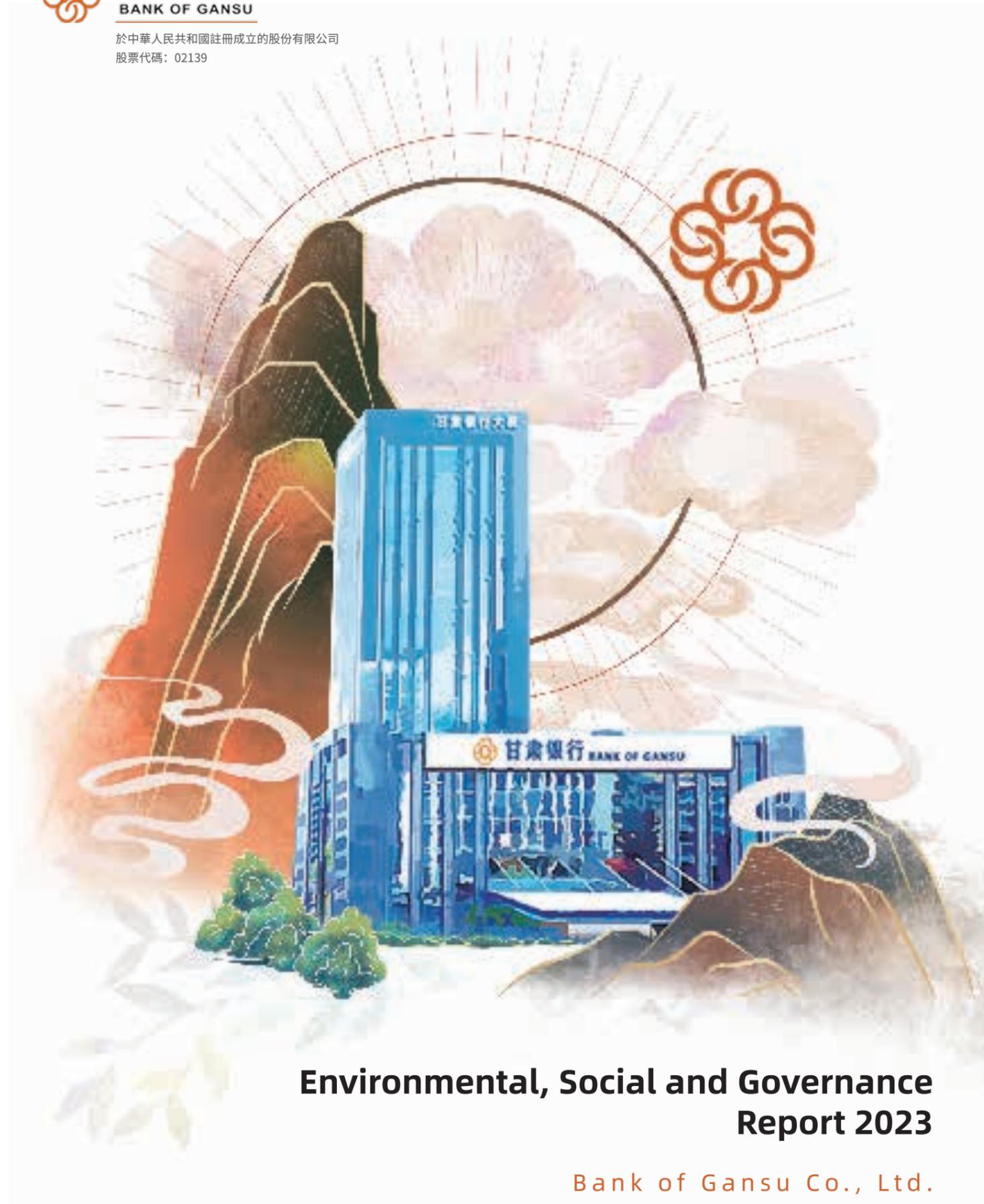




於中華人民共和國註冊成立的股份有限公司
股票代碼: 02139



Environmental, Social and Governance Report 2023

Bank of Gansu Co., Ltd.



The 2023 Environmental, Social and Governance Report of Bank of Gansu Co., Ltd. (the "**Report**") is the 7th Environmental, Social and Governance Report issued by Bank of Gansu Co., Ltd. ("**Bank of Gansu**" or the "**Bank**") since it was listed on the main board of the Stock Exchange of Hong Kong Limited ("**SEHK**") in 2018.

In accordance with the disclosure requirements in the Environmental, Social and Governance Reporting Guide (the "**ESG Guide**") set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited currently applied by SEHK, the Report focuses on the principles and relevant efforts taken by Bank of Gansu in fulfilling its corporate responsibility, so as to respond to the expectations of key stakeholders, and also detail the Bank's sustainability achievements in 2023. To fully showcase the environmental, social and governance ("**ESG**") performance of Bank of Gansu, the Report should be read together with the chapter of "Corporate Governance Report" in the 2023 Annual Report of Bank of Gansu.

Report Description

Reporting Scope

The Report prudently selects the entities to be disclosed under the standard of "whether there is any actual business operation" and considers overall impact on the ESG aspect of Bank of Gansu to filter out entities and companies that have no actual impact or have little impact. Based on appropriate selection, the content of the Report covers relevant businesses of the head office operational department of Bank of Gansu, 12 branches, 181 sub-branches, 4 micro-to-small sub-branches and 1 community sub-branches.

The Report covers the period from January 1, 2023 to December 31, 2023 (the "**Year**" or the "**Reporting Period**"). To reinforce the comparability of the Report, part of the content is extended to other years where appropriate.

Reporting Standard

The Report is prepared in strict accordance with the requirements of the ESG Guide, under the principles of materiality, quantitative, balance and consistency, and in line with the mandatory disclosure requirements and the "comply or explain" provisions set out in the ESG Guide.

Materiality: the Bank has carried out materiality assessment through stakeholder survey, and disclosed ESG-related issues related to and that will have a significant impact on all stakeholders in the Report. Please refer to the chapter "Better Governance, Strengthening Communication" for information of the materiality assessment.

Quantitative: the key performance indicators disclosed in the Report are all measurable. The quantitative information disclosed has been accompanied by narratives, explaining its impacts, and giving yearly comparative data where appropriate.

Balance: the Report provides an unbiased picture of the Bank's performance during the Reporting Period to avoid the selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

Consistency: where applicable, the Report uses consistent disclosure and statistical methodologies with previous reports and explains the changes of statistical methodologies or key performance indicators and any other relevant factors affecting meaningful comparison.

Report Statement

The Board of Directors has reviewed and approved the disclosure of the Report and is responsible for the reliability and authenticity of its information. The Bank expects to strengthen communication with stakeholders and show corporate transparency through the report release, so as to strive for sustainable development.

The currency in the Report shall be RMB (yuan) unless otherwise specified.

Report Release

The Report is released in traditional Chinese and English. In case of any ambiguity in the content of the Report, the traditional Chinese version shall prevail. The Report has been uploaded to the official website of Bank of Gansu and the HKEXnews for online browsing and downloading.



Bank of Gansu's official
website
www.gsbankchina.com



HKEXnews
www.hkexnews.hk

Contact Information

Bank of Gansu highly values readers' opinions and suggestions on the Report and the Bank. If you have any comments regarding the Report or relevant performance, please feel free to contact the Bank through the following ways:

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Chairman's Statement



The past year was a critical year to implement the spirit of the 20th National Congress of the Communist Party of China, and also the twelfth year in the development progress of Bank of Gansu. The Bank has always adhered to the concept of high-quality development and promoted close cooperation with various stakeholders in the course of modernization, making unremitting efforts to build “a listed urban commercial bank with high-quality development and a comprehensive financial service provider of the first choice in the region”, and contributing to the development of the region as well as the country's construction. During the Year, Bank of Gansu has not lost sight of the original vision and has been solidly pushing forward its new development pattern, and has continued to improve the standard and performance of the corporate governance and sustainable development. In addition to enhancing its profitability and protecting shareholders' interests, the Bank has further improved its management standards and continued to promote various endeavours to new heights.

In 2023, we continued to enhance our governance and improve our risk control system. Based on the five-year strategic plan, the Bank continued to promote the implementation of various initiatives during the Year, mobilizing the entire Bank to build on the achievements already made. During the Reporting Period, the Bank conducted in-depth and comprehensive identification and assessment of ESG and climate risks, with a view to further strengthening and optimizing the Bank's risk control system. At the same time, the Bank also actively communicated with its stakeholders through various channels to understand their expectations and concerns through materiality assessment, etc., which are highlighted in this report to help stakeholders understand the Bank's performance and progress.

In 2023, we leveraged the characteristics of financial institution, grounded ourselves in reality, deepened innovation, and continued to promote high-quality development. During the Year, the Bank actively responded to national and local financial decisions and deployments, and continued to promote the construction of a green financial system, with the goal of creating a regional leader in green finance and building a green financial brand system. At the same time, the Bank has incorporated green development into the corporate governance and continued to optimize its organizational structure, with the Board regularly reviewing the status of green finance, comprehensively overseeing and evaluating the implementation of the Bank's green credit development strategy, and strategically defining the direction and key areas of support for its credit-granting business in order to support the development of the local economy.

In 2023, we adhered to low-carbon operation and responded to the national strategy of “carbon peaking and carbon neutrality”. During the Year, the Bank continued to implement the development concept of green operation, advocate green office, implement energy-saving and emission reduction measures, set and review the progress of energy-saving and emission reduction targets, rationalize the use of resources, and work with employees to maintain an environmentally friendly workplace. During the Year, the Bank also continued to pay attention to ESG and climate change issues, proactively identifying and evaluating ESG and climate change related risks, and actively responding to national, local and regulatory requirements.

In 2023, we believed in the principle of mutual trust and win-win cooperation, provided high-quality services, shared value with employees and society, benefiting a harmonious society. As a responsible employer, the Bank in compliance with the premise of the various employment management requirements, continued to optimize the working environment of employees, provide benefits and career development training for employees, to promote the common development of employees and the Bank and mutual trust and win-win situation. Based in Longyuan, the Bank continued to deepen the Lanzhou as the center, radiate the entire Gansu operating system, actively involved in regional development and construction, support the province's rural revitalization and corporate finance, and promote the high-quality development of the Gansu economy. At the same time, the Bank has also vigorously developed its digital platform and continued to implement the concept of serving people with financial services, integrating innovative products and services with the background of the development of the times, promoting ageing, digitalized and user-friendly services to serve the agriculture, rural areas, and farmers and micro and small-sized enterprises, enabling consumers to feel the warmth of the financial services, and protecting the rights and interests of the consumers in a practical manner. During the Reporting Period, the Bank actively made donations to the earthquake-stricken areas in Jishishan County to promote the spirit of earthquake relief.

2024 is a critical year for achieving the goals and tasks of the *14th Five-Year Plan*, Bank of Gansu would unwaveringly hold high the great banner of Xi Jinping's Thought on Socialism with Chinese Characteristics in the New Era, strive to promote high-quality development, and adhere to the development philosophy of *stable and far-reaching progress*. The Bank would vigorously develop science and technology, green finance, inclusive finance, pension finance, digital finance, and continue to help revitalize the countryside in order to improve the well-being of the people's wellbeing, and strive for results, and also the actual action to respond to the people's expectations for a better life, continue to write a colorful chapter of the Longyuan land.

Chairman of the Board of Directors: Liu Qing

About Us

Company Profile

Bank of Gansu was jointly established by merging and reorganizing the former Pingliang Commercial Bank, the former Baiyin Commercial Bank in collaboration with other sponsors after being approved by the former China Banking Regulatory Commission. At the end of the Reporting Period, the Bank has operations in all cities, prefectures, and 95% of counties in Gansu Province and formed a business system with Lanzhou as the center and multiple cities, prefectures and counties within the radiation. The corporate banking clients of Bank of Gansu include Fortune 500 and China Top 500 companies from a wide range of industries, including infrastructure, environmental, culture, tourism, "agriculture, rural areas and farmers", technology, livelihood and other sectors.

As the only provincial urban commercial bank in Gansu, the Bank prioritizes value creation, improves profitability, and further enhances asset-liability management with more emphasis on the balance of scale and effectiveness. Its ambition is to build the Bank into "a listed urban commercial bank with high-quality development and a comprehensive financial service provider of the first choice in the region". At the end of the Reporting Period, the Bank recorded an operating income of RMB6,665.1 million, increased by 2.12% from RMB6,526.8 million in 2022; the net profit increased by 7.0% from RMB604.3 million in 2022 to RMB646.6 million in 2023.

124,43 billion

At the end of the Reporting Period, the Bank's inclusive loans of micro and small businesses balance was RMB12.443 billion, with a cumulative investment of RMB10.058 billion; the number of inclusive loans granted to micro and small customers was 15,546, with a cumulative support of 13,501 micro and small customers during the Year.

⊕ Operating income

6.665+ million

▲ increased by 2.12%

⊕ The net profit

646+ million

▲ increased by 7%



Awards and Honors (Screening)	Awarding Units / Media
<ul style="list-style-type: none"> Ranked 315th on the list of 2023 Top 1000 World Banks and 63rd in Chinese Bank List 	<ul style="list-style-type: none"> The Banker (UK)
<ul style="list-style-type: none"> Ranked 446th on the list of 2023 Top 500 Brand Value of World Banks 	<ul style="list-style-type: none"> The Banker (UK)
<ul style="list-style-type: none"> Ranked 55th on the list of 2023 Chinese Top 100 Bank List 	<ul style="list-style-type: none"> China Banking Association
<ul style="list-style-type: none"> 2022 Annual Governor's Financial Award 	<ul style="list-style-type: none"> Gansu Provincial People's Government
<ul style="list-style-type: none"> The 7th Annual Retail Banking Technologies Summit <i>Digital Technology Innovation Outstanding City Commercial Bank Award</i> 	<ul style="list-style-type: none"> The 7th Retail Banking Technologies Summit
<ul style="list-style-type: none"> Won the <i>Institution Riding the Wind and Waves</i> award in terms of underwriting business in the inter-bank bond market 	<ul style="list-style-type: none"> Beijing Financial Assets Exchange
<ul style="list-style-type: none"> At the 2022 Best Banking News Stories and <i>Extraordinary Ten Years of Best Banking News Stories</i> Launch Conference, the Bank's <i>Actively Implementing Green Financial Innovation, Bank of Gansu Makes Strides on the Path of High-Quality Development</i> was rated as a good financial institution group in <i>Services for Agriculture, Rural Areas and Farmers news</i> 	<ul style="list-style-type: none"> China Banking Association
<ul style="list-style-type: none"> Won the <i>Iron Horse—Best Retail Business Small and Medium-sized Bank</i> award in the fifth <i>Iron Horse—Small and Medium-sized Banks</i> selection event 	<ul style="list-style-type: none"> The 2023 (11th) Small and Medium Bank Development Summit
<ul style="list-style-type: none"> Won three major awards: the <i>Commercial Bank Comprehensive Award — Five-Star Award</i>, <i>Commercial Bank Comprehensive Award — Star Award</i>, and <i>Commercial Bank Individual Award — Fixed Income Financial Management Award</i> at the 2023 Bank Financial Management High-Quality Development Forum and Bank Financial Management Product and Manager Award Ceremony 	<ul style="list-style-type: none"> Jian Finance Information, Cailian Press
<ul style="list-style-type: none"> Won the <i>Digital Product — Silver Award</i> in the 2023 Outstanding Digital Finance Competition 	<ul style="list-style-type: none"> Financial Digital Development Alliance
<ul style="list-style-type: none"> In the 5th Workers' Sports Meeting of Gansu Province, the Bank was awarded the <i>Moral Fashion Award</i> 	<ul style="list-style-type: none"> Gansu Federation of Trade Unions
<ul style="list-style-type: none"> Won the <i>Mobile Banking Pioneer Vitality Award in Digital Transformation Foresight—The 19th (2023) Digital Finance Joint Promotion Year Annual Event</i> 	<ul style="list-style-type: none"> China Financial Certification Authority
<ul style="list-style-type: none"> At the 2023 Fintech Conference and the 14th Fintech Innovation Award Ceremony, the <i>Full-stack Integrated Automated Testing Model</i> and <i>Longshi Housekeeper</i> independently developed and implemented by the Bank won the <i>Fintech Application Innovation Award</i> and <i>Industrial Digital Financial Construction Innovation Award</i>, respectively 	<ul style="list-style-type: none"> China Financial Computerization Corp
<ul style="list-style-type: none"> 2023 Joint Operation Award 	<ul style="list-style-type: none"> China UnionPay Co., Ltd.

OI

Better Governance, Strengthening Communication

- 🗨️ Statement of the Board of Directors
- 🗨️ Stakeholder Communication
- 🗨️ Sustainable Governance
- 🗨️ Materiality Assessment



Statement of the Board of Directors

Bank of Gansu completely, accurately and comprehensively implements the new development concept, firmly follows the “carbon peaking and carbon neutrality” (“dual carbon”) strategy, and actively devotes itself to building a greener and more inclusive new financial system. The Bank formulates and practices the Five-Year Development Strategy of Bank of Gansu (2021~ 2025), and is strategically positioned as “based on Gansu and serving greater Gansu” . Hence, the Bank practices national and regional strategies, serves the real economy in the province under the market niche of offering inclusive services to small and medium businesses, and remains true to the original intention of urban commercial banks. The Bank regards high-quality development as the core, transforms from speed orientation to quality orientation and from dispersing business to cohesive business, and balances the scale, profitability, risk and capital to promote the high-quality and sustainable development of business. The Bank regards “value creation” as the cultural mission, “stability, innovation, collaboration and integrity” as the core values, and creates value for society, customers, shareholders, employees and the Bank itself. The Bank is committed to becoming “a listed urban commercial bank with high-quality development and a comprehensive financial service provider of the first choice in the region” .

Guided by this strategy, the Bank practices the concept of green development, fulfills its social responsibility, promotes the development of green finance, and endorses the rural revitalization strategy. The Bank, based on small and medium-sized enterprises, provides solid service to the local real economy and incorporates the ESG concept into all processes of its operation and management. The Bank is fully aware of the importance of good corporate governance, including the governance of sustainable development and ESG-related matters. The Bank’s Board of Directors actively participates in ESG governance work. The details are as follows:

This Year, the Board of Directors reviewed and confirmed the assessment results of ESG material issues, continued to review ESG matters that were important to the Bank and stakeholders, and actively communicated with various stakeholders. At the same time, the Bank actively carried out the identification and assessment of ESG risks, including climate risks, and identified five types of important ESG risks, including data security, infectious diseases, anti-corruption and anti-money laundering, policy and legal changes, and climate change related transition risks. The Bank would continue to promote the formulation and improvement of relevant response measures for important ESG risks and integrate them into the existing risk management system. During the Reporting Period, the Bank researched and formulated environmental goals in three environmental categories, including greenhouse gas emissions, waste generation, and water resource use, and determined an action plan to achieve environmental goals. For details, please see the “Green Office” chapter of the Report. In the future, the Bank will regularly evaluate and review the progress of achieving ESG goals, adjust the goals according to actual conditions, continuously reduce the negative impact that the Bank may have on the environment, and improve ecological protection capabilities.



The Report discloses in detail the Bank’s ESG work progress and results, material issue assessment results, and ESG risk assessment results during the Reporting Period, and was reviewed and approved by the Board of Directors.

Stakeholder Communication

In order to continue to optimize communication with stakeholders, respond to stakeholder demands in a timely manner, and confirm the focus of future sustainable development, Bank of Gansu conducted a stakeholder materiality assessment questionnaire (“questionnaire”) during the Reporting Period. Through the two dimensions of “degree of influence by the Bank ” and “ degree of influence on the Bank” , the scope of major stakeholders was confirmed, and directors, management, employees, shareholders, customers, suppliers, the general public, and regulatory agencies were invited to attend a total of 8 types of stakeholders participated in the questionnaire survey, and 2,493 valid questionnaires were successfully collected.

01 Review the previous questionnaire survey

▶ Comprehensively review all processes of the stakeholder survey conducted in 2022, analyze and summarize the imperfections and the key direction to improve in this survey.

02 Identify the stakeholders involved in the survey

▶ The bank’s identified stakeholders in 2022 were re-evaluated from the “degree of impact on the Bank” and “degree of impact by the Bank” , and finally confirmed the major stakeholders that need to be covered by the questionnaire survey .

03 Select ESG material issues

▶ Based on the list of 2022 ESG-related issues of Bank of Gansu, actively incorporate the latest disclosure requirements of the SEHK, and refer to the national strategic orientation and policy trend, national strategies such as “dual carbon” goals, and rural revitalization, etc., and combine with the key issues which the banking peers focused on, to establish the list of 2023 ESG-related issues. The results were confirmed by the Bank’s management and relevant personnels responsible for ESG-related issues.

04 Prepare and distribute questionnaires

▶ Design the questionnaire on the confirmed key stakeholders and list of ESG topics, and organize personnel to invite all key stakeholders to fill in the online questionnaire through communication channels with them.

05 Collect the questionnaire and analyze the results

▶ Use the two dimensions of “importance to Bank of Gansu” and “importance to stakeholders” as the evaluation criteria, select those with higher importance in both dimensions under the three dimensions of environmental, social and operational responsibility issues as issues of importance.

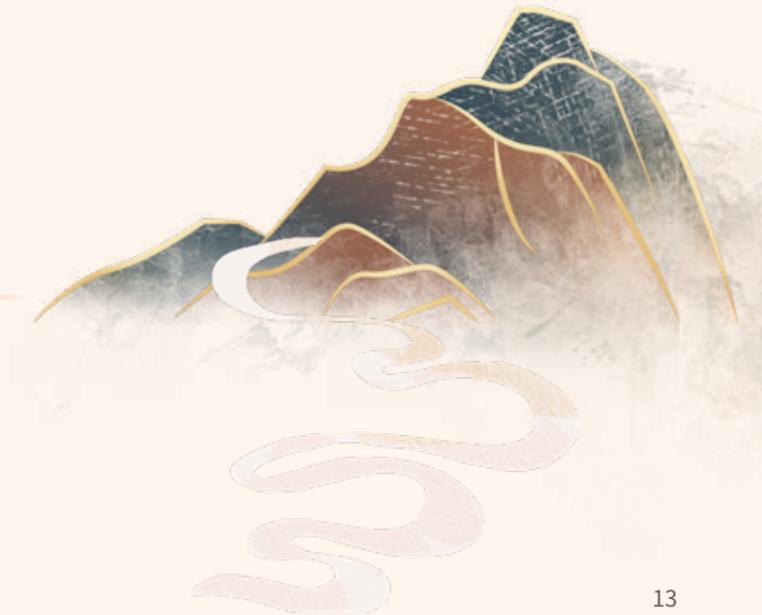
Sustainable Governance

The Bank has established a sustainability governance structure with clear levels and responsibilities to strengthen the ESG management. Approved by the Board of Directors, the Bank set up an ESG Leading Group in 2018, thus establishing a long-term governance mechanism for ESG management and ESG information disclosure. To further incorporate the ESG and sustainability development concepts into the strategic planning of Bank of Gansu, the Bank also improved the Terms of Reference of the Strategy and Development Committee of the Board of Directors in 2021 by adding its responsibilities in setting the Bank's ESG-related targets and supervising their implementation, as well as considering major issues related to ESG. The Bank will continue to pay attention to international and domestic ESG development trends and requirements, review the current ESG governance situation, and will continuously improve the ESG and sustainable development framework.

<p>Board of Directors</p> <p>▶ The highest ESG decision-maker</p>	<ul style="list-style-type: none"> • Supervise the Bank's ESG-related issues • Review ESG management approaches and strategies, including ESG topics and ESG risk assessment, prioritization and identification results • Review the Bank's ESG targets and the progress in target achievement • Review major ESG management issues, including but not limited to the annual ESG report
<p>ESG Leading Group</p> <p>▶ The leading group under the Board of Directors leads and coordinates ESG work, in which the Chairman serves as group leader, the leaders of the banks as the deputy group leaders, and the heads of all departments at the head office as members</p>	<ul style="list-style-type: none"> • Identify ESG-related issues for the Bank and key stakeholders, including ESG issues and ESG risks • Ensure that shareholders understand ESG-related issues and respond to shareholders' voices • Ensure the operation of the Bank's ESG responsibility management system • Be responsible for checking the ESG-related policies of the Bank and promoting all departments and branches to implement them • Make recommendations on ESG management to the Board of Directors when appropriate



<p>Strategy and Development Committee of the Board of Directors</p> <p>▶ The institution responsible for setting ESG targets under the Board of Directors and reporting to the latter</p>	<ul style="list-style-type: none"> • Set the Bank's ESG targets and supervise the implementation • Review documents on major ESG-related issues and submit proposals to the Board of Directors
<p>ESG Leading Group Office</p> <p>▶ The office under the ESG Leading Group, set up at the office of the Board of Directors to report to the ESG Leading Group</p>	<ul style="list-style-type: none"> • Formulate the Bank's ESG-related policies and targets, and report the work to the ESG Leading Group • Coordinate and guide all departments at the head office and branches to collect daily data of environmental and social key performance indicators to ensure the information are authentic and accurate • Organize and coordinate the preparation, improvement and disclosure of annual ESG report to ensure the disclosure quality of ESG report • Carry out other work arranged by the ESG Leading Group
<p>All departments at the head office and branches</p> <p>▶ ESG executing agency, in which ESG liaison officers from the departments at the head office and all branches execute ESG work</p>	<ul style="list-style-type: none"> • Implement ESG-related policies • Be responsible for collecting and submitting daily data of environmental and social key performance indicators • Carry out ESG-related work and ESG practices

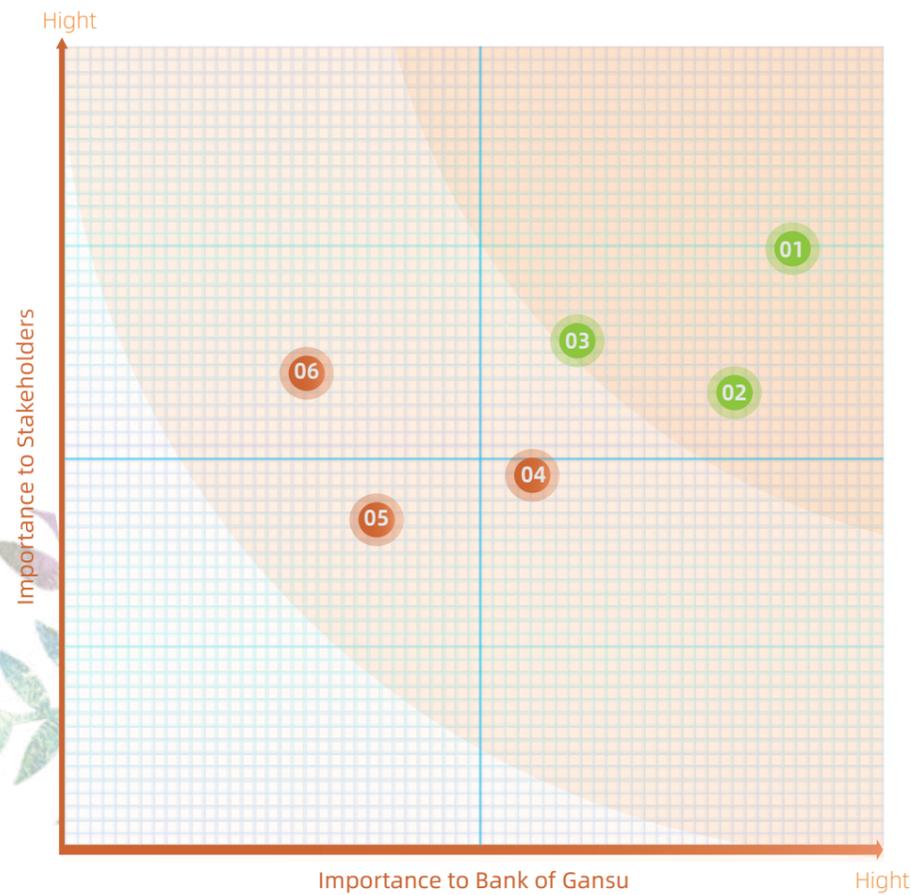


Materiality Assessment

To fully disclose the performance of Bank of Gansu in terms of sustainability, the Bank divided the issues into three aspects: environmental, social and operational responsibility by following the questionnaire structure and issues division approach adopted in 2022, and then selected the issues of higher importance at all aspects prioritized by the key stakeholders.

The scores of each issue in the stakeholder questionnaire were analyzed to form a materiality matrix. During the Year, the Bank identified 3 material issues on environmental responsibility aspect, 9 on social responsibility aspect and 6 on operational responsibility aspect, which were reviewed and confirmed by the Board of Directors. These material issues will be detailed in each chapter of the Report and will be used as an important reference for the Bank's future ESG work.

Materiality Matrix of Environmental Responsibility Issues



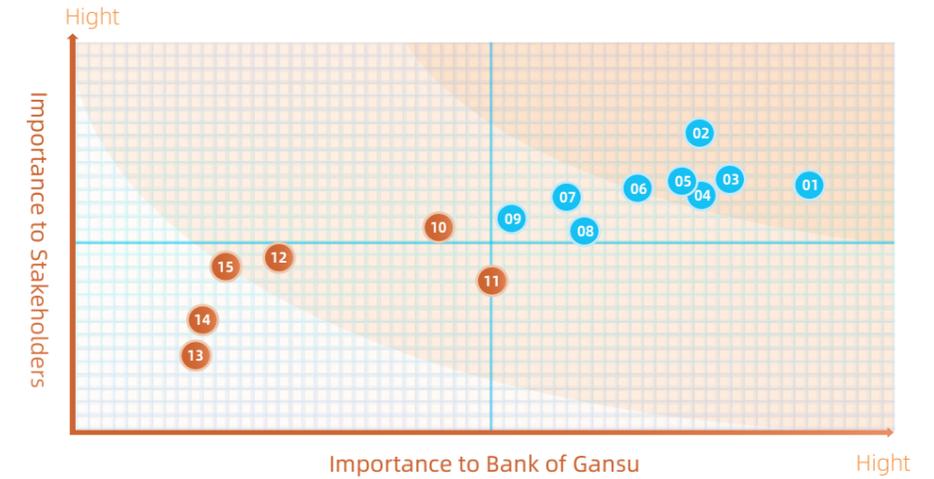
Material environmental issues

- 01 Green Finance
- 02 Serving the "Dual Carbon" Strategy
- 03 Resource Usage

Other environmental issues

- 04 Environmental Action
- 05 Response to Climate Change
- 06 Pollutant Emission Management

Materiality Matrix of Social Responsibility Issues



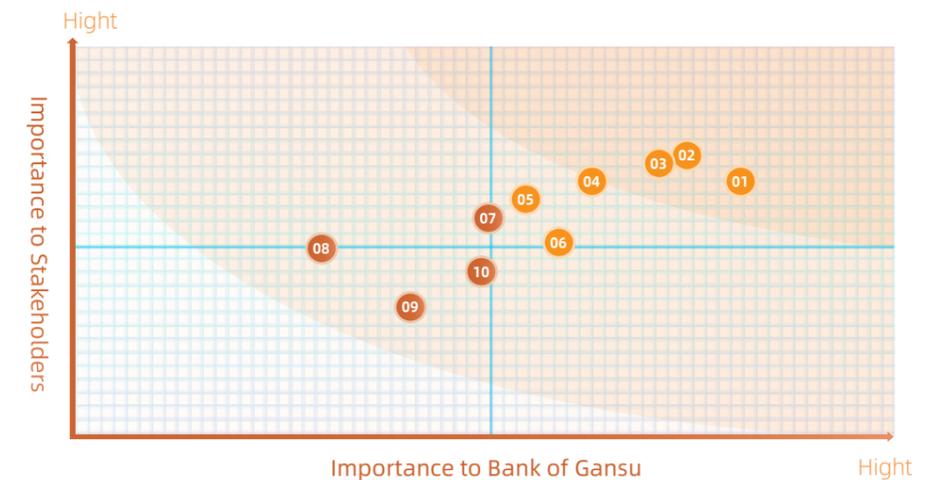
Material social issues

- | | | |
|---|---------------------------------------|----------------------------------|
| 01 Quality of Service | 04 Supporting Rural Revitalization | 07 Elderly-centered Service |
| 02 Anti-Corruption/ Bribery/ Extortion/ Fraud/ Money Laundering | 05 Financial Knowledge Popularization | 08 Customer Complaint Management |
| 03 Employee Development and Training | 06 Health and Safety of Employee | 09 Supply Chain Management |

Other social issues

- | | | |
|------------------------------|---|---|
| 10 Privacy Protection Policy | 12 Protection of Intellectual Property Rights | 14 Advertisement and Promotion |
| 11 Employment Management | 13 Community Welfare | 15 Prevention of Child Labor and Forced Labor |

Materiality Matrix of Operation Responsibility Issues



Material operational issues

- | | | |
|----------------------------------|--|---------------------------------------|
| 01 Strengthening Risk Management | 03 Compliance Management | 05 Standardizing Corporate Governance |
| 02 Serving the Real Economy | 04 Supporting Local Economic Development | 06 Inclusive Finance |

Other operational issues

- | | | |
|--|----------------------------------|--|
| 07 Serving "Small and Micro Enterprises, & Agriculture, Rural Areas and Farmers" | 08 Driving Strategic Cooperation | 09 Endorsing Industrial Transformation and Upgrading |
| 10 Fintech Application Promotion | | |

02 Seeking Victory, Maintaining Stability, and Adhering to Steady Operations

🏛️ Risk Management & Internal Control

🕒 Anti-corruption and Integrity Advocacy

🛒 Supply Chain Management



Risk Management & Internal Control

Bank of Gansu has been advancing the comprehensive risk management system since its incorporation and established a comprehensive risk management system plan of Bank of Gansu in 2021-2025 during the Reporting Period. The system mainly involves the management of credit risk, liquidity risk, market risk, operational risk, reputational risk, information technology risk, county-specific risk, strategic risk and other risks.

In terms of the risk management organizational system, Bank of Gansu has established a three-lines of defense for risk management, dominated by the business departments, various risk management departments, and the internal audit department and the discipline inspection department, ensuring that the Bank properly manages risks strictly under the guide principles of "compatibility", "completeness", "independence" and "effectiveness".

Risk Management Organizational System



The first line of defense:
▶ Business departments

- Responsible for the judgment, identification and evaluation of risk exposure status of each business unit or functional line, and propose countermeasures for risk control such as risk avoidance, risk transfer, risk mitigation and risk acceptance.
- Updates business processes, controls and policies under the established risk appetite, specifically promote the implementation of risk limit control requirements, and assess the impact of changes in regulatory requirements on relevant processes, policies and risk control measures.



The second line of defense:
▶ Various risk management departments

- Responsible for coordinating, identifying, measuring, evaluating, monitoring, controlling and mitigating overall risks and various important risks, promote the implementation of the overall risk appetite of the Bank, take the lead in the reporting of overall risks, and ensure that the Board of Directors and senior management are informed of the risk status of the Bank in a timely manner.
- Further extend the reach of risk management by assigning risk management middle platform to business operation institutions to enhance the effectiveness of the risk control.



The third line of defense:
▶ Internal audit department
▶ Discipline inspection department

- The internal audit department assumes the responsibility of auditing the performance of business departments and risk management department, and independently evaluates and reports on the implementation of bank-wide risk policies and the performance of the first and second lines of defense.
- The discipline inspection department is responsible for the strict prevention and control of irregularities, disciplinary actions, and violations of law that may occur among the Bank's practitioners.

The Bank accurately grasps relevant laws and regulations, regulatory requirements, as well as changes in national macro policies and industrial policies in a timely manner. In terms of risk management measures, the Bank has continuously improved the risk identification, measurement, monitoring and control from the aspects of optimized risk management planning, information technology system and risk management tools. Specific measures include:

Gradually form a comprehensive risk system

- ▶ Formulate risk appetite and risk management strategies,
- ▶ Formulate loan ceilings control, industry investment policy

Continuously improve the comprehensive risk management

- ▶ Internal control and evaluation system
- ▶ Prepare the comprehensive risk management system plan of Bank of Gansu
- ▶ Specify the overall development ideas and basic principles, and refine the implementation plan

Develop & Optimize

- ▶ Develop and optimize risk management information technology systems, including a new-generation risk early warning system, unified credit management system, stock systems such as collateral management systems and credit system

Design & Implementation

- ▶ Design and complete the detail measures over main operational risk management tools to satisfy the measurement conditions of operational risk standardized capital method

Improve the risk appetite

- ▶ Promote credit risk limit management
- ▶ Gradually establish a multi-level limit management system and improve the development of risk appetite system;

Market risk management and control

- ▶ Standardize the procedures of market risk identification, measurement and monitoring,
- ▶ Control the market risk by establishing models, using VaR calculation, bond duration analysis, sensitivity analysis, exposure analysis in foreign exchange, stress test in market risk and other approaches

Anti-corruption and Integrity Advocacy

The Bank attaches great importance to anti-corruption and strictly abides by the laws and regulations, for instance, the *Regulation of the Communist Party of China on Disciplinary* (《中國共產黨紀律處分條例》), the *Law of the People's Republic of China on Administrative Discipline for Public Officials* (《中華人民共和國公職人員政務處分法》), the *Criminal Law of the People's Republic of China* (《中華人民共和國刑法》), and the *Oversight Law of the People's Republic of China* (《中華人民共和國監察法》) to strictly prevent and control possible violations, discipline violations and law violations of its employees. Furthermore, the Bank prepares its internal systems, including the *Trial Implementation Measures for Complaint Management and Investigation of Bank of Gansu* (《甘肅銀行信訪管理及查處工作實施辦法(試行)》), the *Measures for the Assessment of the Party Construction of Bank of Gansu* (《甘肅銀行黨風廉政建設工作考核辦法》), and other six internal systems related to petitions, reporting of Party members and cadres and clean government work, accountability for violations and dereliction of duty, party ethics and clean government construction, and case prevention and control measures, to gradually improve the whole institutional system.

In addition to the internal system, the Bank has established a four-in-one complaint mechanism of "letters, visits, call, internet", which accepts and handles issues and traces in accordance with relevant requirements, so as to effectively curb the occurrence of corruption and other illegal acts. In terms of complaint management, the stationed Discipline Inspection and Supervision Office has formulated a corresponding working system. In accordance with the principles of unified management, classification and treatment, and handling within a time limit, the approval process is strictly implemented. In accordance with the requirements of registration acceptance, analysis and judgment, investigation and verification, and handling of issues, the Bank investigates and deals with issues and traces on complaint letters in accordance with the law.

For anti-money laundering, the Bank has formulated comprehensive anti-money laundering rules and procedures in accordance with the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》) and the regulations of the People's Bank of China. The Board of Directors oversees the implementation of the Bank's anti-money laundering policies, supervises the senior management to formulate and follow anti-money laundering rules and procedures, reviews reports from the senior management on any major anti-money laundering matters and the Bank's money laundering risk profile, and adjusts the anti-money laundering policies of the Bank on a timely basis. Meanwhile, the Bank has established an anti-money laundering leadership group at the head office and its branches and sub-branches.

During the Reporting Period, Bank of Gansu strictly complied with the regulatory requirements of the aforementioned laws and regulations on corruption, bribery, extortion, fraud, money laundering and other illegal acts. During the Year, Bank of Gansu has not received any legal cases regarding corrupt practices against the Bank or its employees.

Launched A Special Initiative on 'Learning from Examples, Taking Cases as Warning, and Improving through Rectification'

During the Year, the Bank carried out the special activity of "Learning from Examples, Taking Cases as Warning, and Improving through Rectification". A total of more than 3,800 employees across the Bank were organized to conduct 40 case discussions, and a total of three business departments and three branches and sub-branches were organized to carry out bank-wide case presentations, creating a strong compliance atmosphere. This initiative has established the principle of "Business Development, Compliance Goes First" across the Bank, further standardizing the behavior of employees and promoting the Bank's compliance with the law and stable operation.

Warning Educational Training Activity on Anti-corruption

The Bank actively organizes anti-corruption warning education and training activities for board members and employees. During the Reporting Period, the head office organized all party members, leading cadres and employees to watch warning education films produced by the Provincial Commission for Discipline Inspection and Supervision for 2 times. The Discipline Inspection Commissions of each branch and sub-branches also organized and carried out various forms of warning education activities.

From April 23rd to 29th, 2023, the Bank Discipline Inspection Cadre Comprehensive Capability Enhancement Training Class was inaugurated at the Shapingba Campus of Southwest University of Political Science and Law. This training session represented the first time that the discipline inspection and supervision cadre line of the Bank has undergone the most systematic and concentrated study and training. It aims to effectively enhance the political stature, rule of law thinking, capability to enforce discipline according to law, and comprehensive qualities of the discipline inspection cadres. It provides a strong organizational guarantee for promoting the high-quality development of Bank of Gansu's discipline inspection and supervision work, fully reflecting the determination of the bank's party committee to adapt to the needs of the reform of the discipline inspection and supervision system and vigorously enhance the capability and quality of the entire bank's discipline inspection and supervision cadres.



Supply Chain Management

2,863 suppliers

During the Reporting Period, the Bank strictly managed a total of 2,863 suppliers, including 2,503 suppliers from Gansu Province and 360 suppliers from other provinces, in accordance with aforementioned provisions. All procurement processes have been up to the regulations on integrity practice, and no commercial bribery and improper transactions have occurred.

Bank of Gansu attaches great importance to environmental and social risk management across the supply chain. The Bank reduces the environmental and social risks in the supply chain by strengthening policies and measures together to avoid the negative impacts caused by supply chain risks on the Bank's operation while minimizing the Bank's potential impact on the environment and society.

As for supplier employment practices, the Bank is committed to improving supplier service standards, reducing procurement costs and saving resources throughout the whole process from demand scheme, project procurement to production in accordance with the provisions of the *Administrative Measures for Centralized Procurement Management of Bank of Gansu* (《甘肅銀行集中採購管理辦法》) and the *Administrative Measures for Supplier Management of Bank of Gansu* (《甘肅銀行供應商管理辦法》). In practice, the scope of Bank's centralized procurement is determined as per the centralized procurement catalog and quota, and suppliers are admitted or selected according to the centralized procurement procedures in the administrative measures for centralized procurement management. In the process of evaluation, a comprehensive consideration will be given to business qualification, tax, financial standings, case of the dishonest judgment debtor, credit and other aspects to select suppliers whose qualifications and capabilities satisfy the needs of the Bank.

When assessing the impact of the supply chain on the environment and society, the Bank gives priority to the energy-saving and environmentally-friendly products during centralized procurement in strict accordance with the requirements of the *Interim Provisions for the Management of Centralized Procurement of State-Owned Financial Enterprises* (《國有金融企業集中採購管理暫行規定》). The Bank mainly evaluates contents related to new energy, new technologies and new processes when conducting procurement on goods and projects, and some measures such as safe and proper construction during construction. At the same time, the Bank also considers reducing the impact on the environment when purchasing goods or services, while looking for high-quality products and services, the Bank takes environmental factors into account, considers the impact of their recycling or emission, and selects qualified environmental recyclers. For instance, the Bank purchases vehicles for emission within 1.8L (inclusive), and requires the supplier to provide eco-friendly construction plans for the proposed projects. In addition, the Bank also carries out routine and annual evaluations on suppliers, and includes environmental and social factors such as environmental protection, energy conservation and emission reduction in the content of evaluations.

Supplier communication management

Establish a complete communication and complaint handling mechanism by the classifications of suppliers, so as to strengthen the cooperation and mutual trust between the two sides.

Supplier information management

Standardize and manage suppliers' products, prices and basic data in the supplier information system.

Supplier integrity archive management

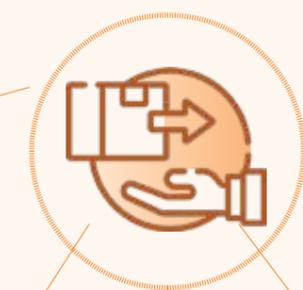
Establish integrity archives to manage supplier integrity, and require suppliers to sign the letter of integrity.

Admission to and withdrawal of suppliers

Review the supplier's documents and materials, conduct on-site investigation and product testing, and give access after they pass the review; review the suppliers who fail to perform the contract as required, have significant adverse social impacts, cause supply risks or other violations of management measures, and advise them to withdraw from the Bank.

Supplier evaluation

Comprehensively evaluate the performance of suppliers by the procurement management department during cooperation by means of quality inspection and service evaluation.



03 Endeavoring to Innovation, Optimizing Customer Experience

-  Improve Service Quality
-  Safeguard Customers' Rights and Interests
-  Protect Intellectual Property Rights
-  Optimize services for the elderly
-  Fintech Innovation



Improve Service Quality

Bank of Gansu thoroughly follows the service philosophy of “customer-centric”, and strictly abides by laws and regulations such as the *Banking Supervision Law of the People's Republic of China* (《中華人民共和國銀行業監督管理法》), the *Law of the People's Republic of China on Commercial Banks* (《中華人民共和國商業銀行法》), the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》) and the *Guide for the Protection of Consumer Rights and Interests in the Banking Sector* (《銀行業消費者權益保護工作指引》) to standardize and improve the Bank's service. Besides, the head office of Bank of Gansu and its branches and sub-branches have established a “first-in-command” designated person's responsibility system for service quality. The immediate principal is responsible for enforcing service supervision within the Bank or departments by supervising internal inspection, checking the actual service offered by the Bank's employees, and timely correcting and improving their weaknesses. The Bank continues to carry out external satisfaction evaluations, collects satisfaction status and analyzes current customer service conditions; it also sets up dedicated posts internally to rate and assess customer center agents, and conducts quality inspection and assessment of online customer service staff conversation records; it regularly conducts inspect work and make every effort to ensure service levels.

In terms of customer complaint management, the Bank formulates many internal policies, for instance, the *Detailed Rules for Consumer Complaint Management of Bank of Gansu* (《甘肅銀行消費者投訴管理實施細則》), the *Administrative Measures for Customer Complaint Handling of Bank of Gansu* (《甘肅銀行客戶問題處理管理辦法》) and the *Operating Procedures for the Management of Customer Complaint Handling of Bank of Gansu* (《甘肅銀行客戶問題處理管理操作程序》) on the basis of its reality and in accordance with the regulatory provisions, such as the *Notice on Strengthening the Handling of Client Complaints in the Banking Sector* (《關於加強銀行業客戶投訴處理工作的通知》) and the *Notice on Improving the Client Complaint Handling Mechanism of Banking Financial Institutions to Effectively Protect Financial Consumers* (《關於完善銀行業金融機構客戶投訴處理機制切實做好金融消費者保護工作的通知》). With those policies in place, the Bank standardizes customer complaint handling, improves the process to transmit complaint contents, and ensures that those complaints can be handled timely and effectively, so as to improve customer satisfaction.

During the Reporting Period, Bank of Gansu received 1,097 customer complaints, which were all properly settled.

According to the type of business		According to the complaints by region	
Loans	620	Lanzhou City	893
Bank cards	347	Qingyang City	32
RMB savings	59	Tianshui City	32
Others	47	Pingliang City	23
Self-managed finance	9	Zhangye City	21
Bank agency business	8	Jiuquan City	19
Payment & settlement	6	Baiyin City	17
Personal financial information	1	Dingshi City	16
		Wuwei City	14
		Linxia City	13
		Longnan City	11
		Jiayuguan City	4
		Gannan City	2

134,228 feedbacks

The Customer Service Center of the Bank conducted a customer satisfaction survey during the Year and received a total of 134,228 feedbacks.

The complaint handling rate

100%

The satisfaction rate

98.63%

▲ 0.06% higher

Safeguard Customers' Rights and Interests

100,000+ times

During the Reporting Period, the Bank distributed more than 100,000 promotional brochures; the Bank produced various videos, beauty articles, and Yiqi Shows with more than 10,000 times. The educational work has received external praise due to its adequate preparation, effective activities, and good social response.

Offline publicity events

200+ events

Audience

500,000 customers

External praise

more than 50 times

Bank of Gansu strictly abides by the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》) and has formulated internal policies such as the *Detailed Rules for the Protection of Consumer Rights and Interests of Bank of Gansu (2022 Revision)* (《甘肅銀行消費者權益保護工作實施辦法(2022年修訂)》), the *Terms of Reference of the Consumer Rights and Interests Protection Committee of the Board of Directors of Bank of Gansu* (《甘肅銀行董事會消費者權益保護委員會議事規則》) and the *Provisions on the Pre-Sale Management and Information Disclosure of Individual Products and Services of Bank of Gansu* (《甘肅銀行個人產品與服務售前管理及信息披露規定》). The Board of Directors is the highest decision-making body for the Bank's consumer rights protection work and assumes the ultimate responsibility for consumer rights protection work. In order to strengthen the organization and management of consumer rights protection work, the Bank has established a Consumer Rights Protection Committee under the Board of Directors and a Financial Consumer Rights Protection and Service Management Committee at the head office level. The Committee is headed by the person in charge of consumer rights and interests protection work. As the leader of the bank, he is responsible for the organization, promotion, supervision and inspection of the bank's financial consumer rights and interests protection work.

In terms of products and advertising, the Bank strictly observes the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》), and practices two-level management including the head office and branches (direct sub-branches). As the department in charge of advertising, the office is responsible for unifying and centralizing the advertising management. Also, the Bank formulates the *Administrative Measures for Advertising and Publicity of Bank of Gansu* (《甘肅銀行廣告宣傳工作管理辦法》), which specifies the division of responsibilities, planning, budget, approval and internal control of advertising and publicity. In this way, the Bank ensures its products, services and activities are advertised legally and compliantly with authentic and reliable information. In order to protect consumers' rights and interests to know and make independent choices, the Bank has also clarified this in the *Detailed Rules for the Protection of Consumer Rights and Interests of Bank of Gansu (2022 Revision)* (《甘肅銀行消費者權益保護工作實施辦法(2022年修訂)》). The Bank strictly requires its product and service sales personnel to sell products and services in accordance with the head office's standard specifications, resolutely put an end to concealing risks, and shall not require financial consumers to purchase products and services that are not explicitly required in the agreement by attaching restrictive conditions.

In addition, the Bank also regards the protection of consumer data and privacy as the top priority of protecting customers' rights and interests. In accordance with the *Personal Information Protection Law of the People's Republic of China* (《中華人民共和國個人信息保護法》) and the *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》) and other laws and regulations, the Bank has developed internal management policies such as the *Administrative Measures for Personal Financial Information Protection of Bank of Gansu (2023 Revision)* (《甘肅銀行個人金融信息保護工作管理辦法(2023年修訂)》), the *Administrative Measures for Information Security of Bank of Gansu* (《甘肅銀行信息安全管理办法》) and the *Emergency Response Plan Implementation Details for Personal Financial Information Leakage Incident of Bank of Gansu* (《甘肅銀行個人客戶信息洩露突發事件應急預案實施細則》). The former regulates the collection, preservation, use and management of personal financial data, ensures personal financial information security and prevents information leakage and abuse; the latter defines the Bank's overall information security strategy, management responsibilities and management contents, including data security, operation and maintenance security and the management of system network security, so as to improve the capacity to handle information security events. During the Reporting Period, the Bank has strictly complied with laws and regulations related to customer privacy and security, and there was no incident found that related to leakage of customer information. The Bank actively fulfills its social responsibilities, takes financial responsibilities, and popularizes and publicizes financial knowledge. During the Reporting Period, the Bank regarded popularizing financial knowledge among the public and enhancing consumer awareness of rights and interests and rights protection as an important part of consumer rights protection work, and insisted on ensuring that the publicity and education work is public welfare, effective, service-oriented and sustainable, and is effective utilizing activities such as "March 15 International Consumer Rights Day", "Financial Knowledge Popularization Month", "Financial Knowledge into Thousands of Homes", and "Financial Consumer Rights Protection Education and Publicity Month", the Bank organized and led the whole bank with themes such as "Gather financial power, Create a better life together" "Protect the basic rights of consumers "Guaranteeing Consumption Fairness", we actively carry out various publicity and education activities to popularize financial knowledge, and actively carry out targeted and centralized publicity and education for different consumer groups.

Protect Intellectual Property Rights

Bank of Gansu formulates intellectual property right policies and rules to strengthen its protection and management on intellectual property and make sure that it has rules to follow, for instance, the *Administrative Measures for Intellectual Property of Bank of Gansu (2023 Revision)* (《甘肅銀行知識產權保護管理辦法(2023年修訂)》), the *Administrative Measures for Trademark of Bank of Gansu (2023 Revision)* (《甘肅銀行商標管理辦法(2023年修訂)》) and the *Operating Procedures for Trademark Management of Bank of Gansu (2023 Revision)* (《甘肅銀行商標管理操作程序(2023年修訂)》) in strict accordance with the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》), the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》), the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), the *Detailed Rules for the Implementation of the Patent Law of the People's Republic of China* (《中華人民共和國專利法實施細則》).



In order to effectively manage intellectual property-related work and prevent and control intellectual property risks, the Bank has established a management system with clear responsibilities. The Legal and Compliance Department of the Head Office serves as the leading department to formulate the system and guides various departments. Each department of the Head Office serves as the specific handling department and is responsible for the management and protection of its own intellectual property rights. Each branch is responsible for the application and registration of intellectual property rights.

In addition to strengthening the system construction to ensure that intellectual property rights protection has rules and regulations, the Bank also actively strengthens the protection and management of its own trademarks, internet domain names, computer software copyrights and other intellectual property rights through registration certificates, copyright registration, etc., so as to achieve property rights are clear; deferrable intellectual property registrations are renewed in a timely manner upon expiration, and cleaning and maintenance are strengthened to prevent losses caused by failure; at the same time, infringements of the Bank's intellectual property rights are safeguarded through litigation in accordance with the law. During the Reporting Period, the Bank did not have any intellectual property-related violations.

Optimize services for the elderly

During the Reporting Period, Bank of Gansu always adhered to customer-centric, insisted on providing door-to-door services to elderly customers with mobility difficulties, and increased the promotion of financial knowledge among elderly customers to guide the majority of elderly consumers away from illegal financial activities and protect financial consumption. At the same time, the Bank actively creates online and offline integrated financial service for the elderly, and launches financial education activities tailored to the living environment of the elderly, so as to help elderly consumers get on the "digital express" on the way to the development of an informatized and intelligent society.

Optimize the service facilities and practice "convenience and benefit for the people"

Strengthen the construction of outlet service infrastructure, and set up 193 branches with barrier-free basic services. The branches are equipped with service facilities such as special seats, wheelchairs, reading glasses, magnifying glasses, free rain gear, blood pressure monitors, and medical kits.

Empower to create "elderly-centered services" with financial technology

In order to allow elderly customers to adapt to the intelligent transformation of banks as soon as possible, the Bank has enhanced the configuration and services of lobby managers in the lobby, provided special guidance and full escort to elderly customers who need help, and carefully guided elderly customers who were willing to use self-service services and pay attention to protecting customer privacy while retaining traditional counter options for older customers

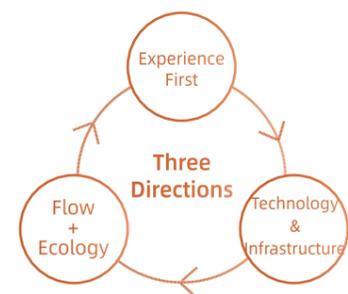
Focusing on customer needs to bridge the "last kilometer"

- ▶ Open caring channel for special people in each outlet, and add service windows for the elderly when needed
- ▶ Open green channels and extend the service radius to open up the "last kilometer" of financial services
- ▶ During the Reporting Period, the Bank conducted 1,142 door-to-door payment and settlement services for the elderly.

Publicize financial knowledge and strengthening financial education

- ▶ Continue to pay attention to key financial education groups such as "one old and one young", and promote daily and large-scale financial education activities by creating an "online + offline" and "centralized + positional" financial education publicity network
- ▶ During the Reporting Period, the Bank carried out more than 600 special education activities for the elderly, with an audience of more than 500,000 people

Fintech Innovation



Bank of Gansu attaches great importance to the development of fintech and is committed to innovating financial products, financial services, and financial channels. During the Year, Bank of Gansu regarded building "a listed urban commercial bank with high-quality development and a comprehensive financial service provider of the first choice in the region" as the goal, focusing on three major entry points of "experience first" "flow" + "ecology" "technology and infrastructure", anchoring with three directions of business digitization, risk control digitization and management digitization, orderly promoting product innovation and digital transformation of the implementation of key projects, and continuing to improve marketing customer acquisition, risk pricing and service capabilities, to achieve the rapid development of traditional financial services interconnection and new Internet financial model.

The Bank will continue to comprehensively and systematically promote product innovation and digital transformation across the Bank, continuously enrich and improve financial innovation products, enhance the brand influence and competitiveness of Bank of Gansu, and also strive to strengthen data governance, improve the construction of data systems, and continue to deepen data Standardization, data quality and data security management. In the future, the Bank will also focus on improving technology research and development efficiency, jointly promote system optimization, achieve in-depth integration of business departments, technical service teams and technical experts, ensure the safe and stable operation of information and data centers, and comprehensively enhance information technology risk management capabilities.

Bank of Gansu Carried Out Training and Activities Related to Digital System Construction



In 2023, the Bank successively carried out "Technology Empowerment to Help High-Quality Development of the Bank" and "Information Technology Manager Skills Training" activities, and produced a data asset portal system, a comprehensive service management platform, "Xiao Gan e-Enterprise Check", etc. 9 series, a total of 43 video courseware; 6 "Xiaogan Smart Star" training sessions have been completed in Jincheng Branch, Chengguan Branch, Tianshui Branch, and Zhangye Branch. By the end of the Reporting Period, a total of 590 managers have been provided with data services. It has achieved three-level data management at the head office, branches and sub-branches, with an average of 350 logins per day. The Bank has also prepared for the first digital product innovation competition, and formulated an activity plan based on the competition schedule, organization method, training courses and other details.

Bank of Gansu Fintech Awards (Selected)



At the 2023 Fintech Conference and the 14th Fintech Innovation Award Ceremony, the *Full-stack Integrated Automated Testing Model* and *Longshi Housekeeper* independently developed and implemented by the Bank won the *Fintech Application Innovation Award* and *Industrial Digital Financial Construction Innovation Award*, respectively.

Orderly proceeding with the digital transformation work

During the Reporting Period, the Bank further promoted digital transformation and formulated the *Bank of Gansu 2023 Digital Transformation Implementation Plan* (《甘肃银行2023年数字化转型实施方案》). The work focused on the construction of digital organizational system, digital institutional system, digital product system, data governance system, and digital security system, digital assessment system construction, digital cultural system construction and digital talent team system construction were carried out systematically at multiple levels, dimensions and channels. The Bank is committed to building an efficient and agile digital transformation system to enable the Bank to better adapt to the needs of rapid changes in the financial industry and provide customers with higher quality and more convenient financial services.

Significant improvement in product innovation



During the Reporting Period, the Bank completed 16 product innovations in accordance with its five major business lines, namely public, personal, retail credit, online banking and interbank. Among them, the cash management platform has completed its first phase of production and launch on November 3, 2023, with four institutions and six target customers in reserve, and the ability to innovate and implement products has been significantly enhanced.

► Construction of digital organizational system

During the Year, the Bank established a chief information officer to ensure that the information technology strategy was in line with the Bank's business strategy and information technology risk management strategy; optimized the work process of the Information Technology Management Committee and gave full play to its functions; improved the information technology management system, forming the "three lines of defense" composed of the information technology department, risk management department, and audit department

► Construction of digital institutional system

During the Year, the Bank continued to improve and update its system during the digital transformation process to adapt to the development of digital technology and changes in business needs. It formulated and revised internal systems in terms of data security and data governance, and improved the data management system. security level classification standards and data life cycle security management requirements

► Construction of digital product system

During the Year, in terms of digital innovation leadership, the Bank actively promoted the construction of Benefit the Agriculture Financial Service Stations and completed the formulation of pilot plans for the construction of Benefit the Agriculture Financial Service Stations and the reporting to regulatory agencies

► Construction of digital governance system

During the Year, the Bank focused on building four major data capabilities with "data standard management, data quality management, data security management, and data application service" to gradually improve the construction of the digital governance system

► Construction of digital security system

The information security system was the foundation of digital transformation, providing support and guarantee for digital transformation. Digital transformation promoted the upgrading and improvement of the information security system. The Bank comprehensively considered technology, management, personnel and other aspects to ensure the safe and stable operation of the bank information system

► Construction of digital assessment system

During the Year, the Bank's assessment system planned to develop from multiple dimensions such as online business proportion and channel customer activity; data governance will be included in the bank-wide KPI assessment, and through the development of assessment work, the bank's data governance will be promoted Pay high attention to the work and improve the understanding of data governance, so as to achieve continuous improvement of data quality

► Construction of digital cultural system

During the Year, the Bank was aimed to achieve the goal of "promoting the formation of common values, ways of thinking and working habits in the bank's digital transformation process, and providing strong cultural support for the bank's digital transformation". The Bank continued to strengthen the digital concept among all employees, improve data thinking ability, create a digital working atmosphere, and strengthen digital publicity and promotion, etc.

► Construction of digital talent team system

During the Year, the Bank actively implemented a talent recruitment plan and vigorously recruited professionals with digital transformation skills and experience through campus recruitment, social recruitment, peer introduction and other channels to meet the needs of digital transformation of banking business. During the Year, the Bank's self-developed Longshi steward, and the whole stack of integrated automated testing mode won the 14th Financial Technology Innovation Award

04 Giving Priority on Ecology, Developing Green Finance

 Green Finance

 Green Office

 Serve the "Dual Carbon" Strategy



Green Finance

Bank of Gansu is actively responding to national and local financial decisions, practicing the green concept of sustainable development. The Bank has formulated the *Five-Year Development Strategy of Bank of Gansu (2021-2025)* (《甘肅銀行五年發展戰略(2021-2025)》), which has clearly responded to the policy call to continue to promote green finance, to build a regional leader in green finance and to construct a green finance brand system. The Bank has incorporated green development into its corporate governance and continued to optimize its organizational structure. The Board of Directors of the Bank is responsible for regularly reviewing the situation of green finance, comprehensively overseeing and evaluating the implementation of the Bank's green credit development strategy, and set up a Green Finance Department at its headquarters.

Bank of Gansu has formulated relevant systems and regulatory documents in terms of strategic planning, green financial products and service innovation, credit and risk management, mainly including the *Green Credit Policy of Bank of Gansu Co., Ltd.* (《甘肅銀行股份有限公司綠色信貸政策》), the *Detailed Rules for Green Credit Policy of Bank of Gansu Co., Ltd.* (《甘肅銀行股份有限公司綠色信貸政策實施細則》), the *Administrative Measures for Green Financial Bond Fund-Raising of Bank of Gansu Co., Ltd.* (《甘肅銀行股份有限公司綠色金融債券募集資金管理辦法》), and the *Annual Industry Credit Authorization Policy Guidance of Bank of Gansu Co., Ltd.* (《甘肅銀行股份有限公司年度行業授信政策指引》). Through these guidelines, the Bank has firmly implemented the environmental economic requirements set by the national regulatory authorities and strategically defined the direction and key areas of support for credit business to promote the development of green credit and other businesses.

The Bank strengthens the management of green credit throughout the entire process, strictly controls project and customer access, explores differentiated approval processes and differentiated credit authorization, and opens up fast channels for environmentally friendly green projects in a timely manner. The Bank implements differentiated management and strictly controls the provision of financing to the "two highs and one surplus" sectors. The Bank implements a "one-vote system for environmental protection" for enterprises and projects that do not meet environmental protection requirements. In terms of business review, the Bank's business staff conducts compliance audits of project proposals, environmental impact assessments, and four certificates, etc. Meanwhile, the Bank has embedded environmental risk prevention and management into its risk alert system and post-credit management process, and has set up a dynamic tracking system to promptly identify enterprises and projects that fail to meet environmental protection standards and to take corresponding measures.



The Bank has stepped up its efforts in green financial innovation, focusing on supporting the construction of green projects in energy efficiency and environmental protection, cleaner production, new energy, and recycled agriculture, and continues to explore and pilot new green financial products and services. In addition, the Bank raises funds to support green areas such as pollution prevention and control, clean energy, water conservation, and ecological protection through the issuance of green financial bonds, helping to fight the battle against pollution. The Bank has already placed its first carbon emission right pledge loan, and is planning to issue green financial bonds to broaden the source of funds by actively connecting with green reserve projects. At the end of the Reporting Period, the Bank has cumulatively invested RMB6.416 billion in green loans, with a balance of RMB16.034 billion in green loans. Among the Bank's green loans, RMB5.2 billion were for the ecological and environmental industry,

Infrastructure green upgrading

RMB **51.84** billion

Clean energy industry

RMB **17.04** billion

Energy conservation and environmental protection industry

RMB **24.75** billion

Cleaner production industry

RMB **14.62** billion

Bank of Gansu Actively Supports the Manufacturing of Wind Power Equipment

Yumen Ailang Wind Power Technology Development Co., Ltd. is a manufacturer specialising in wind power generation equipment and ancillary parts and components, with a total investment of RMB 600 million for the first phase of its wind power production line construction project in Yumen. The Bank's Jiuquan Branch made every effort to co-ordinate and solve the problems in the progress of the project, and finally granted a credit facility of RMB 420 million to the company, with a project construction loan of RMB 80 million having been disbursed.

Bank of Gansu Launched "Carbon Credits" Benefit Service

The Bank has been actively implementing the concept of green development and continuously innovating green financial products. In February 2023, Bank of Gansu launched the "Carbon Credits" entitlement service for individual customers, which aims to identify the low-carbon and green behaviours of users in their daily lives and financial scenarios through Bank of Gansu's Mobile Banking, and to quantify the amount of paper, fuel, etc. saved in these behaviours as carbon credits. The service also provides incentives such as benefit redemption to encourage users to adopt more low-carbon behaviours. The launch of this service will help enrich the financial services landscape and raise awareness of green consumption among the general public.

 Green Office

Bank of Gansu operates its business mainly in offices and branches and sub-branches. In order to reduce the impact of operation activities on the environment, the Bank establishes and constantly improves the statistical system of resource consumption and pollution emission. The Bank proposes to reduce the loss of energy, paper, water and other resources, implement energy-saving transformation and upgrading of buildings, lighting and office equipment, and vigorously promote electronic billing, paperless office, mobile office, online video conference and green public travel, so as to achieve the sustainable development goal of low-carbon operation.

The Bank strictly complies with the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》) and other laws and regulations. The Bank prepares guidance such as the *Provisions on Hazardous Waste Management of Bank of Gansu* (《甘肅銀行有害廢棄物管理規定》), the *Provisions on Non-Hazardous Waste Management in Office Areas of Bank of Gansu* (《甘肅銀行辦公區域無害廢棄物管理規定》), the *Administrative Measures for Building of the Head Office of Bank of Gansu* (《甘肅銀行總行本部辦公大樓管理辦法》) and the *Administrative Measures for Canteen of the Head Office of Bank of Gansu* (《甘肅銀行總行本部職工食堂管理辦法》), in this way, the Bank standardizes resource and emission management, improves resource efficiency, and reduces air and greenhouse gas ("GHG") emissions, waste discharges into water and land, and the generation of hazardous and non-hazardous wastes. During the Reporting Period, the Bank managed its own pollution emissions in strict accordance with laws and regulations and had no violations related to environmental pollution.

In terms of environmental target setting, some branches and sub-branches of the Bank have tracked and reviewed the environmental targets set in the previous year and set corresponding targets based on the related environmental performance data for the Year. During the Reporting Period, the Bank further expanded the scope of the target setting, improved the setting of targets for greenhouse gas emissions, waste reduction and water conservation, and finalized action plans to achieving the environmental targets. The Bank would continue to track and review the action plans and progress of achieving the targets.

Category of environmental targets	Branch	Environmental targets	Indicators
Greenhouse Gas Emissions	Head Office & Branches (Sub-branches)	Reducing Greenhouse Gas emissions from vehicles	Overall fuel consumption or frequency of use of administrative vehicles
		Enhancing staff awareness of low carbon office	Number of carbon peak and carbon neutral publicity events/training programmes
Waste Reduction	Head Office & Branches (Sub-branches)	Improving the waste statistics system	Coverage of waste statistics
		Improving waste classification management	Rubbish sorting penetration rate
		Reducing waste	Reduction of the use of disposable items Percentage of implementation of paperless office
Water Resources	Head Office & Branches (Sub-branches)	Reducing water usage	Water consumption in facilities Water consumption
		Enhancing the effectiveness of the use of water resources	Penetration rate of water conservation publicity or number of water conservation publicity activities
Category of environmental targets	Branch	Target of the year 2023	Actual situation in 2023
Waste reduction target	Longnan Branch	The total amount of non-hazardous waste such as paper is planned to be controlled within 8 tonnes, and the total amount of hazardous waste such as toner cartridges and ink cartridges is planned to be controlled within 60 kg	During the Reporting Period, the total amount of paper and other non-hazardous waste was 6.85 tonnes, and the total amount of toner cartridges and ink cartridges and other hazardous waste was 43.82 kg, and the environmental targets set has been achieved
	Lanzhou New Area Sub-branch	The waste generation is planned to be reduced by 5% compared to the previous year	During the Reporting Period, the total volume of non-hazardous waste such as paper was 0.26 tonnes (compared to 0.25 in the previous year, an increase of 4% over the previous year), and the total volume of hazardous waste such as toner cartridges and ink cartridges was 140 kilograms (compared to 230 kilograms in the previous year, a decrease of 39.13% over the previous year)
Water saving target	Longnan Branch	Water consumption is planned to be limited to 5,500 tonnes	During the Reporting Period, water consumption was 4,120 tonnes
	Lanzhou New Area Sub-branch	Water consumption is planned to be reduced by 5% compared to the previous year	During the Reporting Period, water consumption was 2,000 tonnes

Emissions Management

Exhaust Gas

During the Reporting Period, the main sources of Bank of Gansu's exhaust gas emissions are the combustion of natural gas used for cooking and the use of vehicle fuel. To reduce the impact on air pollution, the Bank actively reduces exhaust gas emissions by strengthening vehicle management.

- ▶ Strengthen the management of vehicle use, strictly approve and record the use of company vehicles, implement the management system of fueling company vehicles with IC cards, check accounts on a monthly basis, and reduce the fuel consumption of vehicles;
- ▶ Properly plan the vehicle use throughout the Year, prior formulation of travel routes for official vehicles, reduce frequency and mileage of vehicle trips to reduce fuel consumption;
- ▶ Purchase fuel-efficient and environmentally-friendly company vehicles, and control the number of company vehicles;
- ▶ Encourage commuting through public transport and shared bikes to reduce vehicle exhaust emissions.

GHG

The Bank firmly practices the "dual carbon" strategy and defines the goal of emission reduction. During the Reporting Period, the Bank emitted

10,715.74

tonnes of GHG

80.57% of which were mainly from the indirect GHG emissions from purchased electricity. In order to further reduce emissions and achieve the "dual carbon" goals, the Bank mainly saves energy through energy-saving renovation and standardizing the use of electrical equipment, thus reducing GHG emissions.

- ▶ Purchase energy-saving air conditioners in preference, reduce the use of air conditioners by selecting season-specific uniforms, properly set the temperature of air conditioners, eliminate the wastefulness of opening air conditioners and windows and doors at the same time and encourage employees to turn off the air conditioners 30 minutes before leaving the office;
- ▶ Raise employees' awareness of electricity-saving and remind employees to turn off computers, water dispensers, printers and other electrical equipment in time when not in use;
- ▶ Organize relevant personnel to regularly inspect and timely repair the equipment and facilities in the Bank's office space to reduce operational damage and energy consumption;
- ▶ Promote the mode of video and telephone conferences based on the modern office facilities.

Waste

The Bank has formulated and improved the provisions on hazardous and non-hazardous waste management, which require all departments to divide the area under their responsibility and assign personnel to manage the discharge of wastes, as well as to inspect and assess the implementation. For hazardous waste such as waste ink cartridges, waste toner, waste printer cartridges, waste batteries and waste batteries generated by data centers, the Bank is required to return all of them to the suppliers for centralized treatment; for other hazardous waste, the Bank will contact the suppliers or comply with the requirements of the environmental protection department to classify the waste and treat it in a harmless manner.

To manage and dispose of non-hazardous wastes, all departments and offices of the Bank have separated non-hazardous waste areas. Property cleaners collect and place non-hazardous wastes at the waste station every day and the local sanitation department trucks them out for disposal. In terms of the treatment of kitchen waste, in the canteen, the wastewater discharge system is equipped with sedimentation tanks and oil filters, while regularly clean the waste and food residue in the food processing area, which is, however, strictly prohibited to be poured into the sewer.

In addition, to reduce waste production, the Bank actively advocates paperless offices, uses Email to transmit reports and documents, and reduces paper printing. The Bank also recycles more recyclable waste by sorting out wastes, setting up recyclable trash bins in offices and outlets, and then sending waste papers, newspapers, books and magazines and other recyclables to qualified waste recycling stations.

Resource management

Energy

During the Reporting Period, the purchased electricity constitutes the Bank's largest source of energy consumption, reaching

15,138.56

megawatt hours ("MWh")

In order to reduce energy use and improve energy efficiency, the Bank has taken the following measures:

- ▶ Put on energy-efficient lamps, and turn off or rarely turn on lights when it is sun-filled;
- ▶ Advocate employees' electricity-efficient awareness and post the "power saving" sign on the switch in the offices;
- ▶ The security guard is responsible for inspecting whether the power is shut off in the office after work every day, and recording and reporting cases of waste of energy.

For the Bank's data centers, the Bank has adopted the following measures to conserve energy use:

- ▶ Use the air-cooled chilled water system with natural cooling function to reduce the system's energy consumption through natural cooling;
- ▶ Increase the water temperature for supply and return water in the water-cooling system, reducing the capacity of the refrigeration unit, and improving the operational efficiency;
- ▶ Use the closed cold channel in the cabinet to improve the refrigerating efficiency of the air conditioning system and save energy, and reduce consumption.

Water Resources

The water used by Bank of Gansu comes from the municipal water supply network, so there are no difficulties in acquiring suitable water sources. During the Year, the Bank consumed

96,900

tonnes of water

The Bank saves water mainly through the following measures.

- ▶ Use water-efficient equipment, install water metering devices, monitor water consumption and reduce the use of water resources;
- ▶ Advocate water conservation, post water-saving slogans in toilets and near hand washing sinks, and adopt the habits of water saving;
- ▶ Encourage employees to reuse clean wastewater for watering flowers and washing rags;
- ▶ Appoint personnel to check the sink and toilet drain valve every day, repair in time if there is water leakage, and ensure that the valve in the office area is closed after work.

Greening Up the World, the Bank Organised a Voluntary Tree Planting Activity



In order to implement Xi Jinping's Thought on Ecological Civilisation and General Secretary Xi Jinping's important instructions on promoting the greening of the national soil, the Bank organised a voluntary tree-planting activity for more than 70 cadres and staff members at Renshou Mountain in Lanzhou's Anning District to "actively implement the Thought on Ecological Civilisation and draw a beautiful picture of Bank of Gansu" on the eve of the 133rd May Day Labour Day.

Summary of key performance indicators of environmental aspect¹

Items		2023	2022	2021	unit
Air Pollutants ²	NOx	554.56	987.07	5,095.98	kg
	SOx	103.06	123.00	310.36	kg
	PM	189.55	261.91	154.93	kg
GHG Emissions	GHG emission- Scope 1 ³	1,616.15	1,572.45	1,757.13	Tonne of CO ₂
	Emission intensity - Scope 1	6.51	6.42	7.30	kg CO ₂ / m ²
	GHG emission - Scope 2 ⁴	8,633.52	8,638.60	8,428.38	Tonne of CO ₂
	Emission intensity- Scope 2	34.80	35.25	35.03	kg CO ₂ / m ²
	GHG emission - Scope 3 ⁵	466.07	418.37	365.76	Tonne of CO ₂
	Total emission	10,715.74	10,629.42	10,551.27	Tonne of CO ₂
	Total emission intensity	43.19	43.37	43.85	kg CO ₂ / m ²
Non-Hazardous Wastes	Wastepaper generation	58.39	57.33	50.47	Tonne
	Wastepaper generation intensity	0.24	0.23	0.21	kg / m ²
	Office waste generation	67.06	66.77	67.34	Tonne
	Office waste generation intensity	0.27	0.27	0.28	kg / m ²
Hazardous Waste ⁶	Waste ink cartridge generation	1,753.77	1,916.06	6,083 (Pieces)	kg
	Waste ink cartridge generation intensity	7.07	7.28	25.28 (pieces/1,000 m ²)	kg / 1,000 m ²
	Waste toner cartridge generation	2,886.82	2,776.20	5,459 (Pieces)	kg
	Waste toner cartridge generation intensity	11.64	11.33	22.69 (pieces / 1,000 m ²)	kg / 1,000 m ²
	Electronic wastes generation	2.34	2.43	1.56	Tonne
	Electronic wastes generation intensity	9.41	9.93	6.48	kg / 1,000 m ²
Water resource	Water consumption	96,880.38	95,388.31	98,357.84	Tonne
	Water consumption intensity	0.39	0.39	0.41	Tonne / m ²

Items		2023	2022	2021	unit
Energy resources ⁷	Electricity consumption	15,138.56	15,147.47	14,434.62	MWh
	Gaseous natural gas consumption	3,784.96	3,613.02	4,731.20	MWh
	Liquified natural gas consumption	-	-	-	MWh
	Bituminous coal consumption	-	-	19.34	MWh
	Anthracite consumption	34.05	40.86	20.43	MWh
	Diesel consumption	22.60	41.00	35.23	MWh
	Gasoline consumption	3,435.66	3,012.76	3,214.08	MWh
	Liquified petroleum gas consumption	8.32	19.06	13.14	MWh
	Fuel oil consumption	0.03	0.20	0.08	MWh
	Total consumption of direct energy resources	7,285.63	-	-	MWh
	Total consumption of indirect energy resources	15,138.56	-	-	MWh
	Total consumption of energy resources	22,424.18	21,874.35	22,468.11	MWh
	Total consumption intensity of direct energy resources	0.03	-	-	MWh/m ²
	Total consumption intensity of indirect energy resources	0.06	-	-	MWh/m ²
Total consumption intensity of energy resources	0.09	0.09	0.09	MWh/m ²	

¹ Unless otherwise specified, during the Reporting Period, the statistical scope of key performance indicators of environmental aspect includes the Bank's total office space of 248,079.12 m², which is used as the denominator for all intensity data calculation.

² The air pollutants emitted by Bank of Gansu mainly come from the use of vehicle fuel, the combustion of gasoline and diesel in generators, and the combustion of stationary sources such as natural gas, anthracite. The emission of air pollutants is calculated according to the *Handbook of Pollutant Generation and Emission Accounting Methods and Coefficient of Pollution Source Survey* (《排放源統計調查產排核算方法和係數手冊》), the *Technical Guide for the Preparation of Air Pollutant Emission Inventory for Road Vehicle (for Trial Implementation)* (《道路機動車大氣污染物排放清單編制技術指南(試行)》), and the *Technical Guide for the Preparation of Air Pollutant Emission Inventory for Non-road Mobile (for Trial Implementation)* (《非道路移動源大氣污染物排放清單編制技術指南(試行)》) issued by the Ministry of Ecology and Environment of the People's Republic of China. Due to the change in the calculation standards adopted in the Year, the corresponding emission coefficients have changed, so there is a significant change in the emissions of atmospheric pollutants in the Year compared to previous years.

³ The calculation scope of GHG emission (Scope 1) includes the use of vehicle fuel, the combustion of gasoline and diesel in generators, and the combustion of fixed sources such as natural gas, anthracite and bituminous coal. The GHG emission and the emission coefficients are calculated with reference to the *Guidelines for Accounting and Reporting GHG Emission from Other Industrial Enterprises (for Trial Implementation)* (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》) and the *Guidelines for Accounting and Reporting Approach of GHG Emission from Enterprises in Land Transportation (for Trial Implementation)* (《陸上交通運輸企業溫室氣體排放核算方法與報告指南(試行)》) issued by the National Development and Reform Commission.

⁴ The calculation scope of GHG emissions (Scope 2) includes the indirect emissions caused in the production process by the purchased power in Mainland China. The GHG emissions are calculated with reference to the average emission factor of national electricity grid in 2022 from the *Notice on the Preparation of the Greenhouse Gas Emission Reporting and Management Work for Electricity Generation Industry in 2023-2025* (《關於做好2023—2025年發電行業企業溫室氣體排放報告管理有關工作的通知》) issued by the Ministry of Ecology and Environment of the People's Republic of China.

⁵ The calculation scope of GHG emissions (Scope 3) includes the indirect GHG emissions caused by the Bank's business travel through aviation and waste papers. The GHG emissions from air travel are calculated according to the *Greenhouse Gas Protocol: GHG Emissions from Transport or Mobile Sources* (《溫室氣體核算體系：移動源燃燒溫室氣體排放計算工具》) issued by the World Resources Institute and the World Business Council for Sustainable Development; The GHG emissions caused by wastepaper are calculated according to the *How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs* (《如何準備環境、社會及管治報告 附錄二：環境關鍵績效指標匯報指引》) issued by SEHK.

⁶ In the Year, the Bank updated the statistical method and disclosed the waste ink cartridges and toner cartridges in weight units. In 2021, the Bank counted the waste ink cartridges and toner cartridges generated on a numerical basis.

⁷ During the Year, the change in the use of energy resources of Bank of Gansu is mainly from that in the use of stationary source devices, where the bituminous coal was not used, the amount of anthracite use has increased, and the liquified natural gas was not used at the same time. The energy consumption data is conversed with reference to the *Guidelines for Accounting and Reporting GHG Emission from Other Industrial Enterprises (for Trial Implementation)* (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》).

Serve the “Dual Carbon” Strategy

Bank of Gansu actively responded to the national "dual-carbon" goal by incorporating climate risk into its overall risk management, continuously promoting the management of climate risk in credit risk, market risk, strategic risk and other types of risk, and deeply understanding the far-reaching impact that climate risk will have on various industries, and endeavoring to embed the elements of climate risk into the investment and financing policies and business management processes of various industries. We have adopted reasonable risk control measures for high-carbon enterprises with relatively prominent climate risks, and continuously strengthened the identification and management of climate risks.

The climate risk list of Bank of Gansu



With reference to the *Recommendations of the Task Force on Climate-Related Financial Disclosures* (《氣候相關財務信息披露工作組建議報告》) issued by Task Force on Climate-related Financial Disclosures (TCFD), the bank has classified climate risks into two categories: physical risks and transition risks, established a climate risk list of Bank of Gansu, and analyzed their potential impact on the Bank. The Bank will further streamline its climate risk response measures and gradually strengthen the identification and management of climate risks.

Actively responded to the national "dual carbon" goal



During the Reporting Period, the Bank, in accordance with the *Notice of the Office of Gansu Branch of the People's Bank of China on the Launching of Environmental Information Disclosure Work of Local Legal Entity Financial Institutions in Gansu Province*, deeply recognized the impacts of the environment, climate and other factors on the economic and social development as well as its own operations, and realized that environmental-related risks are one of the sources of financial risks, and proactively responded to the national "dual carbon" goal by incorporating environmental and climate-related risks into its overall risk management.

The Bank actively responded to the national "dual carbon" goal and incorporated environmental and climate-related risks into overall risk management. Meanwhile, by analyzing the results of climate risk identification, the Bank has further sorted out its current measures to cope with climate risk, and will further improve its risk control practices in the future to minimize the negative impacts and seize the opportunities brought by climate risk.

Physical risks

Types of Climate Risks	Potential Impacts on Bank of Gansu	Current Climate-related Risk Measures Taken by Bank of Gansu
 Acute risk Adverse effects caused by frequent extreme weather events	The outlets may face the risk of not being able to open for business normally in the events of flood, fire and other impacts	<ul style="list-style-type: none"> Organize outlets for fire drills regularly to improve the ability of their employees to response to fire incidents and other emergencies; In case of extreme weather such as flood, all branches make stratified reports in accordance with the <i>Emergency Plan of Bank of Gansu</i> (《甘肅銀行突發事件應急預案》), the <i>Administrative Measures on Reporting Major Risks and Emergencies of Bank of Gansu</i> (《甘肅銀行重大風險和突發事件報告管理辦法》) and <i>Emergency Plan for Business Constituency of Bank of Gansu</i> (《甘肅銀行業務連續性總體應急預案》), so as to ensure prompt, effective and safe handling; Develop policies, for instance, the <i>Annual Industrial Credit Policy Guidelines of Bank of Gansu</i> (《甘肅銀行年度行業授信政策指引》), pay close attention to how energy-consuming enterprises implement environmental policies, strictly control the loan for “two high and one surplus”, and strictly prohibit to intervene in projects that do not meet environmental protection standards and eliminate outdated production capacity projects; Strictly follow environmental related policies, promote green and low-carbon development, innovatively roll out products containing green and low-carbon elements, meet customers' needs for green and low-carbon life and augment product competitiveness; Actively issue green bonds, gradually increase the share of green financial business and push forward sustainable and healthy development of green finance business with green credit as the mainstay.
 Chronic risk Adverse effects caused by long-term shifts in global climate patterns	Changes in rainfall patterns may cause low-lying branches and self-service machines to be flooded, resulting in branch closures or equipment failures	

Transition risks

Types of Climate Risks	Potential Impacts on Bank of Gansu	Current Climate-related Risk Measures Taken by Bank of Gansu
 Policy and legal risks <ul style="list-style-type: none"> Stricter policy and supervision on existing products and services Stricter emission disclosure requirements Face litigation or legal risks 	<ul style="list-style-type: none"> Customers' non-compliance with national policies and impacts on operation caused by high energy consumption may affect the Bank's asset quality The Bank's failure to make disclosure in time may bring certain pressure to the Bank's operation The Bank's failure to comply with the requirements of laws and regulations in the environmental area may expose the Bank to litigation risks, resulting in increased costs caused by fines and judgments 	<ul style="list-style-type: none"> Organize outlets for fire drills regularly to improve the ability of their employees to response to fire incidents and other emergencies; In case of extreme weather such as flood, all branches make stratified reports in accordance with the <i>Emergency Plan of Bank of Gansu</i> (《甘肅銀行突發事件應急預案》), the <i>Administrative Measures on Reporting Major Risks and Emergencies of Bank of Gansu</i> (《甘肅銀行重大風險和突發事件報告管理辦法》) and <i>Emergency Plan for Business Constituency of Bank of Gansu</i> (《甘肅銀行業務連續性總體應急預案》), so as to ensure prompt, effective and safe handling; Develop policies, for instance, the <i>Annual Industrial Credit Policy Guidelines of Bank of Gansu</i> (《甘肅銀行年度行業授信政策指引》), pay close attention to how energy-consuming enterprises implement environmental policies, strictly control the loan for “two high and one surplus”, and strictly prohibit to intervene in projects that do not meet environmental protection standards and eliminate outdated production capacity projects; Strictly follow environmental related policies, promote green and low-carbon development, innovatively roll out products containing green and low-carbon elements, meet customers' needs for green and low-carbon life and augment product competitiveness; Actively issue green bonds, gradually increase the share of green financial business and push forward sustainable and healthy development of green finance business with green credit as the mainstay.
 Technology risk <ul style="list-style-type: none"> Replace existing products and services with low-carbon solutions Expenditure for low-carbon technology transformation Uncertainty in the profitability of low-carbon technology investment projects 	If a credit support project fails, it may lead to difficulties in recovering credit	
 Market risk <ul style="list-style-type: none"> Changes in customer behavior Climate change increases systemic risks in financial and capital markets Impact of climate change on market direction 	<ul style="list-style-type: none"> Customers may choose other peers' products that feature more green consumption concepts The Bank's bonds and other financial products may face repricing risk if some industries are subject to the reduction of market share and revenue caused by climate pricing in the future Climate change may have a long-term adverse impact on the operation and assets of climate-sensitive industries such as energy, agriculture, transportation, tourism, materials and construction, and then have a certain impact on the Bank's credit business 	
 Reputation risk <ul style="list-style-type: none"> Changes in customer appetite Stigmatization due to business conduct Stakeholders are increasingly concerned about negative feedback 	The Bank may face reputation risk, which makes it difficult to build relationships with customers, employees, investors and other stakeholders if it has a long-term destructive impact on the climate and environment during operation	

05

People-oriented, Building a Harmonious Workplace

-  Protect the Rights and Interests of Employees
-  Safeguard Employees' Health
-  Employees' Training and Development



Protect the Rights and Interests of Employees

During the Reporting Period, the Bank had 4,707 employees. The following tables show the number of employees by gender, age group, geographical region, employment type, educational background, and management hierarchy, and the employee turnover rate by gender, age group and geographical region.

Items	Number of employees	Percentage	Turnover number	Turnover rate ^a
Male	2,359	50.12%	51	2.16%
Female	2,348	49.88%	46	1.96%
≤ 30 years old	1,368	29.06%	38	2.78%
31 to 40 years old	2,426	51.54%	56	2.31%
41 to 50 years old	577	12.26%	3	0.52%
≥ 51 years old	336	7.14%	0	/
Within Gansu Province	4,707	100.00%	97	2.06%
Outside Gansu Province	0	0	0	/
Master and above	399	8.48%		
Bachelor	3,823	81.22%		
College	369	7.84%		
Secondary	49	1.04%		
Other	67	1.42%		
Full-time	226	95.71%		
Part-time	4,505	4.29%		
General employee	202	94.92%		
Intermediate employee	226	4.80%		
Senior employee	13	0.28%		

^a Employee turnover rate by category = number of employees turnover under that category / total number of employees under that category * 100%

During the Reporting Period, the Bank strictly complied with the provisions of national and local laws and regulations in respect of recruitment, dismissal, compensation, promotion, working hours, vacation and other employment management, as well as the provisions on the prohibition of child labor and forced labor in the *Law of the People's Republic of China on the Protection of Minors* (《中華人民共和國未成年人保護法》), the *Criminal Law of the People's Republic of China* (《中華人民共和國刑法》) and the *Provisions on Prohibition of Using Child Labor* (《禁止使用童工規定》). There was no violation of the laws and regulations above during the Reporting Period.

The Bank insists on systematic and standardized employment management, protects the legitimate rights and interests of employees, eliminates any discriminatory behaviors, and endeavors to construct a diversified talent team.

Recruitment

According to the *Administrative Measures for Recruitment and Enrollment of Employee of Bank of Gansu* (《甘肅銀行員工招聘與錄用管理辦法》) and other related internal policies' requirements, recruitments are conducted based scientific selection and revision on candidates' morality, academic qualifications, experiences, skills and other professional abilities, and are prohibited discrimination against gender, ethnicity, religion, age, etc. to fully ensure the fairness and justice of recruitment. Meanwhile, the Bank strictly prohibits the employment of minors aged under 18, so as to eliminate the employment of child labor. During the recruitment process, each branch should consider the candidates' willingness of employment and other factors to determine the candidates to be hired in order to avoid forced labor situations.

Dismissal

The Bank complies with the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), and has adopted legal approval process for dismissals of employees to prevent illegal dismissals.

Compensation

According to the *Administrative Measures for Remuneration of Employee of Bank of Gansu* (《甘肅銀行員工薪酬管理辦法》), the *Administrative Measures for Wage Payment of Employee of Bank of Gansu* (《甘肅銀行工資支付管理辦法》), the *Detailed Rules for Enterprise Annuity of Bank of Gansu Co. Ltd.(Revised)* (《甘肅銀行股份有限公司企業年金實施細則(修訂版)》), and other documents, the Bank reasonably regulates the structure of remuneration regarding the Bank's business development, position categories, market condition, etc.

Promotion

Following the *Administrative Measures for Job Management of Personnel in Management Positions of Bank of Gansu* (《甘肅銀行管理崗位職務人員任職管理辦法》) and the *Administrative Measures for Appointment of Professional and Technical Positions of Bank of Gansu* (《甘肅銀行專業技術崗位職務聘任管理辦法》) and other documents, the Bank regulates promotion standards and normalizes review and approval process for promotion to ensure the fairness and impartiality of the Bank's employee promotion.

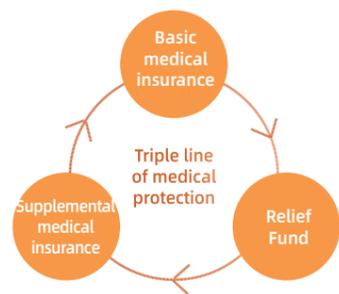
Working hours

In accordance with the *Administrative Measures for Employee Management of Bank of Gansu* (《甘肅銀行員工管理辦法》), the Bank regulates employees' working hours to be 5 days a week and 8 hours a day. The Bank implements procedures to manage leaves and attendance of employees through and office automation systems to avoid forced labor.

Vacation

Regarding requirements of the *Administrative Measures for Employees' Rest and Vacation of Bank of Gansu* (《甘肅銀行員工休息休假管理辦法》), employees can enjoy statutory holidays and other types of holidays given by the Bank. The Bank also encourages employees to take reasonable vacations for adequate rest during busy work.

Safeguard Employees' Health



In strict accordance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), the *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》), the *Regulation on Work-related Injury Insurance* (《工傷保險條例》) and other laws and regulations related to the protection of employees' occupational health and safety, the Bank has successively improved the *Administrative Measures for the Safety Management of Branches of Bank of Gansu* (《甘肅銀行營業網點安全管理辦法》), and the *Administrative Measures for the Security Management of Branches of Bank of Gansu* (《甘肅銀行營業網點保安管理辦法》), the *Emergency Response Plan of Bank of Gansu* (《甘肅銀行突發事件應急預案》) and the *Administrative Measures for Monitoring Alarm Networking Center of Bank of Gansu* (《甘肅銀行監控報警聯網中心管理辦法》), and a series of operation manuals regarding emergencies and accidents to provide a safe working environment for employees.

In the aspect of protecting employees from occupational hazards, apart from the statutory social insurance, the Bank also provides a supplementary medical insurance system for employees to reduce medical cost burden. The Bank has also established the Critical Illness Medical Expense Relief Fund to provide further medical protection for employees suffering from critical illnesses, forming a triple line of medical protection based on basic medical insurance, supplemental medical insurance, and the Critical Illness Medical Expense Relief Fund.

The Bank highly values regular safety inspection and emergency response and maximizes the guarantee of employees' safety by strengthening hardware equipment and system management. The Bank has formulated the *Administrative Measures of Fire Security of Bank of Gansu* (《甘肅銀行消防安全管理辦法》), which requires all outlets of the Bank to be equipped with security personnel and defensive equipment; a monitoring and alarm network center is set up in the head office, covering all the Bank's outlets and self-service banks. In terms of fire safety, fire-fighting facilities and equipment in all outlets meet national standards and requirements on fire safety, and are inspected and tested on schedule and replaced regularly. The Bank also actively carries out safety education, encourages employees to learn more about the security system and fire safety-related knowledge, and holds safety trainings such as firefighting and anti-robbery drills, so as to enhance employees' ability to deal with emergencies.

Employees' Training & Development

25,665 participants

During the Reporting Period, the Bank launched 138 training programs for 25,665 participants.

The Bank of Gansu regards talents as important assets and commit to developing employees' professionalism and leadership while providing employees with good working environment. The Bank has made training management policies such as the *Administrative Measures for the Management of Employee Training of Bank of Gansu* (《甘肅銀行培訓項目管理辦法》), the *Administrative Measures for Amateur Training of Employee of Bank of Gansu* (《甘肅銀行員工業餘進修管理辦法》), the *Administrative Measures for Training Budget of Bank of Gansu* (《甘肅銀行培訓經費管理辦法》), and the *Administrative Measures for Internal Trainers of Bank of Gansu* (《甘肅銀行內部培訓師管理辦法》). Those policies constitute norms and guidelines for designing and implementing training activities and the Bank proposes customized vocational training for different business fields, so as to promote employees to grow up with the Bank.

Items	Male	Female	General employee	Intermediate employee	Senior employee
Percentage of employees trained ⁹	50.12%	49.88%	94.92%	4.80%	0.28%
Average training hours (hour) ¹⁰	52	53	36	84	122

O1 Training for business personnel

▶ Establish the evaluation model of working competence for employees with different levels and jobs and also their performance and behaviors. Based on the results of modelling analysis and different skill requirements of each business line, the Bank provides classified and graded on-the-job training programs.

O2 Training for operation and management personnel

▶ Focus on managers' political and ideological literacy, moral quality and Party spirit education, and mainly develop and improve their leadership, execution, innovation, marketing and management abilities.

O3 Training for risk control

▶ Conduct trainings about risk assessment and authorization management systems and policies. The trainings focus on analyzing the key problems to be solved during the business development of Bank of Gansu, enhance risk control awareness of the trainees, and familiarize them with the importance of risk management, so as to ensure the orderly implementation of the Bank's risk management procedures.

Bank of Gansu Conducted 2023 Campus Recruitment Pre-employment Training for New Employees



From 16th July to 30th July 2023, Bank of Gansu's new employees recruited on campus in 2023 started their pre-employment training in Yuchong Campus of Lanzhou University. In order to enable the new employees to master the necessary professionalism, business knowledge and working skills of bank employees, and to smoothly complete the transformation from "university graduates" to "bankers". The Bank has arranged military training, Party history education, integrity education, banking knowledge, corporate culture, quality development, service etiquette, sunny mindset, basketball match for new and old staff, and closing performance for new staff.

The Head Office of Bank of Gansu Organised a Training Course to Enhance the Comprehensive Capacity of Corporate businesses

In May 2023, Bank of Gansu organized a training course on the comprehensive capacity enhancement of corporate business, which was attended by the leaders in charge of corporate business of each first-tier branch, the person-in-charge of the corporate business department, the presidents of county and urban branches, some account managers and all the staff of the corporate business department of the head office. The training combined the interpretation of economic policy analysis at the macro level and working methods and skills at the practical level, introduced the main contents of the workbook for corporate credit business, and put forward requirements for good data governance of public customers.

⁹ Percentage of employees trained by category = number of employees trained under that category / total number of employees trained * 100%

¹⁰ Average training hours completed per employees by category = total training hours completed by employees under that category / total number of employees under that category

The Head Office of Bank of Gansu Launched Specialised Activities for "Safety Production Month"

During the Reporting Period, the Bank worked on health and safety management in strict accordance with internal management policies, and there was

no case

of violation of laws and regulations. The Bank reported no work-related fatalities in each of the past three years (including the Year), and the number of lost days due to work-related injury was 317 days for 3 person during the Reporting Period.



06

Serving the Real Economy, Benefiting the People Continuously

- Work Together to Build a Better Gansu
- Continuous Fulfilment of Social Responsibilities
- Focus on Service for the Real Economy and “Agriculture, Rural areas and Farmers, and Micro and Small-size Enterprises”
- Popularize Finance for Win-win Results



Work Together to Build a Better Gansu

16.034 billion

The Bank has been focusing on the ten major eco-industries in Gansu Province, vigorously developing green finance, actively supporting key projects in energy conservation and environmental protection, clean production, clean energy, circular agriculture, etc. The Bank has also been stepping up support for wind power and photovoltaic projects to help Gansu Province give full play to its advantages in resources and build a national clean energy base; as of the end of the Reporting Period, the remaining balance of the Bank's green loans had reached RMB16.034 billion.

Bank of Gansu makes extensive use of its "Lanzhou-centered and Gansu-covered" business system, to actively integrate itself into the development of Gansu. Through deepening the strategic cooperation with supervisory organizations and the government, the Bank supports rural revitalization and corporate financing across the province, promotes high-quality economic growth of Gansu and contributes to building a better Gansu. During the Year, the Bank continued to serve the Province's 14th Five-Year Plan. Through project financing, participation in syndicates, special bridging, mobility and other ways to actively support the construction of new energy development zones in the Hexi Corridor and South East Longdong region. At the same time, the Bank tends to support the new energy key technology breakthroughs, the formation of a complete industrial chain of industrial clusters.

The Bank has formulated the *Guidelines for the Investment of Industrial Credit of Bank of Gansu*, the *Implementation Plan of Bank of Gansu for "Grasping Projects and Promoting Development"* and the *Implementation Plan for the Implementation of the Financial "Four Major Projects" to Enhance the Quality and Efficiency of Financial Services for the Real Economy*, and has made great efforts to support the advanced manufacturing industry, the specialized, sophisticated, distinctive and innovation industries, energy and other industrial sectors. As at the end of the Reporting Period, loans to the manufacturing sector amounted to RMB31.179 billion, with a growth rate of 10.36%, which was much higher than the Bank's average growth rate of loans (2.97%); loans to the Lanzhou region accounted for 57% of the total loans balance of RMB124.59 billion; and loans to the county regions amounted to RMB35.47 billion, representing an increase of RMB2.72 billion as compared with that at the beginning of the Reporting Period. The Bank continued to implement the requirements of the "Year of Breakthrough in Optimising the Business Environment" and formulated the *Implementation Plan of Bank of Gansu for the Year of Breakthrough in Optimising the Business Environment* in the Province, proposing 16 specific measures and taking the lead in the provision of a comprehensive package of financial services to various market players in various business lines. The Bank was fully integrated into the province's "Attracting Large, Strong and Leaders Initiative" and established a mechanism to provide "personalised" services for key investment projects, actively injecting financial strength into the province's investment promotion work. Throughout the Year, the Bank took the initiative to market and connect with more than 600 major projects and customers, and granted credit to support 20 major new and renewed projects listed in the provincial list, with a credit amount of RMB12.365 billion.

Bank of Gansu and Pingliang Municipal People's Government Sign Strategic Co-operation Agreement



December 13, 2023, Pingliang Municipal Government and financial institutions, Strategic Cooperation Agreement signing ceremony was held in Pingliang City, the two sides further deepen the comprehensive business cooperation, and go all out to support the development of local economic construction in Pingliang. The Bank will be in accordance with the strategic deployment of the municipal party committee and municipal government of Pingliang, closely around the Pingliang to create Longdong comprehensive energy, advanced equipment manufacturing, culture, tourism, recreation and health "three bases" and "two demonstration zones" including ecological civilisation construction and agricultural boutique cultivation, focusing on the development of nine industrial chains and "make county to be stronger" action, to further provide quality and efficient financial services, and to make greater contributions to the high-quality development of the economy and society of Pingliang City.

All Staff of Bank of Gansu Made a Donation to Jieshishan County in Linxia Prefecture



At 23:59 on 18 December 2023, an earthquake of magnitude 6.2 occurred in Jixishan County, Linxia Prefecture, Gansu Province, causing significant casualties and property losses. After the earthquake, the Bank attached great importance to the situation, convened a special meeting in the first instance, activated the contingency plan for emergencies, arranged and deployed anti-earthquake and disaster relief work, formulated relevant measures for financial service protection, and launched special credit products. At the same time, the Bank called for mobilisation of trade unions at all levels of the Bank and the majority of Party members, cadres and employees to carry forward the spirit of earthquake relief and actively make donations to show their love, and in just half a day raised donations of about 1,050,600 yuan, and donated all the donations to the Red Cross Society of Jixishan County in Linxia Prefecture. Up to now, the Bank's total donations exceeded RMB2.3 million.

Continuous Fulfilment of Social Responsibilities

8.99 million

During the Reporting Period, the Bank's total investment in social welfare amounted to RMB8.99 million.

Bank of Gansu has set up a leading group for rural revitalization work headed by the secretary of the Party Committee and the chairman of the Board of Directors, established a Rural Revitalization Financial Department at the Head Office, formulated the *Implementation Opinions of Bank of Gansu on Supporting the Province's Strategy of Rural Revitalization and the Opinions on Comprehensively Doing a Good Job in Providing Financial Services for Rural Revitalization to Accelerate the Development of County Businesses in a High-Quality Manner*, and set up a series of mechanisms for work such as analysis and research, product innovation, and notification and supervision, so as to strengthen the financial service system and organizational safeguard system for supporting the rural revitalization. As the main force of the rural revitalization strategy for financial services in Gansu Province, the Bank, while continuing to improve its rural financial services system, also attaches great importance to helping its counterparts in towns and villages, and takes the rural revitalization strategy as an opportunity to proactively study the policies on helping villages, effectively enrich its helping forces and actively implement the projects of helping villages.

The Bank insists on "doing practical things for the public". During the Reporting Period, the Bank identified multiple project activities in the areas of village revitalization, education assistance, volunteer services, financial services for the elderly, and employee care, taking into account the characteristics of the Bank's own industry. The Bank actively organized its employees and volunteers to participate in these activities, fulfilling its role as a corporate citizen. In the area of pairing, the Bank continues to help Dongxiang County, which is supported in the village revitalization activities, to pay attention to orphaned children, escort healthy growth, and help solve the worries, troubles, and heartaches of families in difficulty, etc., and to practically fulfill its social responsibility as a responsible enterprise.

Bank of Gansu, Together with Jianyuan Trust, Held a Donation Ceremony in Dongxiang



On 12 October 2023, Bank of Gansu held a pairing and donation activity in Dongxiang County. In this donation activity, the Bank donated RMB1,481,000 to Dongxiang County. Since the stationing of Bank of Gansu in Dongxiang County, the Bank has adhered to the market positioning of "serving the local economy, small and medium-sized enterprises, urban and rural residents, and the development of the agriculture, rural areas and farmers", and has made positive contributions to promoting the economic and social development of Dongxiang County. Since 2015, Bank of Gansu has invested a total of RMB25 million in helping funds and nearly RMB1 billion in loans.



In terms of volunteer services, the Bank has set up a number of volunteer service teams to carry out volunteer service activities such as caring for children, helping the elderly and the disabled, and planting trees and forests. At the same time, the Bank do not forget to take the initiative to fulfill its social responsibility and put into practice the spirit of dedication and commitment of a financial institution by making donations to the earthquake-stricken areas in Jixishan County and actively joining in the anti-earthquake and disaster relief work.



Focus on Service for the Real Economy and “Agriculture, Rural areas and Farmers, and Micro and Small-size Enterprises”

63.96 billion

RMB63.96 billion of agriculture-related loans were disbursed by the Bank in 2021-2023, exceeding the progress of the disbursement target. The Bank continued to single out Loans for agriculture, rural areas and farmers schemes, with the balance of agriculture, rural areas and farmers loans amounting to RMB53.407 billion and the balance of inclusive agriculture-related loans amounting to RMB6.397 billion as of the end of the Reporting Period.

Bank of Gansu has seriously implemented the spirit of the Circular of Gansu Office of the National Administration of Financial Regulation on the *Transmission of the Notice on the Banking Insurance Industry to Do a Good Job in Comprehensively Promoting the Key Work of Village Revitalization in 2023*, and has been actively connecting with the governmental departments and supervisory units at all levels, increasing the efforts of communication and coordination, following up on the requirements of the policy, reflecting the effectiveness of the work, and striving for the support of the policy.

In order to establish a financial service system for rural revitalisation, the Bank has set up a Rural Revitalisation Finance Department at its head office and branches, and issued opinions on the implementation of financial services for rural revitalisation. The Bank has actively followed up the "5155" strategy of rural revitalization in Gansu Province, continued to implement the "100 billion project" for agriculture-related loans, and signed a strategic cooperation agreement with the Gansu Provincial Bureau of Rural Revitalization. In-depth co-operation with Gansu Provincial Agricultural Finance Guarantee Company, the Bank has continued to improve the system of three agricultural products for rural revitalization, and has developed the six speciality industries of cattle, sheep, vegetables, fruits, potatoes and medicines to help the demonstration project of rural revitalization. The Bank has vigorously developed key products such as agricultural guarantee and refuelling loans, industry financing loans and Ganong loans, and actively supported new agricultural business entities, leading agricultural enterprises and farmers' professional co-operatives.

Bank of Gansu is committed to solving the financing difficulties of small and micro enterprises and vigorously promoting inclusive finance. During the Year, the Bank cooperated with the Provincial Department of Finance to access the online platform of "Government Procurement Loan" to further expand the advantages of its products, and actively put into practice the concept of "Inclusion for the People" by making full use of the preferential policies while increasing the credit investment. The Bank used the micro refinancing loan to provide a cumulative profit of nearly RMB228 million for micro market entities in the province, and made use of the phased reduction of the interest rate support tool to provide interest relief and repayment of RMB26.238 million for 13,602 enterprises and individuals RMB26.38 million. At the same time, the Bank optimised its pricing strategy for inclusive loans and formulated interest rate adjustment plans in a scientific and reasonable manner. On the one hand, the Bank reduced the prices of its stock of high-interest rate products in bulk, thereby reducing the overall cost burden on small and micro enterprises. On the other hand, the Bank optimized its pricing strategy for micro and small loans to ensure that the interest rate ceiling for newly issued micro and small loans would not exceed 5.5%.

Bank of Gansu Helped Emerging Enterprises



Jingtai Jincheng Agricultural Science and Technology Development Co., Ltd. is the first freshwater fish and shrimp farming enterprise in Jingtai County, and has experienced many ups and downs since the beginning of 2015 in terms of technical tackling, climate adaptation, and cultivation of South American white shrimp breeds, etc. In 2015, the Bank, after learning about the customer's business development and capital needs, provided the customer with a micro-miniature mutual guarantee loan of RMB2 million through the government's guarantee. The Bank has been supporting the enterprise through coordination with government departments, loan renewal and extension, etc. In 2023, the Bank adopted the guarantee method of mortgaging the property rights of agricultural facilities to support the enterprise with the Bank of China's policy of supporting small-scale refinancing. The Bank successfully provided the enterprise with a loan of RMB3 million for the purchase of feed and fish and shrimp fry required for fish and shrimp cultivation. Gansu "South American white shrimp" has become a famous "hidden speciality agricultural product" in Gansu Province, in order to increase the popularity and sales of Jingtai Jincheng Agricultural Science and Technology Development Co.

Take multiple important measures, and the inclusive finance continues to increase and expand

- ▶ Ensure the stable operation of the main market through effective loan placement, and ensure the steady implementation of the policy of helping enterprises to alleviate their difficulties through deferred payment.
- ▶ Utilize loan renewals, extensions and other means to ease the pressure of temporary difficulties in the repayment of capital, the use of measures such as adjusting the repayment plan to resolve the difficulties of enterprises.

Guarantee financial product supply, and timely implement optimization and upgrade

- ▶ Promote "SME e-Loan" as a star product online for SME customers, effectively solving the problems of "difficult" and "slow" financing for small and micro business owners and individual entrepreneurs.
- ▶ Promote "Government Procurement Loan" as the major product offline, form a product system that combines offline and online, start the iteration and optimization of "Tax e-Loan" product in a timely manner to continuously improve the Bank's service capability and strengthen the service quality and efficiency.

Popularize Finance for Win-win Results

Bank of Gansu has long been committed to improving financial literacy, strengthening knowledge publicity on anti-fraud, fraud prevention and credit, and practically protecting consumer rights and interests. During the Year, the Bank conducted more than 200 online and offline "financial literacy" campaigns, striving to guard the people's "wallets". During the Reporting Period, all branches and sub-branches of Bank of Gansu actively coordinated their employees to promote financial knowledge and financial risk prevention skills for the general financial consumers by relying on the "doing practical things for the people" series of activities and making reference to the characteristics of each branch and sub-branch's operation location. These activities focusing on key groups and carrying out financial education activities close to the needs of the public, protecting the legitimate rights and interests of consumers, educating the public to identify and stay away from illegal financial activities, and demonstrating the responsibilities of financial institution.



Head Office convened a meeting to promote the work on combating telecommunication network fraud and cross-border gambling "capital chain" in 2023



Jiayuguan Branch carried out the publicization activity on financial knowledge

Looking Forward to the Future



Bank of Gansu will continue to move on under the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics in the New Era, fully practice Xi Jinping's Thought on Ecological Civilization and implement the new development and high-quality development concept in a full, accurate and comprehensive manner. The Bank will adhere to the "based on Gansu and serving greater Gansu" in accordance with the *Five-Year Development Strategy of Bank of Gansu (2021-2025)* (《甘肃银行五年发展战略(2021-2025)》), continue to provide high-quality financial services in order to achieve high-quality development, help construct a new development pattern, vigorously expand financial business, make every effort to promote digital transformation, accelerate financial technology innovation, continue to strengthen risk control, improve asset quality, support regional economic development, and take "Bank of Gansu, for the People in Gansu" as mission to contribute better and more efficient financial power for building a happy and beautiful new Gansu.

The 20th Party Congress report of CPC pointed out that that the new development concept should be implemented, and efforts should be made to promote high-quality development and the construction of a new development pattern. As a Provincial State-owned financial enterprise, Bank of Gansu shoulders its historical mission, insisting on following the policy guidelines and implementing deeply its own five-year development strategy. With the "dual carbon" goal to promote, green finance has gradually become a key part of the development strategy. Bank of Gansu will firmly implement the national strategy, for one thing, further strengthen its own ESG and climate change-related risk identifying and management, insist on green office in the operation process, advocate energy saving and emission reduction, and strive to achieve carbon emission reduction and the achievement of its environmental goals at its own operation level; and for another, Bank of Gansu will actively participate in the construction of green finance as the core of the management system, continue to develop green financial services, increase green financial innovation, enrich the green financial product system, strengthen the support for green industries, and help enterprises to achieve low carbon transformation.

In the trend of digital development, Bank of Gansu will continue to promote the digital transformation and development based on its existing foundation, insist on "technology for the prosperity of the bank", and strive to improve quality and efficiency while continuously optimizing services to meet the diverse financial needs of customers. As a responsible corporate citizen, Bank of Gansu will also continue to commit to social welfare, give full play to the characteristics and advantages of Provincial-level urban commercial banks, actively serve local economic development, respond to the national call for rural revitalization, and fulfill its corporate social responsibility.

2024 is the 75th anniversary of the founding of the People's Republic of China, and also a critical year for achieving the goals and tasks of the *14th Five-Year Plan*. The Bank of Gansu will continue to work with all stakeholders in the new journey, hand in hand, and jointly write a new chapter of high quality and sustainable development of financial services in the Longyuan land.

Independent Assurance Statement

To the Board of Directors of Bank of Gansu Co., Ltd.:

CECEPAC (HK) Advisory Company Limited ("CECEPAC (HK)" or "We") has been engaged by Bank of Gansu Co., Ltd. ("Bank of Gansu") to conduct an independent limited assurance engagement ("Assurance Engagement") on the information and data related to sustainable development in 2023 Environmental, Social and Governance Report ("ESG Report") of Bank of Gansu, providing assurance conclusions to users of ESG Report through the independent assurance statement.

CECEPAC (HK) assessed Bank of Gansu's adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness and Impact) set out in the AA1000 Assurance Standard v3 ("AA1000AS v3"). In addition, CECEPAC (HK) provided limited assurance on the reliability and quality of specific performance information disclosed in the ESG Report that have been selected in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") published by the Stock Exchange of Hong Kong Limited ("SEHK").

This independent assurance statement has been prepared in Chinese and English versions. Should there be any discrepancies between these versions, the Chinese version shall prevail.

I. Independence and Competence

CECEPAC (HK) was not involved in collecting and calculating data, or in the development of the ESG Report. CECEPAC (HK)'s activities are independent from Bank of Gansu. There is no relationship between CECEPAC (HK) and Bank of Gansu beyond the contractual agreement for providing proper assurance service.

The assurance team of CECEPAC (HK) is composed of experienced consultants in the industry who have had professional training on sustainability-related standards such as the GRI Sustainability Reporting Standards issued by Global Reporting Initiative, AA1000AS v3, the ESG Reporting Guide of the SEHK, ISO 14064, and ISO 9001, etc.

The assurance team of CECEPAC (HK) has extensive experience in conducting assurance and has sufficient understanding and capabilities of the implementation of AA1000AS v3. In addition, the Assurance Engagement related to sustainability issues is carried out in line with CECEPAC (HK)'s internal assurance protocol.

II. Bank of Gansu's Responsibilities

Bank of Gansu is responsible for the preparation and presentation of the ESG Report in accordance with the ESG Reporting Guide published by SEHK. Bank of Gansu is also responsible for implementing internal control procedures to ensure that contents of the ESG Report are free from material misstatement, whether due to fraud or error.

III. Assurance Provider's Responsibilities

CECEPAC (HK) is responsible for issuing an independent assurance statement according to AA1000AS v3 and the ESG Reporting Guide published by SEHK to the Board of Directors of Bank of Gansu. This independent assurance statement applies solely to the ESG Report in the specified scope, expresses a conclusion on the assurance work, and does not serve any other intents or purposes.

CECEPAC (HK) ensures that all personnel involved in assurance work meet professional qualification, training and experience requirements, and are proficient in conducting assurance engagements. All results of assurance are internally reviewed by senior staff to ensure that methodologies used in the process are sufficiently stringent and transparent.

IV. Scope of the Assurance Engagement

- The scope of the Assurance Engagement is limited to the information and data in the ESG Report that relate to Bank of Gansu and its subsidiaries only and does not include Bank of Gansu's suppliers, contractors, and the data or information provided by other third parties;
- Type 2 Moderate Level of Assurance was adopted to evaluate the nature and extent of Bank of Gansu's adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness and Impact) set out in the AA1000AS v3;
- Assurance on Bank of Gansu's disclosures for general disclosures of environmental, social and governance subject areas and key performance indicators provided with mandatory disclosure requirements and the "Comply or Explain" provision, in alignment with the ESG Reporting Guide published by SEHK;
- Specified performance information disclosed in the ESG Report were agreed upon and selected between Bank of Gansu and CECEPAC (HK) for assurance. The selected specific performance information is as follow:
 - Liquefied Petroleum Gas consumption
 - Number of suppliers by region
 - Number of complaints received about products and services
- CECEPAC (HK)'s assurance work was with respect to information disclosed from 1 January, 2023 to 31 December, 2023 and included in the ESG Report only. Any information that falls outside this period and disclosed in the ESG Report is not included within the scope of the Assurance Engagement. Therefore, we do not express any conclusions on this information; and
- The scope of the assurance is confined to the information and data provided by Bank of Gansu. Any queries regarding the content or related matters within this Assurance Statement should be addressed to Bank of Gansu only.

V. Methodology

CECEPAC (HK) conducted Assurance Engagement only within the scope of Bank of Gansu's headquarter, and the assurance works included:

- Evaluating the appropriateness of Bank of Gansu's stakeholder engagement participation process;
- Conducted online interviews with personnel involved in sustainability management, preparation of the ESG Report and provision of the relevant information in the ESG Report;
- Assessing whether the reporting and management approach for the ESG Report responded to the principles of Inclusivity, Materiality, Responsiveness and Impact as defined in the AA1000AS v3;
- Assessing the supporting evidence for selected specified performance information, and conducting random sampling of evidence pertaining to data reliability and quality for selected specific performance information;
- Recalculating selected specific performance information;
- Assessing the degree of conformity of the ESG Report with the ESG Reporting Guide; and
- Performing other procedures we deemed necessary.

The Assurance Engagement was performed and the conclusions within were based upon information and data provided by Bank of Gansu to CECEPAC (HK), and on assumptions that the information provided was complete and accurate.

VI. Limitations

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.

VII. Conclusions

In accordance with the principles of Inclusivity, Materiality, Responsiveness and Impact in the AA1000AS v3, the specific performance information and the conformity of the ESG Reporting Guide, our findings and conclusions are as follows:

Inclusivity

Bank of Gansu has identified key stakeholders. Regular communication with the key stakeholders is carried out in various ways to understand their expectations and key concerns. On this basis, Bank of Gansu has formulated policies in consideration of key stakeholders' expectations and its impacts on key stakeholders. In our professional opinion, Bank of Gansu adheres to the Principle of Inclusivity.

Materiality

Based on the expectations and concerns of key stakeholders, Bank of Gansu has identified and disclosed major sustainable development related issues through appropriate methods based on its own industry characteristics, legal and regulatory requirements, and outward economic and social impacts. Bank of Gansu has disclosed the process and result of materiality assessment in the ESG Report. In our professional opinion, Bank of Gansu adheres to the Principle of Materiality.

Responsiveness

Through the ESG Report, Bank of Gansu has disclosed corporate sustainability strategies and targets, management systems, management key points, key stakeholder participation activities as well as major sustainable development related issues to respond to key stakeholders. In our professional opinion, Bank of Gansu adheres to the Principle of Responsiveness.

Impact

Bank of Gansu has identified and presented impacts that were measured and disclosed in a probably balanced and effective way. Bank of Gansu has considered to monitor, measure, evaluate and manage impacts from the operation aspect that lead to a more effective decision-making and result-based management within an organisation. In our professional opinion, Bank of Gansu adheres to the Principle of Impact.

Specific Performance Information

Based on the procedures CECEPAC (HK) has performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the disclosure of the three selected specific performance information including Liquefied Petroleum Gas consumption, number of suppliers by region and number of complaints received about products and services, in the ESG Report are unreliable and unqualified or have not been prepared in accordance with the basis of reporting.

SEHK's ESG Reporting Guide

Disclosures for general disclosures of environmental, social and governance subject areas and key performance indicators have been provided with the mandatory disclosure requirements and "Comply or Explain" provision, in all material aspects, in alignment with the ESG Reporting Guide published by SEHK. Bank of Gansu has disclosed the involvement of key stakeholders in the materiality assessment process; impacts caused by business are objectively disclosed; relevant environmental and social data are calculated and disclosed. Our recommendations for the ESG Report have been either adopted or responded by Bank of Gansu before the issuance of this assurance statement.

Recommendation

We recommend that Bank of Gansu considers strengthening the below items in the future:

- Optimize the data collection system by clearly specifying the scope and definition of each indicator to effectively monitor, manage, and measure each indicator and the execution of its related policies or measures.

18 April, 2024 Hong Kong SAR, China



Appendix

SEHK ESG Guide Content Index

Mandatory Disclosure Requirements		Disclosure Section
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board’s oversight of ESG-related issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.	“Sustainability Governance”
Reporting Principles	Describe or explain how the following reporting principles were applied in the preparation of the ESG report: materiality, quantitative, consistency.	“Reporting Standard”
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	“Reporting Scope”

“Comply or explain” Provisions: Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Chapter or Explanation
A. Environmental		
Aspect A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	“Green Office”
KPI A1.1	The types of emissions and respective emissions data.	“Green Office”
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	
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.	

“Comply or explain” Provisions: Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Chapter or Explanation
A. Environmental		
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	“Green Office”
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).	“Green Office”
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	
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.	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer’s significant impacts on the environment and natural resources.	“Green Finance”
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	“Green Finance”
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	“Serve the ‘Dual Carbon’ Strategy”
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.	“Serve the ‘Dual Carbon’ Strategy”

"Comply or explain" Provisions: Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Chapter or Explanation
B. Social: Employment and Labour Practices		
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.	"Protect the Rights and Interests of Employees"
	KPI B1.1 Total workforce by gender, employment type, age group and geographical region.	"Protect the Rights and Interests of Employees"
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	"Safeguard Employees' Health"
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	"Safeguard Employees' Health"
	KPI B2.2 Lost days due to work injury.	
	KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	"Employees' Training and Development"
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	"Employees' Training and Development"
	KPI B3.2 The average training hours completed per employee by gender and employee category.	
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.	"Protect the Rights and Interests of Employees"
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	"Protect the Rights and Interests of Employees"
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Bank of Gansu has eliminated all possibility of child labor and forced labor during recruitment and the daily employment, and thus no violation will occur.

"Comply or explain" Provisions: Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Chapter or Explanation
B. Social: Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	"Supply Chain Management"
	KPI B5.1 Number of suppliers by geographical region.	"Supply Chain Management"
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
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.	"Safeguard Customers' Rights and Interests"
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Because Bank of Gansu's business does not involve in product production, this item is not applicable.
	KPI B6.2 Number of products and service-related complaints received and how they are dealt with.	"Improve Service Quality"
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	"Protect Intellectual Property Rights"
	KPI B6.4 Description of quality assurance process and recall procedures.	Because Bank of Gansu's business does not involve in product production, this item is not applicable.
	KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	"Safeguard Customers' Rights and Interests"

"Comply or explain" Provisions: Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Chapter or Explanation
B. Social: Employment and Labour Practices		
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.	"Anti-corruption"
	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.	"Anti-corruption"
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	
B. Social: Community		
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	"Serving the Real Economy, Benefiting the People Continuously"
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	"Serving the Real Economy, Benefiting the People Continuously"
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	