Limited to launch innovative self-service digital RMB wallet card vending machines, combining the consumption habit of Hong Kong residents and payment scenarios in the Chinese mainland. Targeting Hong Kong residents who visit Shenzhen for shopping and leisure, this service allowed them to easily obtain digital RMB wallet cards without the need for opening a Mainland bank account. It provided convenient consumption experiences, including dining, accommodation, entertainment, shopping, and transportation, as well as government consumption subsidies. During the 2023 government promotion period, a total of 25,000 Hong Kong residents actively obtained digital RMB wallet cards in Shenzhen.

BOCHK provided digital RMB personal services for local Hong Kong customers. Hong Kong customers registered through BoC Pay could register a digital RMB wallet in Hong Kong and use it in Mainland China. By the end of 2023, the number of registered and activated digital RMB wallets through Bank of China (Hong Kong) had reached 13,000.

Mainland China residents' consumption in Hong Kong

BOCHK introduced digital RMB acquiring services in Hong Kong, allowing nearly 300 Hong Kong merchants to provide digital RMB payment services to Mainland consumers, introducing a "new trend" of cross-border payments.

In addition, BOCHK and BOC Shenzhen Branch, together with the Futian and Luohu District People's Governments of Shenzhen City, jointly organized the "Cross-border Shopping Festival" featuring digital RMB consumer red packet giveaways and other promotions. These events provided benefits to customers from Hong Kong and Mainland China, attracting cross-border consumption between the two regions.



▲ BOC Hainan Branch supports the "Digital Benefits in Sanya, Revitalizing Consumption" digital RMB consumption month campaign.

Empowering the development of education

The Bank has always been at the forefront of supporting the development of national education, using the power of finance to accelerate the construction of a strong education nation.



Disbursing national student loans

The Bank implemented the national policies on interest-free student loans and deferred repayment of such loans and provided a convenient application channel for students to apply for deferred repayment through the "Bank of China Student Loan Assistant" mini-program. It quickly implemented the requirements for adjusting the loan amount and interest rate for national student loans and launched the "Increase Limit Application" feature on mobile banking.

The Bank pioneered the introduction of commercial student loans for graduate students, offering credit-based loans with low interest rates, long terms, and flexible repayment methods, better meeting the reasonable study and living needs of full-time graduate students.

By the end of 2023, a total of RMB 26.773 billion in national student loans was disbursed, supporting over 1.9 million financially disadvantaged students in completing their studies.



Supporting the comprehensive implementation of national policy for easing the burden of excessive homework and off-campus tutoring

The Bank provided online end-to-end supervision services for education and training funds to various industry regulatory authorities and off-campus training institutions. By the end of 2023, the Bank had cooperated with nearly 1,200 education regulatory authorities at the district and county levels, providing fund supervision services to 33,000 training institutions and assisting 16,000 off-campus training institutions in connecting to the Ministry of Education's National Off-campus Education and Training Supervision and Service Integrated Platform.



Serving the international development of the education industry

The Bank provided comprehensive support services, including cross-border finance and overseas liaison, for the "going global" initiatives of universities.

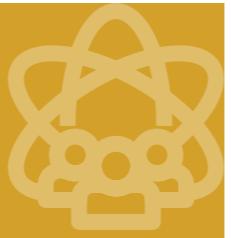
The Bank deepened cooperation in Sino-foreign vocational education, facilitated cross-border matching for the "Luban Workshop" project, and enhanced international exchanges in vocational education.

The Bank signed a cooperation memorandum with the International Cooperation Bureau of the Chinese Academy of Sciences to strengthen collaboration in areas such as financial services for foreign experts, international scientific and technological exchanges, and the integration of financial technology development.



▲ BOC Zhejiang Branch organizes the "Zhejiang Study Abroad Festival" for three consecutive years, providing one-stop cross-border financial services covering all stages of studying abroad, including study planning, visa application, pre-departure preparations, and overseas learning experiences.

Providing High-quality Customer Services



Guided by the customer-first service tenet, BOC protects consumers on all fronts, actively responds to what customers are concerned about, extensively imparts financial knowledge, and spares no effort to deliver a first-class service experience.

Consumer protection ➤

The Bank has attached great importance to consumer protection, incorporated consumer protection into its corporate governance, corporate culture building, and operation and development strategies, and continuously promoted the deep integration of consumer protection with business development and service management.

Improving the consumer protection regime

The Bank fulfils its main responsibility for consumer protection in strict accordance with the *Consumer Protection Law of the People's Republic of China*, the *Guiding Opinions of the General Office of the State Council on Strengthening the Protection of Financial Consumers*, and the *Consumer Protection Management Measures for Banking and Insurance Institutions*.



Organisational structure

Board of Directors and its special committee

Established under the Board of Directors, the Corporate Culture and Consumer Protection Committee is responsible for reviewing consumer protection strategies, policies, and objectives, among other aspects of content; regularly hearing complaint notifications and reports on work and management activities; making recommendations to the Board of Directors; and supervising and evaluating the work done by the Bank in the field of consumer protection, including complaints management and product and service reviews. In 2023, the Bank organized four meetings of the Board of Directors on the theme of consumer protection and four meetings of the committee, to consider and approve 2022 Work Summary and 2023 Work Plan for Consumer Protection, the *Consumer Protection Management Measures of Bank of China Limited (Version 2023)*, and to regularly hear reports including reports on complaints management across the Bank, regulatory evaluation reports and the work reports from the Senior Management. The Board of Directors maintained a high political standing and pursued high-level stability while seeking progress. They provided comprehensive planning and detailed deployment for the Bank's consumer rights protection work, offering numerous guiding and constructive suggestions to improve the quality and efficiency of consumer protection across the Bank.

Senior Management

Established under the Executive Committee, the Consumer Protection Committee is responsible for planning and implementing the work in consumer protection with coordinated efforts. In 2023, the committee held five meetings to implement the resolutions and decisions reached by the Board of Directors and the Executive Committee, and to make arrangements for advancing the work of consumer protection throughout the Bank.

Executive level

The Consumer Protection Office of the Head Office, as the leading department of the Bank for consumer protection, is responsible for organising, coordinating, supervising, and providing guidance on the consumer protection work of all units.

The first line of defence
(business departments)



The second line of defence
(Consumer Protection Office)



The third line of defence
(audit departments)

It fulfils execution responsibilities, and integrates consumer protection requirements into the entire business process.

It fulfils supervisory and guiding responsibilities, strengthens the management and application of consumer protection appraisal results, and carries out supervisory inspection on consumer protection on a regular basis every year.

It fulfils responsibilities of independent supervision, carries out special audits on consumer protection every year, and collaborates with the Consumer Protection Office to check how problems have been rectified.

Policy requirements



The *Consumer Protection Management Measures of Bank of China Limited (Version 2023)* was released, which internalised the latest regulatory requirements into the Bank's relevant policies, further expounded on the eight basic rights of consumers, such as the right to security of property, the right to know, and the right to information security, and optimised the mechanism of three lines of defence for consumer protection.

The consumer protection highlights for 2023 were documented to provide guidance for the work in the field of consumer protection throughout the year.

The internal appraisal policies for consumer protection were refined, with the appraisal results incorporated into the performance appraisal regime as well as the human resources management regimes such as performance evaluation, post adjustment, and career development.



Education and training

Diversified training and education activities were conducted on the theme of consumer protection, covering a host of key areas such as the interpretation of regulatory provisions, internal policy requirements, consumer protection reviews, complaints management, and protection of personal customer information. Trainees included middle and senior management personnel, primary-level business personnel, and newly recruited employees. The frequency of complaints handling training was increased for business positions prone to complaints in combination with the full picture of complaints throughout the year. Special training on product and service sales, complaints handling, and other themes were organised in light of what employees actually needed.

Online and offline training courses on consumer protection registered a total attendance of over 860,000 in 2023.



Consumer protection reviews

In the year, the *Measures for the Management of Consumer Protection Reviews of Bank of China Limited* was formulated to specify targets, scope, key points, and process, among other aspects of content related to consumer protection reviews, thus regulating such reviews carried out across the Bank.

Financial products and services provided to consumers were assessed and reviewed in the processes of design and development, pricing management, agreement formulation, marketing and publicity, etc., to evaluate how the requirements for the protection of the legitimate rights and interests of consumers were implemented, identify potential risks, and bring forward the timing of risk control.

To prevent the risks that might arise from new products or new businesses, consumer protection reviews were carried out for products involving individual consumers at the stages of design and development, risk assessment, and entry into production upon acceptance, so as to effectively enhance the ex-ante review and control capabilities, a prerequisite for mitigating, monitoring, and controlling risks.

Strengthening meticulous complaints management

The Bank attached great importance to consumer complaints, took complaints as an important basis for optimising products and services and improving customer satisfaction, took the feedback of customers seriously, got complaint channels unimpeded, standardised the complaints handling process, worked hard to analyse the root causes of complaints and rectify the problems identified from the source, and effectively protected the legitimate rights and interests of consumers. The Bank received 276,000 customer complaints throughout the year, all of which were handled or closed.

Management mechanism



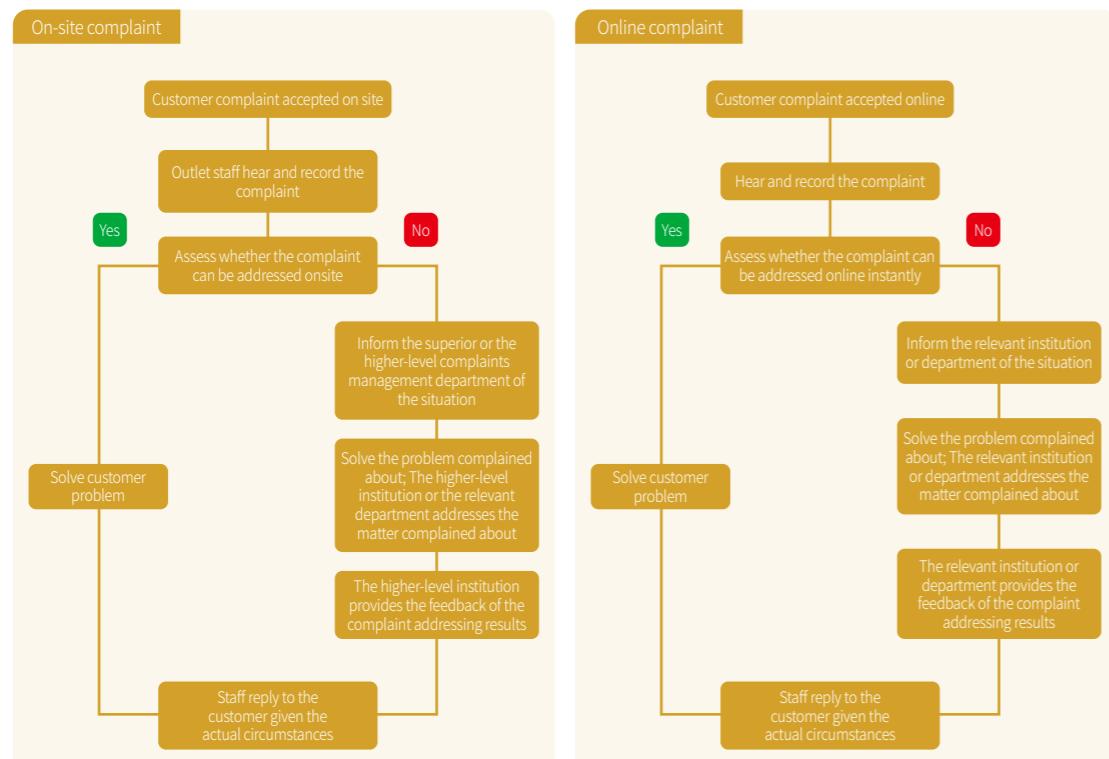
Complaints across the Bank and those in key areas were analysed on a regular basis. The briefings on complaints and consumer protection activities were reviewed by bank leaders, and the material issues identified were reported to the Board of Directors and the Corporate Culture and Consumer Protection Committee of the Board of Directors for deliberation and decision-making.

Efforts were intensified for appraising complaints management in terms of the number of complaints, the percentage of complaints handled on time, the accuracy of information on complaints, and the implementation of diversified mechanisms, among other aspects.

Handling process



The customer complaints management measures were implemented strictly. Channels through which complaints were taken and handled, mainly including business outlets, phone calls, mobile banking, micro-banking, and intelligent customer service available on the official website got unimpeded, quickly response to and promptly handling of customer complaints and diversified complaints settlement mechanisms were put in place to provide customers with various solutions for dispute settlement. The online and offline complaints handling processes were disclosed publicly, so as to make it convenient for customers to provide their feedback quickly.



The Bank paid particular attention to the areas where customer complaints were concentrated, analysed the causes of complaints, discovered and rectified the problems involved in complaints one by one, and continuously tracked the rectification of such problems, so as to reduce customer complaints from the source.



Capacity building

The complaints management system was upgraded, by adding new functions such as automatic collection, downloading, and forwarding of information on complaints referred by the regulatory system and intelligent analysis of complaint cases, optimising some existing functions such as user management and dispute resolution, and enhancing the data analysis capability of relevant systems.

Two all-employee training sessions on complaints management were conducted throughout the year around such topics as complaints handling processes and skills, complaints data analysis, requirements for the discovery and rectification of problems, and use of the complaints management system, so as to help staff members better handle and manage customer complaints.

Customer satisfaction survey

In 2023, the Bank conducted an external customer satisfaction survey in collaboration with a third-party agency, which covered both individual and corporate customers. In the year, the Bank had an overall customer satisfaction rate of 92.1%, which stood at 90.5% for individual customers and 96.4% for corporate customers. The satisfaction rates by customer type were all maintained at a high level.

Protecting the safety of customer funds

The Bank attached great importance to the protection of customer funds, actively fulfilled its legal responsibilities and obligations in anti-fraud, and firmly secured wallets of customers.



Pre-event risk control

The Bank carried out security assessments, hidden hazard screenings, and contingency plan drills, improved outlet security facilities, and optimised the security management platforms, to build up the intelligent security capability.

Product fraud risk inspection

The Bank brought individual accounts under graded and categorised limit management, put into operation the cross-bank account opening verification system and anti-fraud indicators, and provided multi-dimensional data to inform outlets while making decisions and analyses regarding account opening.

Intelligent security facilities

The security management platform was used to monitor conditions such as network interruption, firmware upgrade, and early-warning equipment failure, and relevant personnel were arranged for equipment maintenance and repair to ensure the effective operation of the security infrastructure facilities. The intelligent surveillance equipment was installed in outlets to generate video structured data and personnel behaviour analysis results to raise security management standards.

Agile risk perception

IoT devices and detectors were used to automatically identify risks. An innovative mode of security risk forewarning and handling was developed to automatically prioritise risk matters.



During-event monitoring

Customer service representatives (CSRs) dealt with risk events as distributed by the security management platform to boost the security risk prevention and control capacity continuously. The during-event risk control model for corporate customers, the monitoring model for personal account transactions, and other models were optimised to intensify the monitoring of key business areas. As at the end of 2023, new functions such as forewarning and delayed payment were added to the "Cyber Defence" system, which intercepted 408,471 suspicious fund transfer transactions in an amount of RMB6,021 million, and took protective measures for 124,892 accounts.



Post-event management

Ongoing screening was performed using the fraud-related transaction data provided by regulators and the data on transactions intercepted by its own models. Fraud-involved accounts were controlled in a timely manner. Police–bank collaboration was intensified to carry out anti-fraud publicity activities from multiple perspectives, improve anti-fraud skills of employees, and enhance the anti-fraud awareness of the public.

Promoting financial literacy

BOC worked hard to effectively enhance financial literacy and educate financial consumers. It advanced intensive awareness-raising efforts on regulatory themes and regular financial literacy measures, focused on key population groups to close the "last mile" gap in access to financial knowledge, and helped consumers comprehend financial products and services correctly, thus enhancing the financial literacy of the public. In 2023, BOC conducted 75,000 consumer protection awareness activities, which covered about 800 million consumers.

Intensive financial literacy initiatives

In 2023, the Bank actively participated in or organised the "March 15 Consumer Protection Awareness Week/Financial Consumer Rights Day", "Protecting Your Pockets/Popularising Financial Knowledge" Series in Chinese Banking Industry, and "Financial Consumer Protection Education and Publicity Month", among other intensive financial literacy campaigns as instructed by regulators, with a view to enhancing financial literacy among consumers.



▲ BOC Shanxi Branch "3.15 Consumer Rights Protection Day, Financial Knowledge for the Benefit of All" themed promotional event, in which sketch comedies are performed to disseminate financial knowledge to the public in an entertaining and easy-to-understand manner.

Regular financial literacy measures

The Bank innovated the regular education and publicity mechanism, extensively carried out education and publicity activities targeted at financial consumers, cited cases as a deterrent on its official website or WeChat official account, organised competitions to solicit news materials on consumer protection and creative works about financial education and publicity, and promptly updated the content in the financial literacy zone through various channels.



▲ BOC Anhui Branch builds a 150m² financial education demonstration base, which uses all sorts of media technologies and means to make financial literacy a more attractive and appealing process.



▲ BOC Sichuan Branch creates the first FinTech demonstration hall in the province, which is divided into eight areas, such as Intelligent Sensing BOC, e-CNY Innovation Application Laboratory, and Interactive Experience, to raise the sense of responsibility among consumers by combining finance with technology.

Differentiated financial literacy efforts



Senior citizens

The Bank prioritised spreading the concept of rational investment, financial fraud prevention skills, and other areas of knowledge, and helped the elderly learn to use smart devices and mobile phone apps such as the mobile banking app. Its attentive financial services were effective in imparting financial knowledge to senior citizens and adapting them to digital life.

BOC Consumer Finance, in cooperation with the Beijing Financial Street Service Bureau, Beijing Financial Street Sub-district, and other units, held the "Fraud Fighter in the Community" campaign to raise the awareness of anti-fraud among community residents through a variety of activities such as giving on-site lectures of anti-fraud knowledge, distributing anti-fraud pamphlets, and playing interactive games.



▲ The first "Blue Vest" education demonstration base in the national banking industry is established by BOC Guangdong Branch to create immersive experiences at business halls on the theme of protecting seniors from financial fraud.



People with disabilities

Financial classes for people with disabilities were held at special education schools, which focused on disseminating knowledge of anti-counterfeiting, telecommunication & network fraud prevention, and other themes in an easy-to-understand approach to students with special needs who had limited contacts with other people and weak ability to identify false information, so as to better meet their financial needs.



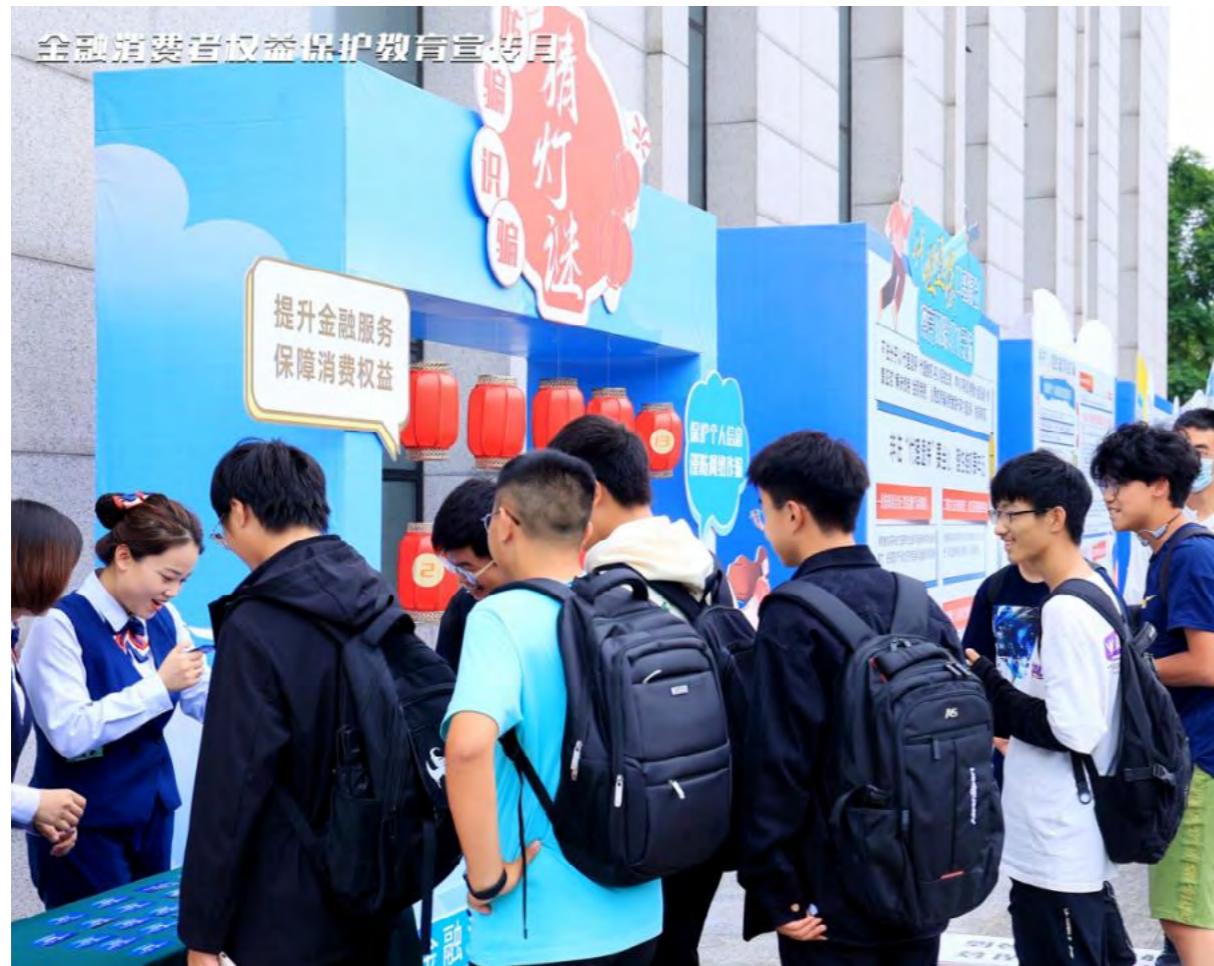
Rural residents

Combining financial consumer protection with rural revitalisation, the Bank helped villagers have a command of basic financial knowledge and anti-fraud skills and raise their awareness of financial security by disseminating financial knowledge in the countryside, providing financial services at villages, giving one-on-one explanations, and adopting other practical actions close to the public.



Young people

Through its close partnerships with universities and colleges, the Bank illustrated typical cases of illegal borrowing to students, disseminating financial knowledge such as personal credit records and rational consumption. By doing so, it aimed to raise the awareness of risks and develop a concept of rational borrowing among the youth.



▲ BOC Sichuan Branch launches the "Financial Consumer Protection on Campus" promotional activity, where flash mobs are invited to popularise financial knowledge through interesting interactions and performances.



New citizens

The Bank started with imparting basic financial knowledge much needed by new citizens and recommending basic financial products and services to new citizens, in an effort to enhance financial convenience and accessibility.

The Bank reminded new citizens of the common manifestations of illegal financial activities, the protection of personal financial information, and the importance of rational spending and rational borrowing & lending, so as to help them better identify and avoid illegal financial activities such as money laundering crimes.

The Bank visited enterprises to carry out educational and promotional activities for employees who were new citizens, and created a live streaming channel on the theme of financial consumer protection, explaining general financial knowledge and support policies on inclusive lending, foreign exchange, and pension to employees and online consumers.

Providing quality customer services ➤



Sharing digital value with society through mobile banking

In 2023, the Bank pursued the technology-empowering approach to upgrading its mobile banking service capacity. As at the end of 2023, personal mobile banking of the Bank had over 87.76 million monthly active customers, representing a year-on-year increase of 15.17%, and the overseas version of personal mobile banking was available in 30 countries and regions worldwide and in 12 languages.

Optimising the basic functions of mobile banking

The time range of transaction bank statement printing was expanded; the function of expiration reminder was added to debit cards, which allowed replacement of cards upon appointment. With respect to cross-border business, payroll FX settlement was available in a larger number of currencies. The process of cross-border remittance was optimised so customers could calculate the exchange rate, handling fee, and other information on a pilot basis before initiating remittance transactions.

Enhancing the wealth management capabilities of mobile banking

Key investment and wealth management products and services were optimised. New fund function zones such as fund selection, featured fixed investment, indices, and self-service toolbox were added to provide customers with more high-quality and efficient online fund selection tools.

Improving services for key customer segments in mobile banking

For the elderly customer segment, personal pension services were enriched by adding features like appointment-based account opening, retirement tax calculators, and pension-related information. A Tibetan language version of mobile banking was launched to bridge the digital divide faced by customers in ethnic minority regions. The "Beautiful Countryside" feature was optimized, offering exclusive loan products for rural households and providing improved information services through the Rural Learning Center, thereby enhancing the customer experience in rural areas.

Introducing a new overseas version of personal mobile banking

The overseas version 6.0 of personal mobile banking was launched to match special features with countries and regions, thus delivering a more diversified customer service and improving customer experience.



Advancing intelligent government affairs services to benefit more people

The Bank created various scenarios where smart counters could be used for dealing with government affairs. As at the end of 2023, more than 1,100 government affairs services were available over smart counters of more than 5,300 outlets, covering the fields of social security, medical insurance, taxation, public security, justice, civil affairs, and provident fund, etc., thus "saving people from running unnecessary errands with the help of data".

In addition, the Bank increased the services related to innovative application of social security cards, creating a new ecosystem where social security cards could be used for the convenience and benefit of the public. Social security cards could be issued over smart counters directly and rapidly, giving customers a better experience. Meanwhile, the Bank optimised the process of social security card replacement, allowing users to replace their old card with a new one of the identical number instantly. It supported the issuance of social security cards added with transport functions in multiple places, a move to provide three-in-one services of social security, finance, and transport. As at the end of 2023, 122 million physical social security cards and 33.91 million electronic social security cards were issued in total across the Bank.



Unveiling the "Silver Harbour" initiative

The Bank rolled out the "Silver Harbour" service enhancement initiative to create age-friendly service outlets. Barrier-free ramps were built or relevant personnel were arranged to facilitate access of elderly customers to outlets; and staff members accompanied older customers while they were waiting in line and provided them with counselling and guidance. As at the end of 2023, all outlets of the Bank provided presbyopia glasses and courtesy seats and the Bank set up 853 age-friendly demonstration outlets.



▲ BOC Shanxi Branch provides "one-to-one" guidance and explanations about the use of smart counters for elderly customers.



▲ BOC Suzhou Branch is equipped with intelligent and age-friendly software and hardware facilities to better meet the financial needs of elderly groups.

Creating and Sharing the Diverse Value of Charity



The Bank has always regarded supporting public welfare undertakings and improving people's well-being as an essential part of fulfilling its social responsibilities. It actively leverages its global advantages and comprehensive strengths to engage in diverse public welfare practices worldwide through various means, such as implementing public welfare donation projects, establishing public welfare and charity platforms, and encouraging employees to actively participate in voluntary public welfare activities.

Conducting Charitable Donations



In 2023, various branches and institutions of the Bank (excluding BOCHK) carried out more than 300 public welfare donation projects, covering areas such as rural revitalization, science and technology, education, and disaster relief, with total donations exceeding RMB94 million.

In 2023, the Bank launched over 190 donation projects related to rural revitalization, actively leveraging the third-round distribution function of charitable donations, promoting the effective integration of poverty alleviation achievements with rural revitalization. For 21 consecutive years, the Bank has donated to and supported the "Tan Kah Kee Science Award," honoring original scientific and technological achievements and talents in China. For the past decade, the Bank has backed the Xiamen University Teaching Excellence Award program. Over the past five years, it has supported the University of Science and Technology of China in attracting overseas high-end talents and developing key disciplines under the "Double First-Class" initiative. Additionally, for five consecutive years, the Bank has contributed to the Student Aid Program of the Chongqing University Education Development Foundation, actively supporting the construction of a powerful nation in science and technology, as well as in education. Embodying the spirit of "lending a hand in times of need," in 2023, the Bank donated relief funds to the regions affected by severe rainstorms and floods in Beijing, Tianjin, Hebei, and Northeast China, as well as to the earthquake-stricken areas in Gansu, Qinghai, and Turkey. It has actively participated in and supported disaster relief and post-disaster reconstruction efforts in various forms.

Concurrently, as a major commercial bank rooted in Hong Kong for over a century and an internationalized regional bank, BOCHK has actively contributed to the long-term development and prosperity of Hong Kong through charitable efforts over the years. In 2023, it collaborated with multiple charitable organizations, community partners, and universities to actively engage in public welfare practices across various domains, including poverty alleviation, youth development, environmental protection and carbon reduction, arts and culture, as well as innovation and technology.



▲ BOCHK supports the "Gazing at Sanxingdui: New Archaeological Discoveries in Sichuan" special exhibition to help Hong Kong people and overseas visitors better understand the ancient Sichuan civilisation.

Sparing no efforts to provide paired assistance ►

BOC formulated the *2023 Work Plan for Paired Assistance*, proposing more than 50 concrete tasks in aspects such as industrial development, talent cultivation, cultural building, and ecological progress and organizational revitalisation to support the four counties in Xianyang City, Shaanxi receiving paired assistance for rural revitalisation from Head Office, that is, Chunhua, Yongshou, Changwu, and Xunyi (hereinafter referred to as "four counties of Xianyang").



Invested RMB **80.57** million of anti-poverty funding to the four counties of Xianyang, introduced RMB **747** million of anti-poverty grant funding.

Organised training courses for **32** thousand local primary-level officials, rural revitalisation leaders, and technicians from the four counties of Xianyang.

Implemented **101** assistance projects around industry, infrastructure, education, health, etc.

And sold RMB **215** million worth of agricultural products from areas just shaking off poverty across the country.

Directly benefiting **650** thousand people in the four counties of Xianyang.

(The data above are available for the whole year of 2023.)

Leveraging financial strengths



Increasing varieties of financial services

The Bank explored a new approach to government-bank-enterprise cooperation, through which it provided the four counties of Xianyang with the "County Financial Advisor" professional services, including investment and financing diagnosis, policy consultation, and guidance for investment invitation.



Making greater progress in investment invitation

Relying on the mechanism of forming pairs of investment invitation between branches and the four counties of Xianyang designated to receive assistance, the "BOC e-Enterprise" service platform, and the great opportunities brought about by the organisation of large-scale activities, the Bank effectively held investment invitation sessions to match the supply and demand of enterprises in the four counties of Xianyang. It attracted investment of RMB562 million in the four counties of Xianyang throughout 2023.



Intensifying training for agriculture-related personnel

Various on-site trainings such as a training course for rural revitalisation leaders from Xianyang, including the four counties in the city, and a seminar on financial innovation and capital operation were held, with more than 3,000 participants on site.

Over ten video courses on the theme of rural revitalisation were developed, registering an attendance of 32,000 persons throughout the year, who could be divided into three categories, that is, primary-level officials, rural revitalisation leaders, and technicians.

Stablising non-reimbursable inputs



Implementing free aid projects

The "No Relapse into Poverty" insurance programme was continued to cover all 650,000 rural residents in the four counties of Xianyang.

The Bank carried out more than 20 free aid projects in the fields of education and medical care, flood control and relief, housing and drinking water safety, digital governance, etc., so as to enhance the living standards of local people.

Staff from overseas institutions of the Bank conducted the "BOC Overseas Lectures" programme for primary and secondary school teachers and students in the four counties of Xianyang, which registered an attendance of more than 1,000 persons throughout the year.



Actively providing assistance through consumption

BOC bought products from rural areas to consolidate and enhance the results achieved in offering paired assistance. The "BOC Exhibition Area for Paired Assistance" was set up at the Sixth China International Import Expo, China International Consumer Products Expo 2023, and China-Arab States Expo, to publicise and display the image of the four counties in Xianyang and their special agricultural products.

The Bank carried out the "Autumn Consumption Season" activity, buying agricultural and sideline products from areas that just shook off poverty across the country and helping these areas sell their products. During the activity, it bought and sold agricultural and sideline products in these areas worth over RMB40 million. For the year as a whole, the agricultural products bought and sold on behalf by the Bank exceeded RMB215 million, of which products worth approx. RMB40 million came from the four counties of Xianyang.

Zhongyi Shanyuan sold more than RMB192 million of agricultural products from areas that just shook off poverty throughout the year, of which RMB30,193,900 of agricultural products came from the four counties of Xianyang.

The "Rural Revitalisation Forest" public welfare project was carried out, in which all staff members of the Bank made donations of RMB787,600 to co-plant 7,705 apple trees in the four counties of Xianyang throughout the year, which effectively helped local orchardists increase the yield of fruits and income.

The "Charity China Consumption Assistance" zone was added to the "BOC Expresspay Micro-service" WeChat official account, guiding cardholders to participate in the consumption assistance drive.



▲ Employees publicise and promote the agricultural products and supports from the four counties of Xianyang over the BOC Live Streaming Channel during the China International Import Expo.



▲ Members of the support team in Changwu County helped local farmers harvest "Xianyang Malan Red" apples.

Diversifying public benefit practices



Committed to developing finance for the common good, the Bank made the world a better place with its concrete efforts.

Integrating the Concept of Public Welfare into Domestic Commercial Banking Operations

In 2023, a total of over 700 volunteer service activities were carried out by the Communist Youth League (CYL) organisations at all levels, involving a total of over 30,000 CYL members, who served more than 528,000 people in a total of nearly 20,000 hours. The recipients of service covered students and teachers, community residents, enterprise employees, farmers, elderly people living alone, and left-behind children, among others. Volunteers were organised to provide services for important events such as the China International Import Expo, China-ASEAN Exposition, and China International Fair for Trade in Services.



The Bank promoted the innovative integration of finance and charity, created innovative service modes such as charitable trusts of mixed property and charitable trusts of reward point donations, and devoted trust property to many public welfare areas such as rural revitalisation, education, healthcare, and arts. As at the end of 2023, the Bank assisted clients in setting up over 50 charitable trusts to meet their individual charitable needs to facilitate the tertiary distribution.



For the tenth consecutive year, the "BOC Private Enjoyment Love-Spring Bud" project, launched in cooperation with the China Children and Teenagers' Fund as a public welfare platform for the Bank's customers and employees, has provided financial support for students in areas just shaking off poverty. As at the end of 2023, the project made donations of over RMB16 million to more than 4,500 students to help them finish school.



BOC Gansu Branch and BOC Qinghai Branch moved quickly to provide assistance, after a 6.2-magnitude earthquake struck Jishishan County, Linxia Hui Autonomous Prefecture, Gansu Province. They donated more than 20,000 pieces of purchased relief goods such as daily necessities and heating equipment with a total value of more than RMB1 million in kind and RMB1.3 million in cash to earthquake-stricken areas for emergency relief and post-disaster reconstruction. Young employees of the two branches spontaneously made donations to the disaster-stricken people.



BOC Hebei Branch donated RMB3.3 million in kind and RMB950,000 in cash to the flood-affected areas of the province through the Hebei Charity Joint Foundation to support the post-flood reconstruction of the Gaobeidian Municipal Government, Baoding and the repair of flooded local farmland and motor-pumped wells.



BOC Guangdong Branch arranged its young volunteers to visit Shantian Primary School at Luoping Town, where they helped improve the campus environment by donating books, repairing classrooms, and equipping additional broadcasting systems.



BOC Tianjin Branch organised the "BOC Ride on World Cycling Day" activity, in which a cycling team comprising employees and cycling enthusiasts practised a healthy lifestyle with practical actions.





▲ BOC Fujian Branch carries out with other units the "BOC in Action for a Greener World" activity, at which employee volunteers use the mobile banking app to record their steps and exchange their online steps for trees planted offline.

Promoting People-to-People Connections through Globalization

As the most globalized Chinese bank, the Bank continuously enhanced the well-being of communities where it operates, organizing a series of local activities related to disaster relief, educational support, cultural exchanges, environmental protection, and more.

 After a hurricane hit the state of Guerrero, Mexico, BOC (Mexico) mobilized employees to donate food, sanitation supplies, and other urgently needed materials worth more than MXN20,000 in the first place. As the president of the local association of Chinese-funded enterprises, it organised member units to make donations to the disaster-stricken areas.

 Through the "Big Brothers Big Sisters of New York City, BBBS of NYC" career volunteer mentor programme, BOC New York Branch employees work one-on-one with local high school students from low-income families, providing them with academic, life, and career counselling.

 BOC (Central and Eastern Europe) organised teachers and students from the Hungarian-Chinese Bilingual School to attend the "Chinese Bridge Confucius Classroom" summer camp in China, which introduced Chinese history and culture to attendees, promoting international friendly exchanges.

 BOC (Thai) worked with Thailand Association for the Blind to organise a braille promotion seminar, sharing China's experience in braille education with teaching staff from 15 Thai educational institutions.

 BOC (Macao) supported the organisation of the "National Art Troupes Performance Season in Macao" series of activities to strengthen communication and cooperation between the Chinese mainland and the Macao SAR in the field of culture and arts.

 BOC (Canada) employees devoted their spare time to planting trees in senior living communities, so as to create a beautiful and comfortable environment for elderly citizens there.



1 For the ninth consecutive year, BOC London Branch participates in the "City of London Charity Day" activity, at which Chinese paintings and calligraphy works, traditional costumes, and handicrafts from the UK and the BRI participating countries are displayed and sold for charity to support the development and cultural integration of the local community.

3 BOC Geneva Branch participates in the 3rd Asian Culture Festival in Geneva to promote traditional Chinese culture.

2 BOC Brussels Branch staff make donations in cash and in kind to the earthquake-stricken areas in Turkey and Syria.

4 BOC Johannesburg Branch donates ZAR2 million to support a local underprivileged primary school reconstruction programme in cooperation with African banks to help improve basic education facilities in South Africa.

Building the "Cultural Silk Road" and Constructing a "Bridge of Hearts" for Humanity

In November 2023, as the conductor of the Philadelphia Symphony Orchestra raised his baton, the "Friendship Spanning Half a Century" - the 50th Anniversary Concert of the Philadelphia Symphony Orchestra's visit to China, supported by the Bank, began with the passionate "Candide" and the melodious opening of "Er Quan Ying Yue". Established in 1900, the Philadelphia Orchestra is one of the top five symphony orchestras in the United States. In 1973, it became the first Western symphony orchestra to perform in China after the establishment of the People's Republic of China. The orchestra's visit marked the beginning of Sino-US cultural exchange and has played a positive role in promoting the development of Sino-US relations over the past half century.

Art transcends time and space, and becomes vibrant and enriched through exchanges and mutual learning. From supporting Mei Lanfang's performances in the United States to sponsoring the China tour of the Philadelphia Orchestra, the Bank actively supports global cultural initiatives, respects the diversity of world civilizations, and adheres to the principles of equality, mutual learning, dialogue, and inclusiveness. It is committed to being a financial envoy for cultural exchanges in the new journey. In 2023, the Bank, in collaboration with the China Foreign Cultural Exchange Association, supported a series of cultural exchange activities worldwide, striving to create a new situation of people-to-people exchanges, cultural integration, and mutual understanding among countries, and contributing to the creation of a beautiful world where different cultures coexist harmoniously.



▲ The "50 Years of Friendship" Special Anniversary Concert of the Philadelphia Orchestra's 1973 China Tour takes place in Beijing with the support of the Bank.

In January 2023, "Happy Chinese New Year" Global Festival	In March 2023, "Strings Resonating East and West" - Chinese Ethnic Music Concert	In April 2023, China-Egypt Ethnic Music Concert
As a global strategic partner, the Bank supported the "Happy Chinese New Year" global event in 2023. This event featured nearly 500 square celebrations and Spring Festival cultural activities in over 100 countries and regions, with offline activities reaching nearly 20 million people and online and television programs reaching over 1 billion viewers. It allowed people around the world to share the joyous atmosphere of the Chinese New Year and experience the unique charm of Chinese traditional culture.	The Bank supported the joint performance of the Central National Orchestra, Beijing Opera Theater, the Madrid Regional Symphony Orchestra, and Flamenco Band from Spain. Artists from both countries collaborated to perform new compositions that blended the characteristics of Chinese and Western music, such as "Drunken Concubine," "I Love You, China," "Sunshine Forever Shining on Our Friendship," "Spanish Bullfight," and "Rose Tango," creating a unique and enchanting charm of unity.	The Bank supported the joint performance of Chinese ethnic musicians from the Central National Orchestra and Egyptian ethnic musicians in the Giza Pyramids Historic Site in Cairo. They presented innovative and exquisite Chinese classics and original compositions, such as the erhu ensemble "Horse Racing," the flower-drum lantern grand percussion "Flower Umbrella and Orchid," and the chamber music "Dunhuang," showcasing their craftsmanship and creativity.

In November 2023, "Cultural Silk Road" Art Exhibition	In July 2023, China-Foreign Youth Cultural Exchange Camp	In May 2023, "Tea and the World" · Elegant Gathering Event
The Bank supported the "Cultural Silk Road" art exhibition held in Hangzhou, Huzhou, Shaoxing and other places in Zhejiang where 84 artists from 83 countries were invited to experience the beautiful scenery in China, appreciate the cultural heritage of China, engaged in extensive and in-depth exchanges with Chinese artists, aiming to carry out art collection and creation. The related creative works were showcased at the "cultural Silk Road" collection exhibition.	The Bank supported the "2023 China-Foreign Youth Cultural Exchange Camp" held in Beijing and Shandong, inviting foreign youth representatives and Chinese university students to engage in cultural exchange activities centered around the theme of "Exploring the Origins of Chinese Civilization." During the camp, Chinese and foreign youth visited the Palace Museum, the National Museum, Mutianyu Great Wall, and Lao She Teahouse. They explored and discovered the development process of Chinese civilization, absorbed cultural nourishment, and appreciated cultural charm.	The Bank supported the "Tea and the World" Elegant Gathering event held globally, where more than 200 guests, including ambassadors and diplomats from various countries, representatives of international organizations, relevant government departments, local provincial governments, industry associations, and related companies, were invited to attend the opening ceremony. Through activities such as tea tasting, painting appreciation, flower viewing, fragrance smelling, and listening to the guqin, the guests had an immersive experience of the colorful Chinese tea culture.



▲ Chinese Ethnic Music Concert – East Meets West



▲ Chinese and foreign youth participate in cultural exchange activities.



▲ Guests from China and abroad experience tea culture.



▲ Artworks from the "Cultural Silk Road" exhibition

Enriching the Public Welfare Landscape through Diversified Operations

Relying on the BOC Philanthropy platform and the BOC Charity Foundation, the Bank explored combining finance, public welfare, and Internet to attain humanistic social development. The BOC Philanthropy platform cooperated with charity organisations across the country to promote fundraising projects for charity. In 2023, the platform attracted 67 social organisations as members and rolled out 124 fundraising activities, raising nearly RMB25 million from 778,400 donations.



▲ Pooling together financial strengths to develop public interest programmes



Expanding services of public interests at colleges and universities

To support the construction of colleges and universities and talent development, the Bank created a comprehensive service platform for on-campus charity called "BOC Campus Charity". As at the end of 2023, the platform established partnerships with 116 colleges and universities, and announced 291 online charitable fundraising activities in the fields of teaching and research, school construction, student training, faculty development, scholarships, and social practice of students, etc., channeling charitable resources available across society into campuses.

Optimising the fundraising service experience

A new version of the Campus Charity homepage went online, where a section titled "Find Your Alma Mater" section was added. The donation page exclusive to colleges and universities was created, where the name of the donation certificate could be customised, the time limit for online voucher application was extended, and the donor information forms supported customised collection. With the help of the platform, university foundations could better carry out public fundraising activities.

Exploring a mode for public interest cooperation

The Hunan Provincial Education Foundation, Fujian Provincial Education Foundation, Shanghai Sports Development Foundation, and Wuping County Charity Federation joined the BOC Philanthropy platform to jointly provide efficient fundraising services for local universities and secondary schools.

As one of the earliest large commercial banks in China to explore diversified operations, the Bank's businesses cover investment banking, asset management, insurance, direct investment, leasing, consumer finance, and fintech. Leveraging its diversified strengths, the Bank proactively assumed social responsibilities and actively encouraged its comprehensive operating companies to enrich and innovate public welfare practices.

BOCG Investment joined hands with the Lok Sin Tong Benevolent Society, Kowloon, a Hong Kong charity, to organise the "Lok Sin Tong Charity Walk 2023" activity, during which the money of over HKD1 million was raised to provide local young people with a full range of services including school-based counselling, leadership training, and career planning to support their all-around development.

BOC Commerce carried out the "Care for Children" volunteer service activity, through which it donates more than 200 pieces of supplies such as picture books, teaching aids, and toys to a private non-profit organisation dedicated to taking care of hearing-impaired, mentally-impaired, and autistic children, and creates handmade crafts with the resident children there.



1 BOC-Samsung Life works with the Palace Museum and the China Siyuan Foundation to donate schoolbags packed with books on calligraphy, painting, architecture, history, and culture to rural students.

2 BOC Commerce carries out the "Voice for Love, Dream for the Future" volunteer service activity, collecting donations for a school for the deaf and accompanying children with special needs to play games and basketball, sending warmth and care to disadvantaged children.

3 BOC Aviation staff team up with an environmental organisation called "Clean Coasts" to help coastal clean-up efforts in Dublin.

Upholding Integrity and Fostering Innovation

Laying the Groundwork for Exceptional Growth

Robust and effective corporate governance serves as a solid foundation for financial institutions to spearhead reforms and is a vital safeguard for achieving sustainable, high-quality growth. The Bank continues to optimize its corporate governance mechanisms, seamlessly integrating efforts to reinforce the Party's comprehensive leadership with enhancing corporate governance, in order to guide and underpin the Group's sustainable development. The Bank cultivates a professional and competent talent pool to foster innovative drive among the employees. It proactively embraces the new wave of digital finance, leveraging enterprise-wide architecture building to facilitate the Group's digital transformation and provide robust support for reshaping the Group's technological innovation capabilities and business service capabilities. It champions balanced financial openness and security, steadfastly upholding the bottom line of preventing systemic financial risks. The Bank remains unwavering in fulfilling its main responsibilities for exercising full and strict self-governance over the Party, rigorously observing the bottom line of legal and regulatory compliance, and effectively enhancing ideological, political and action-oriented awareness to proactively identify and mitigate major risks.

Sustainable Development Goals (SDGs)



Governance



Party Building as A Guiding Beacon



The year 2023 marked the beginning of fully implementing the spirit of the 20th CPC National Congress. Over the past year, under the resolute leadership of the CPC Central Committee, the newly appointed Party committee of the Bank has steadfastly embraced the guiding principles of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. With a firm commitment to prioritize political development within the Party, the Bank has wholeheartedly implemented the core tenets of the 20th National Congress of the Communist Party of China. The Bank has delved deep into and faithfully executed the directives from the National Organization Work Conference, the Central Financial Work Conference, and the Central Economic Work Conference. Furthermore, it reinforced the primary responsibility of Party committees at all levels to govern and uphold Party integrity, ensuring that the "top leader" assumes the foremost accountability, while all members of the leadership team fulfill their dual roles effectively. Concurrently, the Bank has actively engaged in thematic education focused on understanding and embodying Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, comprehensively advancing various facets of Party development, thereby providing a robust assurance for propelling endeavors of the Bank towards high-quality growth.

Upholding the Party's Overall Leadership ➤

The Bank remains committed to the centralized and unified leadership of the CPC Central Committee regarding financial matters and steadfastly implements the Party's overarching leadership in this area. It continuously reinforces the Party's guidance while enhancing corporate governance, strengthening the Party Committee's pre-research and decision-making processes regarding significant operational and managerial issues, and ensuring a more effective role for the Party Committee in directing, supervising, and ensuring implementation. The Bank's Party Committee fully executes its primary responsibilities, regularly receiving reports on Party building work, and enhances organizational leadership effectively. It conscientiously implements the practice of discussing the "first topic" at Party Committee meetings and consistently follows up on the "three ledgers" to ensure the comprehensive implementation of the significant speeches, instructions, and decisions of General Secretary Xi Jinping and the CPC Central Committee throughout the Bank.

Strengthening the Building of Primary-level Party Organizations ➤

The Bank reinforces its organizational structure and enhances the political and organizational functions of Party organizations at all levels. It firmly establishes the responsibility for Party building work at all levels and rigorously evaluates and assesses the performance of Party secretaries at every level in Party building. It comprehensively strengthens the assessment of Party building, evaluating the work and effectiveness of Party building across all units from various angles such as political, ideological, organizational, and disciplinary construction. It prioritizes primary-level Party building, continuously rectifying weak and lax primary-level Party organizations, and compiles and disseminates materials for primary-level Party organizations. It consolidates the construction of the Party member team, extensively engaging in activities such as "learning from exemplary individuals around us" and "contributing to the work we do," vigorously selecting role models, and establishing a leading pattern of "a thousand red flags and ten thousand pioneers." It advances the construction of Party-mass service centers and consistently promotes the deep integration of Party building and business operations.

Cementing the Ideological Foundation ➤

The Bank comprehensively strengthens ideological construction and remains committed to using Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era to nurture the spirit.



Firmly conducting thematic education

With unambiguous political stances, the Party Committee of the Bank has solidly launched education activities to study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, in line with the unified plan of the CPC Central Committee. Fully capturing the general requirements to "study the theories, strengthen Party spirit, stress practice and achieve new outcomes", the Bank has closely anchored the fundamental tasks and specific goals of the education activities, advanced key measures as a whole, and made remarkable progress in studying to bolster convictions, enrich wisdom, promote integrity and motivate actions. This has helped resolve a range of issues that the CPC Central Committee cares deeply about, constrain the Bank's high-quality development, and respond to people's concerns.

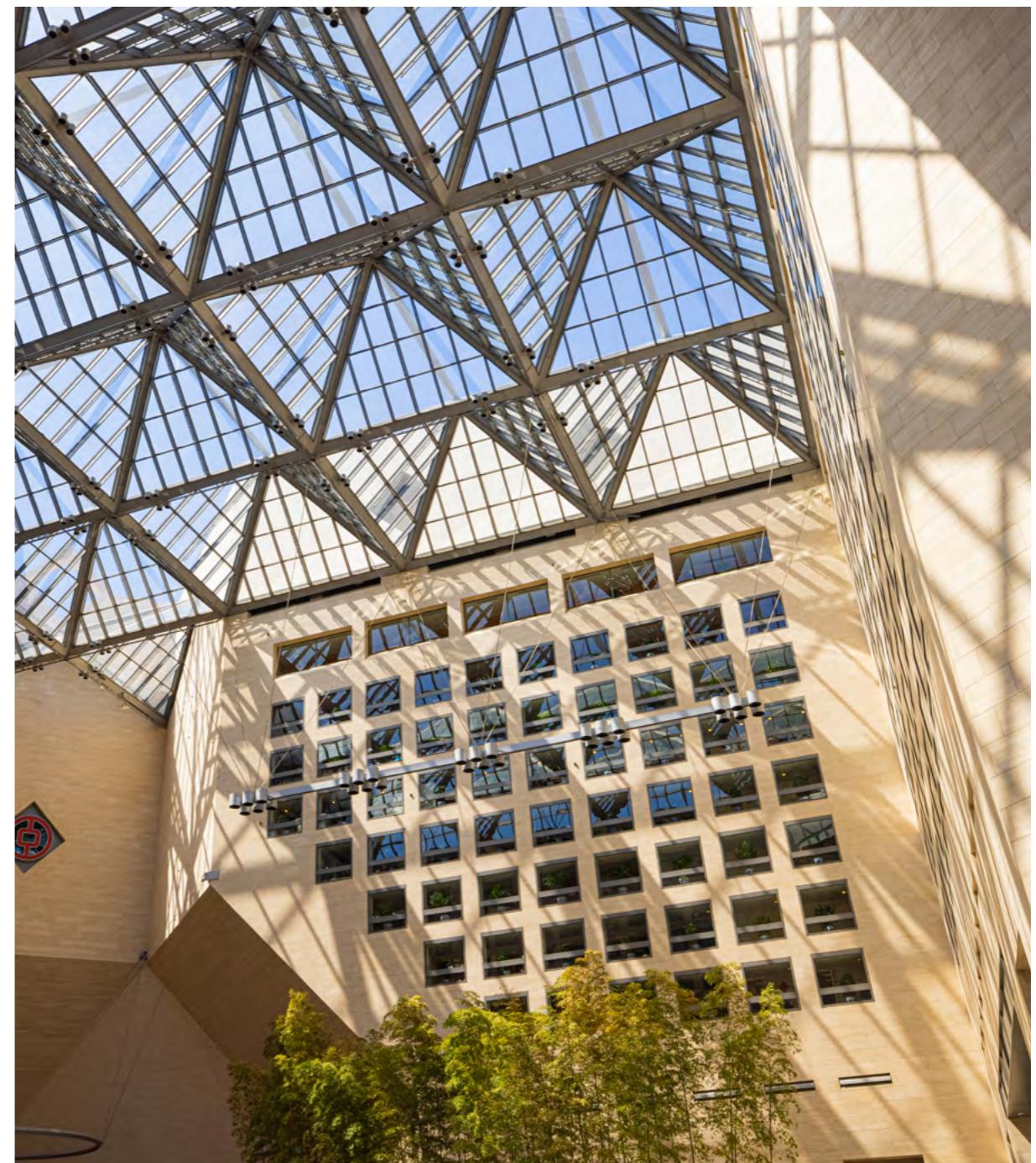
Concentrating on strengthening the innovative theoretical armament of the Party

The theoretical learning center groups of Party committees at all levels play a leading role in promoting learning, and make sustained efforts in combining learning with practice and guiding practice. Primary-level Party organizations carry out extensive learning activities through "three meetings and one lesson" and themed Party days. The spirit of the 20th National Congress of the Communist Party of China is incorporated as a compulsory course in Party schools at all levels and in all types of training courses, and the learning, publicity, and implementation of the spirit are being well implemented.



Thoroughly studying and implementing the spirit of the Central Financial Work Conference

The Party Committee of the Bank promptly convened an enlarged meeting to convey and study the spirit of the conference, organizing comprehensive training for all domestic senior officers. After research, the Bank has established a "1+N" work system to study, propagate, and implement the spirit of the Central Financial Work Conference. In collaboration with the Xicheng District Committee of Beijing, it co-hosted the inaugural Financial Street Party Building Forum, aiming to consolidate regional party building efforts and leverage high-quality party building to guide and promote high-quality financial development in the new era.



Enhancing Corporate Governance Efficiency

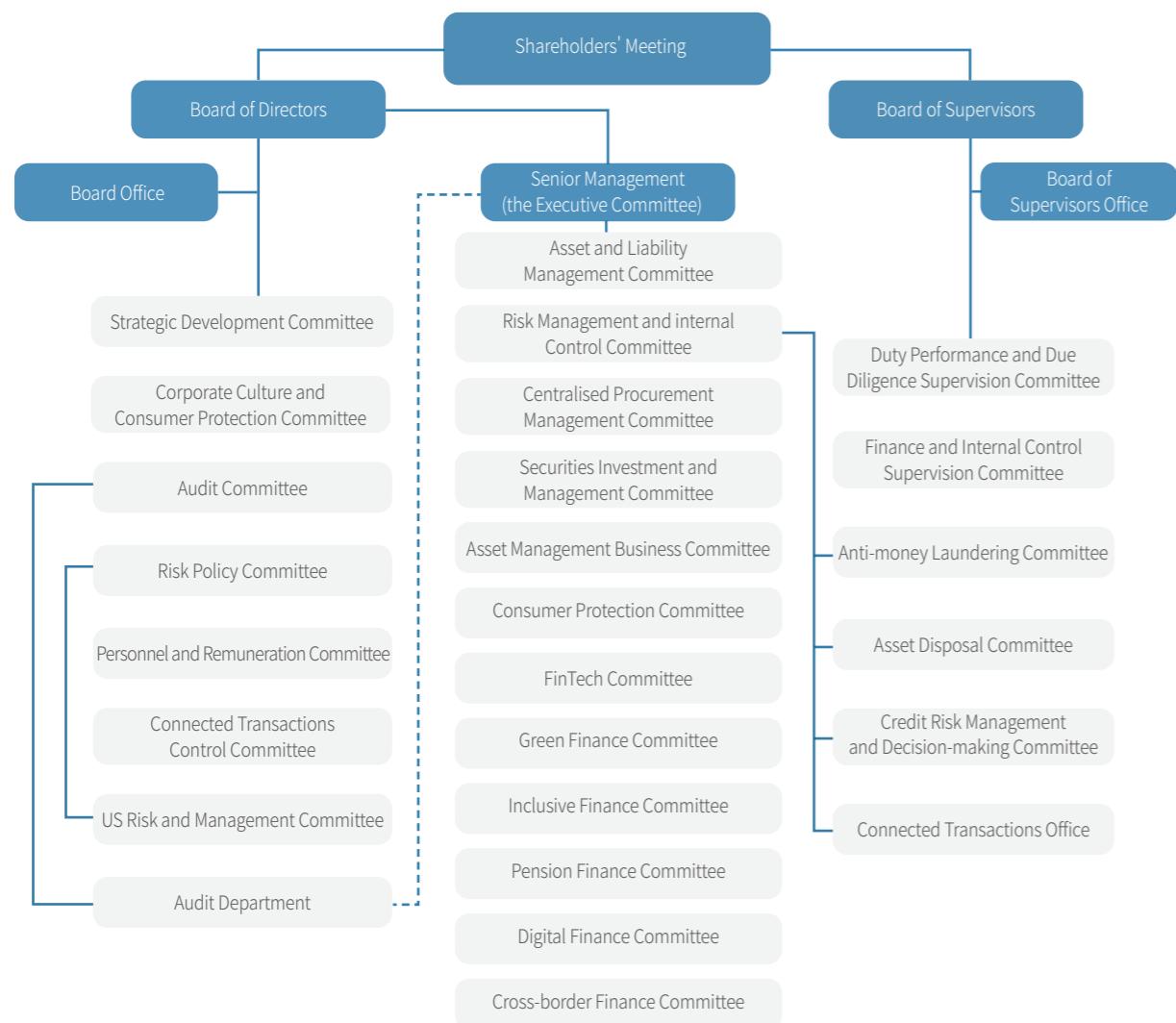
The Bank sets outstanding corporate governance as a key objective, continuously refining the system of modern financial enterprise with Chinese characteristics. It rigorously adheres to capital market and industry regulatory rules, closely monitors international and domestic regulatory trends, actively explores and innovates corporate governance practices, and enhances the modernization level of corporate governance.



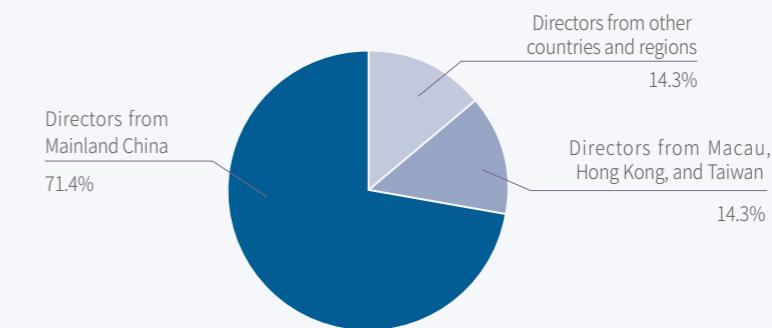
Strengthening the corporate governance system ➤

Corporate governance structure

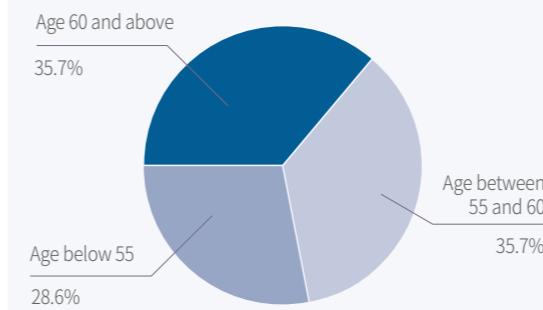
The Bank adheres to the principles of strictness, keeping pace with the implementation of regulatory requirements for capital market. It improves the corporate governance framework with the Shareholders' Meeting, Board of Directors, Board of Supervisors, and senior management as the main bodies, each with well-defined responsibility and authority and all operating smoothly. The special committees under the Board of Directors and the Board of Supervisors effectively fulfill their duties and operate actively and efficiently.



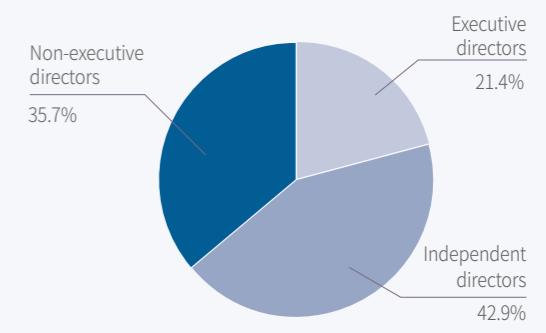
Composition of the Board of Directors by nationality



Composition of the Board of Directors by age



Composition of the Board of Directors by title



Work experience of member of the Board of Directors by industry



(Note: The data above are available as at the end of 2023.)

ESG Performance and Supervision

The Bank attaches great importance to and actively fulfills the decision-making and supervisory roles of the Board of Directors and the Board of Supervisors in the fields of ESG, including green finance, inclusive finance, consumer rights protection, targeted assistance, and charity. It effectively enhances the level of ESG management.

In 2023, the Board of Directors reviewed and approved the *2022 Social Responsibility Report of Bank of China Limited (Environmental, Social, Governance), Business Plan of SME Services Department of Bank of China Limited for 2023, Summary of Consumer Rights and Interests Protection of Bank of China Limited for 2022 and Work Plan for 2023, Bank of China Limited Application for Special Amount of Targeted Assistance in External Donation and other proposals*. It listened to the *Report on the Development of Green Finance of Bank of China Limited in 2022* and the *Report on the Supervision and Evaluation of Consumer Rights and Interests Protection of Bank of China Limited in 2022*, and promoted the improvement of ESG management and performance at a higher level.

In 2023, the Board of Supervisors of the Bank diligently fulfilled its duties, based on its functions of strategic oversight, performance evaluation, financial supervision, risk management, and internal control. It continued to oversee the work of the Board of Directors and senior management in the ESG domain. The Board of Supervisors reviewed and approved the *2022 Social Responsibility Report of Bank of China Limited (Environmental, Social, Governance)*, and issued supervision and evaluation opinions on the performance of duties of the Board of Directors, the senior management and their members in 2022, the implementation of the Bank's strategy in 2022 and the performance of the bank in protection of consumers' rights and interests. The Board of Supervisors made timely supervision suggestions on key ESG areas such as green finance, inclusive finance, information security, risk prevention and control, and environmental and climate risks, carried out key supervision such as serving the country's arrangement for expansion of domestic demand, consolidating the advantages of globalization, and serving the China's high-level opening-up, and effectively played a constructive role in supervising the performance of ESG responsibilities by the Bank.

Remuneration Policy for Executives

The Personnel and Remuneration Committee under the Board of Directors of the Bank is responsible for reviewing and supervising the implementation of remuneration and incentive policies, deliberating remuneration distribution plans for senior management, deliberating senior management performance evaluation standards and conducting evaluations. Performance evaluation results for senior management and remuneration distribution plans must undergo corporate governance review procedures.



Remuneration clawback

Over 50% of the pre-tax annual salary for senior management is subject to delayed payment based on future annual performance. The deferred payment period is generally not less than three years.

If risk exposures beyond normal limits occur within responsibilities during the stipulated period, part or all of the unpaid amount will not be paid.



Remuneration linked to sustainable development indicators

The variable remuneration of senior management is linked to the results of the Group's and individual's performance evaluations, with evaluation indicators including:

Quantitative evaluation indicators

Business outcomes, risk prevention and control, development of inclusive finance, green finance, rural revitalization business lines

Qualitative evaluation indicators

Serving national strategies (including serving the real economy, protecting consumer rights, preventing financial risks), employee satisfaction, customer satisfaction

Audit and Supervision

The Bank's internal audit function serves as the third line of defence for comprehensive risk management by carrying out general audits and special audits to independently assess the appropriateness and effectiveness of the Group's governance, operations, risk management and internal controls. In 2023, the Bank's internal audit function adhered to the principle of risk orientation, focusing on significant risk vulnerabilities and weak links. It organized routine audits and economic responsibility audits for 20 domestic branches, overseas institutions, and comprehensive operation companies. Additionally, it implemented 32 special audit projects, including "Follow-up Special Audit of Internet Loan Rectification", "Special Audit of Telecommunications Network Fraud-related Accounts", and "Special Audit of Consumer Rights Protection", providing audit recommendations, supervising audit rectification, and playing a forward-looking role in audits to support the Group's steady operation and achieve higher-quality development.

Governance of Comprehensive Operation Companies and Overseas Institutions

The Bank formulated the *Implementation Rules for Performance Evaluation of Directors and Supervisors Dispatched to Comprehensive Operation Companies of Bank of China Limited (2023)* to regulate the performance of directors and supervisors dispatched to comprehensive operation companies, promote their performance capabilities, and improve the governance of comprehensive operation companies.

The Bank continues to strengthen the governance mechanism of overseas subsidiaries, effectively enhancing the performance of directors and supervisors. In 2023, the Bank conducted a thorough review and revision of regulations related to the governance of overseas subsidiaries, strengthened the management of director and supervisor performance, held director and supervisor training sessions, and deepened their awareness of their roles.



Enhancing Investor Relations Management ➤

The Bank manages investor relations through multiple channels, platforms, and methods, emphasizing effective communication with investors, protecting investor rights to information and participation, and promoting corporate governance improvement.

Investor Communication

The Bank attaches great importance to communication with investors to enhance their understanding and recognition of the Group's business development and operating conditions.



Regular business results releases

Questions are solicited before release meetings, and senior management engages in extensive exchanges with investors, analysts, and media reporters during the meetings to address social concerns and customer queries. Services such as video broadcasts and replays, live text broadcasts and interactions, and presentation material downloads are provided to ensure that investors fully understand the necessary information.



Protection of rights for small and medium shareholders

An investor service area is set up during shareholder meetings. The Bank actively provides information to small and medium shareholders, arranges for business departments and dedicated investor relations personnel to accompany them throughout the process, and promptly understands and addresses their demands. In 2023, 55 questions related to investor relations received through email were handled, 105 calls from the investor relations hotline were answered, and 13 investor questions were replied to through the Shanghai Stock Exchange E-Interactive Platform.



Diversified communication methods

The Bank strengthens its communication with investors and the market by means of performance roadshows, proactive visits, reception of visitors, and responding to investors' inquiries raised through multiple channels. It carried out more than 350 market communications throughout the year.



Themed communication and exchanges

Addressing market concerns, the Bank engages in in-depth communication and exchanges with domestic and foreign investors and international credit rating agencies regarding business performance, risk management, wealth finance, and ESG performance, explaining the Bank's high-quality development measures and achievements. The Bank's first green finance report (TCFD) received positive feedback from Fidelity International as a representative investor on the Bank's green finance development.

Information Disclosure

The Bank adheres to the disclosure principles of "truthfulness, accuracy, completeness, timeliness, fairness, clarity, conciseness, and understandability." The Bank is dedicated to enhancing transparency, meeting investor needs, and proactively addressing market concerns to improve the relevance and effectiveness of its disclosures. For ten consecutive years, the Bank has been awarded the highest disclosure rating of "A (Excellent)" by the Shanghai Stock Exchange.



Improving Disclosure Systems

The Bank has established and keeps improving a three-level management system covering information disclosure policies, management measures and operation manuals, including regular reports and ad hoc reports, across multiple management dimensions such as branches and subsidiaries.



Ensuring Compliance in Information Disclosure

The Bank gives equal consideration to listing rules in both Shanghai and Hong Kong markets and accommodate linguistic conventions in both regions. The Bank follows strict requirements and pursues excellence, emphasizing key tasks such as serving national strategies, supporting the real economy, and facilitating high-level openness.

The Bank prioritizes consistency and comparability in disclosed information to ensure the continuity of all metrics and data.



Enriching Information Disclosure Content

While fulfilling statutory disclosure obligations, the Bank actively explores best practices in voluntary disclosure, providing investors and readers with convenient access to information and effectively conveying investment value.

Shareholder Dividends

The Bank respects and safeguards shareholders' right to returns by establishing a sustainable, stable, and scientifically reasonable dividend distribution mechanism. The Bank is committed to rewarding shareholders with strong operating performance. As of the end of 2023, the Bank has distributed cash dividends to shareholders of A and H shares for 17 consecutive years, with total cash dividends exceeding RMB800 billion, far surpassing IPO and post-IPO equity financing amounts, ranking among the top listed companies domestically.



Upholding Talent-Driven Development



The Bank is committed to building a robust financial talent pool while respecting and safeguarding employee rights, fostering an environment conducive to staff growth, and demonstrating care and support for the employees. By stimulating the vitality of the talent pool, the Bank aims to harness its human resource advantage as an internal driving force for the Group's high-quality development.

Safeguarding Employee Rights ➤

The Bank respects and upholds the rights of employees, paying attention to the diversity within its workforce. The Bank is committed to creating an inclusive and equitable workplace, free from discrimination based on factors such as nationality, ethnicity, religion, age, gender, skin color, family background, or education.

Recruitment Management

The recruitment of the Bank primarily focuses on campus recruitment, supplemented by social recruitment. In 2023, aligning with the employment priority strategy, the Bank duly expanded its campus recruitment efforts and collaborated with numerous domestic and international universities for recruitment drives. It also enhanced support for employment in national-level rural revitalisation assistance counties. In 2023, the Bank provided over 12,000 job opportunities globally through campus recruitment.

The Bank strictly adheres to the requirements of the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *State Council's Provisions on the Prohibition of the Use of Child Labor*. The Bank revises its employee recruitment management system, optimizes the recruitment process, improves the experience of job applicants, rigorously screens qualifications during recruitment, and prohibits illegal practices such as child labor and forced labor. For any violations occurring during the recruitment process, the Bank enforces accountability in strict accordance with its *Bank of China Limited Employee Misconduct Handling Measures (Version 2022)* and *Bank of China Limited Management and Accountability Measures (Version 2022)*.



▲ The New Zealand branch has signed a long-term talent development cooperation agreement with the University of Auckland Business School, aiming to provide leadership training for employees and recruit high-quality talents through a graduate internship program.

Remuneration and Benefits Management

The Bank has established the *Implementation Measures for Prudent Remuneration Management of Bank of China Limited* and the *Implementation Measures for Clawback of Performance Bonuses of Bank of China Limited*, following the remuneration distribution principle of "position-based salary, performance-based remuneration", and ensuring gender equality in employee remuneration by excluding gender factors in remuneration distribution. Employee remuneration consists of basic remuneration, performance-based remuneration, and benefits.

Basic Remuneration

 It depends on the value of the position and the employee's performance ability.

Performance-based Remuneration

 It depends on the performance evaluation results of the Group, the employee's institution or department, and the individual employee, and is linked to factors such as performance, risk, internal control, and capability.

More than 40% of the performance pay of personnel responsible for major risks and risk control needs to be deferred, and the period of deferred payment is generally not less than three years.

Benefits

 These mainly include social insurance, housing provident fund, enterprise annuity, and other non-cash benefits, managed in accordance with local regulatory policies in a lawful and compliant manner.

The Bank's employee performance management system adheres to the basic principles of "balancing incentives and constraints, objectivity, fairness, timeliness, accuracy, and legality", utilizing various methods such as Key Performance Indicators (KPIs), Objectives and Key Results (OKRs) and 360-degree evaluations to properly manage performance goals and plans, coaching and communication, assessment and feedback, rewards and improvements, as well as other processes. This system is based on annual appraisals while also incorporating both long- and short-term assessments. It guides employees at all levels and positions to establish proper views on job performance, enhance their sense of identity with corporate culture, and improve their skills and overall competencies. Assessment results are provided to employees in an appropriate format and applied to aspects such as remuneration distribution, promotion, training and development, and commendation.

The Bank integrates ESG factors into its employee performance appraisals. Appraisal indicators are tailored to specific roles and responsibilities, focusing on serving the real economy, developing inclusive finance, supporting private enterprises, promoting green finance, and protecting consumer rights and interests. The Bank also includes assessment demerit points for corruption, bribery, and other violations.

Democracy Management

The Bank has established and improved a democratic management system with the Employee Representative Congress as the basic form, promoting employee participation in political consultation and respecting and safeguarding employees' rights to be informed, participate, express, and supervise in business management. In 2023, the Bank organized the Second Session of the Second Employee Representative Congress of Bank of China, reflecting employee opinions and suggestions truthfully, accurately, comprehensively, and rationally, with a proposal completion rate of 100%, continuously advancing the process of democratic decision-making, management, and supervision throughout the Bank, effectively ensuring the effective implementation of the democratic management system with the Employee Representative Congress as the cornerstone.

Employee Engagement Survey

The Bank has established a mechanism for employee engagement surveys to fully understand employees' recognition of corporate culture, management mechanisms, and working environments, evaluated by employees at various institutions and levels through anonymous online scoring.

Facilitating Employee Development ➤

The Bank has implemented the *14th Five-Year Plan for Talent Development of Bank of China Limited* and formulated the *Management Measures for Employee Education and Training of Bank of China Limited*, covering all employees, to further promote the scientific, institutionalized, and standardized development of employee education and training.

Enhancing Professional Competence

In alignment with strategic development needs, the Bank actively conducts employee education and training, organizes professional certification across various disciplines to comprehensively strengthen the competency and quality of professional talents and systematically enhance job competency. By optimizing sequence settings, refining job positions and ranks, implementing point-based promotions, clarifying transfer and reassignment rules, and reinforcing qualification requirements, the Bank has opened up clear pathways for the development of professional talents.



Scientific Management and Appointment of Talents

Johannesburg Branch initiated a local talent pool development project within the year, establishing a talent management system that clarifies the selection for entry, cultivation within the pool, and evaluation for deployment out of the pool, ensuring an adequate supply of key talents. By leveraging data and information such as employee resumes, performance, and 360-degree assessment results, the branch establishes a scientific and effective talent database and scoring model to provide objective criteria for talent pool admissions. It develops targeted and effective training courses for various talents in the pool, with capability enhancement plans set up for the first group of employees entered into the pool. Managing the talent pool in a dynamic manner, the branch regularly assesses the performance and potential of its members, ensuring the quality and effectiveness of talent cultivation.

Conducting Employee Training

The Bank vigorously cultivates professional and composite talents through various methods such as on-the-job practice, project exercises, professional training, and rotational assignments. It emphasizes both the globalization of dispatched talents and the localization of overseas talents, establishing comprehensive measures for the training of dispatched talents and local talents.



New Employee Cultivation

For newly recruited employees from the 2023 campus recruitment, President Liu Jin personally delivered the "first lesson" to over 10,000 new employees across the Bank, inspiring them to fulfill the mission of "serving the country through finance" and grow into pillars of national development.

Each institution implements tiered new employee onboarding training based on actual conditions, assisting new employees in transitioning from "students in campus" to "workplace professionals" and achieving a good start and long-term development in their careers.



Professional Talent Cultivation

Fintech

The Bank organized seminars on the strategic emerging industry (hydrogen energy) map in the Yangtze River Delta, formulating its development and customer service strategies for the hydrogen energy industry, and refining research plans based on local industry types to cultivate future business growth points.

Green finance

The Bank organized a Green Finance Elite Talent Workshop to help relevant personnel enhance their capabilities in interpreting green finance policies, market analysis and judgment, and promoting key products, aiming to foster the development of green finance business.

Inclusive finance

The Bank conducted training sessions such as rural revitalization business training, "Huiruyuan·Backbone Talent" Training, "Huiruyuan·Leadership Talent" Training, Inclusive Business Line Risk Management and Credit Policy Training, and Specialized Training on Inclusiveness-featured Outlet Construction, promoting the replication and promotion of advanced experiences and strengthening the team building of professional personnel in inclusive finance.

Pension finance

The Bank held a Pension Finance Business Development Seminar, where relevant personnel were organized to analyze business pain points and challenges. Measures for optimization and improvement were formulated and implemented to advance the pension finance sector.

Digital finance

The Bank held eight sessions of the "Digital Finance Academy," inviting experts in digital finance to give public lectures on topics such as digital payments and cloud computing, aiming to promote the Group's digital transformation and high-quality development.



International Talent Cultivation

The Bank conducted the "New Opportunities for High-level Opening-up of China's Capital Market in the New Era" training session, focusing on serving the high-level opening-up of the capital market, enhancing the competitiveness and influence of Shanghai as an international financial center, and helping participants understand new policies for the opening-up of China's capital market and the Group's business development strategies. These moves were intended to better serve institutional opening-up in the financial field and promote cross-border investment and financing facilitation.

The Bank organized pre-deployment training courses and less commonly taught languages talent training classes, focusing on themes such as foreign languages and international business operations to enhance the capabilities of the participants. This training aims to provide strong talent support for the management and development of its overseas institutions.



Strengthening the Construction of Digital Learning Platforms and Enhancing the Capability to Provide Training Services

The Bank has advanced the construction of the BOC Training Cloud platform, completed infrastructure transformation and upgrades, and now supports concurrent online learning for up to 80,000 individuals. The Bank has enhanced live training and online examination features to improve the user experience. Additionally, a new "Legal Consultation Q&A" module has been established to provide employees with direct professional support on legal and compliance-related policies. By the end of 2023, leveraging the BOC Training Cloud platform, the Bank had conducted over 2,000 live training sessions, with more than 9,400 new courses added throughout the year, and an average daily active user count reaching 42,000 person-times.



▲ Tai Fung Bank supports employees in taking paid leave to participate in training and internship programs organized by the Macau Labour Affairs Bureau, offering young staff a great opportunity to experience leading corporate cultures, understand industry trends, and hone their business skills.

Encouraging Professional Certification

The Bank advocates and encourages self-directed learning among its employees, providing necessary resources and financial support for their after-hours studies. Utilizing online platforms for the online procurement of books and materials, the Bank has reviewed and standardized the full reimbursement of professional certification fees within the year, covering fields such as finance, accounting, risk compliance, information technology, general management, foreign languages, and more.

Employee Turnover Management

For employees who resign, the Bank has established a "three-level talk" retention mechanism to listen to and act upon their feedback and suggestions. It monitors the turnover rates of its institutions quarterly, setting warning standards for high turnover rates or significant fluctuations, prompting institutions to analyze, research, and devise improvement measures in a timely manner.

Caring for Employee Health ➤

Strictly adhering to national laws and regulations, the Bank fully contributes to social security and housing funds for its employees and provides major illness insurance and annual physical exams, earnestly protecting their physical and mental health.

Caring for Female Employees

The Bank provides various types of leave, such as maternity leave, breastfeeding leave, and parental leave, for female employees during pregnancy, postpartum, and breastfeeding periods. Implementing a *Special Collective Contract for the Protection of Women Employees' Rights*, the Bank has completed the signing and filing of this contract at the Head Office level and distributes sanitary products to female employees, strengthening the protection of their legal and special rights.



▲ BOC Insurance holds "March 8th" Women's Day Handmade Flower Experience Activity.

Assisting Employees in Need

The Bank promotes a compassionate mutual aid plan for its employees. By the end of 2023, 9 branches and comprehensive operation companies had established mutual aid plan management committees, formulating management regulations and raising RMB12.6 million through union funds, welfare funds, or other channels to assist employees facing difficulties due to severe illness, natural disasters, or accidents.

The Bank organizes consolation activities. It distributed consolation funds of RMB596,500 to employees affected by severe flooding, earthquakes, and other natural disasters throughout the year. It provided RMB5.78 million for the construction of employee (small) homes of outlets in 832 poverty alleviation counties and 160 national-level rural revitalisation assistance counties. During New Year's Day and the Spring Festival, unions at all levels consoled 3,621 community-level outlets, reaching 36,720 employees with consolation money and goods worth RMB36,295,900.

Focusing on Work-Life Balance

The Bank hosts the "Roses and Books: Joy of Reading for All" series, attracting 4,200 participants to live broadcasts on books and reading club events. It organizes popular cultural and sports activities such as volleyball, table tennis, and bridge to enrich employees' cultural and spiritual lives. Innovating childcare for employees' children, the Bank held volunteer performance and charity sale activities during the summer with the theme "Little Hands, Big Strength; Young Hearts, Bright Hope," addressing the challenge employees face in balancing work and childcare.



1 Panama Branch's outdoor team building for employees

2 BOC Insurance organizes a family day event for employees.

3 BOC Russia celebrates its 30th anniversary with a commendation meeting, honoring employees who have worked for over 20 years.

4 Lisbon Branch enhances team belonging and cohesion by hosting employee birthday parties and organizing participation in marathon health runs.

5 BOC Anhui Branch hosts the 3rd "Happy Work, Healthy Life" Employee Sports Meeting.

Enhancing the Quality and Effectiveness of Digital Financial Services

The Bank rigorously implements the national strategic deployment, aligning with the development trends of the digital economy. Grounded in the enhancement of technology and data capabilities, and centered on the digital transformation and upgrade of financial services, the Bank seeks breakthroughs by integrating into the digital economy ecosystem, with risk prevention and control as the foundation. It is committed to enhancing value creation, accelerating digital transformation and innovation, and fostering the integration and mutual promotion of business models, technological capabilities, and data elements. This effort continuously improves the efficiency of financial services and supports the high-quality development of the real economy.

Consolidating the Support of Technological Foundation ➤

The Bank implements the "East Data West Computing" strategy, speeding up the construction of "multi-location, multi-center" information infrastructure. The first phase of the Inner Mongolia and Linger Financial Technology Park has been completed, providing the capacity to deploy 30,000 servers; the second phase of the Hefei Park has commenced, with the total number of cloud platform servers reaching 26,500. The Bank continuously strengthens the safeguarding of work safety, with no major safety incidents occurring throughout the year. It advances special actions to enhance cybersecurity, ensuring the effective operation of the Group's Network Security Operations Center (SOC), with no major cybersecurity incidents occurring throughout the year, safeguarding the stable and robust development of the Group's business.

The Bank has upgraded and reshaped independently developed foundational technology platforms such as "Honghu," "Xinghan," "Hanghai," and "Fuyao," continuously enhancing its service capabilities for the construction of new digital infrastructure.



Honghu Distributed Basic Technology Platform

Provides technical capabilities in four major areas under distributed architecture: technology governance, runtime transaction scheduling and processing, distributed application development, and distributed application operation and maintenance.



Xinghan Big Data Basic Technology Platform

Constructs unified processes, procedures, and services in the data domain, offering complete data and technical support, alongside a user community, to meet the needs of big data products with a unified technology ecosystem, fully empowering the development of data products.



Hanghai Mobile Development Platform

Offers a "one-stop" solution covering mobile application design, development, testing, operation, and maintenance, standardizing mobile-related technical standards, development processes, and implementation techniques to ensure the reusability of basic capabilities.



Fuyao DevOps Platform

Focuses on software development integration, application delivery, artifact management, and quality visualization, strengthening the building of software development, testing, and operational service capabilities, and promoting the improvement of software process quality and efficiency.



Fully Exploiting Data Value

The Bank has built an enterprise-level data governance system, "Three Horizontals, Two Verticals, One Line," providing comprehensive, agile, and detailed support for the management, operation, analysis, application, and value creation of digital assets. This includes establishing an enterprise-level data dictionary management service system, embedding data standards throughout the entire life cycle from demand generation, development, production, to data analysis application, and forming an accurate, visualized digital asset map to support data analysis applications and value creation. The Bank's digital asset management, operation, and service efforts have been certified by the ISO9001 quality management system.

Systematically Advancing Business Capability Enhancement ➤



Internally

Continuously advancing the building of enterprise-level capabilities

By integrating the "Product Assembly and Delivery" common mechanism, the Bank has incorporated more than 2,700 saleable products into the product factory assembly, launching global common capabilities such as the accounting engine with accounting subjects, basic pricing, and customer-specific pricing for the first time, effectively linking with product factories and contract mechanisms. This foundation supports the rapid assembly of new similar products, enabling more flexible assembly and personalized customization of products.

Helping to prevent and resolve financial risks

The Bank has restructured and upgraded to a new generation of integrated anti-money laundering systems for the Group, creating a seamless, end-to-end money laundering monitoring process. This enhancement boosts the capacity for concurrent transaction processing and complex analytical queries, improves the accuracy and timeliness of regulatory reporting, and meets the multi-dimensional and highly timely AML business requirements of the digital age.



With customers

The Bank has reshaped and upgraded the architectures and services of two basic personal financial businesses, debit and credit cards, migrating a total of 1.05 billion bank cards. This migration fully transitions all product, feature, and customer data to new line operations, further enriching digital card issuance channels and scenarios for debit and credit cards, providing differentiated card services, and expanding services to international networks like VISA and MasterCard.

The Bank has completed the architecture reshaping and service upgrades for basic financial products such as pensions and bills, offering customers a richer, safer, and more comfortable financial product and service experience.

Driving the Digital Transformation of Operations ➤



Improving quality and efficiency in digital transformation of financial services

Corporate banking

The Bank built a "one-click access, global response" collaborative management platform to enhance services for global corporate customers. The Bank continuously iterated and optimized the domestic corporate online banking, rapidly growing the customer base, while maintaining a leading position among Chinese peers in terms of overseas corporate online banking coverage.

Personal banking

The Bank improved the mobile banking service experience by launching a new overseas mobile banking version and enhancing the digital wealth management capabilities. Based on a multi-dimensional product tagging system, it introduced dedicated sections such as "Data-based Fund Selection". By the end of 2023, the number of monthly active mobile banking customers reached 87.76 million, and the transaction amount reached RMB54.88 trillion, up 17.46% year-on-year. The Bank was awarded the "Best User Experience Mobile Bank" by China Business Network's 2023 Financial Value Rankings.

Financial market

The Bank solidified its data foundation, enriched trading strategies, further optimized quantitative trading platform functions, and effectively enhanced its trading capabilities.



Actively integrating into industrial ecology

The Bank advanced the open banking initiative for corporate customers, launching the "BOC Enterprise Cloud Direct" brand.

It optimized and upgraded the "BOC Enterprise e-Butler" one-stop digital service platform for enterprises, enabling them to improve internal management efficiency.

The Bank upgraded the corporate treasury management system to support state-owned enterprise treasury reform. It facilitated information exchange between governments, industrial parks, enterprises and banks, achieving end-to-end digitalization of client acquisition, batch lending and post-lending processes, creating a new financial ecosystem for industrial parks.

For the elderly customer segment, the Bank optimized the experience of personal pension account opening, contribution and asset management functions, bridging the digital divide and enhancing the accessibility of financial services.

Supporting the national strategy of high-level opening-up and expanding domestic demand, the Bank incubated featured scenarios such as foreigners in China, Greater Bay Area Hong Kong and Macau residents, tourism, equity incentives, payroll services, and new energy vehicles, targeting key customer groups and businesses related to "going global", "bringing in", and payroll agency, to improve its ability to serve these segmented customer groups.



Steadily promoting the innovative application of digital RMB

The Bank continuously expanded into scenarios such as rail transit, retail, and elderly care, providing inclusive, convenient and efficient payment experiences.

Focusing on public service industries like government affairs, housing, and power, the Bank enhanced its digital capabilities.

Supporting rural revitalization, the Bank piloted the issuance of targeted subsidies, point-to-point assistance, and inclusive loans using digital RMB smart contracts.

The Bank launched the "Settlement Channel" digital RMB settlement service with the Shanghai Clearing House for bulk commodity transactions, resolving the pain point of delayed transactions.

Leveraging the advantages of low threshold and high efficiency, the Bank introduced the "BAMBOO" digital RMB service brand for inbound tourists.



Improving global digital service channels

The Bank improved the local clearing network and integrated it with the online banking system, enabling overseas institutions to participate in market competition as local banks.

The Bank launched a new version of overseas mobile banking, comprehensively enhancing the experience for overseas customers.

For "going global" Chinese enterprise groups, the Bank improved the global group service capabilities of the new corporate online banking platform. By the end of 2023, the corporate online banking of the Bank covered 56 countries and regions, supporting 14 major languages, while the overseas personal mobile banking covered 30 countries and regions globally, providing services in 12 languages.

Insisting on fintech innovation ➤

Leveraging enterprise-level technological capabilities, the Bank drives the application of cutting-edge technologies, exploring nearly 20 frontier technologies such as quantum computing, the metaverse, and large language models, enhancing its technological prowess. The Bank accelerated the construction of new technology platforms such as privacy computing, Internet of Things, blockchain, and artificial intelligence. Mature technologies with extensive business application scenarios, including optical character recognition (OCR) and robotic process automation (RPA), have been promoted and applied in over 1,800 scenarios across the Head Office and branches. The Bank promoted the pilot application of computer vision technology in scenarios such as intelligent security and outlet operations, and explored the application of large model technology in internal knowledge services, coding assistance, and other scenarios. In 2023, 5 of the Bank's achievements were shortlisted for the People's Bank of China's Fintech Development Awards. Throughout the year, the Bank filed 4,122 new patent applications and was granted 1,029 new patents.

Deepening Comprehensive Risk Management



The Bank remains firmly focused on the perpetual theme of risk prevention and control, adhering to bottom-line and extreme-case thinking, enhancing the awareness of potential crises, and continuously building a comprehensive risk management system. It accelerates the digital transformation of risk management, improves the capabilities of risk prevention, response, and resolution, thereby solidifying the risk defence line.

Comprehensive Risk Management System ➤

The Bank has implemented a risk management system that aligns with the Group's strategy. It continuously refines its risk governance structure, optimizes the closed-loop risk management process, and conducts regular investigations into major potential risks. Additionally, it actively prepares for the implementation of Basel III. Simultaneously, the Bank solidifies a robust and prudent risk culture, effectively strengthening the risk awareness of all staff and maintaining the baseline of preventing systemic financial risks.

Risk Management Framework

The Bank clearly delineates the roles and responsibilities of the Board of Directors, senior management, and business departments in risk management.



Board of Directors and Its Special Committees

Assumes ultimate responsibility for comprehensive risk management, and authorizes the Risk Policy Committee and Audit Committee under the Board to perform some comprehensive risk management duties.

The Risk Policy Committee of the Board of Directors reviews risk management strategy, major risk management policies, and risk management procedures and systems, offering suggestions to the Board. It oversees the risks associated with the Bank's operations in the US through the US Risk and Management Committee.



Senior Management

Assumes overall responsibility for risk management implementation. It has a Risk Management and Internal Control Committee to perform the functions of overall risk management and internal control management.

The Risk Management and Internal Control Committee is responsible for implementing and executing the overall risk strategy and risk appetite set by the Board of Directors, promoting the construction of a comprehensive risk management system, coordinating the management of all types of risks, reviewing and approving important policies and systems related to risk management and internal control. Other business committees regularly review risk reports to strengthen the upward reporting and implementation of risk management decisions at the business line level.

The President oversees risk management and internal control, and supervises the Risk Management Department and other relevant departments.

The Chief Risk Officer assists the President in overseeing risk management and internal control, and reports to the President.



Business Departments

Establish risk control mid-offices in major business departments, appoint departmental risk directors, share various risk information, and strengthen risk penetration management capability.

The Bank has set up three lines of defence in risk management. The business departments, as the first line, bear direct responsibility for risk management. The second line is responsible for formulating comprehensive risk management policies, main risk management systems, and processes, and it oversees and manages risks, guiding, training, and supervising the first line to achieve full coverage of risk management. The third line independently supervises the performance of business and risk management departments, focusing on significant risks and weaknesses, conducting orderly audit inspections, and assisting the first and second lines in enhancing their risk prevention and resolution capabilities.

Risk Management Mechanisms



The Bank has carried out a comprehensive risk investigation across the Group, focusing on key risk areas to develop emergency plans and enhance emergency response capabilities. It has completed macroscopic scenario stress tests for climate risks, banking industry stress tests, and internal capital adequacy assessment procedure stress tests, promptly formulating fallback plans.



Risk Appetite

The Bank establishes risk appetites that are aligned with strategic objectives, operational plans, capital planning, performance evaluation, and remuneration mechanisms, adjusting these appetites annually. In the 2023 risk appetite review, the Bank strengthened the alignment of risk appetites with the Group's strategy, expanded the coverage and refinement of risk appetites, and enhanced the management and control of risks in non-traditional areas.



Management Policies

The Bank revised the *Bank of China Limited Comprehensive Risk Management Policy* to coordinate the prevention of traditional and non-traditional risks better, supporting high-quality development. The term "Environmental and Social Risks" was updated to "Environmental (Climate), Social, and Governance Risks".

The Bank re-evaluated the effectiveness of the comprehensive risk management construction plan version 2.0, and formulated the *Comprehensive Risk Management System Framework and Its Key Assessment Points*, conducting self-assessments in seven areas including risk governance and the alignment of risk appetites with strategic objectives, to enhance the effectiveness of risk management.

Risk Culture Building

The Bank places great importance on comprehensive risk management and the cultivation of risk management professionals, has developed a series of comprehensive risk management textbooks and defined the norms for comprehensive risk management duties. The Bank invests in comprehensive risk management training for both management and frontline staff. This includes two annual advanced workshops and regular training sessions throughout the year. These programs target risk management leaders across domestic and international branches, ensuring the effective dissemination of comprehensive risk management principles. Ultimately, this initiative aims to equip employees at all levels with the necessary skills and knowledge to strengthen the Bank's risk management and response capabilities.

Digital Transformation of Risk Management ➤

The Bank accelerated the digitization of risk management, enhancing the application and promotion of intelligent risk control outcomes, and elevating the intelligence level of group risk management.



Data

The Bank continuously optimized the green credit standard system, gradually improving the accuracy of environmental benefit calculation for green credit, and enhancing the quality of basic data for green credit. These efforts provide strong support for the development of green financial business.



Models

The Bank developed early warning models for urban investment entities, small and medium-sized financial institutions, to assist in the establishment of mechanisms for early correction of financial risks.

For overseas institutions, the Bank developed an internal evaluation model for default probability, covering large enterprises, small and medium-sized enterprises, and special purpose vehicles, to help improve approval efficiency and quality.

The Bank optimized internal evaluation models for domestic companies, refining environmental risk-related early warning signal indicators, and promoting the development of green finance business.

The Bank optimized retail individual housing loan scorecard models, applied them to loan approval, post-loan monitoring, and other risk control processes, providing model support for the high-quality development of consumer finance business.



Systems

The Bank strengthened the application of cutting-edge technologies such as graph computing and machine learning, creating intelligent risk control functionalities such as multidimensional query of knowledge graphs, technology finance risk zones, risk blacklists and greylists, supply chain risk graphs, enhancing the capabilities of early identification, early warning, early exposure, and early disposal of risks.



Strict Adherence to Bottom Line of Internal Control and Compliance ➤



The Bank solidifies the foundation of internal control and compliance management, enhances behavioral management of employees, optimizes anti-money laundering and sanctions compliance mechanisms, conducts compliance education to enhance the sense of responsibility among all staff, and provides robust safeguards for promoting the stable operation of the Group.

Employee Behavior Management ➤

The Bank has established a comprehensive framework for managing employee behavior, with the Board of Directors, Board of Supervisors, and senior management dividing responsibilities for this task.



Board of Directors

Bears ultimate responsibility for managing employee behavior, fostering a culture of lawful compliance and integrity among employees, and supervising the implementation of employee behavior management by senior management.



Board of Supervisors

Oversees and evaluates the performance of the Board of Directors and senior management in managing employee behavior.



Senior Management

Responsible for implementing employee behavior management, executing board resolutions, establishing a comprehensive system for managing employee behavior, delineating the responsibilities of relevant departments, and annually reporting employee behavior assessment results to the Board of Directors.

The Bank requires employees to adhere to business ethics, as specified in the *Employee Violation Handling Measures of Bank of China Limited (Version 2022)*, which outlines procedures and measures for dealing with violations related to financial and accounting management, business management, professional ethics, confidentiality and information disclosure, anti-money laundering, legal and compliance risk management, among others. The Bank has also implemented the *Management and Accountability Measures of Bank of China Limited (Version 2022)* to reinforce accountability among management personnel.

The Bank conducts annual assessments of employee behavior, analyzes management effectiveness and identifies issues, and formulates subsequent work plans accordingly. In 2023, the Board of Directors and senior management of the Bank reviewed and approved the *Employee Behavior Management Assessment Report for 2022*.

Employee Complaint Management

The Bank formulated the *Employee Complaint Management Measures of Bank of China Limited (Version 2022)*, allowing complainants to submit an Application for Complaint to the Secretariat of the Accountability Committee for review of outcomes such as criticism and education, reduction of performance pay, disciplinary action, in accordance with internal management regulations.

To safeguard the rights of complainants, the Bank stipulates that the original handling personnel should not handle complaint reviews, and handling personnel with conflicts of interest with the complainant or the complaint issue should proactively recuse themselves.

Business Ethics Audit



Internal Audit

The Bank includes the system of internal control and compliance management, employee code of conduct, and business ethics system and its implementation in routine and special internal audits each year, covering ethical risks and employee misconduct, among other content.

In 2023, the Bank focused on auditing personal loans, personal deposits and credit cards, and monitored whether employees engaged in illegal activities such as profiting from their positions, participating in private lending, engaging in business enterprises, and having abnormal dealings with credit customers.



External Audit

The external auditors focused on the implementation of the employee code of conduct and business ethics related system, reviewed the rules and regulations related to employee code of conduct and business ethics, understood relevant control processes, and implemented relevant control testing procedures.

Anti-Money Laundering Management ➤

The Bank has established a well-organized, structurally sound, and clearly defined anti-money laundering risk governance framework, leveraging the leadership of the Board of Directors, Board of Supervisors, and senior management to consolidate the three lines of defence against money laundering and effectively synergize anti-money laundering efforts.



Board of Directors

Assumes the ultimate responsibility for managing money laundering risks and authorizes the Risk Policy Committee to perform part of its money laundering risk management duties. The Board of Directors and the Risk Policy Committee regularly review money laundering risk management and work progress.



Board of Supervisors

Bears the responsibility of supervising money laundering risk management and monitoring the performance of the Board of Directors and senior management in fulfilling their duties in this regard.



Senior Management

Responsible for implementing money laundering risk management. Senior management authorizes the Anti-Money Laundering Committee under the Risk Management and Internal Control Committee to fulfill the responsibility of coordinating Group-level money laundering risk management.

The Bank continued to enhance its three lines of defence system against money laundering. Business departments serve as the first line of defence against money laundering, responsible for identifying, assessing, monitoring, mitigating, and reporting line-based money laundering risks. The legal and compliance department serves as the second line of defence, responsible for establishing and implementing risk management policies, systems, and procedures, overseeing the operation of the anti-money laundering risk management system. The audit department serves as the third line of defence, responsible for independently evaluating the effectiveness of the anti-money laundering risk management system.

The Bank strictly adheres to the requirements of the *Anti-Money Laundering Law of the People's Republic of China*, the *Measures for the Supervision and Administration of Anti-Money Laundering and Anti-Terrorist Financing of Financial Institutions*, and the *Measures for the Administration of Anti-Money Laundering and Anti-Terrorist Financing of Banking Financial Institutions*, among other regulations. It also fully refers to the standards and requirements of international organizations such as the Financial Action Task Force (FATF) and advanced practices in the industry, to formulate the *Bank of China Limited Anti-Money Laundering, Anti-Terrorist Financing, and Sanctions Compliance Policy* applicable globally within the Group, ensuring uniform anti-money laundering standards across domestic and overseas institutions.

In addition, the Bank has formed an anti-money laundering system based on the *Bank of China Limited Compliance Policy for Anti-Money Laundering, Anti-Terrorist Financing and Sanctions*, which covers money laundering risk assessment, customer due diligence, sanctions compliance, preservation of customer identity information and transaction record, large and suspicious transaction reporting, anti-money laundering training, reward for reporting and information confidentiality. The Bank regularly re-checks these systems to ensure their effectiveness.

The Bank significantly strengthens risk assessment, due diligence, training, and other related work to enhance the effectiveness of anti-money laundering management.



Risk Monitoring, Analysis and Assessment

The Bank has established and improved a qualitative and quantitative assessment indicator system in accordance with regulatory requirements to enhance the effectiveness and accuracy of its money laundering risk assessment methods.

It has also improved the quality of anti-money laundering monitoring data, optimized suspicious transaction monitoring models, and strengthened the investigation and control of high-risk areas of money laundering, continuously submitting high-value suspicious transaction reports.



Due Diligence

The Bank has established and implemented a risk-based customer due diligence system, defining standards and processes for customer admission, business continuation, and customer exit throughout the entire life cycle.

Following the "Know Your Customer" principle, the Bank adopts appropriate control measures for customers, business relationships, or transactions with different money laundering risks. It verifies customer identities through reliable and independently sourced documents, data, and information to understand the purposes and nature of the customers' business relationships.



Internal Training

The Bank has built an anti-money laundering training system, specifying the targets, content, duration, and effectiveness verification of the training, and has updated the training course system. Based on the principles of "comprehensive coverage, effectiveness, differentiation, and verifiability," it has improved the anti-money laundering compliance awareness and duty performance capabilities of personnel in different positions.

For the Board of directors, the Board of Supervisors, and senior management: The Bank has completed two training sessions on anti-money laundering throughout the year, covering the analysis of anti-money laundering regulations and policies, the domestic and international situation of anti-money laundering, international assessment trends, regulatory requirements for financial institutions' money laundering risk management, the latest global sanctions, and best practices in the compliance field of industry sanctions.

For all employees: The Bank provides training on anti-money laundering, terrorist financing, and international sanctions compliance through various forms such as online courses, live webcasts, and on-site training. It has established an anti-money laundering Q&A platform to offer frontline staff channels for inquiries and clarifications related to anti-money laundering. By the end of 2023, the BOC training cloud platform had launched over 200 training courses on anti-money laundering, with more than 2.2 million cumulative views.



▲ Johannesburg Branch conducts internal compliance training, enhancing employees' compliance awareness and risk prevention capabilities through game-based quizzes and interactions.

ESG Key Performance

Environmental Performance

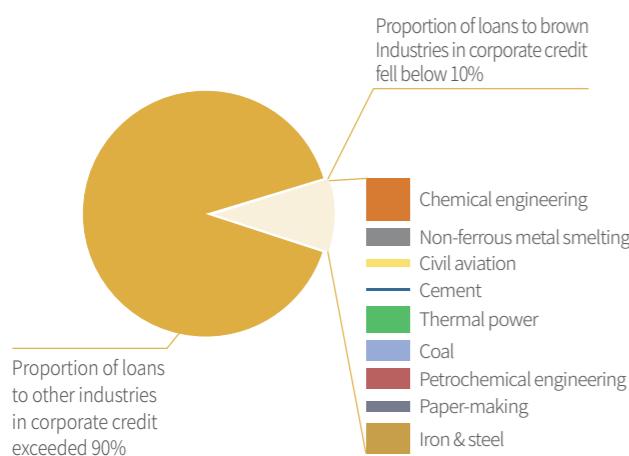
Green financial development

Indicator (unit)	2023	2022
Balance of green credit in the Chinese mainland denominated ^{Note} (RMB100 million)	31,067	19,872
YoY growth of balance of green credits in the Chinese mainland (%)	56.34	41.08
Underwriting scale of issuance of domestic and overseas green bonds (RMB100 million)	5,554	4,539
The scale of issuance of domestic and overseas green bonds (RMB100 million)	474	877
Investment scale of green bonds at home and abroad (RMB100 million)	>1,000	>1,000

Note: According to the statistical standards established by the former China Banking and Insurance Regulatory Commission.

Proportion of credits to brown industries in corporate loans

The Bank has continuously optimized the structure of the brown industries, promoting capacity replacement, green transformation, and technological upgrades. It guides resources towards areas with advanced production capacities, reduced per unit energy consumption, technological and renovation upgrades, and those that are safe, green, intelligent, efficient, and ensure energy supply. In 2023, the brown credit balance of the Bank's domestic corporate business accounted for less than 10% of the total loan balance.



Environmental Benefits of Green Credit

Indicator (unit)	2023	2022
CO ₂ equivalent emission reduction attributed to green credit (10,000 tons)	68,712	20,410
Sulfur dioxide emission reduction attributed to green credit (10,000 tons)	1,729	3,909
Water conservation attributed to green credit (10,000 tons)	8,200	20,969
Standard coal conservation attributed to green credit (10,000 tons)	42,845	8,920
COD emission reduction attributed to green credit (10,000 tons)	34	63
Ammonia nitrogen emission reduction attributed to green credit (10,000 tons)	8	20
Nitrogen oxide emission reduction attributed to green credit (10,000 tons)	2,064	4,326

Energy Management

The Bank strictly adheres to the requirements of the *Energy Conservation Law of the People's Republic of China* and *Energy Conservation Management Measures for Key Energy-Consuming Organizations*, actively implementing energy-saving measures to reduce energy consumption. The Head Office carried out projects such as green lighting, obsolete equipment elimination, and frequency conversion energy-saving transformations. Due to the addition of power distribution capacity enhancement equipment in the Heishanhu office area and information processing equipment in the Haiying office area, the annual energy consumption of the Head Office increased compared to the previous year but did not exceed the quota set by Beijing.

Indicator (unit)	2023	2022	2021
Total energy consumption (MWh)	2,764,254	2,688,308	2,754,463
Energy consumption per FTE (MWh)	8.71	8.78	8.95
Direct energy consumption			
Gasoline consumption (ton)	12,789	11,049	12,400
Diesel oil consumption (ton)	583	540	463
Natural gas consumption (10,000 m ³)	1,827	1,763	1,779
Indirect energy consumption			
Electrical power consumption (MWh)	1,889,562	1,809,260	1,785,869
Heat consumption (MkJ)	1,840,309	1,955,218	2,214,424

Note 1: The data covered the Group.

Note 2: According to the scope of the Group's operations, the main greenhouse gas emissions from its own operations include carbon dioxide, methane, and nitrous oxide. These emissions primarily come from the use of energy, encompassing both Scope 1 and Scope 2 emissions. Scope 1 emissions are direct emissions from the combustion of fossil fuels such as gasoline, diesel, natural gas, liquefied natural gas, liquefied petroleum gas, fuel oil, coal, and coke. Scope 2 emissions are indirect emissions associated with the consumption of electricity and heat. Scope 3 emissions include indirect emissions from the disposal of waste paper and food and catering waste.

Note 3: In accordance with *ISO14064-1: Greenhouse Gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals*, and the *Greenhouse Gas Protocol* issued by the World Resources Institute (WRI), the Bank calculates GHG emissions using emission factors for energy sources provided by the National Development and Reform Commission's *Guidelines for Greenhouse Gas Emission Accounting and Reporting for Enterprises in Public Buildings (Trial)*, as well as regional electric grid CO₂ emission factors published by the state and electric power emission factors disclosed by foreign regions.

Note 4: In 2023, in accordance with the *Methods for Allocating Carbon Emission Quotas for Key Carbon Emission Organizations in Beijing* and the *Decision on Conducting Carbon Emission Trading Pilots in Beijing Under the Strict Control of Total Carbon Emissions*, the Head Office of the Bank completed various carbon emission rights verification, trading and other related work. After verification, the Head Office had a surplus carbon emission rights quota of 2,767 tons for the year.

Greenhouse Gas Emission Management

Indicator (unit)	2023	2022	2021
Total greenhouse gas emission (tCO ₂ e)	1,594,093	1,537,546	1,534,060
Greenhouse gas emission (tCO ₂ e) within Scope 1	84,740	74,899	79,309
Greenhouse gas emission (tCO ₂ e) within Scope 2	1,509,353	1,462,647	1,454,751
Greenhouse gas emission (tCO ₂ e) within Scope 3-Waste paper	4,052	—	—
Greenhouse gas emission (tCO ₂ e) within Scope 3-Food and catering wastes	2,414	—	—
Greenhouse gas emissions intensity per FTE (tCO ₂ e/FTE) within Scope 1 and Scope 2	5.02	5.02	4.99

Economic Performance

Waste gas management

The Bank rigorously adheres to the *Air Pollution Prevention and Control Law of the People's Republic of China*, *Beijing Municipal Air Pollution Control Regulations*, *Emission Standards for Pollutants from the Catering Industry*, and *Emission Standards for Pollutants from Boilers*, managing emissions of air pollutants from the Head Office. These pollutants include kitchen fumes, particulate matter, non-methane total hydrocarbons, nitrogen oxides, and sulfur dioxide. In 2023, the Bank set the goal of ensuring that "emissions of waste gases comply with national and local standards." It upgraded and retrofitted kitchen exhaust purification systems in several office areas and installed some online monitoring devices for kitchen fumes to ensure compliance with regulations.

Water resource use

The Bank strictly follows the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Ordinance on Urban Drainage and Sewage Treatment*, the *Measures for the Administration of Drainage and Water Recycling in Beijing*, and the *Integrated Water Pollutants Discharge Standards*, strictly managing kitchen waste grease in the Head Office. For the year, based on the *Water Use Target Notice* from the Beijing Water Saving and Use Management Center, bimonthly water use targets were set and analyzed monthly. In the Head Office buildings, grease traps were replaced and upgraded, and new water-saving sanitary fixtures were adopted. As of the end of 2023, the Bank did not encounter any issues in obtaining applicable water sources.

Indicator (unit)	2023	2022	2021
Total water consumption (m³)	13,533,157	13,535,554	13,618,321
Total cycling use of water (m³)	180,964	149,834	141,122
Water consumption per FTE (m³)	42.65	44.20	—

Note: The data covered the Group.

Waste management

The Bank strictly abides by the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, *Implementation Plan for Mandatory Classification of Domestic Waste in Office Areas of Central and State Organs*, and *Notice on Mandatory Classification of Domestic Waste in Office Areas of Central and State Organs in 2018*, implementing waste classification and reduction management.

In terms of waste classification, a waste classification supervisor system is implemented, with supervisors appointed by floor, inspectors by the property management company, and patrollers by the General Affairs Department, the main department responsible for green operations, to supervise and inspect waste classification on each floor. Harmless waste is disposed of by qualified recycling companies, and hazardous waste is treated harmlessly by qualified disposal contractors.

In terms of waste reduction, buildings such as the Head Office where conditions allow, have installed kitchen waste reduction treatment equipment.

In 2023, the Bank set and achieved the waste management goal of "100% disposal rate for harmless and hazardous waste and a 10% reduction in kitchen waste compared with the previous year in the Head Office".

Indicator (unit)	2023	2022	2021
Discharge of hazardous waste (tons)	660	1,296	1,228
Discharge of nonhazardous waste (tons)	40,433	44,419	44,542
Hazardous waste consumption per FTE (tons)	0.016	—	—
Non-hazardous waste consumption per FTE (tons)	0.127	—	—

Note: The data covered the Group.

Materials and packing

Indicator (unit)	2023	2022	2021
Office paper consumption ^{Note 1} (tons)	8,261	12,115	12,211
Paper conservation ^{Note 1} (tons)	3,954	96	-59
Paper consumption of newly issued credit card statements and envelopes ^{Note 2} (tons)	63.81	70.73	88.14
Paper consumption attributed to credit card e-bill (100 million) ^{Note 2}	3.84	3.70	3.96

Note 1: The data of office paper consumption and paper conservation covered the Group.

Note 2: The credit card-related data is based on commercial banking of BOC in Chinese mainland. The "paper saved from electronic credit card statements" for 2022 was adjusted from "number of statement pages" to "number of statement copies" to align with the data collection methods of 2023 and 2021.

Supporting technological innovation

Indicator (unit)	2023	2022	2021
Credit balance for national "Little Giants" and provincial specialized and innovative enterprises (RMB100 million)	2,649.60	1,843.15	—
Number of national "Little Giants" and provincial specialized and innovative enterprises with credit balance (10,000)	1.58	1.06	—

Supporting rural revitalisation

Indicator (unit)	2023	2022	2021
Balance of inclusive agriculture-related loans (RMB100 million)	3,765	2,603	1,888
Balance of agriculture-related loans (RMB100 million)	26,561	20,748	17,408
Proportion of balance of agriculture-related loans to balance of loans of the Bank (%)	15.99	14.35	13.25
Total loan balance in national-level rural revitalisation assistance counties (RMB100 million)	331.59	250.37	212.98
Balance of loans granted to areas lifted out of poverty (RMB100 million)	4,863.77	4,122.75	3,608.76
Annual microcredit loans for poverty alleviation (RMB10 thousand)	8,440	6,698	3,326

Support for Small and Medium-sized Enterprises (SMEs) and Micro Enterprises

Indicator (unit)	2023	2022	2021
Balance of inclusive loans to small and micro enterprises (RMB1 trillion)	1.76	1.23	0.88
Growth rate of balance of inclusive loans to small and micro enterprises (%)	43.17	39.34	53.15
Balance of loans to small and micro enterprises ^{Note 1} (RMB1 trillion)	4.89	3.56	2.56
Proportion of balance of loans to small and micro enterprises to balance of loans of the Bank (%)	29.43	24.90	19.97
Number of small and micro enterprises as loan customers (10,000)	111.83	80.59	64.40
Growth rate of small and micro enterprises as loan customers (%)	38.77	25.13	29.51
Balance of loans to SMEs ^{Note 2} (RMB1 trillion)	6.17	5.10	4.29
Growth rate of loans to SMEs (%)	20.92	18.89	14.75
Balance of individual entrepreneurship (business assistance) loans (RMB100 million)	35.69	34.78	26.32
Balance of loans to private enterprises (RMB1 trillion)	3.73	2.92	2.44

Note 1: Small and micro enterprises refer to the combined loans to small enterprises, micro enterprises, sole proprietorships, and small and micro entrepreneurs, as per the statistical standards established by the former China Banking and Insurance Regulatory Commission.

Note 2: Small and medium-sized enterprises: the combined total of medium and small enterprises, according to the statistical standards established by the former China Banking and Insurance Regulatory Commission.

Social Performance ➤

Supporting social development

Indicator (unit)	2023	2022	2021
New loans issued in transportation sectors (RMB100 million)	5,198	4,834	4,686
Balance of loans to the education industry (RMB100 million)	711.57	622.37	351.16
Balance of loans to medical and health services (RMB100 million)	666.80	616.40	468.30
Balance of loans to support marine economy (RMB100 million)	1,846	1,010	708
Balance of government-sponsored student loans ^{Note 1} (RMB100 million)	28.10	23.17	21.39
Amount of government-sponsored student loans cumulatively granted (RMB100 million)	267.73	257.46	250.72
Amount of pension funds in the Bank's custody (RMB100 million)	2,098.86	1,702.43	1,415.45
Number of personal accounts of enterprise annuities under the Bank's management ^{Note 2} (10,000 accounts)	412.37	389.87	367.59
Amount of pension funds under custody (RMB100 million)	9,923.90	9,066.02	7,835.02

Note 1: Government-sponsored student loans refer to unsecured loans granted to students from poor families in universities and colleges directly under the State Council ministries/commissions and local governments as well as from other regions in payment for their study, accommodation and living costs at school.

Note 2: Number of personal accounts of enterprise annuities under the Bank's management refers to the number of personal accounts with the Bank serving as the manager of the enterprise annuity accounts.

Contributing to Public Welfare

Indicator (unit)	2023	2022	2021
Donations (RMB1 million)	94.54	89.09	98.54
Volunteer activity hours (10,000 hours)	1.98	2.20	1.40
Number of environmental public welfare activities organized or participated in	167	249	156
Number of employees participating in environmental public welfare activities:	7,862	8,933	9,800

Customer Debt Management

The Bank offers a diverse range of loan modification solutions to support its customers. It recently revised the *Bank of China Limited Management Measures for Restructuring of Consumer Loans*, streamlining the criteria and tailoring solutions to individual circumstances to ensure wider applicability. By proactively engaging with potential loan delinquents and demonstrating flexibility in addressing their needs, the Bank aims to alleviate borrower pressure and effectively manage credit disputes, ultimately enhancing customer service quality and effectiveness. For credit card customers, the Bank offers personalized installment plans. Through a comprehensive understanding of their financial situation and repayment capacity, the Bank creates customized plans with interest rates and repayment periods that align with their specific needs, easing the burden of full repayment. In 2023, the Bank successfully processed 42,900 personalized installment transactions, totaling RMB1,843 million.

The Bank is committed to ethical and standardized debt collection practices. It developed the *Bank of China Limited Management Measures for Collection of Overdue Credit Card Accounts (Version 2022)* and revised the *Bank of China Limited Outsourcing Management Measures for Collection of Overdue Credit Card Accounts (Version 2023)*. For customers facing temporary hardship due to unforeseen events like floods or earthquakes, the Bank offers a grace period on loan repayments. Additionally, the Bank strictly regulates outsourced collection services by establishing a unified selection database for service providers. It focuses on improving the service capabilities of collection personnel through case sharing, special meetings, training, and business inspections to guide institutions within its jurisdiction and collection outsourcing service providers to conduct business in compliance, deepening the awareness of compliant collection. In 2023, the Head Office conducted four business training sessions for collection personnel across the Bank, covering topics like business development, policy interpretation, consumer protection requirements, business operation requirements, and case study analysis.

Marketing and Promotion

The Bank strictly complies with the *Advertising Law of the People's Republic of China*, has formulated the *Bank of China Limited Consumer Rights Protection Policy*, *Bank of China Limited Management Measures for Consumer Rights Protection* and *Bank of China Limited Management Guidelines for Financial Marketing and Promotion to Consumers*, among other documents, incorporating marketing and promotion into the scope of consumer rights protection review. In 2023, in light of key complaints and public opinion concerns, the Bank focused on improving marketing publicity review guidelines to further standardize marketing communications. A regular marketing communications monitoring mechanism was established to systematically review and update oversight guidelines on a quarterly basis. Self-inspections and monitoring of financial marketing communications were carried out across all channels every quarter. Timely rectifications were made to any marketing content that violated consumer rights protection laws and regulations. Based on the monitoring outcomes and identified issues, risk alerts were sent regularly to strengthen fair marketing compliance management.

Product Management

The Bank's Board of Directors is responsible for approving the internal approval process for developing new products and making major changes to existing products, and for supervising the senior management's fulfillment of product management responsibilities. The senior management is responsible for implementing the resolutions and decisions of the Board of Directors and the executive committee related to product management; establishing a product management system commensurate with the Bank's organizational structure and business scale; improving product management decision-making and execution mechanisms, clarifying the responsibilities of relevant departments and branches, and effectively promoting related work; reviewing the launch and exit of new products in accordance with the tiered decision-making mechanism for new product management; regularly listening to reports on the progress of new product development; reviewing major matters concerning product management and product risk management; and coordinating and resolving major cross-department and cross-business line product management matters.

The Bank attaches importance to the management and review of both proprietary and agency products. For proprietary products, the Bank has formulated the *Administrative Measures on Product Management of Bank of China Limited (Version 2021)*, and in accordance with the principles of full life cycle management, collaborative three lines of defence management, controllable risks, and differentiated management, it has clarified management requirements for stages including new product launch, product duration, product discontinuation and exit. Last year, the Bank completed post-evaluations on 8 new products launched during 2020-2021, re-inspections on existing products during 2022-2023, and the exiting of inefficient products. For agency products, the Bank revised the *Administrative Measures on Agency Product Management of Bank of China Limited (Version 2023)* to clarify management requirements for stages including product launch, sales, complaint and contingency handling, information disclosure and customer information protection, post-evaluation and accountability for agency products. Last year, the Bank completed re-inspections on the systems regarding agency business and compliance inspections on agency operations.

The Bank strengthens product risk management to ensure controllable product risks. It established a product risk review expert database, improved the product risk expert review mechanism, and further optimized the product risk management process. It regularly evaluated and monitored risks of new products and existing products, strengthened proactive monitoring and early warning and product risk control, and enhanced the quality and efficiency of product risk management.

Consumer Rights Protection

Indicator (unit)	2023	2022	2021
Cumulative number of financial education events for the public (10,000)	7.56	5.59	5.97
Number of people receiving financial education (10,000)	88,899	73,744	56,295
Number of customers receiving anti-counterfeit money education (10,000)	806	747	1,225
Clicks on online anti-counterfeit currency education events (10,000 times)	533	303	277

Consumer complaint management

Indicator (unit)	2023	2022	2021
Customer complaints throughout the year (10,000)	27.6	18.2	14.8
Customer complaints settled (10,000)	27.6	18.2	14.8
Ratio of customer complaints closed (%)	100	100	100

Main categories of complaints in 2023 Main regions of complaints in 2023

Credit card business complaints, accounting for 37.9%; debit card business complaints, accounting for 26.3%; and loan business complaints, accounting for 20.9%. Together, these three categories represented 85.1% of all complaints.	Guangdong (10.7%), Shenzhen (6.1%), Jiangsu (4.1%), Henan (3.7%), and Sichuan (3.3%), collectively accounting for 27.9% of all complaints.
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Strengthening Protection of Information of Personal Customers

The Bank strictly adheres to the requirements of the *Personal Information Protection Law of the People's Republic of China* and other relevant regulations. It has formulated the *Bank of China Limited Management Measures for Protection of Personal Customer Information* and the *Bank of China Limited Emergency Plan for Security Incidents of Personal Customer Information*, which are applicable to the Head Office, domestic branches, and domestic comprehensive operation companies. The Bank also requires its overseas institutions to establish personal customer information protection systems in accordance with the regulations of their respective countries and regions.

The Bank prioritizes the principle of "business necessity, minimum authorization" when handling personal customer information. Sensitive information is only processed after fully informing customers and obtaining their explicit consent. The Bank has established an approval procedure and traceability mechanism for personal customer information processing with hierarchical authorization as the core, and used access control technology, encryption/de-identification technology and privacy protection enhancement technology to ensure the security and controllability of information. Unless otherwise stipulated by laws and regulations, the retention period of personal customer information is the shortest time necessary to achieve the purpose of processing. The Bank promises to delete personal customer information within the specified time when the processing purpose has been achieved, cannot be achieved or the provision of relevant products or services has been stopped. If the retention period stipulated by laws and administrative regulations has not expired, or it is technically difficult to delete personal customer information, the Bank will stop processing such information (except for storage or taking necessary security measures).

The Bank publishes the privacy policy through online business channels to disclose the rules for processing personal customer information. Customers are fully informed about the privacy policy upon first use, registration, or after updates of such policy, and their consent is obtained before proceeding with any personal customer information processing activities. The *Bank of China Limited Mobile Banking Privacy Policy*^{Note} is continuously updated to inform customers of their rights regarding personal information and how to exercise them. Additionally, it explicitly details the specific rules for the collection, storage, sharing, transfer, deletion, and other processing of personal information.

Prior to partnering with any institution, the Bank conducts thorough due diligence, assessing their qualifications, capabilities, and reputation for protecting personal information. Institutions that fail to meet industry standards, regulatory requirements, or the Bank's internal business and technical management regulations are not eligible for cooperation in this area. For qualified partners, agreements are executed to clearly define their responsibilities in processing and maintaining the confidentiality of personal customer information. These agreements also outline specific remedies and accountability measures for information breaches. The Bank conducts regular oversight and re-evaluations of partner institutions' personal information protection capabilities. If a partner fails to fulfill its responsibilities, the Bank will immediately demand corrective action, potentially including the termination of the partnership and requiring the prompt deletion of personal customer information.

The Bank regularly organizes specialized training on personal customer information protection for internal employees and outsourced personnel who process personal customer information, intensifying training efforts to enhance the compliance awareness and capabilities of all staff in this regard. In 2023, the number of participants in personal customer information protection specialized training exceeded 300,000.

Note: Bank of China Limited Mobile Banking Privacy Policy
<https://ebsnew.boc.cn/bocphone/VuePhone/tools/privacyPolicy/privacyPolicyAhtml>

Service Channels

Indicator (unit)	2023	2022	2021
Number of mobile banking customers (100 million)	2.75	2.54	2.35
Transaction amount through mobile banking (RMB1 trillion)	54.88	46.73	39.38
Number of monthly active users of the Mobile Banking app (10,000)	8,776.27	7,620.15	7,104.41
Number of operating outlets in the mainland	10,299	10,312	10,382
Number of intelligent outlets	10,299	10,312	10,382
Number of ATMs	22,852	25,166	27,729
Number of smart counters	33,871	33,089	32,367
Coverage ratio of smart counters at outlets (%)	100	100	100
Number of tablet-version smart counters	16,073	13,793	10,853
Number of outlets in national-level rural revitalisation assistance counties ^{Note}	46	37	34
Number of county-level outlets	2,979	2,948	2,934
Coverage ratio of county-level institutions (%)	64.63	63.13	62.52

Note: For national-level rural revitalisation assistance counties, please refer to the list of (160) national-level rural revitalisation assistance counties released by the Office of the Central Leading Group for Rural Work and the National Rural Revitalisation Administration in August 2021.

Structure of Human Resources

Indicator (unit)	2023	2022	2021
Other types^{Note}			
Number of new hires in the year	13,133	12,695	10,221
Number of employees divided by gender			
Number of male employees	131,776	131,164	131,387
Number of female employees	175,155	175,018	174,935
Number of employees divided by age			
Number of employees aged 30 and below	71,733	68,054	66,995
Number of employees aged 31-50	173,843	179,513	185,917
Number of employees aged at and above 51	61,355	58,615	53,410
Number of employees divided by region			
Number of employees in the Chinese mainland	281,827	281,793	280,908
Number of expatriates	2,082	2,038	2,051
Number of employees in Hong Kong, Macao and Taiwan	18,807	18,439	19,445
Employee Turnover			
Employee turnover (%)	1.7	1.9	2.5
Male employee turnover (%)	1.6	1.88	2.4
Female employee turnover (%)	1.7	1.92	2.6

Note: Data covers domestic commercial banking.

Governance Performance

Diversity and employee protection

Indicator (unit)	2023	2022	2021
Execution of employment contracts (%)	100	100	100
Coverage of social insurance schemes (%)	100	100	100
Percentage of female employees ^{Note} (%)	57.07	57.16	57.11
Percentage of female mid-to-senior-level managers (%)	30.78	30.59	30.79
Percentage of male mid-to-senior-level managers (%)	69.22	69.41	69.21
Number of local employees at overseas institutions ^{Note}	23,022	23,033	23,992
Number of minority employees	13,759	13,487	13,260

Note: Except for the data on "Percentage of female employees" and "Number of local employees in overseas institutions" which cover the Group, the rest of the data in the table covers domestic commercial banking.

Occupational health and safety (OHS)

Indicator (unit)	2023	2022	2021
Number of occupational injury cases	8	4	3
Number of service-attributable death incidents	0	0	0
Number of service attributable deaths	0	0	0
Ratio of service-attributable deaths (%)	0	0	0
Workdays lost due to service-attributable injury	480	120	100

Note: Data covers Head Office.

Employee Education and Training

Indicator (unit)	2023	2022	2021
Percentage of employees trained (%)	97.85	97.52	97.01
Average length of employee training (hours)	55.32	48.16	48.32
Number and percentage of employees trained by gender			
Female employees trained	170,916	171,602	175,377
Male employees trained	129,416	123,724	130,847
Percentage of female employees trained (%)	97.57	—	—
Percentage of male employees trained (%)	98.22	—	—
Number and percentage of employees trained by worker type			
Senior management members trained (10,000 person-times)	1.34	1.25	1.43
Mid-level management members trained (10,000 person-times)	32.57	32.97	26.57
Non-management employees trained (10,000 person-times)	258.33	244.04	238.37
Percentage of senior management members trained (%)	100	—	—
Percentage of mid-level management members trained (%)	100	—	—
Percentage of non-management employees trained (%)	97.80	—	—

Indicator (unit)	2023	2022	2021
Average length of employee training by gender			
Average length of female employee training (hours)	56.09	52.03	51.74
Average length of male employee training (hours)	54.30	45.72	45.83
Average length of employee training by worker type			
Average length of training attended by senior management members (hours)	56.72	47.62	46.30
Average length of training attended by mid-level management members (hours)	62.54	58.37	61.99
Average length of training attended by non-management employees (hours)	55.25	47.34	41.92

Indicator (unit)	2023	2022	2021
Total assets (RMB1 million)	32,432,166	28,893,548	26,722,408
Operating income (RMB1 million)	622,889	585,367	605,559
Operating expenses (RMB1 million)	328,816	301,589	329,428
Total profit before income tax (RMB1 million)	295,608	283,641	276,620
Profit for the year (RMB1 million)	246,371	236,725	227,339
Return on average total assets (%)	0.80	0.85	0.89
Return on average equity (%)	10.12	10.77	11.28
Capital adequacy ratio (%)	17.74	17.52	16.53
Income tax expense (RMB1 million)	49,237	46,916	49,281
Capital and reserves attributable to equity holders of the Bank (RMB1 million)	2,629,510	2,423,973	2,225,153
Social contribution per share (RMB)	3.42	2.81	2.60

Note: The Group has adopted the Accounting Standards for Business Enterprises No.25 of the Bank (hereinafter referred to as the "Standards for Insurance Contracts") issued by the Ministry of Finance. The first implementation date of the Standards is January 1, 2023. In accordance with the requirements in Standards for Insurance Contracts, the Group has restated the figures for the comparative period from 1 January 2022, and the relevant comparative figures from 1 January 2022 presented in this report have been restated accordingly. Other prior period comparative figures are not restated.

Board development

In 2023, the Bank convened 13 board meetings with an average attendance rate of 91%. According to the *Articles of Association of Bank of China Limited*^{Note 1}, each director of the Bank should attend at least two-thirds of the board meetings in person each year. The Board of Directors reviewed 87 proposals during the year. The special committees of the Board of Directors actively assisted the Board of Directors in fulfilling its duties based on the authorization.

In 2023, the Bank organized two training sessions for board members, with 11 directors participating. The average training time per board member was 4.6 hours. The training contents included anti-money laundering policy analysis and anti-money laundering situation, green finance and other aspects.

It has formulated the *Policy on Diversity of Board Members of Bank of China Limited*^{Note 2}, which lays out the stance of the Bank on the diversity of the Board of Directors and specifies the approaches to realize board diversity on an on-going basis. The selection of board members is based on various diversity considerations, including but not limited to gender, age, cultural and educational background, region, professional experience, skills, knowledge and tenure. Board members have a broad vision and extensive experience in the professional fields of corporate finance, economic research, state-owned asset management, financial accounting and compliance management. All directors have experience in economic and financial work. The average tenure of board members is 2.4 years.

As of the end of 2023, the Bank had six independent directors, who constitute 43% of the board of directors. They are selected from well-known individuals both domestically and internationally, possessing high levels of professional competence and strong reputations. According to the *Articles of Association*, independent directors of the Bank may not simultaneously hold positions in more than two commercial banks, ensuring they have adequate time and energy to effectively fulfill their duties. Independent directors do not hold any positions other than directorships within the Bank, and they are not influenced by the Bank's major shareholders, ultimate controllers, or other entities or individuals with significant interests related to the Bank.

Note 1: See the *Articles of Association of Bank of China Limited* for details.
<https://pic.bankofchina.com/bocappd/report/202311/P020231124638482504258.pdf>

Note 2: See the *Policy on Diversity of Board Members of Bank of China Limited* for details.
<https://pic.bankofchina.com/bocappd/report/202311/P020231124638482504258.pdf>

Number of meetings attended in person/Number of meetings convened during term of office

Director	Shareholders' Meetings	Meetings of the Board of Directors (including meetings held via written resolutions)
Incumbent Directors		
Ge Haijiao	2/2	7/8
Liu Jin	3/3	11/13
Lin Jingzhen	3/3	11/13
Zhang Yong	2/2	7/7
Zhang Jiangang	3/3	13/13
Huang Binghua	3/3	13/13
Liu Hui	1/1	4/4
Shi Yongyan	1/1	3/3
Jiang Guohua	3/3	10/13
Martin Cheung Kong Liao	3/3	11/13
Chui Sai Peng Jose	3/3	11/13
Jean-Louis Ekra	3/3	13/13
E Weinan	3/3	11/13
Giovanni Tria	3/3	13/13

Meetings of the Board of Directors (including meetings held via written resolutions)

Director	Shareholders' Meetings	Meetings of the Board of Directors (including meetings held via written resolutions)
Former Directors		
Wang Wei	0/0	1/2
Chen Jianbo	0/0	4/4
Xiao Lihong	2/2	6/6
Wang Xiaoya	2/2	6/6

Note: The above table shows the employment of directors as of the end of 2023. Meetings were held in the form of onsite meeting or via written proposal

Indicator

Indicator	Number	Percentage (%)
Board members	14	100%
Executive directors	3	21.4%
Non-executive directors	5	35.7%
Independent directors	6	42.9%
Directors from the Chinese mainland	10	71.4%
Directors from Hong Kong, Macao and Taiwan	2	14.3%
Directors from other countries/regions	2	14.3%
Male directors	14	100%
Female directors	0	0
Directors aged below 55	4	28.6%
Directors aged 55-60	5	35.7%
Directors aged above 60	5	35.7%

Note: The above table shows the composition of the Board of Directors as at the end of 2023.

Information Disclosure and Investor Communications

The Bank continues to improve its information disclosure management system, with the goal of enhancing transparency, enriching and optimizing disclosure content, enhancing the pertinence and effectiveness of disclosure, and effectively safeguarding the legitimate rights and interests of investors.

Indicator (unit)	2023	2022	2021
Number of publicly disclosed documents	388	389	388
Number of documents issued at A share market	123	123	126
Number of Chinese documents issued at H share market	139	139	132
English documents issued at H share market	126	127	130
Investor conferences held	180	179	178
Investor hotlines answered	105	125	111
Responses to enquiries posted one-interaction online platform run by the SSE	13	27	57
Responses to emails through the IR mailbox	55	74	73

Integrity and Anti-Corruption

The Bank is dedicated to preventing integrity risks and aggressively combating corruption. It has established robust supervisory mechanisms to maintain a high-pressure stance against corruption. The Bank upholds the integrated approach of "dare not, cannot, and do not want to corrupt." It intensifies efforts to investigate and address violations of laws and regulations while enhancing power constraints mechanisms to promote the purification and solidification of its foundation.

The Bank prioritizes integrity building and anti-corruption efforts across its global operations, continuously enhancing its governance standards. It tailors its approach to the unique circumstances of overseas institutions, strengthening oversight and upholding strict disciplinary measures. This extends the exercising full and strict governance over the Party to encompass the Bank's international activities. Overseas institutions enhance integrity risk prevention and control measures based on local circumstances, intensify educational initiatives, and continuously promote a strong atmosphere of integrity and compliance in overseas operations. The Bank keeps improving the supervision system of overseas institutions, bolstering supervision forces, increasing supervision and punishment efforts, and promoting the implementation of various requirements for integrity building.

For more information on corruption cases, please visit the website of the Central Commission for Discipline Inspection and the National Supervisory Commission.

Handling letter-or-visit matters

The Bank has formulated and revised the *Measures for Managing Letter-or-visit Matters of Bank of China Limited* to further improve the mechanisms for handling complaints and petitions. Citizens, legal entities or other organizations can reflect their situations and opinions through telephone calls, letters, visits, and other means. A complaint and petition office team and reception station have been established at the Head Office, and dedicated staff members are assigned to handle complaints and petitions at domestic branches. They carefully handle letters, calls, and visits, listen to the opinions, suggestions and demands of petitioners, and accept complaints and petitions from stakeholders in real-name or anonymous forms, fully protecting the personal privacy and safety of petitioners and prohibiting anyone to retaliate against whistleblowers in any form. Any act of preventing others from reporting or providing evidence, divulging the identity of a whistleblower, defaming, threatening, retaliating against others, etc. is strictly handled in accordance with laws, regulations, and the *Measures for Handling of Employee Violations of Bank of China Limited (Version 2022)*.

Cybersecurity and Information Security

The Bank strictly complies with the *Cyber Security Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Guidelines for Data Governance of Banking Financial Institutions*, and other requirements. It has formulated a series of policies covering data governance, data security management, customer information protection, including the Overall Information Security Strategy of Bank of China Limited and the Data Governance Policy of Bank of China Limited, applicable to the entire Group.

The Bank has established a responsibility system for cybersecurity and information security. The Chairman is the top leader responsible for cybersecurity, the Financial Digitalization Committee is the leading body for cybersecurity, and the Chief Information Security Officer is the highest executive manager supervising the Bank's internal network, information and data security. In 2023, the Board of Directors, senior management, and Risk Management and Internal Control Committee listened to and discussed reports on information technology risk situation, cybersecurity capability enhancement, and data security protection, guiding the Bank to continuously improve its ability to prevent information technology risks and ensure cybersecurity and data security. The implementation of information security management has been incorporated into the performance appraisal system for the Group's institutions and their senior management, including aspects such as leakage, damage, tampering of sensitive information, virus infection and spread, external penetration or attacks on internal networks or systems, security inspections, and issue rectification.

The Bank has been working to enhance its cybersecurity and information security protection capabilities. It has established a 7×24 professional

cybersecurity operation system covering the entire Group, with unified command and proactive response, forming mechanisms for threat event handling, security vulnerability management, and threat intelligence sharing. Throughout the year, the Bank arranged the cybersecurity "blue team" to conduct drill, and regularly carried out internal and external security assessments, vulnerability scans, penetration tests, and end-to-end security defence effectiveness verifications to proactively identify risks and vulnerabilities in networks and information systems. Cybersecurity emergency response plans have been formulated, and the work safety management system and R&D and operation support system have been improved to enhance secure production support capabilities. In terms of employee training, the Bank organized multiple cybersecurity management training sessions, professional certification training, data security management and customer information protection themed training activities throughout the Group during the year, covering full-time employees and dispatched employees. All employees at the Head Office departments and domestic branches were required to take an online examination on data security and customer information protection to strengthen cybersecurity and information security awareness among all employees. The Bank conducted retrospective reviews of cybersecurity and information security issues and promptly reviewed and revised relevant policies in accordance with new regulatory requirements.

The Bank's cybersecurity and information security-related systems have obtained multiple domestic and international certifications, including CMMI Level 4 (Capability Maturity Model Integration for Software), ISO 20000 (Information Technology Service Management System Certification), ISO 27000 (Information Security Management System Standards), ISO 9000 (Quality Management System Standards), and PCI-DSS (Payment Card Industry Data Security Standards). Additionally, the Bank conducts internal and external audits on operation and maintenance, development, network and data security every year, and engages third-party institutions to evaluate its network operation and maintenance service capabilities, issuing ISAE 3402 International Assurance Reports and SSAE18 SOC2 (System and Organization Controls) System Effectiveness Reports.

In 2023, the Bank did not experience any cybersecurity, information security or privacy breach incidents caused by technology issues.

Intellectual Property Protection

The Bank strictly complies with laws and regulations such as the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*. It advocates the concept of intellectual property protection and applies for and protects trademarks, patents, and other intellectual property rights in accordance with the Bank's intellectual property management measures. At the same time, the Bank fully respects others' intellectual property rights and pays close attention to preventing intellectual property infringement risks.

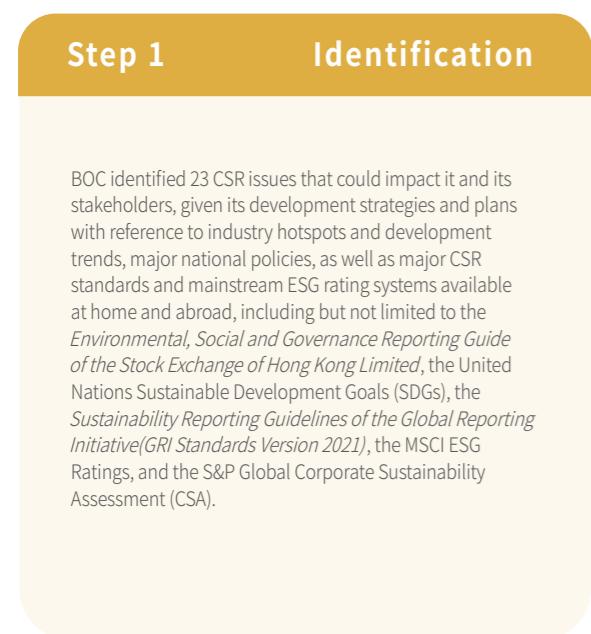
Responsible Procurement

Indicator (unit)	2023	2022	2021
Total number of centralised procurement projects	16,419	13,652	13,961
Budget amount involved in centralised procurements (RMB100 million)	334.32	264.78	292.49
Number of suppliers of the Head Office	952	977	1,087
Number of suppliers in the Chinese mainland	862	880	—
Proportion of suppliers in the Chinese mainland (%)	90	90	90
Number of suppliers in Hong Kong, Macao and Taiwan and other regions	95	97	—
Proportion of suppliers in Hong Kong, Macao and Taiwan and other regions (%)	10	10	10
Coverage ratio of supplier review (%)	100	100	100
Supplier social responsibility training sessions held	3	2	3

Responsibility Management

Materiality Analysis ➤

The Bank conducts regular materiality analyses every year. By identifying and assessing social responsibility issues, it determines the social responsibility issues that are material to both the Bank and its stakeholders, and discloses them in the report.



Stakeholder Engagement ➤

Stakeholders	Expectation	Communication Channel
State	<ul style="list-style-type: none"> Serve the implementation of national strategies Serve the real economy Serve high-standard opening-up Comprehensive risk management Promote inclusive finance 	<ul style="list-style-type: none"> Routine communication and reporting Project approval and supervision Cooperation on major projects
Customers	<ul style="list-style-type: none"> Promote inclusive finance Consumer protection Product and service innovation Improve customer experience Cyber security, information security and privacy protection 	<ul style="list-style-type: none"> Daily communication on services Customer satisfaction surveys Customer complaint handling 95566 call centre Web portal, WeChat official account, and microblog, etc.
Shareholders	<ul style="list-style-type: none"> Optimise corporate governance Prevent and resolve financial risks Advance digitalised transition 	<ul style="list-style-type: none"> Regular reports and interim reports Shareholders' Meeting Investor surveys Business results release
Environment	<ul style="list-style-type: none"> Climate change response Develop green finance Practice green operations 	<ul style="list-style-type: none"> Project environmental risk assessment Environmental performance collection and disclosure Green public welfare activities
Communities	<ul style="list-style-type: none"> Improve people's wellbeing Facilitate rural revitalisation Charitable activities and volunteer services Stakeholder engagement 	<ul style="list-style-type: none"> Public welfare and charity activities Field surveys and visits Community exchange activities Communication with media
Employees	<ul style="list-style-type: none"> Human capital development Employee rights and benefits Stakeholder engagement 	<ul style="list-style-type: none"> Awards ceremony Regular training Corporate culture activities Web portal, WeChat official account, and microblog, etc.

Commitment and Progress

As a signatory to the *UN Principles for Responsible Banking*, BOC has incorporated sustainable development issues such as green finance and inclusive finance into its key development strategies, continuously promoting the development of responsible finance and achieving positive results. In 2023, in terms of green finance, the Bank actively strove to become the preferred bank for green financial services, with its green finance business developing in a healthy and rapid manner. In terms of inclusive finance, it constructed an "integrated and diversified" inclusive finance service system centered on commercial banking services, featuring village and township finance, supplemented by consumer finance and public welfare services, achieving quantitative growth, expanded coverage, and enhanced quality in inclusive finance.

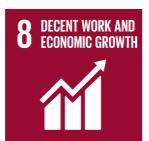
Green Finance

The Bank closely follows the goals of achieving carbon peaking and carbon neutrality, insisting on making green finance a focus for promoting high-quality economic and social development. It strengthens the top-level design of green finance, enhances customers' ESG risk management capabilities, steadily upgrades its green finance product and service system, and strives to become the "preferred bank for green financial services". The concept of green development is internalized into all aspects of the Bank's operation, management, and business development, continuously contributing financial strength to the comprehensive promotion of building a beautiful China.



Inclusive finance

The Bank solidifies and optimizes its inclusive finance services, precisely meeting the financial needs of inclusive customer groups, and striving to enhance the accessibility, availability, and coverage of financial services for small and micro enterprises, self-employed business owners, farmers, and new agricultural business entities.



Target/Commitment^{Note}

During 2021-2025, the growth rates of inclusive loans and customers will continue to meet regulatory requirements.

By 2025, the balance of inclusive loans to small and micro enterprises will exceed RMB2.5 trillion, making BOC a leading bank in serving inclusive customer groups.

Progress in 2023

43.17% growth in inclusive loans
43.21% growth in inclusive customers

RMB1.76 trillion balance of inclusive loans

Target/Commitment

During the 14th Five-year Plan period, new loans to green industries will be no less than RMB3 trillion (2021-2025)

Year-on-year increase in balance of domestic green loans

Asset quality remains at a good level

Year-on-year expansion of green bond investments
Strive to become a market leader in underwriting green bonds

BOC will no longer provide financing for new coal mining and coal power projects outside of China from the fourth quarter of 2021 onwards, except for the projects already contracted.

Progress in 2023

At the end of 2023, the balance of domestic green loans reached RMB3,106,700 million, with an increase of RMB1,119,500 million, representing an increase of RMB2,209,900 million compared to the end of the 13th Five-year Plan (end of 2020)

Year-on-year increase of 56.34%

Keep the non-performing green loan ratio below 0.5%, lower than the Group's overall non-performing loan ratio

The scale of green bond investments continued to increase. At the end of 2023, the scale of green bond investments exceeded RMB100 billion. The Bank ranked first in the interbank market for domestic green bond underwriting and first among Chinese peers on Bloomberg's "Global Offshore Green Bond" ranking

No new financing for new coal mining projects and new coal power projects outside of China

Note: The "Target/Commitment" for inclusive finance are reviewed and revised regularly based on annual regulatory development requirements.

Outlook

The broad path lies ahead, boundless for those who tread it. This year marks the 75th anniversary of the founding of the People's Republic of China and a crucial moment for achieving the goals and tasks outlined in the 14th Five-Year Plan. In 2024, Bank of China will continue to be guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully and accurately implementing the new development philosophy. The Bank will enhance its sense of responsibility and mission as a large bank and take more powerful actions to serve the overall economic and social development and provide warmer services to meet the people's aspirations for a better life, contributing more strength to the comprehensive construction of a modern socialist country.

Adhering to practicing the fundamental purpose and serve as the main force supporting the real economy, adding luster to the continued economic recovery and improvement.

The Bank will focus on major strategies, key areas, and weak links. Centering on the Five Major Tasks, it will optimize financial service supply and build a diversified and professional financial product and service system. The Bank will fully support technological innovation and industrial innovation, serve the construction of a modern industrial system, and facilitate accelerating the development of new productive forces. It will increase financial services in areas such as tackling key core technologies, supporting investment to drive economic growth. The Bank will serve large-scale equipment upgrades and the replacement of consumer goods, unleashing consumption potential. It will support private, small and micro enterprises that better meeting the financing needs of market entities. Leveraging its global advantages, the Bank will create a batch of benchmark projects and effectively implement the eight actions to support high-quality joint construction of the Belt and Road Initiative, better serving major exhibitions and promoting domestic and international connectivity..

Adhering to green transformation development, acting as a guardian of our beautiful home and striving tirelessly to promote harmony between humanity and nature.

Actively responding to climate change and anchored on the goals of "carbon peaking and carbon neutrality," the Bank will deepen reforms in the Group's operations and management, accelerating the green transformation of its development model. It will increase support for emerging industries such as clean energy, promote the clean and efficient utilization of traditional energy. The Bank will intensify financial innovation and optimize a comprehensive financial product and service system including loans, bonds, insurance, and funds. The Bank will continue to strengthen the whole process management of customer ESG risk. It will continue to promote green office practices, green procurement, and low-carbon operations to reduce the Group's total energy consumption. The Bank will deepen exchanges and cooperation in the green finance field, enhance its capacity to fulfill responsibilities in international green organizations, and join hands with global partners to make the earth greener and our home more beautiful.

Adhering to a people-oriented financial ethos, serving as a caring partner for the people and channeling more energy into improving their well-being.

Focusing on housing, education, healthcare, employment, and elderly care, the Bank will take more measures to benefit and warm the hearts of the people, further enriching scenario ecosystems to better meet the financial service needs of the masses. It will support the construction of a new housing development model and contribute to the stable and healthy development of the real estate market. The Bank will implement the strategies prioritizing employment and provide supports to stabilize and expand job opportunities. It will actively support rural revitalization, expanding its presence in counties without outlets. The Bank will deepen assistance in areas lifted out of poverty and promote common prosperity. It will create a BOC model for charitable finance, gathering more acts of kindness and rallying the power of love to build a better society together.

Adhering to balancing development and security, acting as a ballast for maintaining financial stability and building a solid foundation for sustainable development.

The Bank will adhere to the positive interaction between high-quality development and a high level of security, properly handling the relationships between rights and responsibilities, speed and stability, prevention and elimination. Benchmarking against new business forms, models, and demands, it will deepen the reform of its comprehensive risk management, fortify weak links in management, and continuously enhance its risk foresight, response, and mitigation capabilities. The Bank will strengthen the application of financial technology and improve intelligent risk control to achieve early risk identification, early warning, early exposure, and early mitigation. It will establish a long-term internal control and compliance mechanism, strengthen penetrating management, and promote compliant development and operations.

About the Report

The Board of Directors of Bank of China Limited ("BOC", "the Bank", or the "Group") and all its members warrant that this report contains no false record, misleading statement or material omission, and jointly and severally accept full responsibility for the authenticity, accuracy and completeness of the information in this notice.

Coverage

Organisation: Consistent with the consolidated financial statements of the Bank.

Time: From January 1 to December 31, 2023, with some exceptions.

Reporting cycle: Annual report. This is the 17th CSR report released by BOC consecutively. The previous CSR Report was released in March 2023.

Preparation references

This report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong Limited*, the *Guide of the Shanghai Stock Exchange to Self-discipline Regulation of Companies Listed on SSE by Shanghai Stock Exchange*, the *Guidelines for Environmental Information Disclosure of Financial Institutions of the People's Bank of China*, the *Opinions on Strengthening the Corporate Social Responsibility of Banking Institutions*, the *Guidelines of China Banking Association on the Corporate Social Responsibility*, as well as the *Guidance of International Organisation for Standardisation on Social Responsibility (ISO 26000)*, the *Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI Standards 2021 version)* and the *Principles for Responsible Banking of the United Nations*.

This report follows the reporting principles set out in the *Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong Limited*.

Materiality

☒ This report discloses the materiality assessment made in 2022 in the section of "Responsibility Management", which includes the processes and methods used to identify environment, social, and corporate governance (ESG) topics; the stakeholder surveys; the materiality matrix of ESG topics generated given the surveying findings; the stakeholders identified and their engagement and expectations for the Bank. The materiality analysis processes and results, along with other parts of this report, are submitted to the Board of Directors of the Bank for hearing, review, and adoption.

Quantitative

☒ The standards and sources of conversion factors used in the calculation of GHG emissions and energy consumption are disclosed in the "Environmental Performance" section of the "ESG Key Performance" part in this report.

Consistency

☒ The methodology used to measure KPIs in this report is consistent with that adopted in previous years.

Data basis

The financial data contained in the report is based on the 2023 financial report independently audited by PricewaterhouseCoopers Zhong Tian LLP. Other data is based on the reports of 2022 and the reports of previous years as well. The monetary amount mentioned herein is denominated in Renminbi unless otherwise specified.

Guarantee

PricewaterhouseCoopers Zhong Tian LLP assumes the liability for qualified assurance services on selected key data disclosed in the report and issues an independent assurance report.

Disclosure format

The report will be issued in printed format. The electronic version is available at the website of BOC (www.boc.cn). This report is issued in Chinese and English. In case of any discrepancy between the two versions, the Chinese version shall prevail.

Reader's feedback

If you have any comments or suggestions on the content of this report or our CSR/ESG work, please scan the QR code to fill in the questionnaire. We will take your feedback seriously and keep your personal information strictly confidential.



Assurance Statement

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(Page2/3)

English Translation for Reference Only

Independent practitioner's assurance report

To the Board of Directors of Bank of China Limited

We have been engaged to perform a limited assurance engagement on the selected 2023 key data as defined below in the 2023 Corporate Social Responsibility Report (“CSR Report”) of Bank of China Limited (the “Bank”).

Selected Key Data

The selected key data in the Bank’s 2023 CSR Report that is covered by this report is as follows:

- Number of employees
- Number of female employees
- Number of new hires in the year
- Percentage of female mid-to-senior-level managers
- Execution of employment contracts
- Number of occupational injury cases
- Customer complaints throughout the year
- Individual customers satisfaction
- Corporate customers satisfaction
- Overall customer satisfaction
- Participation in BOC training cloud platform by employees
- Donations
- Number of operating outlets in the mainland
- Number of outlets in national-level rural revitalisation assistance counties
- Balance of loans to small and micro enterprises
- Number of video conferences
- Number of mobile banking customers
- Social contribution per share

Our assurance was with respect to the year ended 31 December 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2023 CSR Report.

Criteria

The criteria used by the Bank to prepare the selected key data in the 2023 CSR Report is set out in the basis of reporting of the key data (the “basis of reporting”) after this assurance report.

Management's Responsibilities

The Management of the Bank is responsible for the preparation of the selected key data in the 2023 CSR Report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the 2023 CSR Report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

It is our responsibility to express a conclusion on the selected key data in the 2023 CSR Report based on our work.

We conducted our work 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 plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is

substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Bank's 2023 selected key data in the 2023 CSR Report has been prepared, in all material respects, in accordance with the basis of reporting. Our work involves assessing the risks of material misstatement of the selected key data in the 2023 CSR Report, whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk. We have performed the following procedures:

- 1) Interviews with relevant departments of the Head Office of the Bank involved in providing information for the selected key data within the CSR Report; and
- 2) Analytical procedure;
- 3) Consistency comparison with related data in the financial report;
- 4) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- 5) Recalculation; and
- 6) Other procedures deemed necessary.

Inherent Limitation

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2023 selected key data in the 2023 CSR Report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

Our report has been prepared for and only for the board of directors of the Bank and is not to be used for any other purpose. We do not assume responsibility towards or accept liability to any other parties for the content of this report.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, China

March 28, 2024

Basis of Reporting

Number of employees (person): The term disclosed here in refers to the total number of employees of the Bank of China (excluding non-financial institutions) at the end of the reporting period, including contractual employees and labour dispatch employees.

Number of female employees (person): The term disclosed here in refers to the total number of female employees of the Bank of China (excluding non-financial institutions) at the end of the reporting period, including contractual employees and labour dispatch employees.

Number of new hires in the year (person): The term disclosed here in refers to the total number of new contract staff recruited in social recruitment and campus recruitment during the reporting period at the Head Office and domestic branches of the Bank of China.

Percentage of female mid-to-senior-level managers (%): The term disclosed here in refers to the number of middle and senior female management to the total number of middle and senior management in the Head Office and branches of the Bank of China at the end of the reporting period.

Execution of employment contracts (%): The term disclosed here in refers to the proportion of employees who signed employment contracts with the Bank of China and the total number of employees at the end of the reporting period.

Number of occupational injury cases (number): The term disclosed here in refers to the number of occupational injury cases that occurred in the Head Office of the Bank of China and directly affiliated institutions in Beijing without independent licenses during the reporting period.

Customer complaints throughout the year (10,000): The term disclosed here in refers to the total number of complaints obtained by the Head Office of the Bank of China, branches and credit card centers (excluding integrated operating companies) through official websites, mobile banking and credit card mobile clients, business outlets, government agencies, regulatory authorities, etc. at the end of the reporting period.

Individual customers satisfaction (%): The term disclosed here in refers to the satisfaction evaluation data obtained from satisfaction questionnaires distributed to individual customers by the Head Office and domestic branches of the Bank of China, through online and offline channels such as Bank of China's micro-banking public number, mobile banking App, third-party survey platforms, and pushed by business outlets and account managers during the reporting period.

Corporate customers satisfaction (%): The term disclosed here in refers to the satisfaction evaluation data obtained from satisfaction questionnaires distributed by the Head Office and domestic branches of the Bank of China to large enterprise customers, medium-sized enterprise customers, small and micro enterprise customers, custodian customers, financial institution customers and major types of customers of administrative undertakings during the reporting period.

Overall customer satisfaction (%): The term disclosed here in refers to the satisfaction evaluation data obtained by the Head Office and domestic branches of the Bank of China through the distribution of satisfaction questionnaires to corporate and individual customers during the reporting period.

Participation in BOC training cloud platform by employees (10,000 person-times): The term disclosed here in refers to the total person-times of employees of the Head Office, domestic branches and domestic comprehensive operations of the Bank of China who participated in training during the reporting period.

Donations (RMB 1 million): The term disclosed here in refers to the total amount of donations made by the Group through government departments, legally established charities and other public charitable organizations eligible for pre-tax deduction of philanthropic contributions.

Number of operating outlets in the mainland (number): The term disclosed here in refers to the domestic operating outlets (excluding Hong Kong, Macao, Taiwan and overseas branches), which are approved by the National Financial Regulatory Administration, of the Bank of China at the end of the reporting period, including the Head Office, primary branches, directly affiliated branches, secondary branches, sub-branches and branches.

Number of outlets in national-level rural revitalisation assistance counties (number): The term disclosed here in refers to the total number of outlets set up by the Bank of China at the end of the reporting period based on the *List of Key Counties for National Rural Revitalisation Support (160 counties)* announced by the Office of the Central Leading Group for Rural Work and the National Rural Revitalisation Bureau in August 2021.

Balance of loans to small and micro enterprises (RMB 1 million): The term disclosed here in refers to the balance of loans to small and micro-enterprises by the Bank of China at the end of the reporting period according to the calibre of the National Financial Regulatory Administration (formerly China Banking and Insurance Regulatory Commission), which is the balance of loans to small and micro-enterprises with total single-family credit amount of less than RMB 10 million (inclusive) (including the balance of small and micro enterprise loans, the balance of individual industrial and commercial loans, and the balance of small and micro business owners, excluding the balance of bill discounting and rediscounting business).

Number of video conferences (number): The term disclosed here in refers to the total number of video meetings held by the Head Office and institutions in Beijing of the Bank of China during the reporting period.

Number of mobile banking customers (100 millions): The term disclosed here in refers to the cumulative number of customers who registered for the Bank of China Mobile Banking App in domestic at the end of the reporting period.

Social contribution per share (RMB): The term disclosed here in refers to the value-added per share created for the society calculated based on the basic earnings per share created by the Bank for shareholders, adding the value created by the Bank for other stakeholders during the reporting period, such as taxes paid by the Bank for the state, wages paid to employees, loan interest paid to creditors and total external donations, and deducting other costs derived from environmental pollution.

Statement of Greenhouse Gas and Environmental Data

Statement of Greenhouse Gas and Environmental Data

This statement focuses on

Bank of China Limited

No.1 Fuxingmen Nei Dajie, Xicheng District, Beijing, 100818,

and covers the greenhouse gas emissions and main environmental data of Bank of China Limited globally in the period 1st January 2021 – 31st December 2023.

Energy consumption	2023	2022	2021
Gasoline consumption (t)	12,789	11,049	12,400
Diesel consumption (t)	583	540	463
Natural gas consumption (10 ⁴ Nm ³)	1,827	1,763	1,779
Power consumption (MWh)	1,889,562	1,809,260	1,785,869
Heat consumption (GJ)	1,840,309	1,955,218	2,214,424
Comprehensive energy consumption (MWh)	2,764,254	2,688,308	2,754,463
Greenhouse gas emissions	2023	2022	2021
Total greenhouse gas emissions for Scope I and Scope II (tCO ₂ e)	1,594,093	1,537,546	1,534,060
Among which			
Greenhouse gas emissions for Scope I (tCO ₂ e)	84,740	74,899	79,309
Greenhouse gas emissions for Scope II (tCO ₂ e)	1,509,353	1,462,647	1,454,751
Greenhouse gas emissions for Scope III-Wastepaper(tCO ₂ e)	4,052	-	-
Greenhouse gas emissions for Scope III-Kitchen waste(tCO ₂ e)	2,414	-	-
Other environmental footprint	2023	2022	2021
Office paper quantity (t)	8,261	12,315	12,211
Water consumption (m ³)	13,533,157	13,535,554	13,618,321
Total discharge of waste (t)	41,093	45,715	45,770

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

CECEP Consulting Co., Ltd.

115 Fucheng Road, Haidian District, Beijing

Signature or seal



Date of declaration: March 18, 2024

Indexes

Global Reporting Initiative Sustainability Reporting Guidelines (GRI Universal Standards 2021)

Statement of Use

The Bank of China has reported the information cited in this GRI content index for the period from January 1 to December 31, 2023 (with some exceptions) with reference to the GRI Standards.

GRI Standard	Disclosure	Location
General Disclosures		
GRI 1 used	GRI 1:Foundation 2021	
	Disclosure 2-1 Organizational details	6-7
	Disclosure 2-2 Entities included in the organization's sustainability reporting	141
	Disclosure 2-3 Reporting period, frequency and contact point	141
	Disclosure 2-4 Restatements of information	124, 131
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	Disclosure 2-6 Activities, value chain and other business relationships	6-7
	Disclosure 2-7 Employees	129-130
	Disclosure 2-8 Workers who are not employees	129
	Disclosure 2-9 Governance structure and composition	100-101, 132-133
	Disclosure 2-10 Nomination and selection of the highest governance body	132
	Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	12,102
	Disclosure 2-13 Delegation of responsibility for managing impacts	13, 100-102
	Disclosure 2-14 Role of the highest governance body in sustainability reporting	102

GRI Standard	Disclosure	Location	GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	Disclosure 2-15 Conflicts of interest	Please refer to the Annual Report	GRI 3: Material Topics 2021 GRI 203: Indirect Economic Impacts 2016	Indirect Economic Impacts	
	Disclosure 2-16 Communication of critical concerns	104-105, 136-137		Disclosure 3-3 Management of material topics	42-73
	Disclosure 2-17 Collective knowledge of the highest governance body	12, 121, 132		Disclosure 203-1 Infrastructure investments and services supported	31-36, 42-73
	Disclosure 2-18 Evaluation of the performance of the highest governance body	Please refer to the Annual Report and the <i>Articles of Association</i>		Disclosure 203-2 Significant indirect economic impacts	31-36, 42-73
	Disclosure 2-19 Remuneration policies	102, 107		Procurement Practices	
	Disclosure 2-20 Process to determine remuneration	102, 107		Disclosure 3-3 Management of material topics	39, 135
	Disclosure 2-21 Annual total compensation ratio	Please refer to the Annual Report and the <i>Articles of Association</i>		Disclosure 204: Procurement Practices 2016	Disclosure 204-1 Proportion of spending on local suppliers
	Disclosure 2-22 Statement on sustainable development strategy	2-5		Anti-corruption	
	Disclosure 2-25 Processes to remediate negative impacts	28-29, 76-77, 133-134		GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics
	Disclosure 2-26 Mechanisms for seeking advice and raising concerns	134, 141		GRI 205: Anti-corruption 2016	Disclosure 205-2 Communication and training about anti-corruption policies and procedures
	Disclosure 2-27 Compliance with laws and regulations	106, 123-134		Disclosure 205-3 Confirmed incidents of corruption and actions taken	
	Disclosure 2-28 Membership associations	40		Materials	
	Disclosure 2-29 Approach to stakeholder engagement	136-137		GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics
	Disclosure 2-30 Collective bargaining agreements	110		GRI 301: Materials 2016	Disclosure 301-1 Materials used by weight or volume
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	Disclosure 3-2 List of material topics	136		Disclosure 3-3 Management of material topics	37-39, 123
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GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	23-30, 98-121		Disclosure 302-2 Energy consumption outside of the organization	123
	Disclosure 201-1 Direct economic value generated and distributed	125-126, 138-139		Disclosure 302-3 Energy intensity	123
GRI 201: Economic Performance 2016	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	20-22		Disclosure 302-4 Reduction of energy consumption	123
	Disclosure 201-3 Defined benefit plan obligations and other retirement plans	110-111		Disclosure 302-5 Reductions in energy requirements of products and services	123

GRI Standard	Disclosure	Location
Water and Effluents		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	37-39, 124
GRI 303: Water and Effluents 2018	Disclosure 303-1 Interactions with water as a shared resource	124
	Disclosure 303-2 Management of water discharge-related impacts	124
	Disclosure 303-5 Water consumption	124
Biodiversity		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	19, 27
GRI 304: Biodiversity 2016	Disclosure 304-2 Significant impacts of activities, products and services on biodiversity	19, 27
Emissions		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	37-39, 123
GRI 305: Emissions 2016	Disclosure 305-1 Direct (Scope 1) GHG emissions	123
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	123
	Disclosure 305-4 GHG emissions intensity	123
	Disclosure 305-5 Reduction of GHG emissions	123
Waste		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	37-39, 124
GRI 306: Waste 2020	Disclosure 306-1 Waste generation and significant waste-related impacts	124
	Disclosure 306-2 Management of significant waste-related impact	124
	Disclosure 306-3 Waste generated	124
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GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	39
GRI 308: Supplier Environmental Assessment 2016	Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken	39

GRI Standard	Disclosure	Location
Employment		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	106
GRI 401: Employment 2016	Disclosure 401-1 New employee hires and employee turnover	129
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	107, 110-111
	Occupational Health and Safety	
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	106-107
GRI 403: Occupational Health and Safety 2018	Disclosure 403-3 Occupational health services	110-111
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	107
	Disclosure 403-6 Promotion of worker health	110-111
	Disclosure 403-9 Work-related injuries	130
GRI 3: Material Topics 2021	Disclosure 403-10 Work-related ill health	130
	Training and Education	
	Disclosure 3-3 Management of material topics	108-109
GRI 404: Training and Education 2016	Disclosure 404-1 Average hours of training per year per employee	130
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	108-109
	Diversity and Equal Opportunity	
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	106, 132
GRI 405: Diversity and Equal Opportunity 2016	Disclosure 405-1 Diversity of governance bodies and employees	129, 132
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GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	106, 119
GRI 406: Non-discrimination 2016	Disclosure 406-1 Incidents of discrimination and corrective actions taken	107, 119

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Child Labor		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	106
Forced or Compulsory Labor		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	106
Local Communities		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	83-89
GRI 413: Local Communities 2016	Operations with local community engagement, impact assessments, and development programs	83-89
Supplier Social Assessment		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	135
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	135
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	135
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GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	74-82, 126-127
Marketing and Labeling		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	127
GRI 417: Marketing and Labeling 2016	Disclosure 417-1 Requirements for product and service information and labeling	127
Customer Privacy		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	128

Subject Areas, Aspects, General Disclosures and KPIs	Location
A.Environment	
General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	123-124
<p>KPI A1.1 The types of emissions and respective emissions data.</p> <p>KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>Aspect A1: Emissions</p> <p>KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)</p> <p>KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.</p> <p>KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.</p>	
General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	
<p>KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).</p> <p>KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p> <p>Aspect A2: Use of Resources</p> <p>KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.</p> <p>KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.</p> <p>KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</p>	15, 123-124

Subject Areas, Aspects, General Disclosures and KPIs		Location	Subject Areas, Aspects, General Disclosures and KPIs		Location		
Aspect A3: The Environment and Natural Resources	General Disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources.	15-19	Aspect B3: Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	108-110		
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	12-30	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	130		
Aspect A4: Climate Change	General Disclosure: General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	15-19	KPI B3.2	The average training hours completed per employee by gender and employee category.	131		
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	12-41	Aspect B4: Labour Standards	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	106		
B.Social		KPI B4.1		Description of measures to review employment practices to avoid child and forced labour.	106		
Employment and Labour Practices		KPI B4.2		Description of steps taken to eliminate such practices when discovered.	106		
Aspect B1: Employment	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	106-108	Operating Practices		General Disclosure: Policies on managing environmental and social risks of the supply chain.		135
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	129	KPI B5.1	Number of suppliers by geographical region.	135		
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	129	Aspect B5: Supply Chain Management	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	135	
General Disclosure: Information on:(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		110-111	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	135		
Aspect B2: Health and Safety	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	130	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	39, 135		
KPI B2.2	Lost days due to work injury.	130					
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	110-111					

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	Subject Areas, Aspects, General Disclosures and KPIs	Location
Aspect B6: Product Responsibility	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	74-75, 127-128
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	76-77
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	134
	KPI B6.4 Description of quality assurance process and recall procedures.	75, 127
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	128
Aspect B7: Anti-corruption	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	119-120
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	133
	KPI B7.2 Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	120-121
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	121, 133
Aspect B8: Community Investment	Community	
	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	84
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	83-95
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	83-95, 126

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement and relevant national and regional frameworks.

Business Model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services. Quantify relevant information by disclosing the regional and departmental (on/off balance sheet) distribution of your bank's investment portfolios or the number of customers and clients served.

Response

As China's most globalized and integrated bank, Bank of China has institutions across the Chinese mainland as well as 64 countries and regions. The Bank has a well-established global service network and an integrated service platform based on the pillars of its corporate banking, personal banking, financial markets and other commercial banking business, which covers investment banking, direct investment, securities, insurance, funds, aircraft leasing, asset management, financial technology, financing leasing and other areas, thus providing its customers with financial solutions featuring one-click access, global response and integrated services.

Reference(s)/Link(s)

6-7, 128

By the end of 2023, the Bank had established 10,299 outlets (including the Head Office) in China covering 64.63% of the counties, and overseas institutions in 64 countries and regions all over the world, including 44 countries under the Belt and Road Initiative (BRI). The Bank recorded mobile banking customers of nearly 275 million.

Strategic consistency

In your bank's corporate strategy, will sustainability be identified as a strategic priority and indicated?

- Yes
 No

Describe how your bank has aligned and/or is planning to align its strategy to be consistent with the *Sustainable Development Goals (SDGs)*, the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
 International Labour Organization fundamental conventions
 UN Global Compact
 UN Declaration on the Rights of Indigenous Peoples
 Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones:
The report is prepared with reference to the Principles for Responsible Banking of the United Nations, the Guidelines for Environmental Information Disclosure of Financial Institutions of the People's Bank of China, and the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong Limited.
 Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones:
 None of the above

Response

The sustainable development philosophy was fully integrated into a series of policies such as the *Outline of Development Plan for the 14th Five-Year Plan Period and Long-range Objectives through the Year 2035 of Bank of China*, *Green Finance Programme of Bank of China for the 14th Five-Year Plan Period of Bank of China Limited*, with the aim to serve the high-quality development of national economy, society and environment, and actively support the implementation of the *UN's SDGs* and the *Paris Climate Agreement*.

Reference(s)/Link(s)

19-41

Principle 2: Impact & Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has conducted an impact analysis on investment portfolios, and identified the areas of most significant impact and the areas for which objectives are set on a priority basis. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

a) Scope:

What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response

This Bank makes technological finance, green finance, inclusive finance, pension finance, and digital finance the "Five Major Tasks" of strategic focus. It will comprehensively increase resource investment in these areas, enhance the adaptability of financial services, and serve as the main force in supporting the real economy.

Reference(s)/Link(s)
19-41, 47-54, 67-69, 112-115

b) Portfolio composition:

Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries for business, corporate and investment banking portfolios³(i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

Response

The Bank is exploring and researching methods and systems suitable for carbon accounting of its own asset portfolio. It has completed trial calculations of the carbon footprint for its major high-carbon industry asset portfolios. Referring to the *Global GHG Accounting and Reporting Standard for the Financial Industry by the Partnership for Carbon Accounting Financials (PCAF)* and the *Carbon Accounting Technical Guidelines for Financial Institutions (Trial)* by the People's Bank of China, the Bank has conducted trial calculations of carbon emissions from its corporate loans in major high-carbon industries such as thermal power, steel, and building materials.

The Bank has continuously optimized the structure of the brown industries, promoting capacity replacement, green transformation, and technological upgrades. It guides resources towards areas with advanced production capacities, reduced per unit energy consumption, technological and renovation upgrades, and those that are safe, green, intelligent, efficient, and ensure energy supply. In 2023, the brown credit balance of the Bank's domestic corporate business accounted for less than 10% of the total loan balance.

Please refer to the Distribution of Loans and NPLs by Industry in the *2023 Annual Report of Bank of China Limited* for the distribution of loans by industry.

Reference(s)/Link(s)
16, 25, 122

Principle 2: Impact & Target Setting

c) Context:

What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

Response

The Bank's main challenges and priorities related to sustainable development include developing green finance, addressing climate change, and promoting inclusive finance. Regarding these factors:

In terms of developing green finance and addressing climate change, as global climate change intensifies, managing ESG risks and other non-traditional financial risks has become a critical issue widely acknowledged by financial institutions in the banking industry. Consequently, the Bank has prioritized customer ESG risk management as a key task in serving the "dual carbon" goals, implementing and developing green finance, and continually enhancing customer ESG risk management capabilities.

Reference(s)/Link(s)

20-22, 47

In promoting inclusive finance, small and micro enterprises, self-employed business owners, small and micro enterprise owners and other inclusive customers are the largest and most dynamic market players, the new force to promote Chinese-style modernization, the important basis for high-quality development, and play an important role in promoting growth, ensuring employment and improving people's livelihood. Therefore, the Bank is committed to providing precise and effective financial services to a broad range of inclusive clientele, enhancing the coverage and satisfaction of inclusive financial services, and contributing to the shared prosperity of all people.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁵? Please disclose.

Response

The Bank prioritizes green finance and inclusive finance as two important areas of positive impact.

Reference(s)/Link(s)

138-139

d) For these (min. two prioritized impact areas):

Performance measurement:

Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Response

1.Green finance:

The Bank has established a performance evaluation system that covers domestic and overseas branches, comprehensive companies, Head Office departments, and senior management. It has set indicators related to green finance and customer ESG risk management.

Reference(s)/Link(s)

12-15

2.Inclusive finance:

The Bank incorporates inclusive finance-related indicators into the performance appraisal system for deputy positions of senior management of domestic branches and Tier-1 institutions.

¹That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

²Further guidance can be found in the Interactive Guidance on Impact Analysis and Target setting.

³Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, and are particularly relevant here.

⁴Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

⁵To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

Principle 2: Impact & Target Setting

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?¹

- | | | | |
|--------------------------|---|--------------------------------------|-----------------------------|
| Scope: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Portfolio composition: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Context: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Performance measurement: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, financial health & inclusion

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets² have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment:

which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant³? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response

The sustainable development philosophy was fully integrated into a series of policies such as the *Outline of Development Plan for the 14th Five-Year Plan Period and Long-range Objectives through the Year 2035 of Bank of China Limited, Green Finance Programme of Bank of China for the 14th Five-Year Plan Period of Bank of China*, with the aim to make greater contributions in serving the high-quality development of national economy, society and environment. The Bank has signed or participated in a number of green and ESG-related initiatives and mechanisms such as PRB, GIP, etc., and actively supports the implementation of the United Nations Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

b) Baseline:

Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response	Impact area	Indicator code	Response
Climate change mitigation			Financial health & inclusion		

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Principle 2: Impact & Target Setting

Response

1.Green finance:

In close alignment with the nation's carbon peaking and carbon neutrality goals, and in adherence to the spirit of the Central Financial Work Conference, the Bank has reassessed the Group's 14th Five-Year Plan and Green Finance Action Plan based on market and business development circumstances and set more aggressive green financial development targets. Specifically, the target for incremental credit support to green industries during the 14th Five-Year Plan period has been raised from "no less than RMB1 trillion" to "no less than RMB3 trillion." Furthermore, the Bank has set forth the objective of "achieving a year-on-year increase in green bond investment scale, with a concerted effort to maintain a market-leading position in green bond underwriting." The baseline selected for the indicators is the end of 2020.

Reference(s)/Link(s)
138-139

2.Inclusive finance:

The Bank has set the goals that "in 2021-2025, the growth rate of inclusive financial loans and customers will meet the relevant regulatory requirements. The balance of inclusive loans for small and micro enterprises will cross the RMB2.5 trillion mark by 2025. BOC will become the mainstay of serving inclusive financial customer groups." The baseline selected for the indicators is 2020.

c) SMART targets (incl. key performance indicators (KPIs)⁴):

Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Response

The bank has set and announced targets in the areas of green finance and inclusive finance, while simultaneously revising these targets in accordance with regulatory development requirements and progress achieved during the respective year.

1.Targets set for green finance:

- During the 14th Five-year Plan period (2021-2025), new loans to green industries will be no less than RMB3 trillion
- Year-on-year increase in balance of domestic green loans
- Asset quality remains at a good level
- Achieving a year-on-year increase in green bond investment scale, with a concerted effort to maintain a market-leading position in green bond underwriting
- BOC will no longer provide financing for new coal mining and coal power projects outside of China from the fourth quarter of 2021 onwards, except for the projects already contracted

Reference(s)/Link(s)
138-139

2.Targets for inclusive finance:

- During 2021-2025, the growth rates of inclusive loans and customers will continue to meet regulatory requirements
- By 2025, the balance of inclusive loans to small and micro enterprises will exceed RMB2.5 trillion, making BOC a leading bank in serving inclusive customer groups

d) Action plan:

which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

¹Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

²You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

³Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁴Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/region of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

Principle 2: Impact & Target Setting

Response

1.Green finance:

1) The Bank strengthens monitoring of customers' ESG risks. For customers (projects) in industries and regions identified by national environmental protection, work safety, and other authorities as key targets for rectification of violations and non-compliance, the Bank issues internal risk alerts or risk warnings. The Bank continuously tracks and monitors risk events related to the warnings, and adjusts risk levels and disposal measures in a timely manner based on specific circumstances. The Bank continuously improves customer ESG risk emergency management measures and reporting mechanisms, comprehensively identifying and supervising customers' ESG risk status, and reporting accordingly.

2) The Bank adopts risk management measures such as targeted business strategies, differentiated authority and procedures, and list-based management to proactively control and mitigate ESG risks. In its credit granting strategy and credit rating, the Bank takes positive support initiatives and risk escalation initiatives such as prudent granting of credit or investment and not granting of credit or investment based on the customer's environmental protection rating level, and correlates the customer's environmental protection rating level with the credit rating level.

2.Inclusive finance:

To achieve its inclusive finance goals, the Bank precisely aligns with the financial needs of inclusive customer groups. It is committed to solving financing difficulties faced by small and micro enterprises, self-employed business owners, farmers, and new agricultural business entities. The Bank strives to enhance the convenience, accessibility, and coverage of its financial services.

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed?

first area of most significant impact: (please name it)second area of most significant impact: (please name it)	(If you are setting targets in more impact areas)your third (and subsequent) area(s) of impact: (please name it)
Green finance	Yes	Inclusive finance	
Alignment	<input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No

Principle 2: Impact & Target Setting

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only):

describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

1.Changes in targets

• Green finance:

The Bank has reassessed the Group's 14th Five-Year Plan and Green Finance Action Plan and set more aggressive green finance targets. Specifically, the target for incremental credit support to green industries during the 14th Five-Year Plan period has been raised from "no less than RMB1 trillion" to "no less than RMB3 trillion." Furthermore, the Bank has set forth the objective of "achieving a year-on-year increase in green bond investment scale, with a concerted effort to maintain a market-leading position in green bond underwriting."

2) Inclusive finance:

The Bank regularly reviews and revises the targets according to the regulatory development requirements of the respective year. The amount of in RMB2 trillion "By 2025, the balance of inclusive loans to small and micro enterprises will exceed RMB2 trillion" is increased to RMB2.5 trillion.

Reference(s)/Link(s)

138-139

2.Progress towards targets:

• Green finance:

As of the end of 2023, the Bank's domestic green credit balance reached RMB3,106.7 billion, with an increase of RMB1,119.5 billion, marking a growth of RMB2,209.9 billion since the end of the 13th Five-Year Plan, representing a year-over-year increase of 56.34%. The investment scale in green bonds exceeded RMB100 billion, with the Bank ranking first in the interbank market for underwriting both domestic and international green bond issuances, and also achieving the top spot among its peers in the Bloomberg "Global Offshore Green Bonds" rankings.

• Inclusive finance:

As of the end of 2023, the balance of inclusive loans for small and micro enterprises reached RMB1,758.5 billion, with an annual growth rate of 43%. The number of loan customers reached 1.07 million, also with an annual growth rate of 43%. Additionally, the balance of operational loans for self-employed business owners stood at RMB260 billion.

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹ in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities[Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.]. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response

1.Green finance:

The Bank closely aligns with the national goals of achieving carbon peak and carbon neutrality. Guided by the Group's 14th Five-Year green finance plan as its strategic framework, the Bank continuously refines its "1+1+N" green finance policy system. A comprehensive policy support package has been established, covering 13 aspects including enhanced assessment incentives, optimized economic capital cost management, differentiated authorization, and allocation of personnel expenses, forming the "four beams and eight pillars" of the green finance policy system. The Bank has formulated the *Guidelines for Investment in Industry Credit of Bank of China Limited (Version 2023)* and the *Management Plan for Industry Portfolio of Bank of China Limited (Version 2023)*, and designates green and low-carbon related industries such as new energy vehicles, wind power, new energy storage, ecological protection and environmental governance as positive growth industries, improves supporting measures and actively guides credit investment towards these industries.

Aiming to be the "preferred bank for green financial services", the Bank has been improving its green financial products and services. While increasing support for green industries such as clean energy, the Bank also focuses on the financial needs of traditional industries' green transformation and upgrading. It continuously builds the "CCB Green+" global brand and has launched five categories of dozens of green financial products and services, covering deposits, loans, bonds, consumption, and integrated services. The Bank actively supports the green and low-carbon transformation of the economy and society.

2.Inclusive finance:

The Bank consistently maintains its support for inclusive finance lending, leveraging online technology to enhance service quality and efficiency, and providing comprehensive services in coordination with the Group. Serving the livelihoods of the people and providing timely help, the Bank actively responds to national strategies and proactively connects with inclusive customer groups in fields such as specialized and sophisticated enterprises that produce new and unique products, entrepreneurship and employment, foreign exchange and trade, and "Sannong"(agriculture, farmers and rural areas).By offering distinctive products and exclusive services, the Bank enhances the precision and effectiveness of its services. With inclusive finance as a source of "living water" to nourish thousands of industries and households, financial resources are accurately directed to key areas and weak links in the real economy, injecting development momentum into small and micro-business entities.

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Principle 3: Clients and Customers

Response

1.Green finance:

Amidst the global efforts to tackle climate change and the establishment of national goals for peaking carbon emissions and achieving carbon neutrality, the ongoing adjustments and upgrades in industrial structures present numerous opportunities for the banking sector. These include an increasingly robust global green finance environment, the generous benefits of China's green finance policies, the vast development potential within the green industry, and abundant opportunities in the carbon finance sector. The Bank vigorously supports the construction of green industries and projects. In line with national economic structural adjustments and industrial development strategies, it fully leverages its comprehensive operational capabilities, utilizing a variety of financial instruments such as stocks, bonds, investments, funds, and asset management to provide a range of financial services to the green industry. As of the end of 2023, the domestic green credit balance exceeded RMB3,106.7 billion, with green bond investments surpassing RMB100 billion.

Reference(s)/Link(s)

22, 31, 47-52

2.Inclusive finance:

The micro and small market entities, numerous in number, play a crucial role in promoting growth, ensuring employment, and improving livelihoods, making them a significant service group for inclusive finance. The Bank targets the bottlenecks and challenges hindering the development of micro and small enterprises, self-employed business owners, and micro and small business owners, offering comprehensive coverage, precise strategies, and innovative services to help stimulate the vitality of the real economy. Relying on the development of digital finance, it strengthens its support for the real economy and enhances the accessibility, convenience, and precision of financial services. As of the end of 2023, the balance of inclusive loans for small and micro enterprises reached RMB1,758.5 billion, with an annual growth rate of 43%, outpacing the growth rate of all loans across the Bank; the number of loan customers reached 1.07 million, with an annual growth rate of 43%.

Principle 4:Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Reference(s)/Link(s)

15-19, 31-36, 47-52

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response

The Bank actively opens channels of communication with stakeholders from various fields and categories, including the State, customers, shareholders, the environment, communities, and employees. It conducts annual materiality analyses, inviting internal and external stakeholder groups to assess identified social responsibility issues through questionnaires. Through the identification and assessment of social responsibility issues, the Bank determines and discloses in reports the topics of social responsibility that are significant both to itself and to its stakeholders.

Reference(s)/Link(s)

136-137

¹A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about:

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

The Bank improves the corporate governance framework with the Shareholders' Meeting, Board of Directors, Board of Supervisors, and senior management as the main bodies, each with well-defined responsibility and authority and all operating smoothly. The special committees under the Board of Directors and the Board of Supervisors effectively fulfill their duties and operate actively and efficiently.

The Board of Directors and its special committees are responsible for approving the green finance development plan, green finance goals, and green finance reports, as well as monitoring and evaluating the implementation of the green finance development plan. The senior management has established a Green Finance Committee, which is responsible for the overall management and professional decision-making related to the Group's green finance work. The Chief Risk Officer serves as the Chair of the Committee and is accountable for managing customers' ESG risks. A dedicated team is tasked with carrying out the Group's green finance initiatives, actively promoting the practical implementation of green finance development.

In the performance evaluation of senior management, the Bank has incorporated a series of sustainability-related indicators, including serving the "dual carbon" goals, providing inclusive finance services, supporting the rural revitalization strategy, case risk rates, and market risk control. The combined weight of these indicators exceeds 20%, and the evaluation results are directly linked to the remuneration allocation for senior management.

5.2 Promoting a culture of responsible banking

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response

Green finance:

The Bank has strengthened the development of its green finance talent pool. In 2023, it actively promoted the establishment of a "14th Five-Year Plan" green finance talent cultivation system, encompassing three levels and six directions, involving approximately 10,000 people. The Bank has actively built an online green finance training system, covering eight themes and approximately 100 courses, with a cumulative viewership exceeding 1 million person-times. Offline training sessions at various levels have been organized for customer lines, risk lines, and operational lines. Through innovative competitions, performance competitions, the selection of exemplary green finance institutions, and the conduct of green finance research, the Bank has cultivated green development capabilities across all employees. The Bank has actively advocated among employees low-carbon office practices, green commuting, and green and healthy lifestyles.

The Bank has established and improved its green finance evaluation mechanism, setting targets for Head Office departments, domestic branches, overseas branches, and comprehensive operation companies, covering multiple aspects, including business development and customer ESG risk management. The evaluation results are linked to employee compensation.

Reference(s)/Link(s)

12-15

Principle 5: Governance & Culture

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio? ¹Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response

The Bank currently has in place the *Bank of China Policy on Environmental (Climate), Social and Governance Risk Management for Customers*. This policy was reviewed and approved by the Green Finance Committee and applies to corporate finance (including working capital loans and project financing for corporate customers, etc.) and other businesses, covering the entire business process from risk identification and classification, due diligence, business approval, contract management, fund disbursement, post-lending management, and post-investment management. Additionally, the Bank has incorporated binding requirements for environmental and social risk management into more than 90 industry lending policies.

Regarding risk identification:customers are classified into three categories:A, B, and C, based on factors such as their potential environmental (climate) and social risk levels, industry, and development stage. These classifications are labeled in relevant business management systems, and more stringent assessment and review measures are adopted for high-risk customers.

In terms of due diligence and risk assessment, the customer relationship departments are required to conduct due diligence on the ESG risks of customers (projects). Based on the industry and regional characteristics of the customers and their projects, the key points of due diligence are clarified and documented in the business initiation report and relevant business management systems for analysis and assessment. Compliance risk reviews are also conducted. For customers (projects) such as nuclear power projects, waste incineration projects in densely populated residential areas, and large-scale hydropower projects, which may potentially have a significant impact on social stability and public interests, the customer relationship departments are required to conduct comprehensive risk assessments. Customers (projects) that have not undergone ESG risk due diligence will be terminated promptly. Based on the industry, region, and other characteristics of the customer and their projects, ESG risks are classified and assessed from 13 aspects. Among these, the customer and project's ESG risk assessment and management system, labor and working conditions, pollution prevention and control, biodiversity protection and sustainable natural resource management, and carbon footprint management are mandatory assessment items.

The Bank strengthens monitoring of customers' ESG risks. For customers and projects in industries and regions identified by national environmental protection, work safety, and other authorities as key targets for rectification of violations and non-compliance, the Bank issues internal risk alerts or risk warnings. The Bank continuously tracks and monitors risk events related to the warnings, and adjusts risk levels and disposal measures in a timely manner based on specific circumstances.

The Bank continuously improves its customer ESG risk emergency management measures and reporting mechanisms. Sudden customer ESG risk incidents are classified into four levels:general, relatively significant, significant, and particularly significant. In the event of an incident, the responsible party is required to immediately activate the contingency plan and respond and handle the situation in a lawful, scientific, efficient, and stable manner. According to the principle of graded response, the incident must be reported in a timely, objective, truthful, and comprehensive manner. The Bank conducts thorough inspections and supervision of customers' ESG risk situations and promptly reports any issues.

The Bank strengthens communication with stakeholders by establishing adequate, timely, and effective communication mechanisms with government agencies, environmental organizations, local communities, media, investors, and others.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

¹Applicable examples of types of policies are:exclusion policies for certain sectors/activities; zero-deforestation policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Reference(s)/Link(s)

23-30

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

- Yes Partially No

If applicable, please include the link or description of the assurance statement.

Response

Each year, the Bank invites professional third-party assurance providers to conduct independent assurance engagements on key data related to its social responsibility report, enhancing the credibility and reliability of the information disclosed in the report.

Reference(s)/Link(s)

142-146

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
 SASB
 CDP
 IFRS Sustainability Disclosure Standards (to be published)
 TCFD
 Other: The report is prepared with reference to the *Principles for Responsible Banking of the United Nations*, the *Guidelines for Environmental Information Disclosure of Financial Institutions of the People's Bank of China*, and the *Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong Limited*, etc.

Response

The 2023 social responsibility report of the Bank is prepared in accordance with the *Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong Limited*, the *Self-discipline Regulation of Companies Listed on SSE* by Shanghai Stock Exchange, the *Opinions on Strengthening the Corporate Social Responsibility of Banking Institutions* issued by the former China Banking Regulatory Commission, the *Guidelines of China Banking Association on the Corporate Social Responsibility*, the *Guidelines for Environmental Information Disclosure of Financial Institutions of the People's Bank of China* as well as the *Guidance of International Organisation for Standardisation on Social Responsibility (ISO 26000)*, the *Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI Universal Standards 2021)*, and the *Principles for Responsible Banking of the United Nations*.

Reference(s)/Link(s)

141

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹, target setting² and governance structure for implementing the PRB)?

Response

The Bank will take more forceful actions to serve the overall economic and social development, and provide warmer services to meet the people's aspirations for a better life. Anchored on the goals of peaking carbon emissions and achieving carbon neutrality, the Bank will deepen reforms in group operations and management, and accelerate the green transformation of its development model. The Bank will increase support for emerging industries such as clean energy and promote the clean and efficient utilization of traditional energy sources. The Bank will also step up financial innovation efforts and optimize its comprehensive financial product and service system, including loans, bonds, insurance, and funds. The Bank will continuously promote the concepts of green office operations, green procurement, and low-carbon operations, reducing the group's overall energy consumption. The Bank will deepen exchanges and cooperation in the field of green finance, enhance its performance in international green organizations, and join hands with all parties globally to make the earth greener and our homes more beautiful. We will support private and small and micro enterprises, better meeting the financing needs of market entities. The Bank will implement an employment-priority strategy and support stable expansion of job opportunities. We will actively support rural revitalization and expand its presence in underserved county areas. Focusing on areas such as housing, education, healthcare, employment, and elderly care, the Bank will adopt more measures to benefit people's livelihoods and warm their hearts. We will further enrich our scenario-based ecosystems to better meet the people's financial service needs.

Reference(s)/Link(s)

140

Principle 6: Transparency & Accountability

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input type="checkbox"/> Data quality |
| <input checked="" type="checkbox"/> Assessing negative environmental and social impacts | <input checked="" type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other:..... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

Guidelines for Environmental Information Disclosure of Financial Institutions of the People's Bank of China

Disclosure	Location
6.1 Annual overview	6-7
6.2 Environment-related governance structure of financial institutions	12-13
6.3 Environment-related policies and systems of financial institutions	14-19
6.4 Innovation in environment-related products and services of financial institutions	31-36
6.5 Environmental risk management process of financial institutions	23-30
6.6 Impact of environmental factors on financial institutions	20-22
6.7 Environmental impacts of investment and financing activities of financial institutions	31-36, 122
6.8 Environmental impacts of the operations of financial institutions	37-39, 123-124
6.9 Data sorting, verification, and protection	29-30
6.10 Green finance innovation and research results	29-30, 41
6.11 Other environment-related information	40-41

¹For example, outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

²For example, outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

