

## **Giving Full Scope to ESG Effectiveness, Taking Actions for Epidemic Control**

China Construction Bank (“CCB” or “the Bank”), upholding the concept of sustainable development, has integrated ESG into corporate operation management. Standardized and effective corporate governance serves as a solid foundation for the Bank’s healthy and sustainable development. All directors work diligently and responsibly with profound professional quality, rich practice experience and excellent business competence, to ensure the efficient operation and scientific decision-making of the Board of Directors. CCB actively responds to the impacts of climate change, serves the construction of ecological civilization, and strives to achieve the three main tasks of preventing environmental and social risks, accelerating the development of green business, and enhancing the performance in social responsibility. It values the concerns of the stakeholders such as employees, customers, communities, shareholders and investors and actively safeguards their rights and interests. CCB obtained a rating of BBB in the 2019 MSCI ESG Ratings and currently ranked at the highest level in the banking category among the global systemically important banks and the top 5 listed banks in the world by market capitalization.

### **1. Active Performance of Duties by Board of Directors to Support Epidemic Prevention and Control and Business Development**

In the wake of the outbreak of COVID-19, all members of the Board of Directors surmounted the epidemic impact and the inconvenience of time difference to actively perform their duties, paid close attention to the epidemic prevention and control, timely analyzed and determined the potential shocks and impacts from the epidemic, and supported and promoted the work relating to epidemic prevention and control and business development of the whole bank.

<p><b>The Board of Directors and special committees convened meetings on schedule</b></p>	<ul style="list-style-type: none"> <li>• All directors actively attended meetings either in person or through online mode to perform the duties of deliberating on major issues regarding the Bank's strategic advancement and operating decisions. In the first half of this year, the Board of Directors convened 5 official meetings, with all directors present for the deliberations of such important proposals as periodic financial reports, corporate social responsibility reports, comprehensive risk management reports and the profit distribution plan, as well as the proposals on the business plan for 2020, the capital plan, and budgets for fixed asset investment, etc. The special committees convened 19 official meetings for the deliberations of such important matters as regard to strategies, risks, internal control, periodic reports, audits, social responsibility, consumer protection, and the nomination of directors and senior management, etc.</li> </ul>
<p><b>Diversified members of the Board of Directors offered advice and suggestions for the Bank's operation management</b></p>	<ul style="list-style-type: none"> <li>• Directors strengthened communication and exchanges, and attended several informal communication meetings in the first half of this year to analyze and determine the epidemic situation as well as its impacts on the development of the global economy, financial markets and banking industry. Chairman Tian Guoli held special private sessions with all independent directors for deepening exchanges. In the continuous communication with the management and business departments, independent directors gave play to their international vision and professional advantages. They actively studied, discussed, proposed targeted countermeasures and made recommendations on such issues as the support for epidemic prevention and control, business continuity, risk management, operation of overseas institutions and fulfillment of social responsibility, etc.</li> </ul>
<p><b>The Board of Directors fully supported and promoted the work related to</b></p>	<ul style="list-style-type: none"> <li>• Chairman Tian Guoli personally served as leader of CCB's Leading Group for Epidemic Prevention and Control, overseeing the overall planning and coordination of the anti-epidemic work of the whole bank. The Board of Directors urgently deliberated on</li> </ul>

<p><b>epidemic prevention and control</b></p>	<p>and passed the proposal on donating RMB30 million for epidemic prevention and control in Hubei, submitted the proposal on authorization for temporary limit increase on charitable donations to the Shareholders' Meeting for deliberation and approval, and actively supported the adoption of various measures to fully serve the epidemic prevention and control. Under the support of the Board of Directors and the promotion of the management, CCB promptly released the "Ten Measures" of financial services to support the epidemic prevention and control, implemented the "Twenty Rules" for epidemic prevention and employee care at outlets, and adopted a series of strong measures to fully support the anti-epidemic work and to ensure the health and safety of customers, employees and their families.</p>
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## **2. Delivering Solid Support and Sound Services to Stakeholders**

### **2.1 Employees**

<p><b>Focusing on safeguarding employees' health and safety</b></p>	<ul style="list-style-type: none"> <li>• The Bank purchased adequate anti-epidemic materials such as masks, disinfection supplies, disinfection equipment and body temperature detectors, and strengthened disinfection at workplaces and business outlets.</li> <li>• Temporary work allowances and subsidies to cover incidentals such as costs of commuting and meals were granted to frontline employees at outlets.</li> <li>• Free nucleic acid tests were organized for employees in epidemic risk areas.</li> </ul>
<p><b>Strictly implementing epidemic control measures</b></p>	<ul style="list-style-type: none"> <li>• In accordance with local epidemic situations and government requirements, all branches set up strict measures for workplace management, refined their technology system for telecommuting support, and reduced the number of on-site employees through flexible work scheduling.</li> <li>• In areas severely affected by the epidemic, such businesses as credit approval, home customer service, and data management were handled</li> </ul>

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## 2.2 Customers

<b>Corporate customers</b>	
<p><b>Issuing special policies to provide urgent support for Hubei’s anti-epidemic efforts</b></p>	<ul style="list-style-type: none"> <li>• The Bank issued 26 special measures to support Hubei.</li> <li>• The Bank provided full credit support guarantee for companies experiencing temporary difficulties due to the epidemic impact.</li> <li>• A uniform rate cut of 0.5 percentage points for loans to small and micro enterprises in Hubei was implemented.</li> <li>• A green channel was established to quickly respond to urgent credit needs.</li> </ul>
<p><b>Providing financial support for anti-epidemic companies</b></p>	<ul style="list-style-type: none"> <li>• The Bank supported the capital needs of enterprises involved in epidemic prevention and control. As at the end of June, the Bank cumulatively granted RMB119.5 billion of loans to 11,248 key domestic enterprises involved in epidemic prevention and control.</li> <li>• The Bank initiated the establishment of a RMB5 billion fund for the battle against the epidemic and stable development to drive social capital to actively support the real economy, particularly the production and operation of enterprises involved in anti-epidemic work and those that were affected by the epidemic.</li> </ul>
<p><b>Assisting small and micro enterprises and making concerted efforts to overcome difficulties</b></p>	<ul style="list-style-type: none"> <li>• The Bank launched an inclusive finance program to support enterprises’ resumption of work. This program involved four special mechanisms of “specialized customer groups, special policies, dedicated services, and exclusive benefits”, and five service features, namely “Internet-based, automated, dedicated, benefit-based, and integrated”. The Bank focused on the implementation and promotion of eighteen measures to facilitate the resumption of work and production of small and micro enterprises.</li> </ul>

	<ul style="list-style-type: none"> <li>• The Bank implemented preferential interest rates for new loans granted to inclusive small and micro enterprises, charging an annual interest rate of no more than 4.5%; on this basis, for the loans granted to enterprises involved in epidemic prevention and control, the interest rate was further lowered by 0.4 percentage points.</li> <li>• The Bank deferred the principal and interest payments for the loans granted to micro, small, and medium corporate customers experiencing temporary difficulties due to the epidemic impact. Customers were exempted from penalty and interest, with no impact to their credit records. As at the end of June, more than 100,000 eligible customers have benefited from such measures on a cumulative basis.</li> </ul>
<p><b>Intensifying credit support for the real economy</b></p>	<ul style="list-style-type: none"> <li>• The Bank supported key development projects in new infrastructure, new urbanization, transportation, water conservancy, etc., and increased credit supply for the major enterprises in railways, civil aviation, electric power, energy, and other sectors. The Bank served the transformation and upgrading of the manufacturing industry and supported the accelerated development of strategic emerging industries, while strengthening the promotion of online trade finance service for export-oriented enterprises. The Bank strove to ensure stability on six fronts and maintain security in six areas with targeted and direct financial services.</li> </ul>
<p><b>Facilitating the recovery of industrial and supply chains</b></p>	<ul style="list-style-type: none"> <li>• The Bank fully promoted supply chain financial services. Through the core corporate customers in the industrial chain, the Bank provided diversified financial solutions to promote the coordinated resumption of work and production in the industrial and supply chains. In this way, the Bank financially supported the gradual formation of a new development pattern where domestic and foreign markets can boost each other, with the domestic market as the mainstay. In the first half of this year, the Bank cumulatively provided RMB230.1 billion of network supply chain financing.</li> </ul>

<p><b>Innovating online services to support the resumption of work and production</b></p>	<ul style="list-style-type: none"> <li>• The Bank launched the “Enterprise Online Operation Toolbox” which integrated seven types of online services, namely, “portal creation, customer searching, operation management, salary payment, cloud customer services, quick financing, and park management”. These services helped enterprises resume work and production through online operation and management. As at the end of June, the cumulative visitor volume of these online services exceeded 450,000.</li> </ul>
<p><b>Building online platforms to facilitate enterprises’ import and export businesses</b></p>	<ul style="list-style-type: none"> <li>• The Bank innovated “Canton Fair Online”, a new business format for digital exhibitions empowered by FinTech, providing domestic exhibitors and overseas buyers of the Canton Fair with three exclusive services, namely, the digital banking financial service, the global integrated cross-border platform service, and the FinTech-based digital exhibition decoration service.</li> <li>• The Bank set up the international version of “Enterprise Intelligent Matching Platform” as well as the “Special Zone for Global Anti-epidemic Materials” and publicized the overseas procurement demand for anti-epidemic supplies and other preventive materials, thereby helping relevant domestic manufacturing companies expand exports.</li> </ul>
<p><b>Performing sound ESG risk management to support the development of green industries</b></p>	<ul style="list-style-type: none"> <li>• The Related Party Transaction, Social Responsibility and Consumer Protection Committee under the Board of Directors continued to keep track of the implementation of the green credit development strategy, support the development of the green finance business, effectively manage and control environmental and social risks and enhance CCB’s social responsibility performance.</li> <li>• The Bank established the Green Finance Committee, promoted the green credit strategy, and set three major tasks of preventing environmental and social risks, accelerating the development of green business, and improving the performance in social responsibility.</li> <li>• The Bank mainly supported the projects of clean</li> </ul>

	<p>transportation, clean energy, and pollution prevention, supported enterprises' application of new energy-saving and emission-reducing equipment and technologies, and strictly controlled credit supply to industries with high pollution and high energy consumption.</p> <ul style="list-style-type: none"> <li>• The Bank implemented environmental and social risk management throughout the credit process. Through the comprehensive risk control and early warning platform, the Bank carried out the environmental and social risk monitoring, incorporated environmental protection information into the customer rating system, and adopted the "Environmental Protection One-vote Veto System" in the credit approval process.</li> <li>• The Bank took corporate governance as an important factor in risk evaluation, and conducted comprehensive assessments on customers' corporate governance system, internal division of powers and responsibilities, team management capabilities, financial management system, group management control and external evaluation information, etc.</li> <li>• As at the end of June, the balance of green loans reached RMB1.29 trillion, an increase of RMB118.5 billion from the beginning of this year.</li> </ul>
<b>Individual customers</b>	
<p><b>Ensuring the provision of financial services through coordinating efforts</b></p>	<ul style="list-style-type: none"> <li>• The Bank ensured the provision of financial emergency services. While taking sound anti-epidemic measures, CCB Hubei Branch ensured that there were outlets open every day in the urban area of Wuhan. Branches nationwide publicized a 24-hour service hotline, and provided door-to-door financial emergency services for the epidemic prevention and control.</li> <li>• The Bank provided remote services to meet customers' various financial needs. Online services were available around-the-clock through mobile banking, online banking, WeChat banking, and other channels. The cloud production model was utilized to</li> </ul>

	<p>fully guarantee the stable operation of intensive production. Employees at branches proactively offered online services through digital means such as “Cloud Workshop” and “Mobile Outlet”.</p> <ul style="list-style-type: none"> <li>• The Bank enhanced the query experience relating to outlet business status inquiries through eight online channels including mobile banking, WeChat banking, the “Workers’ Harbour” APP, and the “Mobile Outlet” to meet customers’ real-time query needs.</li> </ul>
<p><b>Issuing emergency support policies for personal deposits and loans</b></p>	<ul style="list-style-type: none"> <li>• During the epidemic, the maturity periods of individual customers’ time deposits were automatically extended. Given the inconvenience caused by the epidemic, individual customers’ time deposits due to mature between the end of January and the end of March could be automatically extended to March 31 at agreed interest rates. Customers could visit the outlets to withdraw the deposits and make subsequent arrangement once the epidemic situation had been stabilized.</li> <li>• The Bank deferred the principal and interest payments for the loans granted to individual customers affected by the epidemic. If the loans to anti-epidemic medical personnel and government workers became overdue during the epidemic, they would not be treated as delinquent loans, nor would these customers’ credit records be affected. For medical personnel hospitalized due to COVID-19 infection, personnel quarantined due to the epidemic, anti-epidemic workers and customers experiencing difficulties in repayment due to the temporary loss of income sources under the epidemic impact, the Bank actively communicated with them and negotiated reasonable delayed repayment terms based on these customers’ specific circumstances. As at the end of June, more than 2 million eligible customers of personal loans and credit cards have benefited from such measures on a cumulative basis.</li> </ul>
<p><b>Intensifying online migration</b></p>	<ul style="list-style-type: none"> <li>• The Bank optimized business processes and created a new electronic delivery mode, thus enabling the</li> </ul>



<p><b>and mode innovation for counter services to meet customers' needs for "contactless and online" processing</b></p>	<p>online processing and delivery of transaction details, bank card holding certificates, detailed statements and the like.</p> <ul style="list-style-type: none"> <li>• The Bank launched "CCB At Home", a new delivery mode that enabled the delivery of such physical products as personal credit certificates and personal deposit cards by way of "online order, centralized processing, physical distribution, and doorstep service".</li> <li>• The Bank launched the new business handling modes of "Smart Face Scanning" and "Smart QR Code Scanning" at outlets, thus enabling convenient card-free handling for 28 high-frequency services. The Bank launched the "Caring Donation" function on smart teller machines and kept enriching the services and functions for the convenience of the public.</li> </ul>
<p><b>Intensifying consumption support to bring convenience to people's life and shopping</b></p>	<ul style="list-style-type: none"> <li>• The Bank deepened the multi-touch, all-round, and scenario-based financial services; allocated special funds to such activities as purchase discounts, preferential fees for consumer credit and reductions for settlement fees; increased credit card and consumer loans; and cooperated with local governments on handing out consumption vouchers. In the first half of this year, the cumulative transaction volume of credit card spending reached RMB1.46 trillion, and the granting of consumer loans exceeded RMB330 billion on a cumulative basis.</li> <li>• The Bank launched the "Online Vegetable Basket" service for bringing convenience to people's life and shopping during the epidemic control period. As at the end of June, the number of merchants registered on this platform stood at 45,000, and the cumulative visitor volume reached 2.7 million.</li> </ul>

### 2.3 Government departments

<p><b>Facilitating online government services</b></p>	<ul style="list-style-type: none"> <li>• The Bank built the "Smart Government Affairs Service Platform" and participated in the construction of "Internet + Government Services" and "Internet + Supervision" platforms for 13</li> </ul>
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	<p>provincial governments. The Bank set up an interface with over 180 government platforms at provincial, municipal and county levels to promote online inquiries and handling of government and public services, while government services were available in tens of thousands of outlets of the Bank. The Bank launched the function of epidemic prevention and control services on the platform and cumulatively publicized over 20,000 pieces of epidemic information.</p>
<p><b>Supporting the management of anti-epidemic supplies, funds, and donations</b></p>	<ul style="list-style-type: none"> <li>• The Bank launched the “Anti-epidemic Supplies Assurance Management System” to help government departments and charitable institutions improve their efficiency in managing anti-epidemic supplies and funds. With this system, the Bank helped these organizations manage a total of over 200 types of goods and materials and facilitated the flow of over 200 million pieces of anti-epidemic medical equipment and supplies on a cumulative basis.</li> <li>• Through the “Integrated Service Platform for Charitable Organizations”, the Bank facilitated the efficient and systematic donation management of such institutions as charitable organizations, Red Cross Societies and foundations.</li> </ul>

## 2.4 Communities

<p><b>Donating funds and supplies to support the anti-epidemic work</b></p>	<ul style="list-style-type: none"> <li>• Since the outbreak of the epidemic, CCB and its staff have donated over RMB250 million’s worth of funds and goods to the relief efforts.</li> <li>• The Bank gathered relief supplies from multiple channels to support the frontline anti-epidemic work. Specifically, the Bank provided non-invasive ventilators and ultrasound equipment as well as complete sets of equipment for intensive care unit (ICU) renovation of Leishenshan Hospital, Wuhan NO.1 Hospital, etc.</li> <li>• The Bank waived the service charge for transfers and remittances to charity bank accounts or special bank accounts in epidemic areas, and launched the</li> </ul>
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	<p>“one-click donation” function for mobile banking.</p>
<p><b>Caring for front-line anti-epidemic personnel</b></p>	<ul style="list-style-type: none"> <li>• The Bank provided insurance cover for frontline medical staff and workers. Its subsidiary, CCB Life, provided free insurance cover of RMB1 million per person for all frontline anti-epidemic medical staff in the whole of Hubei Province, regardless of whether they were from Hubei or other provinces. In addition, CCB Life provided a daily subsidy of RMB300 for each medical worker who got hospitalized due to coronavirus infection.</li> <li>• The Bank offered “Caring Insurance against Epidemic” free of charge for the community workers, sanitation workers, transportation staff, construction workers, couriers, and rural doctors who have stood fast in the frontline battle against the epidemic.</li> <li>• The Bank provided free rental housing services for anti-epidemic personnel. As at the end of June, the Bank cumulatively provided over 3,000 listings of houses/rooms for medical staff and government workers involved in epidemic prevention and control free of charge.</li> </ul>
<p><b>Supporting the building of the “online + offline” three-dimensional epidemic prevention and control system in urban and rural communities</b></p>	<ul style="list-style-type: none"> <li>• The Bank launched the “CCB Smart Community Management Platform”, one of the first batch of applications integrated with the national “Health QR Code for Epidemic Prevention”. This platform enabled such functions as epidemic monitoring, information reporting and analysis as well as life and medical services. As at the end of June, 2.46 million communities and enterprises nationwide adopted this platform, with total users exceeding 51 million.</li> <li>• Over 14,000 “Workers’ Harbours” throughout the Bank were equipped with such anti-epidemic supplies as no-clean alcohol hand sanitizers, providing anti-epidemic assistance and knowledge to couriers, sanitation workers and other outdoor workers as well as people in the society who were in need.</li> <li>• Through the “Yunongtong” service outlets covering over 500,000 towns and townships and more than 600,000 administrative villages nationwide, the Bank</li> </ul>

	<p>ensured the provision of financial services and scientific anti-epidemic knowledge in rural areas. The Bank launched the platform of “All-round Services for Migrant Workers Returning to Work”, providing migrant workers with exclusive services covering recruitment information, rental housing, assistance in demanding unpaid salary, training school, and labor insurances for their resumption of work.</p>
<p><b>Promoting online medical consultation and popularizing anti-epidemic knowledge</b></p>	<ul style="list-style-type: none"> <li>• The Bank launched the “COVID-19 Real-time Aid Platform”, providing the public with free 24/7 services like online medical consultation, publicity on epidemic prevention and epidemic broadcasts in conjunction with medical institutions. As at the end of June, the cumulative visitor volume reached 9.49 million. The Bank launched the online “Anti-epidemic Classroom” to disseminate and popularize anti-epidemic knowledge.</li> </ul>
<p><b>Increasing employment positions</b></p>	<ul style="list-style-type: none"> <li>• The Bank expanded the recruitment scale on the basis of ensuring the stability in existing job positions. The planned scale of the recruitment for the fall of 2020 increased by 10% from last year, in a bid to provide a development platform for more talents.</li> </ul>
<p><b>Supporting overseas epidemic prevention and control</b></p>	<ul style="list-style-type: none"> <li>• The Bank’s overseas institutions actively contacted the embassies and consulates abroad to donate anti-epidemic materials to the localities.</li> </ul>

### 3. Strengthening Communication with Shareholders and Investors

<p><b>Timely communication on the epidemic impact</b></p>	<ul style="list-style-type: none"> <li>• In February, the Bank organized two special investor teleconferences, exchanging views with nearly 100 domestic and overseas institutional investors and analysts on the potential impact of the epidemic as well as CCB’s countermeasures.</li> </ul>
<p><b>Convening online results announcements</b></p>	<ul style="list-style-type: none"> <li>• The Bank held online results announcements for 2019 and the first quarter of 2020, communicated thoroughly with over 500 domestic and overseas</li> </ul>

<b>on time</b>	investors and analysts, and introduced the latest business development.
<b>Utilizing multiple communication channels</b>	<ul style="list-style-type: none"> <li>• The Bank utilized various means such as online investor forums, teleconferences, investor hotlines and emails to convey to the market CCB's strategic development, digital operation results, risk management and business development.</li> </ul>
<b>Considering market concerns during decision-making process</b>	<ul style="list-style-type: none"> <li>• The Bank timely analyzed and organized the hot issues of market concerns, and shareholders' and investors' concerns and suggestions were considered during the operating decision-making process of the Board of Directors, the management or relevant departments.</li> </ul>

This epidemic came as a comprehensive stress test on the Bank's operation and management. Leveraging the support of advanced technology systems, sound management mechanisms and digital business models, CCB has registered stable operations in all businesses with a good development momentum. In the future, CCB will continue to practice the concept of sustainable development, follow the national policy arrangements and economic and social development requirements, and consider the concerns of the stakeholders such as employees, customers, communities, shareholders, and investors. With the characteristic advantages formed through the "three major strategies", the Bank will support and serve the regular epidemic prevention and control and the resumption of work and production, promote the smooth completion of the tasks of ensuring stability on six fronts and maintaining security in six areas, and facilitate poverty alleviation and the building of a moderately prosperous society in all respects. In the process of fulfilling responsibilities, CCB will maintain long-term and stable development.