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2024 CSR & ESG Report



2024 CSR & ESG Report

Stock code: 601825

Convenient Service Experience

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Shanghai Rural Commercial Bank Co., Ltd.



Mission

Inclusive Finance Delivers Better Life

Vision

Building a service-oriented bank to create value for customers
and an integrated regional financial service group
with the best experience and outstanding brand

Core values

Sincerity Responsibility Creation Benefit

Core spirit of corporate culture

Value virtue and goodness,
benefit the city and the people,
pursue excellence with diligence,
and realize the shared dream of harmony



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Note: For the issues marked with an asterisk, we have referred to the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) and disclosed information according to the “Four Pillars”.

Report Preparation Instructions

This document is the 2024 Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG) Report released by Shanghai Rural Commercial Bank Co., Ltd. (hereinafter referred to as “SHRCB”, the “Bank” or “we”) to the public, which discloses the Bank’s practice and achievements in ESG field in 2024 in a transparent, standardized, and comprehensive manner. The Report aims to respond to the expectations and concerns of stakeholders and to promote continuous improvement in sustainable development performance by the Bank.

- Report Scope

Time range: The Report covers the period from January 1st, 2024 to December 31st, 2024, with certain statements and data properly traced back to previous years. To ensure the coherence of the report, some content extends beyond the time range.

Organizational scope: The Report primarily focuses on SHRCB, while also including content related to rural banks initiated by SHRCB and Yangtze United Financial Leasing Co., Ltd. (“Yangtze Financial Leasing”).

Release cycle: This report is prepared on an annual basis, with the most recent version published in April 2024.

Report release: The Bank has published its CSR report annually for 18 consecutive years since 2007, and it has released the CSR & ESG report for the third consecutive year.

- Notes about Data

The financial data in the report is sourced from the *2024 Annual Report of SHRCB*, while other data originates from the Bank’s internal documents, statements and statistical records. Unless otherwise specified, all the fund amounts in the Report are denominated in RMB.

- Report Preparation Basis

The Report was prepared in compliance with the *Opinions on Strengthening Social Responsibilities of Banking Financial Institutions* issued by the former China Banking Regulatory Commission (CBRC), the *Guidelines on the Corporate Social Responsibility of Banking Institutions of China* issued by the China Banking Association (CBA), the *Self-Regulatory Guidelines for Listed Companies No. 1—Standardized Operations and Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Reporting (Trial)* issued by the Shanghai Stock Exchange, the *Environmental, Social and Governance (ESG) Indicator System for State-Owned Listed Companies in Shanghai (Version 1.0)* issued by the Shanghai Municipal State-owned Assets Supervision and Administration Commission (Shanghai SASAC), and the *Principles for Responsible Banking* issued by UNEP. This report also references the *GRI Standards (2021 Version)* issued by the Global Reporting Initiative and follows the *International Financial Reporting Standards Sustainability Disclosure Standard IFRS S2 Climate-related Disclosures* issued by the International Sustainability Standards Board (ISSB).

- Report Assurance Method

The Report was submitted to KPMG Hua Zhen LLP (Special General Partnership), which conducted a limited assurance engagement on the selected key data in the Report in accordance with *International Standard on Assurance Engagements (ISAE) 3000 (Revised)*, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, and issued an independent assurance report as presented in the "Independent Assurance Report" section.

Furthermore, the Board of Directors and all directors of the Bank hereby confirm that there are no false records, misleading statements or material omissions in the Report, and are severally and jointly liable for the authenticity, accuracy and completeness of its contents.

- Report Release Form

The Report is prepared in both Chinese and English. The Chinese version shall prevail in the event of any discrepancy between the two versions. The Report is available in both print and electronic versions, with recycled paper used for the printed version and the electronic version available for both reading and downloading at www.shrcb.com.

- Contact Information

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Message from the Chairman



Xu Li Party Secretary and Chairman

As the spring breeze of 2025 gently swept across the Huangpu River, SHRCB reviewed a year of dedicated efforts in advancing social responsibility and deepening ESG practices. In 2024, the Bank diligently implemented the guiding principles of the Third Plenary Session of the 20th CPC Central Committee and fulfilled sustainability requirements set forth by General Secretary Xi Jinping. We strengthened Party leadership, remained committed to serving the nation through financial solutions, and stayed true to our founding mission of inclusive finance. From advancing national strategic priorities to safeguarding the vibrancy of urban communities; from driving social transformation to enhancing public welfare; from empowering grassroots community governance through financial solutions to nurturing rural development with financial resources—we took concrete steps toward sustainable development. Through persistent dedication and exploration, we reaffirmed our original aspirations in pursuit of progress. Our ESG efforts yielded notable recognition, including being shortlisted in SASAC's "ESG Top 100 Index" for listed state-owned-enterprises, CCTV's "Top 30 Pioneers of China ESG Listed Companies in Finance Industry", and CCTV's "China ESG Listed Companies Yangtze River Delta Pioneer 50". We obtained the MSCI ESG rating and the Wind ESG rating of "A", respectively, the China Securities Index ESG rating of "AA", and Huazheng ESG rating of "AAA".

This year, we focused on consolidating our foundations.

Enduring legacy has its reasonableness. Aligned with the Bank's core focus on "execution excellence, management rigor, and capability building", and steered by the strategic goal of "building a model bank for ESG management", we have enhanced the top-level design of ESG governance, established an ESG Steering Committee, and implemented a "decision-making level–management level–execution level" three-tier governance structure. These efforts further strengthened company-wide ESG coordination and implementation. We embed ESG principles into organizational culture by translating concepts into conduct guidelines and instilling responsibility awareness throughout all employees, positions, and business types.

Guided by the "Two Unwavering Commitments", we continuously refine our

modern corporate governance system as the bedrock of sustainable and high-quality development. We consistently optimize the "Shareholders' Meeting - Board of Directors - Board of Supervisors - Senior Management" governance framework to enable agile decision-making and disciplined execution, and strengthen the Board of Directors' ESG oversight responsibilities to enhance the quality and effectiveness of ESG governance. We have strengthened comprehensive risk management and upheld the non-negotiable ethical thresholds. By embedding integrity, compliance, and anti-corruption across all operations, and investing in operational capabilities and fair competition practices, we strive to cultivate a transparency-driven financial ecosystem to reinforce sustainable development foundations.

This year, we focused on laying a solid foundation.

Amid a complex and evolving development landscape with mounting uncertainties, our mission of "Inclusive Finance Delivers Better Life" serves as our steadfast anchor. We maintain strategic resilience, converting challenges into momentum while planning for long-term growth, thereby continuously accumulating dynamic energy for sustainable progress.

In 2024, we further expanded our coverage of financial services. By the end of 2024, the total number of individual customers (excluding credit card holders) reached 24.73 million, representing a 6.39% year-on-year increase, while the number of enterprise customers increased by 0.31% compared to the end of last year to 345,400. Like a steady stream nourishing all living things, our financial resources have vitalized every sector of society and sustained the real economy. We vigorously advanced the development of inclusive finance and "Sannong (agriculture, rural areas, and farmers)" financial services. By the end of 2024, the balance of inclusive small and micro enterprise loans reached RMB 86,608 million with a year-on-year increase of 11.14%; the number of inclusive small and micro enterprise loan customers totaled 52,000 with a 3.53% year-on-year increase; while the agricultural loan balance reached RMB 67,787 million with a 2.12% year-on-year increase. Countless small and micro enterprises have flourished with the support from our targeted financial services. Across the

countryside, we are using financial solutions to paint a modern interpretation of the “Dwelling in the Fuchun Mountains”.

In 2024, we enhanced our pension financial services and promoted the development of pension finance specialty outlets in a well-rounded way, upgrading the pension financial service system and supporting urban elderly care initiatives. By the end of 2024, we had served over 4 million elderly customers aged 60 and above in Shanghai and established 55 specialized outlets. We also continued to enhance our “Xinjiayuan” program, a flagship platform for advancing social governance. Through partnerships with government agencies, businesses and other stakeholders, we pooled social resources to deliver a diversified service system. By the end of 2024, we had established 1,001 “Xinjiayuan” community service stations. Acting as a “circle of love” and a “bridge of connection”, “Xinjiayuan” has become a beloved neighborhood hub in Shanghai, where financial services seamlessly integrate with community care.

This year, we prioritized quality through innovation.

Finance serves as the lifeblood of the real economy, with its flow direction demonstrating a financial institution's sense of responsibility and strategic vision. General Secretary Xi Jinping points out that “scientific and technological innovation can generate new industries, new models and new momentum, and is the core element for developing new productive forces”. We diligently study and implement General Secretary Xi Jinping's requirements for developing new quality productive forces, taking proactive responsibility to enhance targeted financial support for technology-driven enterprises. Guided by our service philosophy of “Leading in Innovation, Complete in Technology, Pioneering in Research”, we have implemented a four-pillar strategy, which includes strengthening institutional frameworks for tech finance, enhancing specialized operations for tech-focused banking, upgrading financial product ecosystems for tech enterprises, and deepening partnerships across the tech finance value chain. This multi-pronged approach has cultivated an enabling environment for responsible tech lending—with the confidence to finance, willingness to support, capacity to deliver, and expertise to guide. By the end of 2024, the balance of loans to sci-tech enterprises reached RMB 114,984 million with an increase 24.29% year-on-year; the number of sci-tech enterprise customers served totaled 4,278 with an increase of 30.63% year-on-year.

In 2024, we focused on early-stage technology startups, aiming to tackle financing challenges, which includes asset-light business models, high R&D investment and collateral shortages, to help them overcome critical growth barriers. We have successively introduced specialized financing solutions and innovative products, such as “Xinfuhua Loan” and “Xinfuhua Guarantee Loan”, providing start-ups with customized credit solutions including first loans, credit loans, and medium-to-long-term loans to meet their capital needs. Additionally, through partnerships with premier incubator facilities, we have been actively developing the “Xinfuhua” technology innovation cultivation system. This includes establishing the “Xinfuhua” incubation bases that provide incubated companies with specialized services including industrial resource integration, policy resource coordination, mentorship from entrepreneurial advisors and industry experts, investing institution recommendation, technology testing, and pilot testing platforms. By the end of 2024, we had formed strategic partnerships with multiple national-level incubators in Shanghai, officially designating 10 “Xinfuhua” incubation bases.

This year, we steadfastly pursued a green future.

Green is the fundamental color of the high-quality development and a hallmark of responsible finance. Guided by the principle of green development, we have charted a roadmap for low-carbon transformation, painting an ecologically sustainable vision. We place great emphasis on environmental and climate-related risk management, enhancing the top-level design of green finance and environment/climate-related governance. We proactively identify, evaluate, and manage environment/climate-related risks and opportunities, continuously enriching our range of green financial products and service to unleash new

momentum for innovative development and strengthen our resilience against environmental and climate-related risks.

We are vigorously developing green finance services, including green loans, green bonds, green investment banking, green leasing, and green retail banking. We are actively exploring the innovation of green financial products and continuously enhancing our integrated service capabilities in green finance. In green product innovation, the Bank partnered with China Pacific Insurance Company (CPIC) to originate the nation's first chemical sector transition finance loan. Structured as a Sustainability-Linked Loan (SLL), it couples the interest rate with the borrower's Sustainability Performance Targets (SPT) for low-carbon transition, using financial incentives to drive corporate green transformation. This marks the first-ever bank-insurance cross-industry collaboration in China's transition finance market. By the end of 2024, the Bank's outstanding green loans reached RMB 84,335 million, with a year-on-year increase of RMB 22,904 million, representing a growth rate of 37.28%. This dual achievement demonstrates concurrent growth in both financial performance and environmental impact.

We deeply understand that green development is not only a business imperative, but a call to action for everyone in our organization. We integrate green operations into all aspects of our business and operations, focusing on green office practices and green procurement. By managing energy consumption, accelerating the implementation of energy-saving and emission-reducing measures, and strengthening the awareness of green, low-carbon, and environmental protection among all employees, we transform our commitment into action, extending from financial services to everyday life. Through every individual effort, we are building a unified momentum toward a greener future.

Milestone years often carry profound significance. The year 2025 represents a pivotal year for the Bank, marking both the culmination of our 2023-2025 Development Strategy and the “14th Five-Year Plan” period. This milestone year serves as a strategic transition point for planning our next development phase and a critical juncture to chart our course for future high-quality growth. Notably, this year also commemorates the Bank's 20th founding anniversary. We recognize that the economic and financial landscape in 2025 remains highly tumultuous and uncertain, with numerous challenges and difficulties ahead. “Amid the growing shades of dusk stand sturdy pines, riotous clouds sweep past, swift and tranquil.” Only through unwavering strategic focus, fidelity to our founding mission, and commitment to long-term value can we summon the courage to resist being swept away by short-term pressures, maintain sober judgment to navigate through uncertainty, and face turbulent waves with unshaken composure.

We choose to sail against the current, not because it is easy, but because it is the right course, demanding though it may be. With full dedication, as countless ships pass by, we will arrive at the shores of limitless possibilities in 2025.

Party Secretary and Chairman



Message from the President



Gu Jianzhong Deputy Party Secretary, Vice Chairman and President

Time flies, and the year 2024 has been both challenging and full of promise. Throughout this period, the Bank has remained true to our founding aspirations and pressed forward with our ESG efforts, leveraging financial resources to drive sustainable development and make a positive contribution to high-quality economic and social growth. Looking back on the past year, we have upheld our mission of “Inclusive Finance Delivers Better Life”, embedding ESG principles deeply into the Bank’s business development and daily operations.

Advancing the “Green Journey”: Green Finance Powers Sustainable Development

In response to the national “dual carbon” strategy, the Bank has continued to enhance our green finance initiatives. By the end of this year, our green loan balance had increased by 37.28% over the previous year, far outpacing the overall loan growth rate and injecting powerful momentum into the green transition of Shanghai and the Yangtze River Delta region.

We consistently refine our green finance management system. We have optimized green credit policies and expanded financial support for clean energy, energy conservation and environmental protection, eco-agriculture, and other green industries. We also closely monitor customers’ performance in environmental protection, energy saving and carbon reduction, clean production, the circular economy, and biodiversity. Meanwhile, we have strengthened our organizational structure for green finance, establishing dedicated green finance units in the Head Office’s front- and middle-office functions to drive development through a dual-engine approach. In addition, we have accelerated the digital transformation of green finance by launching Phase II of our green finance business management system, significantly enhancing the efficiency of green lending processes.

We continuously explore new avenues in green finance product innovation.

We completed the allocation of underlying assets for our green financial bonds, dedicating the proceeds exclusively to support green projects and expand financing channels for green industries. Focusing on transition finance

and climate investment and financing, we have pioneered new products, including issuing the nation’s first transition finance loan in the chemical sector and leading a syndicated loan to support Shanghai’s first batch of climate investment and financing projects. Financial support for the “fish-rice symbiosis” initiative has also aided in biodiversity conservation. The Bank also encourages enterprises to reduce energy consumption and emissions, launching the “Shanghai Rural Commercial Bank Transition Finance Services Program” to assist high-carbon-emitting firms in adopting green and low-carbon transition. Furthermore, our collaboration with CPIC has initiated a bank-insurance partnership, deepening the cross-sector cooperation under the “Green Finance + Insurance” model.

We practice green development principles in our day-to-day operations.

We have continued to upgrade our office environment, improving video conferencing systems, promoting paperless offices, and optimizing energy management to reduce our own operational carbon footprint. We also advocate low-carbon lifestyles and work habits among our employees by introducing the “Low-carbon Life” program for tracking personal carbon footprints, thereby fostering a positive culture of collective participation in green development.

Spreading the Light of “Inclusive Finance” to Empower a Better Life

As a state-owned bank deeply rooted in the local community, we have always regarded inclusive finance as our founding mission, committed to serving the “Sannong (agriculture, rural areas, and farmers)”, small and micro enterprises, science and technology innovation, and community residents.

We are firmly rooted in rural areas and serve rural residents, providing comprehensive financial support for rural revitalization.

We have established a grid-based special task force mechanism for rural revitalization and developed a “1+4” grid-based service system. Through the “Hundred Days, Hundred Towns” campaign, we implement region-specific, in-depth rural revitalization projects. We continue to strengthen whole-village credit granting and the development of credit villages, enhancing the accessibility and

convenience of rural financial services. We have newly designated 109 credit villages and 5 credit towns, and completed the registration of basic information for over 80,000 rural households. Moreover, we are exploring how inclusive finance can empower rural governance by launching an innovative "Points + Finance" model for village governance, creating a new path where finance contributes to effective rural governance. Our agricultural loans continue to lead in the Shanghai region, providing strong support for rural infrastructure construction and agricultural modernization.

We are dedicated to offering small and micro enterprises more comprehensive, efficient, and high-quality financial services, effectively enhancing their sense of financial service accessibility. We have optimized loan processes, reduced financing costs, innovated guarantee methods, and promoted principal-free loan renewals to provide high-quality financial services to small and micro enterprises. We have established a task force to implement a financing coordination mechanism for small and micro enterprises, improving their accessibility. We are also accelerating the integration of micro-loan services with our branch operations, with three new pilot institutions added in 2024. The scale of inclusive small and micro loans and the number of loan recipients have steadily increased, effectively alleviating financing difficulties for small and micro enterprises, and contributing to stabilizing businesses and safeguarding employment.

Focusing on the construction of the Shanghai Scientific and Technological Innovation Center, we fully support the innovative development of technology-based enterprises. Upholding the philosophy of "Leading in Technology Innovation, Broad in Technology Coverage, Pioneering in Scientific Research", and emphasizing early-stage, small-scale, long-term, and hard-tech investment, we continue to upgrade our "Xin Power" science and technology service brand. We have strengthened partnerships with universities, research institutions, and incubators, facilitating the commercialization of scientific and technological achievements. We have introduced innovative products such as the "Xinfuhua Loan" and "Xinfuhua Guarantee Loan" to meet the financing needs of technology enterprises at different stages of growth. We have also improved our technological finance organizational structure and built a professional service team. As a result, the loan balance for technology-based enterprises grew by 24.29%, and the number of loans increased by 30.63%, further accelerating the regional innovation engine.

We actively implement the concept of "Finance for the People" and continues to enhance the quality and efficiency of our financial services. We have established 1,001 "Xinjiayuan" public welfare service stations and collaborated with more than 360 business outlets to build a core platform for the Bank's contribution to social governance. With a strategic vision of pension finance development, we focus on the core needs of the elderly and have created a "Six Specialized Area" pension service system. We have established 55 specialized pension financial service outlets, and our pension finance service brand has won the "Jiefu Award" for Pension Finance Flagship Services. We have also strengthened the protection of financial consumer rights, upgraded the consumer protection system, improved the complaint handling mechanism, and increased customer satisfaction. In addition, we have organized financial literacy campaigns to improve public financial awareness and foster a positive and healthy financial consumption environment.

Strengthening the "Foundation for Governance" for Steady and Sustainable Growth

Sound corporate governance is the cornerstone of a bank's sustainable development. We are committed to continuously refining our governance framework, reinforcing internal controls and risk management, and enhancing our overall governance effectiveness.

We remain steadfast in integrating the Party's leadership into all aspects of corporate governance, leveraging the Party Committee's role in setting direction, managing overall situation, and ensuring implementation. We continue to optimize a governance model that features comprehensive

leadership by the Party Committee, strategic decision-making by the Board of Directors, and efficient execution by senior management, ensuring synergy, accountability, and effective checks and balances across all governance bodies.

With a strong commitment to risk awareness, we have made steady progress in building a comprehensive risk management system. We have strengthened credit risk controls by advancing embedded risk management practices, enhancing digital and intelligent risk monitoring capabilities, and optimizing credit approval processes. Loan disbursements are closely scrutinized, and dynamic monitoring of key industries and customers enables early identification and mitigation of potential risks. We have intensified efforts to resolve non-performing assets through diversified resolution strategies, effectively digesting existing risks and ensuring sustained asset quality improvement.

We uphold a culture of compliance and firmly adhere to prudent operations as the lifeline of our sustainable development. Our internal control mechanisms and accountability frameworks have been further enhanced, and compliance assessment systems refined to ensure timely detection, accurate identification, and fair handling of regulatory breaches. We conduct regular warning education to strengthen employee compliance training and behavioral management, reinforcing a culture of compliance across the organization. We implement centralized internal audit management, enhance audit supervision functions, strictly prevent operational risk incidents, and ensure the safety and stability of operations.

Looking Ahead to 2025: Forge Ahead and Embark on a New Journey

The year 2025 marks a critical point filled with both opportunities and challenges. Standing at a new historical juncture, we will remain true to our original aspiration and forge ahead with greater confidence, stronger commitment, and more pragmatic actions to embark on a new journey of high-quality development.

We will continue to deepen our commitment to green finance, allocate more resources, and optimize our service models to support Shanghai's goal of becoming an international green finance hub. By enhancing collaboration with enterprises and research institutions, we aim to explore innovative pathways for green finance and promote its integration with the real economy.

We will further expand the breadth and depth of our financial services, focusing on key areas such as rural revitalization, small and micro private enterprises, and public welfare. By innovating financial products and service delivery models, we will enhance financial accessibility and inclusion, contributing to balanced and equitable economic and social development.

We will continue to optimize our corporate governance structure, strengthen internal control and risk management systems, and elevate our governance capabilities. Through active engagement with stakeholders, including shareholders, customers, and employees, we will respond to their expectations and work together to drive sustainable development.

Over the past year, we achieved remarkable results through shared efforts and collaboration. In the year ahead, we will remain committed to our mission of "Inclusive Finance Delivers Better Life", forging ahead with determination and innovation. We strive to deliver greater value to our shareholders, provide high-quality services to our customers, and make more meaningful contributions to society.

Deputy Party Secretary,
Vice Chairman and President



About Us

Company Profile

Established on August 25th, 2005, SHRCB is a state-controlled corporate bank headquartered in Shanghai and is the first provincial-level commercial bank established through the joint-stock reform of rural credit cooperatives in China. On August 19th, 2021, SHRCB was successfully listed on the Shanghai Stock Exchange (stock abbreviation: SHRCB; stock code: 601825). On October 18th, 2022, SHRCB officially signed the UN Principles for Responsible Banking (PRB), and joined the United Nations Environment Program Finance Initiative (UNEP FI), becoming the first commercial bank that commits to observing the UN Principles for Responsible Banking in Shanghai. Currently, SHRCB operates over 360 outlets and has a workforce exceeding 10,000 employees.

SHRCB earnestly implements the decisions and deployments of the Central Committee of the CPC, the State Council, the Shanghai Municipal Committee and the Shanghai Municipal People's Government. The Bank strengthens Party building and leadership, and focuses on the three core strategies of "insisting on customer-oriented, being committed to inclusive finance and staying firm in digital transformation". The Bank is fully committed to completing the "Five Major Financial Articles", and building a retail financial service system driven by wealth management, a comprehensive financial service system driven by transaction banking, an inclusive financial service system characterized by the "Sannong" finance, a technology financial service system featuring sci-tech innovation, and a sustainable development financial service system characterized by green finance. The Bank provides comprehensive financial solutions for both corporate and individual customers, while actively developing competitive differentiators to become the region's premier integrated financial group renowned for exceptional customer experience and distinguished branding.

Total group assets of RMB

1,487,809 million



Deposit principals of RMB

1,072,141 million



Total loans and advances of RMB

755,219 million



Net profit of RMB

12,608 million



Branches

364



Total employees

11,800



Key Performance in 2024



Governance

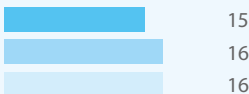
2024

2023

2022

Number of board members

15 Person



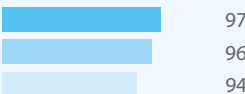
Number of board meetings

8 Time



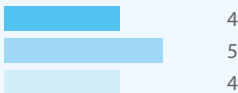
Average attendance rate of board meetings

97 %



Number of supervisory board meetings

4 Time



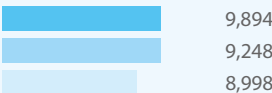
Average attendance rate of supervisory board meetings

95 %



Compliance case prevention warning education training attendance

9,894 Person-time



Economic

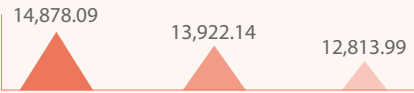
2024

2023

2022

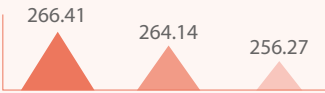
Total assets

14,878.09 RMB 100 million



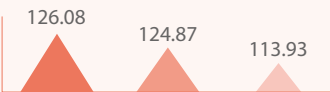
Operating income

266.41 RMB 100 million



Net profit

126.08 RMB 100 million



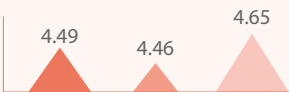
Total tax payment¹

45.80 RMB 100 million



Social contribution value per share²

4.49 RMB/share



【 1 】 The total tax amount includes withholding and remittance of individual income tax.

【 2 】 Social contribution value per share (SCVS) = (net profit + taxes paid + employee wages + interest expenses + donations and other stakeholder value - environmental remediation and other social costs) / total shares outstanding.



Social

2024

2023

2022

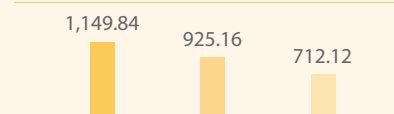
Balance of agriculture-related loans

677.87 RMB 100 million


Balance of loans to small and medium-sized enterprises

4,521.24 RMB 100 million


Balance of loans to sci-tech enterprises

1,149.84 RMB 100 million


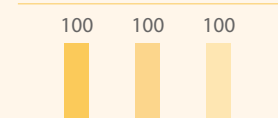
Amount of public charity donations

1,782.40 RMB 10,000


Number of employee participating in training

369,123 Person-time


Customer complaint handling rate

100%


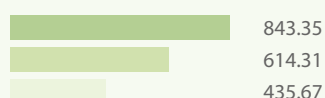
Environmental

2024

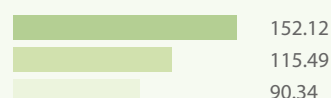
2023

2022

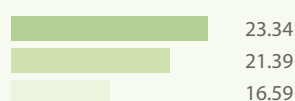
Green credit balance

843.35 RMB 100 million


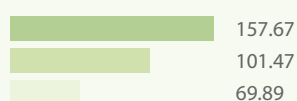
On-balance sheet balance of green bond investments

152.12 RMB 100 million


Balance of green bonds held by asset management products

23.34 RMB 100 million


Balance of green leasing



157.67 RMB 100 million





Greenhouse gas emissions per capita

3.04 Tons of CO₂ equivalent/person


Honors and Awards

In 2024, SHRCB achieved significant results in the areas of environmental, social, and corporate governance (ESG), earning numerous prestigious awards for its outstanding performance. These accolades signify a high level of recognition for the Bank's dedication to sustainable development practices and ESG efforts, showcasing its active role in promoting environmental protection, fulfilling social responsibility, and advancing corporate governance processes.

Award Categories	Awarding Institutions	Honors and Awards
 Comprehensive	China Association for Public Companies	2024 Listed Companies Broad of Directors Best Practices AwardBest Practice Company for 2023 Annual Performance Briefing for Listed Companies
	Securities Times	The 15 th "Tianma Award" for Investor Relations of Listed Companies in China
	rs.p5w.net	The 5 th Panorama Investor Relations Gold Award - Outstanding ESG Value Communication Award
	<i>China Securities Journal</i>	The 26 th Golden Bull Award for Listed Companies - Golden Information Disclosure Award
	<i>China Fund</i>	The 2024 China Listed Companies Yinghua Award - A-Share Value Award
	Jiemian.com	The 2024 Excellence in Finance Awards - Commercial Bank of the Year (Brand Value)
	China Banking Association	Ranked 13 th among the "2024 China's Top 100 Most Competitive Banks"
	China Financial Certification Authority	Ranked 14 th among the "2024 Gold Benchmarks for Inclusive Finance"
	China Banking Association	Ranked 23 rd among the "2024 China's Top 100 Banks"
	UK's <i>The Banker</i> Magazine	Ranked 128th among the "2024 Top 1,000 World Banks"
	<i>ESG Action Report of the Financial Industry (2024)</i>	Ranked 13th among the "Top 30 ESG Pioneers in China's Financial Sector"
	State-owned Assets Supervision and Administration Commission of the State Council	Listed on the "ESG-Pioneer 100 Index" of Listed State-Owned Enterprises
	CCTV Financial Program Center	Ranked 13 th among the Top 30 ESG Pioneers in China's Financial Sector
	CCTV Financial Program Center	Listed on the "China ESG Listed Companies Yangtze River Delta Pioneer 50"
	People's Daily (Overseas Edition) All-China Environment Federation	Listed on the "China Corporate ESG 100 Index"
 Environmental	Organizing Committee of the 5 th Fintech Application and Service Conference	Golden Wings Award - ESG Sustainability Leadership Award
	GoldenBee Think Tank	"GoldenBee 2024 Sustainability Reports Honor Roll of Listed Companies in Yangtze River Delta Region"
	Green Finance Forum of 60 (GF60)	2024 GF60 Green Finance Awards - Best Financial Institution
	Secretariat of Shanghai International Carbon Neutrality Expo Organizing Committee, Shanghai Energy Conservation Association	2024 Shanghai International Carbon Neutrality Expo Outstanding Contribution Award
	Small and Medium-sized Banks Alliance	2024 Digital Finance Innovation Leadership Award
	Shanghai Banking Association	Outstanding Green Financial Service Provider in Shanghai Banking Sector
	Financial Committee of Pudong New District, Shanghai	Pilot Unit for Carbon Emissions Disclosure by Financial Institutions in Shanghai

Award Categories	Awarding Institutions	Honors and Awards
 Social	Shanghai Municipal People's Government	"Advanced Enterprise (Organization) for Promoting Employment in Shanghai" Award
	The 3 rd Listed Companies Chief Sustainability Officer Summit	"Xinjiayuan, Finance for the People, Serving the Community - Inclusive Finance Empowering the Better Lives of Citizens" won the "2024 Outstanding Sustainable Development Case Award" issued by EY.
	China Financial Media Co., Ltd.- 2024 Banking ESG Development Forum	<i>Putting People First: Public Welfare Leads, Finance Supports</i> was included in the 2024 Banking ESG Best Practice Case
 Ratings	China Banking Association	2024 Commercial Bank Sound Development Capability "GYROSCOPE" Evaluation: First Place in Overall Performance among Urban Rural Commercial Banks
	China CSR Report Rating Expert Committee	The Bank's 2023 ESG Report rated 5 Stars (Outstanding)
	China Information Technology Industry Federation	DCMM Level 4 (Quantitatively Managed)
	S&P Global Ratings (China)	Issuer Credit Rating "AAAspc" with Stable Outlook
	China Financial Media Co., Ltd.- 2024 Banking ESG Development Forum	Listed on the "Top 20 Rural Commercial Banks for Overall ESG Performance" with ESG Rating "AA"
	S&P Global Ratings	Long-Term Issuer Credit Rating "BBB"
	MSCI Inc.	MSCI ESG Rating "A"
	CSI Index Co., Ltd.	CSI ESG Rating "AA"
	Sino-Securities Index Information Service (Shanghai) Co., Ltd.	Sino-Securities ESG Rating "AAA"
 Technological Innovation	People's Bank of China	2023 FinTech Development Award - National Third
	Chinese Academy of Sciences' <i>Internet Weekly</i> , Information Research Center of Chinese Academy of Social Sciences	"Digital and Intelligent Compliance Management Platform" was included in the "2024 National Exemplary Case of New Quality Productivity Enablement"
	World AI Conference & High-Level Meeting on Global AI Governance - Business AI Summit	2024 Digital and Intelligent Transformation Excellence & Innovation Team Award 2024 Digital and Intelligent Transformation Leading Enterprise Award
	Small and Medium-sized Banks Alliance	2024 Digital Finance Leadership Award
	<i>Financial Computerization Magazine</i>	The 15 th Financial Technology Application Innovation Award

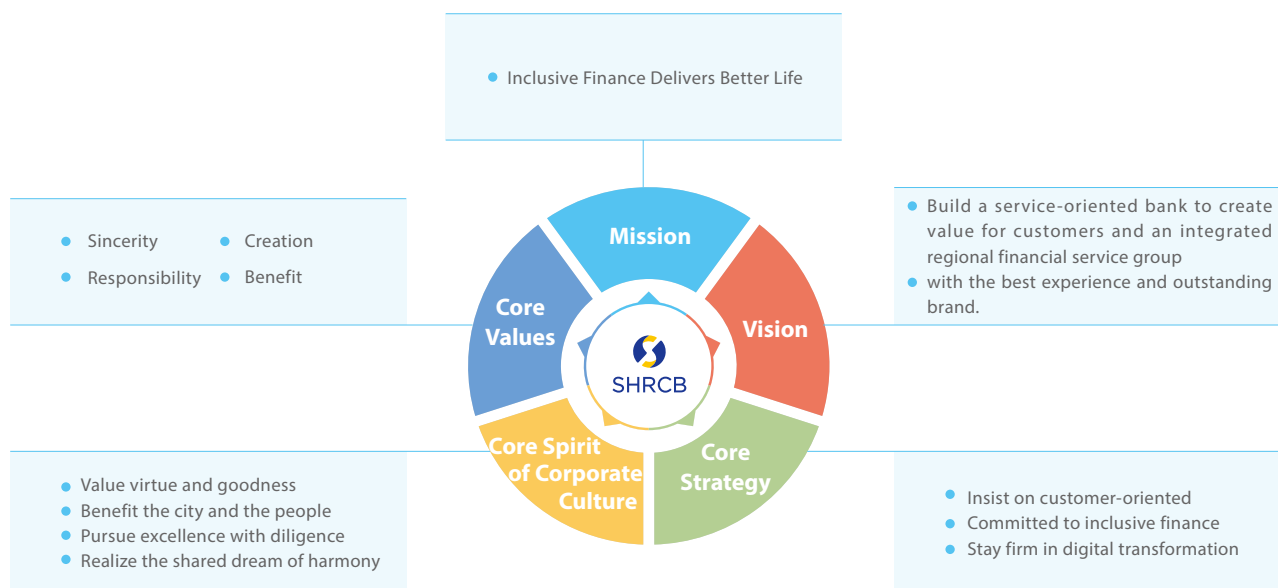
Honor Display



Sustainability Strategy and Management

As the first commercial bank in Shanghai to commit to adhering to the UN Principles for Responsible Banking (PRB), SHRCB has deeply integrated the philosophy of sustainable development into its operation management and business development. The Bank fully serves the real economy, the “Sannong”, small and micro enterprises, sci-tech companies, and community residents. Through the co-prosperity of economic efficiency and social value, we fulfill our mission and responsibility as a responsible bank.

Strategic Concept



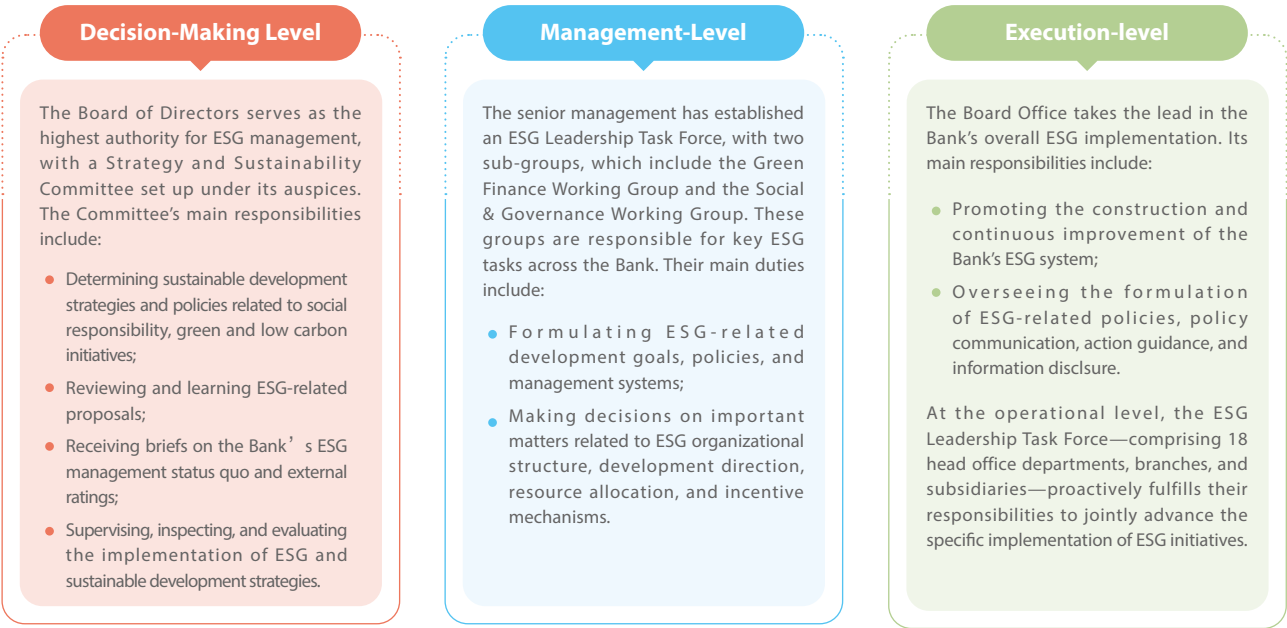
Objectives for Responsibility

2023-2025 strategic goals: To build a quality bank with stable development, a model bank for ESG management, and a pioneer bank in inclusive finance.

The Bank has incorporated ESG management into its 2023-2025 development strategy, proposing the strategic goal of “building a model bank for ESG management”. By establishing a benchmark for corporate governance among small and medium-sized banks, becoming the most environmentally conscious bank in the Yangtze River Delta, and creating a Shanghai model for inclusive finance to empower social governance, the Bank will continuously enhance its ESG performance and provide more successful experiences and replicable cases to support China's modernization through financial services.

Governance Structure

The Bank places high importance on sustainable development management, integrating ESG factors into its development strategies and business policies. A “decision-making level – management level – execution level” three-tier governance structure has been established. The Board of Directors serves as the Bank’s highest authority in ESG management, with the Strategy and Sustainability Committee to coordinate and promote ESG management initiatives.



Areas of Responsibility

The United Nations Sustainable Development Goals (SDGs) serve as a core framework for the Bank’s sustainability initiatives. By aligning its own operations and business development with the SDGs, the Bank has identified our priority goals that correspond to our core products and services, technological capabilities, and strategic directions.

Guide pillars	Issues	SDGs	The Bank’s action
<div> Environmental</div>	<div>Climate change response</div> <div>Green finance</div> <div>Green and low-carbon operations</div>	<div><div><div>6 CLEAN WATER AND SANITATION</div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13 CLIMATE ACTION</div><div>14 LIFE BELOW WATER</div><div>15 LIFE ON LAND</div></div></div>	<ul style="list-style-type: none">• Proactively address climate change by identifying and assessing environmental/climate-related risks and opportunities.• Strengthen the top-level design of green finance governance, improving risk management frameworks and operational procedures for green finance business.• Build a sustainable financial service system anchored in green finance, with accelerated development in green credit, green bonds, green investment banking, green leasing, and green retail banking.• Implement bank-wide green operations through green office practices and green procurement.

Guide pillars	Issues	SDGs	The Bank's action
 Social	Serving real economy		<ul style="list-style-type: none"> Proactively respond to national and Shanghai municipal industrial policies, substantially bolstering the development of the real economy.
	Rural revitalization support		<ul style="list-style-type: none"> Focus on the financial service needs in the “Sannong (agriculture, rural areas, and farmers)” areas, and enhance the services for new agricultural business entities.
	Technology finance		<ul style="list-style-type: none"> Deepen technology finance services through continuous improvement of the sci-tech enterprise financial ecosystem and advancement of the "Xin Power" strategic emerging customer development program.
	Inclusive finance		<ul style="list-style-type: none"> Actively implement inclusive finance through dedicated services for small and micro enterprises, sci-tech companies, and community residents, support for private enterprise development, focus on financial services for small and medium-sized enterprises, and enhance the coverage and accessibility of financial services.
	Pension finance		<ul style="list-style-type: none"> Establish a “Six-Specialized-Areas” service system for elderly customers and promote the development of elderly-friendly branch networks.
	Digital finance		<ul style="list-style-type: none"> Propose digital transformation strategies and empower all main business lines through digitalization.
	Accessibility of financial services		<ul style="list-style-type: none"> Prioritize consumer protection through multi-channel disclosure of product and service information, establish sales compliance baselines, and implement responsible and compliant marketing training programs.
	Consumer rights protection		<ul style="list-style-type: none"> Continuously improve the construction of information security, cybersecurity, and privacy protection systems, and strengthen the data security defense line.
	Information security and privacy protection		<ul style="list-style-type: none"> Safeguard employee rights and interests, cultivate a diverse, equitable and inclusive working environment, prioritize employee care, and empower employee growth.
	Human capital development		<ul style="list-style-type: none"> Actively fulfill social responsibilities and participate in corporate charitable programs.
			
 Governance	Corporate governance		<ul style="list-style-type: none"> Continuously improve corporate governance, strengthen Board of Directors' effectiveness, and protect investors' legitimate rights and interests.
	Business ethics management		<ul style="list-style-type: none"> Establish long-term mechanisms for internal control and compliance management, deeply cultivating a culture of compliant operations.
	Risk management		<ul style="list-style-type: none"> Uphold the bottom line of business ethics, enhance systems and capacity building for anti-corruption, anti-money laundering, and anti-unfair competition.
	Procurement management		<ul style="list-style-type: none"> Implement a comprehensive risk management organizational structure, and reinforce the three lines of defense in risk management.
			<ul style="list-style-type: none"> Strengthen supplier management and advance responsible procurement practices.
			

Stakeholder Communication

The Bank maintains stakeholder communication as a strategic priority, proactively developing diverse communication channels and sustaining an open and inclusive dialog attitude. We attentively listen to the voices of all stakeholders, including government and regulatory authorities, customers, employees, shareholders, and the public. By thoroughly understanding stakeholder concerns and expectations, we deliver timely and substantive responses to stakeholders through our sustainable development initiatives.

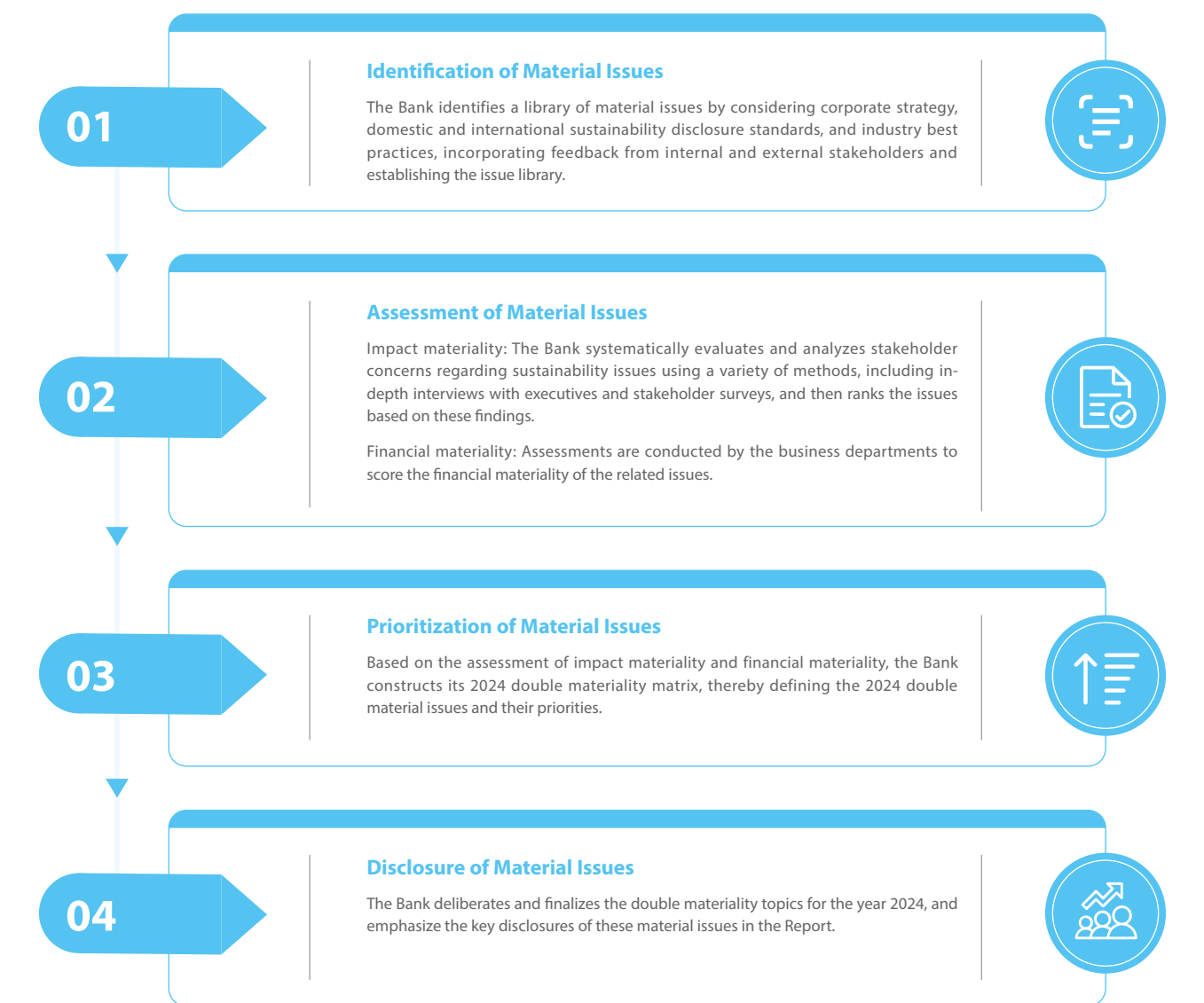
Stakeholders	Expectations and requests	Communication channels	Responses
 Governmental and regulatory agencies	<ul style="list-style-type: none"> • Serving real economy • Promoting rural revitalization • Supporting the “dual carbon” goals • Preventing financial risks • Developing inclusive finance • Standardized corporate governance • Anti-corruption and anti-money laundering • Tax compliance • Promoting employment and entrepreneurship 	<ul style="list-style-type: none"> • Researching and implementing relevant financial policies • Supporting the formulation of industrial policies • Participating in surveys, visits and meetings • Cooperating with regular agencies and receiving regulatory inspections and assessment • Submitting statistical reports 	<ul style="list-style-type: none"> • Observing laws and regulations, maintaining full tax compliance, and creating more employment opportunities • Supporting rural revitalization and promoting the development of inclusive finance • Monitoring climate changes and developing green finance • Actively implementing national and local policies to serve the real economy • Enhancing compliance management and education to foster compliance awareness across all staff • Strengthening comprehensive risk management and accelerating risk management system development
 Customers	<ul style="list-style-type: none"> • Improving customer experience • Meeting customer needs • Protecting the rights and interests of customers • Promoting financial literacy • Information security and privacy protection 	<ul style="list-style-type: none"> • Online banking services • Customer demand survey • Customer satisfaction survey • Complaint hotline • Customer care activities • Convenience services 	<ul style="list-style-type: none"> • Optimizing business processes, innovating financial products, and providing convenient services • Improving complaint handling procedures, conducting investor education, and protecting consumer rights • Strengthening the development of financial technology, and highlighting information safety and privacy protection
 Investors and stakeholders	<ul style="list-style-type: none"> • Sustaining robust operation • Improving profitability • Increasing returns to shareholders • Increasing corporate value • Standardizing corporate • Preventing financial risks 	<ul style="list-style-type: none"> • Regular reports • Information disclosure • Road shows • Investor briefings • Visitor reception • Analyst meetings • Shareholders' meeting • Investor service hotline and email 	<ul style="list-style-type: none"> • Ensuring the steady, healthy and sustainable development of various businesses, and protecting shareholders' rights and interests • Disclosing information in a timely, authentic and accurate manner, and increasing the quality of information disclosure • Managing investor relations through multiple channels, platforms and means, and strengthening communication with investors • Continuously improving the corporate governance mechanism, ensuring compliant and prudent operations which meet the standards of legal and regulatory requirements

Stakeholders	Expectations and requests	Communication channels	Responses
 Employees	<ul style="list-style-type: none"> • Providing a healthy and safe working environment • Protecting employees' rights and interests • Caring about employees' life • Paying attention to employees' growth 	<ul style="list-style-type: none"> • Employee congresses • Employee satisfaction survey • Employee cultural and sports activities • Training workshops 	<ul style="list-style-type: none"> • Improving the remuneration and welfare system to protect employees' legitimate rights • Improving the promotion mechanism for employees to foster the mutual growth of employees and the Bank • Improving the training system and unlocking employees' potential
 Suppliers and partners	<ul style="list-style-type: none"> • Expanding cooperation channels • Fair and just procurement • Honest contract fulfillment • Business ethics and anti-corruption 	<ul style="list-style-type: none"> • Daily communication • Peer exchanges and cooperation • Bidding activities • Supplier investigation and visits 	<ul style="list-style-type: none"> • Friendly cooperation and mutual respect • Fair contracting and honest contract fulfillment • Fair competition and transparent procurement
 Community & the public	<ul style="list-style-type: none"> • Contributing to public welfare and charity • Supporting community development • Building brand image 	<ul style="list-style-type: none"> • Carrying out public welfare activities • Employee voluntary services • Community services • Media promotion 	<ul style="list-style-type: none"> • Increasing community engagement and carrying out volunteer activities • Expanding community-based financial literacy initiatives • Advancing social welfare programs to strengthen ESG credibility • Pursuing low-carbon operation and implementing energy conservation and emission reduction measures

Material Issue Management




In 2024, the Bank adopted the double materiality assessment for the first time, evaluating the issues’ materiality from two dimensions, including impact materiality (the significance of the issue’s impact on the environment, society and economy) and financial materiality (the significance of the issue’s impact on the Bank’s financial performance) and. Based on the double materiality assessment approach, we identified, evaluated, and analyzed the related issues in the environmental, social, and governance domains, obtaining the annual materiality assessment outcomes and the Bank’s 2024 double materiality matrix. The results of the annual materiality assessment are disclosed in this report to respond to stakeholders’ concerns regarding the Bank’s sustainable development efforts.

SHRCB 2024 Double Materiality Assessment Approach



Step 1: Identification of Material Issues

With reference to the disclosure requirements set out in the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), and the best peer practices, with the consideration of industry trends and feedback from stakeholders, we evaluated the appropriateness of the issues. In 2024, we identified a total of 18 ESG-related material issues.

Issue Dimensions	Issues	Changes from the previous year
 Environmental (3 issues)	Climate change response, Green finance, Green and low-carbon operations	<ul style="list-style-type: none"> • “Climate change response” and “Supporting the ‘dual carbon’ goals” are combined into “Climate change response”
 Social (11 issues)	Serve real economy, Rural revitalization support, Technology finance, Inclusive finance, Pension finance, Digital finance, Accessibility of financial services, Customer rights protection, Information security and privacy protection, Human capital development, Social philanthropy and charity	<ul style="list-style-type: none"> • Referring to the Shanghai Stock Exchange Sustainable Development Report Preparation Guidelines and the best practices of peer banks, the issues “Supporting real economy” and “Facilitating coordinated regional development” are consolidated into “Serve real economy”, while “Consumer rights protection” and “Customer satisfaction and complaint handling” are combined into “Consumer rights protection”. Furthermore, “Channels for communication with employees”, “Employee training and development”, “Employee remuneration and welfare”, “Work-life balance”, and “Support for employees in difficulty” are integrated into “Human capital development”. All are aim to optimize the expression of issues • “Technology finance” is added • “Accessibility of financial services” is added • “Pension finance” is added
 Governance (4 issues)	Corporate governance, Business ethics management, Risk management, Procurement management	<ul style="list-style-type: none"> • “Corporate governance” and “Strengthening internal control and compliance” are combined into “Corporate governance” to refine the issue concept • With reference to the Shanghai Stock Exchange Sustainable Development Report Preparation Guidelines, the new issues such as “Business ethics management”, “Risk management”, and “Procurement management” are added. This emphasizes the Bank’s focus and ongoing effort to strengthen business continuity management while evolving from basic regulatory compliance to sustainable value creation

Step 2: Assessment of Material Issues

The Bank has integrated the perspectives of 681 internal and external stakeholders, taking into full consideration the opinions of multiple departments and senior management. Through a comprehensive analysis of our industry's business landscape, enhanced by insights from external experts, we have conducted an in-depth assessment of how material issues affect the Bank's financial performance as well as its economic, environmental, and social impacts.

Impact Materiality Assessment



Through engagements with senior management and stakeholder surveys, we have gained in-depth insights into key ESG concerns. Based on these findings, we assess the impact phases of ESG issues and evaluate their significance levels.

1. We conduct stakeholder questionnaire surveys, assigning scores from 1 to 5 for each issue based on its impacts, whose evaluation dimensions include impact scale, impact scope, irreversibility, and likelihood. The respective score correspond to the five levels, including "Not Important," "Slightly



Important," "Moderately Important," "Important," and "Extremely Important". A higher score indicates a greater impact of the material issue on the external environment, society, and economy.

2. Materiality threshold is set to define issues of impact materiality. We have established the score of 3 as the materiality threshold. If the impact score of a material issue is greater than or equal to 3, it is considered a issue of impact materiality.

Impact Materiality Analysis

ESG pillars	Material issues	Impact dimensions					Impact level
		Operations and Management	Economic performance & value creation	Industry development	Social development & human well-being	Global warming & climate change	
 Environmental dimension	Climate change response		✓	✓	✓	✓	5
	Green finance		✓	✓		✓	4
	Green and low-carbon operations	✓			✓	✓	4
 Social responsibility	Serving real economy		✓	✓	✓		5
	Rural revitalization support		✓		✓		4

Note: "✓" indicates the issue has existing or potential material impacts on the respective dimensions

ESG pillars	Material issues	Impact dimensions					Impact level
		Operations and Management	Economic performance & value creation	Industry development	Social development & human well-being	Global warming & climate change	
 Social responsibility	Technology Finance		✓	✓	✓		5
	Inclusive finance		✓	✓	✓		4
	Pension finance		✓	✓	✓		4
	Digital finance	✓	✓	✓			2
	Consumer rights protection	✓	✓		✓		4
	Accessibility of financial services		✓		✓		3
	Human capital development	✓	✓		✓		4
	Social philanthropy and charity				✓		2
	Information security and privacy protection	✓	✓	✓			4
 Corporate governance	Corporate governance	✓	✓	✓			2
	Business ethics management	✓	✓				3
	Risk management	✓	✓				2
	Procurement management	✓					2

Financial Materiality Assessment

The Bank conducts a qualitative analysis of risks and opportunities related to sustainability issues, using an internal expert assessment method to determine the financial materiality of each issue.

1. Identify evaluation factors affecting financial materiality. For each material issue, the Bank analyzes the risk and opportunity factors associated with the issue, the impacted stages within the value chain, the financial impact indicators, and the stages affected by the impacts.

2. The Bank's senior executives and financial experts evaluate the current

and expected impacts of each material issue on specific financial indicators to determine its financial materiality. Each issue is scored on a 1-5 scale corresponding to the five levels, including "Very Low", "Low", "Moderate", "High", and "Very High". A higher score indicates a greater impact of the material issue on the Bank's financial indicators.

3. Materiality threshold is set to define issues of financial materiality. Material issues with a financial impact score of 3 or above are deemed financially material, those below this threshold are not considered financially material.

Financial Materiality Analysis

Material issues	Risk and opportunity factors	Impacted stages in the value chain	Financial impact indicators	Impact assessment	Impact level
Social responsibility	<p>Frequent occurrences of extreme weather events</p> <p>Increasingly stringent climate governance policies and regulations</p> <p>More comprehensive climate finance and transition finance policies</p>	<ul style="list-style-type: none"> Suppliers Bank operations Financial products and services, investment, and financing 	<p>Impairment of assets</p> <p>Operating costs</p> <p>Operating profit</p>	<ul style="list-style-type: none"> Intensifying climate change may lead to loss of assets, operational disruptions, or impact on client businesses due to physical risks such as extreme weather. Stricter climate transition policies may affect business operations, leading to a decrease in operating profit. Increased capital expenditures and management fees resulting from the allocation of resources such as personnel, technology, and consulting services for climate governance and carbon emissions management. In the long term, this will reduce operating costs due to improved energy efficiency and resource utilization. Seizing business opportunities brought about by climate change, reducing financing and investment costs through support from climate finance and transition finance policies, and increasing operating profits. 	3

Material issues	Risk and opportunity factors	Impacted stages in the value chain	Financial impact indicators	Impact assessment	Impact level
Green finance	Environmental and social impacts caused by green financial products and services	<ul style="list-style-type: none"> Bank operations Financial products and services, investment, and financing 	Operating profit	<ul style="list-style-type: none"> The stability of national green industry subsidy policies may affect the Bank's credit policies, and the longer return cycle of green investment and financing may reduce operating profit in the short term. Developing and promoting green financial products and services can lower environmental risks while attracting more funds to economic activities that support a transition to a green and low-carbon economy by reducing loan costs. This increases the demand for green investment and financing, thereby boosting operating profit. 	2
Green and low-carbon operations	Rising costs of energy, water resources, and office paper impact the Bank's operational efficiency	<ul style="list-style-type: none"> Bank operations 	Operating costs	<ul style="list-style-type: none"> By optimizing the energy structure, implementing refined management of energy and resources, and conducting environmental protection training and communication, the Bank reduces energy consumption, resource utilization, and carbon emissions, thereby lowering the Bank's operating costs. 	1
Serving real economy	Whether timely and adequate financial support is provided for major national and regional strategies and key areas	<ul style="list-style-type: none"> Financial products and services, investment, and financing 	Operating costs Operating profit	<ul style="list-style-type: none"> The Bank focus on the development of technology finance, green finance, inclusive finance, pension finance, and digital finance businesses to obtain corresponding financial, tax and industrial policy support, thereby reducing the cost of credit business operations and increasing the Bank's operating profit. Conversely, this also applies. 	2
Rural revitalization support	The market space for county finance and inclusive finance is expanding, increasing demand for credit products such as agricultural loans targeting rural households	<ul style="list-style-type: none"> Financial products and services, investment, and financing 	Operating costs Operating profit	<ul style="list-style-type: none"> The Bank develops and innovates "Sannong (agriculture, rural areas, and farmers)" credit products to meet agricultural loan demands, thus actively obtaining targeted policy tool support such as the People's Bank of China central bank relending facility and differentiated reserve requirement ratios, thereby increasing operating profit. 	4

Material issues	Risk and opportunity factors	Impacted stages in the value chain	Financial impact indicators	Impact assessment	Impact level
Technology finance	Providing financial services for sci-tech innovation enterprises	<ul style="list-style-type: none"> Financial products and services, investment, and financing 	Operating profit	<ul style="list-style-type: none"> Most sci-tech innovation enterprises have light asset structures, large R&D investments, and unstable cash flows, which may increase the credit risk of the Bank or even result in operating profit losses. The Bank promptly provides financial services for technology and innovation, actively seeks support from financial, fiscal, and industrial policies, and increases comprehensive income by investing in high-growth sci-tech-innovation enterprises, thereby boosting operating profit. 	5
Inclusive finance	Providing financial support for micro/small/medium enterprises (MSMEs)	<ul style="list-style-type: none"> Financial products and services, investment, and financing 	Operating profit	<ul style="list-style-type: none"> The small and medium-sized enterprises (SMEs) possess enormous market potential. By providing financial services to small, medium, and private enterprises, the bank accumulates a large number of potential high-quality clients, meeting their financing needs while achieving rapid business growth. 	4
Pension finance	Providing products and services related to pension finance	<ul style="list-style-type: none"> Financial products and services, investment, and financing 	Operating profit	<ul style="list-style-type: none"> The Bank actively participates in the innovation of pension finance products and services, provides elderly-friendly financial services, supports the national pension finance initiative, enhancing operating profit and meeting the financial needs of the elderly population. 	2
Digital finance	Innovating products, business operations, and business models through technological advancements	<ul style="list-style-type: none"> Bank operations Financial products and services, investment, and financing 	Operating costs Operating profit	<ul style="list-style-type: none"> By increasing investment in financial technology to promote digital transformation, service upgrades and efficiency improvements can be achieved. This also fosters new business models and products, while helping to overcome geographical limitations to serve a broader customer base. 	3

Material issues	Risk and opportunity factors	Impacted stages in the value chain	Financial impact indicators	Impact assessment	Impact level
Accessibility of financial services	Enhancing financial services accessibility in operational regions	<ul style="list-style-type: none"> Financial products and services, investment, and financing 	Operating costs Operating profit	<ul style="list-style-type: none"> By increasing offline branch coverage density, the Bank serves customers in broader regions. Also, by promoting online services such as mobile banking, the Bank expands the reach for acquiring and serving customers. In the short term, this will lead to increased operating costs. However, in the long term, it will create more business development opportunities, expand business scope, and increase operating profit. 	2
Consumer rights protection	Customer complaints and disputes arising from financial consumer rights violations Avoidance of financial fraud incidents Unimpeded customer complaint channels	<ul style="list-style-type: none"> Financial products and services, investment, and financing 	Operating costs Operating profit	<ul style="list-style-type: none"> Strengthening consumer rights protection management requires increased investment in human and financial resources, leading to higher operating costs. Banks with low customer satisfaction need to continuously develop new customers to compensate for lost ones, which may increase the cost of credit business expansion and potentially lead to a decline in profits. Improving the quality of customer service and brand image of the Bank will deepen its competitive advantage in customer service, thereby expanding the customer base, and increasing operating profit. 	3
Information security and privacy protection	Properly managing information security and privacy protection Cybersecurity and data breaches	<ul style="list-style-type: none"> Bank operations Financial products and services, investment, and financing 	Operating costs Operating profit	<ul style="list-style-type: none"> Enhancing information security and privacy protection efforts may increase operating costs, but can also improve customer satisfaction and loyalty, thereby increasing operating profit. Cyberattacks and data breaches can damage the reputation of the Bank, incur additional costs for data security governance, and lead to a loss of customers due to the inability to ensure their privacy and information security, thus reducing operating profit. 	4

Material issues	Risk and opportunity factors	Impacted stages in the value chain	Financial impact indicators	Impact assessment	Impact level
Human capital development	<p>Diversified recruitment channels</p> <p>Employee incentive mechanisms</p> <p>Employee training and development system</p>	<ul style="list-style-type: none"> Bank operations Financial products and services, investment, and financing 	<p>Operating costs</p> <p>Operating profit</p>	<ul style="list-style-type: none"> Expanding employee recruitment channels, improving employee incentive mechanisms, and perfecting the training and development system will increase the operating costs of the Bank. If the employee training and development system is inadequate, employees may find it difficult to enhance their capabilities and achieve personal value, it may result in talent loss, impacting the future development of the Bank. Enhancing the employee training and development system helps improve customer experience, expand business scale, and increase operating profit. 	5
Social philanthropy and charity	<p>Conducting social public welfare and charity activities</p>	<ul style="list-style-type: none"> Bank operations Financial products and services, investment, and financing 	<p>Operating costs</p> <p>Operating profit</p>	<ul style="list-style-type: none"> Improper management of public welfare and charity activities or funds may lead to project outcomes falling short of expectations, or increase operating costs and reputation risks. Engaging in public welfare and charity activities helps establish the Bank's positive corporate social responsibility image, generate favorable publicity, attracts customers with ESG preferences, and increase operating profit. 	2
Corporate governance	<p>Improving corporate governance mechanisms</p> <p>Negative compliance and internal control events</p>	<ul style="list-style-type: none"> Bank operations 	<p>Operating costs</p> <p>Operating profit</p>	<ul style="list-style-type: none"> A scientific, efficient, and comprehensive corporate governance mechanism helps ensure smooth business operations, foster a positive brand image, expand business scale, and increase operating profit. Negative compliance and internal control events can damage the reputation of the Bank, and the resulting penalties from regulatory authorities will increase operating costs, thereby reducing operating profit. 	4

Material issues	Risk and opportunity factors	Impacted stages in the value chain	Financial impact indicators	Impact assessment	Impact level
Business ethics management	<p>Compliance in operations</p> <p>Negative events such as corruption, bribery, money laundering, and unfair competition</p>	<ul style="list-style-type: none"> Bank operations 	<p>Operating costs</p> <p>Operating profit</p>	<ul style="list-style-type: none"> Enhancing brand image and increasing customer trust, thereby expanding business scale and increasing operating profit. Cultivating a culture of compliance can effectively reduce employee misconduct and violations, thereby lowering operating costs. Negative events such as corruption, bribery, money laundering, and unfair competition will damage the reputation of the Bank and increase operating costs due to regulatory penalties, thus reducing operating profit. 	2
Risk management	<p>Conducting comprehensive risk management activities</p> <p>Failure to properly identify and assess all potential risks</p>	<ul style="list-style-type: none"> Bank operations 	<p>Operating costs</p> <p>Operating profit</p>	<ul style="list-style-type: none"> Conducting comprehensive risk management can enhance the Bank's resilience against internal and external risks, which in the long term can lower operating costs. Overemphasis on risk management can increase risk management costs and even reduce operating profit. Failure to adequately identify and address potential risks at all stages may increase the probability of risk incidents, thereby affecting the Bank's operations, increasing the Bank's risk control costs, and reducing operating profit. 	4
Procurement management	<p>Establishing a sustainable social image</p> <p>Failure to timely and effectively manage sustainability risks related to suppliers or the bank's own operations</p>	<ul style="list-style-type: none"> Supply chain Bank operations 	<p>Operating costs</p> <p>Operating profit</p>	<ul style="list-style-type: none"> Disruptions in suppliers' or the Bank's own operations due to social or environmental factors, leading to instability in the Bank's business service supply. By conducting sustainable operations and establishing a positive social image, the Bank attracts customers with ESG preferences, thereby increasing operating profit. 	1

Step 3: Double Materiality Assessment Results

The Bank integrates the impact materiality and financial materiality assessment results using a matrix model to systematically prioritize issues. A total of 7 ESG-related issues with both impact materiality and financial materiality have been identified.

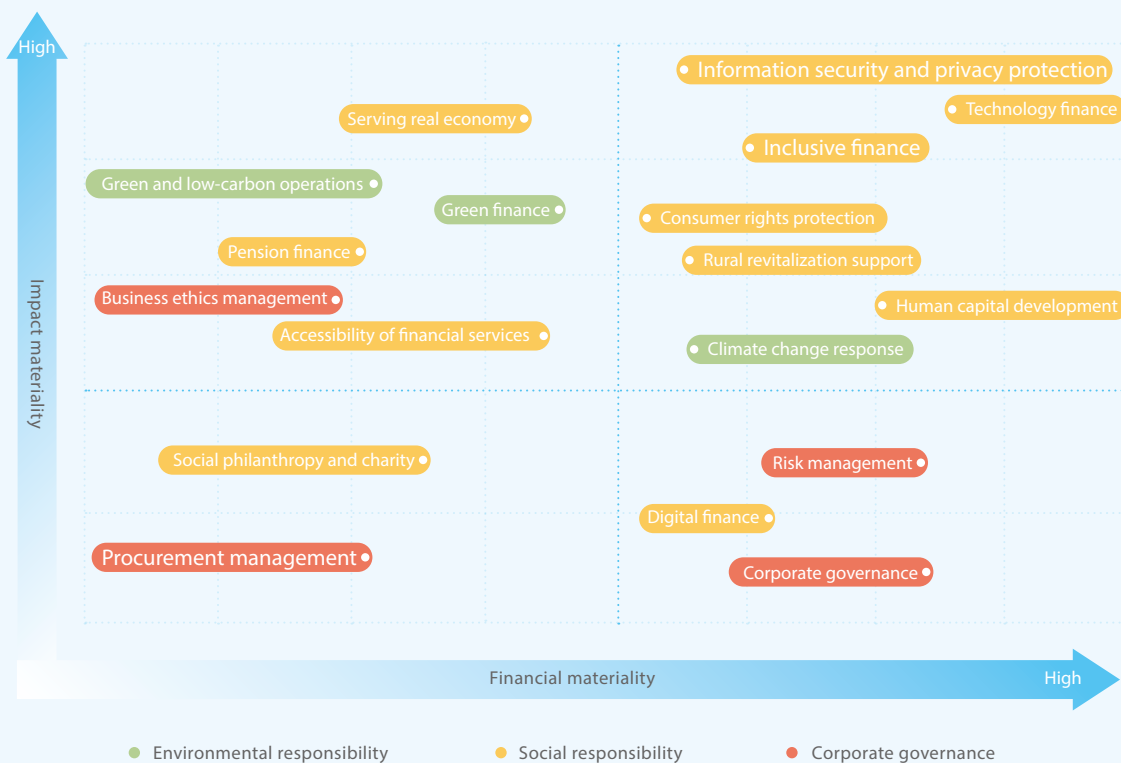
SHRCB 2024 Double Materiality Assessment Results

Issues	Correspondence with sustainable issues in the <i>Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)</i>	Is it of impact materiality	Is it of financial materiality
Environmental			
Climate change response	1. Climate change tackling 18. Due diligence 19. Communications with stakeholders	✓	✓
Green finance	1. Climate change tackling 4. Ecosystem and biodiversity protection 19. Communications with stakeholders	✓	✗
Green and low-carbon operations	1. Climate change tackling 2. Pollutant discharge 3. Waste disposal 5. Environmental compliance management 6. Energy usage 7. Usage of water resources 8. Circular economy 19. Communications with stakeholders	✓	✗

Issues	Correspondence with sustainable issues in the <i>Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)</i>	Is it of impact materiality	Is it of financial materiality
Social			
Serving real economy	10. Contributions to the society 19. Communications with stakeholders	✓	✗
Rural revitalization support	9. Rural revitalization 10. Contributions to the society 19. Communications with stakeholders	✓	✓
Technology finance	11. Innovation-driven 19. Communications with stakeholders	✓	✓
Inclusive finance	9. Rural revitalization 14. Equal treatment of small and medium-sized enterprises 15. Safety and quality of products and services 19. Communications with stakeholders	✓	✓
Pension finance	10. Contributions to the society	✓	✗
Digital finance	11. Innovation-driven	✗	✓
Accessibility of financial services	14. Equal treatment of small and medium-sized enterprises 15. Safety and quality of products and services 19. Communications with stakeholders	✓	✗

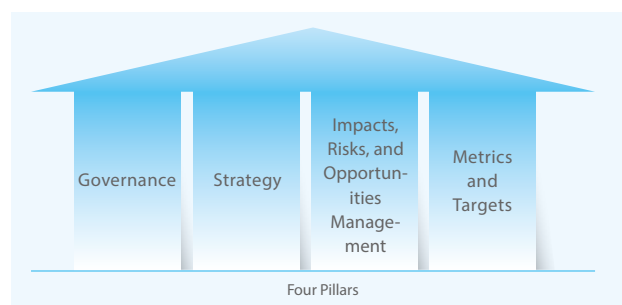
Issues	Correspondence with sustainable issues in the <i>Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)</i>	Is it of impact materiality	Is it of financial materiality
Social			
Consumer rights protection	15. Safety and quality of products and services 16. Data security and customer privacy protection 19. Communications with stakeholders	✓	✓
Information security and privacy protection	16. Data security and customer privacy protection 19. Communications with stakeholders	✓	✓
Human capital development	17. Employees 18. Due diligence 19. Communications with stakeholders	✓	✓
Social philanthropy and charity	9. Rural Revitalization 10. Contributions to the society 19. Communications with stakeholders	✗	✗
Governance			
Corporate governance	19. Communications with stakeholders	✗	✓
Business ethics management	19. Communications with stakeholders 20. Anti-commercial bribery and anti-corruption 21. Anti-unfair competition	✓	✗
Risk management	19. Communications with stakeholders	✗	✓
Procurement management	Other sustainable issues apart from “12. Ethics of science and technology”	✗	✗

SHRCB 2024 Double Materiality Matrix



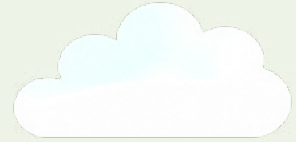
Step 4: Disclosure of Issues for Double Materiality

In response to the identified issues with double materiality, we have referred to the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) and disclosed information according to the “Four Pillars” (namely, Governance; Strategy; Impacts, Risks, and Opportunities Management; and Metrics and Targets).



01 Environmental

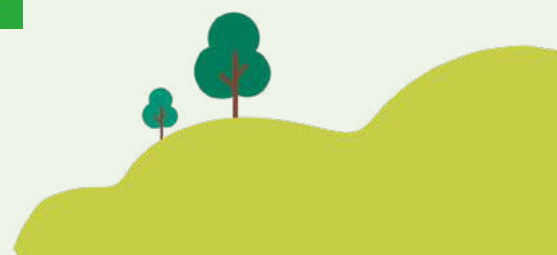
SHRCB is deeply committed to the nation's "dual carbon" strategy and upholds the philosophy "lucid waters and lush mountains are invaluable assets", actively addressing climate change. The Bank continuously enhances its green financial product and service portfolios to provide precise financial support for the green transformation of the economy and society. The Bank strengthens green operations by implementing paperless office practices, establishing green outlets, and conducting environmental protection training for employees. These initiatives foster a green banking culture and contribute to developing a sustainable development bank in all respects.

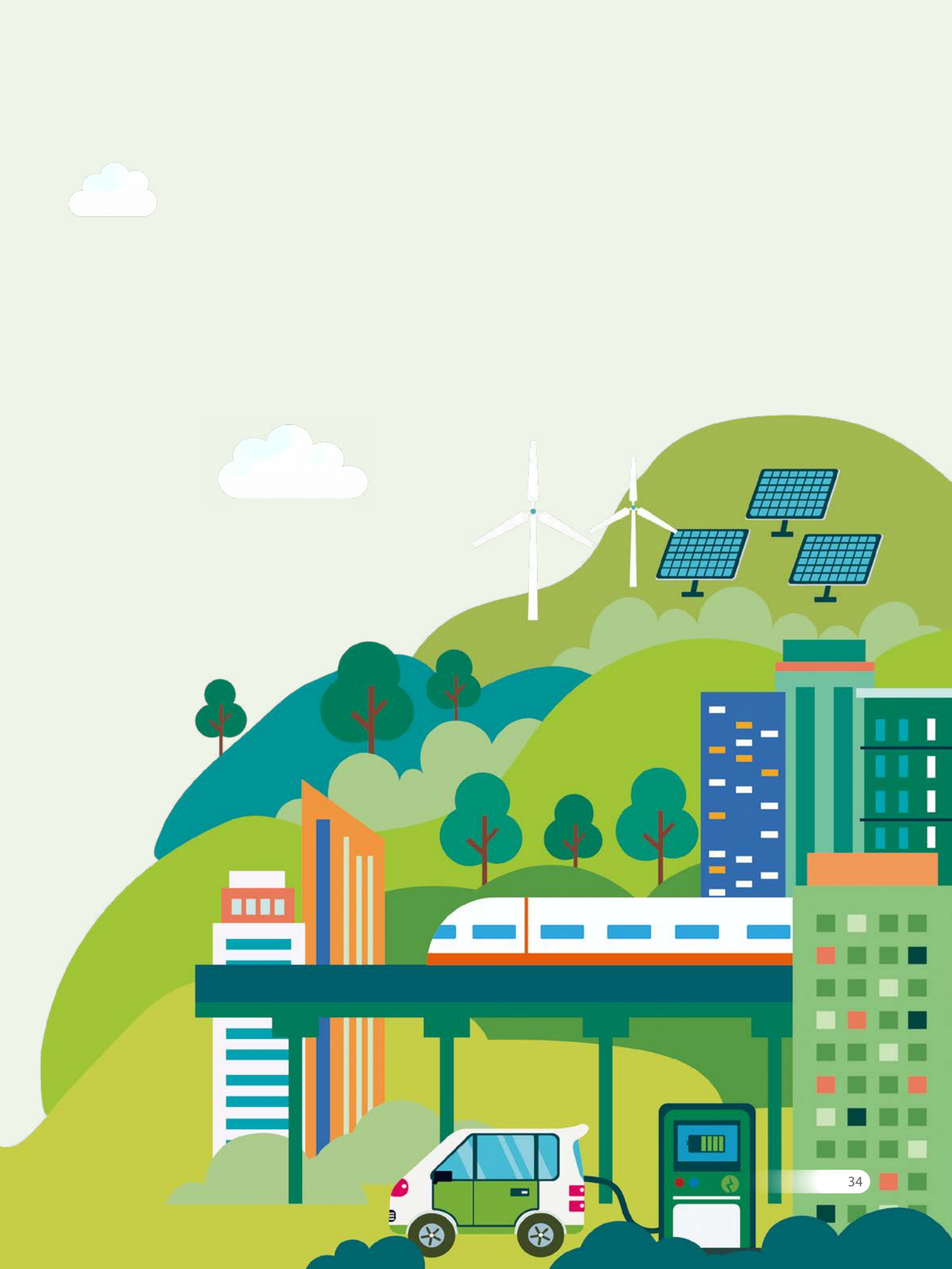


Material issues of sustainability covered in this Chapter:

- Climate change response*
- Green finance
- Green and low-carbon operations

SDGs addressed in this Chapter:





1.1

Response to Climate Change (Environmental Impact of Investment and Financing)

The Bank place great emphasis on environmental and climate risk management, enhancing the top-level design of green finance and environment/climate-related strategies. We proactively identify, evaluate, and manage environment/climate-related risks and opportunities, continuously enriching our range of green financial products and services to unleash new momentum for innovative development and strengthen our resilience against environmental and climate risks. With these efforts, we aim to effectively propel the achievement of the “dual carbon” goals of peaking carbon emissions and achieving carbon neutrality.

Governance

A top-down structure for green finance and environmental/climate-related governance has been established across the Bank, comprising the Strategy and Sustainability Committee (on the Board of Directors level), the ESG Steering Committee and its subordinate Green Finance Task Force (on the senior management level), the departments at the Head Office, and various

branches. The Board of Directors, as the supreme authority for green finance and environmental/climate-related governance in the Bank, has established a Strategy and Sustainability Committee to oversee and evaluate the implementation of green finance and sustainable development strategies.

Board of Directors and the Strategy and Sustainability Committee

Responsibilities: The Bank has established a Strategy and Sustainability Committee under the Board of Directors. This committee is responsible for reviewing and approving proposals and documents related to green finance and environmental protection. It focuses on guiding the development of green finance, social responsibility, ESG strategic planning, and its implementation, while also strengthening research in sustainable development areas.

The ESG Steering Committee and the Green Finance Task Force

Responsibilities: The ESG Steering Committee of the Bank is responsible for setting green finance development goals, establishing corresponding working mechanisms and processes, conducting internal supervision, inspection, and performance evaluation, regularly reporting the progress of green finance to the Board of Directors, and reporting to regulatory authorities and disclosing information relevant to green finance.

Under the ESG Steering Committee, there is a Green Finance Task Force responsible for promoting the Bank's green finance risk management and business development, conducting relevant policy analysis, formulating green finance strategic planning, and determining green finance development goals and roadmap. It conducts analysis and makes decisions on important matters, including the direction of work progress, resource allocation, and incentive mechanisms.

Head Office Departments

Responsibilities: The Bank has established green finance units under both Corporate Banking Department and Risk Management Department to execute daily operational management and facilitate cross-functional coordination of green finance and environmental (climate) management initiatives. Front office departments are responsible for the R&D of green financial products, green client identification, and green finance business development. Middle and back office departments are responsible for the bank-wide green finance management system construction, green operations, ESG information disclosure, green finance talent development, performance assessment and incentives, as well as brand management and promotion. These functions collectively provide effective support and assurance for the development and enhancement of green finance operations within the Bank.

Branches

Responsibilities: Branches and subsidiaries are responsible for executing green credit operations, including actively developing the green credit market and implementing the Bank's green credit policies. They conduct comprehensive monitoring and management of clients' and projects' environmental, social and governance (ESG) risks throughout the entire credit cycle—from pre-lending to in-lending and post-lending stages. They also organize regular internal training programs on green finance.

Impacts, Risks and Opportunities Management

The Bank has established and continuously enhanced its environmental/climate-related risk management framework. This system enables the identification, assessment, and management of material risks and opportunities that may significantly impact business development and daily operations. Green finance

risk management requirements have been fully integrated into the end-to-end credit service process, substantially strengthening the Bank's capacity in managing environmental/climate-related risks.

Climate Risks and Opportunities

To effectively integrate the identification, assessment, and management of climate risks and opportunities into routine risk management practices, the Bank closely tracks evolving policies and regulations, market trends, technological developments, reputation exposures, and physical risk factors, systematically

evaluates the impacts of climate-related risks and opportunities on business models and value creation, and their transmission pathways, and clearly identifies the impact horizons, phases, and potential consequences of various risks and opportunities.

SHRCB's Climate Risk Identification and Response Measures

Risk types		Time horizon	Potential risk description	Value chain impact	Financial impact	Risk response measures
Physical risks	Acute risks	• Short-term,	Climate change is driving an increase in the frequency and intensity of extreme weather events, including floods, droughts, and hurricanes, which may significantly threaten the Bank's physical assets, operational continuity, and supply chain resilience.	• Bank operations	Asset impairment	<ul style="list-style-type: none"> The Bank has established a "Two-city, Three-center" disaster recovery architecture in Shanghai and Shenzhen, further enhancing its disaster resilience. Corresponding operational management mechanisms and specialized teams have been implemented to ensure data security and business continuity. The Bank has developed a practical and feasible emergency response mechanism for extreme weather events, including establishing a dedicated emergency response team, clearly defining responsibilities and duty divisions across departments and positions, implementing a specialized inspection protocol and rapid post-disaster assessment of outlet impacts. Additionally, dedicated personnel are assigned to maintain uninterrupted operation of digital channels (e.g., online banking, mobile banking). For key affected customer groups including small and micro enterprises, agriculture-related entities, individual businesses, and farmers, the Bank is dedicated to ensuring continuity of existing credit facilities, reducing financing costs through fee waivers or interest rate reductions, and establishing fast-track approval channels for post-disaster reconstruction financing needs. Additionally, the Bank provides targeted financial support to affected entities through offering online revolving loans via the New Agricultural Management Entities Information Direct Reporting System (NAMES), implementing quadrilateral guarantee programs involving government, banks, insurance companies and guarantee institutions ("Government-Bank-Insurance-Guarantee" model), and extending financial service terms. The Bank also performed quantitative assessments of physical climate risks impacting agriculture-linked assets and corporate bond issuers, informing internal risk evaluation processes to enhance the Bank's overall risk prevention capabilities.
		• medium-term,	Extreme weather could damage or destroy loan collateral or depreciate corporate asset values, ultimately impairing the quality of the Bank's credit portfolios. For instance, climate-sensitive sectors like agriculture and fisheries face production volatility that may weaken borrowers' debt servicing capacity.	• Financial products and services, investment, and financing	Increased operating costs Decreased operating profit	

Risk types		Time horizon	Potential risk description	Value chain impact	Financial impact	Risk response measures
Physical risks	Chronic risks	<ul style="list-style-type: none"> • Medium-term and • long-term horizons 	<p>The warming trends will increase the operational hours of equipment such as air conditioning in the Head Office and branches, leading to higher energy consumption and elevated operational costs</p> <p>Drought trends heighten the risk of office fires, further raising operational costs</p>	<ul style="list-style-type: none"> • Bank operations 	Increased operating costs	<ul style="list-style-type: none"> • The Bank implemented energy conservation and emission reduction measures in office premises to reduce energy consumption. • The Bank provided high-temperature allowances to employees. • The Bank developed fire emergency plans and conducted fire safety drills to ensure the Bank can promptly control fire situations and maintain normal operations in the event of a fire.
	Policies and regulations	<ul style="list-style-type: none"> • Short-term, • medium-term, • long-term horizons 	Regulatory policies issued by the People's Bank of China, National Financial Regulatory Administration, National Development and Reform Commission, and other authorities, such as restrictive access to high-carbon emission industries, may lead to adjustments in the Bank's business structure, resulting in business attrition and lower operating profit.	<ul style="list-style-type: none"> • Financial products and services, investment, and financing 	Decreased operating profit	<ul style="list-style-type: none"> • The Bank innovatively develops green finance products and transition finance products, including specialized transition finance loans for the chemical industry, to accelerate green and low-carbon transitions among clients in the high-carbon emission sectors. • The Bank implements rigorous screening of financing applications for high-pollution, high-energy-consumption, and overcapacity industries ("Two Highs and One Surplus"), reduces exposure to such sectors, conducts green categorization of credit assets, implements tiered management based on environmental benefits, and prioritizes support for projects with superior environmental benefits. • The Bank performs transition risk stress testing for high-carbon industries, conducts carbon accounting of credit assets, researches and develops a carbon neutrality roadmap for the credit portfolios, and manages carbon-related risks in credit exposures.
Transition risks	Technology	<ul style="list-style-type: none"> • Short-term, • medium-term, • long-term horizons 	<p>In scenarios where innovative transition finance and climate finance products falls short of projections, the Bank may incur additional R&D investment and operating costs.</p> <p>Potential delays in product upgrades/iterations, coupled with inaccuracies in pricing and profitability modeling, could lead to underperformance of product returns and resultant increases in operating costs.</p>	<ul style="list-style-type: none"> • Bank operations • Financial products and services, investment, and financing 	Increased operating costs	<ul style="list-style-type: none"> • The Bank conducts comprehensive market research before launching transition and climate finance products, refines product features during pilot testing phases to lower application risks. • Through cross-departmental collaboration across the Bank and third-party expert consultations, the Bank optimizes financial product structures to minimize incremental development costs associated with product upgrades/iterations.
	Reputation	<ul style="list-style-type: none"> • Short-term, • medium-term, • long-term horizons 	In scenarios where the Bank fail to promptly address investor and market inquiries concerning climate and ESG matters, or should such inaction raise investor concerns, potential consequences may include elevated public relations expenditures, share price fluctuations, and business contraction.	<ul style="list-style-type: none"> • Bank operations 	Increased operating costs	<ul style="list-style-type: none"> • The Bank performs climate risk identification, assessment, and management. • The Bank strengthens systematic collection and analysis of climate and ESG-related data, while proactively discharging disclosure obligations on climate and sustainable development information to safeguard investors' information rights.

Risk types	Time horizon	Potential risk description	Value chain impact	Financial impact	Risk response measures
Policies	<ul style="list-style-type: none"> Short-term, medium-term, long-term horizons 	The state has issued the policy documents including the <i>Guidelines on Further Strengthening Financial Support for Green and Low-Carbon Development</i> and the <i>Guiding Opinions on Effectively Completing the "Five Major Financial Articles" in the Banking and Insurance Industries</i> , urging banking institutions to bolster credit support for green development and low-carbon transition across key sectors including energy, industry, transportation, and construction.	<ul style="list-style-type: none"> Financial products and services, investment, and financing 	Increased operating profit	<ul style="list-style-type: none"> The Bank has entered into strategic cooperation agreements for climate investment and financing pilot programs, successfully implementing Shanghai's inaugural batch of climate finance projects. The Bank has pioneered innovative green finance products including emissions allowance-backed loans, SHEA pledge financing, CCER pledge financing, distributed photovoltaic loans, and ESG-linked loans. This initiative strengthens financing support for the growth of clean energy and environmental protection industries, and the green transition of the energy-intensive and high-emission sectors.
Market	<ul style="list-style-type: none"> Medium-term and long-term horizons 	As estimated by the Green Finance Committee (GFC) of China Society for Finance and Banking, China's cumulative green and low-carbon investment needs will approximately total RMB 500 trillion over the next three decades under the "dual carbon" goals, with approximately RMB 300 trillion associated with low-carbon transition, indicating substantial market potential for both green finance and transition finance.	<ul style="list-style-type: none"> Financial products and services, investment, and financing 	Increased operating profit	<ul style="list-style-type: none"> Actively engage in industry exchanges and standard formulation initiatives pertaining to environmental and climate governance. Implement client outreach and investor education programs on green, low-carbon and sustainable development, showcasing the Bank's sustainability principles and best practices in transition finance and climate finance.
Reputation	<ul style="list-style-type: none"> Short-term, medium-term, long-term horizons 	Demonstrating leadership in climate change mitigation enables the Bank to cultivate a strong sustainability reputation, earn investor and market recognition, and ultimately enhance operating net income and business scale over the long term.	<ul style="list-style-type: none"> Bank operations 	Increased operating profit	<ul style="list-style-type: none"> Actively engage in industry exchanges and standard formulation initiatives pertaining to environmental and climate governance. Implement client outreach and investor education programs on green, low-carbon and sustainable development, showcasing the Bank's sustainability principles and best practices in transition finance and climate finance.

Climate Risk Stress Testing

To strengthen financial impact control of climate risks, the Bank has been advancing climate transition risk stress testing. Utilizing the the Network of Central Banks and Supervisors for Greening the Financial System (NGFS)'s Delayed Transition scenario with a bottom-up methodology, the testing framework incorporates regulatory requirements from the Ministry of Ecology and Environment and Shanghai Municipal Bureau of Ecology and Environment, along with the Bank's credit exposure data by the end of 2023. The assessment examines the impacts of rising carbon costs on corporates' financial statements, subsequent expected loss transmission through internal ratings, and ultimate effects on the Bank's capital adequacy ratio, evaluating the Bank's climate resilience under China's "dual carbon" targets.

ESG Risk Management in Banking Operations

To effectively mitigate environmental risks across banking operations, the Bank maintains close surveillance of evolving green finance policies both domestically and internationally, while continuously enhancing risk management policies and operational processes. In addition, the Bank advances environmental benefit quantification methodologies for financial products to ensure full regulatory compliance. By directing capital flows to genuinely sustainable green industries and environmental projects, the Bank achieves synergistic economic and environmental value creation.

The Bank has developed the related policy documents, including the *SHRCB Fixed Asset Loan Management Measures*, *SHRCB Working Capital Loan Management Measures*, *SHRCB Standard Operating Procedures for Pre-loan Due Diligence of Corporate Credit Business*, and *SHRCB Standard Operating Procedures for Credit Business Review and Approval*, defining the environmental risk management requirements for all credit business types. The Bank actively promotes the optimization of green credit service process by revising pre-lending, in-lending, and post-lending credit management systems to embed environmental risk management requirements throughout the credit granting lifecycle.


ESG Risk Assessment Process for Credit Products



Based on national policy guidance, the Bank has formulated the *SHRCB 2024 Credit Orientation Policy*. Through differentiated credit policies, we enhance financial support for priority sectors including green agricultural and rural construction, renewable energy, green and intelligent manufacturing transformation in petrochemicals, and ecosystem & biodiversity conservation. Concurrently, we refine the environmental and climate risk control mechanisms to facilitate the expansion of green development momentum and the green transition of the development models.

SHRCB Key Industry Credit Policies (Partial)

Key industries	Credit policy content
 Agriculture	<p>Green credit investment directions:</p> <ul style="list-style-type: none"> • Promoting circular ecological agriculture development: Actively support the construction of green ecological farms, green agricultural production, recycling and resource utilization of agricultural waste. • Advancing the construction of beautiful villages: Support the improvement of the rural living environment, including harmless and resource-based treatment of rural domestic waste classification, cleaning and collection, storage and transportation. • Promoting the low-carbon transition of rural energy consumption: Support the construction and renovation of green and energy-saving farmhouses, agricultural greenhouses, energy-saving renovation of farmhouses, rural power grid construction, and rural green energy industries. • Enhancing agricultural carbon sequestration and operational efficiency: Support the development of carbon sink projects including afforestation, bamboo forestry, and fishery resource cultivation, as well as ecological conservation and restoration projects. Advance the integration of agriculture and solar energy to increase carbon sinks in ecological farming. <p>Environmental credit access requirements:</p> <ul style="list-style-type: none"> • Assess whether the project's production processes will emit pollutants, including but not limited to wastewater, waste gas, solid waste, and noise. If any, please disclose in detail pollutant categories and emission sources, emission volumes, pollution disposal measures, and history of regulatory sanctions for material environmental compliance violations.
 Energy	<p>Green credit investment directions:</p> <ul style="list-style-type: none"> • Actively supporting renewable energy power generation projects: Support parallel development of centralized and distributed systems, large-scale development of wind and solar farms, and demonstration projects for deep-water offshore wind power; facilitate innovation, upgrading and specialized applications in smart photovoltaic industries, and promote multi-scenario "PV+" application models. Localize clean energy development by providing tailored financing for hydropower, geothermal energy, marine energy, hydrogen energy, biomass utilization, and solar thermal power projects. • Vigorously supporting the construction of new power systems: Accelerate investments in smart grid infrastructure, "renewable energy + energy storage" hybrid systems, integrated source-grid-load-storage solutions, multi-energy complementary configurations, distributed renewable energy storage networks, pumped hydro storage facilities, etc. <p>Environmental credit access requirements:</p> <ul style="list-style-type: none"> • Conduct comprehensive reviews of the emission, impact, and management of hazardous substances and pollutants during project production processes, environmental impact assessments and environmental protection acceptance, qualifications and training of special operations personnel and management staff, provision of fixed emergency equipment, and administrative penalties related to environmental protection and safety.
 Petroleum and natural gas	<p>Green credit investment direction:</p> <ul style="list-style-type: none"> • Support green and intelligent manufacturing transformation in petrochemical and fine chemical industries; intelligent and green upgrades integrating modern service industry through robotics application, IoT-enabled equipment connectivity, and digital production systems integration; deployment of industrial computing platforms; implementation of energy-saving and carbon-reduction technological retrofits; and development of smart factories, green factories, and eco-industrial parks. <p>Environmental credit access requirements:</p> <ul style="list-style-type: none"> • Conduct comprehensive reviews of emission of hazardous substances and pollutants during the production process and their management measures, environmental impact assessments, environmental protection acceptance, qualification training for special operations personnel and management staff, fixed emergency equipment deployment, and administrative penalties related to environmental protection and safety.

Key industries	Credit policy content
 Biodiversity protection	<p>Green credit investment direction:</p> <ul style="list-style-type: none"> Customer performance management: Actively monitor customer performance in biodiversity and enhance environmental, social, and governance (ESG) risk management to prevent systemic transition risks. Engineering investment directions: Support major projects for the protection and restoration of important ecosystems, biodiversity conservation, and the construction, maintenance, and operation of ecological function zones; promote business cooperation in resource conservation and environmental protection. Regional investment directions: Support the Yangtze River Delta Ecological Green Integrated Development Demonstration Zone, the "Three Circles, Three Belts, One Island", 6 national-level tourism functional zones, 9 municipal-level tourism functional zones, 7 ecological tourism functional zones featuring country parks, 9 rural tourism and leisure belts, and relevant ecological protection initiatives. <p>Environmental credit access requirements:</p> <ul style="list-style-type: none"> Conduct comprehensive reviews of the emission and management of hazardous substances and pollutants during project production processes, environmental impact assessments and environmental protection acceptance, qualifications and training of special operations personnel and management staff, provision of fixed emergency equipment, and administrative penalties related to environmental protection and safety.

Note: The Bank's focus is primarily on supporting local economic activities in Shanghai. Given the limited number of mining enterprises in the Shanghai region, we have not yet developed policies specifically for the mining industry.

Assessment of Greenhouse Gas Emissions and Environmental Benefits from Investment and Financing Activities

The Bank continues to advance carbon accounting for its daily operations and investment financing activities, in line with the latest requirements of the Shanghai Pudong New Area Financial Bureau. We continuously optimize methodologies for environmental benefit assessments of green projects and

carbon emissions accounting, expanding the coverage of carbon emissions assessments across investment and financing businesses. This ensures the scientific accuracy and precision of carbon emissions data, thereby enhancing the quality of carbon emissions data.

SHRCB Greenhouse Gas Emission Profile³

GHG emissions	Unit	2024	2023	2022
Total GHG emissions	Tons of CO ₂ equivalent	33,764.43	50,370.48	43,396.69
Scope 1	Tons of CO ₂ equivalent	1,916.59	1,878.67	1,446.45
Scope 2	Tons of CO ₂ equivalent	29,740.29	46,469.00	41,950.24
Scope 3	Tons of CO ₂ equivalent	2,107.76	2,022.81	/
GHG emissions per capita	Tons of CO ₂ equivalent/ person	3.04	4.66	4.12

[3] [Calculation Methodology] Greenhouse gas emissions primarily originate from energy consumption and fugitive greenhouse gas emissions, covering Scope 1, Scope 2, and Scope 3 as defined by ISO 14064. Scope 1 includes direct emissions from the combustion of fossil fuels such as natural gas, gasoline, and diesel; Scope 2 comprises indirect emissions from purchased electricity; and Scope 3 encompasses supply chain carbon emissions from purchased goods, employee business travel, and other sources. Scope 3 carbon accounting was newly introduced by the Bank in 2023. The emission factors for the Bank's operational carbon emissions are determined in accordance with the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Public Building Operation Enterprises (Trial)*, the *Collection of Greenhouse Gas Emission Factors for Chinese Products over the Whole-Lifecycle (2022)*, and the *Notice on Relevant Work for the Management of Greenhouse Gas Emission Reporting in the Power Generation Industry for 2023-2025* (H.B.Q.H.H. [2023] No. 43).

[Statistical scope] The data cover the Bank's Head Office and 21 branches in Shanghai.

Strategy and Management Method

This Bank is committed to establishing a sustainable financial service system with green finance as its foundation, creating a “2+N”⁴ strategic institutional framework for green finance. This framework defines the strategic layout and

objectives of green finance, aiming to contribute to the development of a beautiful homeland characterized by blue skies, lush earth, and clear waters through green finance.

SHRCB's Green Finance Strategic Layout



SHRCB Development Strategy (2023–2025)

01

The Bank has clearly established a green finance-led sustainable development financial service system. By embracing the concept of sustainable development, the Bank strategically focuses on five core sectors: green agriculture, green energy, energy conservation and environmental protection, green manufacturing, and green buildings, in order to become the bank with the “greenest credentials” in the Yangtze River Delta region.

SHRCB Green Finance Development Strategy for 2021–2025

02

This strategy guides the Bank's sound and orderly development of green finance, implements directives from the People's Bank of China, the National Administration of Financial Regulation, and the State-owned Assets Supervision and Administration Commission, and supports the green transformation of the real economy, aiming to establish and refine long-term mechanisms to serve the development of a green, low-carbon, and circular economy.

SHRCB Carbon Peaking and Carbon Neutrality Work Plan During the 14th Five-Year Period

03

The Bank has formulated a dedicated action plan for the 14th Five-Year Plan period to support achievement of China's carbon peaking and carbon neutrality goals. This plan is designed to thoroughly implement the guiding principles of the *Outline of the 14th Five-Year Plan for Economic and Social Development and Long-range Objectives Through the Year 2035 of the People's Republic of China*, the *Working Guidance of the Communist Party of China Central Committee and the State Council for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy*, and the *Notice of the State Council on Issuing the Action Plan for Carbon Dioxide Peaking Before 2030*.

The Bank has issued the *SHRCB Green Finance Management Measures* and other regulations, which define the organizational management system, policy orientation, investment and financing process management, internal control management, and information disclosure requirements for green finance. These measures provide a systematic and comprehensive set of management systems to ensure the orderly and efficient development of green financial services. Additionally, the Bank has introduced the *Detailed Rules for the Evaluation of Green Finance Risk Management in SHRCB Branches*, which assess and evaluate the development and risk management performance of green finance operations across branches. This initiative serves to incentivize branches to enhance their

green finance management practices and expand their green financial services.

The Bank has established a dedicated team for green finance, regularly conducting research on green finance topics. By 2024, we have completed 6 research papers, including *A Preliminary Study on ESG Evaluation System Development and Applications for Commercial Bank Clients*, *Strategies for Establishing a Sustainable Green Finance System, Practices and Explorations in Green Finance Management by Small and Medium-sized Banks*, *A Guide to ESG Practices in the Banking Industry*, *Applied Research on the Meteorology-Finance Synergy*, and *Cutting-edge Explorations of ESG Practices in Commercial Banking*.

Metrics and Targets

The Bank upholds the sustainable development philosophy that “lucid waters and lush mountains are invaluable assets”. The *SHRCB Development Strategy (2023–2025)* explicitly outlines its vision to become “the bank with the strongest green credentials in the Yangtze River Delta”. The Bank aims to sustain a high

growth rate in its green finance services, achieve industry-leading performance in green lending, and reduce its overall energy consumption—all in commitment to pioneering the green and low-carbon transition.

[4] “2+N” framework: “2” represents the 2021–2025 Green Finance Development Strategy and SHRCB Carbon Peaking and Carbon Neutrality Work Plan During the 14th Five-Year Period developed and released by the Bank; “N” refers to other policy documents related to green finance.

1.2

Green Finance

The Bank closely aligns with the national strategic direction, firmly upholds the concept of green development, and actively addresses the challenges of climate change. We are committed to expanding our green finance operations, encompassing green credit, green bonds, green investment banking, green leasing, and green retail services. Additionally, we are dedicated to innovating green financial products and continuously enhancing our comprehensive service capabilities in this area.

Green Credit

The Bank has established the *SHRCB 2021-2025 Green Finance Development Strategy* and *SHRCB Carbon Peaking and Carbon Neutrality Work Plan During the 14th Five-Year Period* as the pillars for the top-down design of its green finance framework. These documents provide a clear roadmap for strategic measures, work plans, and institutional mechanisms related to green credit. Building on this foundation, the Bank has developed a comprehensive suite of supporting regulations, including management systems, business development strategies, risk management frameworks, and incentive evaluation mechanisms, to further strengthen its green finance initiatives.

Green Credit Management System



By the end of 2024
the Bank's green credit
balance reached RMB

84,335million

marking a year-on-year
increase of

37.28%



Management system

01

The Bank has issued documents including the *SHRCB Green Finance Management Measures*, the *SHRCB Green Credit Strategy*, the *2024 SHRCB Credit Extension Policy*, and the *SHRCB Green Credit Classification Standards* to clarify the management system, division of responsibilities, as well as the support focus and key areas of green credit activities.

Business development

02

The Bank has issued a series of policy documents, including the *SHRCB Action Plan on Implementing Carbon Emission Reduction Support Tools and Accelerating Green Asset Transformation*, the *Management Measures of SHRCB for Carbon Emission Allowance Pledge Credit Business (Trial)*, the *Management Measures of SHRCB for Emissions Rights Mortgage Loans*, and the *Management Measures of SHRCB for CCER Pledge Credit Business* to address system gaps, continuously enrich the Bank's business system framework, and provide robust support for the high-quality growth and expansion of green credit.

Performance evaluation and incentives

03

Within its credit allocation policy, the Bank extends preferential risk-weighted asset (RWA) assessments to all green credit business, further reducing the risk weight coefficients for the underlying assets of green bonds, significantly increasing the proportion of green loans on its balance sheet.

Green finance-related indicators are incorporated into the performance evaluation of senior management and branches. Through centralized coordination across the Bank, additional credit support to the green industry is provided.

Under the guidance of the aforementioned green credit management system, the Bank focuses on providing green credit services to five core sectors, including green agriculture, green energy, energy conservation and environmental protection, green manufacturing, and green building. This approach aims to broaden corporate financing channels and assist enterprises in achieving dual benefits of economic growth and environmental conservation.

Case: Launch of the nation's first transition finance loan in the chemical industry

To accelerate Shanghai's green and low-carbon economic transition, on April 29th, 2024, SHRCB partnered with CPIC to disburse the nation's first transition finance loan in the chemical industry, a RMB 41 million Sustainability-Linked Loan (SLL) to Shanghai Pengbo Titanium Dioxide Co., Ltd. As the pioneering transaction of its kind in China's chemical sector, this SLL ties the interest rate

to the company's Transition Performance Targets (TPTs) for transforming its sulfuric acid-based anatase titanium dioxide production process, creating financial incentives for decarbonization. This marks the first cross-sector collaboration between banking and insurance institutions in the national transition finance domain.

Case: Signing of climate investment and financing cooperation agreement

On September 12th, 2024, SHRCB signed a climate investment and financing cooperation agreement with the Pudong New Area Ecological Environment Bureau, marking the implementation of Shanghai's first batch of climate investment and financing projects. Among these climate investment and financing projects, the Bank played an active role in supporting the construction and renovation of GDS's Pujiang Data Center. We coordinated with multiple banks to arrange a large-scale, long-term, low-interest syndicated loan, serving as the mandated lead arranger, facility agent, and settlement bank for the syndicate to ensure the project's successful implementation. The syndicated loan proceeds were specifically allocated to increasing the renewable energy utilization ratio, enhancing AI-powered operational efficiency, upgrading energy-saving technologies, and implementing waste heat recovery systems from chilled water for heating purposes.



The GDS Green Energy Efficiency Demonstration Project

Green Bonds

The Bank has established the *SHRCB Green Bond Proceeds Management Measures*, which stipulates requirements for the evaluation and selection management of green industrial projects, proceeds management, third-party evaluation and certification, and information disclosure management. These measures ensure that the proceeds are exclusively allocated to green projects.

We continuously enrich our investment portfolio of green bonds, currently covering various product types including green financial bonds, green medium-term notes, green enterprise bonds, and green corporate bonds. We have steadily expanded the scale of green financial asset allocation, actively promoted green bond investment and underwriting, with the primary focus of bond investment spanning sectors such as electricity, transportation, energy, construction, and environmental protection. By the end of 2024, the Bank's holdings of green bonds totaled RMB 15,212 million; green bond underwriting amounted to RMB 730 million.

Case: Interbank market's first "Yangtze River Delta Green Commercial Financial Bond Basket" repeatedly tops "Active Basket" rankings

As the first-of-its-kind instrument in China's interbank market, the "Yangtze River Delta Green Commercial Financial Bond Basket" launched by SHRCB has been consistently ranked among the most active baskets throughout 2024. This innovation has enhanced market liquidity for green bonds, addressed investor demand for low-carbon and Yangtze River Delta-focused exposures, contributed substantively to national carbon peaking and carbon neutrality goals and regional sustainable development.

The Yangtze River Delta Green Commercial Financial Bond Basket (Basket Code: BBX034001) comprises four green commercial bank financial bonds

with maturities of up to three years. It prioritizes issuance from state-owned and urban commercial banks within the Yangtze River Delta region that demonstrate high investor recognition and superior credit quality. These bonds are designed to meet investor demand, deliver competitive pricing, and maintain high transaction efficiency, enabling efficient portfolio exposure to multiple green commercial bank financial bonds. This initiative supports the advancement of green finance in alignment with China's "dual carbon" goals.

Case: Pioneering “Carbon Neutral/Rural Revitalization/Old Revolutionary Base” triple-tagged bond underwriting

In June 2024, SHRCB acted as lead underwriter for 24 Ronghe Financing MTN003 (Carbon Neutral Bond), the Bank's first triple-tagged bond issuance simultaneously supporting carbon neutrality, rural revitalization, and revolutionary base area development. The bond issued a total amount of RMB 500 million, exclusively allocated to refinancing green loans repaid with self-owned funds. The proceeds supported 91.9MW ground-mounted distributed poverty-alleviation PV project in Fang County, Hubei, 300MW “PV + grassland” project in Ningdong Town, Ningxia, and 28MW distributed wind power project in Gudian Town, Shanxi.

The bon’s projected annual environmental impact includes an 85,800-ton reduction in CO₂ emissions, displacement of 34,500 tons of coal equivalent in fossil fuel consumption, and significant decreases in air pollutants – specifically 9.94 tons of sulfur dioxide (SO₂), 215.93 tons of nitrogen oxides (NO_x), and 2.04 tons of soot emissions. This issuance delivers significant environmental benefits while advancing the economy’s green and low-carbon transition.

Green Leasing

To steadily advance the green and low-carbon transformation of society and the economy, the Bank collaborates with its subsidiary, Yangtze Financial Leasing, to implement a “bank-leasing linkage” strategy, focusing on green transportation, green manufacturing, green energy, and environmental protection sectors. We comprehensively integrate low-carbon requirements into the industry access evaluation system, providing systematic and standardized institutional support for the green leasing business, and continuously building momentum for its development. In 2024, Yangtze Financial Leasing implemented a comprehensive optimization of its green finance statistical system, introducing dedicated procedures for green leasing certification/accreditation. This enhancement significantly elevates the data governance standards for green leasing operations.

By the end of 2024
the Bank’s green leasing balance⁵ reached RMB

15,767million

marking a year-on-year increase of

55.38%



Green Retail

In the retail banking segment, the Bank focuses on promoting products and services centered on green personal consumption loans. These efforts cater to the green financing needs of individuals and small and micro enterprises, thereby contributing to the green and low-carbon transition across the entire society.

Green Retail Business

Green personal business loans

The Bank integrates green finance with inclusive finance by actively engaging with personal business loan platforms to meet the financing needs of micro and small enterprises in key green sectors, such as energy conservation and environmental protection, clean energy, and new materials.

Green personal consumer loans

Through the integration of corporate and retail business lines, the Bank links green building projects and loans to new energy vehicle manufacturers with green mortgage products and new energy vehicle loans for individual clients, providing financial support for personal green consumption and promoting sustainable lifestyles.

Green bank cards

The Bank encourages green living among retail clients through carbon credit programs and actively distributes green public funds as an agent, supporting the transition to a green and low-carbon society.

[5] 【 Statistical scope 】 This report discloses green leasing data according to the statistical standards of the National Financial Regulatory Authority.

1.3

Green and Low-carbon Operations

The Bank prioritizes green operations management, strictly complying with legal regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*. We uphold the concept of sustainable development and integrate green operations across all business and operations areas. Through green office initiatives and sustainable procurement, we systematically manage our energy consumption, resource utilization and waste generation, actively building our brand as an environmentally responsible bank. In 2024, the Bank did not experience any major environmental violations.

Advocating Green Office Practices

The Bank is consistently advancing efforts in energy conservation, carbon emission reduction, water saving, paperless office operations, waste sorting, and waste management. We are also innovating with green outlets, making tangible contributions to environmental protection and sustainable development.

SHRCB Green Operations Management Measures

Energy saving
and emissions
reduction

The Bank has implemented comprehensive energy conservation measures across all office spaces, including installation of energy-efficient power supply equipment, scheduled lighting control in both work and public areas, centralized weekday air conditioning management, designated after-hours operation procedures requiring advance application for nights and weekends. These coordinated initiatives effectively reduce non-essential electricity usage while optimizing overall energy efficiency.

Water saving

The Bank's headquarters building is equipped with water-saving appliances in all water-related fixtures. We have renovated the direct drinking water dispenser in the pantry, eliminated bottled water usage, and regularly overhaul the water supply facilities.

Resource
conservation

The Bank has introduced online deposit and electronic billing services, deeply optimized the electronic receipt service, and reduced reliance on paper consumption in business operations.

We have fully installed print management systems in the Head Office area, implementing measures such as default double-sided printing, restricting color printing permissions, and optimizing print task management to lower office paper consumption.

The Bank systematically monitors consumable management through digital tracking systems, maintaining real-time tracking of consumable status to prevent unnecessary component wear.

Paperless office

The Bank has taken multiple measures to promote paperless office operation across the entire organization. By enhancing the video conferencing system, increasing video conferencing equipment, upgrading collaborative office system functions, and deeply advancing paperless meeting and electronic document management, we effectively reduce paper consumption and enhance office efficiency.

Waste sorting
and
management

The Bank has implemented a waste classification system by deploying categorized waste bins across all premises, enabling source reduction and proper waste segregation at the point of disposal.

Through partnerships with licensed e-waste recyclers, we have achieved 100% environmentally sound treatment of all end-of-life electronic information products at our Head Office.

Green outlets

In compliance with the *Applicable Technology Catalog for Green Bank Outlets in Shanghai and the Implementation Rules for the Evaluation of Green Bank Outlets in Shanghai (Trial)*, SHRCB's Sijing Sub-branch has integrated the concept of green outlets into the entire lifecycle—from planning and design to construction and operation. By utilizing environmentally friendly materials, efficient mechanical and electrical equipment, age-friendly facilities, and adopting green and low-carbon operation and technological innovation measures, the outlet exemplifies a new model of people-oriented, environmentally responsible banking outlet.

Promoting green philosophy

The Bank organizes various green operation training sessions, seminars, and themed activities to intensify internal communication on green operations, actively fostering employee environmental awareness and encouraging them to fully embrace low-carbon principles in both work and daily life.

Case: Pioneering as Shanghai's first technology-focused sub-branch and China's inaugural carbon-neutral tech sub-branch

Since its 2021 launch, the Zhangjiang Science & Technology Sub-branch has obtained carbon-neutral accreditation for four consecutive years—a dual distinction as both Shanghai's first technology-focused banking sub-branch and the nation's first carbon-neutral technology sub-branch. The sub-branch has achieved operational neutrality through verified carbon allowance retirements. In 2023, the sub-branch further expanded its scope of greenhouse gas inventory to include methane and nitrous oxide emissions, setting a leading example for green outlet development.



2024 "Carbon-neutral" Certificate for the Zhangjiang Science and Technology Sub-branch

Practicing Green Procurement

The Bank actively promotes the development of a green supply chain, incorporating comprehensive ESG factors – including environmental protection, resource efficiency, occupational health and safety, circular economy practices, and recycling initiatives – into its supplier qualification process. A key evaluation criterion for supplier qualification is the possession of Carbon Neutrality Certification and ISO 14001 Environmental Management System Certification. Furthermore, the Bank prioritizes procurement of 3C-certified and eco-labeled electronic equipment, advocates for digital procurement platforms, and incentivizes suppliers to enhance their carbon emission management. These efforts demonstrate our commitment in advancing the banking sector's low-carbon transition.

1.4

Environmental Performance Data

Indicators	Unit	2024	2023	2022
Green finance				
Balance of green credit ⁶	RMB 100 million	843.35	614.31	435.67
Green bond outstanding balance	RMB 100 million	30	30	0
On-balance sheet balance of green bond investments	RMB 100 million	152.12	115.49	90.34
Green bond underwriting volume	RMB 100 million	7.30	10.50	30.30
Balance of green leasing	RMB 100 million	157.67	101.47	69.89
Balance of green bonds held by asset management products	RMB 100 million	23.34	21.39	16.59
Emissions ⁷				
Total GHG emissions	Tons of CO ₂ equivalent	33,764.63	50,370.48	43,396.69
Total scope 1 GHG emissions	Tons of CO ₂ equivalent	1,916.59	1,878.67	1,446.45
Total scope 2 GHG emissions	Tons of CO ₂ equivalent	29,740.29	46,469.00	41,950.24

【 6 】 【 Statistical scope 】 The balances of green credit disclosed in the 2024, 2023, 2022, and 2021 reports were calculated based on the criteria of the former China Banking and Insurance Regulatory Commission (CBIRC), covering on-balance sheet green loans, off-balance sheet letters of credit, and promissory notes.

【 7 】 【 Statistical scope 】 The data cover the Bank's Head Office and 21 branches in Shanghai.

Indicators	Unit	2024	2023	2022
Total scope 3 GHG emissions	Tons of CO ₂ equivalent	2,107.76	2,022.81	/
GHG emissions per capita	Tons of CO ₂ equivalent	3.04	4.66	4.12
Utilization of energy and resources ⁸				
Natural gas consumption	10,000 m ³	44.07	32.96	30.79
Natural gas consumption per capita	m ³ /person	39.71	30.46	29.21
Diesel consumption	10,000 liters	6.68	7.15	3.04
Diesel consumption per capita	Liter/person	6.02	6.61	2.88
Owned vehicle gasoline usage	10,000 L	35.33	43.79	30.92
Purchased electricity	10,000 kWh	7,050.75	8,148.17	7,355.81
Specifically: Purchased electricity of the Head Office Building	kWh	2,511,570.00	2,435,394.80	2,148,497.00
Electricity consumption per capita	kWh/person	6,353.75	7,531.35	6,978.29
Total energy consumption	Tons of standard coal	20,721.99	23,971.46	/
Water consumption	Ton	13,216.00	11,525.00	9,605.00

【 8 】 【 Statistical scope 】 The data covers the Bank's Head Office and 21 branches in Shanghai. Specifically, the office paper consumption statistics include the Head Office building and Zhangjiang Data Center Park; purchased electricity and water consumption data applies only to the Head Office building.

Indicators	Unit	2024	2023	2022
Water consumption per capita	Ton/person	8.40	7.35	6.40
Business office paper consumption	Ton	15.48	26.80	37.43
Paper consumption per capita	Kg/person	3.88	7.49	10.46
Waste management ⁹				
Non-hazardous waste				
Disposal volume of electronic and office supplies	Piece	11,057	17,338	13,605
Disposal volume of kitchen waste	Ton	50.00	43.75	67.00
Hazardous waste				
Toner cartridge disposal volume	Number	1,026	2,200	2,300
Green office				
Percentage of credit card e-billing	%	90.82	90.93	86.00
Video conferencing	Time	8,019	2,774	4,384

【 9 】 【 Statistical scope 】 The data on the disposal of electronic and office supplies cover the Bank's Head Office and 21 branches in Shanghai. The data on the disposal of kitchen waste and hazardous waste cover the Bank's Head Office building.

02 Social

SHRCB diligently implements the decisions and complies with requirements of the Central Party Committee, the State Council, and regulatory authorities. The Bank proactively integrates into national strategies, leveraging the advantages as a Shanghai state-owned financial enterprise to support the high-quality development of the real economy. We uphold the development philosophy of putting people first, focusing on inclusive finance; deepens our commitment to digital finance to enhance the efficiency and quality of financial services; we also improve the consumer protection system, ensuring the rights and interests of financial consumers with care and dedication. We view our employees as the cornerstone of sustainable prosperity and are committed to creating a diverse, inclusive, and harmonious workplace. Through concrete actions, we fulfill our responsibility for corporate development and positive social impact.

Material sustainability issues covered in this Chapter:

- Serving real economy
- Pension finance
- Information security and privacy protection*
- Serving rural revitalization*
- Digital finance
- Human capital development*
- Fintech*
- Accessibility of financial services
- Social welfare and philanthropy
- Inclusive finance*
- Consumer rights protection*

SDGs addressed in this Chapter:





2.1 Serving the Real Economy

Promoting Regional Development

The Bank aligns closely with national regional development strategies, profoundly advancing the integrated development of the Yangtze River Delta, focusing on the “Five New Towns” and “South-North Transformation” to serve national strategies and drive coordinated regional economic development. The Bank actively responds to the *Outline of Regional Integrated Development Plan for the Yangtze River Delta*, the *Shanghai Municipal People’s Government’s Implementation Opinions on Accelerating the Planning and Construction of New*

Towns During the 14th Five-Year Plan Period in the City and Implementation Opinions on Accelerating South-North Transformation and Development, among other policies and guidelines. The Bank provides comprehensive financial support for regional infrastructure construction, technological innovation, and green development by optimizing financial resource allocation and innovating financial products and service models.

Yangtze River Delta Regional Integration

The Bank implements the national integrated development strategy for the Yangtze River Delta, incorporating financial services for the Yangtze River Delta region into its development strategy. The Bank maintained a stable scale of corporate bond holdings in the Yangtze River Delta region in 2024. Through these concrete actions, the Bank supports the integrated development of the Yangtze River Delta and contributes to the sustainable development of the regional real economy.

In January 2024, the Bank’s Shanghai Yangtze River Delta Integration

Demonstration Zone Branch opened, providing another strong guarantee for advancing the Bank’s financial support initiatives for Yangtze River Delta integration. The branch intensifies financial services focused on the “One Hall and Three Zones” key areas and four priority fields – ecological, environmental protection, infrastructure connectivity, industrial innovation, and public services – as outlined in the *Three-Year Action Plan for Major Construction Projects in the Yangtze River Delta Integration Demonstration Zone (2024-2026)*.

Case: Supporting major urban village project

The XC Scientific and Technological Innovation Center is one of the key demonstration projects in the “One Hall and Three Zones” of the Yangtze River Delta Ecological Green Integration Demonstration Zone. To maintain high-quality construction for Yangtze River Delta integration, the XC community “urban village” renovation project has become a key “people’s livelihood project” aimed at improving living conditions, enhancing public services, and strengthening regional competitiveness. However, located in the core area of the zone, the renovation project features large-scale and complex funding requirements. To ensure unimpeded implementation, SHRCB conducted in-depth research and careful planning during the project’s preparation phase, integrated resources, and formed a syndicated loan totaling RMB 13,000 million in partnership with financial institutions, providing solid financial support for the project implementation.

Supporting Major Projects in Shanghai

As a local financial institution with more than 70 years of roots in Shanghai, the Bank has dedicated itself to supporting various major projects in Shanghai. We implement a list-based management system, grid-style engagement, and specialized project advancement, ensuring comprehensive support through “fast, sufficient, and efficient” lending practices. By the end of 2024, the Bank had followed up on nearly 200 major projects, including municipal and district-level projects, “industrial on building” projects, and new infrastructure projects. Among these, almost 100 projects had received funding, with a total credit balance of over RMB 19,000 million.

By the end of 2024, the follow-up of major projects

200

Projects had received funding Credit balance

100

over 19,000 million RMB



Serving the “Five New Towns” and “South-North Transformation” Development Strategy

SHRCB has formulated a specialized action plan to serve the “Five New Towns” under the Shanghai Municipal People’s Government’s strategic deployment. During the “14th Five-Year Plan” period, the Bank has arranged a dedicated line of credit of no less than RMB 200 billion, increasing credit resources to support new town construction comprehensively. By the end of 2024, the outstanding credit balance for corporate enterprises in the administrative regions of the Five New Towns reached RMB 113,104 million, an increase of RMB 10,310 million from the beginning of the year. The Bank served 5,917 enterprises, an increase of 532 compared to the start of the year, maintaining net growth in both credit balance and number of enterprises served for four consecutive years.

When serving the “South-North Transformation”, the Bank has diligently implemented the strategic deployment of the Shanghai Municipal Party

Committee and Municipal Government in recent years, helping transform the northern and southern regions into modern exemplars of integrated industrial-urban development, emerging industry clusters, and ecologically livable and workable communities. On September 14th, 2024, the Shanghai Municipal State-owned Assets Supervision and Administration Commission convened a conference to advance state-owned enterprise support for the “South-North Transformation”. The Bank participated as a representative banking institution and signed strategic cooperation agreements with the Baoshan District State-owned Assets Supervision and Administration Commission and Development and Reform Commission, as well as with the Jinshan District State-owned Assets Supervision and Administration Commission and Finance Bureau, to provide comprehensive support for the “South-North Transformation”.

Case: “Bao Zhi Loan” quality-based financial service upgrade project

In May 2024, SHRCB launched the “Rural Commercial Bao Zhi Loan” financial service project. This quality-based financial service initiative was tailored by the Bank’s Baoshan Sub-branch for quality benchmark enterprises in the Baoshan District. The upgraded product incorporates standards, branding, and certification as credit enhancement elements for financing, and in response to Baoshan’s goal of building a green low-carbon transformation model district, the newly introduced “carbon management certification” is an additional element. The “Bao Zhi Loan” project serves as a financial complement to Baoshan District’s quality support policies, broadening financing channels for high-quality and efficient enterprises in the region, thereby better promoting the synergistic effect between financial capital and quality policies.

Supporting Cross-border Finance

The Bank closely ties to the national “Belt and Road” Initiative and RMB internationalization strategy, providing all-around, multi-tiered financial support for regional economic coordination, digital economic transformation, RMB internationalization, and global trade cooperation. The Bank aids global sustainable development through deep participation in “Belt and Road” green infrastructure projects; enhances quality and efficiency of cross-border financial services through innovative digital financial platforms; strengthens

international financial cooperation by building a global RMB service network; and continuously supports China International Import Expo (CIIE) global cooperation for inclusive trade growth. In 2024, the Bank witnessed significant growth in cross-border financial business, with cross-border settlement volume exceeding USD40 billion, representing a year-on-year increase of 40% and reaching a historic high.



Cross-border settlement services

During the reporting period, the Bank became a direct participant in the Cross-Border Interbank Payment System (CIPS), providing customers with efficient and convenient RMB cross-border payment services. Simultaneously, the Bank actively responded to national policies supporting cross-border e-commerce development by collaborating with third-party payment institutions to provide secure and convenient cross-border collection services for cross-border e-commerce enterprises, effectively supporting their business expansion.



Cross-border financing services

The Bank is committed to providing diversified cross-border financing solutions including cross-border syndicated loan, overseas loan under domestic guarantee, and international forfaiting. In 2024, the Bank successfully implemented multiple cross-border syndicated projects, such as the loan for Phase I of the Chancay Port Terminal construction project in Peru.



Cross-border financing services

The Bank provides high-quality foreign exchange trading services through its professional foreign exchange trading team, helping enterprises lock in exchange rate risks and reduce operating costs. In 2024, the Bank’s total foreign exchange trading volume for customers exceeded USD10 billion, with customer foreign exchange derivative trading volume increasing by over 40% year-on-year.

Case: Integrated Cross-border Service Platform for Free Trade Zone and Agricultural Business Based on Middle-office Architecture

To seize opportunities presented by the “dual circulation” new development paradigm and global economic transformation and to promote financial innovation in Free Trade Zone and agricultural sectors, SHRCB launched the “Integrated Cross-border Service Platform for the Free Trade Zone and Agricultural Business” project. This project adopts the MASA architecture methodology to build a cross-border business middle office, combining big data, OCR + large models, and other technologies to create an intelligent cross-border service platform. During the reporting period, the Bank’s “Integrated Cross-border Service Platform for Free Trade Zone and Agricultural Business Based on Middle-office Architecture” was recognized with a national third prize in the Fintech Development Award organized by the People’s Bank of China.

Case: SHRCB becomes the first CIPS direct participant in the rural credit system

Cross-border Interbank Payment System (CIPS) is a clearing and settlement system developed by the People’s Bank of China specifically for cross-border RMB payment business. It aims to further integrate existing cross-border RMB payment and settlement channels and resources, improve cross-border clearing efficiency, enhance transaction security, and build a fair market competition environment as an essential financial infrastructure in China. In 2024, SHRCB became the first direct participant in CIPS within the rural credit system, marking a new milestone in the Bank’s cross-border payment services. This status enables the Bank to directly provide customers with cross-border RMB payment and settlement, as well as fund management services.

Case: SHRCB’s presence in Sibos

Swift International Banker’s Operation Seminar (Sibos) is an international conference organized by the Society for Worldwide Interbank Financial Telecommunication (SWIFT). The 2024 Sibos opened in Beijing, China, for the first time on October 21st, 2024. SHRCB was the only bank in the rural credit system to set up an exhibition booth at this seminar.

During the seminar, the Bank’s management team conducted over 50

specialized discussions with middle and senior management from first-class international financial institutions from more than 20 countries, participated in four official conferences and peer activities, and held a series of discussions covering payment clearing, cross-border finance, financial markets, financial technology, operational management, ESG financial services, and management. While deepening exchanges with global peers, the Bank explored new business cooperation and expansion opportunities.



Sibos - SHRCB Exhibition Booth

Serving the Private Economy

The Bank thoroughly implements national and local policy requirements to promote private economic development, fully leveraging financial resources to support the high-quality development of the private economy. In April 2024, the Bank issued the *Implementation Opinions on SHRCB's Financial Support for Private Enterprises in 2024: "Upholding the Two Unwavering Principles and Supporting High-quality Development of the Private Economy"* to inject new momentum into the high-quality development of the private economy by deepening financial service innovation, optimizing the development environment for private enterprises, and further enhancing their access to financial services.

During the reporting period, the Bank further increased the proportion of private enterprises among its credit customers, focusing on key sectors such as advanced manufacturing, technology-driven enterprises, green businesses, and trade-oriented companies. Through preferential policies, the Bank continuously supported credit extension to private enterprises, ensuring that private business lending accounts for no less than 60% of total lending. The Bank enhanced service efficiency for private enterprises by establishing expedited procedures for inclusive loans, developing post-loan management optimization solutions (including increased system automation and early warning-triggered post-loan inspection mechanisms), promoting electronic credit documentation, and streamlining loan renewal processes and online withdrawal channels. The Bank also launched highly adaptable and differentiated financial products for technology, green, and inclusive customers to meet the diverse financial needs of private enterprises across multiple domains.

By the end of 2024, the Bank's private enterprise loan balance (including privately-held enterprise loans and personal operating loans according to the statistical caliber of the State Financial Regulatory Administration) exceeded RMB 344,486 million, an increase of RMB 24,459 million from the beginning of the year, an increase of 7.64%.

For private enterprises, sustainable and healthy cash flow is critical to their sound and high-quality development. Facing the diversified funding needs of private enterprises, the Bank took proactive measures and tailored solutions based on careful considerations of companies' needs and development conditions, effectively addressing financing difficulties and high costs. For

first-time private enterprise borrowers, the Bank actively strengthened policy support, expanded its new customer base, improved service quality for first-time borrowers, and effectively reduced financing costs for private enterprises. In 2024, the Bank extended over RMB 250 billion in loans to private corporate enterprises, representing nearly 70% of newly issued corporate loans during the year, including first-time loans to more than 4,000 private enterprises. The annualized interest rate for private enterprise loans issued during the year decreased by 60 basis points compared to the beginning of the year, effectively reducing corporate financing costs.

For micro/small/medium enterprises meeting the requirements for loan renewal without principal repayment, the Bank continuously strengthened its seamless loan renewal and loan renewal without principal repayment efforts. Branch institutions were guided to implement loan renewal without principal repayment, maintaining comprehensive coverage in principle. In 2024, nearly 2,700 enterprises benefited from loan renewal without principal repayment. For micro/small/medium private foreign trade enterprises, the Bank facilitated the in-depth implementation of trade foreign exchange receipt and payment facilitation policies for high-quality enterprises, simplified business processes and documentation requirements, and provided convenient cross-border fund settlement services. Simultaneously, the Bank deployed system data models to automatically calculate and approve credit lines, offering entirely online, pure credit loan products that effectively alleviated financing difficulties for foreign trade customers.

By the end of 2024, the Bank's private enterprise loan balance reached RMB

344,486million

an increase of RMB from the beginning of the year

24,459million

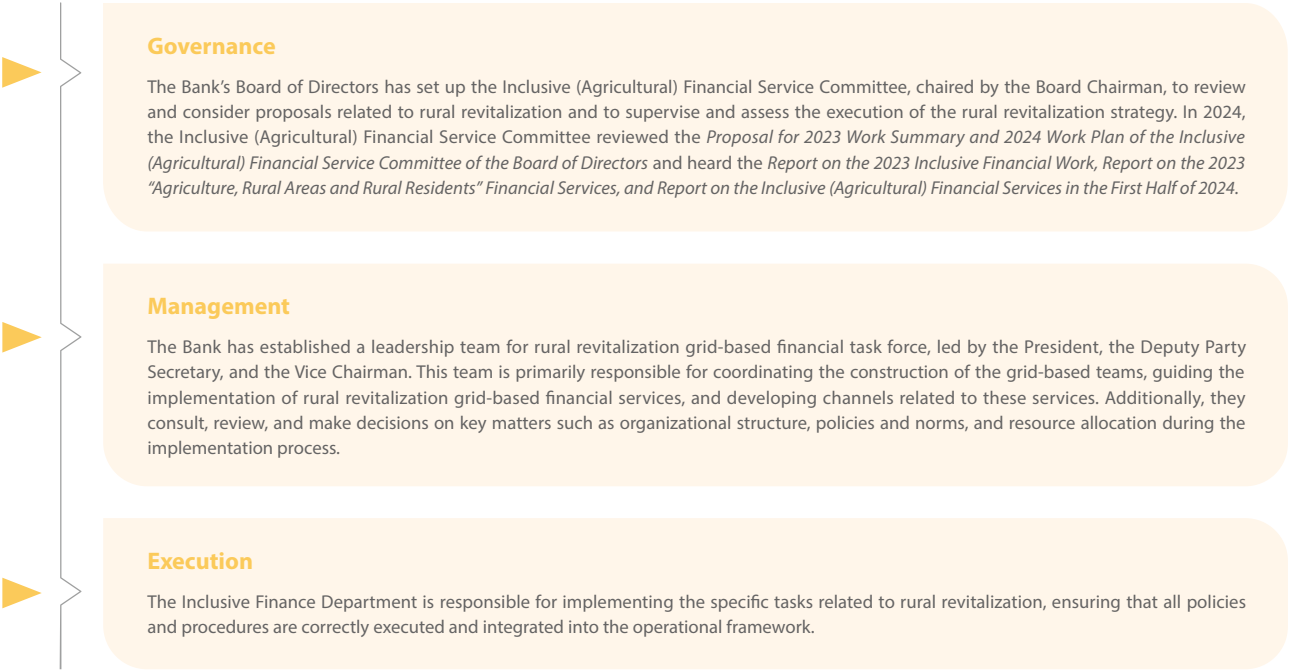


2.2 Serving Rural Revitalization*




As a key player in providing financial services to “agriculture, rural areas and rural residents” (“Sannong”) in Shanghai, the Bank responds to the guiding principles of the Central Government No. 1 Document. We steadfastly support the strategy to build a strong agricultural nation, upholding our mission of assisting agriculture and rural development. Our focus is on the financial service needs in Sannong, continuously innovating financial products and service models. We have increased credit allocation to such key areas as new types of agricultural business entities and rural specialty industries, thereby guiding more “financial vitality” to precisely aid rural sectors.

Governance

The Bank has established a governance framework for its Sannong financial services, encompassing the governance, management, and execution levels. This structure defines clear responsibilities at each level to ensure the effective implementation of the “Sannong” financial strategy while continuously expanding the scope and depth of “Sannong” financial services.



Impact, Risk, and Opportunity Management

Risk	Risk description	Response measures
 Policy adjustment	The government may dynamically adjust financial support or project priorities, which could affect the Bank's agricultural loan direction and scale.	A dynamic policy tracking mechanism is in place, optimizing the credit structure to focus on areas that match long-term national strategies such as food security, agricultural technology, and green transformation.
 Agricultural industry cyclical fluctuations risk	Agriculture is highly susceptible to natural conditions and market supply-demand fluctuations, with limited natural risk resilience. For example, fluctuations in grain prices or extreme weather events may lead to a decrease in farmers' or agricultural entities' income, compromising repayment ability.	The Bank continuously improves risk assessment models, strengthens agricultural insurance partnerships, and explores the "insurance + credit" linkage model to diversify risks.
 Rural credit system construction risk	Due to the difficulty in collecting information from farmers and the presence of incomplete or distorted data, the accuracy and reliability of credit evaluations are directly affected. Additionally, farmers often lack suitable assets to serve as loan collateral, increasing the risk of loan defaults.	The Bank deepens cooperation with rural communities, accelerates the evaluation of creditworthy villages (towns), and uses grid-based financial services to enhance financial service coverage and accessibility, including farmer information registration, village-wide credit granting, and integrated financial services.

Opportunity	Opportunity description	Response measures
 Agricultural technology innovation	Rural fintech innovation is of significance to the comprehensive rural revitalization strategy. Driven by agricultural technology innovation, it enables industrial technology upgrades and presents new business opportunities for the Bank.	The Bank is accelerating its focus on agricultural technology, particularly in new areas identified in Shanghai's agricultural technology innovation plan, such as seed sources, biomanufacturing, and smart equipment. In July 2024, the Bank signed the Strategic Cooperation Framework Agreement on Financial Services for the Yangtze River Delta Agricultural Silicon Valley with the Chongming District Agriculture and Rural Affairs Commission to jointly establish a Financial Services Center for Scientific and Technological Innovation, providing tailored financing solutions for tech enterprises, accelerating the transformation of agricultural technology outcomes, and exploring new financing methods like intellectual property pledging to lower financing costs for agricultural tech companies.
 Policy support	In 2024, the Shanghai Municipal People's Government issued the <i>Measures for Further Promoting the High-quality Development of New Rural Collective Economy</i> , which specifically proposes deepening rural collective property rights system reform and improving financial services for rural collective economies.	In sync with policy advancements, the Bank supports the high-quality development of rural collective economies and stimulates endogenous rural power. By the end of 2024, the Bank had achieved a coverage rate of over 90% in settlement accounts across more than 1,500 administrative villages in Shanghai, further boosting the Bank's credit support for rural collective economies, revitalizing rural collective assets, fostering new rural industries, and promoting common prosperity.

Strategy and Management Approach

The Bank formulated its 2023-2025 development strategy, emphasizing the establishment of “an inclusive financial service system with agricultural finance at its core”. In line with this overall strategy, the Bank also developed the 2023-2025 “Sannong” business development strategy, outlining the guiding principles, development goals, target customer groups, and key initiatives for this sector, fully expanding “Sannong” financial services.

Enhancing Top-level Planning

The Bank actively implements the No. 1 Document requirements. A detailed action plan has been developed to ensure its execution, and the *Implementation Plan of Shanghai Rural Commercial Bank for In-depth Execution of the 2024 Central No. 1 Document* has been issued. This plan focuses on improving system guarantees, strengthening the financial ecosystem for the “Sannong” customer base, optimizing the “Sannong” product system, and empowering rural governance. It guides financial support for rural revitalization, creating the “Shanghai Path” for financial assistance in modernizing urban agriculture.

The Bank deepens Party-building cooperation to support rural revitalization. A work directive titled *Work Guidelines for Deepening Party-building Cooperation and Fully Promoting Rural Revitalization* has been issued, encouraging Party organizations at all levels to enhance their attention to township and village work, focus on key rural revitalization projects and the “Hundred Days, Hundred Towns” series of activities, and explore effective pathways for Party-building to assist rural revitalization. Additionally, the Bank actively builds the “Bank-Village” cooperation platform to match the financial needs of townships and villages precisely.

The Bank strengthens promotion of rural revitalization financial services. In 2024, a learning session was held for the Party Committee's central group, where experts from the Shanghai Municipal Commission of Agriculture and Rural Affairs interpreted the 2024 Central No. 1 Document. This session reinforced, from top to bottom, the importance of “Sannong” financial services and the necessity of following the strategic positioning of supporting agriculture and small businesses. The Bank is enhancing the financial service capabilities for rural revitalization at its branches and sub-branches, conducting extensive training in “Sannong” finance, and guiding suburban branches and sub-branches to set five-year targets and task lists for rural revitalization financial services. Furthermore, a long-term tracking mechanism for “Sannong” financial services and rural revitalization has been established to ensure regular and precise service management supporting agriculture and small enterprises.

The Bank strengthens assessment and incentives for agricultural business. The Bank has introduced a special subsidy policy for agricultural loans, and issued the *Notice on Incentive Policies for Agricultural and Inclusive Micro and Small Business Loan Disbursement*. A differentiated assessment and incentive policy for agricultural loans has been established to ensure that financial resources are allocated to agricultural sectors. The Bank has launched the “Deepening Financial Services to Support Rural Revitalization” 2024 Youth Achievement Competition at SHRCB, focusing on agricultural industry chain finance, personal agricultural loans, and credit village construction. This competition aims to mobilize and guide the Bank's young employees to strengthen “Sannong” financial services.

Implementation of Strategic Decisions

Focusing on ensuring the supply of key areas, the Bank continually innovates its “Sannong” financial services. The Bank has further expanded the scope of its agricultural industry chain ecological finance, focusing on locally sourced, high-quality agricultural products. We support a range of geographical indication agricultural products, including “Baihe Strawberries”, “Liantang Water Bamboo”, and “Tinglin Snow Melons”, among others, to aid the development of local agricultural brands. The Bank continues to advance the agricultural wholesale and trade market scenarios, creating industry chain scenarios that cater to the large consumption market of Shanghai. In the same year, the Bank provided loans exceeding RMB 3,000 million to more than 400 agricultural-related business entities along the agricultural industry chain. The Bank has fully utilized the “Government-Bank-Insurance-Guarantee” four-party mechanism, increasing credit support for key agricultural sectors such as equipment enhancement and food production safety. In 2024, a total of RMB 400 million in policy-based agricultural credit guarantee loans were advanced through this four-party business model, marking a more than 300% increase compared to the previous year.

The Bank drives the building of the rural credit system through grid-based financial services. The Bank has established a rural revitalization grid-based financial task force. This team focuses on rural grids, researching to define the financial needs for rural revitalization, and builds a “1+4” service system to meet those needs.

The Bank leverages green finance as an engine to support the construction of beautiful villages. The Bank's rural ecological loan products are designed primarily to meet the funding needs of rural development programs in Shanghai, including rural ecological environment restoration and enhancement, green carbon reduction governance, optimization of rural living environments, integration and upgrading of rural industries, and the construction of digital rural areas. By the end of 2024, the loan balance for this business exceeded RMB 60 million.

Harnessing agricultural technology innovation, the Bank supports the construction of a strong agricultural nation. The Bank is strategically positioning itself in the agricultural technology sector, focusing on emerging industries such as specialty seed sources, biomanufacturing, and controlled environment agriculture. The Bank supports the deep integration of agricultural innovation, capital, and talent chains. In July 2024, the Bank signed the Strategic Cooperation Framework Agreement on Financial Services for the Yangtze River Delta Agricultural Silicon Valley with the Chongming District Agriculture and Rural Affairs Commission. This collaboration aims to establish a Financial Services Center for Scientific and Technological Innovation to provide lifecycle financial services to agricultural technology enterprises.

The Bank expands the coverage of agricultural services through channel development serving rural revitalization. The Bank has taken the lead in establishing the Shanghai Rural Revitalization Service Alliance, strengthening strategic collaborations with agricultural institutions such as Anxin Agricultural Insurance, agricultural research academies, and the Agricultural Development Bank of China. These partnerships enhance cooperation in key areas such as “Technology + Finance”, promoting high-quality agricultural products, land reclamation and rights consolidation in urban villages, and revitalizing rural collective assets, providing all-around support for rural revitalization through resource sharing and complementary advantages.

Case: SHRCB implements the Shanghai’s first new plant variety pledge financing transaction

We have pioneered the new plant variety pledge financing business, leveraging Shanghai’s advantages in seed sources and breeding innovation. We have executed the city’s first new plant variety pledge financing transaction. Shanghai HY Co., Ltd., a modern agricultural company specializing in cultivating, planting, and selling high-end flower seedlings, holds several proprietary agricultural intellectual properties and a new plant variety certificate issued by the Ministry of Agriculture and Rural Affairs. Agricultural enterprises which lack traditional assets such as factories or equipment for collateral, often face limited access to credit via conventional means. After extensive due diligence and verification of the new plant variety rights pledge’s clear ownership and legal viability, the Bank worked closely with external appraisal firms and agricultural research institutes to resolve the valuation challenges of new plant variety rights with expert agricultural knowledge. After securing internal consensus and establishing a special review channel, the Bank provided RMB 2 million in loan support using the new plant variety rights held by the company as collateral. This transaction effectively addressed agricultural asset monetization for seed-related enterprises, turning agricultural intellectual property into a valuable financial asset and creating a new financial support pathway for seed industry businesses.

Indicators and Objectives

Objective	Progress in 2024
<ul style="list-style-type: none"> 2024 marks a critical year for realizing China’s “14th Five-Year Plan” goals and tasks and a key transition year for implementing the Bank’s 2023-2025 Three-Year Development Strategy. In line with the national strategy for rural revitalization, the Bank is committed to supporting the construction of a strong agricultural nation and advancing an inclusive financial service system centered on Sannong finance. Our goal is to continue serving as a key player in providing financial services for rural development in Shanghai. 	<ul style="list-style-type: none"> By the end of 2024, the Bank’s outstanding agricultural loan balance amounted to RMB 67,787 million, reflecting a growth of 2.12% compared to the beginning of the year. The balance of inclusive agricultural loans reached RMB 15,202 million, with an increase of 6.34% from the start of the year. The Bank’s coverage of Sannong financial services continues to expand.



Column 1

Serving Rural Revitalization:
Grid-based Financial Services

In early 2024, the Central Government issued the No. 1 Document, which set rural revitalization as the primary focus of the country's "Sannong" work in the new era and the new journey. This document further clarifies the direction and tasks for the high-quality development of rural finance. SHRCB remains committed to its mission of "Inclusive Finance Delivers Better Life" and has long been dedicated to serving the "Sannong" market. In line with national policies and the Bank's strategic development, we effectively implement financial services to support rural revitalization. In 2024, the Bank continued to deepen its cooperation with rural villages, and utilized grid-based financial services to assist in constructing the rural credit system in Shanghai, aiming to create a new paradigm for inclusive finance that aids rural revitalization.

We have strengthened credit services for towns and villages, channeling financial resources to support rural development. The Bank has issued the 2024 Guidelines for Credit Village (Town) Special Business Marketing of SHRCB, guiding evaluation of credit towns and villages by branches/sub-branches and setting clear time targets to increase the assessment efforts. By the end of 2024, the Bank had completed the recognition of 268 credit villages and 9 credit towns (townships). In 2024, we added 109 new credit villages and 5 new credit towns, created records for more than 80,000 rural residents, and granted over RMB 200 million in credit to more than 1,000 residents of credit villages.

||| Case: Official unveiling of the first "credit village" in Huaxin Town, Qingpu District

In February 2024, in collaboration with Huaihai Village, SHRCB held the "Credit Village" plaque presentation ceremony, awarding Huaihai Village the honor of becoming the first "Credit Village" in Huaxin Town. Issuing the "Credit Village" plaque has strengthened the villagers' sense of ownership and recognition towards the "Credit Village" construction while channeling financial resources towards rural revitalization. This initiative stimulates endogenous motivation within the community, enhances the organizational capacity of primary-level institutions, and bolsters the "self-financing" capabilities of village-level collective economies. These efforts support a stronger agricultural sector, more beautiful rural areas, and wealthier farmers. Creating the "Credit Village" is a crucial step in accelerating the implementation of the rural revitalization strategy and an important measure to support the development of "Beautiful Villages".

The Bank conducted in-depth town and village research and collaboration to enrich rural financial services. We have launched the "Hundred Days, Hundred Towns" activities, which involved visiting and surveying 108 towns across Shanghai and signing cooperation agreements. Tailored financial service plans have been developed based on the specific needs of each town, incorporating a "one town, one policy" approach. These plans provide comprehensive, multi-layered financial services that

include credit financing, innovative rural financial products, digital financial services, support for featured rural industries, financial products for farmers, and funding for rural infrastructure projects. In addition, the Bank has focused on the individual financial rights of villagers, introducing the "Rural Revitalization Financial Products" specifically designed for credit villages, offering exclusive benefits and cost reductions based on the twenty-four solar terms.

||| Case: SHRCB's first issuance of exclusive financial products for credit villages and towns

In April 2024, SHRCB launched a rural revitalization-themed financial product, marking its first issuance of exclusive financial products for the "credit village and town" customers. The rural revitalization-themed products have the following key features: First, dedicated quotas for pension distribution clients and "credit village (town)" customers, with a differentiated fee reduction strategy to accelerate the development of pension finance and rural finance; second, the product issuance plan is in line with the agricultural and rural culture, coordinating product launches with the lunar calendar's solar terms to ensure ample product supply for a broader range of residents; third, the products are composed of stable, risk-controllable, high-quality assets, with strict control over portfolio returns and a low-risk (R1) classification, fully meeting the conservative investment needs of the target customer base.

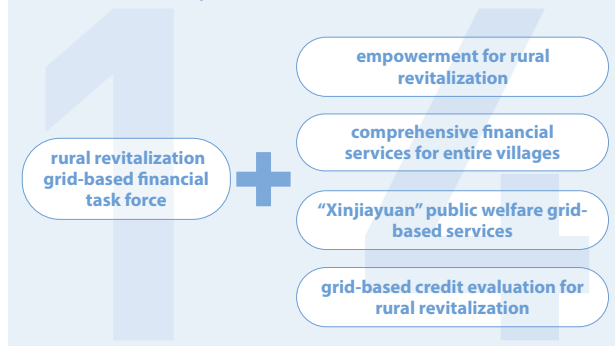
The Bank established a rural revitalization grid-based task force to build a "1+4" service system. We have established a rural revitalization grid-

based financial task force to address the grid-based rural financial needs for rural revitalization. The task force focuses on the rural grid, researching and

clarifying the financial needs of rural revitalization grid, constructing four key systems: grid-based credit evaluation for rural revitalization, comprehensive financial services for entire villages, “Xinjiayuan” public welfare grid-based services, and empowerment for rural revitalization. A “1+4” grid-based pilot program involving 4 credit villages and 1 rural revitalization demonstration site has been launched to promote rural household information archiving, entire village credit evaluations, and integrated financial services.

The Bank strengthens financial coverage for agricultural entities and expands agricultural support services. We have initiated a specialized action plan to extend financial services to new agricultural operators. We have tailored differentiated credit products by understanding the operational characteristics of agricultural entities such as farmer cooperatives, leading enterprises in agricultural industrialization, family farms, and individual farmers. A dedicated “Sannong” team has been established to enhance the financial coverage of key agricultural customers and drive the high-quality development of the Bank’s new agricultural operation customers.

“1+4” service system



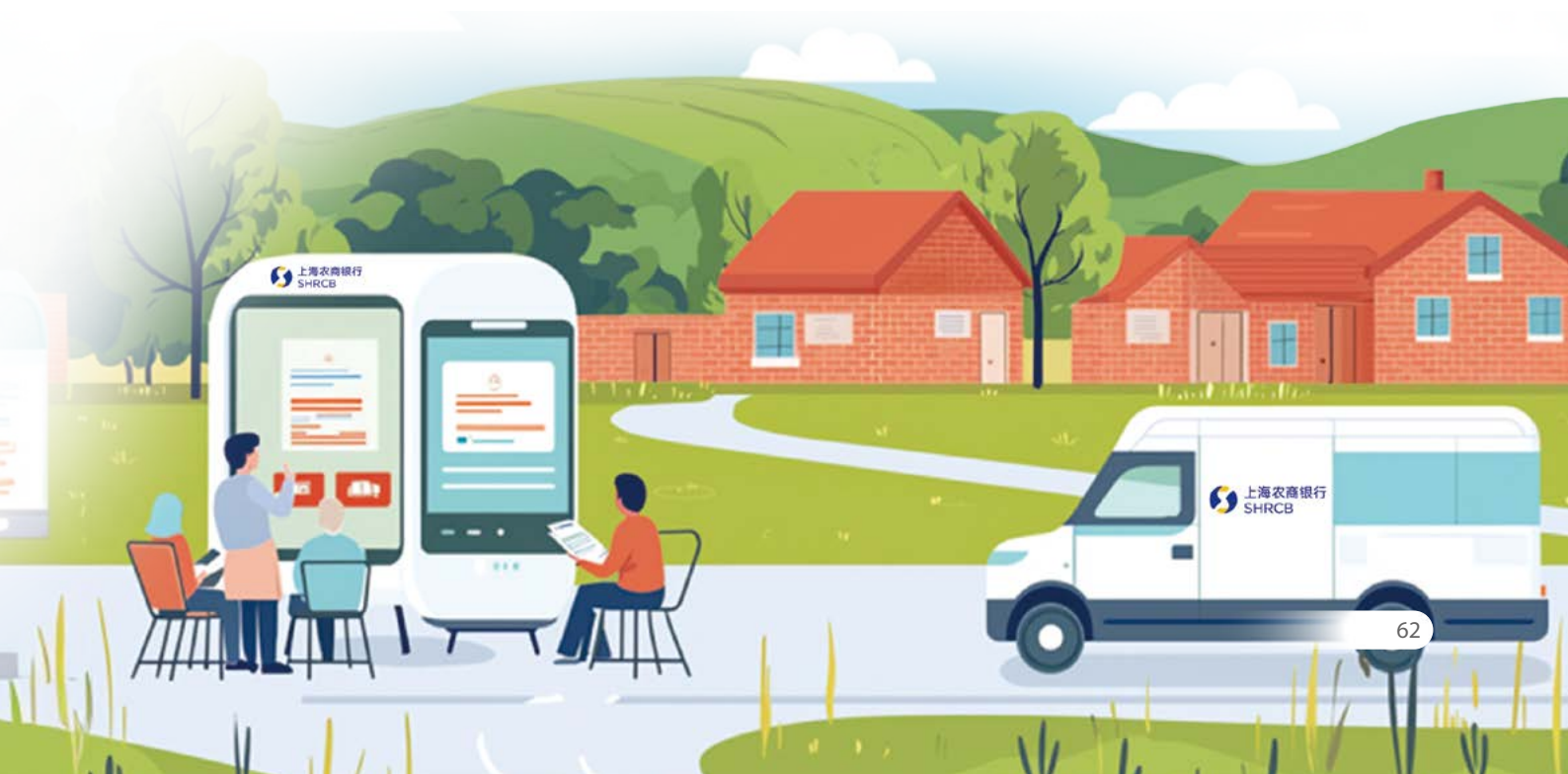
Case: Launch of Shanghai’s first “Government-Bank-Insurance-Guarantee” four-party mechanism batch guarantee business

As one of the first cooperating banks, SHRCB has entered into a strategic partnership with the Municipal Guarantee Center and China Pacific Anxin to establish a new “Government-Bank-Insurance-Guarantee” four-party collaboration model. Through this four-way partnership, characterized by “batch guarantees”, we provide agricultural financing entities with preferential loan interest rates and guarantee fees while enabling access to government interest subsidies and fee reductions. This program effectively addresses the “difficulty and high cost of financing” in the agricultural sector.

In 2024, the Bank provided the first-ever “Government-Bank-Insurance-Guarantee” four-party mechanism batch guarantee business to ZZST Cooperative in Shanghai. This support enabled the cooperative, primarily focused on growing economic crops, to quickly secure much-needed funds for purchasing supplies required for planting. Within just 3 days, the cooperative successfully obtained a loan of RMB 3 million, benefiting from an approximately 10% reduction in interest rates.

The Bank promoted the “points + finance” model to support primary-level rural governance. In sync with promoting rural governance through a points-based management system in agricultural and suburban areas, the Bank has developed a “points + finance” service model. This model was first implemented in Baihe Town, Qingpu District, Shanghai. The system quantifies villagers’ positive behaviors by awarding points for civilized conduct, volunteer services, and environmental protection. Based on the

accumulated points, the model explores providing villagers with exclusive financial products, differentiated deposit interest rates, and other financial services. Integrating the points system with financial services effectively drives inclusive finance to empower rural governance, contributing to the prosperity of the rural economy and playing a big part in building a governance model where rural communities co-create, co-manage, and co-share.



2.3

Fintech*

The Central Financial Work Conference placed technology finance at the forefront of its five key financial areas (technology finance, green finance, inclusive finance, pension finance, and digital finance), emphasizing the need to “channel more financial resources into promoting technological innovation” and “strongly support implementing an innovation-driven development strategy”. In response, SHRCB has actively responded to these goals, thoroughly implementing the important directives of President Xi Jinping regarding the development of new productive forces. Guided by the service philosophy of “Leading in Innovation, Complete in Technology, Pioneering in Research”, the Bank has developed several policies, such as the Implementation Opinions of SHRCB on Further Breaking Through Innovation and Promoting Higher Quality Financial Services for Sci-tech Innovation Enterprises. These policies focus on enhancing the system guarantees for technology finance, refining the establishment of dedicated technology finance services, optimizing the financial product system, and strengthening ecological cooperation in technology finance. The goal is to create an environment where enterprises “with the confidence to finance, willingness to support, capacity to deliver, and expertise to guide” for technological innovation.

Governance

The Bank’s Board of Directors is the highest responsible body for advancing fintech. The Senior Management is specifically responsible for the implementation of fintech initiatives. The Investment Banking Department is the primary department for advancing fintech across the Bank. During the reporting period, the Bank continued to improve its specialized fintech mechanism, creating a professional, dedicated, and distinctive “1+1+12+N” organizational structure for scientific and technological innovation finance. This structure spans from the Head Office’s Investment Banking Department

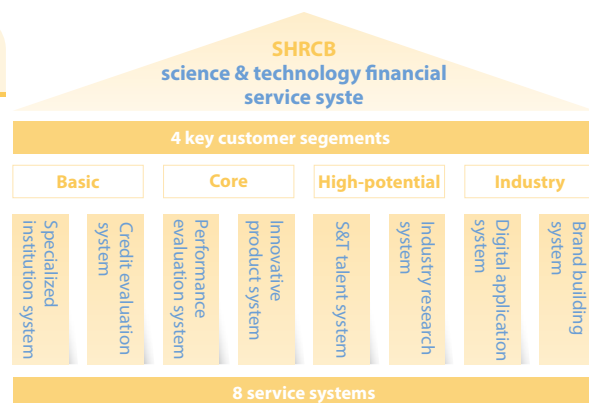
to the first head office-level Department of Science and Technology Finance in Shanghai, followed by sub-branches specializing in fintech in 12 fintech development zones across Shanghai and extending downwards to form specialized teams focused on fintech at the primary level. The Bank has developed a series of supporting policies in areas such as differentiated performance evaluations and incentives, centralized dedicated approval processes, and due diligence exemption, which have provided strong support for the robust development of its fintech business.

Impact, Risk, and Opportunity Management

Risk	Risk description	Response measures
 Credit risk	Sci-tech enterprises are typically in their early stages of growth, with potential uncertainties in technology development and market promotion. The rapid changes in the sci-tech industry and technological iterations could lead to intense market competition, impacting long-term profitability.	The Bank has established a professional evaluation team and continually improves its centralized, specialized approval mechanism and risk compensation system for fintech, enhancing the Bank’s ability to professionally evaluate and efficiently review sci-tech enterprises, better-controlling business risks.
Opportunity	Opportunity description	Response measures
 Regional development strategy guidance	The Shanghai Municipal People’s Government has successively issued policies such as the Regulations on Promoting the Construction of Shanghai as a Science and Technology Innovation Center and the Implementation Plan for Building the Sci-tech Innovation Finance Reform Pilot Zone in Shanghai, providing policy support for commercial banks to serve regional technology innovation enterprises. These policies encourage banks to innovate in services and launch more personalized and specialized financial products.	The Bank released the 3-Year Action Plan of SHRCB for the Development of Science and Technology Finance (2023-2025) to enhance the Bank’s specialized capabilities in serving technology innovation, expand the range of sci-tech financial services and product offerings, accelerate the development of four sci-tech enterprise customer acquisition channels, and comprehensively strengthen the eight-pillar sci-tech finance system. These efforts aim to continuously improve the Bank’s professional and integrated service capabilities in sci-tech finance.

Strategy and Management Method

In 2024, the Bank implemented the *3-Year Action Plan of SHRCB for the Development of Science and Technology Finance (2023-2025)* and continued to refine its fintech service system characterized by scientific and technological innovation. We have strengthened the “Four Beams and Eight Pillars” framework¹⁰ for fintech and deeply developed the “Xin Power” strategic plan for emerging customer cultivation. This strategy aims to achieve steady growth in the fintech business while improving the quality and efficiency of services for Xin Power customers.



“Xin Power” Strategic Emerging Customer Cultivation Program

The Bank has been deeply engaged in financial services characterized by scientific and technological innovation for over a decade, continuously upgrading its “Xin Power” brand for scientific and technological innovation services. The Bank has introduced a full range of products and services covering the entire lifecycle of sci-tech innovation enterprises. The “Xin Power” strategic emerging customer cultivation program has entered its 3.0 phase. As of the Report’s end, nearly 1,000 enterprises have been included in the “Xin Power” strategic emerging customer cultivation program, with over 200 listed or planning to list, including 20 that have already debuted on the STAR Market (China’s tech-focused board).

“History of the “Xin Power” Strategic Emerging Customer Cultivation Program



[10] The “Four Beams and Eight Pillars” framework encompasses four principal customer segments: fundamental, core, high-potential, and industrial, and is supported by eight key systems: a refined dedicated operation network, a more efficient credit evaluation system, a more reasonable performance assessment system, a more integrated innovative product system, a more specialized technology talent system, a more pragmatic industry research system, a more precise digital utilization system, and an all-encompassing brand development system.

Innovative Fintech Products

During the reporting period, the Bank focused on sci-tech innovation enterprises, measuring success by “core talent, core technologies, and core advantages” while continuously innovating financial products. The Bank’s product design emphasizes technological content and moderately downplays financial indicators. Through mechanisms like intellectual property pledge financing, the Bank helps companies convert their patent assets into working capital. Additionally, the Bank has launched products such as employee stock ownership loans and forward shared-interest loans to meet the diverse financing needs of enterprises, aiming to provide accessible, affordable, and sustainable fintech services.

By the end of the reporting period, the Bank’s loans to sci-tech enterprises totaled RMB **114,984million** reflecting a **24.29%** increase from the previous year.

The number of sci-tech enterprise customer loan accounts reaching **4,278customers** grew by **30.63%**



Focus on park financing

The Bank has upgraded the Science and Innovation Loan in Lingang Park to 4.0, further deepening the service channels for park-based sci-tech innovation enterprise incubators and investment funds, including establishing mechanisms for joint evaluations and listings.



Focus on intellectual property

The Bank has vigorously promoted the innovation of intellectual property finance models. By the end of the reporting period, the Bank’s intellectual property pledge financing balance exceeded RMB 4.6 billion, with a year-on-year growth rate of over 100%. The scale and number of customers have consistently ranked first among Shanghai’s peers for several consecutive years.



Focus on industrial finance

In line with Shanghai’s industrial development plans, the Bank has introduced innovative products such as Integrated Circuit Chip Loans, Artificial Intelligence Computing Power Loans, and Biopharmaceutical License Loans. The Bank has also published specialized service plans for sectors like Integrated Circuit Chip Design and Biopharmaceutical CXOs, exploring financial solutions for industrial technology innovation scenarios.



Focus on technological innovation

The Bank has launched the “Five Key Financial Services for Achievement Transformation” plan, which caters to funding needs across various stages, from achievement transformation, talent entrepreneurship, and technology R&D to technology transfer.



Focus on industry research

The Bank has effectively integrated relevant research resources by establishing an Industry Research Institute. The original 11 strategic emerging industry research teams have been upgraded to 12 research divisions. The institute plays a big part in researching cutting-edge sectors, identifying high-quality industrial enterprises, cultivating sci-tech enterprises, and managing industry risks, and empowers business development with research outcomes, better providing quality financial services to support the full lifecycle growth of key sci-tech enterprises.

Case: Shanghai’s first fully marketized credit-enhanced intellectual property securitization project

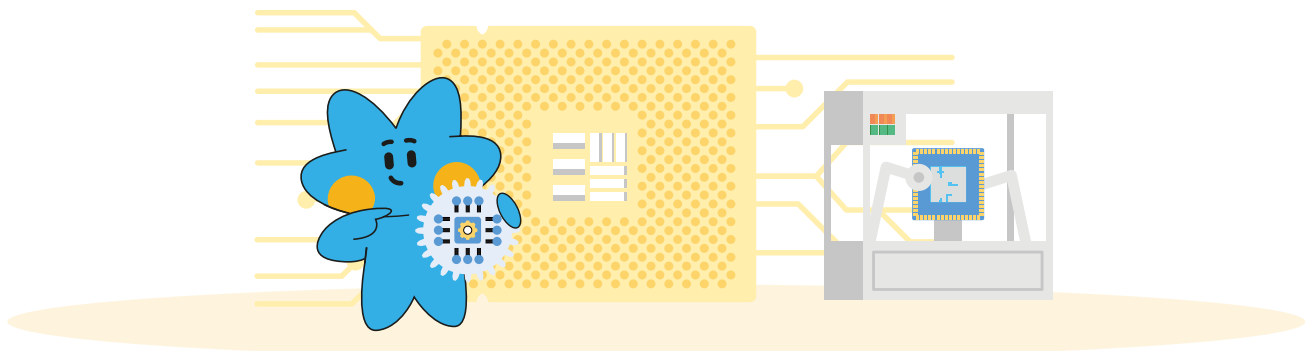
In November 2024, Shanghai’s first fully marketized credit-enhanced intellectual property securitization project was listed on the Shanghai Stock Exchange. As the sole banking institution, we provided loan guarantees for the participating enterprises and enhanced the underlying assets’ creditworthiness, facilitating the project’s successful market issuance. Compared to traditional intellectual property pledge loans, intellectual property securitization is an innovative financing method that allows for publicly disclosing a company’s intellectual property, gaining market recognition, achieving fair valuation, and materializing intellectual property. This process helps expand access to patent and technology results for more small and medium-sized enterprises. The project covers a range of emerging technology sectors, including medical devices, communication equipment, robotics, and software engineering. It involves various types of intellectual property, such as patents, trademarks, and software copyrights, showcasing the intellectual property value of sci-tech innovation enterprises.

Case: SHRCB issues first hybrid sci-tech innovation note, unlocking financing barriers for sci-tech enterprises

SHRCB acted as the sole lead underwriter for the first tranche of Shanghai Simic Technology Group Co., Ltd.'s 2024 directed debt financing instrument (Hybrid Sci-tech Innovation Note), which was issued on the interbank market. This note represents the Bank's first hybrid sci-tech innovation note and Shanghai's first innovation in interest calculation, based on a base rate plus future fund yield-sharing model. The issuance amounted to RMB 72 million, with a coupon rate of 3.88% and a maturity of three years. The Bank also fully established a Credit Risk Mitigation Warrant (CRMW), ensuring the note's full market-based issuance. To date, the funds raised through this note have been fully allocated to the sci-tech innovation sector, supporting the collaborative development of the semiconductor industry's innovation chain, industrial chain, and capital chain.

Indicators and Objectives

Objective	2024 achievement
<p>• Short-term strategic objectives (by the end of 2024):</p> <ul style="list-style-type: none"> The loan portfolio for sci-tech enterprises exceeds RMB 110,000 million; The balance of intellectual property pledge financing reaches RMB 3,700 million; A cumulative total of at least 11 sub-branches specializing in fintech are established, with 4 specialized teams and 70 dedicated fintech client managers and heads of specialized institutions. 	
<p>• Long-term strategic objectives (by the end of 2025):</p> <ul style="list-style-type: none"> The loan balance for sci-tech enterprises reaches RMB 130,000 million, with a target of 4,200 customers; The balance of intellectual property pledge financing exceeds RMB 5,000 million; A cumulative total of at least 13 sub-branches specializing in fintech are established, with 5 specialized teams and 90 dedicated fintech client managers and heads of specialized institutions. 	<p>By the end of 2024,</p> <p>The balance of loans to technology-based enterprises amounted to RMB 114,984 million, up 24.29% from the end of last year;</p> <p>The loan balance of technology-based enterprises accounted for 23.48% of the total, an increase of 3.01 percentage points from the end of last year;</p> <p>The cumulative number of technology-based enterprises served exceeded 8,000;</p> <p>The number of technology-based enterprises with single-family balance of RMB 10 million or less accounted for 77.49%.</p>



Column 2

Enhancing Financial Services for Incubators in the Sci-tech Innovation Sector

As a financial institution rooted in Shanghai and deeply engaged in sci-tech innovation, SHRCB continues improving its financial service system for sci-tech enterprises by upgrading the “Xin Power” sci-tech innovation service brand, which provides a full suite of products and services throughout the entire lifecycle of sci-tech innovation enterprises. In recent years, the Bank has adhered to the philosophy of “Leading in Innovation, Complete in Technology, Pioneering in Research”, focusing on “early-stage support, small-scale ventures, long-term engagement, and hard technology”. This approach supports the early transformation of disruptive technological achievements and the accelerated incubation of hard-tech enterprises, collaborating with incubators, universities, and other partners to contribute to the construction of Shanghai Scientific and Technological Innovation Center. In practice, the Bank has focused on early-stage technology incubator enterprises, aiming to address the financing challenges sci-tech startups face, such as light assets, heavy R&D needs, and lack of collateral, and help them overcome development bottlenecks.

The Bank has launched specialized services and innovative products such as “Xinfuhua Loan” and “Xinfuhua Guarantee Loan”, providing credit solutions for startup enterprises, including “first loans, credit loans, and medium-to-long-term loans” to meet their financing needs. The “Xinfuhua Guarantee

Loan” is a specialized financial service solution co-developed by the Bank and the Shanghai Administration Center of Policy Financing Guarantee Funds for SMEs. It specifically addresses the financing needs of sci-tech enterprises in the early stages (0-1 phase) and primarily serves Shanghai’s incubators, maker spaces, university technology parks, early-stage sci-tech companies, and enterprises involved in commercializing university research outcomes. By 2024, the Bank has partnered with 232 new incubators, attracting 816 new companies through incubators, 342 of which have already settled. It has also established business cooperation with 58 incubator-related entities.

Additionally, the Bank is actively building the “Xinfuhua Incubation” sci-tech innovation incubation system in collaboration with high-quality incubators, including the development of “Xinfuhua Incubation” bases, which provide specialized services such as industrial resource integration, policy resource matching, mentorship from entrepreneurial coaches and industry experts, investment institution referrals, technical testing, and pilot platforms, offering comprehensive support for innovative enterprise development. By the end of 2024, the Bank has formed strategic partnerships with several national-level incubators in Shanghai and has established 10 Xinfuhua Incubation bases.

Case: “Xinfuhua Loan” special service plan helps hard-tech incubating enterprises solve urgent financing needs

Shanghai D Co., Ltd. is a startup focusing on researching and developing cardiovascular surgical medical devices. Its main product, the “Implantable Magnetic Suspension Ventricular Assist Device”, is a groundbreaking miniaturized artificial heart. Compared to similar products domestically and internationally, it boasts multiple advantages, such as a smaller size, lighter weight, and ease of surgical implantation.

In early 2024, the company sought equity financing to support its growth. However, due to a challenging investment environment in the healthcare sector, the company could not obtain financing at reasonable terms for an extended period, leading to tight working capital and a slowdown in its R&D progress. Upon learning of the company’s needs, SHRCB, through the “Xinfuhua Loan” special service plan, provided the company with a medium-to-long-term credit loan of RMB 5 million. Additionally, by utilizing the innovative approach of attaching stock warrants to the loan, the Bank maintained risk and return rebalancing, creating an innovative development model in which both the Bank and the technology enterprise share the risks and rewards.

Case: “Xinfuhua Loan” and complementary financial services help enterprises overcome financing challenges

Shanghai Z Robotics Co., Ltd. is a high-tech enterprise in Shanghai and a “star enterprise” in the Yangpu District. The company primarily provides embodied intelligent robot solutions for research and education, business services, and home healthcare scenarios. However, financing difficulties are unavoidable for sci-tech startups. As the company’s products are based primarily on highly customized client orders with limited order volume, it is challenging to scale revenue rapidly. At the same time, R&D investment remains high. According to traditional banking credit extension standards, the company frequently encounters difficulties securing financial support. Upon learning about the company’s situation, SHRCB applied a new policy allowing sci-tech enterprises to pledge intellectual property as collateral. The Bank designed a forward, win-win interest rate business plan, reducing the company’s financing costs. Within just one month, the Bank successfully advanced a RMB 2 million “Xinfuhua Loan” loan, providing essential funding for the rapid advancement of several R&D projects.

In addition to financial support, SHRCB offered other comprehensive financial services. For instance, we provided free templates for listing planning and applying sci-tech policies, offering more development insights to the company. The Bank also invited the company's senior executives to attend the Xin Power client salon, empowering the company with greater awareness of financial products, services, and sci-tech policies. These distinctive supporting measures transformed the Bank-enterprise collaboration from a "one-off" transaction into a comprehensive, long-term partnership, achieving mutual benefit and long-term cooperation.

Case: SHRCB advances first "Xinfuhua Guarantee Loan"

The "Xinfuhua Guarantee Loan" is a specialized financial service solution co-developed by SHRCB and the Shanghai Administration Center of Policy Financing Guarantee Funds for SMEs. It specifically addresses the financing needs of sci-tech enterprises in the early stages (0-1 phase). The solution primarily serves Shanghai's incubators, maker spaces, university technology parks, early-stage sci-tech companies, and enterprises involved in commercializing university research outcomes.

In January 2025, SHRCB advanced its first "Xinfuhua Guarantee Loan" to Shanghai YL Technology Co., Ltd., an incubating enterprise located in the Hongkou branch of Tongji University's Technology Park. The company's core team comprises PhD holders from Tongji University who are involved in the university's technology commercialization projects. The company recently faced a funding gap due to business R&D needs. Leveraging the advantages of the "Xinfuhua Guarantee Loan", such as its focus on innovation, risk-sharing, and operational simplicity, SHRCB completed all steps from due diligence to disbursement in a short period, effectively addressing the client's funding needs.



2.4

Inclusive Finance*

The Bank adheres to the development philosophy of “putting people first” and firmly establishes the business philosophy of “customer-centered and value creation-oriented”, writing a “grand article” on inclusive finance, fully strives to serve micro/small/medium enterprises, individual business owners, farmers and new agricultural business entities.

Governance

The Bank’s Board of Directors has established the Inclusive (Agricultural) Financial Service Committee to organize, lead, and coordinate the Bank’s inclusive finance business. The Inclusive Finance Department is designated as the core management unit for inclusive finance business. It is responsible for managing the Bank’s inclusive finance business systems, promoting inclusive financial services, developing products, and managing risks. The

department coordinates resources across the Bank to drive the overall development of inclusive finance. Each branch and business unit serves as the execution layer, tasked with implementing policies and processes, conducting daily operations, and continuously improving service processes and efficiency to ensure inclusive financial services effectively reach small and micro enterprises and individual business owners.

Impact, Risk, and Opportunity Management

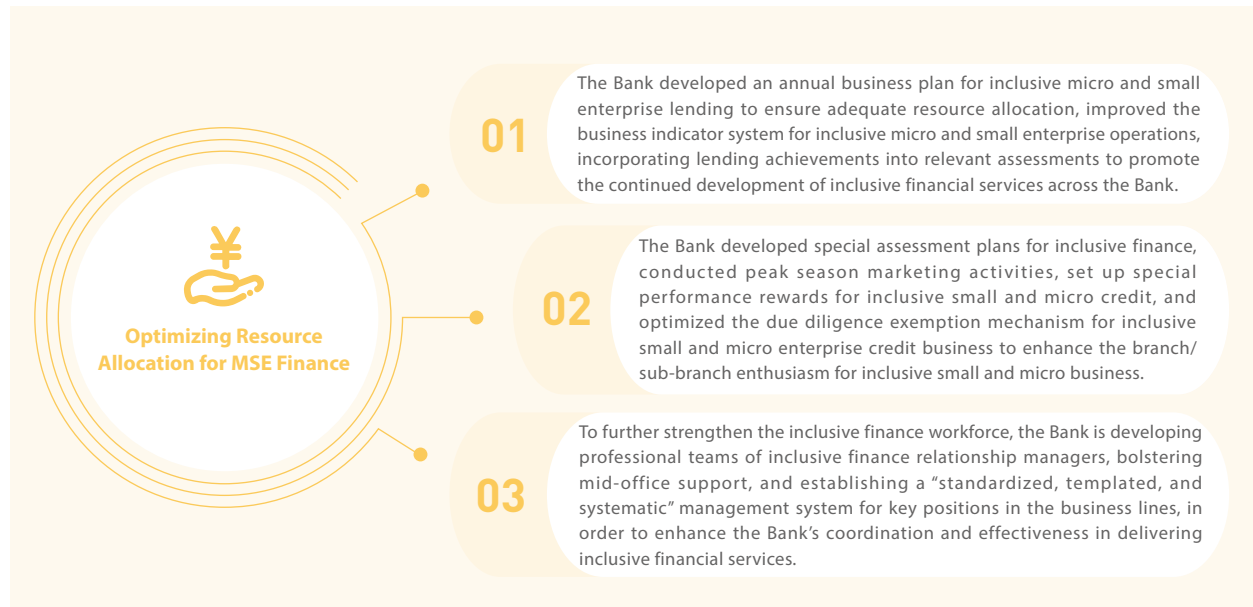
Risk	Risk description	Response measures
 Risk of misuse of loan funds	Some small and micro enterprises may divert loan funds for non-business purposes, potentially even funneling them into prohibited sectors, thus increasing the Bank’s financial risks. Additionally, some small and micro enterprises may engage in fraudulent transactions or fabricate projects to obtain bank funds, resulting in financial losses for the Bank.	Continuously improve risk monitoring, early warning, and mitigation mechanisms. Trace the source of funds, implement thorough due diligence, and understand the client’s true financial needs. Conduct a comprehensive risk assessment, ensure strict customer entry requirements, standardize third-party collaboration behaviors, and prohibit cooperation with unlawful loan intermediaries. Strengthen control over the capital flow and usage of loan funds, rigorously review the qualifications of loan applicants, ensure that funds are used for actual business operations, and prevent misappropriation or diversion of funds to prohibited areas.
Opportunity	Opportunity description	Response measures
 Development and application of digital risk control technologies	Driven by technologies such as big data, artificial intelligence, blockchain, and the Internet of Things, the digitization and intelligence of financial services are accelerating. This process reduces the delivery cost of financial services and significantly enhances the precision of risk control in inclusive finance, making financial services more efficient, convenient, and secure, and extending quality financial support to a broader range of customers.	The Bank optimized and enhanced its digital risk control capabilities by strengthening the application of multi-dimensional data and utilizing advanced technologies such as big data to build customer rating models, thereby improving the Bank’s online service capacity.

Strategy and Management Method

To support the development of small and micro enterprises, the National Administration of Financial Regulation, in collaboration with the National Development and Reform Commission, has established a “Coordinating Mechanism for Supporting Small and Micro Business Financing”. The Bank places high importance on this initiative, responding quickly by formulating internal policies such as the Implementation Plan of SHRCB for Supporting

the Small and Micro Business Financing Coordination Mechanism. Through comprehensive measures designed to assist and support enterprises, the Bank guides low-cost credit funds to flow more efficiently, rapidly, and accurately to small and micro enterprises, effectively alleviating their financing difficulties and thoroughly stimulating their market vitality.

Resource Allocation

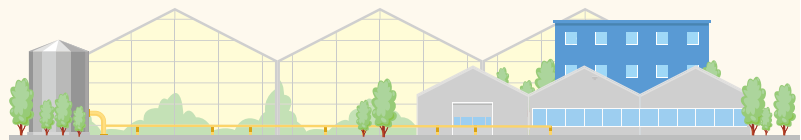


Key Measures

Expanding customer acquisition channels and service coverage. Actively responding to regulatory and supervisory requirements, the Bank implements the small and micro enterprise financing coordination mechanism and strengthens the connection between the Bank and enterprises. By integrating activities such as the "Park Express" program, "10,000 Enterprises, 100 Billion" initiative, and the "1,000 Enterprises, 10,000 Households" project for first-time loan customers, the Bank increases the coverage of services to small and micro enterprises. The Bank also conducts activities such as the "Inclusive Finance Promotion Month" and the "Individual Business Owner Service Month" to advance precise credit fund allocation to small and micro enterprises. We extend the service radius for first-time loan recipients and explore a progressive financial service path of "non-loan customers – first-time loan customers - partner customers", flexibly utilizing credit products to meet the funding needs of first-time loan customers. The Bank actively explores needs of non-loan customers and launches targeted marketing campaigns to activate them. By leveraging Customer Relationship Management (CCRM), we achieve a closed-loop marketing process and focus on high-quality, tax-compliant non-loan customers and potential EVA value customers, effectively improving the efficiency of small and micro enterprise customer acquisition.

Continuous process optimization to enhance service quality and efficiency. The Bank has established a rapid process for inclusive finance services, and streamlined credit applications, contract requests, and loan review procedures, reducing the number of operational steps and shortens the overall processing time by approximately 30%, thereby increasing business efficiency. The Bank has also implemented a pilot program for end-to-end electronic processes, reducing the need for paper-based materials during business transactions by enabling the electronic management of credit documentation. Furthermore, the Bank has launched a transaction flow due diligence system that standardizes various types of transaction data formats, enabling comprehensive customer data collection and providing integrated evaluation reports, and ensuring full coverage and effective management of transaction data.

Optimizing product system and enhancing digital service capabilities. The Bank focuses on optimizing and iterating its key products, including Small and Micro Enterprise Working Capital Loan, Corporate Tax-based Loan, Accumulated Balance Loan, Business E-Loan, and Inclusive Easy Loan. We also increase support for loan renewal without principal repayment by revising management measures to expand coverage, optimizing the scoring mechanism for customer entry, and launching models such as Business E-Loan and loan renewal without principal repayment for individual business support. These loan renewal processes are swift and efficient, improving the service compatibility of loan renewal without principal repayment.



Indicators and Objectives

Objective	Progress in 2024
<ul style="list-style-type: none">In 2024, the Bank continues to follow the “small and scattered businesses” strategy, closely centering on the new three-year development strategy goals and driving inclusive finance’s high-quality and sustainable development.	<ul style="list-style-type: none">By the end of 2024, the balance of inclusive small and micro enterprise loans reached RMB 86,608 million, an increase of 11.14% compared to the end of the previous year.The number of inclusive small and micro enterprise loan customers reached 52,000, an increase of 3.53% compared to the end of the previous year, further expanding the customer base and coverage.The balance of loans to micro/small/medium enterprises reached RMB 452,124 million, an increase of 10.25% compared to the end of the previous year



2.5

Pension Finance

The Bank has developed a strategic vision for advancing pension finance. In 2024, we rolled out a series of mechanisms and measures to continue to drive the sustainable growth of the “grand article of pension finance”.

Enhancing System and Development

The Bank has issued the SHRCB Plan for Comprehensive Pension Finance Services, enhancing the top-level design for pension finance services.

Supporting policies include the development of characteristic outlets specializing in pension finance services, with ongoing refinements to ensure in-depth and effective operations

Optimizing Organizational Structure

The Bank has established a dedicated task force for pension finance to coordinate all pension finance services across the Bank. The department responsible for fundamental customer management at the Head Office has enhanced its functions to take the lead in the overall layout of pension finance services. The Bank is also developing 100 specialized pension finance outlets and 1,000 “Mental Home” public service stations, creating an integrated “outlet + community” service network.



Pension Finance

Strengthening Talent Building

The Bank has established postdoctoral research positions in pension finance, advanced the integration of theory and practice, formed specialized pension service manager teams to enhance outlet service expertise, and established four volunteer teams to deliver diverse elderly-friendly service offerings.

Industry Collaboration and Development

In 2024, the Bank made its debut at the “Shanghai International Elderly Care Industry and Rehabilitation Exhibition”, serving as a Deputy Director member of the Personal and Pension Finance Committee under the Shanghai Banking Association (SBA), and hosted the SBA Pension Finance Forum and the Elderly Finance Session at the Shanghai Financial Services for the Real Economy Fair.

Throughout 2024, the Bank continually expanded its range of wealth management products, including savings deposits, wealth management, insurance, and funds, to meet the asset allocation needs of elderly customers.



Savings

The Bank launched the “Anxiang” brand of large-denomination certificates of deposit designed explicitly for pension customers and introduced tiered savings products tailored to the needs of elderly customers.



Wealth management

We continued to issue pension-specific products with an R1 risk rating to cater to the stable investment needs of elderly customers. Additionally, we introduced the “Anxiang Yiyang” series of products for customers aged 50 and above, matching their preference for low-volatility, steady asset allocation.



Insurance

The Bank introduced commercial pension products and offered various insurance solutions to pension customers, including annuity insurance, life insurance, and long-term care insurance, to meet diverse customer needs such as asset appreciation, family inheritance, and healthcare.



Funds

By the end of 2024, the Bank had launched 17 pension-targeted funds, continuously meeting the investment needs of customers in this sector.

To implement the decisions of the Central Committee of the Communist Party of China and the State Council regarding strengthening the aging population policy, developing the silver economy, and enhancing the welfare of senior citizens, the Bank comprehensively advanced the establishment of specialized pension financial service outlets in 2024. In response to the needs of elderly customers, we upgraded the services at all our pension outlets by enhancing both hardware facilities and service systems, further improving the accessibility of financial services for the elderly.

Through four “micro-renovations” for the elderly customers, we upgraded hardware at pension financial service outlets, significantly enhancing the service capabilities of these locations.

01

Enhancing Elder-friendly Facilities
Outlets are outfitted with barrier-free entrances, cash service counters, dedicated care windows, call bells, safety grab bars, support handrails, and customer restrooms to improve the banking experience for senior customers.

02

Offering More Than 10 Types of Convenience Services
Dedicated service areas within outlet lobbies are equipped with over ten types of convenience amenities, such as magnifying glasses, reading glasses, wheelchairs, walking sticks, and vibrating queue number devices. These facilities are readily available to meet clients’ needs and enhance their experience.

03

Establishing Health and Digital Service Zones
Outlets are equipped with blood pressure monitors, pulse oximeters, and public health consultation devices to provide basic health monitoring and remote health consultation services. In addition, digital experience touchscreens are available to help elderly customers overcome challenges in using mobile banking services.

04

Establishing Anxiang House
Taking into account local circumstances and customer profiles, the Bank has created themed customer activity zones, creating outlets to be shared spaces for leisure, social interaction, information sharing, and interactive training.

Based on the core service needs of senior citizens, we created a “Six Specialized” service system, offering unique services at these outlets to better serve elderly customers.

“Six Specialized” Service Systems

1

Training specialized service managers
Through systematic training programs, the Bank has developed a team of professional pension service managers who provide end-to-end in-outlet services for senior clients. Their responsibilities include double-checking service intentions, providing frequent reminders about financial security, guiding use of self-service devices, and offering elderly clients remote financial consultation via the Bank’s WeCom platform, creating a secure and attentive service environment for elderly customers.

2

Offering tailored financial products
Focusing on wealth management for the elderly clients, outlets select and recommend stable retirement-oriented products based on customer needs. Additionally, leveraging the Bank’s intelligent advisory asset allocation platform, clients are provided with more professional financial planning advice.

3

Developing dedicated service channels
The Bank has launched an “Anxiang Version” of its mobile banking app with features like enlarged fonts, voice interaction, one-click navigation, shared screen guidance, and anti-fraud prompts to improve the elderly’s experience. The Bank also offers a dedicated manual service hotline for seniors and home banking services for those with mobility issues.

4

Providing exclusive supportive benefits
Centered on five categories: health management, digital inclusion, convenient travel, caring service channels, and community services, the Bank offers a variety of customizable benefits that cater to residents’ diverse needs.

5

Establishing specialized activity spaces
Within each outlet’s “Anxiang House”, weekly “Silver Day” activities are organized for senior customers, covering health and wellness, handicrafts, calligraphy and dance, digital literacy, and fraud prevention, enriching the retirement lives of elderly clients.

6

Preparing specialized service manuals
Easy-to-understand service manuals for pension finance services are provided, featuring an introduction to pension finance outlet services, answers to common banking questions, and information on pension policies. These comprehensive guides offer seniors clear service instructions and practical solutions.

By the end of 2024, the Bank served **more than 4 million** elderly customers aged 60 and above in Shanghai. **Over 1.2 million** customers received pension payments through our services, and we managed assets totaling **more than RMB 300 billion**.

The total amount of our pension business **ranked second** in Shanghai, and for two consecutive years, we held the **top position** in the city's pension business growth. We provided financial services to **nearly 90%** of the city's urban and rural residents who receive pension benefits.



Specialized pension finance outlets

55 outlets

Outlets with accessible services for the elderly:

100% coverage

Shanghai banking sector senior care service (specialized) outlets:

41 outlets



Our pension finance services brand won the 2024 Retail Banking "Jiefu Award" for Pension Finance Flagship Services



The Bank was recognized as the 2024 Shanghai Banking Industry Pension Finance Service Outstanding Organization

Case: SHRCB Putuo Shiquan Sub-branch – Warm-hearted pension services at your doorstep

Putuo Shiquan Sub-district has a high elderly population, accounting for 47% of the total population. To better serve the community's residents and meet the requirements of the "15-minute community life circles", SHRCB has set up outlets in the core residential area of Shiquan Sub-district, comprehensively improving its pension services by focusing on both hardware facilities and software services.

In terms of hardware, the outlet has implemented a variety of barrier-free designs, including the installation of wheelchair ramps, low-height forms for easy filling, designated wheelchair spaces, and elderly-friendly restrooms. It also set up a "caring window" to prioritize elderly customers. Inside the outlet, the Bank has created an "Anxiang House" equipped with basic health monitoring devices such as blood pressure and blood oxygen monitors and remote video consultation services. The space also includes dedicated areas for activities such as parent-child bonding, calligraphy, and reading corners, providing elderly customers with exclusive social and recreational spaces.

On the software side, the outlet has established a specialized service mechanism for pension finance, with elderly customer service managers and dedicated pension teams. The outlet proactively introduced practical initiatives for elderly customers, including full-process services at the

counter, organizing cultural and entertainment activities, promoting financial literacy, enhancing elderly awareness of risks such as "illegal fundraising" and "telecommunication fraud", and offering digital living education. These services have received unanimous praise from residents in the surrounding community.



Column 3

Empowering social governance through the “Xinjiayuan” public welfare service project

Any area closely related to people's lives and enabling their pursuit of a better life through financial empowerment is a key focus of SHRCB's strategic direction. We are committed to integrating social resources through finance, solving social problems through finance and providing integrated services to meet social needs. This is the foundation of our “Xinjiayuan” public welfare service project. In recent years, as a state-owned financial institution rooted in Shanghai, we have consistently adhered to the leadership by Party building and fully leveraged the role of inclusive finance as a catalyst for primary-level autonomous governance, a driver for government-embedded governance, and a router for collaborative social governance. We have innovatively launched the “Xinjiayuan” public welfare service project through these efforts. We have built a central platform for empowering social governance in collaboration with governments at all levels and primary-level social organizations. We have extended our outlet services into community services, and expanded financial services into non-financial areas, co-building the “15-minute community life circles”. This program provides a new model for Shanghai's financial institutions in serving the public and empowering social governance.

In 2024, the Bank continued to deepen the development of the “Xinjiayuan” platform, innovating service models by combining financial services with community services. We integrated social resources to create a diversified service system in partnership with the government, enterprises, and other

stakeholders. By the end of 2024, we had established 1,001 “Xinjiayuan” public welfare service stations, maintaining full coverage across all subdistricts and towns in Shanghai. Additionally, we developed “Xinjiayuan” demonstration service stations in various districts and established a tiered development model for these sites. With Party building cooperation leading the way, we promoted the concept of “one outlet, one product”, forming a comprehensive service network centered on over 360 business outlets and supported by the “Xinjiayuan” public welfare service stations. All stations conducted an average of over 1,000 regular and diverse public welfare service activities monthly, totaling 16,000 activities.

The “Xinjiayuan” public welfare service project has contributed to urban governance innovation through deep cooperation with subdistricts, communities, and social organizations. By innovating service models, integrating resources, and encouraging community participation in design and implementation, we have significantly contributed to urban governance. In the development of “Xinjiayuan”, the Bank has strengthened leadership by Party building to offer support, innovated resource integration, and co-created a “public welfare circle”. Of the 1,000 stations, over 900 have become Party and mass service platforms, collaborating with governments and primary-level social organizations to continuously explore new empowerment models for social governance, contributing to urban governance innovation.

Case: “Xinjiayuan” Shanghai Opera master series activities

In recent years, Shanghai has placed a greater emphasis on preserving its cultural heritage and enhancing the city's character through its urban spirit. The SHRCB's “Xinjiayuan” public welfare service project has deeply integrated cultural spirit with the people's livelihood and public services. In October 2024, the Bank launched the “Xinjiayuan” Shanghai Opera Master Series, collaborating with renowned Shanghai Opera performers to create a series of cultural-themed events. That same month, a “Xinjiayuan” Shanghai Opera Training Class selection competition

was held for community residents across eight districts, including Songjiang, Yangpu, Xuhui, and Huangpu. Following the selection process in November, Shanghai Opera training classes were established in the Yangpu, Songjiang, and Huangpu districts. Additionally, the Bank invited Shanghai Opera masters to engage with the community and organized cultural lectures at the Fengxian Museum, focusing on themes such as Haipai culture and Shanghai Opera culture.



Xinjiayuan Cultural Lecture and Opera Program



“Xinjiayuan” Shanghai Opera master series activities of Yangpu

Case: "Xinjiayuan" creating a warm harbor or new citizens

Targeting new employment groups and new residents in Shanghai, SHRCB established the first "Financial + Park" public welfare service station for new citizens in Jinshan Builder Town, helping to create a "one-stop" living service community. In collaboration with the Maqiao New Era Urban Builders Management Home, the Bank co-built the "Xinjiayuan" community. A public service station was also set up in the Ganxiang residential area of Jinshan, offering a clean and comfortable break space for delivery workers and sanitation workers in the surrounding area as a tribute to urban builders. The Bank provided health and educational support for new citizens' families by offering services such as health seminars, pre-exam psychological counseling for the high school entrance exam, and family financial planning, using the Xinjiayuan public service stations, construction sites, and schools as platforms. Under the guidance of the Huangpu District Party Committee's Party Building Office, the "Xinjiayuan" public service station was transformed into one of the district's first "New Employment Hub Stations", offering heartwarming services such as heat relief, shelter from wind and rain for new employment groups and outdoor workers. Additionally, at the Shanghai Pudong New Area Construction Group's Heqing construction site, the Bank partnered with the local community party committee, neighborhood committees, and businesses to organize a health seminar themed "How to Prevent and Treat Gallstones", which provided special care to the hardworking urban builders.



2.6

Digital Finance

The Bank remains “staying firm in digital transformation” strategy and has deeply implemented the *2023-2025 Digital Transformation and Financial Technology Development Strategy*. We focus on key business lines such as corporate finance, inclusive finance, retail finance, interbank finance, operation services, and risk control, alongside two supporting pillars: data and technology. We have steadily advanced the execution of 41 measures and 120 tasks. Additionally, to effectively align long-term development directions with mid-to-short-term goals, in 2024, the Bank completed the third round of digital transformation planning, covering 7 professional sectors and resulting in more than 400 specific tasks.

The Bank continues strengthening the “Integration+” working mechanism by implementing the SHRCB Business and Technology Integration Mechanism Plan. This plan focuses on three core measures: “joint decision-making, joint visitors and joint implementation”. We leverage the digital empowerment of the Woodpecker Management Platform for suggestions and feedback to

accelerate the integration of business and technology and the integration of the Head Office and branches/sub-branches. The work methodology related to the Woodpecker suggestion and feedback management system won the “2024 Shanghai Innovation Award for Advanced Employee Operational Method”.

In 2024, the Bank’s fintech investment amounted to RMB

1,335million

an increase of compared to the previous year

17.64%



In 2024, the Bank deeply executed its core digital transformation strategy, adopting a multi-faceted approach to enhance digital financial service capabilities.



Product automation

The Bank launched the new “Xinyi Asset Pool” business and upgraded to Multi-bank Treasury 2.0; integrated online processes for inclusive online loan products through the Aixinrong mini-program; rolled out the loan scenario access platform to enhance product integration capabilities; introduced the Asset Allocation System to upgrade the Bank’s professional retail asset allocation services.



Channel integration

The Bank upgraded the corporate online banking platform and launched Enterprise Mobile Banking 5.0, created a cloud-based business hall branded with the Aixinrong mini-program, integrated personal mobile banking APP and credit card APP, enriched the “Anxiang Version” of the mobile banking service to cater to elderly financial needs, enhanced mobile and remote “cloud” service capabilities, strengthened video banking scenario development, promoted remote audio-video services with smart devices, and innovatively designed mobile smart counter devices to expand the service radius of outlets.



Operational automation

The Bank launched a mobile data dashboard for the operations management platform, built a data indicator marketplace for the operations management platform, deepened the operational scenarios of the Comprehensive Retail Points Platform, integrated multiple real-time indicators into the Comprehensive Retail Operations Platform’s visual display, and launched a multi-dimensional corporate performance dashboard to support management decision-making. The second phase of the green financial system integrated green credit certification processes into the business system, reducing repetitive operations and easing the burden on the front lines.



Business digitization

The Bank developed the corporate digital business platform CCRM 2.0, fully upgraded the Linglong 2.0 App, designed differentiated marketing strategies and implemented scenario-based marketing relying on the retail marketing strategy system, continuously improved the data support system of the retail mart to assist in customer acquisition, performance assessment, and customer risk control, completed the construction of the privacy computing platform, and optimized marketing models.



Risk control intelligence

The Bank built an enterprise-level comprehensive risk monitoring and early warning platform, implemented a bond credit rating early warning system that systematically automates internal rating models for credit bonds, created a unified risk data mart, established an integrated anti-money laundering platform, deployed five key models (real-time warning, police models, machine learning models, etc.) in the retail anti-fraud control platform, optimized the intelligent compliance management system, and developed the “AI Xiaohu” system.

Industry Exchange and Collaboration

Active participation in the Shanghai Fintech Industry Alliance

As the Vice Chair of the Shanghai Fintech Industry Alliance, the Bank plunges in the activities of Alliance, its joint laboratories and Intelligent Finance Professional Committee. We explore innovative applications of technologies such as artificial intelligence and privacy computing. Our project, *Application of Large Language Models in Compliance and Internal Control*, was selected as one of the "2024 Exemplary Scenarios and Innovation Cases of AI Large Models in the Financial Sector" by the Alliance in 2024. Additionally, the *Privacy Computing in the Expansion of Financial Industry Scenarios* project was recognized as an "Outstanding Research Topic of the Intelligent Finance Professional Committee in 2023".

Establishing joint laboratories with Shanghai Data Group and other institutions

In 2024, the Bank established joint laboratories with Shanghai Data Group and other institutions, conducting research in data elements, data efficiency, and application adaptation innovation. These labs focus on pioneering explorations in blockchain, privacy computing, and different servers and computing power categories. Since establishing these laboratories, we have completed research on blockchain applications in specific business scenarios, privacy computing applications in certain business scenarios, core accounting system adaptation research, and adaptation studies for specific OCR scenarios. These initiatives lay a strong foundation for our continuous enhancement of fintech capabilities and accelerating fintech innovation.

Direct platform integration with the Shanghai Public Resources Trading Center

The Bank has partnered with the Shanghai Public Resources Trading Center to complete a direct connection between our electronic letter of guarantee system and the public resources trading platform. By constructing a digital financial service channel, we provide an open letter of guarantee services to market participants involved in public resource transactions in Shanghai to effectively reduce transaction costs for enterprises, improve the efficiency of public resource transactions, and contribute to creating a fairer, more transparent, and efficient bidding environment.



cafe



2.7

Accessibility of Financial Services

SHRCB consistently adheres to a customer-centric approach dedicated to enhancing the accessibility and inclusiveness of financial services. By optimizing the layout of offline outlets, we have developed a convenient network of financial services, expanded online channels to provide efficient and intelligent digital services, and paid particular attention to the needs of special groups. We have introduced age-friendly and barrier-free services to ensure that every customer can enjoy thoughtful and convenient financial services.

Optimizing offline financial service channels

The Bank continues to optimize its offline financial service channels, focusing on expanding service coverage and addressing the “last mile” challenge in financial services. We continuously improve hardware facilities and innovate public service models to effectively enhance financial services’ availability.

Financial services are extended to communities. By the end of 2024, the Bank had 364 outlets, and creating a comprehensive service network, with outlets as the backbone and “Xinjiayuan” public service stations providing support. Our services extend beyond financial services to include non-financial services, expanding from outlets to communities and addressing high-frequency life service scenarios for older adults, such as senior education, healthcare, legal consultation, housekeeping, and cultural entertainment.

Financial services are extended to suburban and rural areas. The Bank continuously expands its outlets’ rural service coverage, aiming to meet better the financial needs of rural areas where financial services are comparatively scarce. By the end of 2024, the Bank boasted 245 outlets across 108 townships in Shanghai, basically covering all towns and townships. We are also enhancing the basic financial service capabilities in suburban and rural areas.

Innovative business equipment is installed to expand outlet service range. The Bank has introduced new mobile smart counter devices integrated with outlet external service equipment, extending the service radius of our outlets and enhancing the customer experience. By the end of 2024, mobile smart counters have been available at 210 outlets, processing nearly 140,000 transactions.

Direct Community-Bank Connection brings innovative public service models. The Bank is one of the first banks in Shanghai to collaborate on the “Direct Community-Bank Connection” program. Leveraging our outlet network in Shanghai, we have deployed self-service terminals for the “one-stop online service” initiative at over 250 outlets across 16 districts in Shanghai. We have established dedicated self-service zones for “Minshenshe”, “Direct Community-Bank Connection”, online social insurance-exclusive service zones, and social insurance-exclusive service rooms. The Bank has been recognized as a “Direct Community-Bank Connection Demonstration Outlet” by Shanghai Administration Center for Social Insurance Affairs. The service outlets now feature a “Social Insurance Map”, enabling citizens to access social insurance services at multiple outlets, close to their location, and across the entire city, supporting social welfare and creating “neighborhood-based social insurance service outlets”.



The “Direct Community-Bank Connection” project was approved as part of the PBC’s Fintech Empowerment for Rural Revitalization Demonstration Program and won the Gold Award in the “New Services - Inclusive Finance” category at the 2024 Excellence in Digital Finance Competition.

Enhancing online financial service capabilities

The Bank has innovatively leveraged digital technology to empower online financial services by upgrading mobile banking, enhancing video banking scenarios, developing online financial platforms, and establishing an interconnected online + offline community service ecosystem, all designed to offer customers more convenient online financial services.

Enterprise mobile banking upgrade. The Bank has launched its enterprise mobile banking 5.0 app, which introduces three new business sectors: wealth management, bills, and foreign exchange. It also features a new “Workspace”

design, providing customized content for different business roles. The updated UI/UE design ensures a more seamless customer journey. The HarmonyOS version of the enterprise mobile banking app has also been launched to support a fully mobile ecosystem. By involving customer experience officers in co-building the app, the user experience has been continuously improved, leading the app to high customer recognition.

Personal mobile banking upgrade. The Bank has unveiled personal mobile banking 8.0 app, upgraded 32 key functional modules and reshaped over 100

online user journeys to simplify customer operations. New features include intelligent search, voice recognition, and notifications, offering a complete service loop of functional guidance, transaction handling, and marketing recommendations, all designed to improve the digital service experience. The app also incorporates intelligent CAPTCHA and device fingerprint technology to strengthen the security of online transactions.

Official launch of video banking services. Video banking opens a new channel for online manual services, enhancing the customer experience. The Remote Banking Center centrally operates five key service scenarios: "Debit card password reset, debit card password unlock, debit card replacement, customer information change, and video verification for the willingness to open a corporate RMB settlement account".

Building an online inclusive financial platform. The Bank has developed the "Aixinrong" one-stop inclusive financial online service platform, integrating existing mini-program product entrances and offering an online application function for loan renewal without principal repayment. This platform facilitates the development of a customer rights point system and improves customer management capabilities, providing full-process online loan services and a range of value-added financial services.

Accelerating digital financial empowerment for the "Xinjiayuan" public service project. The Bank has independently developed the "Xinjiayuan" mini-

program under the WeChat ecosystem, introducing features such as station maps, online classrooms, and activity marts, offering community residents a smarter and more convenient service experience. More than 150 online courses and cultural activities have been launched, serving customers with online, convenient, and fragmented learning opportunities. Through the effective penetration of digital and new media, service boundaries have been broken, significantly enhancing service coverage and convenience and allowing community residents to enjoy diverse services anytime, anywhere.

As of 2024, the Bank's personal mobile banking customers reached

5.71 million

online banking customers reached

3.76 million

WeChat banking customers reached

1.97 million



Serving Special Populations

The Bank deeply embodies the "finance for the people" philosophy by focusing on addressing the common challenges faced by the elderly and other special populations in accessing financial services. Through a series of pragmatic and

empathetic measures, such as refining our service philosophy, enhancing service quality, and upgrading service facilities, we continually strive to boost our customers' overall sense of value in financial service delivery.

Addressing the Needs of Customers with Disabilities

In our efforts to enhance barrier-free service levels, the Bank upholds the belief that "wherever obstacles exist, there must be heartfelt solutions". We have consistently broadened the scope of barrier-free services at our outlets and enriched the underlying service concepts. The SHRCB Service Management Measures for Business Outlets explicitly require a detailed segmentation of the service processes for special customer groups, ensuring that, while guaranteeing equal rights for special customer groups as for other customers, their unique needs are fully considered by providing as much convenient and personalized service as possible.

In 2024, the Bank proactively established our third branch dedicated to barrier-free environment construction – the Putuo Shiquan Sub-branch – in compliance with the national barrier-free environment construction standards. This sub-branch features barrier-free parking spaces for motor vehicles, wheelchair ramps, low-height service facilities, barrier-free self-service banking, and barrier-free restrooms. By meticulously addressing the details – from physical infrastructure to service processes – it seamlessly integrates "tangible convenience" with "intangible care".

Barrier-free environment
construction outlets

3



Barrier-free Environment Construction at SHRCB's Putuo Shiquan Sub-branch

- 01

Our outlets have proactively collaborated with nearby schools to establish barrier-free parking spaces for vehicles adjacent to outlet locations. Each barrier-free parking spot features wheelchair ramps on both sides and at the rear, significantly improving the experience for customers with special needs. Wheelchair ramps are designed with a 1:15 slope ratio, enabling easy independent access for wheelchair users.
- 02

In the 24-hour self-service zones, low-height ATMs and customer service phones are provided, with ATM keypads positioned at 750 mm above the ground and electric doors for access booths, ensuring convenience for wheelchair-bound clients.
- 03

Outlets are equipped with patented Yike Smart Teller Machines that transform the traditional standing service model into a side-by-side, seated counter service. To meet the demands of wheelchair-bound clients, these machines, set at a height of 650 mm and feature adjustable screens and Braille labeling, further enhancing accessibility for individuals with special needs.
- 04

Barrier-free restrooms have been upgraded with safety handrails at washbasins to provide additional convenience for those in need.
- 05

Moreover, the convenient service area is equipped with amenities such as smart Braille readers, intelligent hearing assistance devices, and online sign language translation services, further expanding service options for customers with special needs.

In addition, in 2024, the Bank implemented and promoted the incorporation of remote audio-visual service functions into intelligent self-service machines. Through video-equipped service representatives who engage in real-time voice communication and simultaneous information display with customers, we

facilitate the entry of complex information. This innovation effectively addresses the challenges faced by customers with disabilities in self-service environments and enhances the accessibility of self-service financial options for this group.



2.8

Consumer Rights Protection*

The Bank prioritizes safeguarding consumer rights and integrating it into our corporate governance framework, organizational culture, and business development strategy. Through systematic planning and targeted measures, we have established an all-around, multi-tiered consumer protection framework to elevate our standards in protecting consumer interests continually.

Governance

SHRCB has instituted a robust governance structure for consumer rights protection, comprising the Board of Directors, special committees under the Board, the Board of Supervisors, and senior management. This framework enhances the quality and efficiency of execution of consumer protection

responsibilities, and drives the implementation of consumer rights protection from strategic planning through to operational delivery, thereby safeguarding the legitimate rights and interests of financial consumers.



Board of Directors

01

The Board of Directors holds ultimate responsibility for consumer rights protection. It defines the strategic direction, policies, and objectives for consumer protection, manages the overall planning and guidance of the Bank's consumer protection efforts, and regularly reviews progress reports to supervise, guide, and assess the effectiveness of implementation.

Consumer Rights and Interests Protection Committee

02

Reporting to the Board of Directors, the Consumer Rights and Interests Protection Committee collaborates closely with the Board to advance consumer protection efforts. It is responsible for reviewing and supervising the implementation of proposals such as the annual work summary and plan of the consumer rights protection work, evaluating the three-year consumer rights protection strategy and monitoring its implementation, amending the consumer rights protection management measures, hearing special audit reports on consumer rights protection, and discussing and researching major issues and important policies related to comprehensive consumer protection.

Management

03

Senior management ensures that the Bank's consumer rights protection strategies, objectives, and policies are effectively executed. They are responsible for drafting the Bank's consumer rights protection regulations, establishing a coherent system of consumer rights protection procedures, implementing Board of Directors' resolutions on consumer rights protection, allocating necessary resources, and nurturing a culture and ethos of consumer rights protection. Heads of all business units bear direct responsibility for consumer rights protection within their respective domains.



Execution

04

The Bank has established a dedicated Consumer Rights Protection Department tasked with the hands-on implementation and promotion of consumer rights protection efforts across the Bank.



Impact, Risk, and Opportunity Management

Risk	Risk description	Response measures
 Reputation risk	As the regulatory framework for financial consumer rights protection matures and peer competition intensifies, the level of consumer rights protection can become a key differentiator in a financial institution's competitive positioning. Failure to manage consumer rights protection effectively may lead to a surge in consumer complaints, erosion of trust, negative media coverage, and ultimately, damage to the Bank's brand and reputation.	Elevate consumer rights protection to a strategic priority; establish and refine a robust governance framework for financial consumer rights protection; enhance internal control systems covering performance evaluation, consumer rights protection audits, complaint management, and financial literacy outreach; and enforce all management measures rigorously.
Opportunity	Opportunity description	Response measures
 Enhancing customer loyalty	Commercial banks that effectively protect consumer rights tend to benefit from higher customer loyalty and greater trust in their products and services, which in turn strengthens their brand value.	The Bank is continuously refining its customer complaint resolution mechanism to promptly and effectively address customer concerns and issues. We also conducted regular customer satisfaction surveys to gain deeper insights into customer needs and feedback, enabling continuous service quality improvement.

Strategy and Management Method

At the strategic and planning level, the Bank has developed and published the *SHRCB Consumer Rights Protection Strategy 2023–2025*, reinforcing the concept of “comprehensive consumer protection” and promoting the “top leader” project. Under this guidance, we have issued the *SHRCB Consumer Rights Protection Management Measures* along with a suite of related management measures and implementation rules. These documents clarify mechanisms for monitoring and inspection, performance evaluation, consumer rights protection audits,

complaint handling, financial literacy education, internal consumer protection training, and diversified financial dispute resolution. Consumer protection requirements are embedded across all business-line policies, and the SHRCB Implementation Rules for Consumer Rights Protection further detail the responsibilities of each relevant consumer rights protection departments and divisions. Together, these measures form an integrated, collaborative consumer rights protection management system spanning the entire bank.

Product and Service Review

The Board of Directors exercises ultimate supervision over consumer rights protection reviews of products and services. The Consumer Rights and Interests Protection Committee reports to the Board of Directors and reviews consumer rights protection tasks and plans. At the senior management level, a Product and Service Review Committee coordinates consumer rights protection reviews, and performs due diligence for new products, services, and partner onboarding to prevent external risks from impacting the Bank. The Product and Service Review Committee must report regularly to senior management and the Board of Directors.

To standardize these processes, the Bank has issued the *SHRCB Consumer Rights Protection Review Regulations* and the *SHRCB Key Points for Collaborative Product and Service Review*. These documents specify, from consumer protection and compliance perspectives, the reviewing entities, scope, key points, and procedures. A cross-departmental review mechanism has been established to

deliver independent, professional review opinions covering consumer rights protection requirements, compliance, branding guidelines, customer service scripts, and technical expertise. This mechanism ensures that all phases of the product and service lifecycle, including design, pricing, and contractual documentation, comply with the standards. Furthermore, we have developed an intelligent consumer rights protection management platform featuring an “AI-powered intelligent review” function. This system maintains and continuously refines a lexicon of sensitive and prohibited terms and corresponding review rules, thereby enhancing the quality and efficiency of consumer rights protection reviews in our products and services.

In 2024, the Bank completed

1,990 consumer rights protection reviews



Consumer Complaint Management

The Bank has established a three-tiered governance framework for consumer complaint management: "decision-making level, management level, and execution level", to ensure efficient, transparent, and fair handling of consumer

complaints. This structure, combined with clearly defined responsibilities, enables us to continuously enhance service quality and protect consumers' legitimate rights and interests.

Decision-making

The Board of Directors places the highest importance on protecting consumers' lawful rights and interests. The Board's Consumer Rights and Interests Protection Committee supervises complaint management, regularly reviews complaint handling reports, and provides strategic guidance.

Management

The Consumer Rights Protection and Personal Information Protection Committee, our highest responsible body, formulates the Bank's consumer rights protection strategy and complaint-handling policies, reviews major consumer dispute cases, monitors the effectiveness of the complaint-management mechanism, and receives periodic specialized briefings.

Execution

The Consumer Rights Protection and Personal Information Protection Committee, our highest responsible body, formulates the Bank's consumer rights protection strategy and complaint-handling policies, reviews major consumer dispute cases, monitors the effectiveness of the complaint-management mechanism, and receives periodic specialized briefings.

The Head Office's Compliance & Internal Control Department and Audit Department exercise supervisory and review responsibilities. The Compliance & Internal Control Department reviews the legal and regulatory compliance of complaint handling processes, contributes to resolution plans for major compliant cases, and provides legal guidance.

The Audit Department conducts independent, objective audits of consumer complaint management performance, driving continual service improvement, practicing social responsibilities, and ensuring lawful protection of consumer rights.

Complaints Management Procees

We publicize complaint submission channels across all touchpoints, including business outlets, our official website, and our mobile banking app, to ensure consumers have easy and direct access to our complaint mechanisms.

Online compliant channels	SHRCB App Complaint hotlines: 021-962999; 4006962999 Complaint email: 962999@shrcb.com
Offline compliant channels	All business outlets
Written compliant channels	Mail to: Consumer Rights Protection Department, SHRCB, No. 70, Zhongshan Road (East-2), Huangpu District, Shanghai, 200002

Total consumer complaints
in 2024

5,874 cases

Complaint resolution
rate

100%



Our Handling Procedure



Consumer Rights Protection Training

The Bank provides annual consumer rights protection training to all customer-facing employees. In 2024, we issued the *SHRCB 2024 Consumer Rights Protection Work Priorities*, which established a comprehensive, year-round training plan for consumer rights protection. We continued to deepen our consumer rights protection “curriculum tree” by updating and iterating both course content and specialized question banks. For roles with high complaint volumes or elevated risk profiles, we increased the frequency of targeted consumer rights protection training sessions and conducted Bank-wide mandatory training sessions and tests on key consumer rights protection principles.

During the reporting period, we delivered 230 online and in-person consumer

rights protection training sessions to 19,450 participants, with an average of 19 training hours per person. Trainees included senior and middle management, dedicated consumer rights protection officers, frontline business staff, and new hires, resulting in 100% coverage across all relevant employees.

Throughout the year, the training sessions reached

19,450 participants

Training coverage rate

100%



Fair Marketing

Management Policy

The Bank strictly complies with all applicable laws, regulations, and regulatory guidelines governing financial marketing. We have developed and implemented the SHRCB Management Measures for Financial Marketing and Communications to standardize legally compliant marketing activities across the Bank on an ongoing basis. This policy defines management principles, roles and responsibilities, and a negative list of prohibited practices. It mandates a closed-loop process of pre-approval, in-process control, and post-event supervision for all marketing and communications, ensuring that each level of the Bank safeguards consumer rights and refrains from exaggeration, risk concealment, or overly aggressive marketing tactics.

Supervision and Review

We have implemented a robust, responsible marketing mechanism for financial products and a detailed financial marketing and communication review process, defining basic requirements, division of responsibilities, and approval procedures for financial marketing and communications.

Responsible marketing and communications mechanism for financial products

The Head Office's General Office leads the overall management of financial marketing and communications, with active participation from the Consumer Rights Protection Department, Compliance & Internal Control Department, Operation Management Department, Administration Office, and other functional departments and divisions within their respective mandates.

Review process for financial marketing and communications

All marketing and communications materials drafted by Head Office units must undergo an initial in-unit review, followed by collaborative examination by the functional departments (Compliance & Internal Control Department, Consumer Rights Protection Department, and General Office) to ensure no exaggeration, risk omission, or excessive promotional language.

During marketing and communications activities, all units must maintain continuous monitoring, leveraging the reputation risk management defense line of “Bank-wide coordination and full employee participation” to ensure effective control during the process, which will help in promptly identifying issues and safeguarding the legitimate rights and interests of consumers.

We strengthen post-event supervisory oversight to identify shortcomings and implement corrective actions

Fair Marketing Training

We offer an e-learning course on responsible marketing and communications for financial products, covering laws and regulations, industry best practices, and our internal policies governing financial marketing communications, aiming to enhance employees' deep understanding and accurate grasp of financial marketing and communications standards. Additionally, the Bank has incorporated the management of financial marketing and communications standards into its Bank-wide reputation risk management training system. It is also included in the onboarding training program for new employees, with regular training sessions conducted throughout the year, aiming to strengthen awareness of proper marketing practices and effectively mitigate reputation risks arising from improper marketing and communications activities.

Debt Collection Management

In compliance with the Interim Measures for the Administration of Internet Loans of Commercial Banks, the Measures for the Supervision and Administration of Commercial Bank Credit Card Business, and the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, and other applicable national and industry laws and regulations, the Bank has developed policies such as the SHRCB Management Measures for Credit Card Internal Collection Business and the SHRCB Operating Procedures for Online Retail Loan Internal Collection Business Management, which govern debt collection management practices. Standardized collection processes and service norms are established for various collection methods, including phone calls, letters, and in-person visits. These processes explicitly prohibit the use of improper means such as harassment, intimidation, fraud, and threats during the debt collection process. The use of government or judicial authorities' names to investigate customer information or conduct collections is forbidden. Additionally, it is prohibited to threaten customers with fictitious blacklists or fabricated negative credit databases. Debt collection or any form of harassment from third parties unrelated to the debt is also prohibited. Efforts are made to ensure data and customer privacy protection, preventing any leaks of sensitive information. Regular quality control measures, including quality checks, random recording audits, and complaint analysis, are conducted to ensure proper and timely corrective actions are taken. These measures help maintain healthy and orderly debt collection management practices.

In cases where outsourcing debt collection is involved, the Bank follows the SHRCB Operating Procedures for Online Retail Loan Outsourced Collection

Agency Management and the SHRCB Implementation Rules for Credit Card Outsourced Collection Business Management, which standardize the business process. These procedures define the entry criteria for outsourced collection agencies, due diligence evaluations, and management requirements. Any use of illegal methods such as intentional harm, illegal detention, intimidation, threats, harassment, or other unlawful collection practices is prohibited.

The Bank regularly conducts training for debt collection personnel, covering relevant laws and regulations, compliance procedures, communication skills, as well as examples of both excellent and poor practices, to reinforce compliance awareness and enhance the ability to serve customers effectively.



SHRCB Debt Collection Training Session

Loan Contract Amendments

The bank has established the SHRCB Post-loan Service Management Regulations for Personal Loans to standardize the management of loan customers' requests for changes to loan information. The regulations classify post-loan modifications into material and general changes based on their risk level and define different approval processes for specialized review or approval. If a loan customer wishes to make early repayment, he/she can fill out the Personal Loan Early Repayment Application and Approval Form and confirm the repayment date with the lending bank, who will then review the borrower's reasons for early repayment, the repayment amount, the number of repayments, and other relevant information before processing the request. The available repayment methods include: Equal principal and interest repayment, equal principal repayment,

annual installment repayment of principal and interest, monthly proportional principal repayment, monthly installment repayment with a grace period for equal principal, and monthly installment repayment with a grace period for equal principal and interest.

For customers who have overdue payments but face exceptional hardship, the Bank offers negotiated repayment without directly modifying the contract and repayment schedule, and only collection efforts are temporarily suspended, allowing the customer to repay the agreed amount within the grace period without further collection efforts. Exceptional hardships include serious illness, unemployment, and similar situations.

Financial Literacy Promotion

The Bank focuses on key groups such as the “elderly, young” and new citizens, and foreign nationals in China, and uses the consumer protection brand “SHRCB Consumer Protection” and upholds the philosophy of “prevention first, education foremost”. Upholding the principles of public service, timeliness, service, and sustainability, the Bank conducts regular, self-initiated education and publicity activities.

The Bank utilizes its “Xinjiayuan” public service stations and basic business outlets to expand the coverage radius of financial education. As a result, financial literacy has reached all 16 administrative districts of Shanghai. Throughout the year, more than 6,800 online and offline financial education and publicity activities were held, reaching 4.67 million financial consumers.

Financial literacy has reached all

16 administrative districts of Shanghai

online and offline financial education and publicity activities were held throughout the year

More than 6,800

Reached financial consumers

4.67 million



Targeted financial literacy promotion



For the elderly

During the reporting period, the Bank provided over 20 financial courses at the “Xinjiayuan Elderly University”. Using real-life cases from “Xinjiayuan” service recipients as scripts, the Bank produced and distributed 4 original educational microfilms. Additionally, 57 financial risk awareness articles, including “Case Study of Financial Risks”, were published, and the video *Beware of Black Market Intermediaries*, “Credit Repair” is a Scam won the “Third Prize” in the 2024 Shanghai Illegal Financial Activities Prevention and Combating Video Contest.



For the young

During the reporting period, the Bank participated in the “Golden Seed Project”, initiated by the Shanghai Financial Consumer Dispute Mediation Center. The project aims to plant the “golden seed” of financial knowledge in young people’s hearts through a series of distinctive and entertaining financial education activities. The Bank co-established “Youth Financial Literacy Education Bases” with Shanghai No. 3 Girls’ High School and Shanghai Jinshan District Shihua Fifth Primary School, innovating financial education methods and comprehensively improving the financial literacy of young people.



For new citizens

“The Bank kindly reminds you that ‘personal credit repair’ is a scam that may lead to personal information leakage or property losses. Please care for and pay attention to your credit record, and develop good credit habits.” During commutes, one often hears such broadcast reminders from SHRCB. In the past three years, the Bank has conducted over 16,486 online and offline education and publicity activities, reaching 135 million financial consumers. It has also disseminated over 100 pieces of financial knowledge popularization information through its official Weibo and WeChat accounts.



For foreign nationals in China

During the reporting period, the Bank expanded financial education activities targeted at “foreign nationals in China”. The Bank enriched the materials available for foreign-related financial education, iterated financial education brochures and posters, and published the “Protecting Consumers’ 8 Rights” long-form infographic. The Bank also conducted financial education sessions for foreign students and faculty at institutions such as Songjiang University Town, Shanghai Business School, New York University Shanghai, and bilingual schools in various districts and counties. These sessions focused on educating about the dangers of money laundering crimes, as well as financial knowledge related to payment convenience, foreign currency exchange, and cash usage.

Government and External Agency Collaboration



Indicators and Objectives

Objective	Progress in 2024
Enhancement of consumer financial education and training	In 2024, 17,000 hours of consumer financial education and training were provided, with 4.67 million participants, marking a 20.11% increase compared to the previous year.

2.9 Information Security and Privacy Protection*

Information security and privacy protection form the foundation of banking operations and are essential to ensuring the stable and sound functioning of the Bank. In compliance with the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Cybersecurity Law of the People's Republic of China*, and other relevant laws, regulations, and regulatory requirements, the Bank continuously improve and enhance the construction of our information, network security, and privacy protection systems, effectively strengthening our data security defenses.

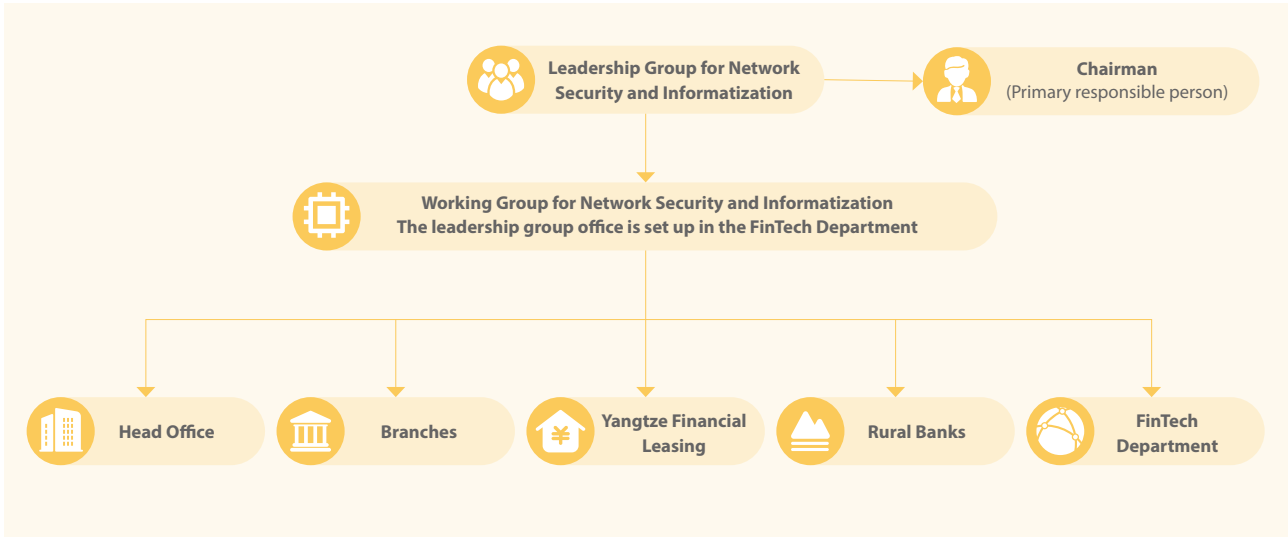
Governance

The Board of Directors is the highest authority responsible for information security, with the Chairman acting as the first responsible person for cybersecurity. The senior management has established the Leadership Group for Network Security and Informatization, fully accountable for the organization and leadership of the Bank's cybersecurity and information technology management efforts. The FinTech Department manages explicitly the Bank's information security work and collaborates with business, compliance, and technology departments to form an integrated, multi-departmental management mechanism, ensuring the orderly progress of data security work.

The Bank has established a top-down organizational structure for personal information protection, implementing a "1 + 2 + N + 1" working model. This means that the Senior Management's Consumer Rights Protection and Personal

Information Protection Committee is responsible for the overall coordination and promotion of personal information protection across the Bank. Under this committee, there are "Consumer Protection Compliance Group" and the "Data Security Group", along with several business lines, each responsible for safeguarding the rights of personal information subjects and ensuring security measures and technological methods. The relevant laws, regulations, and regulatory requirements governing personal information protection are gradually integrated into business line management processes. At least one designated staff member is appointed in each business line to continuously strengthen pre-emptive, in-process, and post-process controls, preventing personal information leakage risks, enhancing education, training, and assessments, and increasing awareness of personal information protection.

Cybersecurity and Information Technology Management Framework



Impact, Risk, and Opportunity Management

Risk	Risk description	Response measures
 Data risk	Improper actions by internal employees, as well as sustained attacks by external hacker groups and cyber criminals, pose significant threats to data security. In particular, the theft and misuse of personal sensitive information not only harm customer interests but also severely impact the Bank's reputation and credibility.	Establish a robust governance framework for information security and privacy protection, define roles and responsibilities, and construct policy support systems, and improve the level of data security management by continuously enhancing data security technical safeguards, establishing risk monitoring and response mechanisms, and strengthening employee training and management.
Opportunity	Opportunity description	Response measures
 Regulatory compliance	The National Financial Regulatory Administration has issued regulations such as the Rules on Data Security of Banking and Insurance Institutions, which set strict standards for data security and provide clear guidance for regulated data management. These policies promote the integration of data security risks into banks' overall risk management frameworks.	The Bank proactively engaged with regulators to stay updated on regulatory trends and requirements, ensuring that the Bank's data security and privacy protection practices comply with supervisory expectations, thereby enhancing public trust in its data governance.

Strategy and Management Method

Information and Data Security

The Bank has developed the *Management Measures of Shanghai Rural Commercial Bank for Data Security*, which clearly outlines the responsibilities of the data security management organization, data security classification standards, data categorization and classification processes, and other related details. For data at different security levels, specific security requirements are established for each stage of the data lifecycle, including collection, transmission, storage, use, deletion, and destruction. By implementing relevant

technical and administrative measures, the Bank continuously strengthened its security defense system, constantly improving and refining the security management of data throughout its whole-lifecycle. This ensures the orderly advancement of the Bank's information and data security efforts. The Bank's data security policies cover all business lines and branches, with affiliated institutions being encouraged to develop appropriate management policies based on the Bank's policies.

Information Security Audits

Based on business needs, the Bank engages an independent third party each year to conduct periodic evaluations of its data protection and information security systems and perform independent audits. Additionally, to fully adopt and implement the ISO 27001 Information Security Management System, the Bank invites an external third-party organization every year to conduct a re-examination and certification of the Bank's ISO 27001 security management system. During the reporting period, the Bank's information security management system passed ISO 27001 certification. The Bank's 11 information systems, including online banking system and mobile banking system, have undergone relevant security testing, security remediation, classification, and filing, obtaining the *Filing Certificate* issued by the national regulatory authority (all systems have been assigned security protection of Level 3).

Data Security Risk Prevention and Control

The Bank attaches great importance to data security management, combining both proactive and reactive measures to minimize the risk of data breaches. In the event of a security incident, the Bank responds quickly to ensure the safety of customer information and the Bank's systems.

Proactive measures:

The Bank has established a comprehensive network security protection system adapted to cloud-based and on-premises environments, as well as distributed architectures, which includes:



**Security
devices and
software**

The Bank has deployed security devices and software, including firewalls, intrusion detection systems, malware detection, desktop management, application firewalls, web anti-tampering, data loss prevention, and operation and maintenance bastion hosts. These measures enhance the Bank's overall network security defense capabilities.



**Active network
security defense
platform**

To strengthen financial ecosystem security, the Bank has built an active network security defense platform, which is integrated with the PBC's network security situation awareness and information-sharing platform. This initiative helps to enhance the security capabilities of the financial system and improves the monitoring, early warning, and emergency response capabilities for both cloud-based and on-premise network security risks.



**Outsourcing
system security
management**

The Bank implements multi-dimensional measures for managing the security of outsourced systems. Procurement requirements clearly specify the security and confidentiality demands for original equipment manufacturers (OEMs), and security responsibilities are explicitly written into contracts during the signing process. Furthermore, the Bank requires suppliers' service providers to sign on-site service commitment letters, ensuring compliance with security requirements.

Reactive measures:



**Emergency
response
plan**

The Bank has established an efficient data breach emergency response mechanism and developed the SHRCB Network Security Incident Emergency Response Plan, which is regularly assessed and reviewed. This plan outlines the steps and processes for responding to network security incidents, such as data breaches, including the deployment and responsibilities of emergency response personnel. This ensures that effective countermeasures can be quickly implemented in the event of a security incident. Regular emergency drills are also conducted to enhance the ability to handle data security emergencies and mitigate or reduce potential impacts.



**External risk
information
monitoring**

The Bank actively establishes an external risk information monitoring mechanism to stay informed of external risks related to data security. Additionally, an internal reporting, response, and handling mechanism has been established to ensure a prompt response and effective control of any data security incident.

Information Security Emergency Drills

The Bank organizes an annual, specialized cyber "red team/blue team" exercise covering all internet-facing systems, network devices, security appliances, internal information systems, and endpoints across the Head Office, its majority-owned village banks, and its investee companies. Scenarios simulate the three primary incident types outlined in the Bank's Cybersecurity Incident Response Plan: malicious code outbreaks, network

intrusion events, and information destruction incidents. In parallel, the Bank conducts regular phishing simulation drills and awareness training for employees to enhance their ability to recognize and thwart phishing attacks. In 2024, the Bank's annual drill against "phishing attacks" encompassed all Head Office departments, branches/sub-branches, Yangtze Financial Leasing, and 35 village banks. This drill tested the entire Group's capacity to detect and respond to phishing threats and significantly bolstered employees' security awareness.

Information Security Training

The Bank delivers ongoing information security awareness training to all employees and contracted partners via a blended approach of online courses and assessments, hands-on drills, and in-person awareness campaigns. In 2024, we conducted dedicated cybersecurity awareness training for on-site outsourcing personnel, engaging over 1,600 participants from more than 120 suppliers. This initiative further standardized security practices among outsourced personnel and strengthened their overall cybersecurity awareness.

Employee pass rate for cybersecurity training assessments

100%

Employee pass rate for cybersecurity training assessments

100%



Personal Privacy Protection

To safeguard personal information, the Bank has formulated a series of policies, including the *Management Measures of Shanghai Rural Commercial Bank for Personal Customer Information Protection*, *Management Regulations of SHRCB for Personal Information Protection Policy*, and *Implementation Rules of SHRCB for Personal Customer Information Protection Impact Assessment*. These policies, which cover all business lines and branches, address every stage of

the personal information lifecycle, ranging from the collection, use, processing, and provision to the public disclosure of consumer financial data. They also define the procedures for personal information protection impact assessments, approval processes, and emergency response protocols in the event of personal information incidents.

Personal Information Collection, Use, and Retention

The Bank processes personal information for explicit and justified purposes. Collection is confined to the minimal scope necessary to achieve these purposes, in compliance with the principles of minimization and necessity, thereby prohibiting excessive data collection. During the personal information usage phase, robust measures, including access controls, data encryption, and de-identification practices, are employed to safeguard personal information. With respect to personal information storage, customers are informed through relevant privacy notices regarding the methods, content, and duration of data retention. Once the purpose has been fulfilled within the minimal requisite period or after any other legally mandated retention period, personal information is promptly deleted or anonymized.

Personal Information Control Rights

In its customer privacy policy, the Bank clearly communicates the purposes, methods, and scope of personal information processing and informs customers of their rights to be informed, to decide, to access, to correct, and to delete their personal information. The processing of personal data is carried out only after obtaining the customer's consent.

- **Access and correction of personal information:** Customers may access or modify their account information through the designated online banking and mobile banking portals. Alternatively, they can visit a bank outlet with valid identification to have their personal information corrected with the assistance of a teller.
- **Deletion of personal information:** When customers no longer use the Bank's products and services or decide to close their accounts, they may request the deletion of their personal information. However, if applicable laws or regulations require that certain information be retained, such information cannot be immediately deleted until the mandated retention period has expired.

Access Control

To safeguard personal information, the Bank has established robust mechanisms for identity authentication, access rights application, and approval. Based on varying data security levels, detailed security measures have been developed for the data access control process. These measures include implementing identity verification, tiered authorization and management, and the timely deactivation and cleanup of expired accounts and permissions while retaining corresponding operational logs and restricting the frequency at which personnel can query data, thereby maintaining the data confidentiality and integrity during the access process. In the stages of collecting, using, and storing personal information, the Bank employs cryptographic techniques, such as symmetric and asymmetric encryption, transmission encryption, digital signatures, digital certificates, and de-identification, to ensure both data confidentiality and integrity.

Third-party Data Use and Constraints

The Bank does not lease, sell, or otherwise provide personal data to third parties for purposes beyond the completion of transactions or business operations. When personal data is supplied to a third party for transaction- or business-related purposes, detailed disclosures are provided in the applicable business privacy policy, and personal data is processed jointly with the third party only after obtaining the user’s consent. Furthermore, the Bank enters into confidentiality agreements with third parties, mandating that they handle customer information in compliance with the Bank’s information security policies. The effectiveness of the third party’s security measures is also subject to regular review.

The Bank offers customers accessible channels for complaints and reports, ensuring timely and appropriate responses. Following verification of a customer’s identity, the Bank promptly addresses requests based on their legal rights. As a general rule, the Bank provides a response and a reasonable explanation within 15 business days and informs the customer of available external dispute resolution avenues.

Supplier Data Security Management

The Bank enforces standardized information security management for all data-related suppliers to prevent any loss of its information assets. In the preliminary phases of cooperation, suppliers undergo rigorous assessments and due diligence to ensure compliance with data security requirements; they must provide evidence of their information security certifications and qualifications. Contracts explicitly require that suppliers follow the Bank’s customer data and privacy confidentiality regulations, including requirements for legal and compliant data sourcing, adherence to the principle of data minimization, a prohibition on storing data copies without explicit consent, and strict recording and retention of data processing activities. During the cooperation, ongoing monitoring and periodic reviews are conducted to assess contractual performance and the implementation of confidentiality measures. Regular information security training is also provided to supplier personnel, further reinforcing their security awareness.

Indicators and Objectives

Objective	Progress in 2024
<ul style="list-style-type: none">Information security: “zero incidents, zero reports”	<ul style="list-style-type: none">Throughout 2024, the Bank did not experience any cybersecurity incidents impacting business operations or any sensitive data breaches.

2.10

Human Capital Development*

The Bank upholds a people-centric approach by prioritizing employee rights and strives to cultivate a diverse, equitable, and inclusive work environment. We are committed to the professional growth, well-being, and safety of our employees; we encourage open communication, continuously enhance employee satisfaction and work experience, and embrace our social responsibilities, contributing to social harmony and development.

Governance

The Board of Directors holds ultimate accountability for human capital development. The Board's Remuneration and Nomination Committee oversees the remuneration management of directors, senior executives, and employees across the Bank, while the senior management is responsible for employee development and rights protection. The Human Resources Department serves as the operational arm. The Bank has established a human resources management system that involves centralized planning by the Head Office Human Resources Department, specialized support from HRBPs in key business lines, localized execution in branch offices, and tailored approaches in subsidiaries. Specifically,

the Head Office Human Resources Department is charged with overall human resources management across the Bank, responsible for designing and implementing systems in such key areas as workforce planning, recruitment, compensation and benefits, and performance evaluation. Branch offices have established offices or human resources departments for localized human resources management. Subsidiaries implement differentiated management structures based on their specific circumstances to effectively support the development of the Group's human capital.

Strategy and Management Method

In compliance with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, *Provisions on the*

Prohibition of Using Child Labor, and other applicable laws and regulations, the Bank has formulated and implemented various internal policies to promote comprehensive human capital development and safeguard employee rights.

Figure: SHRCB Human Capital Development Systems

Human capital development issue	Internal system
Employee rights protection	<i>Collective Contract of Shanghai Rural Commercial Bank Co., Ltd.</i> <i>Special Collective Contract on the Protection of Female Employees' Special Rights and Interests of SHRCB</i>
Diverse and equitable employment	<i>Employee Recruitment Management Measures of SHRCB</i>
Talent planning and career development	<i>SHRCB Human Resources Strategic Plan (2023–2025)</i> <i>Special Plan for the Identification, Cultivation, and Selection of Outstanding Young Management Officials Across the Bank (2022–2025)</i> <i>SHRCB Remuneration Management System</i>
Employee benefits and care	<i>SHRCB Enterprise Annuity Implementation Plan</i> <i>Management Guidelines for the SHRCB Workers' Relief Fund</i>

Employee Rights Protection

The Bank complies with applicable laws and internal systems and is committed to eradicating practices such as child labor, forced labor, and any conduct that violates employee rights. During recruitment, the Bank thoroughly verifies the identity of candidates to ensure that all employees meet the legally mandated working age. The Bank prohibits the retention of identification documents or

the charging of fees, and it transparently communicates working hours and benefit details, strictly disallowing any form of coercion or deception. In 2024, there were no incidents involving child labor, forced labor, or other violations of human or labor rights.

Employee Communication Channels

The Bank attaches great importance to the development of employee communication channels by establishing an open, diverse, transparent, and democratic communication channels that fully respect employees' freedom of association and collective bargaining rights while actively soliciting and incorporating their constructive feedback.

The Bank has established a democratic management system centered on the Employee Congress, leveraging the crucial roles of the Trade Union and the Employee Congress in safeguarding employee rights and promoting democratic governance. In 2024, the Bank convened four sessions of the Employee Congress

to widely solicit employee opinions and suggestions on major internal matters and issues directly impacting their interests, thereby ensuring that employees' rights to information, participation, and supervision are fully upheld.

Additionally, the Bank has implemented multiple mechanisms, such as dedicated email addresses, hotlines, the HEROS platform, and "Executive Reception Days" to receive employee grievances and opinions. These channels are designed to ensure that all employees (both formal and non-formal) can freely express their concerns, with strict compliance with safeguarding employee information and maintaining the confidentiality of any suggestions provided.

Case: SHRCB Employee Congress

In 2024, SHRCB held the 4th Trade Union Member Congress & the 9th to 12th sessions of the Employee Congress in April, June, July, and December, respectively. During the Employee Congress, we collected extensive feedback from employees on matters including the Employee Recruitment Management Measures (Draft), the implementation report of the collective

contract, and the Proposal for the Adoption of a Flexible Working Hours System and the Comprehensive Calculation of Working Hours (Draft). Throughout the sessions, employee representatives plunged in discussions, offering valuable insights and recommendations for the future development of the Bank.

Employee Satisfaction

The Bank upholds a "people-first" philosophy by conducting an annual employee satisfaction survey to gain in-depth insights into employees' sentiments and needs. During the reporting period, a comprehensive evaluation of employee satisfaction was carried out through an online anonymous questionnaire covering seven dimensions: work experience, remuneration and benefits, career development, communication and collaboration, corporate identification, leadership assessment, and self-evaluation. In 2024, 5,243 valid responses were collected, yielding an average score of 4.06 out of 5.

Based on the questionnaire feedback and additional employee survey, the Bank has developed specific improvement measures addressing the commonly raised concerns, aimed at continuously enhancing the work experience and career development pathways for employees, further improving overall employee satisfaction.

In 2024

5,243 valid responses were collected

Average score

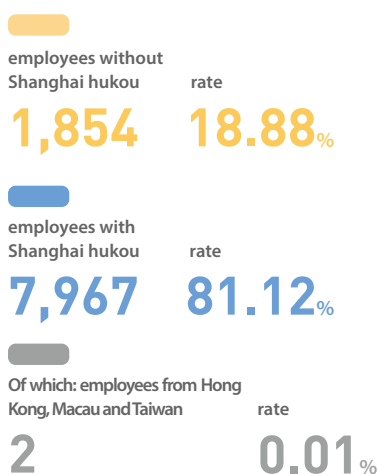
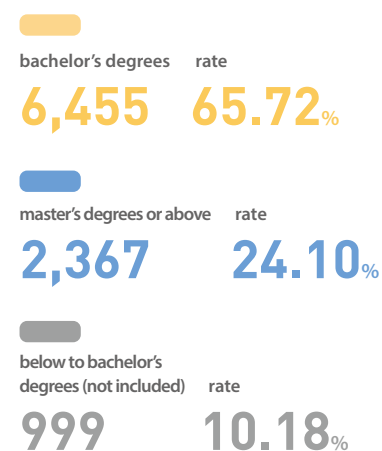
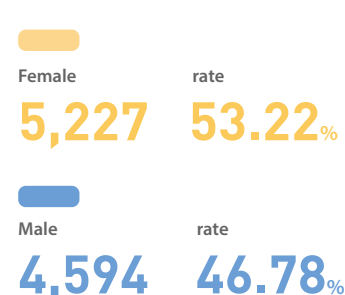
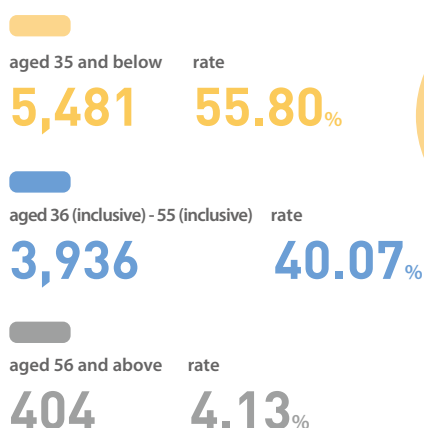
4.06



Diverse and Equal Employment

The Bank is committed to creating a diverse, equitable, and inclusive work environment. Through systems such as the *Employee Recruitment Management Measures of SHRCB*, the Bank resolutely prohibits any discriminatory practices

based on gender, age, ethnicity, nationality, skin color, religious belief, sexual orientation, or social background during recruitment, training, and promotion processes.



In addition, the Bank promotes workplace diversity by strengthening compliance management, supporting professional growth, optimizing the rights protection environment, and ensuring democratic participation. Special emphasis is placed on the equal treatment, remuneration, and maternity rights of female

employees, with efforts to encourage their active involvement in business innovation and governance. By the end of the reporting period, the Bank's workforce totaled 9,821 employees, of whom 5,227 were female, representing 53.22% of the workforce.

Key Measures for the Protection of Female Employees at SHRCB

01

The Bank fully implements the *Special Collective Contract on the Protection of Female Employees' Special Rights and Interests of SHRCB* to ensure comprehensive protection for female employees with respect to remuneration, rest and leave, workplace safety and hygiene, insurance and benefits, training opportunities, as well as rights during pregnancy, maternity, and lactation periods.

02

The Bank organizes themed events and recognition programs, such as “Pursuing Dreams in the New Era, Showcasing Her Excellence”, to share experience of outstanding female employees. Through research activities and exchange programs, the Bank promotes the construction of women’s innovation studios and accelerates the advancement of female talent.

03

The Bank leverages city-wide employee legal aid centers, the “12348” public legal service hotline, and the “12351” employee rights protection hotline to provide female employees with important avenues for voicing their interests, reporting labor-related risks, and resolving practical difficulties in the workplace.

04

The Bank ensures female representation in the Employee Congress and among employee supervisors, fully safeguarding their rights of participation, decision-making, and supervision, and promoting the role of female employees in corporate governance and democratic management.

Furthermore, the Bank remains attentive to the employment needs of persons with disabilities and other special groups by optimizing recruitment processes to provide equal employment opportunities. By the end of the reporting period, the Bank employed 14 members with disabilities.

Talent Attraction and Retention

The Bank has established strategic plans such as the *2023-2025 Human Resources Development Plan* and the *“14th Five-Year” Talent Development Plan*, which articulate the general principle of “integrated body with two wings and three orientations collaborating in four dimensions”. In essence, with talent development as the main body, performance management and resource allocation as the engines, and market-orientation, professionalization, and information as the directions, the Bank’s cross-level coordination ensures that the development of the talent pool is synchronized with the Bank’s overall strategic planning and layout. To maintain high-efficiency human resources management and strategic development, the Bank conducts in-depth human capital analysis, regularly monitors personnel turnover, and optimizes talent development through precise analyses of workforce composition and productivity.

Employee turnover rate

2.71%

a year-on-year decrease of percentage points compared to 2023

1.33



Talent Reserve

Embracing the ethos of “seeking talent widely for diversity and inclusion”, the Bank offers multiple channels for prospective candidates, including external recruitment, campus recruitment, and internships, through a combination of online and offline initiatives. This approach is designed to attract and consolidate top-tier talent, strengthening the stability of the Bank’s human resource team.

In terms of campus recruitment, the Bank focuses on sourcing quality candidates from top higher education institutions. By establishing long-term

partnerships with universities and launching diversified recruitment programs, the Bank attracts outstanding graduates. Utilizing a recruitment management system to track and analyze the entire campus recruitment process, the Bank conducts data review sessions and satisfaction surveys to promptly obtain candidate feedback and continuously refine its recruitment strategy, improving the quality and efficiency of campus hiring.

"Xin Experience" Internship Program

The Bank has introduced the "Xin Experience" summer internship program, which includes positions such as "Emerging Talent" and "Rising Star", providing excellent interns opportunities to stay. This program not only bolsters the professional skills of the interns but also serves as a pipeline for integrating fresh talent into the Bank, continuously discovering and nurturing promising new talent in the financial sector.

FINTECH Trainee Program

To meet the demand for IT-related positions, the Bank has launched a FINTECH trainee recruitment program, targeting talents in financial technology. The program encompasses specialized skills training, industry knowledge acquisition, and hands-on project involvement with the objective of comprehensively enhancing the professional capabilities and practical experience of the trainees. Through a systematic "Finance + Technology" curriculum, mentor-guided training, and on-the-job development opportunities, trainees are groomed to support the Bank's digital transformation.

Employment Guidance

In collaboration with Shanghai University of Finance and Economics, the Bank organizes public welfare job fairs that feature roadshows where alumni share their career development journeys post-campus recruitment. These events offer valuable services such as resume optimization, job-seeking guidance, and career planning, drawing almost one hundred on-site participants and providing tangible support to both students and faculty.



Key honors

Award	Granted by
Advanced Enterprise (Organization) for Promoting Employment in Shanghai	Shanghai Municipal People's Government
Best Employer for the Employment of 2024 Graduates	Shanghai Ocean University
Best Employer for Employment at Shanghai University of International Business and Economics in 2024	Shanghai University of International Business and Economics
Outstanding Partner for Employment at East China University of Political Science and Law in 2024	East China University of Political Science and Law
Top Graduate Employer Brands 2024	51Job

Promotion and Development

The Bank has refined its career development framework, centering on a robust “dual-track” promotion mechanism and an internal job rotation system, to provide clear career paths and fair promotion opportunities for all employees. This personnel management system enables both upward and lateral mobility.

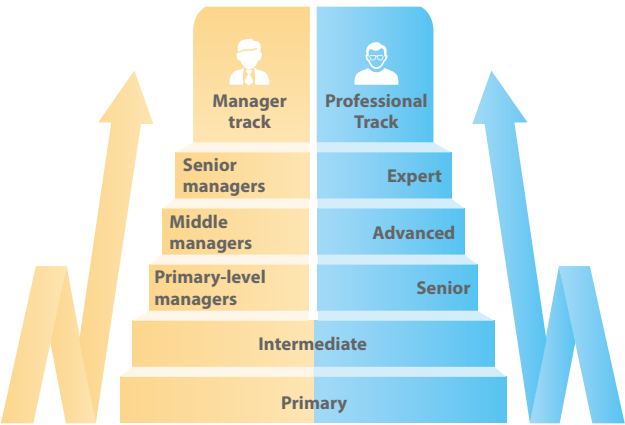
Dual-track Promotion Mechanism

The Bank has established the SHRCB Employee Level Management Measures and the SHRCB Professional Sequence Management Measures, which define parallel promotion tracks for management and professional roles. The management track spans from junior positions to senior leadership, and the professional track is segmented into multiple tiers. Through a transparent promotion process and periodic performance evaluations, employees are encouraged to grow, matching individual aspirations with organizational objectives.

Internal Job Rotation System

To further optimize talent mobility, the Bank has introduced the SHRCB Comprehensive Activation Plan for the Internal Talent Market. This plan promotes routine internal recruitment and competitive selection for management roles, guiding a structured and efficient talent flow within the Bank.

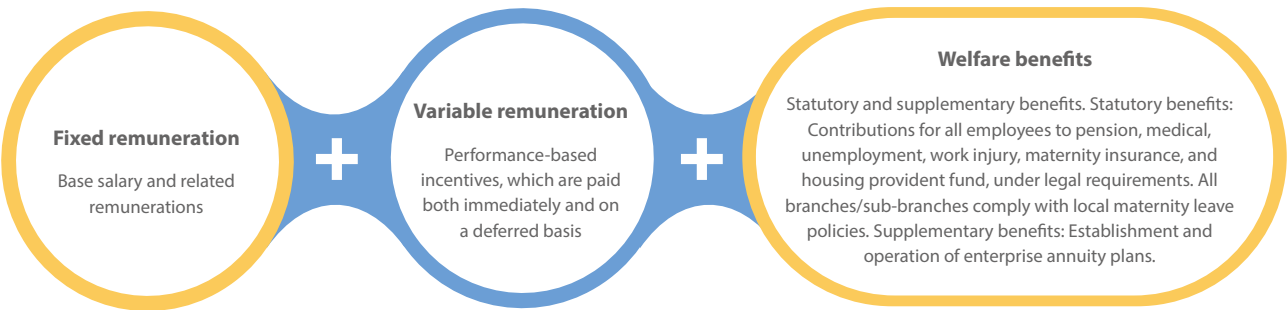
SHRCB Dual-track Promotion Mechanism



Remuneration and Performance Evaluation

In designing its compensation system, the Bank takes into account labor productivity, the ratio of human resource investment to output, market salary benchmarks, corporate salary guidelines, and the risk cost control requirements specified in the Guidelines for the Prudent Regulation of Commercial Bank Remuneration. Following these regulatory guidelines, the Bank appropriately adjusts employee remuneration in order to balance risk management with employee incentive measures. Furthermore, the Bank firmly upholds the principles of gender equality and equal pay for equal work, and resolutely prevents any salary disparities arising from gender.

The Bank’s employee remuneration is structured into fixed and variable components:



The Bank has established a comprehensive performance management system that is implemented annually across the entire employee base. The performance evaluation process incorporates a range of assessment tools, including a 360-degree review that collects feedback from self-assessments, direct supervisors, peers, and subordinates. This multidimensional approach ensures the objectivity and comprehensiveness of the evaluation.

Additionally, the Bank provides formal grievance channels for all employees (formal and non-formal), such as dedicated email addresses, hotline services, and “Executive Reception Days” . If any employee wishes to challenge their performance evaluation results, he/she may submit an appeal within the designated period. The Human Resources Department will then verify the appeal and incorporate feedback for ongoing improvements, thereby ensuring that the evaluation process remains both scientifically robust and equitable.

Talent Development System

The Bank has established a comprehensive employee development framework that offers tailored training programs for various employee levels, including management training, professional competency training, general education courses, and the “Xinmiao Program” for new employee onboarding. Through

these training sessions, the Bank enhances core capabilities and professional expertise, thereby providing robust talent support for its sustainable development.

SHRCB Employee Training System

Training type	Training target	Training content
Management official training	Senior managers	Party building and ideological education, focused study on General Secretary Xi’s speeches in Shanghai, special study on the Third Plenary Session of the 20th CPC Central Committee, rural revitalization empowerment, decision-making support, digital transformation, leadership enhancement, and continuous learning
	Middle managers	
	Primary-level managers	
Professional skills training	All employees	Corporate finance, retail finance, operational management, risk management, financial technology, comprehensive management, professional certification preparation
General knowledge training	All employees	Corporate finance, retail finance, operational management, risk management, financial technology, comprehensive management, professional certification preparation
Xinmiao Program	New employees	Strategic navigation, corporate culture orientation, compliance and safety education, employee code of conduct, general workplace skills, professional knowledge, and job-specific skills training
Curriculum development and teaching methods, collaborations with external training institutes, joint training programs with academic institutions, as well as provisions for educational expense reimbursement and scholarship support		

New Employee Onboarding Training

The Bank implements the “Xinmiao Program” series of training courses for new employees to facilitate rapid adaptation and integration into the banking environment.

Case: “Xinmiao Program” for new employees

In June 2024, the Bank officially launched its “Xinmiao Program” onboarding training for campus-recruited graduates, covering over 600 new employees. The program is structured into three complementary camps: the online “Xinmiao Cohesion Camp”, the offline “Xinmiao Vitality Camp”, and the role-specific “Professional Empowerment Camp”, all designed to accelerate new hires’ adaptation to the Bank’s culture, processes, and skill requirements.

The online “Xinmiao Cohesion Camp” delivers a series of 22 micro-courses via digital platforms, organized into six key areas: strategic leadership, corporate culture promotion, compliance and safety education, employee code of conduct, general workplace skills, and fundamental industry knowledge. These courses are structured to provide new employees with a quick and thorough understanding of the core competencies and operational protocols they are expected to master. The offline “Xinmiao Vitality Camp”, focusing on building a solid foundation in business knowledge, establishes an overall operational framework while highlighting the importance of compliance risk management. It offers 18 courses that cover business line overviews, workplace etiquette, talent development, corporate culture, and young employee growth forums to safeguard and propel the future career advancement of participants. The role-specific “Professional Empowerment Camp”, coordinated by individual business lines, provides specialized pre-job training tailored to accelerate the transition of new hires into their specific roles. For instance, the corporate banking line has introduced the “Xinxing

Plan” to train new customer managers with a focus on the end-to-end process of business development. Similarly, the retail line, leveraging its “one person, one strategy” competency framework, has rolled out the “Xinquan Classroom” for new financial managers and the “Xinhe Training Camp” for new retail customer managers. The operation line, emphasizing practical skills, conducts a “100-day Gateway” tracking program during the teller probationary period. The technology line offers targeted sessions such as the “Chuying Training Camp” for FINTECH product managers along with an R&D training camp to deepen understanding of the Bank’s technology framework.



In-person classroom instruction



Group-based mind mapping with learning insights shared at the graduation ceremony



Team-building activity featuring a collaborative interactive art installation by all trainees

Leadership Training

During the reporting period, the Bank delivered tiered and targeted leadership training for all management personnel, encompassing senior executives, middle managers, and frontline supervisors: Under the unified training deployment arranged by the State-owned Assets Supervision and Administration Commission, senior management enhanced their capabilities through party-building activities, including targeted center group learning, online courses, and self-directed study. Tailored by work function, middle management underwent specialized programs. Courses were designed for principal middle managers under the “Navigation Class”, for deputy middle managers under the “Voyage Class”, and for newly appointed

middle managers through the “Embarkation Class”. A comprehensive “Thousand Sails Camp” program was conducted in both online and offline formats to enhance managerial competencies. Additionally, targeted training based on the specific requirements of different business sectors was provided. A dedicated “Setting Sail Camp” was also organized for newly appointed first-line managers to facilitate an unimpeded role transition. The overall curriculum was strategically planned to focus on enhancing political acumen, leadership, digital transformation, and operational management capabilities. The goal was to broaden managers’ perspectives and reinforce their ability to execute their roles effectively.

Professional Skills Training

To meet evolving business demands and industry transformation trends, the Bank delivered professional knowledge and skills training across key areas such as corporate banking, retail banking, risk management, operations, and technology. Focusing on capability building, the Bank constructed key position competency models and streamlined the instructional framework. Joint efforts in developing internal trainer courses led to a curriculum that combines customized project designs with diversified teaching methods. This blended approach, integrating online and offline sessions with both theoretical and practical components, ensured that employees acquired specialized skills tailored to their respective roles. The Bank also offered qualification certification training programs across all business departments and branches. These included credentialing opportunities such as the Accredited Financial Planner (AFP), Certified Financial Planner (CFP), and Chartered Global Financial Technologist (CGFT).

Case: Corporate banking position training

The Bank provided customized training for employees in the corporate banking segment at various levels. This program, focusing on professional empowerment through specialized training in areas such as strategic analysis, team leadership, and marketing techniques, was designed to elevate the

professional competency of customer managers and marketing personnel, thereby bolstering continuous improvement in corporate banking services and enhancing overall team performance.

Training target	Program	Training content
New corporate finance product managers	Xin Engine Program	The program empowers new product managers through tailored training and qualification certification, refines product marketing scripts, standardizes sales processes, develops standardized training modules, and builds a dedicated curriculum library for corporate finance products.
Corporate finance relationship managers	Corporate Banking Business Academy	The program integrates online and offline learning resources to establish the HEROS Corporate Banking Business Academy, featuring modules such as “Professional Advancement Series”, “Specialized Topics Series”, “Best Practice Case Studies”, “Role Model Series”, and “Compliance & Risk Series”.
Senior & advanced corporate banking relationship managers	Xinrui Program	Centered on in-depth strategy interpretation, sectoral research, and pain-point analysis, this program encourages solution-based discussion and deepens strategic management and customer relationship skills to broaden participants’ perspectives through corporate visits and independent learning modules provided by Hundun Academy.
Marketing team leaders	Xincheng Program	Focusing on enhancing internal leadership skills and overall marketing team capabilities through systematic training and practical guidance, this program includes the development and refinement of the New Corporate Banking Relationship Manager Onboarding Handbook to strengthen marketing team leaders’ coaching and management abilities, supporting the rapid growth of new corporate banking relationship managers.

Employee Education Subsidy Mechanism

The Bank has implemented a reimbursement and incentive mechanism covering educational expenses for academic degree enhancement, professional qualification examinations, continuing education, and other learning opportunities, thereby providing a robust system framework to support self-directed learning and development for all employees. This system applies to all employees (including part-time and contract workers) who meet the requisite certification criteria. The mechanism comprehensively supports advanced academic pursuits at the master's and doctoral levels, as well as a broad array of professional qualification certifications, which include 15 financial certifications, 32 technology certifications, and 4 professional practice certifications. In addition, the Bank has established partnerships with prestigious institutions such as Fudan University, Shanghai Jiao Tong University, and Shanghai University of Finance and Economics to offer dedicated scholarships for non-full-time MBA programs, further promoting continuous professional advancement.

During the reporting period, over 700 employees have benefited from these educational support policies.

External Training Partnerships

The Bank has proactively expanded its employee training resources and continuously refined its training system. During the reporting period, we have established stable partnerships with training institutions and universities, focusing on topics such as interpreting work conferences, rural revitalization, digital transformation, political literacy, and business management capabilities.

Partnerships with External Training Institutions

To enhance the leadership, operational skills, and political competence of our management officials, during the reporting period, we collaborated with the Party School of the Sanming Municipal Committee of Fujian Province. This partnership facilitated a tailored "Embarkation Class" training program for newly appointed middle management personnel through a diversified learning approach that included specialized lectures, on-site study tours, and group discussions, thereby supporting their role transition and career development. Furthermore, the Bank conducted three rounds of Party lectures titled "Studying Innovative Theories and Strengthening Political Training" for all middle management personnel, featuring renowned instructors from the Party School of Shanghai Huayi Holdings Group Co., Ltd., which reinforced the foundational ideological framework of the employees.

Collaboration with Educational Institutions

The Bank jointly organized training sessions with the School of Continuing Education at Zhejiang University, focusing on such themes as interpreting party work conferences, rural revitalization, and digital transformation, thereby providing customized learning opportunities for middle management and young emerging talent. Additionally, a bilateral cooperation mechanism was established with the Dishui Lake Advanced Finance Institute of Shanghai University of Finance and Economics, through which the Bank selected senior executives to participate in a leadership development program for a mutually beneficial training resource exchange and collaborative win-win outcomes.

Employee Benefits and Care

Employee Benefits Protection

The Bank places the well-being of its employees at the forefront, adopting a needs-driven approach to deliver a comprehensive and competitive benefits package. All employees are guaranteed statutory benefits, including five social insurances and the housing provident fund, statutory holidays, paid leave (annual leave, family-visit leave, marriage leave, bereavement leave, maternity leave, nursing leave, parental leave, etc.), and reimbursement for childbirth expenses and related allowances.

In addition, the Bank provides rich supplementary benefits, such as various allowances, transportation subsidies, enhanced mutual medical coverage, annual health check-ups, exclusive insurance products, wellness programs, welcome kits, seasonal gift distributions (summer and winter), holiday bonuses, anniversary paid leave, and routine care packages. Special activities, including targeted support for female employees, advanced medical recuperation programs, and New Year and Spring Festival Warmth Delivery campaigns, ensure that the unique needs of vulnerable groups are met.

To safeguard employee rights, the Bank has established an in-house legal aid service and a rights-protection team, launched a legal assistance hotline, and established long-term partnerships with professional law firms. These measures provide robust legal support for employees in both their professional and personal lives.

Case: SHRCB's Warmth Delivery Activity during the New Year's and Spring Festival period

In anticipation of the traditional Chinese Spring Festival in the Jiachen (Loong) year, the Bank has vigorously implemented a Warmth Delivery Activity throughout its organization. This activity involves a bottom-up review of needs, identification of key targets, and enhanced precision in assistance. From late January to early February 2024, senior executives from the Head Office led teams to visit former leaders and long-serving employees, while also conducting outreach to support key disadvantaged Party members and employees. These visits included inquiries into their health, daily living

conditions, and medical access, as well as in-depth discussions to understand their current concerns and practical needs. Heartfelt greetings and New Year blessings were extended to them. Meanwhile, various primary-level units actively engaged in frontline activities, executing a range of care and support activities. In total, over 350 disadvantaged employees received visits and assistance, ensuring that the heartfelt warmth of the Jiachen Spring Festival reached every employee in need.

Employee Care

The Bank consistently regards employee care as a crucial element of its corporate culture, firmly upholding the core philosophy of "mutual development between employees and the Bank". We are committed to providing comprehensive cultural enrichment and developmental support for our employees. To this end, the Bank has established initiatives such as the SHRCB Lecture, book hub, and language and arts societies. These groups host a series of events including recitation performances and host competitions. Through a diverse array of courses and activities, the Bank empowers its employees with enhanced knowledge and skills, simultaneously offering platforms for self-expression and personal growth, thereby organically integrating personal development with professional advancement.

Case: SHRCB innovates with the "Inheritance and Transmission" SHRCB Lecture series

Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era and in line with the requirements for constructing a distinctive Chinese financial culture, the Bank aims to build a robust, vibrant, and progressive corporate and employee culture. It has innovatively launched the "Inheritance and Transmission" SHRCB Lecture series, which offers a diverse array of educational activities. The series features segmented modules such as macroeconomic lectures, forums on traditional Chinese classics, thematic sessions on traditional culture, health seminars, introductory art classes, and aesthetic education courses.

As of December 2024, the SHRCB Lecture series has hosted seven sessions. Its high-caliber content, opportunities for face-to-face interaction with industry experts, and a flexible hybrid model (online and offline) have attracted extensive employee participation, solidifying the platform's status as a crucial venue for learning and professional development across the Bank.



SHRCB's "Inheritance and Transmission" SHRCB Lecture

Case: SHRCB's "Building Dreams in SHRCB, New Voices Emerging" host competition

On August 25th, 2024, the Bank held the finals of the "Building Dreams in SHRCB, New Voices Emerging" host competition. The competition was designed to create a platform to empower professionals, identify and nurture high-caliber hosting talent, and incubate a future team of advocates for

corporate and employee culture. Following a fiercely competitive process, awards were presented in various categories, including "Top 10 Hosts", "Best Stage Presence", "Most Popular", "Most Promising", and "Rookie Host".



SHRCB's Host Competition

Occupational Health and Safety

The Bank is steadfastly committed to supporting the physical and mental well-being of its employees. In recognition of the unique health requirements associated with different roles, the Bank has established an occupational health screening system. Additionally, the Bank offers self-service psychological care resources, building an integrated and full-chain mental health support network.

Fostering a Healthy Ecosystem and Safeguarding Employee Well-being

Occupational health screening system: A health examination mechanism has been established to provide employees with comprehensive health assessments, along with personalized health recommendations tailored to individual needs.

Smart fitness and health space: Leveraging AI technology, the Bank organizes smart sports events, upgrades its health relaxation spaces, and equips these areas with fitness equipment and professional guidance, creating what is described as a "5-minute health ecosystem".

Health activities and services: The Bank actively promotes workplace exercise sessions, offers fitness Qigong classes and health lectures on intangible cultural heritage, and regularly invites experts to conduct free medical consultations and

emergency first aid training

Building a Comprehensive Psychological Support System

Psychological care specialists and volunteer network: The Bank has launched a psychological care specialist program, successfully developing a team of "mental coach" volunteers to extend empathetic support to all employees.

Self-service psychological care: A pilot program at the Head Office has rolled out self-service psychological care activities, including the distribution of a psychological care manual that covers rich psychological knowledge and practical self-assessment tools.

Multi-channel psychological support: The Bank provides support channels, including real-time emotional counseling hotlines, appointment-based consultation hotlines, and dedicated online care accounts, ensuring that employees can access professional psychological support anytime and anywhere, effectively maintaining an end-to-end mental health support network.

Impact, Risk and Opportunity Management

Risk	Risk description	Response measures
Structural talent shortage	With the rapid development of fin-tech and increasing business diversification, commercial banks face shortages in specialized talent, particularly in technology and green finance areas. A lack of professional skills may hinder staff from meeting evolving job requirements.	The Bank is building a comprehensive talent development system applicable across the entire organization and collaborating with training institutions and universities to develop specialized training programs tailored to various business lines. We have also established an internal research structure to enhance employees' core competencies and professional expertise.
Opportunity	Opportunity description	Response measures
Diverse talent policies	The continued opening of financial markets and the diversification of business models (e.g., fin-tech, green finance) necessitate cross-disciplinary talent.	The Bank is developing a diverse workforce and improving cross-departmental collaboration mechanisms to facilitate knowledge sharing.

Indicators and Objectives

During the reporting period, the Bank has implemented a range of measures focusing on the protection of employee rights, diverse and equitable employment, talent attraction and retention, talent development, as well as employee health and safety. These efforts have been diligently advanced and have yielded significant positive results.

Issue	Objective	2024 performance
Employees' rights and interests protection	Achieve 100% legal and compliant signing of labor contracts; Establish an anonymous reporting and independent investigation mechanism to eliminate incidents of discrimination, harassment, and bullying;	Labor contract signing rate: 100%; Reported incidents of child labor, forced labor, discrimination, harassment, and bullying: 0 case; Employee satisfaction survey conducted, with an average satisfaction score of 4.06;
Diverse and equitable employment	Increase the proportion of female managers; Provide employment opportunities for individuals with disabilities;	Female managers represent 48.87% of the workforce; Number of employees with disabilities: 14
Talent attraction and retention	Reduce the employee turnover rate;	Employee turnover rate: 2.71%, a year-on-year decrease of 1.33 percentage points compared to the previous year;
Talent development system	Encourage dual-track career development and internal promotion; Conduct diversified employee training programs;	Management track: 37 middle managers and 278 section-level managers were promoted. Professional track: 149 employees were promoted to senior or higher levels; 1,317 employees were promoted in rank; Employee training expenditure reached RMB 28.12 million, marking a 48.7% increase year-on-year; Comprehensive training provided, covering all employees, with an average of 154.2 hours per employee.
Safe and healthy workplace environment	Maintain zero major work-related injury incidents; Reduce the number of work-related injury incidents;	Zero fatalities from work-related incidents; 15 work-related injury cases, reflecting a 34.8% year-on-year reduction

2.11

Social Welfare and Philanthropy

Upholding its corporate mission of “Inclusive Finance Delivers Better Life”, the Bank steadfastly follows its guiding principles by formulating and implementing the SHRCB External Donation Management Measures. In doing so, it embodies the core cultural values of “value virtue and goodness, benefit the city and the people, pursue excellence with diligence, and realize the shared dream of harmony”. By more deeply and comprehensively responding to public expectations and needs, the Bank strives to build a more inclusive, compassionate, and responsible bank. In 2024, the Bank actively engaged in philanthropic programs related to rural revitalization, financial literacy education for children and youth, public welfare campus soccer programs, and the protection of intangible cultural heritage. During the reporting period, the Bank’s total public donation amounted to RMB 17.82 million.

Comprehensive Rural Assistance

The Bank earnestly responded to the national call for rural revitalization and, in the process of its operations, fully considered the interests of communities and the general public. Through measures such as comprehensive rural assistance, pairing support between villages and enterprises, public welfare projects for rural children, and consumer support programs, the Bank has worked to consolidate and expand the outcomes of poverty alleviation efforts.

Figure: Key Measures for Strengthening Rural Assistance in 2024 by SHRCB

- 01

During the reporting period, the Bank partnered with Chongming District to launch a new round of rural aid projects, donating RMB10 million to support infrastructure and development in economically weaker areas, thereby strengthening their capacity for independent development.
- 02

The Bank continues to advance the “100 enterprises helping 100 villages” program, donating RMB600,000 to support the construction of irrigation facilities at the kumquat plantation base in Bazhai Town, Maguan County, Yunnan, as well as the renovation of the village-level Party-Mass Service Center in Renhe Town, further improving living and working conditions for local residents.
- 03

The Bank donated RMB400,000 to conduct the “Growing with Children, Shanghai Seedling Development” rural children’s welfare program, benefiting four primary schools in Gejiu, Jianshui, Songming, and Ruili, Yunnan Province, through subprograms including “Shanghai Bookworm”, “Shanghai Classroom”, and “Shanghai Care”. These projects are designed to enhance the quality of education in rural areas.
- 04

The Bank has advanced consumption-driven assistance, purchasing RMB1,906,100 in products from beneficiary regions, effectively increasing the income of people in previously poverty-stricken areas.

Financial Literacy Education for Children

The Bank has continuously consolidated its public welfare brand, “Little Financier: Calculating a Beautiful ‘Xin’ Life”, by integrating ESG sustainable development, red financial literacy, and traditional cultural values into its curriculum enhancements. This program supports youth in growing into discerning, rule-abiding, and confident economic citizens, thereby enabling them to create a better future. The Bank has conducted extensive training for financial literacy

instructors and volunteers, further improving its volunteer service capability and harnessing public goodwill to empower lives through financial strength. In January 2025, the “Little Financier” children’s public service station (SHRCB Head Office Business Department) was recognized as one of Shanghai’s first 100 child-friendly distinctive practice sites.

2024 Series of “Little Financier” Public Welfare Activities by SHRCB

01

In collaboration with the Shanghai Youth League, the Bank supported the “Caring Summer Camp” public service project, delivering the “Little Financier” financial literacy curriculum to more than 20,000 children in 686 sessions.

02

The Bank organized 8 “Little Financier” bank open day events, including themed activities such as “Exploring Sci-tech Innovation and the Future of ‘Xin’ Chen”, “Happy Summer for Young Minds”, and “Growing Under the National Flag”, engaging over 410 children and parents in inspiring and meaningful financial education experiences.

Campus Soccer Public Welfare

In order to actively respond to Shanghai’s Tibet support deployment and deeply learn from and implement the principles of support for Tibet, the Bank utilized soccer as a medium to strengthen interactions, exchanges, and integration between Shanghai and the Tibetan as well as Xinjiang regions. We launched programs such as the “Shanghai Training” program for youth soccer in

Shigatse and the “Dreaming on the Green Field” program for Shanghai-Karamay youth soccer, with donations of RMB 500,000 and RMB 600,000 respectively. These projects are designed to nurture a group of young soccer players with professional skills, thereby advancing the educational and sports sectors in both Shigatse and Karamay.

Case: “Shanghai Training” program for youth soccer in Shigatse

In October 2024, the Bank organized a series of soccer public welfare activities in Shigatse, Tibet, integrating its support projects for the region with its efforts in promoting the sport, empowering social governance with inclusive finance. The program intends to select one primary or secondary school from each of the five counties that receive assistance from Shanghai, and through a series of programs, such as foundational training, exchanges, and competitive events, the Bank aims to develop youth soccer players with a certain level of proficiency and cultivate a group of capable soccer coaches. It will help elevate the overall youth soccer standards in Shigatse, support local educational and sports development, and, by leveraging soccer as a connecting medium, further deepen interaction, exchanges, and integration between Shanghai and Tibet, effectively conveying the narrative of soccer public welfare and culture. This three-year public welfare project has a planned total donation of RMB 1.5 million.



Protection of Intangible Cultural Heritage

In furtherance of its commitment to promoting traditional Chinese culture and enhancing the public's identification with, sense of belonging to, and pride in this heritage, the Bank has partnered with the China Welfare Institute and Shanghai Children's Art Theatre. Together, we have jointly planned and executed the "Little Ones Discover Intangible Cultural Heritage" program in children's art and cultural education. This program has explored events such as the special performance Come Watch the Opera! — Sichuan Opera and the themed "Art

for Children in China" cultural week, aiming to develop cultural confidence among young people. Additionally, the Bank has organized activities like the "Xinjiayuan" Intangible Cultural Heritage Workshop, which has offered children a close-up experience of the profound essence of traditional Chinese culture while promoting aesthetic education values and a shared appreciation for the beauty of Chinese traditional arts.

Case: "Little Ones Discover Intangible Cultural Heritage" special performance event

On November 16th, 2024, SHRCB, together with the Shanghai Children's Art Theatre, hosted a special Sichuan Opera performance under the "Little Ones Discover Intangible Cultural Heritage" banner. Renowned Sichuan Opera artists delivered a spectacular sensory performance featuring masterful techniques and distinctive vocal nuances. Alongside the performance, the event included an "Opera Carnival" that allowed children to view authentic

Sichuan Opera costumes, stage props, and a series of interactive activities, offering an immersive experience to appreciate the unique charm of Sichuan Opera and deepening understanding and recognition of China's outstanding traditional culture. The event was attended by 300 families, totaling over 800 participants.



2.12

Social Performance Data

Indicator	Unit	2024	2023	2022
Supporting the agriculture, rural areas and rural residents				
Balance of agriculture-related loans	RMB 100 million	677.87	663.78	644.22
Growth rate of agriculture-related loans	%	2.12	3.04	/
Loans to farmers	RMB 100 million	193.76	161.17	169.42
Balance of inclusive agriculture-related loans	RMB 100 million	152.02	/	/
Accumulated loan amount issued by the guarantee fund business for agricultural business entities	RMB 100 million	11.44	10	/
Loans to rural enterprises and organizations	RMB 100 million	148.91	160.26	136.13
Agriculture-related loans for urban enterprises and organizations	RMB 100 million	333.52	340.84	337.57
Other agriculture-related loans	RMB 100 million	1.67	1.51	1.1
Inclusive finance				
Balance of loans to micro, small and medium-sized enterprises	RMB 100 million	4,521.24	3,721.42	3,305.43
Balance of loans to small and micro-sized enterprises	RMB 100 million	2,969.80	2,870.24	2,345.12
Number of borrowers of small and medium-sized enterprises	Account	56,114	56,806	37,860
Number of borrowers of small and micro-sized enterprises	Account	55,102	55,567	36,812
Number of specialized institutions serving small and micro-sized business	Count	34	34	35
Balance of inclusive small and micro loans	RMB 100 million	866.08	779	641.13
Growth rate of balance of inclusive small and micro loans	%	11.14	21.55	16.01

Indicator	Unit	2024	2023	2022
Number of inclusive small and micro loan accounts	Account	52,040	50,268	34,100
Cumulative seamless loan renewals for micro, small and medium-sized enterprises	RMB 100 million	672.94	611.74	/
- Loan renewals without principal repayment for micro, small and medium-sized enterprises	RMB 100 million	237.57	199.95	/
- Benefited enterprises	Account	2,866	2,382	/
New customers through the “Partner Plan”	Account	3,225	2,800	/
Supporting private enterprises				
Loan balance for private enterprises	RMB 100 million	3,444.86	3,000	/
Number of loan accounts for private enterprises	Ten thousand accounts	27.70	32	/
Number of private enterprises with newly established credit relationships	Account	4,055	4,000	/
Credit amount granted to private enterprises with newly established credit relationships	RMB 100 million	763.56	700	/
Fintech				
Balance of loans to sci-tech enterprises	RMB 100 million	1,149.84	925.16	712.12
Proportion of loan balance to sci-tech enterprises	%	23.48	20.47	/
Number of borrowers of sci-tech enterprises	Account	4,278	3,275	2,460
Cumulative number of sci-tech enterprises served	Account	8,000	6,900	/
Proportion of enterprises with single account balance of ≤ RMB10 million	%	77.49	74.70	/

Indicator	Unit	2024	2023	2022
Accessibility of financial services				
Offline service scale				
Number of outlets	Count	364	364	364
Shanghai township outlet coverage rate	%	98	98	98
Intelligent counter coverage rate	%	100	100	99.5
Number of intelligent teller machines	Count	797	794	781
Number of outlets with barrier-free access	Count	315	300	300
Number of outlets offering senior-friendly services	Count	315	300	300
Outlet senior-friendly service coverage rate	%	100	/	/
Shanghai banking sector senior care service (specialized) outlets	Count	41	41	32
Number of ageing finance-featured outlets	Count	55	2	2
Number of barrier-free environment construction outlets	Count	3	2	/
Electronic banking services				
Personal mobile banking customers	Ten thousand	570.61	534.52	490.53
Online banking customers	Ten thousand accounts	376.2	376.38	374.01
WeChat bank customers	Ten thousand accounts	196.84	182.71	161.9
Contracted customers of WeChat bank within the year	Ten thousand accounts	14.14	/	/
Growth rate of WeChat bank customers	%	7.74	13	25.11
Contracted customers of personal mobile banking within the year	Ten thousand accounts	36.09	43.99	40.92
Growth rate of personal mobile banking customers	%	6.75	/	/
Amount of remote banking manual service	Ten thousand times	95.48	102.40	112.44

Indicator	Unit	2024	2023	2022
Consumer rights protection				
Number of trainings for the protection of customer rights	Time	230	4	4
Total duration of consumer rights protection training	Hour	920	/	/
Number of participants in consumer rights protection training	Person-time	19,450	36,646	38,109
Coverage rate of formal employees in consumer rights protection training	%	100	100	100
Number of consumer financial education training sessions	Session	6,873	6,944	2,669
Total duration of consumer financial education training	Hour	17,000	/	/
Number of participants in consumer financial education training	Ten thousand participant	467.12	388.90	490.46
Number of responsible marketing and fair advertising training sessions	Time	1	/	/
Number of participants in responsible marketing and fair advertising training	Participant	269	/	/
Number of debt collection training sessions	Time	2	/	/
Number of participants in debt collection training	Participant	80	/	/
Customer inquiries and handling	Case	2,229,968	2,471,347	2,781,346
Customer complaint handling rate	%	100	100	100
Number of customer complaints	Case	5,874	3,443	3,198
Customer complaint response rate	%	100	100	100
Customer survey satisfaction	%	99.39	99.43	99.47

Indicator		Unit	2024	2023	2022
Employment ¹¹					
Total number of employees		Person	9,821	9,544	9,252
By gender	Number of male employees	Person	4,594	4,519	4,411
	Number of female employees	Person	5,227	5,025	4,841
	Number of male management staff	Person	798	787	772
	Number of female management staff	Person	763	728	712
	Proportion of female management staff	%	48.87	48.05	47.97
	Number of primary-level male employees	Person	3,796	3,732	3,639
	Number of primary-level female employees	Person	4,464	4,297	4,129
By employment type	Labor contract system	Person	9,276	8,936	8,582
	Labor dispatch system	Person	545	608	670
By education	Number of employees with master's degrees or above	Person	2,367	2,110	1,883
	Number of employees with bachelor's degrees	Person	6,455	6,309	6,107
	Number of employees below to bachelor's degrees (not included)	Person	999	1,125	1,262
By age	Number of employees aged 35 and below	Person	5481	5,430	5,317
	Number of employees aged 36 (inclusive) - 55 (inclusive)	Person	3,936	3,784	3,556
	Number of employees aged 56 and above	Person	404	330	379

【 11 】 【 Statistical caliber 】 The statistical caliber of employees is adjusted to the company's labor contract employees and labor dispatch employees (including retired re-employed), so the data of previous years are traced back and adjusted. Among them, the statistical caliber of the new employee indicator is the labor contract employees in service at the end of the year.

Indicator		Unit	2024	2023	2022
By hukou	Number of employees with Shanghai hukou	Person	7,967	7,770	7,580
	Number of employees without Shanghai hukou	Person	1,854	1,774	1,672
	Number of employees from Hong Kong, Macau and Taiwan	Person	2	2	3
Other	Number of ethnic minority employees	Person	130	119	116
	Number of employees with disabilities	Person	14	15	17
Number of new employees		Person	753	940	1,226
By gender	Number of new male employees	Person	450	433	481
	Number of new female employees	Person	303	507	745
By recruitment type	Number of new fresh graduates	Person	595	581	881
	Number of new socially recruited employees	Person	158	359	345
Employee turnover ¹²					
Employee turnover rate		%	2.71	4.04	3.85
By gender	Male employee turnover rate	%	2.24	3.98	3.62
	Female employee turnover rate	%	3.1	4.09	4.06
按年龄划分	Turnover rate of employees aged 35 and below	%	4.12	6.09	5.58
	Turnover rate of employees aged 36 (inclusive) - 55 (inclusive)	%	0.81	1.06	1.32
	Turnover rate of employees aged 56 and above	%	0	0	0

[12] [Statistical caliber] The statistical scope of employee turnover indicators is employees under labor contracts, excluding labor dispatch.

Indicator	Unit	2024	2023	2022
Employee benefits				
Labor contract signing rate	%	100	100	100
Non-monetary benefits coverage	%	100	/	/
Social insurance coverage	%	100	100	100
Medical examination coverage	%	100	100	100
Employee assistance amount	RMB 10,000	84.43	107.05	101.15
Employee rights and interests				
Proportion of employees participating in satisfaction surveys	%	55.93	/	/
Employee satisfaction	Score (1—5)	4.06	/	/
Confirmed cases of discrimination, harassment, or bullying	Case	0	0	0
Confirmed cases of child labor	Case	0	0	0
Confirmed cases of forced labor	Case	0	0	0
Health and safety				
Work-related fatalities	Person	0	0	0
Proportion of work-related fatalities	%	0	0	0
Number of work-related injury cases	Case	15	23	16
Number of working days lost due to work-related injuries	Day	652	969	683

Indicator		Unit	2024	2023	2022
Development and training					
Number of employee training sessions		Session	2,424	2,195	1,755
Employee training expenses		RMB 10,000	2,812.10	1,891.00	1,609.50
Number of employee participating in training		Participant	369,123	331,817	362,712
By gender	Number of male trainees	Participant	172,666	157,112	172,927
	Number of female trainees	Participant	196,457	174,705	189,785
Total hours of employee training		Hour	1,514,391	1,738,521	1,985,537
By gender	Total hours of training for male employees	Hour	708,391.27	823,174.39	946,628.16
	Total hours of training for female employees	Hour	805,999.38	915,346.61	1,038,908.84
Percentage of employees trained		%	99.61	99.60	99.40
By gender	Percentage of male trainees	%	99.60	99.62	99.30
	Percentage of female trainees	%	99.61	99.58	99.50
By employee type	Percentage of executive employees trained	%	100	100	100
	Percentage of middle-level employees trained	%	100	100	100
	Percentage of primary-level employees trained	%	99.60	99.59	99.30
Number of training hours per employee		Hour	154.20	182.16	214.61

Indicator		Unit	2024	2023	2022
By gender	Number of training hours per male employee	Hour	154.39	163.82	203.47
	Number of training hours per female employee	Hour	156.88	202.56	234.34
By employee type	Number of training hours per executive employee	Hour	194.38	159.24	150.20
	Number of training hours per middle-level employee	Hour	160.33	157.07	94.88
	Number of training hours per primary-level employee	Hour	154.02	179.30	216.87
Public charity					
Amount of public charity donations		RMB 10,000	1,782.40	1,175.80	2,126.10
activities		Time	3,175	2,705	97
Number of public charity projects		Count	42	39	41
Number of recipients of public charity projects		Person-time	78,356	30,278	103,340



03 Governance

SHRCB is fundamentally guided by Party-building leadership and underpinned by prudent governance. Upholding the core values of “Sincerity, Responsibility, Creation, Benefit”, the Bank steadfastly embraces its responsibilities and upholds strong business ethics. We reinforce internal controls and risk management to drive sustainable development through high-quality governance, thereby contributing financial strength to the stability and prosperity of the economy and society.

Material sustainability issues covered in this Chapter:

- Corporate governance
- Business ethics management
- Risk management
- Procurement management

SDGs addressed in this Chapter:





3.1 Corporate Governance

The Bank continuously refines and reinforces its governance mechanisms, enhances Board of Directors' effectiveness, performs its information-disclosure obligations in a timely manner, and safeguards investors' legitimate rights and interests. We are dedicated to maintaining robust, sustainable operations through high standards of corporate governance.

Adhering to Leadership by Party Building

The Bank consistently integrates leadership by Party building throughout all aspects and stages of reform, emphasizing the sync of objectives and leveraging Party leadership to empower management and operations. In line with the Bank's strategic direction and annual objectives, the *2024 Work Priorities of the Party Committee of SHRCB* has been formulated to ensure mutual integration and reinforcement between Party building and business goals.

Following the "Two Unwavering Commitments" principle, we embed Party leadership into all facets of corporate governance. The Party Committee's statutory role within corporate governance is continually reinforced, effectively

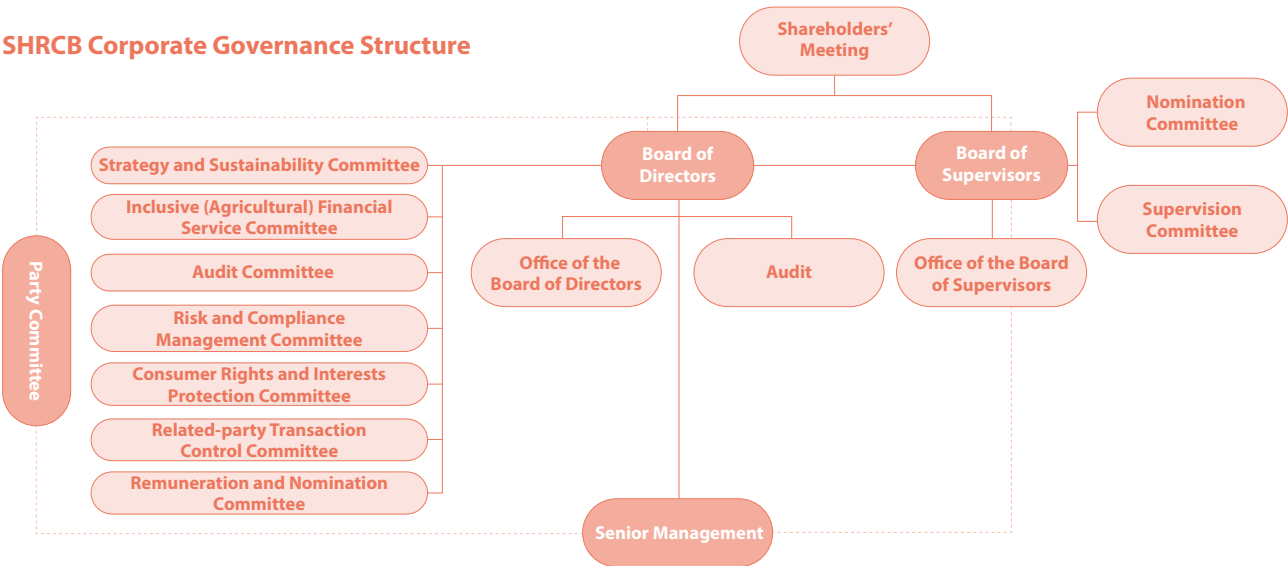
transforming the political and system advantages of Party leadership into driving forces for high-quality development and performance. The Bank has refined and standardized the procedural requirements for prior Party Committee review and deliberation on key operating and management matters. Through a well-defined division of responsibilities and decision-making processes across the Party Committee, Board of Directors, senior management, and the Employee Congress, the Bank has further consolidated its corporate governance system. This approach enhances both decision-making efficiency and scientific rigor, playing the Party Committee's leadership role in "setting direction, managing overall situation, and ensuring implementation".

Enhancing Governance Structure

In accordance with the *Company Law*, *Securities Law*, *Commercial Banks Law* and other applicable laws and regulations as well as the regulatory requirements of National Administration of Financial Regulation and CSRC, the Bank is committed to exploring and refining a modern corporate governance framework with Chinese characteristics, and has formed a governance structure with "Legally Defined Powers and Responsibilities, Transparency, Coordinated Operation, and Effective Checks and Balances" among the Shareholders' Meeting, the Board of

Directors, the Board of Supervisors, and senior management. The Bank has also established the "1+5+N" corporate governance institution based on the Articles of Association, pillared by the rules regulating the operations of five major governance entities, and supported by systems governing shareholder equity; related party transactions; directors, supervisors and senior management; information disclosure, insider trading and investor relations, and equity investment.

SHRCB Corporate Governance Structure



ESG-related Matters Reviewed by the Board of Directors' Committees

In 2024, the Board of Directors and its committees made informed decisions and strengthened oversight in areas including strategic leadership, green finance, inclusive agricultural finance, risk and compliance, related party transaction

management, audit supervision, consumer rights protection, and incentive and constraint measures, thereby robustly supporting the Bank's sustained and steady development.

ESG Responsibilities and Highlights for SHRCB

Organizational structure	ESG duties	2024 ESG highlights
Board of Directors	The Board of Directors is the decision-making and leadership body for ESG. It supervises and coordinates the Bank's ESG efforts by periodically reviewing or being briefed on ESG issues, and ultimately bears responsibility for ESG management.	The Board of Directors has driven improvements to the Bank's ESG top-level design by establishing a management framework in which the "Board leads, committees fulfill their responsibilities, and management executes" to solidify the institutional and organizational foundation for ESG, enabling due performance in environmental, social, and corporate governance areas, and advancing the Bank's ESG management level at a higher level.
Strategy and Sustainability Committee	Strategy and Sustainability Committee is primarily responsible for formulating the Bank's business management objectives and long-term strategic planning, as well as supervising and inspecting the implementation of annual business plans and investment schemes. The Committee also tracks and evaluates the fulfillment of responsibilities in green finance, corporate social responsibility, and other sustainable development areas.	The Committee facilitated the establishment of an ESG Steering Committee at the management level with clearly defined responsibilities and an improved management system; provided guidance on ESG management, strategic management, corporate governance, capital management, consolidation management, investment management, and external donation initiatives, focused on the strategy of "steady development" while fully leveraging strategic evaluation functions.
Inclusive (Agricultural) Financial Service Committee	Inclusive (Agricultural) Financial Service Committee is responsible for studying the strategic planning, fundamental policies, and business objectives for the Bank's inclusive finance and "Sannong" finance services. It also evaluates and supervises the implementation of these services.	With the goal of building an inclusive financial service system centered on "Sannong" finance, the Committee further cemented the Bank's strategic positioning in inclusive finance. Efforts included the development of service brands such as inclusive "Sannong", livelihood, digital, green, and sci-tech innovation finance, thereby enhancing brand influence. The Committee maintained close monitoring of the operations of inclusive finance and "Sannong" finance, reviewed related work reports, acknowledged the achievements, and provided recommendations for further innovation and brand enhancement in "Sannong" finance services.
Audit Committee	Audit Committee is mainly responsible for assessing the Bank's risk and compliance status, accounting policies, financial reporting processes, and financial condition. The Committee manages the annual audit and external audit of the Bank, advises on the appointment or replacement of external auditors, and issues judgment reports on the authenticity, accuracy, completeness, and timeliness of the audited financial information for the Board of Directors' approval. In addition, it guides internal audit work to help establish effective internal controls.	The Committee strengthened audit communications and rendered judgments on the authenticity, accuracy, and completeness of financial reporting, enhanced the audit system framework, reinforced internal monitoring, and actively fulfilled its supervisory role by providing recommendations on maintaining a robust financial condition, refining the internal control system, and bolstering both internal and external audit monitoring.

Organizational structure	ESG duties	2024 ESG highlights
Risk and Compliance Management Committee	Risk and Compliance Management Committee studies risk management strategies and the overall policies for risk and compliance in step with the Bank's strategic objectives. The Committee also monitors the control of credit, liquidity, market, operation, compliance, and reputation risks by senior management, regularly assesses the Bank's risk policies, management status, and risk-bearing capacity, and provides recommendations to improve the risk and compliance management practices of the Bank.	The Committee enhanced supervision of internal control assessments and liability quality management evaluations, prudently formulated the 2024 annual risk appetite strategy to ensure a "prudent" risk posture and lawful, compliant operations, strengthened consolidation management, improved the comprehensive risk management system, implemented regulatory requirements by regularly reviewing adjustments to expected credit loss model parameters, advanced the resolution and write-off of non-performing assets, and urged senior management to maintain high vigilance over risks faced by listed companies while bolstering proactive risk mitigation capabilities.
Consumer Rights and Interests Protection Committee	Consumer Rights and Interests Protection Committee develops the Bank's strategies, policies, and targets for consumer rights protection. The Committee regularly receives reports from senior management on consumer rights protection efforts and evaluates the implementation of these measures.	The Committee discussed and researched major issues and important policies related to consumer rights protection, provided professional opinions in consumer protection work, and promoted the continuous improvement of consumer rights protection.
Related-party Transaction Control Committee	Related-party Transaction Control Committee is responsible for the management, review, and risk control of related-party transactions.	The Committee rigorously reviewed major related-party transactions, accepted the registration of standard related-party transactions, conducted professional evaluations of such transactions, and objectively and professionally reported recommendations and opinions. The Committee advanced the improvement of the related-party transaction regulatory framework.
Remuneration and Nomination Committee	Remuneration and Nomination Committee drafts the procedures and standards for the selection and appointment of directors and senior management, conducts preliminary reviews of their qualifications, and makes recommendations to the Board of Directors. It also reviews the Bank's remuneration management systems and policies, formulates remuneration plans for directors and senior management, advises the Board on these plans, and monitors their implementation.	The Committee conducted orderly evaluations of directors' performance and reinforced oversight of their duty performance, integrated strategic OKR tasks with business management to optimize performance evaluations for "key few" management personnel (such professional managers), strengthened of the Board of Directors' incentive and monitoring mechanisms for senior management, enhanced the selection and qualification review process for senior management candidates by emphasizing professional and managerial competence, and promoted the implementation of a prudent remuneration management system by improving remuneration frameworks and strengthening the effectiveness of performance evaluation and management execution mechanisms.

Board Effectiveness

All directors of the Bank uphold a strong sense of responsibility and dedication by actively attending meetings and faithfully performing their duties. During the reporting period, the attendance rates of the Board of Directors and its

specialized committee meetings reached 97% and 95% respectively, clearly demonstrating the directors' diligent and responsible work attitude and providing sound decision-making support for the Bank's prudent operations.

Meeting overview for the Board of Directors and its committees of SHRCB

2024	Number of meetings held	Number of resolutions reviewed	Number of resolutions briefed
Board of Directors	8	92	33
Committees under the Board of Directors	31	105	55

Board Independence

The Bank has established the Work System of Shanghai Rural Commercial Bank Co., Ltd. for Independent Directors to ensure that independent directors are provided with the necessary conditions to effectively exercise their responsibilities. As at the end of 2024, independent directors represented more than 1/3 of the total, which is consistent with the provisions of National

Administration of Financial Regulation, China Securities Regulatory Commission, Shanghai Stock Exchange, and other applicable regulations. Moreover, the number of concurrent positions held by the Bank's directors in other institutions in 2024 also complied with requirements of these regulators.

Board Diversity and Professionalism

With the objective of building a Board of Directors that is "appropriately sized, structurally balanced, effectively restrained, and professionally excellent", the Bank works toward establishing a diverse and professional Board by optimizing the Board's composition, increasing the proportion of female directors, and, in line with the Bank's focus on ESG, selecting experts with backgrounds in financial accounting, risk management, rural revitalization, green finance, and social governance. The formation of a multi-disciplinary team enhances the external brain resources in sync with the Bank's strategic needs, ensuring a sound and balanced Board structure that effectively fulfills its core functions of "setting strategy, making decisions, and preventing risks".

By the end of 2024, the Board comprised 15 members, including 2 executive directors, 5 independent directors, and 8 non-executive directors (of which 1 is an employee director and 7 are shareholder directors). Among them, there are 4 female directors (27% of the Board¹⁴), with 60% holding master's degrees or above, and the age distribution of the directors is broad. This diversity effectively integrates industry experience with emerging ideas, thereby enhancing the

comprehensiveness and effectiveness of decision-making.

Executive directors: The 2 executive directors have held key positions at large financial institutions for an extended period and possess extensive experience in bank management with practical expertise covering corporate finance, bank management, risk management, and other areas.

Non-executive directors: The 8 non-executive directors bring diverse professional backgrounds in economics, accounting, management, and other disciplines, and have served in senior roles, such as general manager, deputy general manager, or chief financial officer, in large corporate groups and financial institutions.

Independent directors: The 5 independent directors have professional backgrounds spanning economics, accounting, management, and law. They hold key positions in large corporate groups, financial institutions, associations, and academic institutions, exerting significant social influence.

[14] The Bank attaches great importance to, and actively promotes, gender diversity on its Board of Directors. As of the date of this report, the *Proposal for Nominating Ms. Guan Wei as a Candidate for Non-executive Director* and *Proposal for Nominating Ms. Liang Xiaoli as a Candidate for Non-executive Director* were approved at the 2025 first meeting of the Board of Directors held on January 24th, 2025. Pending approval by the shareholders' meeting and the completion of director qualification review by the regulatory authorities, the number of female directors on the Board will increase to six, representing over 30% of the total Board members.

Director Performance Evaluation

The Bank has established the *Code of Professional Ethics for Directors, Supervisors, and Senior Managers of SHRCB* and the *Director Performance Evaluation Measures for Shanghai Rural Commercial Bank Co., Ltd.* These documents provide for a differentiated evaluation of directors based on the fulfillment of fiduciary duty, diligence, professional competence, independence and ethical standards, and compliance. Through these measures, the Bank proactively establishes and practices high standards of professional ethics and expertise, strengthens internal self-discipline, standardizes directors' performance, and urges them to practice ESG standards in order to support the achievement of high-quality, sustainable development.

In 2024, the Bank conducted its annual *director performance evaluation* in

accordance with the *Director Performance Evaluation Measures for Shanghai Rural Commercial Bank Co., Ltd.* The evaluation process included self-assessment by directors, mutual evaluations among directors, evaluations by the Board of Directors, and a final evaluation by the Board of Supervisors. The evaluation methodology involved data analysis, behavioral observation, and performance assessment. All directors were rated as competent in 2023. Moreover, in 2024, the Board of Directors assessed the independence of the independent directors and issued an independence report. All independent directors met the regulatory requirements, and no circumstances were identified that might affect their ability to exercise independent and objective judgment.

Director Training

The Bank places great emphasis on director training, actively organizing and encouraging their participation in professional training programs, ensuring that directors are better equipped to adapt to market changes and regulatory requirements, continuously enhancing their capabilities in fulfilling their duties and providing strong support for corporate governance.

In 2024, the Bank's directors participated in several training sessions organized by the Shanghai Stock Exchange, including the *Independent Director System Reform Training*, *Initial Training for Directors, Supervisors, and Senior Executives of Listed Companies*, *Follow-up Training for Independent Directors of Listed Companies*, and the *Workshop for Anti-fraud Performance Priorities and Recommendations for Independent Directors of Listed Companies*. They also participated in the Training Program for Directors, Supervisors, and Senior Executives of Listed Companies organized by the Listed Companies Association of Shanghai. Additionally, they engaged in internal training programs organized by the Bank, such as training on the new Company Law, anti-money laundering regulatory trends, and legal interpretations. During the reporting period, the average training time per

director was 8.5 hours.

Furthermore, the Bank invited experts from the Legal Affairs Committee of the Standing Committee of the Shanghai Municipal People's Congress to conduct a focused training session on the revision of the Company Law and the improvement of corporate governance. This training covered 28 directors, supervisors, and senior executives. During the training, directors, supervisors, and management engaged in in-depth discussions on the changes in the powers and responsibilities of the Board of Directors, shareholders' meetings, Board of Supervisors, and management, and the internal supervision mechanisms under the new Company Law, as well as the potential impacts on corporate operations. This training session helped directors, supervisors, and management gain a deep understanding of the new requirements and challenges posed by the revised Company Law for corporate governance. It further clarified the responsibilities and mission of the Board of Directors under the new Company Law, laying a solid foundation for the Bank's high-quality development under the revised Company Law.

Executive Remuneration

The Board of Directors has established a Remuneration and Nomination Committee, responsible for evaluating directors and senior management, and formulating annual remuneration plans. In line with the *Performance Assessment and Management Measures for Professional Managers of SHRCB*, the Bank sets assessment criteria across a range of dimensions, including business performance, transformation and development, social responsibility, compliance, and risk management. Furthermore, a strategic OKR evaluation system has been implemented for senior management, emphasizing process evaluation and assessment of strategic value contribution. This framework serves as a vital reference for the Board of Directors' evaluation of the performance of senior management. At the end of each year, the Bank publicly discloses detailed remuneration information¹⁴ for directors and senior management for the preceding year. This disclosure covers annual base salary, social insurance, enterprise annuity, supplementary medical insurance, housing provident fund, and medium- and long-term incentive income.

To advance the implementation of our sustainable development strategy, the

Bank integrates sustainability-related indicators, such as inclusive finance, green lending, anti-money laundering, and consumer rights protection, into the remuneration evaluation of senior management. This approach encourages senior executives to focus on long-term value creation and the fulfillment of social responsibility, supporting the Bank's pursuit of high-quality, sustainable development.

In compliance with the former China Banking Regulatory Commission's *Guidelines for the Prudent Regulation of Commercial Bank Remuneration*, the Bank implements deferred payment and clawback mechanisms for the annual bonuses of senior management (including those who have departed), with the return of deferred payments linked to risk conditions. In cases of misconduct during tenure, incorrect information leading to improper remuneration payments, or significant damage to the Bank's property or reputation, the Bank reserves the right to recover part or all of the bonuses paid to the responsible individuals within the relevant period and to withhold unpaid performance-related remuneration.

[14] Please refer to: https://static.sse.com.cn/disclosure/listedinfo/announcement/c/new/2024-12-26/601825_20241226_ZX75.pdf for detailed information on the remuneration structure of directors and senior management for 2023. The remuneration structure of directors and senior management for the reporting year will be disclosed in December 2025.

Safeguarding Investors' Rights and Interests

The Bank is committed to building a fair, transparent, and efficient mechanism for the protection of investors' rights and interests, with a particular focus on safeguarding the legitimate rights of all shareholders, especially minority investors.

Equity Policy

The Bank has continued to strengthen its equity management and further reinforce its equity management framework:

- In 2024, we revised and improved the *Measures for the Administration of Shares Held by Directors, Supervisors, and Senior Management of SHRCB and Their Changes*, strictly regulating and guiding directors, supervisors, and senior management in compliant shareholding, ensuring risk-sharing between management and the Bank, and matching individual interests with those of shareholders and the Bank.
- The Articles of Association clearly stipulate requirements regarding shareholder qualifications, rights and obligations, as well as codes of conduct for shareholders, thus regulating the commitments and behaviors of major shareholders.
- The Bank established and has continuously refined the *Equity Management Measures of Shanghai Rural Commercial Bank Co., Ltd.*, specifying that the Board of Directors must act diligently and responsibly, bearing ultimate accountability for equity affairs.
- The *Handbook of Major Shareholders' Rights and Obligations* and the *Negative List of Major Shareholders' Behaviors* have been formulated to provide binding guidance for the compliant shareholding.

Shareholder Engagement

The Bank has established a highly efficient, professional, and collaborative investor relations management system, and has continuously refined its relevant management systems and enhanced communication channels. Through our official website, investor mailbox, hotline, and the SSE E-interaction platform, alongside methods such as shareholders' meetings, investor briefings, investor open days, research visits, and roadshows, we maintain active dialogue with investors and participants in the capital market, and provide timely responses to queries related to strategy, operations, and business development, ensuring transparent communication of operating results, and conveying investment value. In 2024, the Bank convened two shareholders' meetings and held three results briefings. The 2023 annual results briefing, themed "Steady Progress, Building Momentum for Transformation", was presented via "live video, on-site interaction, and online text interaction", attracting nearly 500,000 views. The Bank also actively participated in the 2024 Shanghai Region Listed Companies' Collective Reception Day & Interim Report Results Briefing, as well as the Q3 Results Briefing; additionally, extensive online engagement was carried out with minority investors.

During the reporting period, the Bank adopted a "going out" and "inviting in" approach, holding its first-ever series of specialized events including the suburban financial session, overseas investor forum, "Shareholders' Visit" activity for minority investors to engage with listed companies, and ESG investment exchange. These efforts gradually established recognition among domestic and international investors regarding our suburban advantages, sci-tech innovation characteristics, and stable operational profile. The Bank participated in investment strategy conferences and exchange meetings organized by securities firms, received securities analysts and institutional investors for on-site research, and proactively conducted roadshows to visit multiple institutions. Throughout the year, the Bank reached over 800 institutional investors through investor communication activities. With a strong emphasis on protecting the rights and interests of minority investors, the Bank completed the optimization and renewal of the investor relations section on its official website in the reporting period. We handled over a hundred calls from small and medium investors throughout the year, maintaining a 100% timely response rate on the "e-Interaction" platform, effectively meeting the communication needs of both institutional and minority investors.

Information Disclosure

The Bank continuously refines its information disclosure and insider information management practices, promoting the development of information disclosure management mechanisms and strengthening insider information management. We strive to ensure the timely, accurate, and equal access to information for all shareholders, particularly minority investors. We place great importance on safeguarding investors' right to know, strictly adhering to relevant laws and regulations on information disclosure. We disclose all material information in a truthful, accurate, complete, timely, and fair manner, fulfilling all regulatory

requirements. In line with the principles of "openness, fairness, and justice", the Bank discloses corporate governance and operational management information in a truthful, accurate, and complete manner, ensuring that the disclosed content is concise, clear, and easily understandable while maintaining consistency and continuity in information disclosure.

- **Internal assessment of material information reporting:** The Bank conducts annual self-assessments of internal material information reporting to ensure


“information-originating” departments maintain the sense of “primary responsibility”, and that major disclosable information is promptly reported to the Chairman and Board Secretary.

- **Information disclosure liaison team building:** A dedicated information disclosure liaison team is in place to timely collect accurate and complete information, ensuring high quality and completeness of ad hoc

announcement disclosures.


- **Enhanced compliance in disclosure and insider management:** Periodic notifications and reminders are issued to strengthen compliance in information disclosure and insider information management, safeguarding the right of all shareholders, especially minority investors, to timely, accurate, and equal information access.

Key Information Disclosure Types of SHRCB




Regular reports

Focused on value communication and market concerns, enhancing internal communication, refining investment rationale, increasing voluntary disclosures, and improving the reporting's clarity and readability



Ad hoc announcements

Timely disclosure of significant company events, safeguarding investors' right to know



ESG report

Comprehensive disclosure of the Bank's non-financial performance in environmental, social, and governance fields, broadening the scope and depth of information disclosed, and effectively communicating the Bank's investment and social value

In 2024, to further strengthen our information disclosure management system, the Bank revised and released the *Procedures for the Preparation and Disclosure of Periodic Reports of Shanghai Rural Commercial Bank Co., Ltd.*, adding a section on quality control for periodic reports, introducing stricter requirements for the preparation of key disclosures, updating and clarifying responsibilities among departments (including those leading and those checking disclosures), and refining the content and wording of periodic reports to ensure clarity and compliance.

During the reporting period, the Bank published 4 regular reports, 53 interim announcements, and 99 announcement documents. We received an A-grade rating for information disclosure from the Shanghai Stock Exchange for the 2023-2024 period.



received an A-grade rating for information disclosure from the Shanghai Stock Exchange for the 2023-2024 period

During the reporting period, the Bank published

4 regular reports

interim announcements

53

announcement documents

99



3.2

Business Ethics Management (Corporate Behavior)

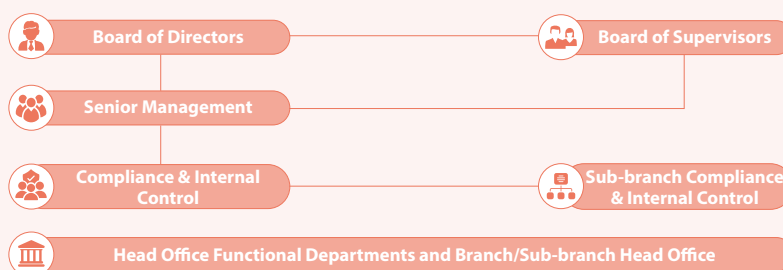
The Bank upholds compliance as its fundamental operating principle, prioritizes risk prevention and control, aims to enhance the quality of risk management, and is committed to strengthening business ethics, bolstering anti-money laundering efforts, and establishing a robust mechanism for internal control and compliance management. The Bank actively develops a culture of compliance and integrity, embedding these values into our operational philosophy.

Internal Control and Compliance

The Bank defines the leadership responsibilities of the Board of Directors, the Board of Supervisors, and senior management in compliance management. By setting the tone at the top, advocating and promoting codes of ethical

conduct and corporate values rooted in integrity and honesty, we reinforce a culture of proactive compliance where every employee bears responsibility. This compliance culture is fully integrated into the Bank's broader corporate culture.

Internal Control and Compliance Governance Structure of SHRCB



Management System

The Bank continually optimizes its internal control and compliance system to enhance both the scientific foundation and effectiveness of its management, supporting the Bank's high-quality development. The Bank has established the *Management Measures for Internal Control of SHRCB*, which standardizes the internal control organizational structure and defines responsibilities. At the operational level, the Bank has formulated detailed implementation rules for multi-tiered internal control assessments, establishing clear norms for

internal control evaluation. Guided by the *Compliance Policy of SHRCB*, the Bank clarifies the framework and responsibilities for compliance management and has issued measures for the administration of compliance staff and internal control managers, thereby standardizing the management and assessment of internal control and compliance personnel. In addition, the Bank has introduced reporting management measures for compliance and internal control risks, specifying requirements for compliance management reports.

Accountability Management System

The Bank upholds a rigorous and prudent approach, establishing a robust accountability management system to ensure that breaches are addressed in a timely, accurate, and fair manner.

- By upholding the leadership role of the Party, the Bank has refined its accountability framework to coordinate disciplinary actions with internal regulatory processes. The senior management has established a Violation Accountability Committee to review accountability cases.
- A cross-departmental working mechanism has been established, led by the Head Office Compliance & Internal Control Department, to jointly review

- accountability cases and promote information sharing.

The Bank has implemented a "pre-reporting" mechanism for accountability, wherein branches/sub-branches submit accountability materials to the Head Office for review. The Head Office, together with multiple departments, deliberates on accountability issues to ensure reasonable and precise enforcement.

Business Ethics

The Bank firmly adheres to the baseline of business ethics, integrating integrity, compliance, and probity across all areas of operation and management. The Bank creates a clean and upright financial environment by continuously improving anti-corruption and anti-money laundering systems, strengthening capacity building, and regulating market competition behaviors.

Anti-corruption

The Bank resolutely implements the major decisions and deployment of the Party Central Committee on building party integrity and combating corruption. With a persistent focus on strict measures, supervision, and enforcement, the Bank fully integrates the strategy of preventing, deterring, and eradicating

corruption. Political supervision is strengthened, disciplinary monitoring is enhanced, and anti-corruption education is intensified to prevent the emergence of corruption and create a transparent and ethical financial ecosystem.

Anti-corruption Governance System and Framework

The Bank has established a series of organization-wide policies and systems on anti-bribery and anti-corruption, including the *Implementation Opinions on Incorruptible Financial Culture Construction of SHRCB* and the *Implementation Measures for Accountability System of Party Integrity Construction of SHRCB*, defining a comprehensive accountability framework: the Head Office's executive management takes overall leadership for party integrity, and principal officials at all levels serve as the first responsible individuals for their respective areas.

A robust accountability and assessment system for party integrity is in place, clearly specifying the scope, content, methodology, procedures, and application of evaluation results. Annual assessments are conducted, incorporating interviews, surveys, and democratic evaluations to gather broad feedback. Assessment results are directly linked to the appraisal, selection, and appointment of management personnel, ensuring that responsibilities are effectively implemented.

In cases where responsibilities are not properly fulfilled, the Bank applies appropriate criticism, disciplinary, or organizational measures depending on the severity, and refers suspected criminal conduct to judicial authorities. Clear guidelines regarding aggravating and mitigating circumstances are set out to ensure fair and transparent accountability and reinforce an ethos of self-discipline and integrity.

Inspections and Audits

Inspections

The Party Committee of the Head Office assumes primary responsibility for inspection, having established a leadership group dedicated to organizing and implementing inspection programs across the Bank. Inspection teams are formed in accordance with annual work plans and are accountable to the leadership team for the fulfillment of their tasks and reporting.

Each inspection team follows a rigorous work process: prior to entry, the team thoroughly familiarizes itself with the basic circumstances of the unit to be inspected; upon arrival, the team focuses on activities such as listening to reports, conducting individual interviews, reviewing documentation, and accepting petitions and whistleblower reports. The inspections include the implementation of principal and supervisory responsibilities for strict Party governance, as well as the advancement of Party conduct and integrity, anti-corruption efforts, the promotion of proper performance perspectives among senior management, work style improvements, implementation of the eight-point decision on improving Party and government conduct and its detailed rules, as well as compliance with requirements for honesty and self-discipline.

Inspection activities are aimed at driving rectification and the effective use of inspection results. The Party organization under inspection assumes primary responsibility for addressing areas identified for improvement, developing rectification plans and implementing corrective measures. The Office of the Party Committee of the Head Office performs a supervisory role, monitoring the implementation of rectification efforts.

Business Ethics Audit

The Bank places a high priority on creating a culture of business ethics. Comprehensive internal policies, including the Code of Conduct for SHRCB Employees and the Measures of SHRCB for Handling Employee Behaviors Violating Rules, have been established to provide clear guidance for ethical business practices and regulatory compliance among employees. During the reporting period, 205 audit projects were completed, including audits of employee integrity, compliance with business ethics, and behavioral codes across the Bank.

Anti-Money Laundering

The Bank continuously strengthens its anti-money laundering (AML) management, enhancing the awareness and capabilities of all employees to build a robust defense against money laundering risks. In compliance with AML laws, regulations, and supervisory requirements remains a priority, alongside the ongoing improvement of the internal AML regulatory system. In 2024,

the Bank revised key policies including the rules of procedure for the AML Leadership Group and AML inspection management measures, further clarifying responsibilities, refining processes, and optimizing the management system to enhance AML effectiveness.

Anti-Unfair Competition

The Bank adheres to the principles of fair competition in its business operations, fully complying with relevant laws and regulations to ensure business activities are conducted in accordance with legal and regulatory requirements. In both personal and corporate banking functions, the Bank upholds prudent business

practices and ensures fairness and transparency in all transactions. Regular compliance education is conducted to raise employee awareness, strengthen behavioral management, deter violations, and uphold market order.

Capacity Building

Anti-corruption capacity building is regarded as an essential measure in advancing comprehensive and strict Party governance and strengthening corporate governance. Bank-wide theoretical learning and warning education activities help reinforce an ethical culture and continuously improve employees' integrity awareness and behavioral standards. During the reporting period, the Bank's leadership team upheld systematic and standardized theoretical learning practices. We further innovated our learning formats, enriched educational content, deepened our reflection and understanding, strengthened practical application, and maintained steadfast commitment to our principles. These efforts have comprehensively enhanced our political acumen, strategic thinking, and operational capabilities required to drive high-quality corporate development.

In line with the principles of "tailoring training by management level, target group, format, and content", the Bank has developed specific AML training

programs, including regular training, internal AML position entry training, external institution workshops, and business line-specific AML training, for senior management, AML officers, front-line personnel, and employees of affiliated institutions. The Bank is committed to enhancing the AML awareness and proficiency across all organizational levels and affiliated institutions, promoting a consistent Group-wide culture of AML compliance. AML training is fully integrated into the Bank's routine quarterly employee training. During the reporting period, 4,019 participants took part in AML training sessions.

Business ethics training (including part-time employees and contractors) coverage reached

100%



Whistleblowing Management

The Bank has established the Regulations on Handling Whistleblowing of Violations and Misconduct at SHRCB, which stipulates that “the Bank shall fulfill its duty of confidentiality regarding the personal privacy of whistleblowers and any confidential information contained in whistleblowing materials, and shall not disclose such information without authorization”. These measures define the management system and procedures for handling whistleblowing reports,

ensuring the protection of whistleblowers’ rights. Whistleblowing investigations are conducted under the unified leadership of the Party Committee of the Head Office, with relevant functional departments and branches carrying out investigations under their respective responsibilities and applicable laws and regulations. Written investigation reports are prepared for any violations, and whistleblowers are promptly informed of the outcomes.

Whistleblowing Management Measures at SHRCB



Whistleblowing channel

The Bank provides multiple channels for reporting, including online platforms, written correspondence, telephone, fax, and in-person visits. A 24/7 hotline for reporting business misconduct is established and publicly displayed on the Bank’s website and at all business locations to facilitate public oversight and reporting.



Whistleblowing management

Reports and complaints handled by the disciplinary inspection and supervision authorities are managed by the Shanghai Municipal Commission for Discipline Inspection and Supervision stationed at SHRCB. Reports outside the scope of the disciplinary inspection group are managed by the Head Office’s General Office, with investigations conducted based on the hierarchical level of the reported individual.



Whistleblower protection

The Bank protects whistleblowers’ rights by accepting anonymous reports and performing the confidentiality obligations. Personal information of whistleblowers and any confidential content in whistleblowing materials are kept confidential and are not disclosed without authorization. Investigation personnel with direct interests in the reported matter, whistleblower, or reported individual are required to recuse themselves.

In 2024, the Bank received 109 whistleblowing reports outside the scope of the disciplinary inspection group, including 26 written and in-person reports, 25 hotline reports for business misconduct, and 58 reports forwarded by higher

regulatory authorities. All reports were handled in accordance with laws, regulations, and internal management systems.

Responsible Taxation

In compliance with laws and regulations such as the *Enterprise Income Tax Law of the People’s Republic of China*, the *Individual Income Tax Law of the People’s Republic of China*, and the *Tax Collection and Administration Law of the People’s Republic of China*, the Bank has established the Tax Management Measures of SHRCB and related operational guidelines for various tax types to ensure tax compliance. Additionally, the Bank optimizes tax management processes, strengthens internal collaboration, enhances professional capabilities, and

advances digital transformation to improve overall tax management. In the promotion of digital electronic invoices, the Bank fully supports the issuance and receipt of digital electronic invoices starting in 2024, providing corporate clients with invoice management services through such channels as corporate online banking to enhance tax management efficiency and drive digital transformation in tax management.

Intellectual Property Protection

The Bank regards intellectual property management as a crucial strategic support for innovation and development. The Bank has established the IPRs Management Measures of SHRCB and the Regulations of SHRCB for the Management of Fintech IPRs to provide guidelines for the creation, utilization, protection, and management of IPRs across the Bank. Under the guidance of its digital transformation strategy, the Bank continues to increase investment in technological innovation and accelerate the development of major digital transformation projects. By the end of 2024, the Bank secured 188 trademarks, 16 software copyrights, and 3 invention patents.

- **In terms of protecting IT system innovations**, the Bank promptly applies for patent and copyright protection for new algorithms, data processing methods, and other technical solutions that demonstrate novelty, creativity, and practical utility, ensuring that innovation outcomes are effectively secured. In 2024, the Bank filed applications for 7 new patents and 9 copyright registrations, further strengthening the legal protection for our technological innovations.

- **To protect brand image**, the Bank actively advances its trademark strategy. During the reporting period, the Bank registered the “Xiaoyuanbao” trademark and included a series of trademarks related to the concept of “finance for the people, serving the community” in its application plan, enhancing brand recognition and market influence.

By the end of 2024, the Bank secured

188 trademarks

software copyrights

16

invention patents

3

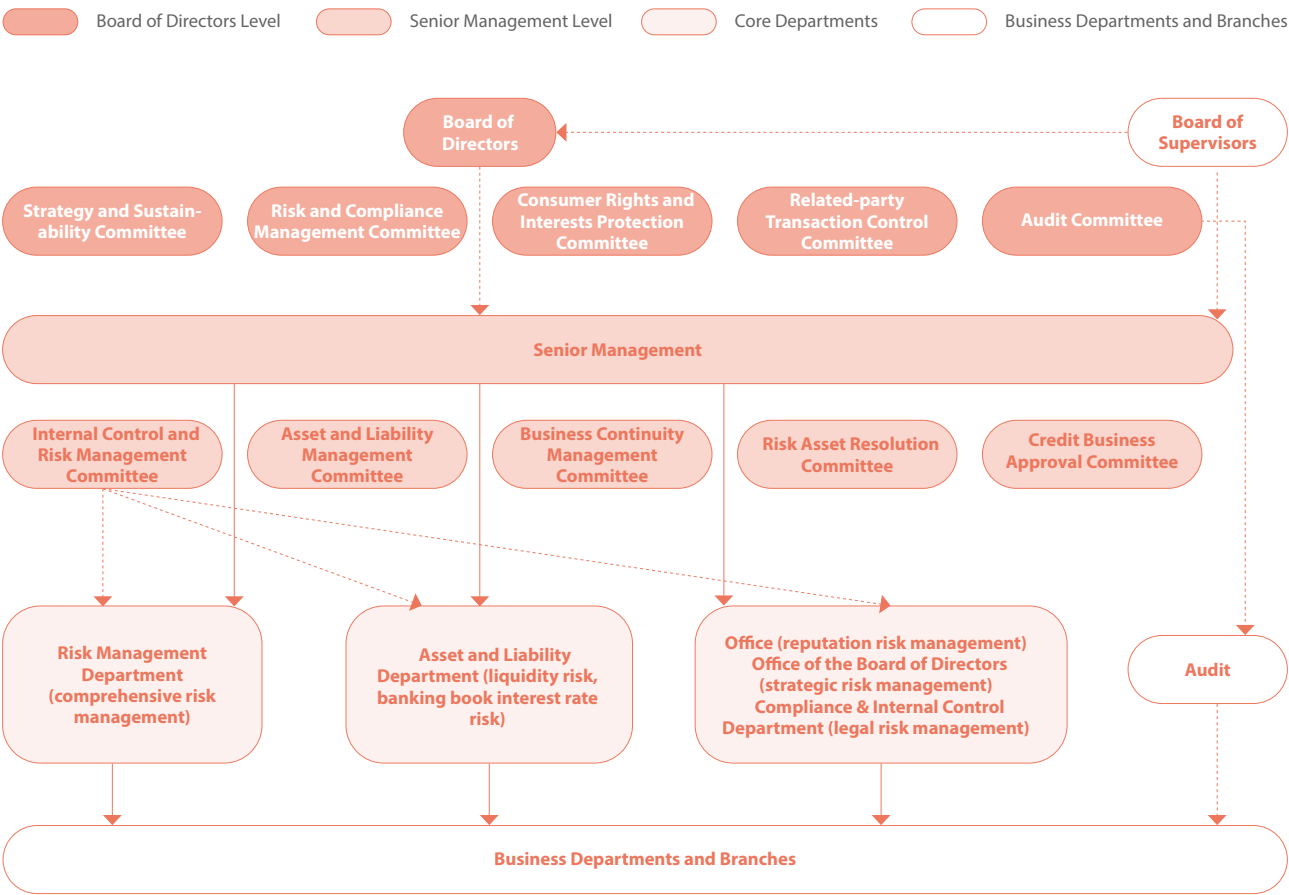


3.3 Risk Management

The Bank upholds the principle of “enhancing risk management capabilities and creating value through risk management”. Following the principles of alignment, comprehensiveness, independence, and effectiveness, the Bank has established a comprehensive risk management organizational structure that covers the entire Group. Under this framework, the Board of Directors assumes ultimate responsibility for risk management, the Board of Supervisors provides oversight, and the senior management provides direct leadership. The Risk Management Department coordinates and collaborates with business departments, and the Audit Department conducts independent, objective supervision, evaluation, and advisory activities.

The Board of Directors and its Risk and Compliance Management Committee are responsible for formulating risk management strategies and policies. The senior management has established specialized committees, including the Internal Control and Risk Management Committee, Credit Business Approval Committee, Risk Asset Resolution Committee, Asset and Liability Management Committee, and Business Continuity Management Committee, to implement internal control and risk management responsibilities. Additionally, the Bank has appointed a Chief Risk Officer under the senior management to lead the Bank’s risk management efforts, ensuring the efficient operation and continuous optimization of the risk management mechanism.

Risk Management Framework of SHRCB



In 2024, the Bank incorporated “enhancing group consolidation and comprehensive risk management systems” into its ten key projects, treating it as a long-term, systematic program. Leveraging the “digital and intelligent” transformation, the Bank has focused on improving risk management policies, processes, systems, data, and personnel, further enhancing its “preventive” capabilities to ensure stable asset quality and provide a solid foundation for the robust development of the five financial service systems.

Three Lines of Defense in Risk Management

The Bank has established a comprehensive risk management system that covers the entire Group, based on the “three lines of defense” model, creating a multi-layered, multi-dimensional risk management approach. Through a combination of qualitative and quantitative methods, the Bank systematically identifies,

assesses, monitors, and controls risks, including credit risk, market risk, operation risk, liquidity risk, banking book interest rate risk, concentration risk, strategic risk, reputation risk, legal risk, money laundering risk, model risk, and climate risk.

Three Lines of Defense in Risk Management at SHRCB

01

First line of defense: Business functional departments and branches

Direct responsibility for risk management tasks

02

Second line of defense: Risk management departments

Development and improvement of risk management policies and procedures, design of measurement tools and information systems, and risk monitoring and assessment

03

Third line of defense: Internal audit departments

Independent assessment of the adequacy and effectiveness of risk management systems, monitoring rectification efforts, and direct reporting to the Board of Directors

Risk Management Audit

The Bank conducts systematic reviews of key areas such as credit risk, market risk, and liquidity risk through regular and special audits, comprehensively evaluating the adequacy and effectiveness of risk management systems, processes, and execution. The audit activities focus on identifying potential

risks, promptly addressing issues, and driving corrective actions, supporting the continuous optimization of the risk management system and further enhancing the precision and efficiency of risk management across the Bank.

Risk Management Capacity Building

The Bank places a high priority on enhancing the risk management capabilities of all employees. Through diverse training programs, the Bank keeps pace with the latest trends and policy changes in risk management, continuously strengthening employees' risk awareness and professional risk management skills, providing strong support for the ongoing optimization of the Bank's risk management level.

During the reporting period, the Bank conducted multiple risk management training sessions, combining online and offline methods, and covering operation risk, interpretation of the new Company Law, stress testing, and business continuity management. The Risk Management Department organized 16 training sessions, with 14,201 participants and a total training duration of 12,770 hours.

3.4

Procurement Management

The Bank is committed to developing a transparent, standardized, and efficient procurement process. The SHRCB Supplier Management Measures and Implementation Rules for the Management of Supplier Misconduct at SHRCB have been formulated, establishing a strict framework for managing supplier misconduct. The Bank has formed an organizational structure for supplier misconduct management, coordinated by the Physical Assets and Centralized Procurement Committee, the Administration Office's Centralized Procurement Center, the FinTech Department, and branches/sub-branches.

Supplier misconduct is categorized for management purposes. For serious misconduct, such as submitting falsified documents, collusion for bid-rigging, bribery or offering improper benefits, or private negotiations outside the formal process, suppliers will be blacklisted and disqualified from participating in the Bank's procurement activities for three years. For general misconduct, participation is suspended for three to twelve months, depending on the severity of the case.

Additionally, the Bank has put in place an appeals mechanism. Suppliers subject to penalties for misconduct may lodge appeals through a formal process and submit detailed supporting materials. The Bank's relevant departments will conduct strict reviews and handle appeals in accordance with established procedures, ensuring that suppliers' legitimate rights and interests are fully protected.

3.5

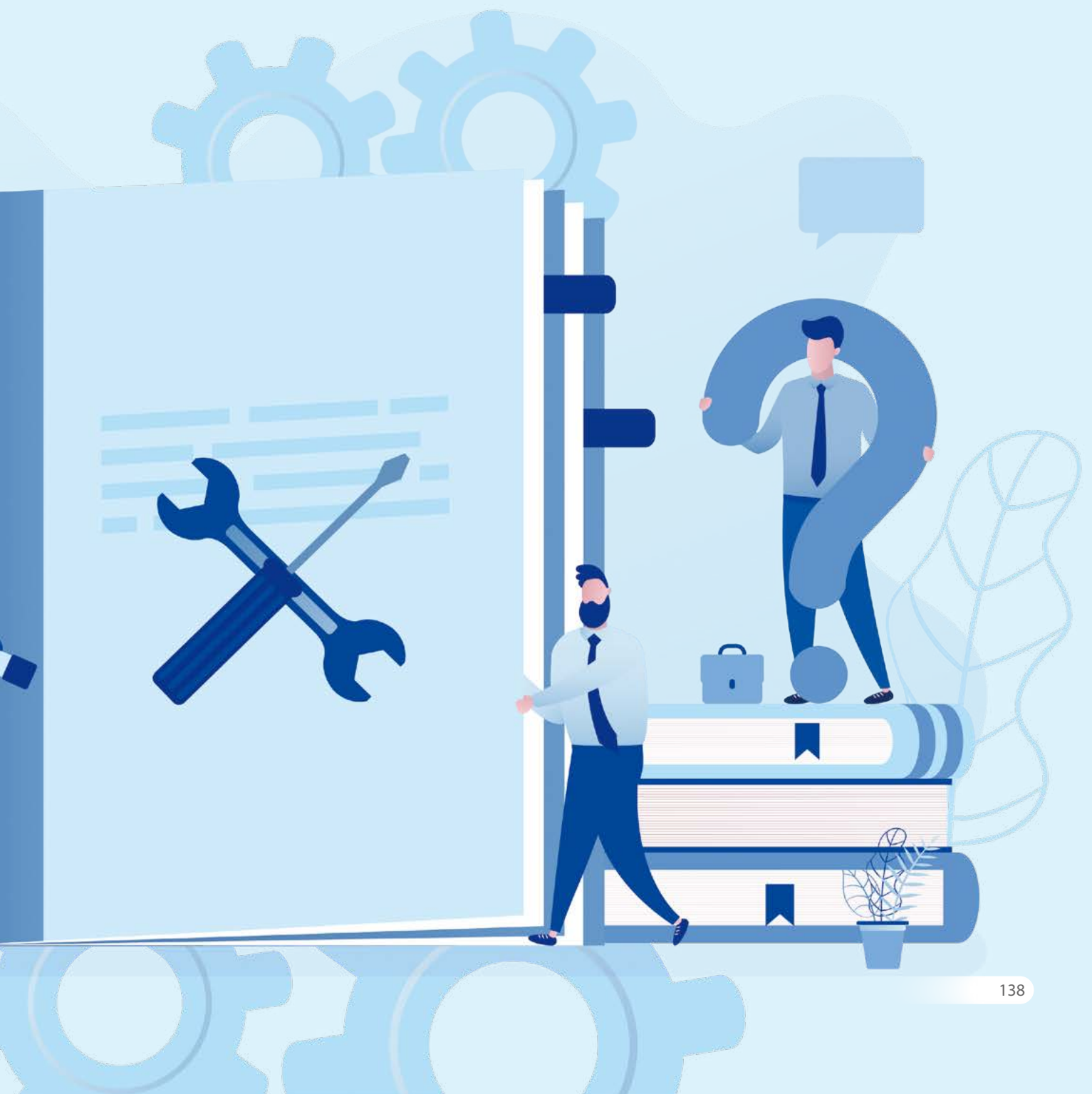
Governance Performance Data

Indicator	Unit	2024	2023	2022
Corporate governance				
Number of Board members	Person	15	16	16
Number of executive directors	Person	2	2	2
Number of non-executive directors	Person	8	8	7
Number of independent directors	Person	5	6	7
Number of male directors	Person	11	11	12
Number of female directors	Person	4	5	4
Number of Board meetings	Time	8	8	10

Indicator	Unit	2024	2023	2022
Average attendance rate of board meetings	%	97	96	95
Number of Board of Supervisors' meetings	Time	4	5	4
Average attendance rate of Board of Supervisors' meetings	%	95	100	100
Number of director training sessions	Time	7	/	/
Compliance and business ethics				
Business ethics training coverage (including part-time employees and contractors)	%	100	100	100
Number of anti-money laundering training sessions	Time	12	16	13
Number of people trained in anti-money laundering	Participant	4,019	2,595	3,023
Number of compliance case prevention warning education training	Time	15	12	16
Compliance case prevention warning education training attendance	Participant	9,894	9,248	8,998
Supplier management				
Supplier review coverage	%	100	100	100
Total number of suppliers	Account	942	756	1,062
Number of domestic suppliers	Account	940	754	1,061
Number of foreign suppliers	Account	2	2	1

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Independent Assurance Report



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有限保证的注册会计师独立鉴证报告

毕马威华振通字第 2500218 号

致上海农村商业银行股份有限公司董事会：

关于上海农村商业银行股份有限公司《上海农村商业银行股份有限公司 2024 年度社会责任暨环境、社会及治理（ESG）报告》（以下简称“《社会责任（ESG）报告》”）中选定信息的报告

一、结论

我们对截至 2024 年 12 月 31 日及截至 2024 年 12 月 31 日止年度上海农村商业银行股份有限公司（以下简称“上海农商银行”）的《社会责任（ESG）报告》中的以下信息（以下简称“需鉴证的可持续发展信息”）执行了有限保证的鉴证业务：

需鉴证的可持续发展信息	提供保证的时点或期间
营业网点数量（个）	截至 2024 年 12 月 31 日
绿色信贷余额（亿元）	截至 2024 年 12 月 31 日
小微企业专营机构数量（个）	截至 2024 年 12 月 31 日
女性员工人数（人）	截至 2024 年 12 月 31 日
女性管理人员人数（人）	截至 2024 年 12 月 31 日
总行大楼外购电力（千瓦时）	截至 2024 年 12 月 31 日止年度
涉农贷款余额（亿元）	截至 2024 年 12 月 31 日
科技型企业贷款余额（亿元）	截至 2024 年 12 月 31 日
金融科技投入（万元）	截至 2024 年 12 月 31 日止年度
对外捐赠额（万元）	截至 2024 年 12 月 31 日止年度

基于已实施的程序及获取的证据，我们没有注意到任何事项使我们相信截至 2024 年 12 月 31 日及截至 2024 年 12 月 31 日止年度上海农商银行《社会责任（ESG）报告》的需鉴证的可持续发展信息未能在所有重大方面按照本报告后附的《附录：可持续发展信息编制基础》（以下简称“编制基础”）所列标准编制。

KPMG Huazhen LLP, a People's Republic of China partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited ("KPMG International"), a private English company limited by guarantee.

毕马威华振会计师事务所(特殊普通合伙) — 中国会计师事务所，是英国私营担保有限公司 — 毕马威国际有限公司 ("毕马威国际") 相关成员所全球性组织中的成员。



有限保证的注册会计师独立鉴证报告（续）

毕马威华振通字第 2500218 号

一、结论（续）

我们对需鉴证的可持续发展信息形成的结论不涵盖随附或包含需鉴证的可持续发展信息及本报告的其他信息（以下简称“其他信息”）。其他信息不作为本次鉴证业务的一部分，我们没有对其他信息执行任何程序。

二、形成结论的基础

我们按照国际审计与鉴证准则理事会（IAASB）发布的《国际鉴证业务准则第 3000 号（修订版）——历史财务信息审计或审阅以外的鉴证业务》的规定执行了鉴证工作。本报告的“注册会计师的责任”部分进一步阐述了我们在这些准则下的责任。

我们遵守了国际会计师职业道德准则理事会（IESBA）发布的《国际会计师职业道德守则（包括国际独立性准则）》中的独立性和其他职业道德的要求。该职业道德守则以诚信、客观、专业胜任能力及应有的关注、保密和良好的职业行为为基本原则。

本所运用 IAASB 发布的《国际质量管理准则第 1 号（ISQM 1）——会计师事务所对执行财务报表审计或审阅、其他鉴证或相关服务业务实施的质量管理》。该准则要求会计师事务所设计、实施和运行质量管理体系，包括与遵守职业道德要求、执业准则和适用的法律和法规要求相关的政策和程序。

我们相信，我们获取的证据是充分、适当的，为形成结论提供了基础。

三、使用限制

本报告仅供董事会使用。除此之外，本报告不可用作其他目的。我们对任何其他人士使用本报告产生的一切后果不承担任何责任或义务。本段内容不影响已形成的结论。



有限保证的注册会计师独立鉴证报告（续）

毕马威华振通字第 2500218 号

四、对需鉴证的可持续发展信息的责任

上海农商银行的董事负责：

- 设计、执行和维护与编制需鉴证的可持续发展信息有关的内部控制，以使需鉴证的可持续发展信息不存在由于舞弊或错误导致的重大错报；
- 选择或制定用于编制需鉴证的可持续发展信息的适当标准，并适当地提及或描述所使用的标准；和
- 按照编制基础编制需鉴证的可持续发展信息。

五、编制需鉴证的可持续发展信息的固有限制

我们提请使用者注意，针对非财务数据，尚无公认的评估和计量标准体系，因此存在不统一的计量方法，这将会影响公司间数据的可比性。

六、注册会计师的责任

我们负责：

- 计划和实施鉴证工作，以对需鉴证的可持续发展信息是否不存在由于舞弊或错误导致的重大错报获取有限保证；
- 基于我们已实施的程序及获取的证据形成独立结论；
- 向上海农商银行董事会报告我们的结论。

我们已执行工作的概述，以作为形成结论的基础

在执行鉴证工作的过程中，我们运用了职业判断，并保持了职业怀疑。我们设计并实施了相关程序，以对需鉴证的可持续发展信息获取充分、适当的证据，作为形成结论的基础。选择的鉴证程序取决于我们对需鉴证的可持续发展信息和其他业务情况的了解，以及我们对能出现重大错报的领域的考虑。在实施鉴证工作时，我们实施的程序主要包括：

- 1) 与上海农商银行参与提供需鉴证的可持续发展信息的相关部门进行访谈；
- 2) 对需鉴证的可持续发展信息实施分析程序；
- 3) 对需鉴证的可持续发展信息实施抽样检查；及
- 4) 重新计算。



有限保证的注册会计师独立鉴证报告（续）

毕马威华振通字第 2500218 号

六、注册会计师的责任（续）

有限保证鉴证业务所实施程序的性质和时间较合理保证鉴证业务有所不同，且范围较小。因此，有限保证鉴证业务的保证程度低于合理保证鉴证业务。


毕马威华振会计师事务所（特殊普通合伙）
毕马威华振会计师事务所（特殊普通合伙）

中国 北京

日期：2025 年 4 月 24 日

附录：可持续发展信息编制基础

营业网点数量（个）：社会责任 (ESG) 报告披露的营业网点数量是指截至 2024 年 12 月 31 日，上海农商银行营业网点数量总和，即获取营业许可证的所有分支机构，包括已经获取许可证但尚未开始营业的分支机构。

绿色信贷余额（亿元）：社会责任 (ESG) 报告披露的绿色信贷余额是指截至 2024 年 12 月 31 日，上海农商银行绿色信贷余额表内余额，绿色信贷定义来源于原中国银行保险监督管理委员会 2020 年发布的《关于绿色融资绿色信贷余额统计制度有关工作的通知》等法律法规的有关规定，绿色信贷余额统计填报依据上海农商银行 2022 年发布的《关于进一步加强绿色信贷认定与分类标工作的通知》附件《上海农商银行绿色信贷分类标准》中原中国银行保险监督管理委员会统计口径进行统计测算。统计范围为总行及各分支机构。

小微企业专营机构数量（个）：社会责任 (ESG) 报告披露的小微企业专营机构数量是指截至 2024 年 12 月 31 日上海农商银行小微企业专营机构数量，小微企业专营机构的定义来源于《S4a 农村合作金融机构小微金融服务体系建设情况表填报说明》，包含持牌专营机构和小微特色支行，持牌专营机构指报经银行业监管部门批准领取金融许可证的小微企业专营支行。小微特色支行是指主要服务于小型、微型企业的，由农合机构自身认定的专业或特色支行（未得到银行监管部门认定）。统计范围为总行及各分支机构。

女性员工人数（人）：社会责任 (ESG) 报告披露的女性员工人数是指截至 2024 年 12 月 31 日，签有劳动合同的正式员工中女性员工和劳务派遣用工中女性人员的总人数。员工性别信息来源于员工身份证，统计范围为总行及各分支机构。

女性管理人员人数（人）：社会责任 (ESG) 报告披露的女性管理人员人数是指截至 2024 年 12 月 31 日，上海农商银行女性管理人员总人数，员工性别信息来源于员工身份证，管理人员是指科级助理及以上职级员工。统计范围为总行及各分支机构，包含劳务派遣人员。

总行大楼外购电力（千瓦时）：社会责任 (ESG) 报告披露的总行大楼外购电力是指 2024 年度上海农商银行总行大楼的外购电力消耗总量，外购电力数据来源于每月电费账单。

附录：可持续发展信息编制基础（续）

涉农贷款余额（亿元）：社会责任（ESG）报告披露的涉农贷款余额是截至 2024 年 12 月 31 日，上海农商银行根据金融监督管理总局非现场监管报表《S4b 农村合作金融机构金融服务能力情况统计表填报说明》口径统计的涉农贷款表内余额，包含上海农商银行发放给农户、农村企业及各类经济组织的贷款，以及发放给注册地位于城市区域的企业和各类组织从事农、林、牧、渔业活动以及支持农业和农村经济发展的贷款。统计范围为总行及各分支机构。

科技型企业贷款余额（亿元）：社会责任（ESG）报告披露的科技型企业贷款余额是截至 2024 年 12 月 31 日，上海农商银行根据金融监督管理总局非现场监管报表《Q37 科技金融统计监测表》口径统计的科技型企业贷款表内余额。统计范围为总行及各分支机构。

金融科技投入（万元）：社会责任（ESG）报告披露的金融科技投入是指 2024 年度上海农商银行根据金融监督管理总局非现场监管报表《银行业保险业信息科技非现场监管报表填报指南》口径统计的金融科技投入，包含 2024 年度年度信息科技投入、基础设施建设投入、电子设备采购投入、软件采购投入、系统开发项目投入、系统运维投入、信息科技咨询投入、信息科技人力资源费用及其他信息科技投入。统计范围为总行及各分支机构。

对外捐赠额（万元）：社会责任（ESG）报告披露的对外捐赠额是指 2024 年度上海农商银行根据《上海农商银行对外捐赠管理办法》，通过公益性社会团体或者县级以上人民政府及其部门，用于《中华人民共和国公益事业捐赠法》《中华人民共和国慈善法》规定的公益事业的捐赠。统计范围为总行及各分支机构、控股子公司。

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Statement of use	Shanghai Rural Commercial Bank has reported in accordance with the GRI Standards for the period from January 1, 2024, to December 31, 2024.
Applicable GRI Sector Standard(s)	GRI 1: Foundation 2021

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	2-2 Entities included in the organization's sustainability reporting	P1
	2-3 Reporting period, frequency and contact point	P1-2
	2-5 External assurance	P139-P144
	2-6 Activities, value chain and other business relationships	P8
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	2-9 Governance structure and composition	P121-P125
	2-10 Nomination and selection of the highest governance body	P121-P125
	2-11 Chair of the highest governance body	P121-P125
	2-12 Role of the highest governance body in overseeing the management of impacts	P121-P125
	2-13 Delegation of responsibility for managing impacts	P121-P125
GRI 2: General Disclosures	2-14 Role of the highest governance body in sustainability reporting	P15
	2-15 Conflicts of interest	P121-P125
	2-16 Communication of critical concerns	P121-P123
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	2-19 Remuneration policies	P125
	2-20 Process to determine remuneration	P125
	2-22 Statement on sustainable development strategy	P14

GRI Standard/ Other Source	Disclosure	Pages
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	2-24 Embedding policy commitment	P14-P16
	2-25 Processes to remediate negative impacts	P131
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	2-27 Compliance with laws and regulations	P17, P37-P39, P46, P85-P87, P89, P94-P95, P121, P130-P131
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	3-2 List of material topics	P29-P32
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	201-3 Defined benefit plan obligations and other retirement plans	P103-P105
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GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	P129-P130
	205-2 Communication and training about anti-corruption policies and procedures	P129-P130

GRI Standard/ Other Source	Disclosure	Pages
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	207-2 Tax governance, control, and risk management	P131
	207-3 Stakeholder engagement and management of concerns related to tax	P17-P18, P131
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	301-2 Recycled input materials used	P49
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GRI 302: Energy	302-3 Energy intensity	P49
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GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	P46-P47
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GRI Standard/ Other Source	Disclosure	Pages
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Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Reporting (Trial) issued by the Shanghai Stock Exchange

Domain	Issue	Disclosure Requirement	Pages
Environmental	Climate Response	Article 20: A disclosing entity shall actively pursue green and low-carbon growth and support the building of a beautiful China through such means as improving the processes, upgrading the production equipment, optimizing the energy mix, raising energy efficiency in production activities, developing and offering green products and services, and improving and strengthening management.	P35-P45
		Article 21: Aside from disclosing governance related to climate change tackling; strategies; impacts, risks, and opportunities management; indicators; and targets in accordance with Chapter II of these Guidelines, a disclosing entity shall also provide information on its climate response as required by this Section.	P35-P45
		Article 22: A disclosing entity shall, in the context of the climate risks and opportunities it has identified, assess the extent to which its strategies, business models, and other similar aspects are adapted to climate change.	P36-P38
		Article 23: A disclosing entity shall disclose its transition plans, actions, and progress in responding to climate risks and opportunities.	P36-P38
		Article 24: A disclosing entity shall calculate and disclose its total GHG emissions in the reporting period, and convert different GHG emissions into metric tons of carbon dioxide equivalent. The disclosing entity is encouraged to disclose Scope 1 and Scope 2 emissions and, if able, Scope 3 emissions. Any disclosing entity that uses carbon credits shall disclose the source and amount of the carbon credits it uses. Any disclosing entity that participates in carbon emissions trading shall disclose whether it has completed settlement and whether it has been ordered to take corrective actions or is formally investigated by a government agency within the reporting period. The Exchange encourages those disclosing entities that are able to engage a third party to audit or provide assurance on the GHG emissions data and other relevant figures.	P41
		Article 25: To enhance the transparency and comparability of GHG emissions data, a disclosing entity is encouraged to provide GHG emissions details at each scope level according to the following categories.	P41
		Article 26: A disclosing entity shall disclose the standards, methods, assumptions, or calculation tools used for GHG emissions accounting and state how emissions data are consolidated (such as by equity share proportion or financial and operating control). If there is a change to the accounting standards, methods, or assumptions in the reporting period, the disclosing entity shall state the reasons and specific impacts of these changes.	P41
		Article 27: A disclosing entity shall disclose information on GHG emissions reduction practices, including its participation in the various emissions reduction initiatives, emissions reduction targets and measures (e.g., management strategies, funding, development of technologies), and the outcomes. The disclosing entity shall disclose, for each scope level, the amount of GHG emissions directly reduced by such emissions reduction measures as redesigning production procedures, updating equipment, improving manufacturing processes, and switching fuels, and convert the data into metric tons of carbon dioxide equivalent. Emissions reductions may be disclosed by each measure used to achieve the reduction. The disclosing entity shall disclose its registration and trading activities in relation to the national projects for voluntary GHG emissions reduction and the China Certified Emission Reduction (CCER), as well as its registration and trading of any other emissions reduction initiatives and emissions savings.	P42-P47

Domain	Issue	Disclosure Requirement	Pages
Environmental	Climate Response	Article 28: Any disclosing entity that discloses new technologies, products, and services that contribute to decarbonization and carbon neutrality and the related R&D progress shall provide an objective and prudent account of the specifics of the technologies or services developed based on the relevant processes and technologies, the R&D investment and progress in the relevant businesses, approvals or certifications it has obtained, its mass production capacity, and its existing orders, among other information. The disclosing entity is encouraged to describe the impacts thereof on its current period's and future financial positions and operating results, as well as the possible uncertainties and risks.	P43-P45
	Pollution Control	Article 30 If a disclosing entity or one of its significant subsidiaries is listed on the registry of enterprises legally obligated to release environmental information, the disclosing entity shall disclose relevant information.	P46-P47
	Waste Management	Article 31: If the wastes produced by a disclosing entity's production and operational activities have a material impact on the environment, the disclosing entity shall disclose the essential details of the wastes produced in the reporting period.	P46-P47, P50
	Ecosystem and Biodiversity Protection	Article 32: If a disclosing entity's production and operational activities have a material impact on the ecosystem or biodiversity, the disclosing entity shall disclose the relevant content in the reporting period.	P41
	Environmental Compliance Management	Article 33: A disclosing entity shall disclose the following environmental information in accordance with the actual situations in the reporting period.	P46-P47
	Energy Utilization	Article 35: A disclosing entity shall disclose the details of its energy use in the reporting period.	P46-P47, P49
	Water Utilization	Article 36: A disclosing entity shall disclose the specifics of its use of water resources in the reporting period.	P46-P47, P49
	Circular Economy	Article 37: A disclosing entity shall disclose the specifics of the circular economy activities conducted within the reporting period.	P46-P47, P50
Social	Rural Revitalization	Article 39: A disclosing entity shall disclose its contributions to rural revitalization in the reporting period.	P57-62, P110
	Social Contributions	Article 40: A disclosing entity shall provide an overview of its contributions to the public and society in the reporting period, including but not limited to details on any charitable and volunteer activities organized, the amount of funds invested, number of personnel and time allocated, the outcomes, and the impact on its brand and businesses.	P75-76, P107-109, P118
	Innovation-Driven Development	Article 42: Provided that national security and state secrets are not involved and commercial secrets are protected, a disclosing entity is encouraged to voluntarily disclose the details on its promotion of technological innovation, commercialization and application of scientific and technological progress, and improvement of its technological edge in the reporting period.	P77-P78
	Ethics of Science and Technology	Article 43: Any disclosing entity engaged in such activities as scientific research and technology development in an ethically sensitive domain such as life sciences and artificial intelligence shall provide an overview of its compliance with the ethics of science and technology in the reporting period.	P77-P78
	Supply Chain Security	Article 45: Any industrial enterprise that is a disclosing entity may disclose its efforts to enhance supply chain risk management and ensure the security and stability of the supply chain in the reporting period.	P135-P136

Domain	Issue	Disclosure Requirement	Pages
Social	Equal Treatment of Small and Medium Enterprises (SMEs)	Article 46: If the balance of accounts payable (including notes payable) exceeds RMB 30 billion or represents more than 50 percent of the total assets at the end of the reporting period, the disclosing entity shall disclose the amount of overdue accounts payable by the end of the reporting period and the solutions it plans to implement. If a disclosing entity or one of its subsidiaries publicly indicates through the National Enterprise Credit Information Publicity System that it owes an overdue payment to a small and medium-sized enterprise ("SME"), it shall disclose the amount of the overdue payment, the payment term for SME suppliers, the reasons behind the overdue payment, whether the overdue payment has led to litigation or arbitration, and the solutions.	Not applicable ¹⁴
	Product and Service Safety and Quality	Article 47: A disclosing entity shall provide an overview of the safety and quality management of its products and services in the reporting period.	P82-P85
	Data Security and Customer Privacy Protection	Article 48: A disclosing entity shall provide an overview of its data security and customer privacy programs in the reporting period.	P82-P85
	Employees	Article 49: A disclosing entity shall protect the legitimate rights and interests of its employees in accordance with the law, provide them with a healthy and safe work environment, pay them salary and social security timely, strengthen employee training, and establish a reasonable and effective employee appeal system.	P94-P106, P114-P118
Sustainability-Related Governance	Due Diligence	Article 52: Each disclosing entity shall, in line with its realities, disclose information on the due diligence it has conducted during the reporting period in relation to identifying and responding to the negative sustainability-related impacts or risks, including but not limited to the organization or personnel carrying out the due diligence, the scope of due diligence, the procedures for identifying such negative impacts or risks, and the details on its response to the relevant negative impacts and risks.	P19-P32
	Communications with Stakeholders	Article 53: A disclosing entity shall disclose the details about its engagement with investors and other stakeholders during the reporting period.	P17-P18
	Anti-commercial Bribery and Anti-corruption	Article 55: A disclosing entity shall disclose the specifics of its anti-commercial bribery and anti-corruption efforts in the reporting period.	P128-P130
	Anti-unfair Competition	Article 56: A disclosing entity shall disclose the specifics of its efforts to combat unfair competition in the reporting period	P128-P130

[14] By the end of the reporting period, Shanghai Rural Commercial Bank did not have any accounts payable (including bills payable) to suppliers that exceeded RMB 30 billion or accounted for more than 50% of total assets.

Shanghai State-owned Listed Companies ESG Indicator System

Level 1 indicator	Level 2 indicator	Level 3 indicator	Disclosure requirements	Pages
E Environment	E1 Environmental management	E1.1 Environmental management targets and policies	Mandatory disclosure	P42
		E1.2 Certification of environmental management system	Disclosure encouraged	Not applicable
		E1.3 Green product R&D and adoption of environmentally friendly technologies	Explain if not disclosed	P43-P45
		E1.4 Total environmental protection investment	Explain if not disclosed	Not applicable
		E1.5 Environmental training performance	Explain if not disclosed	Not applicable
	E2 Energy	E2.1 Energy management objectives and planning	Mandatory disclosure	P46-P47
		E2.2 Energy saving measures	Explain if not disclosed	P46-P47
		E2.3 Renewable energy development and application	Explain if not disclosed	Not applicable
		E2.4 Total energy consumption	Explain if not disclosed	P49
	E3 Resources	E3.1 Resource management system and planning	Mandatory disclosure	P46-P47
		E3.2 Water resource objectives and planning	Mandatory disclosure	P46-P47
		E3.3 Water conservation measures	Explain if not disclosed	P46
		E3.4 Annual water consumption	Explain if not disclosed	P49
		E3.5 Other resource utilization management	Explain if not disclosed	P46-P47
	E4 Pollutants	E4.1 Wastewater management objectives and planning	Mandatory disclosure	Not applicable
		E4.2 Wastewater reduction measures	Explain if not disclosed	Not applicable

Level 1 indicator	Level 2 indicator	Level 3 indicator	Disclosure requirements	Pages
E Environment	E4 Pollutants	E4.3 Wastewater recycling volume	Explain if not disclosed	Not applicable
		E4.4 Wastewater pollutant emissions	Explain if not disclosed	Not applicable
		E4.5 Air pollutant management objectives and planning	Mandatory disclosure	Not applicable
		E4.6 Air emission reduction measures	Explain if not disclosed	Not applicable
		E4.7 Air emissions volume	Explain if not disclosed	Not applicable
		E4.8 Solid waste management objectives and planning	Mandatory disclosure	P46-P47
		E4.9 Solid waste processing measures	Explain if not disclosed	P46
		E4.10 Solid waste emission volume	Explain if not disclosed	P50
		E4.11 Solid waste recycling, utilization, disposal volume	Explain if not disclosed	P50
		E4.12 Other pollutant management	Explain if not disclosed	Not applicable
	E5 Climate Change	E5.1 Identification of climate change risks and establishment of objectives and strategies	Mandatory disclosure	P35-P42
		E5.2 Measures supporting national “carbon peaking and carbon neutrality” goals	Explain if not disclosed	P35-P42
		E5.3 Carbon verification/measurement measures	Explain if not disclosed	P41
		E5.4 Greenhouse gas emissions volume	Explain if not disclosed	P41
	E6 Biodiversity	E6.1 Biodiversity protection system	Mandatory disclosure	P41
		E6.2 Biodiversity protection measures	Explain if not disclosed	P41

Level 1 indicator	Level 2 indicator	Level 3 indicator	Disclosure requirements	Pages
S Social	S1 Products & Services	S1.1 Product safety & quality management system	Mandatory disclosure	P82-P85
		S1.2 Product quality management system certification	Disclosure encouraged	Not applicable
		S1.3 Product R&D and innovation	Explain if not disclosed	P77-P81
		S1.4 Intellectual property protection	Explain if not disclosed	P132
		S1.5 Customer data protection and privacy	Explain if not disclosed	P89-P93
		S1.6 Customer service management system	Mandatory disclosure	P79-P81
		S1.7 Responsible marketing	Explain if not disclosed	P85-P86
		S1.8 Number of customer complaints / resolution rate	Disclosure encouraged	P83-P84
		S1.9 Customer satisfaction	Disclosure encouraged	P113
	S2 Employee Responsibility	S2.1 Employment and employee composition	Disclosure encouraged	P96-P98, P114-P115
		S2.2 Employee turnover rate	Disclosure encouraged	P115
		S2.3 Employee democratic management	Explain if not disclosed	P95
		S2.4 Remuneration and benefits system	Explain if not disclosed	P99
		S2.5 Employee care	Explain if not disclosed	P103-P105
		S2.6 Employee satisfaction	Disclosure encouraged	P95
		S2.7 Occupational health and safety management	Mandatory disclosure	P105
		S2.8 Occupational health and safety system certification	Disclosure encouraged	Not applicable

Level 1 indicator	Level 2 indicator	Level 3 indicator	Disclosure requirements	Pages
S Social	S2 Employee Responsibility	S2.9 Safety emergency management measures	Explain if not disclosed	P105
		S2.10 Total work safety investment	Explain if not disclosed	Not applicable
		S2.11 Work safety training performance	Explain if not disclosed	Not applicable
		S2.12 Work-related injuries and fatalities	Explain if not disclosed	P116
		S2.13 Employee health check-up coverage rate	Disclosure encouraged	P105
		S2.14 Employee career development system	Mandatory disclosure	P99
		S2.15 Employee training and development measures	Explain if not disclosed	P100-P103
		S2.16 Outcomes of employee development	Explain if not disclosed	P117-P118
	S3 Supply Chain Responsibility	S3.1 Supplier management system	Mandatory disclosure	P47, P93, P135
		S3.2 Supplier ESG review	Disclosure encouraged	P47
	S4 Community Responsibility	S4.1 Public welfare and charity activities	Explain if not disclosed	P107-P109
		S4.2 Charitable contributions	Disclosure encouraged	P118
		S4.3 Volunteer service performance	Disclosure encouraged	P75-P76
	S5 Corporate Responsibility	S5.1 Support for national or Shanghai government strategies	Mandatory disclosure (distinct indicator)	P53-P78
		S5.2 Public crisis response	Explain if not disclosed (distinct indicator)	Not applicable
		S5.3 Information security	Explain if not disclosed (distinct indicator)	P89-P93
		S5.4 Public service	Explain if not disclosed (distinct indicator)	P75-P76, P107-P109
		S5.5 Tax contribution	Explain if not disclosed	P131

Level 1 indicator	Level 2 indicator	Level 3 indicator	Disclosure requirements	Pages
G Governance	G1 Corporate governance	G1.1 Party leadership	Explain if not disclosed (distinct indicator)	P121
		G1.2 Separation of Chairman/General Manager	Explain if not disclosed	P3-P6
		G1.3 Proportion of external directors	Explain if not disclosed	Not applicable
		G1.4 Compliance management system	Mandatory disclosure	P128
		G1.5 Risk management system	Mandatory disclosure	P133-P134
		G1.6 Audit system	Mandatory disclosure	P122, P128
		G1.7 Measures for preventing unethical business conduct	Explain if not disclosed	P129-P131
		G1.8 Anti-monopoly and fair competition	Explain if not disclosed	P130
	G2 ESG Governance	G2.1 Board involvement in ESG management	Mandatory disclosure	P122-P123
		G2.2 ESG organizational framework	Mandatory disclosure	P15
		G2.3 ESG strategies/objectives	Explain if not disclosed	P14
		G2.4 ESG stakeholder identification	Disclosure encouraged	P17-P18
		G2.5 Identification of material ESG issues	Disclosure encouraged	P19-P32
		G2.6 ESG-related policies	Mandatory disclosure	P14-P16
		G2.7 Stakeholder engagement activities	Disclosure encouraged	P17-P18
		G2.8 Linking management remuneration with ESG performance	Disclosure encouraged	P125
		G2.9 ESG integration into business processes	Disclosure encouraged	P43-P45
	G3 Data Governance	G3.1 Foundational platform development	Disclosure encouraged (distinct indicator)	P77-P78
		G3.2 Data aggregation and interoperability	Disclosure encouraged (distinct indicator)	P77-P78, P89
		G3.3 Data governance system	Disclosure encouraged (distinct indicator)	P89-P93



Feedback Form

Dear readers,

Thank you for reading this Report. To better provide you and other stakeholders with valuable information and drive us to continuously improve our CSR performance, we sincerely expect any precious opinions from you on the report. You can give us your feedback in the following ways:

Tel: 021-61899333

Email: ir@shrcb.com

Address: 9th Floor, No. 70, Zhongshan East 2nd Road, Huangpu District, Shanghai

Contact: Office of the Board of Directors of Shanghai Rural Commercial Bank Co., Ltd.

1. Which of the following stakeholder types apply to you?

- ☐ Shareholder and Investor ☐ Customer ☐ Employee
☐ Government and Regulator ☐ Supplier and Partner ☐ Community
☐ The Public and Media ☐ Others

2. What do you think of this Report overall?

- ☐ Very good ☐ Good ☐ Average

3. Do you think whether or not this Report fully reflects SHRCB's performance in ESG?

- ☐ Yes ☐ Averagely ☐ No

4. Do you think whether the information, data and indicators disclosed in this Report are clear, accurate and complete or not?

- ☐ Yes ☐ Averagely ☐ No

5. Do you think whether the content arrangement and layout design of this Report are clear and easy to understand and read?

- ☐ Yes ☐ Averagely ☐ No

6. Do you have any other suggestions on SHRCB's report preparation and CSR fulfillment?

Sincerely thank you for your support and help to SHRCB.