



2025 Sustainability Report

Environmental · Social · Governance

Stock code: 601825



Mission

Inclusive Finance Delivers Better Life

Vision

Build a Service-Oriented Bank to Create Value for Customers

Build 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

Realize the shared dream of harmony



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About the Report

This report is the 2025 Sustainability Report released to the public by Shanghai Rural Commercial Bank Co., Ltd. It discloses the Bank's key practices and achievements in Environmental, Social, and Governance (ESG) fields during 2025, adhering to the principles of transparency, standardization, and comprehensiveness. This report aims to address the expectations and concerns of stakeholders while driving the Bank's continuous improvement in sustainability performance.

Reporting Boundaries

Reporting Period: From January 1, 2025, to December 31, 2025. Certain descriptions and data points include historical context from previous years. To ensure consistency and continuity, some content may extend beyond this specific time-frame.

Organizational Scope: This report primarily focuses on Shanghai Rural Commercial Bank. Some sections cover the village and township banks established by the Bank, as well as Changjiang United Financial Leasing Co., Ltd.

Reporting Cycle: This is an annual report. The most recent previous report was published in April 2025.

Publication History: The Bank has released social responsibility reports for 19 consecutive years since 2007, and this marks the fourth consecutive year of publishing a Sustainability (ESG) Report.

Reporting Basis

This report is prepared in compliance with the *Opinions on Strengthening the Social Responsibility of Banking Financial Institutions* issued by the former China Banking Regulatory Commission, the *Guidelines for the Corporate Social Responsibility of Chinese Banking Financial Institutions* by the China Banking Association, the *Self-Regulatory Guidelines for Listed Companies No. 14 — Sustainability Report (Trial)* and the *Self-Regulatory Guide for Listed Companies No. 4 — Preparation of Sustainability Reports* by the Shanghai Stock Exchange, the *Basic Standards for Corporate Sustainability Disclosure (Trial)* and the *Corporate Sustainability Disclosure Standard No. 1 — Climate (Trial)* by the Ministry of Finance, the *Shanghai State-owned Listed Companies Environmental, Social and Governance (ESG) Indicator System (2026 Edition)* by the Shanghai SASAC, and the *Principles for Responsible Banking (PRB)* of the United Nations Environment Programme. Furthermore, this report refers to the Global Reporting Initiative (GRI) *Sustainability Reporting Standards (2021 Edition)*, the International Sustainability Standards Board (ISSB) *IFRS Sustainability Disclosure Standard No. 1 — General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)* and *IFRS Sustainability Disclosure Standard No. 2 — Climate-related Disclosures (IFRS S2)*.

Publication

This report is published in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese text shall prevail. This report is printed on recycled, eco-friendly paper and is available in both hard copy and digital formats.

The digital version can be accessed and downloaded via the Shanghai Stock Exchange website (www.sse.com.cn) and the Bank's official website (www.shrcb.com).

Designations

In this report, "Shanghai Rural Commercial Bank Co., Ltd. and its subsidiaries" is referred to as "the Group"; "Shanghai Rural Commercial Bank Co., Ltd." is referred to as "SHRCB" or "the Bank"; and "Changjiang United Financial Leasing Co., Ltd." is referred to as "Changjiang Financial Leasing".

Data and Information

Financial data within this report are derived from the *Shanghai Rural Commercial Bank Co., Ltd. 2025 Annual Report*. Other data are sourced from internal documents, statements, and statistical records. Unless otherwise specified, all monetary amounts are denominated in Renminbi (RMB).

The time-frames used for analyzing the impact of risks and opportunities are defined in accordance with the Ministry of Finance's *Basic Standards for Corporate Sustainability Disclosure (Trial)*: Short-term refers to 1 year or less after the reporting period; medium-term refers to between 1 and 5 years (inclusive); and long-term refers to more than 5 years.

Assurance

KPMG Huazhen LLP (Special General Partnership) was engaged to perform a limited assurance engagement on selected key data disclosed in this report, in accordance with the *International Standard on Assurance Engagements 3000 (Revised) — Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. The Independent Assurance Report is available in the "Independent Assurance Report" section.

Furthermore, the Board of Directors and all members thereof guarantee that this report contains no false records, misleading statements, or material omissions, and they assume legal responsibility for the truthfulness, accuracy, and completeness of its contents.

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Message from the Chairman



XU Li

Secretary of the Party Committee, Chairman

Walking through the streets and alleys of Shanghai in the early morning, one can always feel the vibrant breath of life rising at the alley entrances, see the unfolding fresh greenery in the suburbs, and hear the continuous greetings within the communities. The development of the city is often embedded in these seemingly ordinary daily routines, and the value of finance is reflected in the safeguarding and connection of these daily routines.

The year 2025 marks the twentieth anniversary of the Bank's restructuring and establishment. Over the past twenty years, we have consistently taken root in the land of Shanghai, serving urban development, industrial transition, and the people's daily lives. We have also increasingly and profoundly realized that the growth of a bank should not only resonate with the times, but also coexist with the environment and integrate with the society. For us, ESG has never been an optional addition to development, but rather a long-term choice to fulfill the mission of "Inclusive Finance Delivers Better Life".

The year 2025 is also the concluding year of the Bank's 2023–2025 development strategy. Over the past year, we have fully and excellently executed the "Five Major Articles" of finance. We have continuously exerted efforts in providing financial services for the real economy, inclusive small and micro enterprises, technological innovation, and the people's livelihood, with various tasks achieving new progress. Our mainstream ESG ratings at home and abroad have advanced to the industry's leading level, and the strategic goal of becoming a "Demonstration bank for ESG management" has been fundamentally realized, allowing us to forge a sustainable development path featuring the characteristics of a local rural commercial bank.

Honoring the Promise of Lucid Waters and Lush Mountains, Painting an Ecological Panorama with Financial Power

All things thrive when they obtain their roots. The year 2025 coincides with the twentieth anniversary of General Secretary Xi Jinping's concept that "Lucid waters and lush mountains are invaluable assets". As the two twentieth anniversaries converge, our original aspiration remains eternal. Inheriting the legacy of the Shanghai rural credit sector established in 1949, our green genes are innate and have long been deeply embedded in every aspect of our operations and management. We uphold our positioning, remain steadfast in our strategy, and contribute rural commercial wisdom to the construction of an innovative, livable, beautiful, resilient, civilized, and smart modernized people's city. We have continuously broadened the scope of carbon emission measurements for investment, financing, and our own operations, conducted climate transition stress tests, explored the establishment of a customer ESG risk evaluation system, and enhanced our own climate resilience.

We have launched the "Lv Xin Tong Zhou" green finance brand, integrating the business segments of green credit, green bonds, green retail, and green leasing. We have innovated green financial products, successfully issued the nation's first structured deposit product linked to the daily temperature index of the Yangtze River Delta, and executed the city's first water withdrawal right pledge loan. By the end of 2025, the Group's total green financial services exceeded RMB 100 billion, facilitating the comprehensive green transition of the economy and society.

Simultaneously, we have actively responded to the national's "Carbon Peak and Carbon Neutral" strategy, systematically advancing green operational initiatives such as energy conservation, carbon reduction, water conservation, and the construction of green branches. We have organized various themed training sessions on green operations, guiding employees to consciously adopt a green and low-carbon style in work and life.

Fulfilling the Responsibility of Finance for the People, Serving the Livelihood of the Public with Solid Actions

Ensuring the happiness of the people's lives is the paramount priority of the nation. We adhere to the "customer-centric" business philosophy and the business strategy of "focusing on the small and the dispersed", striving to build a service-oriented bank that creates value for customers. In 2025, we concentrated on our core responsibilities and primary businesses, launching the "Ke Xin Nong" exclusive financial service scheme for agricultural technology enterprises, and executing the city's first "facility agriculture fixed asset loan" under the agricultural guarantee framework. We have continuously improved the development of the grid service system and the rural credit system, injecting financial vitality into rural revitalization. We have introduced inclusive products such as the "Shanghai Trade Batch Loan", "Entrepreneurship Guarantee Batch Loan", and "Accumulation Loan", resolving financing bottlenecks and ensuring that inclusive finance genuinely benefits small and micro entities. By the end of 2025, the Bank's agriculture-related loan balance stood at RMB 66.00 billion, an increase of 2.44% from the end of the previous year; the inclusive small and micro loan balance reached RMB 92.83 billion, an increase of 7.18% from the end of the previous year.

We firmly believe that planning for technological innovation is planning for the future. Since 2009, we have continuously deepened our cultivation of technology finance, centering on the construction of the Shanghai International Sci-tech Innovation Center and focusing on serving "early-stage, small-scale, and hard-technology" enterprises. In 2025, we further upgraded the "Xin Dong Neng" sci-tech innovation service brand, introducing industry-specific schemes such as the "Intelligent Driving Loan" for artificial intelligence and the "Star-Arrow Loan" for aerospace equipment, aligning with the development patterns and growth needs of technology enterprises. We launched the "Xin Dong Neng +" online empowerment platform, integrating multiple resources including legal, tax, and investment services, to provide entrepreneurs with a full-ecosystem technological innovation empowerment. We collaborated with universities to innovate the "donation +" model, assisting early-stage scientific research projects in translating their outcomes. By the end of 2025, the Bank served approximately 30% of Shanghai's "Specialized, Refined, Differential and Innovative" (SRDI) small and medium enterprises and nearly half of the SRDI "Little Giant" enterprises. The technology loan balance was RMB 121.25 billion, an increase of 12.84% from the end of the previous year.

We resolutely build the "Shanghai model for senior-care finance", advancing the construction of branches characterized by pension finance and upgrading the pension financial service system. In 2025, we served over 4 million elderly customers aged 60 and above in Shanghai. We opened Shanghai's first social security-themed bank and age-friendly experience pavilion, providing convenient, efficient, and considerate one-stop service experiences for the elderly demographic. We deepened the development of "Xin Jia Yuan" as the primary platform for empowering social governance, collaborating with multiple stakeholders including the government, enterprises, and sub-districts to build a diversified service system. By the end of 2025, the Bank had established 1,040 "Xin Jia Yuan" public service stations and cumulatively conducted over 40,000 diverse public welfare services, assisting communities in bridging the last mile of essential livelihood services.

We steadfastly uphold the original aspiration of finance for the people, deepening the application of digital financial technologies, promoting the integration of business and technology, and continuously enhancing the accessibility of financial services and the customer experience. We have strengthened the protection of consumer rights and interests, perfected the complaint handling mechanism, strictly prevented ethical risks in financial technology, and guaranteed fairness in financial consumption. Focusing on demographics such as the elderly, the youth, the new, and the foreign, we cumulatively conducted 6,980 various financial education and publicity activities in 2025, reaching financial consumers 4.75 million times, thereby securely guarding the people's "money bags".

Pursuing the Path of Compliance and Prudence, Fortifying the Operational Foundation with Sound Governance

All endeavors succeed when they follow their proper path. We regard Party building guidance as the fundamental basis and sound governance as the cornerstone, executing the campaign to "focus on execution, strengthen management, and refine internal capabilities", thereby driving sustainable development with high quality. In 2025, we integrated and restructured the committees under the Board of Directors, establishing the Strategy, ARF (agriculture, rural areas, and farmers) and Sustainable Development (ESG) Committee, which effectively promoted the deep integration of ESG governance concepts with business development strategies. We implemented the requirements of the Company Law, optimized the top-level design of corporate governance, and enhanced corporate governance effectiveness. We emphasized the construction of compliance and internal controls, strengthened comprehensive risk management, and fostered an upright and transparent financial environment. Taking the lead within the industry, we executed and completed the 2025 interim cash dividend distribution, sharing the fruits of value creation with our investors.

Through twenty years of trials and hardships, our original aspiration remains as firm as a rock. Stepping towards the new journey of the "15th Five-Year Plan" and opening a new chapter of our next round of development strategies, we will harness the vigor and enthusiasm of "walking towards the sun", maintain the perseverance and composure of a "century-old enterprise", and be guided by the brand-new "HARVEST" ESG brand. We will deeply cultivate the path of sustainable development, drive the comprehensive dimensional elevation of our service-oriented bank centered on "three-dimensional value creation", and contribute rural commercial power to the grand historic undertaking of serving the national strategic layout, empowering social governance, and facilitating high-quality economic development.

¹ The word HARVEST symbolizes the "fruitful results" the Bank is destined to achieve in the ESG field. With "V" positioned at the center, it underscores Value Creation as the core of our operations. The six surrounding letters represent the strategic pillars of our ESG management: "H" for Human Capital Development, "A" for Access to Finance, "R" for Rural Revitalization, "V" for Value Creation, "E" for Environmental Impact, "S" for Social Governance, and "T" for Technology Finance.

Message from the President



WANG Ming

Deputy Secretary of the Party Committee,
Vice Chairman, President

In 2025, Shanghai Rural Commercial Bank upheld the mission of "Inclusive Finance Delivers Better Life", strengthened customer operations, characteristic cultivation, and value creation. We continuously advanced the development of our five major financial service systems, further integrated the concept of sustainable development into our operational and management practices, and consolidated the foundation for high-quality development. The Bank's total asset scale grew steadily, overall profitability remained sound, the non-performing loan (NPL) ratio was maintained below 1% for consecutive years, and both the provision coverage ratio and capital adequacy levels remained high. The Bank was included in the CSI 300 and SSE 180 indices, ranked first among urban rural commercial banks in the "Gyroscope" evaluation of the China's banking sector for five consecutive years, and saw its MSCI ESG rating upgraded to AA, thereby joining the leading ranks of the industry.

Embracing a Green Foundation, Advancing Jointly towards a Low-Carbon Future Vision

Green is the underlying color of high-quality development and the commitment of responsible finance. We implemented the national "Carbon Peak and Carbon Neutral" strategy, launched the "Lv Xin Tong Zhou" green finance brand, continuously refined our green financial products, and supported the green transition of the economy and society. From innovating the city's first water withdrawal right pledge loan and issuing the first "climate loan" to farmers' professional cooperatives, to executing transition finance loans for the air transport industry and launching meteorological index-linked structured deposits, we are dedicated to directing more financial resources toward a more sustainable future. By the end of 2025, the Group's total green financial services exceeded RMB 100 billion.

We comprehensively advanced green operations and actively guided all employees to embrace green and low-carbon principles. In 2025, 19 branches and sub-branches reduced their energy consumption, the Zhangjiang Technology Sub-branch achieved operational carbon neutrality for the fifth consecutive year, 6 outlets were recognized as green demonstration or standard-compliant outlets, and paperless office practices were further promoted.

Rooted in Inclusion, Fulfilling the Dreams of Thousands of Enterprises and Households

Serving "ARF" (agriculture, rural areas, and farmers) is the Bank's original aspiration, and inclusive finance is our vision. We deeply implemented the rural revitalization strategy, providing comprehensive financial service schemes for the entire agricultural industry chain, covering production, supply, and marketing, as well as for agricultural technology. From executing the city's first "facility agriculture fixed asset loan" under the agricultural guarantee framework, supporting the "Man Shan Xiang Yu" rural cultural and tourism project, and promoting whole-village credit extensions, to providing direct bank-agriculture connection services for rural collective units and launching the "Ke Xin Nong Dual-Engine Plan" to empower agricultural technology enterprises, we have consistently taken root in "ARF". We have irrigated the vast fertile soil with the living water of finance, striving to create a Shanghai paradigm for rural revitalization. By the end of 2025, the Bank's agriculture-related loan balance exceeded RMB 66 billion, serving over 800 diverse agriculture-related operating entities, including leading agricultural enterprises and farmers' professional cooperatives, thereby continuing to play a primary role in Shanghai's "ARF" financial services.

We adhered to the strategy of "focusing on the small and the dispersed", intensified our financial support for small and micro enterprises, and committed ourselves to building a widely covered, multi-tiered, and sustainable inclusive financial service system. We continuously innovated and iterated our inclusive financial products, launching the industrial park "Batch Loan", "Government Procurement Loan", and "Job Stabilization and Expansion Loan". For foreign trade enterprises, we introduced the "Xin Yi Cross-border" and "Shanghai Trade Batch Loan", while also deepening our seamless loan renewal services. We strengthened the integration of inclusive micro-loans, established a micro-loan center, and further extended our service reach to the grassroots level. Utilizing the power of finance, we nourished the capillaries of the real economy and uplifted every striving dream of employment and entrepreneurship. By the end of 2025, the Bank's inclusive small and micro loan balance reached RMB 92.83 billion, serving nearly 60,000 inclusive small and micro customers.

Centered on the construction of the Shanghai International Sci-tech Innovation Center, we built a sci-tech innovation financial service system driven dually by "industry finance + sci-tech innovation ecology". We upgraded the "Xin Dong Neng" service brand, perfected the "six-dimensional empowerment" service system, and developed an online empowerment platform. Focusing on key sectors, we introduced industry-specific service schemes such as the "Computing Power Loan" and "Intelligent Driving Loan". We pioneered the "donation +" model and established a special proof-of-concept fund to facilitate the commercialization of university scientific research outcomes. We actively leveraged our functions in capital supply, information convergence, resource matchmaking, policy alignment, and ecosystem building, growing alongside sci-tech innovation enterprises through financial empowerment. By the end of 2025, the Bank's technology loan balance surpassed RMB 120 billion, with over 5,700 technology loan customers. We served nearly half of the city's "Specialized, Refined, Differential and Innovative" (SRDI) "Little Giant" enterprises and approximately 30% of the SRDI small and medium enterprises.

Caring for the People's Livelihood, Collaboratively Building Harmonious and Beautiful Community Homes

The people's livelihood is the ultimate political and our deepest sentiment. Shanghai is a profoundly aging society; the Bank serves over 70% of the city's elderly population and manages pension distributions for over 1.35 million customers. Establishing the "Shanghai model for senior-care finance" remains our steadfast objective. We vigorously advanced the development of the pension financial service system, establishing over a hundred pension finance-themed outlets and over a thousand "Xin Jia Yuan" public service stations. We opened the city's first social security-themed bank and operated over 350 outlets with direct social security-bank connections. We introduced the "Six Exclusives" service system, ranging from secure and steady pension products to exclusive benefits, from caring service windows to peaceful enjoyment booths, and from age-friendly "micro-renovations" at branches to the "Senior Friendly Edition" mobile banking application, continuously optimizing the service experience for the elderly.

In collaboration with governments at all levels, as well as educational, medical, and cultural institutions, we continuously deepened the construction of "Xin Jia Yuan", introducing various services such as universities for the elderly, health care initiatives, and discounted agricultural products. We brought warmth to solitary seniors by "Lighting up micro-wishes", accompanied children's growth through the "Little Financier" program, and protected delivery riders and sanitation workers with "Heart-warming Stations". Through these efforts, we assisted grassroots communities in transforming into beautiful homes co-built, co-

governed, and shared by the people.

We actively participated in public welfare and charitable causes, continuously advancing initiatives such as "Hundred Enterprises Helping Hundred Villages", comprehensive rural assistance, pairing assistance between urban and rural Party organizations, and caring for rural children. In 2025, the Group's total charitable donations amounted to RMB 27 million.

Anchored in Governance, Fortifying the Cornerstone of Compliance and Prudence

We adhered to the guidance of Party building, perfected our governance structure, deepened our operational management mechanisms, and consolidated the foundation for high-quality development. We strengthened compliance and internal control management, upheld business ethics, and continuously conducted employee professional ethics education and behavioral management, embedding the concept of compliant operations deeply into the minds of our staff. We deepened the digital and intelligent transformation of risk management, enhancing the systematic, professional, and forward-looking nature of our risk management framework.

Arduous trials lie behind, we forge ahead for a new start. The year 2026 marks the inaugural year of the "15th Five-Year Plan", and Shanghai Rural Commercial Bank is embarking on a new journey of development. Centered around the "Five Major Articles" of finance and the construction of Shanghai's "Five Centers", we will leverage superior services, enhanced professional capabilities, and a more resolute commitment to press forward tirelessly. We will accelerate the advancement of high-quality sustainable development, making greater contributions to our customers, our shareholders, and society!

About Us

Company Profile

Founded on August 25, 2005, Shanghai Rural Commercial Bank is a state-controlled corporate bank headquartered in Shanghai. It is the first provincial joint-stock commercial bank in the country restructured and established on the basis of rural credit cooperatives. On August 19, 2021, the Bank was listed on the Main Board of the Shanghai Stock Exchange (Stock Abbreviation: SHRCB, Stock Code: 601825). On October 18, 2022, the Bank officially signed the United Nations Principles for Responsible Banking (PRB) and joined the United Nations Environment Programme Finance Initiative (UNEP FI), thereby becoming the first commercial bank in Shanghai to commit to upholding the United Nations Principles for Responsible Banking.

The Bank diligently implements the various decisions and deployments of the CPC Central Committee, the State Council, and the Shanghai Municipal Party Committee and Municipal Government. Guided by Party building, the Bank is anchored by three major core strategies: "Insisting on customer-oriented, being committed to inclusive finance and staying firm in digital transformation". The Bank fully executes the "Five Major Articles" on finance and focuses on building a comprehensive service ecosystem. This includes: a retail financial service system driven by wealth management, an integrated financial service system driven by transaction banking, an inclusive financial service system based on "agriculture, rural areas, and rural people" finance, a technology financial service system featuring sci-tech innovation finance, and a sustainable financial service system underpinned by green finance. The Bank provides comprehensive, integrated financial services to both corporate and individual customers, actively cultivates and shapes its unique operational characteristics, and is dedicated to building a regional comprehensive financial services group offering a premier experience and an outstanding brand.

Total Assets of the Group

RMB **1,587.67** billion

Net Profit Attributable to Shareholders of the Parent Company of the Group

RMB **12.31** billion

Principal of Deposits Absorbed by the Group

RMB **1,140.03** billion

Total Loans and Advances of the Group

RMB **773.00** billion

Total Tax Paid by the Group

RMB **4.45** billion

The Number of Branch Network

362



Honors and Awards

In 2025, the Bank achieved fruitful results across environmental, social, and corporate governance aspects, earning numerous honors and awards for its outstanding performance. These awards serve not only as high recognition of the Bank's sustainable development practices and ESG efforts, but also highlight the active role the Bank plays in advancing environmental protection, fulfilling social responsibilities, and perfecting corporate governance.

Comprehensive

Awarding Institution	Honors and Awards
China Association of Public Companies	2025 Best Practice Case for Sustainable Development of Public Companies 2025 Best Practice Case for Boards of Directors of Public Companies 2025 Best Practice Case for Internal Control of Public Companies
<i>The Banker</i> (UK)	Ranked 124th in the 2025 Top 1000 World Banks
<i>Fortune</i>	Ranked 311th in the 2025 Fortune China 500
China Enterprise Confederation, China Enterprise Directors Association	Ranked 472nd in the 2025 Top 500 Chinese Enterprises
Shanghai Enterprise Confederation, Shanghai Enterprise Directors Association	Ranked 41st in the 2025 Top 100 Shanghai Enterprises
China Banking Association	Ranked 24th in the 2025 Top 100 China Banking Sector List
<i>Southern Weekly</i>	Top 10 in the Golden Benchmark 2025 New Finance Competitiveness Bank List
Finance Program Center of China Media Group	China ESG Listed Companies Yangtze River Delta Pioneer 100 (2025)
Wind Information Co., Ltd.	2025 Top 100 Best ESG Practices of Chinese Listed Companies
Shanghai Sino-Securities Index Information Service Co., Ltd. (Huazheng Index)	2025 A-Share Listed Companies ESG Excellent Performance TOP 100
Zhejiang Hithink Hundsun Cloud Software Co., Ltd. (iFinD)	iFinD 2025 Annual Best ESG Practice Institution
China Financial Media Co., Ltd.	2025 Typical ESG Practice Cases in the Banking Sector
<i>Enterprise Management Magazine</i>	2025 National Corporate ESG Excellent Outcome Cases

Ratings

Awarding Institution	Honors and Awards
China Banking Association	2025 Commercial Bank Steady Development Capability "GYROSCOPE" Evaluation – Ranked 1st in Comprehensive Evaluation of Urban Rural Commercial Banks
S&P Global Ratings	BBB
S&P Global (China) Ratings	AAA _{spc}
Shanghai Stock Exchange	2024 – 2025 Information Disclosure Evaluation: Grade A
China Academy of Information and Communications Technology (CAICT)	Recognized as the sole financial institution to receive the PIA (Personal Information Protection Impact Assessment) Mark (Two-Star +) in 2025
Morgan Stanley Capital International (MSCI)	MSCI ESG Rating: AA
Wind Information Co., Ltd.	Wind ESG Rating: AA
Shanghai Sino-Securities Index Information Service Co., Ltd. (Huazheng Index)	Huazheng ESG Rating: AAA
China Securities Index Co., Ltd. (CSI)	CSI ESG Rating: A

Environmental

Awarding Institution	Honors and Awards
Office of the Financial Commission of the CPC Shanghai Pudong New Area Committee	The Third Pudong Top Ten Green Finance Innovation Cases
Shanghai Banking Association	2025 Shanghai Banking Sector Outstanding Unit for Green Finance Services
Green Finance 60 Forum (GF60)	2025 "GF60 Green Finance" Award – Best Sustainable Financial Institution Award
Shanghai Energy Conservation Association	Shanghai Energy Conservation and Emission Reduction Excellent Case (Third Edition) – Typical Innovation Case

Social

Awarding Institution	Honors and Awards
Ministry of Education	2024 Ministry of Education "Smart Assistance for the Elderly" High-Quality Work Case
Shanghai Municipal Party Committee, Municipal Government	2023–2024 Shanghai Financial Innovation Award – Nomination Award
Securities Times	2025 China Banking Sector Pension Financial Services Bank Tianji Award
Shanghai Banking Association	Shanghai Banking Sector "Rural Revitalization" Financial Services Excellent Case Shanghai Banking Sector Outstanding Unit for Inclusive Financial Services Shanghai Banking Sector Outstanding Unit for Technology Financial Services Shanghai Banking Sector Outstanding Unit for Pension Financial Services 2025 First Prize for Pension Financial Services Excellent Case
Zhaopin	2025 China Best Employer of the Year – Shanghai Best Employer
51job	2025 Model Employer 2025 Employer Brand Favored by College Students
Shanghai Federation of Trade Unions Science and Technology Commission of Shanghai Municipality Shanghai Municipal Commission of Economy and Informatization	2025 Shanghai Workers' Rational Proposal Innovation Award

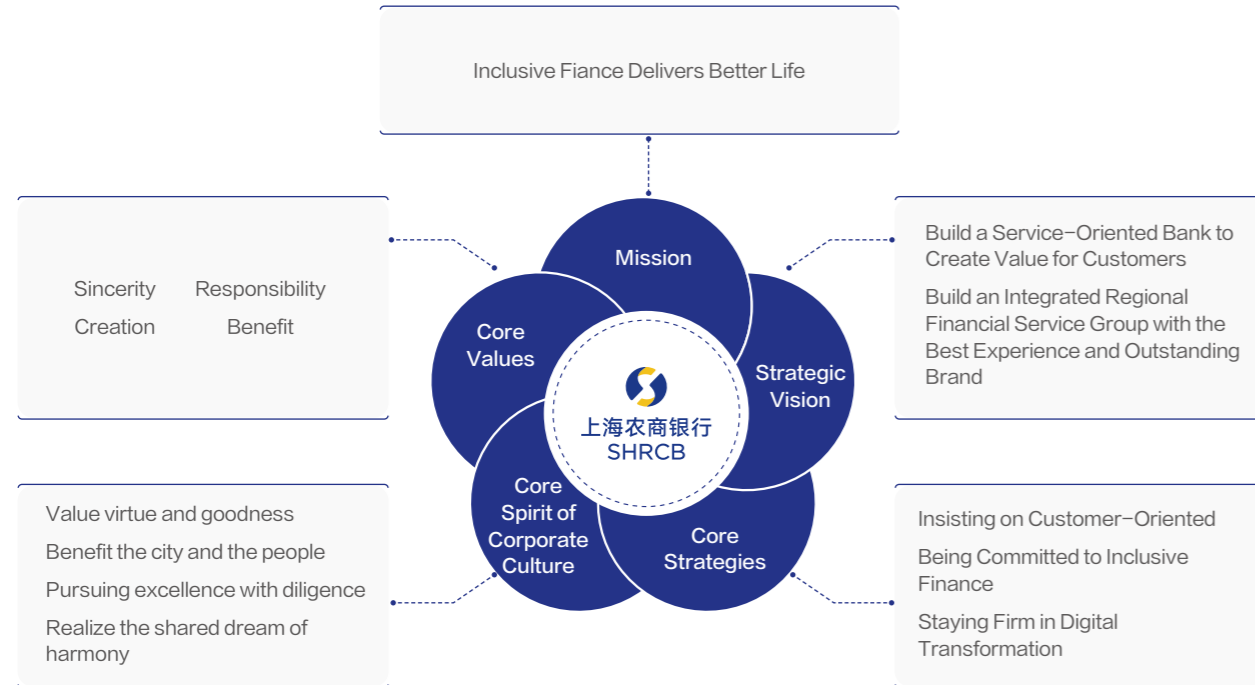
Technological Innovation

Awarding Institution	Honors and Awards
People's Bank of China	Third Prize, Financial Technology Development Award
People's Bank of China Shanghai Head Office	2025 Shanghai Financial System Workers' Digital RMB R&D and Application Special Meritorious Service Competition – Third Prize for Excellent Research Report Outcomes
Shanghai Banking Association	2024 Shanghai Banking Sector Excellent Case of Digital Financial Services
Shanghai Federation of Trade Unions	2025 Generative Artificial Intelligence System Application Operator Competition – Second Prize & Third Prize
CAICT, Cloud Computing and Big Data Research Institute	2024–2025 Typical Case of Digital and Intelligent Transformation for Central and State-Owned Enterprises
China Enterprise Digital Alliance, Zhanxin Financial Technology Research Institute	2025 China Digital Finance and Technology Innovation Application Excellent Case Award (Risk Management Category)

Sustainability Strategy and Management

As the first commercial bank in Shanghai to commit to the UN Principles for Responsible Banking, the Bank has deeply integrated sustainability principles into the entire lifecycle of its operations and business development. The Bank is fully committed to serving the real economy, "ARF" (agriculture, rural areas, and farmers), small and micro enterprises, sci-tech enterprises, and community residents. By achieving mutual prosperity between economic benefits and social value, the Bank actively fulfills its mission as a responsible financial institution.

Strategic Philosophy



Responsibility Objectives

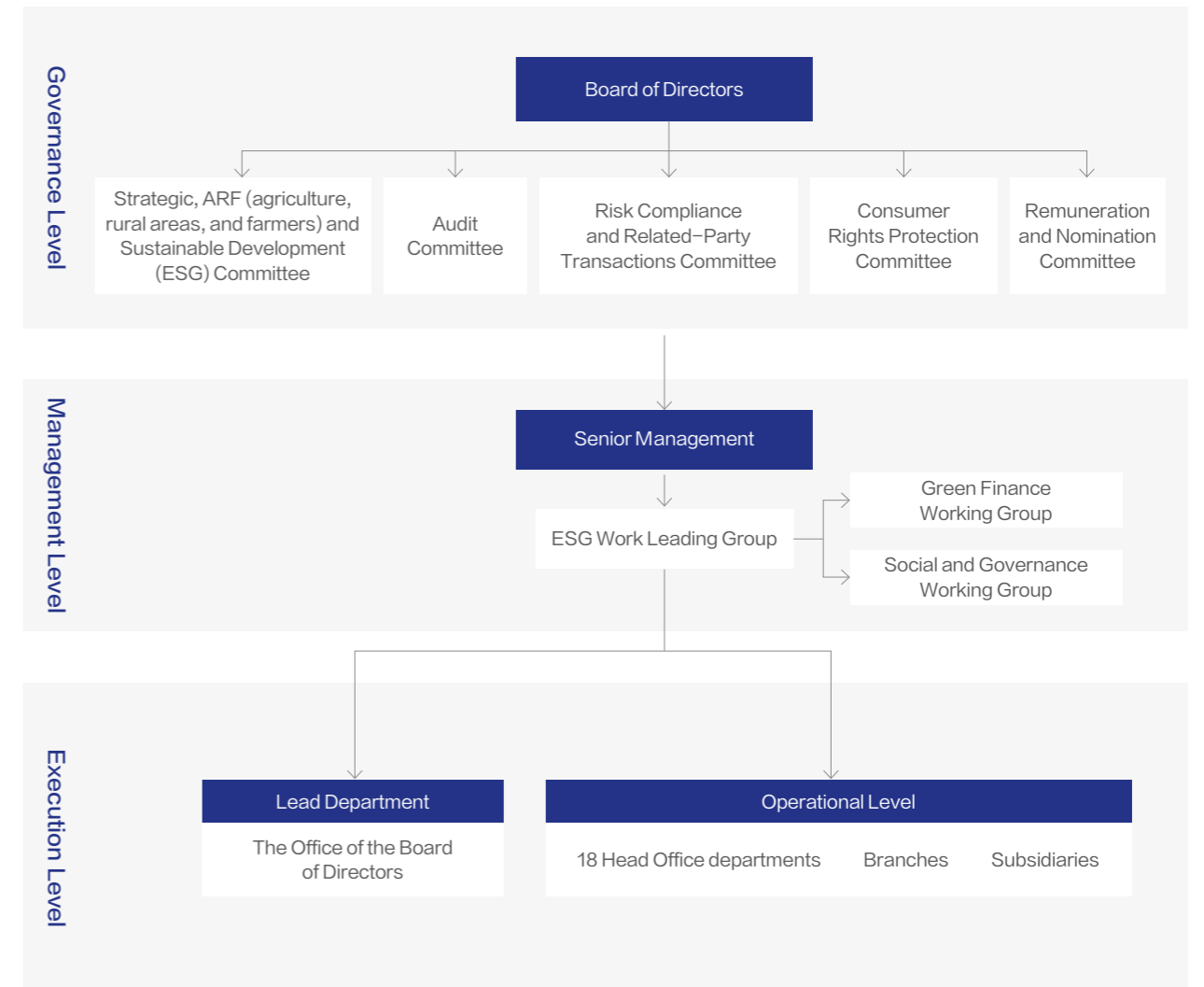
The Bank has fully mainstreamed ESG management into the *2023-2025 Development Strategy*, establishing the strategic objectives of "To build a quality bank with steady development, a model bank for ESG management, and a pioneer bank in inclusive finance".

Centering on the core objective of "becoming a model bank for ESG management", the Bank has continuously enhanced its ESG performance by establishing a model for corporate governance among small and medium-sized banks, becoming the greenest bank in the Yangtze River Delta region, and pioneering the "Shanghai Model" for inclusive finance empowering social governance. Through these efforts, we provide successful experiences and replicable case studies for financial services supporting Chinese-style modernization.

Governance Structure

The Bank attaches great importance to sustainability management, incorporating ESG factors into its development and operational strategies. We have established a three-tier sustainability governance framework comprising the "Governance Level, Management Level, and Execution Level".







ESG Governance Structure Chart



Governance Level

To further enhance the oversight and implementation of the overall strategy and strengthen governance effectiveness in the ESG field, the Bank integrated and restructured its Board committees in 2025 based on the principles of "compliance, agility, scientific rigor, and efficiency". The former "Strategy and Sustainability Committee" and the "Inclusive (ARF) Financial Service Committee" were merged and officially renamed the "Strategic, ARF (agriculture, rural areas, and farmers) and Sustainable Development (ESG) Committee". This move effectively drives the deep integration of ESG governance with the Bank's core business strategies.

ESG Responsibilities of the Board of Directors and its Committees

Organizational Structure	ESG Responsibilities	2025 ESG Work Highlights
 <p>Board of Directors</p>	<p>Serves as the highest decision-making and leading body for ESG affairs; oversees the Bank's overarching ESG initiatives; regularly or periodically reviews and hears ESG-related topics; and assumes ultimate responsibility for ESG management.</p>	<ul style="list-style-type: none"> Strengthened the top-level design for ESG; optimized the ESG governance framework wherein "Board leads, committees fulfill their responsibilities, and management executes"; and propelled the Bank's ESG efforts into a new developmental stage, transitioning from "information disclosure" to "substantive management".
 <p>Strategic, ARF (agriculture, rural areas, and farmers) and Sustainable Development (ESG) Committee</p>	<p>Formulates the Bank's medium-to-long-term development strategies; oversees and inspects the implementation of annual plans; and researches and evaluates the fulfillment of responsibilities across inclusive finance, "ARF" (agriculture, rural areas, and farmers) finance, green finance, and ESG domains.</p>	<ul style="list-style-type: none"> Strengthened the top-level design of strategic and ESG management, thereby enhancing the efficacy of corporate governance decision-making; Focused on the strategic orientation of "steady development" and conducted regular strategic tracking evaluations; Provided guidance, opinions, and suggestions on areas including capital management, consolidated management, investment management, and external donations; Enhanced market value management with an emphasis on investor returns; reviewed valuation enhancement plans, the special action program "Improvement of quality, efficiency and returns", and profit distribution plans; Driven innovation in inclusive, "ARF" (agriculture, rural areas, and farmers), and green finance, facilitating the Bank's sustainable development.
 <p>Audit Committee</p>	<p>Examines the Bank's risk and compliance status, accounting policies, and financial conditions; audits financial information and its disclosure; supervises and evaluates internal and external auditing work as well as internal controls; and lawfully assumes the relevant powers and functions of the Board of Supervisors as mandated by the <i>Company Law</i>.</p>	<ul style="list-style-type: none"> Strengthened audit communication to ensure the quality of financial information; Promoted the comprehensive development of the internal audit system framework, reinforcing internal oversight; Implemented the requirements of the <i>Company Law</i>, explored effective pathways to assume the functions of the Board of Supervisors, and facilitated the transition of the supervisory function from ex-post review to ex-ante and concurrent oversight.
 <p>Risk Compliance and Related-Party Transactions Control Committee</p>	<p>Researches risk management strategies and overall risk and compliance management policies consistent with the Bank's strategic objectives; oversees the senior management's control of various risks; regularly assesses the Bank's risk policies, management status, and risk tolerance; and scrutinizes the compliance, fairness, and necessity of related party transactions.</p>	<ul style="list-style-type: none"> Strengthened the supervision and evaluation of comprehensive risk management, internal controls and compliance, and liability quality; and prudently formulated a "steady" annual risk appetite strategy; Implemented various regulatory requirements, promoted the refinement of the risk, compliance, and related party transaction management framework, and improved the efficiency of non-performing asset disposal; Strictly scrutinized major related party transactions, offering objective and professional evaluations, review opinions, and recommendations.
 <p>Consumer Rights Protection Committee</p>	<p>Researches strategies, policies, and targets for consumer rights protection; regularly hears work reports from senior management regarding consumer rights protection; and supervises and evaluates the implementation of consumer rights protection initiatives.</p>	<ul style="list-style-type: none"> Periodically assessed the status of consumer rights protection initiatives and formulated corresponding work plans; Supervised and evaluated senior management's performance of duties regarding consumer rights protection, and incorporated this performance into the annual performance appraisal metrics for professional managers; Heard special audit reports to drive improvements in the standards of consumer rights protection.
 <p>Remuneration and Nomination Committee</p>	<p>Drafts the criteria and procedures for the selection and appointment of directors and senior management; promotes board diversity; reviews remuneration management policies and systems; and designs performance appraisal standards and remuneration packages for directors and senior management.</p>	<ul style="list-style-type: none"> Innovatively adopted an "organization-driven + rolling management" approach to facilitate the successful transition of the Board of Directors; continuously optimized the composition of the Board, increased the proportion of female directors, and further accentuated the diversity and professionalism of the Board; Conducted performance appraisals and evaluations for the "key few", including professional managers, integrating these with strategic OKRs and operational management tasks, thereby reinforcing incentives and constraints; Promoted the implementation of prudent remuneration management, enhancing the scientific rigor and effectiveness of the remuneration appraisal mechanism.

Management Level

The Bank has established an ESG Work Leading Group, co-led by the Chairman and the President, to oversee key ESG priorities across the Bank. Its primary responsibilities include formulating ESG-related objectives, policies, and management systems, and making decisions on critical matters such as organizational structure, development direction, resource allocation, and incentive mechanisms. Under this Leading Group, the Green Finance Working Group and the Social and Governance Working Group have been established to drive specific ESG initiatives.

Execution Level

The Office of the Board of Directors serves as the lead department for ESG initiatives, responsible for implementing the ESG framework and enhancing management practices. At the operational level, 18 Head Office departments, various branches, and subsidiaries involved by the members of the ESG Work Leading Group act as the primary execution bodies, collectively ensuring the effective implementation of ESG measures.

Domains of Responsibility

The United Nations Sustainable Development Goals (SDGs) serve as a crucial guide for the Bank's sustainability initiatives. The Bank closely integrates its operational development with the SDGs. Based on our current primary products and services, technological advantages, and strategic directions, we adopt relevant goals as key guidelines for our future actions.

Pillar Guidance	Issues	SDGs	Our Actions
Environmental	<ul style="list-style-type: none"> Tackling Climate Change (Financing Environmental Impact) Green Finance Green Operations 		<ul style="list-style-type: none"> Actively address climate change, proactively identifying and assessing environmental (climate) related risks and opportunities.
			<ul style="list-style-type: none"> Strengthen the top-level design of green finance, and perfect the risk management systems and processes for green finance businesses. Build a sustainable financial service system underpinned by green finance, vigorously developing businesses such as green credit, green bonds, green leasing, and green retail. Deeply implement green office and green procurement practices, advancing low-carbon environmental protection at our own operational level.

Pillar Guidance	Issues	SDGs	Our Actions
Social	<ul style="list-style-type: none"> Serving the Real Economy Serving Rural Revitalization Technology Finance Inclusive Finance Pension Finance Digital Finance Consumer Rights Protection Data Security and Privacy Protection Human Capital Development Social Public Welfare and Charity 		<ul style="list-style-type: none"> Actively respond to the industrial policy orientations of the State and Shanghai Municipality, vigorously supporting the high-quality development of the real economy. Focus on the financial service needs of "ARF" (agriculture, rural areas, and farmers), increasing the intensity of financial support for new agricultural operating entities. Deeply cultivate technology finance, perfect the financial service system for sci-tech innovation enterprises, and deeply advance the "Xin Power" strategic emerging customer cultivation plan. Practice inclusive finance to precisely serve small and micro enterprises, sci-tech innovation enterprises, and community residents; support the development of private enterprises; focus on financial services for small and medium-sized enterprises; and improve the coverage and accessibility of financial services. Establish the "Six Specialized" service system for elderly customer demographics, practicing and formalizing the "Shanghai model for senior-care finance" centered on the "Three Builds". Adhere to the core strategy of digital transformation, empowering all primary business lines with technology. Prioritize consumer rights protection work, transparently disclose product and service information through multiple channels, strictly adhere to the bottom line of sales compliance, and normalize responsible marketing training. Continuously perfect the data security and privacy protection safeguard system, fortifying the defense line of data security. Safeguard the legitimate rights and interests of employees, create a diverse, equal, and inclusive workplace environment, and empower employees' career growth. Actively engage in social public welfare and charitable causes, fulfilling our responsibilities as a corporate citizen.
			Governance

Stakeholder Engagement

The Bank upholds an open and inclusive attitude, actively expanding diversified communication channels to earnestly listen to voices from the government and regulatory agencies, customers, investors and shareholders, employees, suppliers and partners, as well as the general public. By comprehensively understanding the expectations and demands of all stakeholders, the Bank provides timely and effective responses through practical sustainability initiatives.

Stakeholders	Expectations and Demands	Communication Channels	Responses
<p>Government and Regulatory Agencies</p> 	<ul style="list-style-type: none"> Serving the real economy Assisting rural revitalization Supporting the "Carbon Peaking and Carbon Neutral" goals Preventing financial risks Developing inclusive finance Standardizing corporate governance Anti-corruption and anti-money laundering Paying taxes according to law Promoting employment and entrepreneurship Facilitating the accessibility of social security services 	<ul style="list-style-type: none"> Researching and executing relevant financial policies Supporting the formulation of industry policies Participating in research visits and meetings Cooperating with regulatory inspections and accept regulatory assessments Submitting statistical reports 	<ul style="list-style-type: none"> Complying with laws and regulations, pay taxes in full, and increase employment positions Serving rural revitalization and assist the development of inclusive finance Paying attention to climate change and develop green finance Actively implementing national and local policies to serve the real economy Strengthening compliance management and education to establish compliance awareness among all employees Strengthening comprehensive risk management and accelerate the construction of risk systems Joining the "Social Security-Bank Direct Connection" partnerships
<p>Customers</p> 	<ul style="list-style-type: none"> Enhancing the customer experience Meeting customer needs Safeguarding customer rights and interests Popularizing financial knowledge Data security and privacy protection 	<ul style="list-style-type: none"> Online business processing Customer needs research Customer satisfaction surveys Complaint hotlines Customer care activities Convenience services 	<ul style="list-style-type: none"> Optimizing business processes, innovating financial products, and providing convenience services Perfecting the complaint process, carrying out investor education, and protecting consumer rights and interests Strengthening financial technology construction, prioritizing data security and privacy protection

Stakeholders	Expectations and Demands	Communication Channels	Responses
<p>Investors and Shareholders</p> 	<ul style="list-style-type: none"> Continuous and steady operations Improving profitability Enhancing shareholder returns Enhancing corporate value Standardizing corporate governance Preventing financial risks 	<ul style="list-style-type: none"> Periodic reports Information disclosure Roadshows Investor briefing sessions Receiving visits Analyst meetings Shareholders' meetings Investor service hotlines and emails 	<ul style="list-style-type: none"> Maintaining the steady, healthy, and sustainable development of various businesses to safeguard shareholder rights and interests Disclosing information in a timely, truthful, and accurate manner, continuously strengthening the quality of information disclosure Carrying out investor relations management through multiple channels, platforms, and methods to strengthen communication with investors Continuously perfecting corporate governance mechanisms to operate steadily and in compliance with laws and regulations
<p>Employees</p> 	<ul style="list-style-type: none"> Providing a healthy and safe working environment Safeguarding employee rights and interests Caring for employees' daily lives Paying attention to employee growth 	<ul style="list-style-type: none"> Employee Representative Assembly Employee satisfaction surveys Employee cultural and sports activities Training classes 	<ul style="list-style-type: none"> Perfecting the remuneration and welfare system to safeguard the legitimate rights and interests of employees Perfecting the employee promotion mechanism to achieve the common growth of the company and its employees Perfecting the training system to unearth employee potential
<p>Suppliers and Partners</p> 	<ul style="list-style-type: none"> Broadening cooperation channels Fair and just procurement Honest and trustworthy contract performance Business ethics and anti-corruption 	<ul style="list-style-type: none"> Daily communication Interbank communication and cooperation Bidding and tendering activities Supplier research visits 	<ul style="list-style-type: none"> Friendly cooperation and mutual respect Fair contracting and honest contract performance Fair competition and transparent procurement
<p>Community Public</p> 	<ul style="list-style-type: none"> Assisting public welfare and charity Supporting community development Shaping the brand image 	<ul style="list-style-type: none"> Carry out public welfare activities Employee volunteer services Community service activities Media publicity 	<ul style="list-style-type: none"> Strengthening community linkage and carry out volunteer actions Increasing community publicity and training efforts to popularize financial knowledge Plunging into public welfare causes to build a strong reputation for fulfilling responsibilities Maintaining low-carbon operations and implement energy-saving and emission-reduction measures

Management of Material Issues

In 2025, the Bank continued to employ the double materiality assessment methodology and core framework. Integrating the changes in the internal and external macroeconomic environments during the year with the realities of the Bank's business development, the Bank determined the 2025 double materiality issue matrix. Based on this matrix, the Bank elaborated on key disclosures within the report to practically respond to the concerns of various stakeholders regarding the Bank's sustainability initiatives.

Step 1: Identification of Material Issues

The Bank referenced the disclosure requirements of the *Shanghai Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 14 — Sustainability Report (Trial)* alongside excellent peer practices. Combining these with industry development trends and feedback from stakeholder communications, the Bank determined the Bank's ESG issues. In 2025, the Bank identified a total of 17 ESG issues.

List of ESG Issues

Issue Category	Issue Name
Environmental (3 items)	<ul style="list-style-type: none"> Tackling Climate Change (Financing Environmental Impact) Green Finance Green Operations
Social (10 items)	<ul style="list-style-type: none"> Serving the Real Economy Serving Rural Revitalization Technology Finance Inclusive Finance Pension Finance Digital Finance Consumer Rights Protection Data Security and Privacy Protection Human Capital Development Social Public Welfare and Charity
Governance (4 items)	<ul style="list-style-type: none"> Corporate Governance Business Ethics Management (Corporate Behavior) Risk Management Procurement Management



Step 2: Assessment of Material Issues

The Bank incorporated the perspectives of internal and external stakeholders, fully adopted the opinions of senior management and various business lines, and supplemented these with recommendations from external professional agencies to comprehensively analyze the impact materiality and financial materiality of each issue.

Impact Materiality Assessment

Through formats such as stakeholder engagements and questionnaire surveys, the Bank gained an in-depth understanding of the degree of attention stakeholders pay to ESG issues. Based on the survey results, the Bank determined the areas of impact for the ESG issues and scored the degree of impact for each issue. The Bank assigned a score ranging from 1 to 5 to represent the degree of impact, with the materiality threshold set at 3 points. If the impact score of a specific material issue is greater than or equal to 3 points, it is classified as an impact material issue.

Impact Materiality Analysis

ESG Pillar	ESG Issue	Areas of Impact					Impact Level
		Operations and Management	Economy and Value Creation	Industry Development	Social Development and Human Well-being	Global Environment and Climate Change	
Environmental	Tackling Climate Change (Financing Environmental Impact)		✓	✓	✓	✓	5
	Green Finance		✓	✓		✓	4
	Green Operations	✓			✓	✓	2
Social	Serving the Real Economy		✓	✓	✓		5
	Serving Rural Revitalization		✓		✓		4
	Technology Finance		✓	✓	✓		5
	Inclusive Finance		✓	✓	✓		4
	Pension Finance		✓	✓	✓		4
	Digital Finance	✓	✓	✓			3
	Consumer Rights Protection	✓	✓		✓		4
	Data Security and Privacy Protection	✓	✓	✓			4
	Human Capital Development	✓	✓		✓		4
	Social Public Welfare and Charity				✓		2
Governance	Corporate Governance	✓	✓	✓			4
	Business Ethics Management (Corporate Behavior)	✓	✓				3
	Risk Management	✓	✓				4
	Procurement Management	✓					2

Note: " ✓ " indicates that the issue has an impact or potential probability of impact on this area.

Financial Materiality Assessment

The Bank conducted a qualitative analysis of the risks and opportunities associated with sustainability issues, adopting an internal expert evaluation method to determine the financial materiality of each material issue. The Bank assigned a score ranging from 1 to 5 to represent the degree of impact, with the materiality threshold set at 3 points. If the impact score of a specific material issue is greater than or equal to 3 points, it is classified as a financially material issue.

Financial Materiality Analysis

ESG Issue	Risk and Opportunity Factors	Value Chain Impact Areas	Financial Impact Indicators	Impact Assessment	Impact Level
Tackling Climate Change (Financing Environmental Impact)	Increasing frequency of extreme weather events Tightening climate governance policies and regulations Increasingly robust climate finance and transition finance policies	Suppliers Own operations Financial products, services, and investment and financing	Asset impairment Operating costs Operating profit	The intensification of climate change causes proprietary asset losses, operational disruptions, or adverse impacts on clients' businesses due to physical risks such as extreme weather. The tightening of climate transition policies adversely affects business development, further leading to operating losses. The implementation of climate governance and carbon emission reduction management requires additional personnel, technologies, and consulting services, which will drive up capital expenditures and administrative expenses; however, in the long term, these efforts will reduce operating costs through enhanced energy and resource use efficiency. Seizing business opportunities arising from climate change mitigation and leveraging policy support for climate and transition finance will lower investment and financing costs and increase operating profits.	3
Green Finance	Environmental and social impacts caused by green financial products and services	Own operations Financial products, services, and investment and financing	Operating profit	The stability of national green industry subsidy policies affects the Bank's credit extension policies. Furthermore, the relatively long return cycle of green investment and financing will exert a short-term shock on operating profits. Developing and promoting green financial products and services mitigates environmental risks while attracting more capital toward economic activities supporting the green and low-carbon transition through lowered loan costs. As external market demand for green investment and financing continues to rise, this will increase operating profits.	2
Green Operations	Price increases in energy, water resources, and office paper, affecting proprietary operations	Own operations	Operating costs	Reducing energy consumption, resource consumption, and carbon emissions through optimizing the energy use structure, conducting refined management of energy and resources, and promoting environmental protection training and awareness will thereby reduce operating costs.	1
Serving the Real Economy	Whether sufficient financial support is provided to major national and regional strategies and key sectors in a timely manner	Financial products, services, and investment and financing	Operating costs Operating profit	Focusing on the development of technology finance, green finance, inclusive finance, pension finance, and digital finance businesses to actively secure financial, fiscal, tax, and industrial policy support will reduce credit business development costs and increase the Bank's operating profit.	2

ESG Issue	Risk and Opportunity Factors	Value Chain Impact Areas	Financial Impact Indicators	Impact Assessment	Impact Level
Serving Rural Revitalization	Increasing market space in county-level finance and inclusive finance, along with rising demand for credit products tailored to rural households, such as agriculture-related loans	Financial products, services, and investment and financing	Operating profit	Developing and innovating "ARF" (agriculture, rural areas, and farmers) credit products to meet agriculture-related loan demands, and actively securing the support of targeted policy tools such as central bank relending and differentiated reserve requirement ratios will increase operating profits.	4
Technology Finance	Providing sci-tech innovation financial services	Financial products, services, and investment and financing	Operating profit	The majority of sci-tech innovation enterprises feature asset-light models, heavy R&D investments, and unstable cash flows, which may lead to elevated credit risks, thereby causing a reduction in operating profits. Providing sci-tech innovation financial services to actively secure financial, fiscal, and industrial policy support, and investing in high-growth sci-tech innovation enterprises to increase comprehensive returns, will thereby increase operating profits.	5
Inclusive Finance	Providing financial support targeted at micro, small, and medium-sized enterprises	Financial products, services, and investment and financing	Operating profit	The market potential of small and medium-sized enterprises is massive. By providing financial services to small, medium, and private enterprises, the Bank accumulates a large base of potential high-quality clients, achieving rapid business growth while fulfilling the financing needs of these demographics.	4
Pension Finance	Providing pension finance-related products and services	Financial products, services, and investment and financing	Operating profit	Actively participating in the innovation of pension financial products and services to provide age-friendly pension financial services supports the national "Major Article" of pension finance. This enhances operating profits while serving the financial needs of the elderly demographic.	3
Digital Finance	Driving the development of products, businesses, and business models through technological innovation	Own operations Financial products, services, and investment and financing	Operating costs Operating profit	Advancing digital transformation through increased investments in information technology not only achieves service upgrades and efficiency enhancements but also catalyzes business model and product innovations. This facilitates breaking through physical outlet constraints to serve a broader customer base, lowering operating costs while expanding business coverage and increasing operating profits.	3

ESG Issue	Risk and Opportunity Factors	Value Chain Impact Areas	Financial Impact Indicators	Impact Assessment	Impact Level
Consumer Rights Protection	Customer complaints and dispute events resulting from the impairment of financial consumer rights Averting financial fraud incidents Ensuring unobstructed customer complaint channels	Financial products, services, and investment and financing	Operating costs Operating profit	Strengthening the management of consumer rights protection requires increased investments in personnel and financial resources, thereby increasing operating costs. Banks with lower customer satisfaction must continuously acquire new customers to offset those lost, which will increase credit business development costs and may lead to a decline in operating profits. Enhancing the Bank's customer service quality and brand image will deepen the competitive advantages in customer service, expand the customer base, and stabilize operating profits.	3
Data Security and Privacy Protection	Properly executing data security and privacy protection measures Cybersecurity and data breach incidents	Own operations Financial products, services, and investment and financing	Operating costs Operating profit	Perfecting data security and privacy protection measures will increase operating costs in the short term but will enhance customer satisfaction and loyalty, thereby increasing operating profits. Cyberattacks and data breaches will damage the Bank's reputation, incur additional data security governance costs, and concurrently cause customer attrition due to the failure to safeguard customer privacy and data security, thereby reducing operating profits.	4
Human Capital Development	Diversified recruitment channels Employee incentive mechanisms Employee training and development systems	Own operations Financial products, services, and investment and financing	Operating costs Operating profit	Expanding employee recruitment channels and perfecting employee incentive mechanisms alongside training and development systems will increase the Bank's operating costs. An inadequate employee training and development system will make it difficult for employees to enhance their capabilities and realize their personal value, causing talent attrition and impeding the Bank's future development. Perfecting the employee training and development system contributes to enhancing the customer experience, expanding business scale, and increasing operating profits.	5
Social Public Welfare and Charity	Conducting social public welfare and charitable activities	Own operations Financial products, services, and investment and financing	Operating profit	The improper management of public welfare and charitable activities or funds leads to project outcomes falling short of expectations, or increases operating costs and reputational risks. Conducting public welfare and charitable activities helps to establish a positive social responsibility image for the Bank, generates favorable public opinion, attracts users with social responsibility preferences, and increases operating profits.	2

ESG Issue	Risk and Opportunity Factors	Value Chain Impact Areas	Financial Impact Indicators	Impact Assessment	Impact Level
Corporate Governance	Perfecting corporate governance mechanisms Negative incidents related to compliance and internal controls	Own operations	Operating costs Operating profit	Scientific, efficient, and robust corporate governance mechanisms facilitate steady business operations, establish a positive brand image, expand business scale, and increase operating profits. Negative incidents regarding compliance and internal controls will damage the Bank's reputation and reduce operating profits due to increased regulatory penalties.	2
Business Ethics Management (Corporate Behavior)	Compliant business development Negative incidents such as corruption, bribery, money laundering, and unfair competition	Own operations	Operating costs Operating profit	Enhancing the brand image and increasing customer trust will drive business scale expansion and increase operating profits. Cultivating a culture of compliant operations can effectively mitigate the occurrence of rule-breaking and disciplinary violations by employees, reducing the costs associated with legal and regulatory infractions. Negative incidents such as corruption, bribery, money laundering, and unfair competition will damage the Bank's reputation, increase operating costs, and reduce operating profits due to administrative penalties imposed by regulatory authorities.	2
Risk Management	Executing comprehensive risk management Failing to properly identify and assess all potential risks	Own operations	Operating costs Operating profit	Executing comprehensive risk management enhances the Bank's resilience in addressing internal and external risks, which can reduce operating costs over the long term. Excessive risk management will increase risk management costs, diminish business opportunities, and reduce operating profits. Failing to adequately identify and address potential risks across all credit stages may increase the probability of sudden risk events, thereby impacting the Bank's operations, elevating risk control costs, and reducing operating profits.	2
Procurement Management	Establishing a corporate image of sustainable development Failing to promptly and effectively control sustainability risks at the supplier or proprietary operations level	Supply chain Own operations	Operating costs Operating profit	Social or environmental factors that cause disruptions among suppliers or within proprietary operations will lead to instability in the supply of the Bank's business services. Establishing a positive social image through sustainable operations attracts users with sustainability preferences and increases operating profits.	1

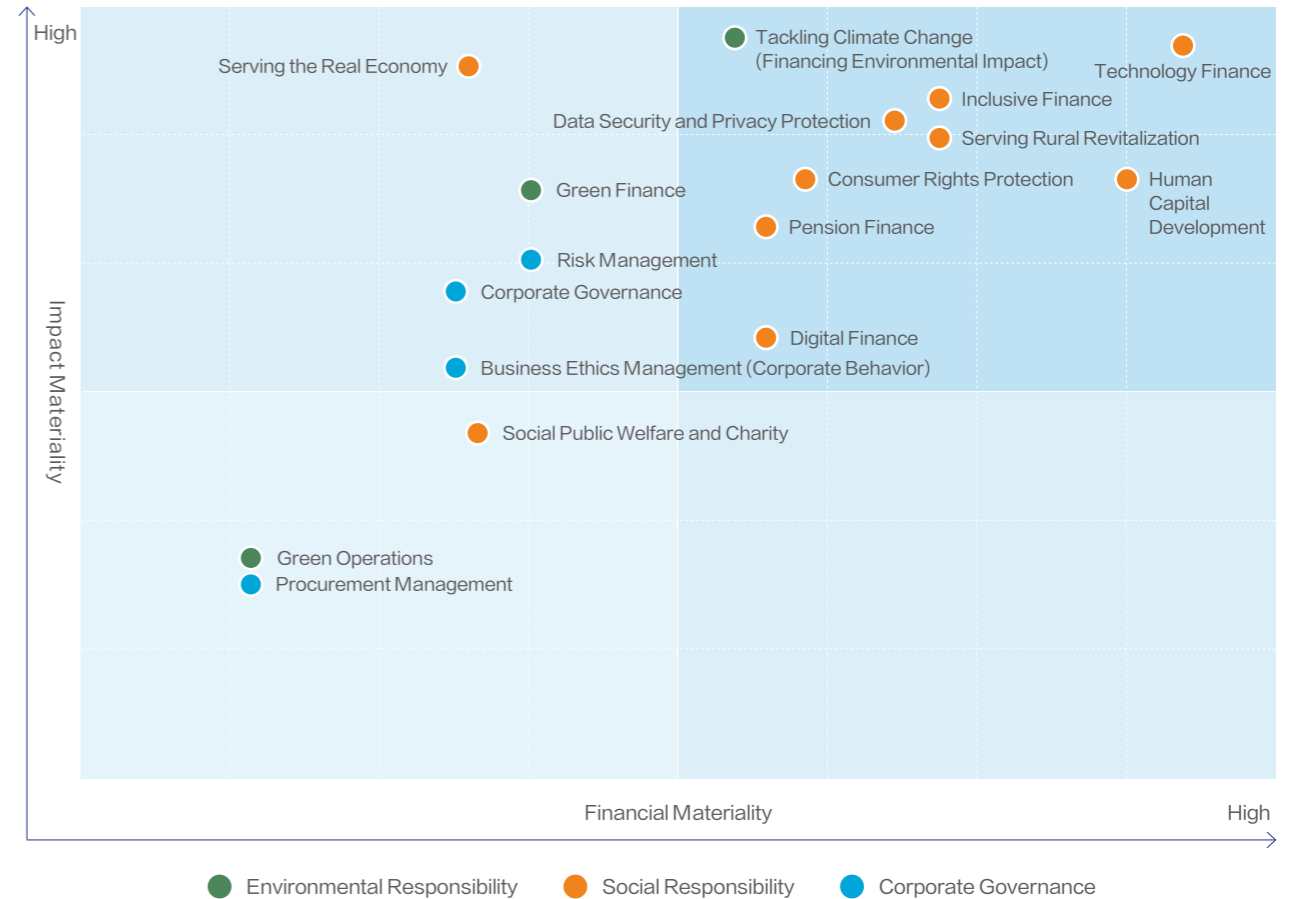
Step 3: Results of Double Materiality Analysis

The Bank integrated the results of the impact materiality and financial materiality assessments, employing a matrix model to systematically review the priorities of the issues. This process generated the 2025 double materiality analysis results and the corresponding matrix diagram.

2025 Double Materiality Analysis Results

Issue Name	Correspondence with Sustainability Issues of the <i>Shanghai Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 14 — Sustainability Report (Trial)</i>	Whether Impact Materiality Exists	Whether Financial Materiality Exists
Environmental			
Tackling Climate Change (Financing Environmental Impact)	1. Tackling Climate Change	18. Due Diligence	✓
Green Finance	1. Tackling Climate Change	4. Ecosystem and Biodiversity Protection	✓
Green Operations	1. Tackling Climate Change 2. Pollutant Emissions 3. Waste Disposal 5. Environmental Compliance Management	6. Energy Utilization 7. Water Resource Utilization 8. Circular Economy	✗
Social			
Serving the Real Economy	14. Equal Treatment of Small and Medium-sized Enterprises		✗
Serving Rural Revitalization	9. Rural Revitalization		✓
Technology Finance	14. Equal Treatment of Small and Medium-sized Enterprises		✓
Inclusive Finance	9. Rural Revitalization	14. Equal Treatment of Small and Medium-sized Enterprises	✓
Pension Finance	10. Social Contribution		✓
Digital Finance	11. Innovation-driven	12. Technology Ethics	✓
Consumer Rights Protection	15. Product and Service Safety and Quality	21. Anti-unfair Competition	✓
Data Security and Privacy Protection	16. Data Security and Customer Privacy Protection		✓
Human Capital Development	17. Employees		✓
Social Public Welfare and Charity	9. Rural Revitalization	10. Social Contribution	✗
Governance			
Corporate Governance	19. Stakeholder Communication		✗
Business Ethics Management (Corporate Behavior)	20. Anti-commercial Bribery and Anti-corruption	21. Anti-unfair Competition	✗
Risk Management	19. Stakeholder Communication		✗
Procurement Management	13. Supply Chain Security	14. Equal Treatment of Small and Medium-sized Enterprises	✗

Matrix of ESG Issue Double Materiality Assessment Results



The analysis results demonstrated that, among the 17 ESG issues identified by the Bank, 9 issues—Tackling Climate Change (Financing Environmental Impact), Serving Rural Revitalization, Technology Finance, Inclusive Finance, Pension Finance, Digital Finance, Consumer Rights Protection, Data Security and Privacy Protection, and Human Capital Development—possess both financial materiality and impact materiality. Conversely, 5 issues—Green Finance, Serving the Real Economy, Corporate Governance, Business Ethics Management (Corporate Behavior), and Risk Management—possess only impact materiality. Given that the 3 issues of Green Operations, Social Public Welfare and Charity, and Procurement Management primarily involve the Bank's routine operations and supplementary businesses, their related expenditures account for a minimal proportion of the overall financials. Furthermore, compared to the core financial businesses, their direct impact on the external environment and society is relatively limited. Therefore, these 3 aforementioned issues possess neither financial materiality nor impact materiality.

Step 4: Disclosure of Double Materiality Issues

In accordance with the requirements of the Shanghai Stock Exchange's *Self-Regulatory Guidelines for Listed Companies No. 14 — Sustainability Report (Trial)*, the Bank analyzed and disclosed the identified financially material issues using the "Four-Pillar" framework: Governance; Strategy; Impact, Risk and Opportunity Management; and Metrics and Targets.

01 Environmental

The Bank deeply implements the national "Carbon Peaking and Carbon Neutrality" strategy, practices the concept that "lucid waters and lush mountains are invaluable assets", actively addresses climate change, and continuously perfects the green financial product and service system to provide precise financial support for the green transition of the economy and society. The Bank strengthens green operations and, through measures such as energy conservation and carbon reduction, paperless offices, and green branch construction, fosters a green banking culture to comprehensively build a sustainable development bank.

SDGs Responded to in this Chapter:



Material Sustainability Issues Covered in this Chapter:

- Tackling Climate Change (Environmental Financing Impact)*
- Green Finance
- Green Operations



Tackling Climate Change (Environmental Financing Impact)*

The Bank attaches great importance to environmental and climate risk management, perfects the top-level design related to green finance and the environmental (climate), and proactively identifies, assesses, and manages environmental (climate) related risks and opportunities. The Bank continuously enriches the green financial product and service system and strengthens its own resilience against environmental and climate risks, thereby driving the high-quality realization of the "Dual Carbon" goals of carbon peaking and carbon neutrality.

Governance

Governance Level

The Board of Directors of the Bank serves as the highest authoritative body responsible for green finance and environmental (climate) management. The Strategic, ARF (agriculture, rural areas, and farmers) and Sustainable Development (ESG) Committee under the Board of Directors is responsible for guiding the overall advancement of the Bank's green finance and environmental (climate) management, and for supervising the execution of green finance development and climate change mitigation efforts. In 2025, the Bank's Board of Directors and its sub-committees reviewed or heard a total of 4 proposals and reports related to green finance and environmental (climate) management.

Date Convened	Topics related to Green Finance and Environmental (Climate) Management
April 2025	<ul style="list-style-type: none"> Reviewed the <i>Proposal on the Company's 2024 Social Responsibility and Environmental, Social and Governance (ESG) Report</i>. Heard the <i>Report on the Company's 2024 Green Finance Development</i>.
May 2025	<ul style="list-style-type: none"> Reviewed the <i>Proposal on the Company's 2024 Responsible Banking Signatory Work Progress Report</i>. Reviewed the <i>Proposal on the Company's 2024 Environmental Information Disclosure Report</i> (which encompasses climate scenario analysis and the environmental impacts of investment and financing activities. For specific details of this report, please refer to the "Annual Report - CSR&ESG Report" section on the Bank's official website).

Management Level

The Bank established the ESG Work Leading Group, with the Green Finance Working Group operating beneath it. Bank executives in charge of business and risk serve as dual group leaders to specifically advance green finance risk management and business development. They conduct policy research, formulate strategic plans, targets, and roadmaps, and make decisions on critical matters including resource allocation and incentive mechanisms.

In 2025, the Bank convened 1 meeting of the ESG Work Leading Group and the Green Finance Working Group. The meeting heard updates on the Bank's progress in ESG management, green finance development, and environmental (climate) management. It articulated the need to elevate the level of ESG management, advance the construction of the ESG risk management system, strengthen internal linkages and synergistic cooperation, and consolidate the overall foundation for green finance development across multiple dimensions, including business, management, and operations.

Execution Level

Head Office Departments	The Bank established green finance sections under the Corporate Banking Department and the Risk Management Department, which are responsible for the daily management and coordinated advancement of green finance and environmental (climate) initiatives. The Bank's front-office departments are responsible for the research and development of green finance-related products, the identification of green clients, and the promotion of green businesses. The middle and back-office departments are responsible for associated functions such as the construction of the green finance management system, green operations, ESG information disclosure, green finance talent development, performance assessment and incentives, and branding and publicity. Together, these provide effective support and safeguards for the development and management enhancement of the green finance business.
Branches	All branches and subsidiaries undertake the specific implementation of green credit businesses. They actively explore the green credit market and execute the Bank's green credit policies. Across the pre-lending, during-lending, and post-lending stages, they conduct the monitoring and management of ESG risk profiles for customers and projects, and regularly organize internal training related to green finance.

Strategy

Risk and Opportunity Analysis and Their Financial Impacts

To promote the deep integration of the identification, assessment, and management of climate risks and opportunities into daily risk management operations, the Bank closely monitors changes in policies, laws, and regulations, market dynamics, technological advancements, and the Bank's reputation. The Bank systematically assess the impacts of climate risks and opportunities, and their transmission pathways on our business model and value creation, clarifying the impact horizons, impact areas, and potential consequences of each risk and opportunity.

Identification and Financial Impact Analysis of Climate-Related Risks and Opportunities

Risk/Opportunity Name	Specific Description	Time Horizon	Current Financial Impact	Anticipated Financial Impact
Climate-Related Physical Risks				
Acute physical risks	<p>The exacerbation of global climate change leads to an increased frequency and intensity of extreme weather events, such as typhoons, floods, and heatwaves. Such events may severely disrupt the normal production and operations of the Bank's customers, resulting in obstructed business operations and supply chain interruptions. Furthermore, customers' fixed assets, including plants and equipment, face the risks of damage and asset impairment, which subsequently drives up the probability of default.</p> <p>The Bank's own branch outlets across various regions may also be forced to close due to extreme weather, exposing employees to safety threats and financial infrastructure to the risk of damage.</p>	Short-term	Extreme weather events may directly damage fixed assets such as business premises and equipment, driving up the Bank's asset impairment and repair costs in the current period. Concurrently, investments in disaster prevention to tackle extreme weather, along with short-term energy price fluctuations, may further inflate the Bank's current operating costs.	The rise in operating costs caused by disaster response and post-disaster recovery efforts may continuously squeeze the Bank's profitability.
Chronic physical risks	<p>The continuous rise in global average temperatures leads to a decline in soil productivity, leaving customers in certain industries and regions facing the predicament of rising production costs and reduced output efficiency.</p> <p>Sea-level rise subjects customers in coastal areas to challenges such as seawater intrusion and land salinization. Production activities are hindered, and infrastructure faces damage. Consequently, the Bank's own daily operating costs may also face sustained upward pressure.</p>	Medium-term, Long-term	Abnormal temperatures may lead to an increase in the Bank's energy consumption costs in the current period.	Climate abnormalities may impair the productivity of certain customers, leading to a decline in their long-term profitability and repayment capabilities, thereby driving up the Bank's non-performing loan (NPL) ratio. Simultaneously, the energy consumption costs associated with the Bank's own long-term operations may continuously increase.
Climate-Related Transition Risks				
Policy and legal risks	With the advancement of the national "Dual Carbon" goals, relevant low-carbon transition policies and environmental standards are successively tightening. Energy-intensive and high-emission enterprises face more stringent market access and environmental assessment pressures. As a financial institution, the Bank also faces increasingly strict regulatory compliance and climate risk management requirements.	Short-term, Medium-term, Long-term	To satisfy increasingly stringent regulatory requirements for climate risk management, the Bank's compliance management costs may increase in the short term.	If high-carbon customers fail in their transition, they may face restrictions on new production capacity or a sharp decline in revenues due to environmental violations. Consequently, the default rate of the Bank's related credit assets may rise.

Risk/Opportunity Name	Specific Description	Time Horizon	Current Financial Impact	Anticipated Financial Impact
Technology risks	Driven by advancements in low-carbon technologies, the legacy high-carbon businesses or products of certain customers face shrinking market demand. To adapt to these trends, customers must undertake large-scale technological transformations and business transitions, which entail substantial capital investments and risks associated with technological route selection. Some customers may fall into distress due to exorbitant transition costs or technological missteps, thereby impairing their debt-paying abilities.	Short-term, Medium-term	Customers must immediately commit significant capital expenditures for low-carbon technological transformations. This leads to tight short-term cash flows and triggers operational difficulties, which may impair the Bank's related credit returns.	If technological transitions fail, customers' debt-paying abilities will deteriorate. This may directly impact the Bank's asset quality and long-term return on assets.
Market risks	Against the backdrop of the low-carbon transition, market demand is accelerating its shift toward green sectors. Customers reliant on high-carbon products or services face declining revenues and asset depreciation due to reduced demand and rising costs for high-carbon raw materials. If the Bank fails to keenly grasp market trends and to timely develop and promote green financial products meeting customers' transition needs, it will face the risks of losing high-quality customers and experiencing a decline in market share.	Medium-term, Long-term	Customers reliant on high-carbon businesses experience weakened debt-paying abilities due to declining revenues and rising costs, which may prompt an increase in the Bank's provision for non-performing loans in the current period. If the Bank fails to timely launch green financial products, it may miss market demand, causing customers to pivot to competitors, which directly reduces intermediary business income or interest income in the current period.	As low-carbon policies become stricter, assets in high-carbon industries face valuation decline risks, and the Bank may be required to accrue higher impairment provisions in the future. A prolonged lack of high-quality green financial products could lead to a loss of market share, undermining the sustained growth of future revenues.
Reputation risks	If the Bank performs inadequately in climate risk management and green finance practices, it may provoke skepticism from regulatory agencies, investors, and the general public regarding the Bank's reputation and brand image.	Short-term, Medium-term, Long-term	Negative reputational events may diminish the willingness of existing customers to cooperate and result in the loss of new business opportunities, directly impacting the Bank's operating returns in the current period.	Prolonged reputational damage will lead to a structural decline in the Bank's market competitiveness and an increase in external financing costs, potentially undermining long-term overall profitability.
Climate Opportunities				
Resource efficiency opportunities	By enhancing the utilization efficiency of natural resources such as water and paper, as well as energy such as electricity, the volume of resource consumption and waste generation can be effectively reduced, thereby lowering the daily operating costs of both enterprises and the Bank itself.	Medium-term	Implementing energy-saving and emission-reduction measures such as deploying energy-efficient equipment and promoting paperless offices, enhances resource and energy efficiency. This may lower the Bank's daily operating and energy consumption costs, elevating short-term profit levels.	Highly efficient resource and energy utilization models may reduce the Bank's long-term reliance on natural resources, effectively buffering the impact of future price volatility in resources such as water and electricity, and achieving long-term cost reductions and efficiency enhancements.
Energy source opportunities	Vigorously promoting and applying renewable energy (such as solar photovoltaic power generation). Renewable energy projects not only produce lower carbon emissions, facilitating the control of carbon costs, but also effectively mitigate the operational risks posed to enterprises by the price volatility of traditional fossil fuels, while concurrently showcasing a green corporate image.	Medium-term, Long-term	Exploring renewable energy utilization may, in the short term, marginally increase the Bank's operating costs due to equipment investments. However, it instantaneously curtails reliance on traditional fossil fuels and controls carbon emission costs.	Adopting clean energy can help the Bank circumvent the risks of massive price fluctuations in fossil fuels. The resulting green brand equity may translate into market share expansion or attract more ESG-oriented investments, underpinning the long-term growth of the Bank's valuation and brand reputation.

Risk/Opportunity Name	Specific Description	Time Horizon	Current Financial Impact	Anticipated Financial Impact
Products and services opportunities	Driven by the "Dual Carbon" goals, corporate financing needs for low-carbon transitions are surging. The Bank actively innovates and develops multi-tiered green financial products such as emission rights pledge loans, sustainability-linked loans, and green bonds, which can meet the diversified needs of customers and support the development of green industries.	Short-term, Medium-term, Long-term	Keenly capturing the urgent financing needs of enterprises undergoing low-carbon transitions by swiftly launching innovative green credit and investment products may drive growth in the Bank's net interest income and intermediary business income in the current period.	Establishing an early footprint in the green finance market helps seize market opportunities and enhances customer stickiness. As the green economy continues to scale, the Bank's green finance business may forge differentiated competitive moats, attract high-quality low-carbon customers, sustain stable long-term revenue growth, and unlock new revenue spaces.
Adaptation opportunities	The high frequency of extreme weather events compels enterprises to recognize the vital importance of enhancing climate change adaptation capabilities, such as water-saving irrigation and disaster and wind resistance. This creates a vast new "blue ocean" for the Bank to research, develop, and promote climate-adaptive financial products.	Short-term, Medium-term	Issuing relevant specialized loans to customers with climate adaptation potential may increase the Bank's credit extension scale and interest income in the current period.	As corporate clients accelerate their carbon reduction transitions and bolster their disaster resistance capabilities, the associated financing needs may evolve into sustained revenue growth engines for the Bank. Concurrently, enhancing customers' resilience against physical risks will assist the Bank in fundamentally safeguarding the long-term security and stability of its asset quality.

Climate Stress Testing

In terms of exploring risk quantification, the Bank has proactively conducted transition risk stress testing for high-carbon industries for four consecutive years. Through scenario simulations and sensitivity analyses, the Bank evaluates customer credit and default risks under the Delayed Transition scenario of the Network for Greening the Financial System (NGFS), preparing for forward-looking risk management. Based on the relevant frameworks of the Ministry of Ecology and Environment and the Shanghai Municipal Bureau of Ecology and Environment, alongside actual credit exposures, the Bank establishes the scope of the stress testing. This scope encompasses industries such as power, steel, aviation, chemicals, building materials, petrochemicals, non-ferrous metals, and paper manufacturing, as well as other enterprises included in the roster of entities subject to Shanghai's carbon emission quota management. Regarding the risk transmission mechanism, the Bank primarily conducts stress testing sequentially along two pathways: client-side risk transmission and bank-side risk transmission. By analyzing the impacts of changes in client-side production volumes and carbon emission costs on enterprises' operating costs and other key items on the balance sheets and income statements under stress scenarios, the Bank further calculates the deterioration in customer credit levels. Based on the changes in the customers' probability of default (PD), the Bank analyzes the subsequent impact on the bank-side provision for loan losses, which ultimately transmits to core operating indicators such as the capital adequacy ratio, Tier 1 capital adequacy ratio, and core Tier 1 capital adequacy ratio. Under the stress scenarios from 2025 to 2060, the overall credit risks of the Bank's clients in high carbon-emitting industries and certain enterprises subject to quota management have increased to some extent; however, the impact on the Bank-wide capital adequacy ratio remains limited, and the overall risks are controllable.

Planning and Strategy

The Bank regards tackling climate change and supporting the comprehensive green transition of economic and social development as one of the core strategies for its long-term development. The Bank is committed to building a sustainable financial service system underpinned by green finance, striving to become the greenest bank in the Yangtze River Delta region.

Strategic Orientation

In formulating strategic objectives, the Bank profoundly grasps the connotations of the national "Dual Carbon" goals and actively executes the "Major Article" of green finance. Confronting the challenges and opportunities brought by climate change, the Bank aligns with the regional demands for a green and low-carbon transition, continuously strengthening its climate risk management. The Bank deeply integrates the sustainability philosophy into its strategic top-level design, publicly committing to ensure that its business strategies are aligned with the *Paris Agreement* and the national "Dual Carbon" goals, while proactively conducting impact analyses and target-setting initiatives. At the strategic execution level, the Bank strictly implements the *2023-2025 Development Strategy*, the *2021-2025 Green Finance Development Strategy*, and the *Work Plan for Carbon Peaking and Carbon Neutrality During the "14th Five-Year Plan" Period*. The Bank actively explores pathways and methodologies to identify, assess, and manage climate risks across all business lines, thereby facilitating the high-quality transition of the real economy through high-standard financial services.

Business Layout

To guarantee the effective implementation of our strategies, the Bank has formulated the *Measures for Green Finance Management*. Through the measures, the Bank coordinates the advancement of green finance initiatives across the entire organization and intensifies resource allocation toward the green, low-carbon, and circular economy sectors. For detailed information regarding the development of the Bank's green finance business, please refer to the "Green Finance" chapter within the "Environmental" chapter of this Report.

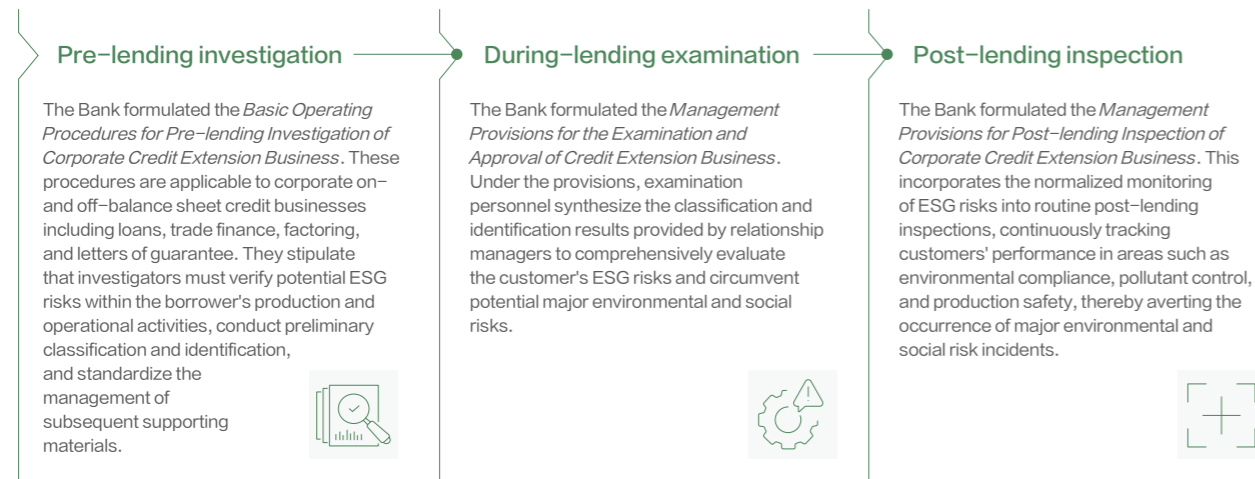
Impact, Risk and Opportunity Management

ESG Risk Management of Credit Customers

Whole-Process Management of Credit Extension

The Bank has formulated the *Credit Risk Management Measures*, which mandates the enhancement of the customer ESG risk management system. This system implements classified management and dynamic assessment of customer ESG risks, applying the assessment results across various links, including the entire "Three Inspections" process of loans, credit pricing, and economic capital allocation. For customers presenting potential major ESG risks, the Bank adopts targeted risk mitigation and management measures.

Integrating ESG Risk Management into the "Three Inspections" Process of Loans



ESG Risk Assessment Classification

The Bank is dedicated to constructing a multi-dimensional customer ESG evaluation model that covers all industries. By fully referencing mainstream international ESG rating frameworks and domestic regulatory guidelines, and integrating the Bank's customer structure and business characteristics, we have established an indicator system encompassing three major dimensions: environmental performance, social responsibility fulfillment, and corporate governance level. Additionally, we introduced an industry-differentiated weight adjustment mechanism to elevate the scientific rigor and applicability of the evaluations. Building on this, the Bank formed a six-level ESG risk rating system equipped with refined differentiation capabilities, effectively elevating our ability to identify, measure, and control customers' non-financial risks.

ESG Risk Assessment Factors



ESG Risk Escalation Management

The Bank has established specific conditions that trigger risk escalation within the customer ESG evaluation model. If an enterprise is found to be involved in major legal and regulatory violations in the ecological environment sector, major acts of bad faith regarding production safety, major operational abnormalities, or if it is designated as a dishonest person subject to enforcement, such factors will directly impact its ESG rating outcome and classification level. For customers evaluated as posing potential major environmental impacts, the Bank conducts further thorough investigations into their current status, securing valid and comprehensive supporting materials, such as environmental protection approval certificates issued by competent authorities. The Bank strengthens the dynamic monitoring of corporate ESG risks and, tailored to the enterprise's actual circumstances, deploys measures such as reducing credit exposure and adjusting interest rate pricing to promptly prevent and defuse risks.

Case | Focusing on the ESG Performance of High-Carbon Customers to Effectively Circumvent High-Carbon Transition Risks

During the credit admission phase, the Bank focuses on the ESG performance of customers. For high-carbon customers, the Bank pays heightened attention to their resilience in addressing climate risks and their negative environmental impacts. Taking Enterprise A as an example: this enterprise serves as the sales platform for a large electrolytic aluminum producer. During the pre-lending due diligence investigation, the Bank discovered that despite the parent company's robust overall operating profits, the electrolytic aluminum sector is intrinsically a high carbon-emitting industry. Furthermore, the parent company trailed its industry peers in crucial environmental performance indicators such as carbon emissions, toxic emissions, and waste management, resulting in a subpar overall ESG performance. After comprehensively evaluating its potential climate transition risks and environmental compliance risks, the Bank ultimately implemented a management measure to reduce the credit exposure of the loan applicant, effectively guarding against concentration risks and non-financial risks.

Credit Policies for Key Industries

Guided by national policy orientations, the Bank has formulated the *2025 Credit Extension Investment Policy*. This policy is implemented following review and approval by the Internal Control and Risk Management Committee subordinate to senior management, and the President's Executive Meeting. Through differentiated credit policies, the Bank intensifies credit support for key areas such as green agriculture and rural construction, new energy, the transition to green and intelligent manufacturing in the petrochemical sector, and the protection of ecosystems and biodiversity. The Bank perfects the key control points for environmental and climate risks, thereby assisting in fostering new momentum for green development and facilitating the green transition of development modes.

Credit Policies for Selected Key Industries

Key Industry	Credit Policy Content	
	Credit Extension Orientation	Key Financing Areas
Agricultural Sector	Designates agriculture as a priority-supported industry. Centered on the three main lines of agricultural modernization, rural revitalization, and agricultural green development, the Bank drives urban-rural integration and low-carbon development.	<p>Ecological and low-carbon agriculture: Supports green ecological farms, the resource utilization of agricultural waste, unmanned grain farms, and water and fertilizer integration projects. Advances the low-carbon transition of agricultural energy, supporting green and energy-efficient rural housing, the transformation of agricultural greenhouses, rural power grids, and green energy industries.</p> <p>Beautiful countryside construction: Focuses on the "Beautiful Homeland, Green Field, and Happy Paradise" projects; supports the centralized residential planning and landscape enhancement for farmers through tailored products such as the "Homeland Loan" and "Homestay Loan"; and supports the harmless treatment of rural domestic waste.</p> <p>Agricultural carbon sequestration and digitalization: Supports carbon sequestration and efficiency-enhancing projects, including carbon-sink forests, bamboo forests, fishery resource cultivation, and agriculture-solar complementarity. Integrating whole-village credit extension with agricultural insurance, the Bank drives agricultural digitalization, cold chain logistics, and the construction of the "Internet + Modern Agriculture" system, while supporting the reform of the rural property rights factor market.</p>

Key Industry	Credit Policy Content	
	Credit Extension Orientation	Key Financing Areas
Power Public Utilities	Actively supports sectors such as nuclear power, wind energy, solar energy, and smart grids. Steadily elevates the proportion of green credit assets, embedding green concepts seamlessly across the corporate, inclusive, technology, and retail business lines.	<p>Clean energy power generation: Supports the large-scale development of centralized and distributed wind and solar power, encompassing deep-sea and offshore wind power demonstration projects and smart "Photovoltaic+" ("PV+") models. Supports the development of hydropower, geothermal energy, ocean energy, hydrogen energy, and photothermal power generation, adapted to local conditions.</p> <p>New power systems: Vigorously supports the construction of smart grids, "New Energy + Energy Storage" setups, the integration of power source, grid, load, and storage, multi-energy complementary systems, and pumped-storage hydroelectric power stations.</p>
Oil and Gas	Classifies the processing of petroleum, coal, and other fuels as a moderately-supported category, propelling the industrial chain to extend in green, efficient, and safe directions.	Focuses on the technological transformation and intelligent upgrade of the petrochemical industry. Vigorously supports enterprises in executing profound transformations for energy conservation and carbon reduction, and drives the construction of smart factories, green factories, and green industrial parks.
Biodiversity	Strengthens ESG risk management. During the credit admission phase, the Bank prioritizes examining the actual performance of customers regarding environmental protection, energy conservation and carbon reduction, clean production, circular economy, and biodiversity protection.	<p>Major projects and infrastructure: Focuses on the protection and restoration of critical ecosystems, key biodiversity projects, and the construction and operation of ecological functional areas. Actively participates in Eco-environment-oriented Development (EOD) projects and the construction of green infrastructure.</p> <p>Protection of characteristic regions: Primarily supports the ecological protection and construction of the Yangtze River Delta Ecology and Greenery Integration Development Demonstration Zone, the "Three Circles, Three Belts, and One Island" layout, national and municipal tourism functional areas, suburban park eco-tourism zones, and rural tourism and leisure belts.</p>

Note: The Bank's business focus is primarily concentrated on supporting local economic activities within Shanghai. Due to the scarcity of mining enterprises in the Shanghai region, the Bank has not formulated separate credit policies pertaining to the mining industry at this time.

Credit Bond ESG Risk Management

The Bank introduces authoritative ESG rating data for credit bond issuers from the external public market. By assessing credit bond issuers across the three dimensions of environment, society, and governance, the Bank strengthens pre-investment risk identification, during-investment credit utilization review, and post-investment risk management. This process identifies and prevents the non-financial hidden risks of bond issuers, while simultaneously unearthing high-quality customers with sustainable development potential.

Based on the ESG ratings of credit bond issuers, the Bank sets corresponding admission thresholds to prevent investment-related ESG risks. Integrating the current ESG management status of domestic bond-issuing enterprises, and referencing industry conventions, the Bank's risk appetite, and historical default data, the Bank selects the ESG rating results from multiple highly market-recognized ESG rating agencies for credit bond issuers. Building upon the existing credit bond admission system, the Bank incorporates an ESG negative screening mechanism to reject the admission of enterprises with poor ESG management levels. This serves to screen high-quality enterprises, curtail credit extension to high-risk entities, and elevate the comprehensive risk management level.

Talent Team Building

The Bank regards talent pipeline and culture building as vital pillars for addressing climate change, managing ESG risks, and developing green finance.



Building a Professional Talent Echelon

The Bank formulated the *Detailed Implementation Rules for the Green Finance Professional Talent Pool*, which clarifies organizational divisions of labor and constructs a professional talent cultivation system. The Bank developed seven core curriculum systems and their supporting assessments covering the current status of the green finance market, policy interpretations, and typical case studies, and selectively distributed them across the entire Bank via online platforms, thereby supporting the high-quality development of green finance.



Deepening the Bank-wide Promotion and Integration of Culture

In 2025, the Bank conducted multiple comprehensive special training sessions on green finance, accumulating over 2,400 training attendances, with a focus on dissecting new standards and complexities in green identification. Concurrently, the Bank compiled and published monthly green finance briefs to share the latest policies and exemplary cases, strengthening the synergy between the Head Office and branches, unifying business development norms, and fostering a robust green finance cultural atmosphere throughout the Bank.

In August 2025, the Bank hosted an ESG Theme Day event. Centered on the training mainline of "concept - cognition - action", and through interactive activities such as ESG concept awareness exhibitions and ESG knowledge "blind box" challenges, the Bank enhanced the Bank-wide recognition of ESG concepts and deepened all employees' understanding of ESG risks.



Metrics and Targets

Target	2025 Achievement Status			
The 2023-2025 Development Strategy proposes building "the greenest bank in the Yangtze River Delta region". The Bank strives to maintain a relatively high growth rate for the total volume of green financial services, elevate green credit to an advanced level among industry peers, and concurrently drive an overall decline in the Bank's total energy consumption, thereby becoming a pioneer in the green and low-carbon transition.	By the end of 2025	The Group's total volume of green financial services ² surpassed	Within this, the green credit balance stood at	representing an increase of
	RMB 100 billion	RMB 68.76 billion	10.36%	compared to the end of the previous year
During the reporting period	The Bank's total energy consumption was	marking a decrease of	and a decrease of	
	20,682.29 tons of standard coal equivalent	0.19% compared to 2024	13.72% compared to 2023	

² Green financial services encompass green credit, on- and off-balance sheet green bond investment, green bond underwriting, and green leasing.

Green Finance

The Bank actively responds to the national "Dual Carbon" strategic goals, deeply embedding the green development concept into its business practices. In 2025, the Bank launched the "Lv Xin Tong Zhou" green finance brand and continuously perfected its comprehensive green financial service system. By integrating business segments such as green credit, green bonds, green retail, and green leasing, the Bank built a "one-stop" green financial service platform, dedicating itself to facilitating the comprehensive green transition of the economy and society through more professional and efficient green financial services.

Green Credit

The Bank continuously optimizes the top-level design of its green credit management system, intensifies product and service innovation, and expands the scope and scale of its service coverage, thereby effectively driving the high-quality development of its green credit business.

Key Performance

By the end of 2025, the Bank's green credit balance stood at

RMB 68.76 billion

representing an increase of

10.36%

compared to the end of the previous year

Management System

- The Bank continuously perfects relevant systems, such as credit extension guidelines and green credit classification, persistently expanding the coverage of green credit policies. It released documents including the *Distributed Photovoltaic Carbon Inclusion Service Scheme*, the *Operating Procedures for Water Withdrawal Right Pledge Loans*, and the *Green Factory Financial Service Scheme*. Furthermore, it perfected business systems for carbon quota pledges and sustainability-linked loans, assisting the comprehensive development of the green credit business.
- The Bank revised the *Detailed Rules for the Implementation of Green Credit Identification* and normalized the updating of documents such as supporting prompts for green credit identification. This ensures that the identification processes comply with the latest regulatory policy requirements and actual business development realities, elevating the accuracy and standardization level of green credit identification.

Business Development

- Credit resources are predominantly allocated to five core segments: green agriculture, green energy, energy conservation and environmental protection, green manufacturing, and green buildings. Key support is directed toward municipal and district-level major green projects in Shanghai, such as centralized fishery-solar complementarity, wind power generation facilities, and green data centers.
- The Bank launched a suite of distinctive green finance services, including environmental rights and interests financing, transition finance, the carbon emission reduction facility, and climate investment and financing. Tailored to various scenarios, it provided green industry financial services such as distributed photovoltaic loans, green electricity loans, rural ecological loans, and green factory loans.

Assessment and Incentives

- The Bank established green finance-related indicators within the performance assessments of senior management personnel and the evaluations of branch institutions. Through unified Bank-wide coordination, it intensified credit support for green industries.
- The Bank optimized its assessment and incentive mechanisms by introducing a subsidy policy for corporate green credit resources in 2025. Subsidies were granted at the branch and sub-branch levels for newly extended green credit that met the requisite criteria in 2025, consolidating the momentum for green development.

Case | Executing the City's First Water Withdrawal Right Pledge Loan to Revitalize the "Living Assets" of Water Resources

In May 2025, in collaboration with the Shanghai water affairs authorities, the Bank innovatively incorporated water withdrawal rights into the scope of bank pledges and credit enhancements, issuing Shanghai's first water withdrawal right pledge loan of RMB 45.50 million. Adopting a sustainability-linked loan model, the Bank priced the customer's water withdrawal rights based on their annual withdrawal volume and market value, linking the loan interest rate to the surplus water withdrawal volume. The Bank periodically verified with the water affairs authorities whether the customer's water quota met the targets. If the customer's surplus water withdrawal volume exceeded the agreed threshold, the Bank reduced the loan interest rate, further lowering the financial costs of the customer's water conservation transition.

Issuing Shanghai's first water withdrawal right pledge loan of

RMB 45.50 million

Case | Executing the City's First "Climate Loan" to Support the Green Development of Agriculture-Related Enterprises

In November 2025, in collaboration with the Shanghai Jinshan District Meteorological Bureau, the Bank issued Shanghai's first "Climate Loan" to the Jinshan A Cooperative. This loan utilized the Evaluation Standards for Climate-Friendly Enterprises and Agriculture-related Operating Entities in Jinshan District to construct a comprehensive evaluation system comprising "climate fundamental criteria + supplementary criteria". This transformed the enterprises' current capacities to address meteorological disasters into quantifiable and evaluable metrics. The metrics spanned multiple dimensions, including meteorological disaster monitoring, early warning and response capabilities, disaster prevention infrastructure construction, economic management systems, carbon emission intensity, and the application of green production technologies. The evaluation results served as a critical basis for determining the enterprise's loan interest rates and credit quotas, effectively alleviating persistent pain points such as financing difficulties and a lack of qualified collateral and pledges.

Case | Executing the Bank's First Transition Finance Loan for the Air Transport Industry to Support Green Aviation Development

In March 2025, the Bank issued a transition finance loan of RMB 145 million to J Airlines. Employing a sustainability-linked loan framework, the loan interest rate was tied to transition development performance targets, specifically utilizing "carbon dioxide emissions per tonne-kilometre of the passenger aviation fleet" as the core carbon reduction metric. By innovatively applying a floating interest rate mechanism, the Bank supported the low-carbon transition of the private aviation sector.

The Bank issued a transition finance loan of

RMB 145 million

to J Airlines



Green Bonds

Bond Investment

Key Performance

By the end of 2025, the Bank's balance of on-balance sheet green bond investments reached

RMB **16.60** billion

representing an increase of

9.10%

over the end of the previous year

The Bank continuously diversifies its green bond investment portfolio, intensifies its green bond investments, and strictly implements the *Management Measures for Funds Raised by Green Financial Bonds*. It optimizes the identification, assessment, and management of green products and projects, ensuring that the raised funds are exclusively channeled into green and sustainable development sectors.

In 2025, the Bank's green bond investments encompassed various types, including green financial bonds, green medium-term notes, green enterprise bonds, and green corporate bonds. The portfolio featured multi-labeled green enterprise bonds related to carbon neutrality, rural revitalization, and blue bonds. The raised funds were widely allocated to green industry projects that satisfy the criteria of the *Green Bond Endorsed Projects Catalogue (2021 Edition)* and align with the standards of the *Common Ground Taxonomy*. Investments were primarily directed toward industries such as power, transportation, energy, construction, and environmental protection, supporting the development of projects in emerging green fields—such as the Belt and Road Initiative, climate change mitigation, and biodiversity protection. By the end of 2025, the Bank ranked among the "TOP 10 City Commercial Banks and Rural Financial Institutions" for investments in green debt financing instruments by the National Association of Financial Market Institutional Investors for consecutive years, securing the top position among domestic rural financial institutions.



Bond Underwriting

In 2025, the Bank actively engaged in the green bond underwriting business, assisting issuers in supporting major national environmental protection projects and livelihood infrastructure initiatives. Notably, the Bank underwrote several themed bonds in the green finance sector, including the Agricultural Development Bank of China's "Green and Beautiful Jiangsu" themed green bonds, the nation's first green bond compliant with the updated standards of the *Common Ground Taxonomy*, and the "Supporting National Reserve Forest Construction" themed green bonds. Furthermore, the Bank underwrote green bonds issued by the China Development Bank directed at green infrastructure upgrades, earning the 2025 CDB Financial Bond "Green and Low-Carbon Award".

Key Performance

In 2025, the Bank underwrote a total of

RMB **3.22** billion

in green bonds

Bond Issuance

During the reporting period, the Bank issued the 2025 Green Financial Bonds (Tranche I) with an issuance size of RMB 4 billion and a 3-year term. The raised funds effectively replenished capital sources for key credit sectors, effectively amplifying credit extension to green areas such as the energy conservation and environmental protection industry, clean production industry, clean energy industry, and green infrastructure upgrades.

Key Performance

By the end of 2025, the Bank's outstanding balance of green financial bonds in the duration period stood at

RMB **7.00** billion

Green Retail

The Bank continuously deepens its green inclusive finance practices, broadens the pathways for customers to participate in green actions, advocates for green consumption, and contributes to the green and low-carbon transition of the entire society.

Green and Low-Carbon Themed Activities



The Bank conducted a series of online green-themed activities, including "Striding towards 2025 · Extremely Happy", "Happy Life Festival", and "Green and Low-carbon Action". Utilizing "exchanging steps for reward points" as the core incentive mechanism, the Bank extended low-carbon behavior scenarios from daily walking to over 10 high-frequency daily life scenarios, such as online utility payments, third-party payments, initial business account binding, and electronic billing. Concurrently, leveraging 115 pension finance-featured outlets, the Bank organized offline "low-carbon check-in" activities, further fostering the deep integration of green and low-carbon concepts with healthy lifestyles. By the end of 2025, this series of activities had attracted over 400,000 participations and distributed over 200,000 diverse low-carbon rewards.

New Energy Vehicle Consumption



The Bank actively responded to national policies supporting the consumption of new energy vehicles by intensifying the credit extension of green loans for such vehicles. Simultaneously, it embedded green concepts such as resource conservation and environmental protection throughout the entire business process, encouraging customers to cultivate green consumption habits.

Green Leasing

Key Performance

By the end of 2025, the green leasing balance reached

RMB **17.72** billion

representing an increase of

26.08%

over the end of the previous year

The Bank's holding subsidiary, Changjiang Financial Leasing, continuously optimizes the strategic layout of green leasing, deeply intertwining it with the development of the real economy. It periodically updates the *Leasing Business Investment Policy*, strategically focusing on sectors such as advanced manufacturing, power and energy, and the ecological environment. Targeting niche markets with massive potential and remarkable environmental benefits, such as commercial and industrial distributed photovoltaics, it customizes specific business processes to guide financial resources precisely and efficiently toward green projects. Through measures such as implementing differentiated pricing and establishing dedicated development metrics for green leasing businesses, Changjiang Financial Leasing continuously perfects the safeguard mechanisms to ensure the steady advancement of its green leasing operations. In 2025, Changjiang Financial Leasing innovatively introduced the "Xin Lease" product framework, leveraging its proprietary advantage of "integrating financing and physical leasing" to unlock new financing channels for small and micro enterprises across various sectors.

Case | Executing the Nation's First SPV Smart Manufacturing Leasing Project

In July 2025, Changjiang Financial Leasing executed the nation's first Special Purpose Vehicle (SPV) smart manufacturing leasing project. The partner in this project was a national specialized and sophisticated "Little Giant" enterprise. This enterprise has deeply cultivated the intelligent unmanned transportation sector over a long period, empowering traditional industry upgrades with new quality productive forces. Changjiang Financial Leasing tailored a financing lease scheme for the customer by comprehensively assessing long-term value dimensions including the enterprise's core technological R&D strength, market potential, green benefits, and operational management capabilities. This provided robust financial support for the green transition and sustainable development within the intelligent logistics equipment sector.

Featured Report on Biodiversity

Guarding the Beauty of Nature, Jointly Building an Ecological Civilization

As one of the 36 Chinese-funded banks nationwide to participate in the *Joint Declaration of Banking Financial Institutions to Support Biodiversity Conservation*, the Bank actively implemented the "Post-2020 Global Biodiversity Framework", continuously elevating the strategic prominence of biodiversity conservation and fully leveraging financial strength to promote eco-friendly, sustainable, green, and inclusive development.

In the *2025 Credit Extension Investment Policy*, the Bank explicitly incorporated biodiversity into its supported directions and key areas. During the credit evaluation phase, the Bank actively focused on customers' performance in environmental protection, energy conservation and carbon reduction, clean production, the circular economy, and biodiversity. We strengthened customer ESG risk management to prevent systemic transition risks. Furthermore, the Bank actively explored and innovated more tailored financial products and services to provide funding support for biodiversity conservation projects.

Case | Creating an "Ecology + Finance" Novel Green Service Space, Setting a New Benchmark for Bank-Community Joint Governance

The "Habitat Community" and Habitat Museum in Xinjing Town, Changning District, Shanghai, serve as vital platforms for regional ecological governance and nature conservation, having been selected for the UN's "100+ Global Typical Cases of Biodiversity". In 2025, the Bank's Changning Sub-branch participated in the construction of this project, securing the naming rights for the "Shanghai Rural Commercial Bank Habitat Museum". The Bank also established a "Xin Jia Yuan" public welfare service demonstration station within the museum, actively partnering with the community to routinely host themed activities such as nature science popularization and environmental protection knowledge lectures. This collaboration represents a significant endeavor by the Bank to explore the novel "ecology + finance" green service space, effectively achieving a profound synergy between grassroots ecological governance and public welfare services, and contributing to the construction of an urban ecological system characterized by the harmonious coexistence of humanity and nature.



Case | Providing Special Funds to Support Ecological Restoration Projects

A certain technology co., ltd. specializes in the full-process ecological governance of river and lake waters. Recognizing that ecological restoration projects rely heavily on specific natural raw materials, the Bank identified the enterprise's need for capital turnover during the aquatic plant procurement phase. Consequently, the Bank issued a working capital loan specifically designated for the company to procure high-quality aquatic plants, such as *Myriophyllum* and *Pickeredeweed (Pontederia cordata)*. This effectively safeguarded the raw material supply and construction progress for the various ecological governance projects the company executes.



Case | Executing a Biodiversity Loan to Support Modern Agriculture and Animal Husbandry in Enhancing Animal Welfare

A certain agricultural and animal husbandry technology company operates as a "National Live Pig Core Breeding Farm" and a "Communist Party of China Live Pig Reserve Base". This company has integrated the concepts of green circularity and sustainable development throughout its entire live pig breeding industrial chain. In 2025, it was awarded the nation's first *Animal-Friendly Farm Tier Rating - Pigs certificate*, ensuring the healthy growth of live pigs by establishing five major welfare dimensions. Based on this enterprise's exceptional performance in animal protection and green production, the Bank issued a biodiversity loan to it. The disbursement of these credit funds stands as a powerful initiative by the Bank to explore animal welfare protection and execute financial innovation in biodiversity.



Case | Investing in Biodiversity-Themed Bonds to Assist Natural Ecological Restoration

The Bank continuously identifies and invests in green bonds associated with biodiversity conservation. During the investment decision-making process, the Bank strictly benchmarked against the *Green Bond Endorsed Projects Catalogue (2021 Edition)* and the *Biodiversity Finance Taxonomy (Trial Version)*. Through in-depth analysis of offering prospectuses and third-party evaluation reports, the Bank assessed the biodiversity conservation benefits of the financed projects, ensuring they met specific investment criteria for biodiversity protection. By the end of 2025, the Bank held RMB 30 million in the biodiversity-themed bond "23 Agricultural Development Bank Green Bond 03". The funds raised by this bond were targeted toward 23 projects yielding biodiversity conservation benefits, such as mine ecological restoration and national reserve forests. The projects are projected to restore 19,700 mu of mining areas and add 232,000 hectares of forestry, significantly enhancing the carbon sequestration and protective functions of the ecosystems.



Green Operations

The Bank strictly complies with the requirements of laws and regulations such as the *Environmental Protection Law* and the *Energy Conservation Law*. The Bank systematically advances initiatives including energy conservation and carbon reduction, water conservation, paperless offices, the compliant disposal of waste, and the construction of green branches. The Bank was awarded the title of "2024 Shanghai Huangpu District Advanced Collective in Carbon Peaking and Carbon Neutrality and Energy Conservation and Emission Reduction". In 2025, the Bank experienced no major environmental violation incidents.

Key Measures for Green Operations

<p>Energy Conservation and Carbon Reduction</p>	<p>In 2025, the Bank incorporated energy conservation and carbon reduction into the strategic OKR evaluation system for branches and sub-branches, designating the "decrease in the comprehensive energy consumption of operations and production" as a key assessment indicator. This initiative drove 19 branches and sub-branches to achieve a year-on-year decrease in their annual energy consumption.</p> <ul style="list-style-type: none"> • Management of lighting and air-conditioning systems: Energy-efficient equipment is deployed across the Bank's office premises. Fixed lighting schedules are established for office and public areas, and unified air-conditioning controls are implemented on workdays, thereby curtailing unnecessary electricity consumption. • Utilization of renewable energy: The Bank fully utilizes the rooftop resources at the Zhangjiang Campus to actively advance solar photovoltaic power generation. In 2025, the Zhangjiang Business Processing Center generated a cumulative total of over 520,000 kWh of solar photovoltaic power, reducing carbon dioxide emissions by approximately 466 tons and effectively enhancing the self-sufficiency rate of green electricity. • Optimization of data center energy efficiency: Through scientific planning, the refined optimization of operational strategies, and the optimization of server room layouts, the average Power Usage Effectiveness (PUE) of data centers in the Shanghai area decreased from 1.52 in 2024 to 1.45 in 2025, demonstrating a continuous optimization of energy efficiency levels.
<p>Water Conservation</p>	<ul style="list-style-type: none"> • Appliance retrofitting and management: The headquarters building utilizes water-saving appliances. Direct drinking water dispensers in the pantries were retrofitted, and the supply of bottled water was eliminated. Concurrently, regular inspections and maintenance of water supply facilities are conducted, effectively preventing water resource leakage. • Rainwater collection and utilization: The Zhangjiang Business Processing Center employs a rainwater treatment system that collects outdoor rainwater for campus landscaping irrigation and partial domestic water use, effectively substituting for tap water consumption.
<p>Paperless Office</p>	<ul style="list-style-type: none"> • Fully online meeting processes: The Bank perfected its video conferencing system and collaborative office functions to advance the fully online execution of meetings, achieving a completely paperless process from agenda approval to the distribution of meeting minutes. Electronic devices have replaced paper notebooks in various meetings and training sessions. • Digitization of approval workflows: Online approval scenarios were enhanced to reduce the circulation of physical approval forms, multi-dimensionally reducing paper consumption and elevating office efficiency. • Popularization of electronic seals: The Bank promoted the application of electronic seals for online contracts. In 2025, electronic seals were applied to centralized procurement contracts 645 times, with the monthly average electronic seal usage rate maintained above 70%. • Promotion of electronic services: Online deposit and electronic billing service functions were launched, and the electronic receipt function was deeply optimized, mitigating the reliance of business operations on paper consumption.
<p>Garbage Classification and Waste Management</p>	<ul style="list-style-type: none"> • Source classification and reduction: The Bank strictly implements external regulatory requirements by enforcing a garbage classification system and deploying classified waste bins, thereby achieving waste reduction and classified disposal at the source. • Compliant and harmless disposal: Qualified suppliers are engaged for the professional disposal of waste materials. The Head Office achieved 100% harmless treatment and resource recovery for waste electronic information products, ensuring that the waste disposal process is compliant and environmentally friendly.

Green Branches



• **Green branch construction:** In accordance with the *Applicable Technology Catalogue for Green Branches of Shanghai Banks*, the green concept is integrated into the entire lifecycle of branch planning, design, construction, and operation. Priority is given to eco-friendly materials, high-efficiency mechanical and electrical equipment, age-inclusive facilities, and innovative technological measures to construct people-oriented, green, and low-carbon modern bank branches. In 2025, six branches, including the Jiangwan Sub-branch and the Zhujiajiao Sub-branch, passed the assessment by the Shanghai Green Building Association and were awarded the titles of "Green Bank Demonstration Branch" or "Standard-reaching Branch". By the end of the reporting period, a total of 7 branches of the Bank had attained this title.

• **Carbon neutrality pilot:** The Zhangjiang Technology Sub-branch was developed into the Bank-wide carbon reduction innovation laboratory. This sub-branch has achieved operational carbon neutrality for five consecutive years and was awarded a carbon neutrality certificate by the Shanghai Environment and Energy Exchange.

Promotion and Guidance of Green Concepts



• The Bank organizes various training sessions, lectures, and themed activities on green operations, and promotes the "Low-carbon Life" application to guide employees in consciously adopting a green and low-carbon style in their work and life. In 2025, over 6,000 employees participated in low-carbon "check-ins" more than 900,000 times, equivalent to a reduction of 495 tons of carbon dioxide emissions.



Environmental Performance Data

Indicator Name	Unit	2025	2024	2023
Green Finance				
Green credit balance ³	RMB 100 million	687.57	623.03	614.31
Outstanding scale of green bonds	RMB 100 million	70.00	30.00	30.00
Balance of on-balance sheet green bond investments	RMB 100 million	165.96	152.12	115.49
Underwriting scale of green bonds	RMB 100 million	32.20	7.30	10.50
Balance of off-balance sheet wealth management investments in green bonds	RMB 100 million	25.10	23.34	21.39
Green leasing balance ⁴	RMB 100 million	177.20	140.55	101.47
Greenhouse Gas (GHG) Emissions⁵				
Total GHG emissions	tCO ₂ e	32,092.71	33,764.64	50,370.48
Total Scope 1 GHG emissions	tCO ₂ e	1,387.84	1,916.59	1,878.67
Total Scope 2 GHG emissions	tCO ₂ e	29,840.86	29,740.29	46,469.00
Total Scope 3 GHG emissions	tCO ₂ e	864.01	2,107.76	2,022.81
GHG emissions per capita (Scope 1 + Scope 2)	tCO ₂ e/person	3.19	3.22	5.07
Energy and Resource Use⁶				
Natural gas consumption	10,000 cubic meters	25.50	44.07	32.96
Diesel consumption	10,000 liters	6.80	6.68	7.15
Gasoline consumption of self-owned vehicles	10,000 liters	29.30	35.33	43.79
Purchased electricity	10,000 kWh	7,104.97	7,050.75	8,148.17
Of which: Purchased electricity of the Head Office building	10,000 kWh	237.39	251.16	243.54
Total energy consumption	tons of standard coal equivalent (tce)	20,682.29	20,721.99	23,971.46
Energy consumption per capita	tce/person	2.11	2.11	2.51
Water consumption	tons	12,897.50	13,216.00	11,525.00
Water consumption per capita	tons/person	7.31	8.40	7.35
Business and office paper consumption	tons	16.12	15.48	26.80

³ The 2025 data is disclosed in accordance with the statistical scope of the People's Bank of China. The 2024 data has been retrospectively adjusted based on this scope, whereas the 2023 data has not been adjusted and is therefore incomparable.

⁴ The 2025 data is disclosed in accordance with the statistical scope of the People's Bank of China. The 2024 data has been retrospectively adjusted based on this scope, whereas the 2023 data has not been adjusted and is therefore incomparable.

⁵ [Statistical Scope] The Bank's headquarters and branch institutions within the Shanghai area.

[Calculation Methodology] Greenhouse gas emissions are primarily generated by energy consumption and the fugitive emissions of greenhouse gases. These encompass Scope 1, Scope 2, and Scope 3 as defined by ISO 14064 (Greenhouse gases — Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals). Specifically, Scope 1 includes direct emissions generated by the combustion of fossil fuels such as natural gas, gasoline, and diesel; Scope 2 comprises indirect emissions caused by purchased electricity; Scope 3 encompasses two categories of value chain emissions: Category 1 (Purchased goods and services) and Category 6 (Business travel). Carbon emission factors are determined in accordance with the *Guidelines for Carbon Emission Accounting and Information Disclosure for Financial Institutions in Pudong New Area, Shanghai (Trial)*, the *China Product Life Cycle Greenhouse Gas Emission Factor Dataset (2022)*, and the *Announcement on Releasing the 2023 Electricity Carbon Dioxide Emission Factor*.

⁶ [Statistical Scope] The Bank's headquarters and branch institutions within the Shanghai area. Specifically, the statistical scope for business and office paper consumption covers the Bank's Head Office building and the Zhangjiang Center Campus, while the statistical scope for water consumption covers the Bank's Head Office building.

Indicator Name	Unit	2025	2024	2023
Waste Management⁷				
Non-hazardous Waste				
Disposal volume of electronic and office supplies	pieces	10,300	11,057	17,338
Disposal volume of kitchen waste	tons	45.00	50.00	43.75
Hazardous Waste				
Disposal volume of toner and ink cartridges	tons	2.60	3.10	6.60
Green Office				
Proportion of credit card electronic bills	%	91.62	90.82	90.93
Video conferences	sessions	15,932	8,019	2,774

⁷ [Statistical Scope] The statistical scope for the disposal volume of kitchen waste and hazardous waste covers the Bank's Head Office building.



02

Social

The Bank earnestly implements the decisions and deployments alongside the regulatory requirements of the CPC Central Committee and the State Council. We proactively integrate into national strategies, fully leverage the advantages of a Shanghai state-owned financial enterprise, and assist the high-quality development of the real economy. Adhering to a people-centered development philosophy, the Bank rigorously executes the "Five Major Articles" on finance. We perfect the construction of the consumer protection system, fortify data security and privacy protection, and earnestly and empathetically safeguard the rights and interests of financial consumers. Viewing our employees as the cornerstone of enduring prosperity, we are dedicated to cultivating a diverse, equal, and inclusive workplace. Through concrete actions, we fulfill our responsibilities and commitments, realizing a mutually beneficial reciprocation between our own development and society.

SDGs Responded to in this Chapter:



Material Sustainability Issues Covered in this Chapter:

- Serving the Real Economy
- Serving Rural Revitalization*
- Technology Finance*
- Inclusive Finance*
- Pension Finance*
- Digital Finance*
- Consumer Rights Protection*
- Data Security and Privacy Protection*
- Human Capital Development*
- Social Public Welfare and Charity



Serving the Real Economy

Promoting Regional Development

Closely centering on the national regional development strategy, the Bank is deeply integrated into the integration of the Yangtze River Delta. By focusing on the "Five New Towns" and the "North-South Transformation", the Bank fully serves national strategies and propels the coordinated development of the regional economy. In 2025, the Bank profoundly practiced the People's City concept and actively responded to various planning directives of the State and Shanghai Municipality. Through optimizing the allocation of financial service resources and innovating financial products and service models, the Bank provided comprehensive financial support for regional infrastructure construction, urban renewal, sci-tech innovation, and industrial upgrading.

Serving the Construction of the "Five New Towns" and the "North-South Transformation"

The Bank implements the strategic deployments of the Shanghai Municipal Party Committee and the Municipal Government, continuously augmenting the input of various credit resources. This assists the new cities in realizing their positioning as comprehensive node cities with a radiating and driving effect, and supports the northern and southern regions in fundamentally evolving into model modernization transitions characterized by the integration of industry and city, the agglomeration of emerging industries, and ecological livability and business suitability.

Supporting the Construction of the "Five New Towns"

- The Bank formulated and deeply advanced the special action plan for serving the "Five New Towns". By the end of 2025, the Bank's corporate credit extension balance in the regions housing the "Five New Cities" reached RMB 121.19 billion, with the number of corporate clients holding credit balances reaching 5,979. This marks three consecutive years of dual growth in both the credit extension balance and the number of enterprises served.

Serving Characteristic Industrial Parks

- The Bank has deeply integrated into the economic construction of key areas within Shanghai's "Five New Towns" and the "North-South Transformation". Focusing on the agglomeration and ecology of local characteristic industries, the Bank synergistically drives the integration of industrial chains and value chains within these regions. In 2025, the Bank conducted the "Gathering Strength with Xin, Envisioning the Future with Wisdom" and the Shanghai Rural Commercial Bank "Hundred Parks and Ten Thousand Enterprises" Park Direct Connection series of activities across characteristic industrial parks in Songjiang, Jiading, Baoshan, Jinshan, and Fengxian districts, as well as the Lin-gang Special Area. By deepening the four-way interaction among the "Government-Bank-Park-Enterprise", the Bank comprehensively empowered enterprises within these parks.

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Practicing the People's City Concept to Assist Urban Renewal and Housing Projects

The Bank continuously amplified its financial support for housing projects, including urban renewal and urban village renovation. We explicitly categorized "Shanghai area urban renewal projects, urban village renovation projects, affordable housing development projects (including affordable rental housing), and centralized residential projects for rural households with relocated homesteads in suburban areas" as priority support categories. This approach guides the Bank's credit resources to tilt heavily toward key livelihood sectors, thereby assisting sustainable urban development.

The Bank established a list-based management mechanism and a grid-based outreach mechanism for urban renewal projects. We conducted in-depth investigations into the actual needs of the project construction entities on the list and formulated "tailored financing solutions" tailored schemes. Concurrently, the Bank perfected the green channel for approvals, implementing differentiated process arrangements featuring rapid acceptance and time-bound completion for urban renewal and urban village projects, thereby practically enhancing service quality and efficiency.

In 2025, amid the functional transformation, business format upgrading, and vitality enhancement initiatives for historic blocks in the main urban area, the Bank successively supported urban renewal projects in Huangpu, Hongkou, Xuhui, and Jing'an districts. Furthermore, the Bank participated in urban village renovation projects in Qingpu and Songjiang, as well as the old city reconstruction project of the historical and cultural block in Jiading New City. During the reporting period, the Bank achieved dual growth in both the credit extension amount and the number of project clients for urban renewal, effectively injecting financial momentum into Shanghai's urban development.

Supporting Cross-border Finance

The Bank aligns closely with strategies including the national Belt and Road Initiative (BRI), the orientation of RMB internationalization, the hosting of the China International Import Expo (CIIE), and the deepening of the construction of the Lin-gang Special Area. Tightly adhering to the core purpose of "serving the globalized development of local enterprises", the Bank provides comprehensive and multi-tiered financial support for synergistic regional economic development, digital economy transformation, RMB internationalization, and global trade cooperation. By deeply participating in BRI green infrastructure projects, the Bank drives global sustainable development. It innovates digital financial platforms to empower the quality and efficiency enhancement of cross-border financial services; deepens international financial cooperation to deeply embed itself into the global RMB service network; and continuously supports the CIIE's global cooperation to promote inclusive trade growth. In 2025, the Bank's cross-border financial business achieved leapfrog development, with the Bank-wide trade finance business settlement volume reaching USD 73.45 billion.

Enriching Cross-Border Products and Services

Adhering to a settlement-oriented approach, the Bank is dedicated to establishing an integrated trade financial service system that covers domestic and foreign currencies, domestic and overseas markets, settlement and financing, and risk hedging, thereby fully serving the construction of the Pilot Free Trade Zone (FTZ). By the end of 2025, the Bank had achieved virtually full coverage of basic cross-border financial products, possessing over 50 products under the Bank-wide cross-border finance portfolio.

In 2025

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50

products under the Bank-wide cross-border finance portfolio



Case | Innovating Exclusive Cross-Border Products to Support the CIIE for Eight Consecutive Years

In November 2025, the Bank showcased its financial innovation achievements at the China International Import Expo (CIIE) for the eighth consecutive year. At this CIIE, the Bank officially launched two cross-border remittance products, "Xin Yi Xian Su Da" and "Xin Yi Bai Bi Tong". Through digitalized and customized service solutions, these products practically assist local enterprises in seamlessly connecting to the global market.

"Xin Yi Xian Su Da": Designed for trade-oriented enterprises importing fresh products, this product addresses the "multiple transactions, small amounts" characteristics of the fresh produce trade by introducing an exclusive discount that reduces the handling fee for each cross-border remittance by 40%. Concurrently, relying on a deep cooperation network with mainstream financial institutions in Norway and Chile, the Bank optimized settlement methods and compressed approval times to achieve a "second-level response and rapid arrival" of funds. This mitigates risks such as storage attrition and prolonged delivery schedules caused by settlement delays, injecting robust momentum into the fresh produce trade cooperation between China and Norway, as well as China and Chile.

"Xin Yi Bai Bi Tong": Leveraging the global network of overseas clearing banks, this product supports payments in over 120 currencies and direct collections in 40 currencies through a single USD account. While optimizing remittance routing, minimizing intermediary delays, achieving efficient clearing, and simplifying processes, it effectively assists enterprises in mitigating exchange losses and averting exchange rate volatility risks, genuinely realizing "global connectivity through a single service".



Expanding the Global Service Network

The Bank insists on the bidirectional empowerment of its global service network and the interbank ecosystem. It focuses on strengthening cooperation with major overseas financial institutions in capital fields such as foreign exchange trading and derivatives, and deepens cooperation in traditional trade finance products across sectors like new energy vehicle exports and cross-border investments in the wind power industry, continuously building an open and synergistic interbank cooperation ecosystem. During the reporting period, the Bank conducted 190 batches of interbank mutual visits and exchanges, and signed over 50 multi-field cooperation agreements. By the end of 2025, the Bank had established a correspondent banking network with over 630 financial institutions globally and conducted payment and clearing cooperation in 8 foreign currencies with overseas banks.

Case | Relying on CIPS Direct Participant Qualifications to Weave a Dense Cross-Border RMB Clearing Network

As the first direct participant in the Cross-border Interbank Payment System (CIPS) within the rural credit system, the Bank actively responds to the RMB internationalization strategy. In 2025, the Bank focused on cultivating the ecosystem of indirect participating banks, providing professional, efficient, and convenient cross-border RMB agency clearing services for domestic small and medium-sized urban and rural commercial banks, foreign-funded banks, and global banking institutions with such demands, thereby assisting the external opening-up of the Chinese economy. In 2025, the Bank's cross-border RMB settlement volume reached RMB 281.4 billion. It provided indirect participant filing and account opening services for 15 domestic small and medium-sized urban and rural commercial banks as well as foreign-funded corporate banks, with an agency clearing amount of approximately RMB 6.4 billion.



Case | Executing the First Green On-Lending Project with an International Multilateral Institution

During the reporting period, the Bank negotiated green on-lending business cooperation with the New Development Bank (NDB). This project marks the first instance of NDB executing a green on-lending cooperation with a commercial bank in the Shanghai area, and it is also the Bank's first cooperation of this nature with an international multilateral development financial institution. In this on-lending business, the NDB will provide RMB funds equivalent to USD 100 million, which will be invested in high-potential sub-projects across fields such as digital infrastructure, environmental protection, and renewable energy and energy efficiency.

Case | Building a High-Level Exchange Platform to Jointly Discuss High-Quality Cross-Border Development

In 2025, the Bank actively spearheaded and participated in a series of global financial interbank exchange activities. In June, it hosted an event themed "Going Global, Bringing In, Walking Hand in Hand, Achieving Shared Visions and Beauty", inviting representatives from 25 Chinese and foreign-funded banks to exchange views on the pain points of serving "going global" enterprises, thereby promoting the synergistic development of the cross-border financial service ecosystem. In December, the Bank held the "Drops of Water Form a Lake, United Hearts Build a Business; Trade Finance Empowers, Wisdom Convergence Creates Win-Win" Sino-foreign interbank cross-border business seminar. The seminar gathered representatives from over 50 domestic and overseas financial institutions and industry experts to communicate deeply on the pathways for synergistic cross-border financial innovation and high-quality development.



Serving the Private Economy

As a crucial force driving Chinese modernization, the private economy plays a key role in stabilizing economic growth, promoting innovative development, and expanding social employment. In 2025, the Bank comprehensively implemented the work directives of the Shanghai Municipal Party Committee and the Municipal Government regarding the *Several Measures for Promoting the High-Quality Development of the Private Economy in the New Era and New Journey*. Centered on the *2025 Work Plan for Serving Private Enterprises*, the Bank focused on 20 measures, including amplifying private credit extension, supporting first-time loans and credit loans, and enhancing loan renewal efficiency and financing accessibility. Through these efforts, the Bank continuously provided the private economy with more comprehensive, efficient, and high-quality financial services, practically alleviating the financing pain points of enterprises.

Broadening Financing Channels for Private Enterprises

The Bank continuously injected financial vitality into private entities. By the end of 2025, the Bank's loan balance for private enterprises stood at RMB 297.08 billion. Concurrently, the Bank actively supported private enterprises in raising funds through the bond market. By the end of 2025, the Bank had assisted 11 private enterprises in issuing 18 non-financial enterprise debt financing instruments, achieving an underwriting amount of RMB 6.40 billion. During the reporting period, the Bank executed multiple "first-of-its-kind" market transactions, including Zhejiang Province's first private enterprise bond, which was also Jiaxing City's first "Two-New" bond, as well as Shanghai's first "triple-labeled" private enterprise sci-tech innovation bond, featuring green, rural revitalization, and sci-tech innovation attributes.

Enhancing Financing Accessibility

The Bank continuously perfected its business processes and upgraded its product systems to enhance the financing convenience and service experience for private enterprises.

Rapid Business Process Optimization

- The Bank integrated the "AiXinRong" inclusive finance online financing application mini-program and piloted inclusive corporate electronic contracts and digital imaging workflows across 11 branches and sub-branches. In 2025, it processed over 800 online application transactions, achieving a significant incremental increase.
- The Bank supportively developed the fully digitized, whole-process functions for "Business e-Loan" and "Microfinance", completing the adjustment of their applicable scopes and the optimization of approval nodes. By the end of 2025, over 3,000 loan transactions had been processed through this workflow.
- The Bank advanced its integration with the National Micro, Small and Medium-sized Enterprise Capital Flow Credit Information Sharing Platform of the People's Bank of China. This strengthened the application of private enterprises' capital flow information within the credit review phase, effectively improving approval timeliness.

Upgrading Product and Service Systems

- The Bank constructed an online supply chain finance platform, upgraded the multi-bank treasury system, and deepened the development of Enterprise Cash Management 2.0 and Asset Pool Phase III, thereby practically alleviating the capital turnover pressures encountered in the daily operations of private entities.
- Addressing the "short-term, frequent, fast, and urgent" capital turnover demands of private small and micro enterprises, the Bank innovatively developed a 7x24-hour commercial bill function, realizing a "never closing" bill service.
- The Bank iteratively upgraded the "Daily Balance Linked Loan" online standardized product, broadening the financing pathways for asset-light, growth-oriented private enterprises lacking historical loan records.

Serving Rural Revitalization*

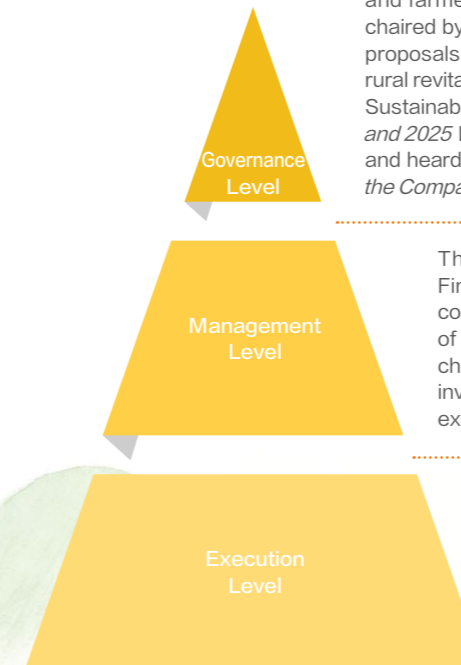
As the primary force in Shanghai's "ARF" (agriculture, rural areas, and farmers) financial services, the Bank actively responds to the spirit of the No. 1 Central Document. We firmly support the strategy of building a strong agricultural country, uphold our original aspiration and mission of supporting and assisting agriculture, and precisely focus on the financial service needs within the "ARF" sector. We continuously innovate financial products and service models, and intensify credit extension to key areas such as new agricultural operating entities and characteristic rural industries, thereby guiding more financial resources to precisely irrigate rural industries.

Governance

The Bank incorporates serving rural revitalization into its strategic planning, which is subsequently reviewed and approved by the Board of Directors. The Strategic, ARF (agriculture, rural areas, and farmers) and Sustainable Development (ESG) Committee under the Board of Directors, chaired by the Chairman of the Board, is primarily responsible for reviewing and acknowledging proposals related to rural revitalization, and for supervising and evaluating the execution of the rural revitalization strategy. In 2025, the Strategic, ARF (agriculture, rural areas, and farmers) and Sustainable Development (ESG) Committee reviewed the *Proposal on the 2024 Work Summary and 2025 Work Plan of the Inclusive (ARF) Financial Service Committee of the Board of Directors*, and heard the *Report on the Company's 2024 "ARF" Financial Services* alongside the *Report on the Company's First Half of 2025 Inclusive (ARF) Financial Services*.

The Bank established the Leading Group of the Rural Revitalization Grid-based Finance Special Task Force, headed by Bank executives. This group is responsible for coordinating the development of grid-based teams, guiding the specific implementation of rural revitalization grid-based financial services, and constructing related service channels. Furthermore, it negotiates, reviews, and makes decisions on critical matters involving organizational structure, institutional norms, and resource allocation during the execution of these initiatives.

The Corporate Banking Department and the Inclusive Finance Department of the Bank take the lead in implementing specific rural revitalization initiatives, ensuring the effective execution of all policies and processes.



Strategy

Risk and Opportunity Analysis

Closely aligned with national and regional policy orientations and rooted in its positioning of serving "ARF", the Bank identifies the short-, medium-, and long-term risks and opportunities that serving rural revitalization brings to the organization.

Risks	Risk Description	Time Horizon of Impact
Agricultural industry cyclical fluctuation risks	Agriculture is significantly impacted by natural conditions alongside market supply and demand. Extreme weather or agricultural product price volatility may lead to unstable incomes for farmers or agriculture-related operating entities, thereby impairing their debt-paying abilities.	Long-term
Rural credit system development risks	Digital infrastructure in rural areas remains relatively weak, making the collection of farmers' information challenging and introducing information asymmetry risks, which consequently impairs the accuracy of credit assessments. Concurrently, agriculture-related operating entities generally lack suitable assets to serve as loan collateral; thus, the applicability of traditional risk control methods is limited, increasing the difficulty of credit risk mitigation.	Long-term

Opportunities	Opportunity Description	Time Horizon of Impact
Policy support opportunities	<p>Support for agricultural sci-tech innovation: Shanghai Municipality is intensifying policy support for agricultural sci-tech fields, such as characteristic germplasm resources, biomanufacturing, and modern facility agriculture. This drives the transition of agriculture toward high technology and high added value, spawns full-chain financial needs for agriculture-related operating entities from R&D to application, and generates new business opportunities for the Bank.</p> <p>Opportunities from the reform of the rural collective property rights system: As Shanghai continuously deepens the reform of the rural collective property rights system, collective economic organizations will unleash substantial comprehensive financial needs, encompassing financing, settlement, and asset management, in areas such as land marketization, rural cultural tourism, and unified operations. This provides broad scope for the Bank to expand incremental markets and serve new growth tracks.</p>	Long-term

Planning and Strategy



Strengthening Top-Level Design

- In the *2023-2025 Development Strategy*, the Bank proposed building an "inclusive financial service system featuring 'ARF' finance" and formulated a dedicated strategic plan for "ARF" business development spanning 2023 to 2025. This explicitly identifies accelerating the cultivation and development of the entire agricultural industrial chain business, and elevating the scale, quality, value creation, and social contributions of the Bank-wide agriculture-related loans as its development targets, thereby fully advancing "ARF" financial businesses.
- Firmly adhering to the strategic positioning of "supporting agriculture and small businesses", the Bank formulated the *Implementation Opinions on Implementing the Spirit of the No. 1 Central Document and Doing a Good Job in Financial Support for Comprehensive Rural Revitalization in 2025*. This focuses on the key directions of the rural revitalization strategy and guides the Bank in executing all tasks related to financial support for comprehensive rural revitalization.



Perfecting Support Policies

- The Bank deeply implemented the *Action Plan on Enhancing Financial Service Coverage for New Agricultural Operating Entities (2024-2025)*. Through key initiatives such as deepening channel development, allocating dedicated personnel, and establishing specialized branches, the Bank further expanded the financial service coverage for new agricultural operating entities, including farmers' professional cooperatives and leading agricultural industrialization enterprises.
- The Bank formulated special subsidy policies for agriculture-related loans, established differentiated agriculture-related appraisal and reward mechanisms, incorporated the performance of "ARF" financial businesses into the branch and sub-branch appraisal system, and directed financial resources toward agriculture-related sectors.
- The Bank formulated the *Detailed Implementation Rules for the "ARF" Finance Professional Talent Pool*, perfecting the development of the "ARF" professional talent pool and the personnel selection process, thereby consolidating the talent foundation for rural revitalization financial services.

Financial Impact Analysis

By the end of 2025, the Bank's agriculture-related loan balance stood at RMB 66.00 billion, representing an increase of 2.44% over the end of the previous year. The inclusive agriculture-related loan balance exceeded RMB 15 billion, indicating a continuous expansion in the coverage of "ARF" financial services.

Looking ahead, the Bank will base its efforts on the overarching national rural revitalization strategy, empower agricultural and rural modernization through high-quality financial services, and construct a comprehensive "ARF" financial service system characterized by broad coverage and precise services.

By the end of 2025

The Bank's agriculture-related loan balance stood at

RMB **66.00** billion

The inclusive agriculture-related loan balance exceeded

RMB **15** billion

Impact, Risk and Opportunity Management

The Bank focuses on its core responsibilities and primary businesses, implements the rural revitalization strategy, and accelerates the construction of a strong agricultural country. By continuously increasing resource investments to support and assist agriculture, and through product innovation and service upgrades, the Bank drives financial vitality to nourish every inch of rural land. Together, we are painting a new panorama of a modernized countryside characterized by strong agriculture, beautiful rural areas, and prosperous farmers.

Building a Diversified Cooperative Ecosystem

The Bank continuously perfects mechanism innovations and diversified cooperation, providing robust guarantees for the precise downward extension of financial resources to the grassroots level.

The Bank continuously expanded the empowering efficacy of the Shanghai Rural Revitalization Service Alliance, absorbing multiple forces including the China Rural Finance Research Association, the Shanghai Administration Center of Policy Financing Guarantee Funds for MSMEs, and Shanghai Agricultural Assets & Equity Exchange.

The Bank built a platform for matching talents and resources. Uniting with the Shanghai Municipal Commission of Agriculture and Rural Affairs and the Shanghai Municipal Committee of the Communist Youth League of China the Bank supported the exchange of young talents for rural revitalization. Joining hands with the Shanghai Supply and Marketing Cooperatives and others, the Bank hosted the "SHRCB Goodies" market to assist agricultural products in reaching broader markets. Furthermore, the Bank strengthened exchanges and cooperation with scientific research institutions such as the Shanghai Academy of Agricultural Sciences and the Shanghai Rural Revitalization Research Center to deepen research on key "ARF" (agriculture, rural areas, and farmers) topics.



Assisting the Development of Modern Agriculture

Ensuring the stable and safe supply of grain and critical agricultural products, and enhancing comprehensive agricultural production capacity, quality, and efficiency, are the paramount priorities of "ARF" work. The Bank regards assisting the development of modern agriculture as a focal point of its financial services. By innovating financial models and services, the Bank facilitates efficiency enhancements in agricultural production, the application of new technologies, and the upgrading of facilities.

Support for Agricultural Sci-tech Innovation

Centering on key sci-tech innovation areas such as the "Three Valleys" (Zhangjiang Seed Valley, Fengxian Agricultural Sci-Tech Innovation Valley, and Chongming Agricultural Silicon Valley) and the city's 12 modern facility agricultural zones, the Bank focused on agricultural sci-tech fields like characteristic germplasm resources, biomanufacturing, and facility agriculture. By synergizing the multi-party resources of "government + scientific research + platforms", we launched the "Ke Xin Nong" exclusive financial service scheme. This provides full-chain exclusive value spanning from scientific research innovation and outcome incubation to industrial transformation and market expansion, empowering agricultural technology enterprises to accelerate technological innovation and the commercialization of outcomes.



Empowerment for Agricultural Facility Upgrades

Aligned with Shanghai's deployment for the modernization and upgrading of facility agriculture, the Bank synergistically innovated with the Municipal Financing Guarantee Center to execute the city's first "facility agriculture fixed asset loan" under the agricultural guarantee framework. This injected critical funding into the intelligent glass greenhouse upgrade for the HY Flower Cooperative. The product features flexible loan terms, achieves risk-sharing through policy-based guarantees, and further elevates service efficiency via a special green channel for bank-guarantee cooperation. Once the project is operational, it is expected to shorten the flower growth cycle by over 25 days, increase the premium quality rate to 95%, and generate annual cost savings exceeding RMB 4 million, thereby providing a replicable financing model for fields such as high-standard farmland and cold chain logistics.

Activating Rural Development Momentum

Anchoring goals such as industrial development, rural revitalization, and common prosperity, the Bank formulated the Three-Year Action Plan for Towns and Villages. We carried out the "100 Days, 100 Towns" series of actions, themed "comprehensively serving rural revitalization and assisting the high-quality development of towns and villages", achieving a full-coverage connection with all towns and townships across Shanghai. We formulated "one-town, one-policy" exclusive financial service schemes. Utilizing diversified financial products and services, we helped drive the deep integration of primary, secondary, and tertiary rural industries, practically translating industrial development into value-added income for farmers.

Cultivation of New Rural Business Formats

The Bank innovatively supported the "Man Shan Xiang Yu" rural revitalization project in Dongshe Village, Liantang Town, Qingpu District, Shanghai. Through a full-lifecycle, combinatorial comprehensive service scheme, we revitalized idle rural housing resources within the village to create an integrated "whole-village operation" project featuring "residence + dining + countryside + healing". This provided a replicable financial solution for asset-light, long-cycle rural cultural and tourism projects.

The Bank executed Shanghai's first batch of agriculture-related personal agricultural guarantee batch loans, providing personal operating loans to Shanghai's first "Star Farmer" (leaders adept at utilizing new media tools to assist rural development). This supported the financing needs of rural entrepreneurs and assisted the development of new rural business formats within the municipality.



Innovations in Ecological Protection and Climate Response

Leveraging credit resources, the Bank assisted the construction of the 40-megawatt "fishery-solar complementarity" project at Haiwan No. 1 Pond in Fengxian, Shanghai. By adopting an operating model of "power generation above water, aquaculture below water", the project is expected to generate over 50 million kWh of electricity annually, reduce carbon dioxide emissions by an average of 49,000 tons per year, and increase the output value per unit area of the fishponds by 300%. This effectively guarantees green energy supply while achieving quality and efficiency enhancements in fisheries.

The Bank continuously advanced the "Rural Ecological Loan", providing credit funding support for fields such as rural ecological environment restoration and enhancement, rural green carbon-reduction governance, rural human settlement environment optimization, rural industry integration and upgrading, and digital countryside construction in Shanghai. By the end of 2025, the loan balance of the "Rural Ecological Loan" exceeded RMB 70 million.

In cooperation with the Shanghai Financial Meteorology Innovation Center, the Bank issued the nation's first structured deposit product linked to the Yangtze River Delta daily temperature index. This innovatively adopted a "meteorological index + derivatives" structure, positively correlating returns with the Yangtze River Delta daily temperature index. This assists customers in specific sectors, such as agriculture, to effectively hedge and mitigate risks brought by extreme weather. This deposit product was recognized as one of "The Third Pudong Top Ten Green Finance Innovation Cases".

Development of Regional Brand Agricultural Products

Centering on Shanghai's advantageous agricultural product categories, the Bank focused on supporting the development of geographical indication (GI) agricultural products. Taking characteristic agricultural products such as "Songjiang Rice", "Liantang Water Bamboo", "Baihe Strawberry", and "Tinglin Snow Melon" as focal points, we drove regional agricultural product brands to expand their online and offline sales channels, thereby enhancing the returns of characteristic industries.

The Bank advanced the construction of agricultural product wholesale and trade scenarios, building a comprehensive service system that integrates order-based credit, settlement, and non-financial services. This creates industrial chain service scenarios adapted to Shanghai's large consumption market. In 2025, the annual credit extension for agriculture-related scenario businesses exceeded RMB 2.5 billion.

Metrics and Targets

Target

The year 2025 is the decisive year for our country to realize the "14th Five-Year" Plan, and it is also the concluding year for the Bank to implement the 2023-2025 Development Strategy. Centering on the rural revitalization strategy, the Bank is building an inclusive financial service system characterized by "ARF" finance. Anchoring the goal of building a strong agricultural country, the Bank solidly and methodically executes financial services for rural revitalization, empowers social governance, and assists in common prosperity, genuinely fulfilling its role as the primary force in Shanghai's "ARF" financial services.

2025 Achievement Status

By the end of 2025

The Bank's agriculture-related loan balance stood at

RMB 66.00 billion

representing an increase of

2.44%

over the end of the previous year

The inclusive agriculture-related loan balance exceeded

RMB 15 billion

demonstrating a continuous expansion in the coverage of "ARF" financial services.

In 2025

The Bank cumulatively issued

RMB 1.25 billion

in loans for the agriculture-related operating entity guarantee fund business during the year

while the annual credit extension for agriculture-related scenario businesses exceeded

RMB 2.5 billion

In 2025

The Bank newly assessed

101

credit villages

cumulatively completing the identification of

369

credit villages

and

1

credit town

and

10

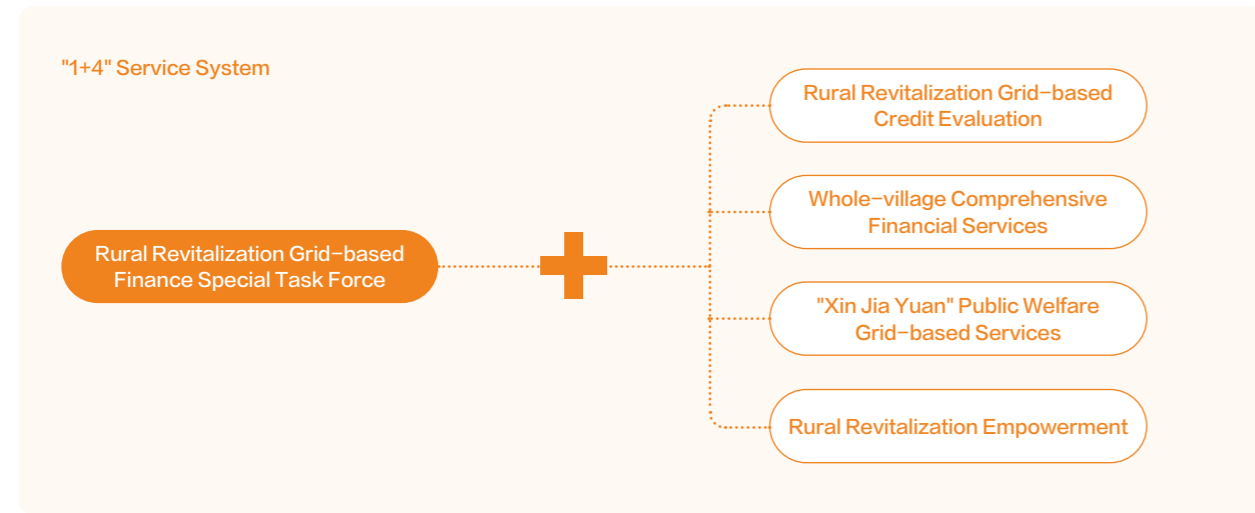
credit towns (and townships)

This continuously supports the construction of the rural credit system in the Shanghai area.

Featured Report

Grid-Based Financial Services for Rural Revitalization

The No. 1 Central Document of early 2025 established advancing comprehensive rural revitalization as the primary focus of "ARF" (agriculture, rural areas, and farmers) work in the new era and new journey, further delineating the directions and tasks for the high-quality development of rural finance. Upholding its original aspiration of "Inclusive Finance Delivers Better Life", the Bank has long cultivated the "ARF" market. Integrating national policy orientations with the Bank's strategic development trajectory, the Bank established the Rural Revitalization Grid-based Finance Special Task Force and constructed the "1+4" Service System. In 2025, the Bank continuously deepened bank-village cooperation. Leveraging grid-based financial services as the primary method, the Bank pioneered a new paradigm of inclusive finance assisting rural revitalization.



Perfecting the Rural Credit Evaluation System to Irrigate Towns and Villages with Financial Vitality

The Bank established the "rural revitalization grid-based finance" service mechanism, translating information such as villagers' integrity, operational status, and community reputation into evaluable "hard credit". By the end of 2025, the Bank had cumulatively assessed 369 credit villages and 10 credit towns (and townships). During the reporting period, the Bank newly assessed 101 credit villages and 1 credit town, launched the grid-based archiving system, and completed the filing of over 200,000 villagers' information profiles.

Enriching the Whole-Village Financial Product System to Meet Villagers' Financial Needs

The Bank comprehensively promoted the whole-village credit extension model and innovatively launched the "Zhunong e-Loan" consumption scenario business scheme. This was initially implemented in Huaihai Village, Qingpu District, further satisfying the small-amount, flexible, and convenient consumer financing needs of the members of rural collective economic organizations.

The Bank continuously issued wealth management products themed around the rural revitalization strategy, establishing exclusive tranches for clients in credit towns and villages. By reducing fees and yielding profits compared to conventional products, the Bank raised over RMB 400 million during the reporting period, assisting villagers in preserving and augmenting the value of their assets.

Accelerating the Construction of an Agriculture-Related Digital Ecology to Promote the Development of the Collective Economy

The Bank actively participated in the construction of the Shanghai Rural Collective "Three Assets" (funds, assets, and resources) Management System, providing direct bank-agriculture connection services for rural collective units. This enabled the whole-process information management of the application, approval, payment, accounting, and supervision of rural collective funds. By mitigating the usage risks of rural collective funds at the source, the Bank assisted in enhancing the management and payment efficiency of these funds, thereby driving the diversified, standardized, and healthy development of the rural collective economy.

Promoting the "Points + Finance" Service Model to Enhance Rural Governance Efficacy

Partnering with the Baihe Town Government in Qingpu District, Shanghai, the Bank developed the "Rural Governance Points Management System". This system quantifies villagers' positive actions such as civilized behavior, volunteer services, and environmental protection through points. It achieves full-process traceability for the evaluation, ranking, verification, redemption, and rewarding of points, effectively guiding villagers to collaboratively build beautiful rural areas and elevating grassroots governance capabilities.

The Bank innovatively upgraded the integrated "Finance + Points + Credit" model, facilitating the conversion of "points households" into "credit households". Villagers with high point accumulations can access financial privileges, including preferential deposit and loan interest rates, providing vital support for building the rural credit ecosystem.



Deepening Cooperation with First Secretaries Stationed in Villages to Multi-Dimensionally Empower Rural Revitalization

The Bank collaborated with First Secretaries stationed in villages to organize events such as the "SHRCB Goodies Rural Revitalization Supply and Marketing Market" and "First Secretaries Stationed in Villages Visiting the Academy of Agricultural Sciences". The Bank compiled work achievement manuals to prominently showcase 200 First Secretaries alongside the characteristic agricultural products of their respective villages. Furthermore, relying on the "Xin Jia Yuan" online platform, the Bank launched the "Agricultural Products Beneficial Purchase" special column. Combined with agriculture-benefiting group purchases at offline service points, this initiative broadened the sales channels for agricultural products.



Technology Finance*

With technology finance serving as the paramount priority among the "Five Major Articles" on finance, the Bank upholds the development philosophy that "planning for sci-tech innovation is planning for the future". Centering on the entire lifecycle of technology-based enterprises, the Bank has built a relay-style cultivation system supported by multiple dimensions. We actively construct an integrated "online + offline" technology finance ecosystem, focus on the various needs of technology-based enterprises during their development processes, and provide professional, intensive, and efficient financial and non-financial services.

Governance

The Bank incorporates technology finance into its strategic planning, which is reviewed and approved by the Board of Directors. Senior management is specifically responsible for advancing technology finance initiatives, and the Technology Finance Department serves as the lead entity for implementing technology finance work Bank-wide. In 2025, the Bank continuously perfected its specialized mechanisms for technology finance, constructing a professional, dedicated, and characteristic "1+1+12+N" technology finance specialized organizational framework. The Bank took the lead in establishing the first head-office-level Technology Finance Department within the Shanghai banking sector. Drawing on the business development experience of Shanghai's first technology sub-branch, the Zhangjiang Technology Sub-branch, the Bank deployed 12 characteristic technology finance sub-branches across Shanghai's technology finance hubs. Leveraging these strategic points to drive broader coverage, the Bank extended its service network downward to specialized technology finance teams operating at the grassroots level.

Strategy

Risk and Opportunity Analysis

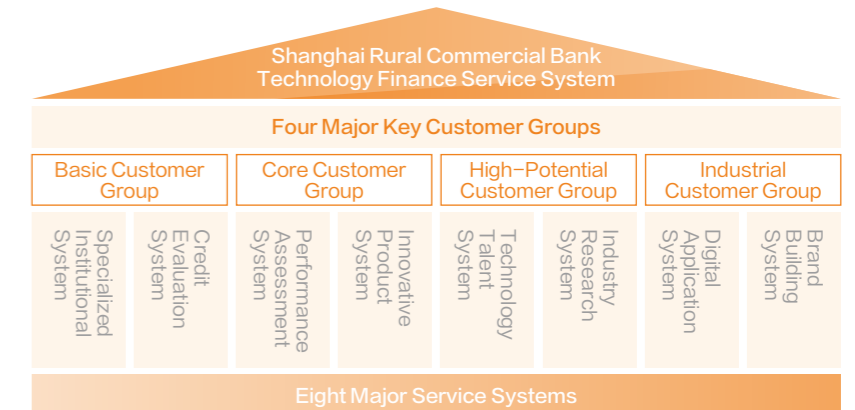
Based on the policy orientations of the technology industry, the financing needs of sci-tech innovation enterprises, and its proprietary product and service systems, the Bank identifies the short-, medium-, and long-term risks and opportunities that technology finance brings to the organization.

Risks	Risk Description	Time Horizon of Impact
Credit risk	Sci-tech innovation enterprises are typically in their early stages of growth, facing potential uncertainties in technological R&D and market promotion. Concurrently, rapid changes and technological iterations within the technology sector may subject these enterprises to fierce market competition, thereby impacting their long-term profitability.	Short-term, Medium-term, Long-term

Opportunities	Opportunity Description	Time Horizon of Impact
Regional development strategic orientations	The Shanghai Municipal Government successively released the <i>Regulations of Shanghai Municipality on Advancing the Construction of a Science and Technology Innovation Center</i> and the <i>Implementation Plan for the Construction of the Sci-Tech Innovation Finance Reform Test Zone in Shanghai</i> . These provide policy support for the Bank to foster the development of regional sci-tech innovation enterprises, assisting the Bank in serving innovation and launching more personalized and distinctive financial products.	Short-term, Medium-term, Long-term

Planning and Strategy

Implementing the development philosophy that "planning for sci-tech innovation is planning for the future", the Bank proposed the establishment of a "technology financial service system characterized by sci-tech finance" in the *2023-2025 Development Strategy*. The Bank deeply executed the *Three-Year Action Plan for the Development of Technology Finance (2023-2025)*, continuously and profoundly cultivating the "four beams and eight pillars" system of technology finance. The Bank thoroughly advanced the "Xin Power" strategic emerging customer cultivation plan, focusing on serving the developmental trajectories of Shanghai's cutting-edge industries and high-quality early-stage technology enterprises. Through these efforts, the Bank achieved the strategic objectives of maintaining steady, incremental growth in technology finance businesses and elevating the quality and efficiency of "Xin Dong Neng" customer services.



Financial Impact Analysis

In 2025, the Bank consistently intensified its efforts across multiple dimensions, including institutional guarantees for technology finance, the construction of specialized technology finance operations, the management of technology finance customer segments, technology finance product systems, and technology finance ecological cooperation. These efforts focused on enhancing the professional and comprehensive service capabilities of its technology finance operations. By the end of 2025, the Bank's technology loan balance stood at RMB 121.25 billion, representing an increase of 12.84%⁸ compared to the end of the previous year.

In the future, the Bank will continue to closely align with the development requirements of the Shanghai International Sci-tech Innovation Center and the Sci-Tech Innovation Finance Reform Test Zone. Guided by the principle of "create value for customers", the Bank will promote higher-quality financial services for sci-tech innovation enterprises. While expanding the foundation of high-quality and potential customer groups, it will drive the development of the technology finance business and foster the growth of intermediary business income.

Impact, Risk and Opportunity Management

Constructing a Full-Cycle, Diversified Service System

Since launching the "Xin Power" strategic emerging customer cultivation plan in 2018, the Bank has continuously upgraded the "Xin Dong Neng" sci-tech innovation service brand. By introducing products and services that cover the entire lifecycle of sci-tech innovation enterprises, the Bank is dedicated to providing accessible, affordable, and sustainable financial services to a broader range of such enterprises. By the end of 2025, among the over 1,200 enterprises enrolled in the Bank's "Xin Dong Neng" strategic emerging customer cultivation plan, more than 160 were listed enterprises, and nearly 100 were prospective listed enterprises in the tutoring and filing stage.

⁸ At the end of 2025, the technology loan balance and the number of technology loan customers were calculated in accordance with the latest regulatory guidelines stipulated in the *Overall Statistical System and Statistical Indicators for the "Five Major Articles" on Finance* (Shanghai Yin Fa [2025] No. 45). The technology loan balance and the number of technology loan customers at the end of 2024 have been retrospectively adjusted in alignment with the aforementioned criteria; the same applies below.

Technology loans encompass "loans to technology-based enterprises" and "loans to technology-related industries". Among these, technology-based enterprises are accounted for using a roster-based method, which includes 7 categories of sci-tech designations, such as High and New Technology Enterprises (HNTEs), Technology-based Small and Medium-sized Enterprises (TSMEs), and Specialized and Sophisticated Small and Medium-sized Enterprises. Technology-related industries encompass 4 major sectors: high-tech manufacturing, high-tech services, strategic emerging industries, and intellectual property (patent) intensive industries.

Focusing on the Full Lifecycle of Sci-Tech Innovation Enterprises

The Bank provides products and services tailored to the characteristics and demands of different developmental stages for sci-tech innovation enterprises across various lifecycles, facilitating their growth and expansion.

For Incubation-Stage Enterprises

In collaboration with the micro, small and medium-sized enterprise guarantee fund, the Bank launched the "Xinfu Guarantee Loan". Through a risk-sharing mechanism, this product effectively alleviated the financing difficulties faced by start-up enterprises. The Bank continuously deepened cooperation channels such as incubators, cumulatively serving 622 enterprises via incubators in 2025. Furthermore, the Bank innovatively launched products such as forward win-win interest to empower enterprises in accelerating their growth.

For Growth-Stage Enterprises

The Bank forged deep linkages with industrial parks and sci-tech innovation clusters, engaging in normalized "one park, one sub-branch" cooperation with the Lingang Industrial Park. The Bank continuously promoted the "the Science and technology innovation Loan 4.0 in Lingang Park". By the end of 2025, it had provided over RMB 12.5 billion in credit support to nearly 1,200 enterprises.

For Mature-Stage Enterprises

Leveraging comprehensive financial products such as sci-tech innovation bonds and M&A loans, the Bank continuously supported the development of sci-tech innovation enterprises. In 2025, the Bank executed multiple landmark projects, including the first batch nationwide and the first in Shanghai of sci-tech innovation bonds, the first sci-tech innovation bond issued by a STAR Market-listed biomedical company, and the first batch of non-resident M&A loans.

Jointly Building an All-Around, Diversified Empowerment Ecology

Joining forces with the government, industrial parks, universities, incubators, scientific research institutes, and investment institutions, the Bank established a co-constructed and shared "Xin Eco-system" sci-tech innovation empowerment ecosystem, continuously creating value for customers.

Consolidating the "Six-Dimensional Empowerment" Service System

The Bank provides full-lifecycle, multi-tiered, and differentiated ecosystem resource services for enterprises across various dimensions, including industrial resource integration, policy resource alignment, investment institution referrals, professional tutoring and consulting, talent management services, and the empowerment of outcome commercialization.

Building the "Xin Power +" Online Empowerment Platform

The Bank launched the "Xin Power +" online empowerment platform. As one of the industry's first open empowerment ecological platforms tailored for technology enterprises, it features empowerment modules such as legal consulting, tax consulting, policy services, and equity financing. By integrating premium resources to link over 100 professional institutions including investment firms, industrial parks, incubators, and securities companies, the platform continuously injects new momentum into the growth and industrial innovation and upgrading of technology enterprises through an open and shared ecological service model.

Case | Assisting the Issuance of the First Batch Nationwide in the Interbank Market and Shanghai's First Sci-Tech Innovation Bond

In May 2025, acting as a lead underwriter, the Bank facilitated the issuance of the 2025 Tranche I Sci-tech Innovation Bond for Shanghai XW Technology Group Co., Ltd. The bond raised RMB 200 million with a 3-year term. The raised funds will be entirely directed toward the sci-tech innovation sector via direct equity investment, supporting the synergistic development of the semiconductor industry's innovation, industrial, capital, and talent chains. This project is one of the first batches executed nationwide following the joint release of a policy document supporting the issuance of sci-tech innovation bonds by the People's Bank of China and the China Securities Regulatory Commission. It is also the first sci-tech innovation bond in the Shanghai area to be included in the innovation pilot.

Innovating Diversified Service Models

From a customer-centric perspective, the Bank utilizes "enterprise potential + technological value + business scenario" as its measurement coordinates. This continuously drives product and service innovation, aligning with the developmental patterns and growth needs of technology enterprises.

Patent + Technology

- By the end of 2025, the Bank's intellectual property pledge loan balance surpassed RMB 8.6 billion, benefiting 882 technology enterprises. Both the scale and the number of customers ranked first among peers in Shanghai for consecutive years.
- The Bank was awarded the "Shanghai Intellectual Property Financial Work Outstanding Contribution Award" (the highest accolade) and the "Shanghai Intellectual Property Financial Work Pioneering and Innovation Award" (the sole winning bank) by the Shanghai Intellectual Property Financial Service Alliance.

List + Technology

- The Bank introduced exclusive series products such as the specialized and sophisticated Loan and the Single Champion Loan, forging a systematic cultivation mechanism for SRDI enterprises.
- By the end of 2025, the Bank served approximately 30% of the "Specialized and sophisticated" small and medium-sized enterprises and nearly half of the SMEs "little giant" enterprises in Shanghai. It had provided loan support to 2,348 SRDI small and medium-sized enterprises and 273 SRDI "Little Giant" enterprises, with loan balances amounting to RMB 44.66 billion and RMB 9.92 billion, respectively.

Park + Technology

- To promote the agglomeration of the technology industry, the Bank optimized and iterated the Science and technology innovation Loan product in Lingang Park. It innovated the "determining loans by stars" admission model, implemented joint project reviews and joint enterprise introduction and cultivation mechanisms, and built a comprehensive park service ecosystem. Cumulatively, the Bank provided credit support to nearly 1,200 enterprises in the Lin-gang Industrial Park, with total disbursements exceeding RMB 12.5 billion.

Digital Intelligence + Technology

- Driving the reconfiguration of credit workflows, the Bank launched the "Xin Ke Express Loan 2.0" online product, realizing online quota calculation and online withdrawal functionalities within a revolving loan model.

Industry + Technology

- Fostering product innovation within specialized niche tracks, the Bank launched industry-exclusive schemes such as the "Intelligent Driving Loan" for artificial intelligence, the "Star-Arrow Loan" for aerospace equipment, and the "Medical and Elderly Care Integration Loan" for the pension industry.

Metrics and Targets

Target	2025 Achievement Status
<p>By the end of 2025</p> <p>The technology loan balance reaches RMB 120 billion⁹ with 4,200 technology loan customers</p>	<p>The relevant strategic targets have been achieved. By the end of 2025</p> <p>The technology loan balance was RMB 121.25 billion with 5,787 technology loan customers</p>
<p>The intellectual property pledge loan balance exceeds RMB 5 billion</p>	<p>The intellectual property pledge loan balance exceeded RMB 8.6 billion</p>
<p>Cumulatively establish no fewer than 13 technology finance characteristic sub-branches and 5 characteristic teams, with the number of full-time technology finance relationship managers and heads of specialized institutions reaching 90.</p>	<p>The Bank deployed 1 tier-1 technology sub-branch—the Zhangjiang Technology Sub-branch, alongside 12 technology finance characteristic tier-2 sub-branches and 11 technology finance characteristic teams. The total personnel in these specialized institutions exceeded 130.</p>

⁹ For adjustments to the regulatory statistical caliber, please refer to Annotation 8.

Featured Report

Strengthening Technology Finance: Financial Services for Incubator Enterprises

As a financial institution rooted in Shanghai and deeply engaged in the sci-tech innovation sector, the Bank continuously perfects its financial service system for sci-tech innovation enterprises. Persistently reinforcing the strategic guidance of "small and diversified businesses", the Bank supports the pioneering commercialization of disruptive sci-tech achievements and the accelerated incubation of hard-technology enterprises. In collaboration with partners such as incubators and universities, the Bank actively contributes to the construction of the Shanghai Sci-tech Innovation Center. Focusing on technology incubation enterprises in their early start-up phases, the Bank has built a distinctive, professional support system tailored for early-stage, high-quality technology enterprises. This aims to resolve the financing bottlenecks faced by technology-based start-ups, which are typically asset-light, R&D-intensive, and lack qualified collateral and pledges, thereby assisting them in overcoming development constraints.

In 2025, the Bank pioneered the "Donation +" service for sci-tech innovation origination, collaborating with major universities and premier sci-tech innovation investment institutions in Shanghai through donation methodologies to construct an ecosystem for the commercialization of sci-tech outcomes.

The Bank successively launched specialized service schemes and innovative products such as the "Xinfu Loan" and "Xinfu Guarantee Loan" to provide "first-time, credit, and medium-to-long-term" credit extension schemes for start-ups, satisfying their financing needs. The "Xinfu Guarantee Loan" is a specialized financial service scheme exclusively and jointly launched by the Bank and the Shanghai Administration Center of Policy Financing Guarantee Funds for MSMEs, targeting the loan needs of technology-based enterprises in the 0-to-1 stage. This scheme primarily serves early-stage technology enterprises located in the municipality's incubators, makerspaces, and university science parks, as well as enterprises affiliated with university sci-tech outcome commercialization projects. By the end of 2025, the Bank had cumulatively served 622 enterprises through incubators.

Moreover, by uniting with high-quality incubator platforms, the Bank actively developed the "Xinfu Incubation" sci-tech innovation cultivation system. It advanced the construction of "Xinfu Incubation" bases to provide incubated enterprises with specialized services such as industrial resource integration, policy resource alignment, mentoring from entrepreneurial and industry experts, investment institution referrals, and platforms for technical testing and pilot-scale testing, thereby comprehensively empowering the innovative development of these enterprises. By the end of 2025, the Bank had engaged in "Xinfu Incubation" base cooperation with 20 incubators, inaugurating 10 new "Xinfu Incubation" bases during the reporting period.

By the end of 2025
the Bank had cumulatively served

622

enterprises through incubators

the Bank had engaged in "Xinfu Incubation"
base cooperation with

20

incubators

Case | Financial Innovation Empowering Early-Stage Sci-Tech Innovation: Joining Hands with the University of Shanghai for Science and Technology to Co-build a New Ecosystem for Outcome Commercialization

In June 2025, the Bank innovatively introduced the "Donation +" cooperation scheme within the industry, targeting early-stage sci-tech innovation fields such as the commercialization of university research outcomes. Together with the University of Shanghai for Science and Technology (USST), the Bank established a special proof-of-concept (PoC) fund for outcome commercialization to deeply support sci-tech innovation origination. Since the partnership began, focusing on medical frontiers and clinical needs, the two parties have selected 10 outstanding projects. Relying on the "Donation +" cooperation scheme, the Bank will provide ecological empowerment, including early-stage R&D funding support, outcome commercialization cultivation, and entrepreneurial carrier recommendations to accelerate technology maturity and outcome commercialization.



Furthermore, the Bank engaged in normalized matchmaking services with the USST Science Park to facilitate the precise matching of financial resources with enterprise needs, assisting university technologies and patents in transitioning out of the laboratory, into hospitals, and onto the market. While implementing donations, the Bank synergized multi-party ecosystem resources including government departments, investment institutions, and industrial parks to provide full-chain services ranging from funding support and technical validation to market matchmaking for early-stage scientific research projects. This comprehensively resolves the "first kilometer" challenge of sci-tech outcome commercialization, co-building a new ecosystem for outcome transformation.



Case | "Xinfu Loan" Assisting Renewable Energy Development

SS Company is a high-tech enterprise engaged in the R&D, production, and sales of methanol fuel cells. Its flagship products deliver stable power supply solutions under severe operating conditions such as low temperatures, low light, and high altitudes. In 2025, the company achieved successive breakthrough progress in the pilot-scale testing of its products with multiple key customers at home and abroad. However, due to insufficient proprietary funds, the company was unable to promptly initiate production material preparation and product delivery for existing orders, while requests for further testing from key customers faced the risk of stagnation. Relying solely on the company's financial information, which indicated sustained losses, sales revenues that had yet to scale up, continuously high R&D expenditures, and a lack of robust collateral measures, it failed to meet the fundamental requirements of traditional credit extension.

Through ongoing, in-depth communication with the Shanghai Ultra Carbon Incubator, and drawing on its extensive experience in serving technology-based enterprises, the Bank tailored a "Xinfu Loan" business scheme featuring forward win-win interest, specifically aligned with the company's R&D cadence and production characteristics. This scheme pegged the credit limit and withdrawal schedule to the enterprise's actual operational needs and developmental milestones. Adopting a "first-time, credit, and medium-to-long-term" credit extension approach, the Bank helped the company resolve its capital challenges, earning profound recognition from the enterprise. Following the execution of the credit extension, the Bank continued to provide robust service and incubation support for the company, offering domestic and foreign currency operational settlement and employee payroll services, while assisting the company in completing the consolidation of its equity financing funds.

Inclusive Finance*

Upholding a "customer-centric" operating philosophy, the Bank actively responds to the major article of inclusive finance. The Bank is committed to building a "widely-covered, multi-tiered, and sustainable" inclusive financial service system. By intensifying financial support for micro and small operating entities, the Bank continuously enhances the accessibility and coverage of its financial services, thereby injecting robust momentum into the high-quality development of the real economy.

Governance

Governance Level

- The Bank incorporates inclusive finance into its strategic planning, which is subsequently reviewed and approved by the Board of Directors. The Strategic, ARF (agriculture, rural areas, and farmers) and Sustainable Development (ESG) Committee, established under the Board of Directors, is responsible for organizing, leading, and comprehensively advancing the Bank's inclusive finance business. In 2025, the Strategic, ARF (agriculture, rural areas, and farmers) and Sustainable Development (ESG) Committee reviewed the *Proposal on the 2024 Work Summary and 2025 Work Plan of the Inclusive (ARF) Financial Service Committee of the Board of Directors*, and heard the *Report on the Company's 2024 Inclusive Financial Services* alongside the *Report on the Company's First Half of 2025 Inclusive (ARF) Financial Services*.

Management Level

- The Bank established "four special task forces" comprising the Inclusive Business Process Reshaping Special Task Force, the Rural Revitalization Grid-based Finance Special Task Force, the Microfinance System Construction Special Task Force, and the Inclusive Line Team Building Special Task Force. The respective Bank executives in charge serve as the group leaders of each special task force's leading group, driving the steady, top-down development of the inclusive finance business.
- Leading Group of the Inclusive Business Process Reshaping Special Task Force:** Responsible for the organizational leadership of advancing the inclusive business process reshaping project. It convenes advancement work meetings on a regular and ad-hoc basis, hears progress reports from the working group, and researches, coordinates, reviews, and decides on critical matters involving organizational structure, rule adjustments, institutional norms, and resource allocation during the workflow.
- Leading Group of the Rural Revitalization Grid-based Finance Special Task Force:** For specific details, please refer to the "Governance" subsection within the "Serving Rural Revitalization" section.
- Leading Group of the Microfinance System Construction Special Task Force:** Responsible for the organizational leadership of advancing the construction of the micro-loan system. It holds regular meetings and hears progress reports from the working group of the micro-loan system construction special task force.
- Leading Group of the Inclusive Line Team Building Special Task Force:** Responsible for the organizational leadership of advancing team building within the inclusive business line. It convenes advancement work meetings regularly and irregularly, hears progress reports from the working group, and conducts research, coordination, review, and decision-making on key matters involving structural planning, business boundaries, assessment and incentive systems, and training mechanisms during the process.

Execution Level

- The Inclusive Finance Department of the Bank serves as the core management department for the inclusive finance business. It is responsible for the operational management of the Bank's inclusive finance, taking the lead in formulating development plans for the inclusive finance business, and advancing inclusive financial services, product innovation, and risk management.
- Various branches and business departments are responsible for executing all policies and procedures and conducting daily business operations. By optimizing service workflows and enhancing service efficiency, they ensure that inclusive financial services precisely reach micro and small enterprises as well as individual industrial and commercial households.

Strategy

Risk and Opportunity Analysis

Based on the macroeconomic environment, regulatory policy orientations, and its own development strategy, the Bank identifies the short-, medium-, and long-term risks and opportunities that inclusive finance brings to the organization.

Risks	Risk Description	Time Horizon of Impact
Market opportunity risk	Influenced by the external environment, the capital demands of micro and small enterprises have trended toward prudence. Concurrently, intensifying industry competition reveals a trend of resources concentrating within large banks. This may subject the Bank's market share to pressure and result in a decelerated growth rate for inclusive finance-related loans.	Short-term, Medium-term
Fund usage risk	Loan funds provided to certain micro and small enterprises may be misappropriated for non-operational purposes or diverted into prohibited sectors, thereby amplifying the Bank's capital risks. Additionally, some micro and small enterprises may fraudulently obtain bank funds through fabricated transactions or fictitious projects, leading to financial losses for the Bank.	Short-term, Medium-term

Opportunities	Opportunity Description	Time Horizon of Impact
Opportunities in the development and application of digital risk control technology	Driven by technologies such as big data, artificial intelligence, blockchain, and the Internet of Things, the transition of financial services toward online and intelligent platforms is accelerating. This can effectively lower the delivery costs of financial services, enhance the precision of risk management in inclusive finance, expand customer coverage, and provide equitable, efficient, and secure financial support to a more diversified demographic.	Long-term
Policy dividend opportunities	As an international financial center and sci-tech innovation hub, Shanghai has introduced a series of inclusive finance policies, including risk compensation, government-bank-guarantor synergistic mechanisms, and reward and subsidy funds. These initiatives cultivate a highly favorable external environment for the Bank to serve micro and small entities.	Long-term

Planning and Strategy

The Bank actively implements policy directives such as the *Implementation Opinions of the State Council on Advancing the High-quality Development of Inclusive Finance* and the *Notice on Printing and Distributing the "Several Measures to Support the Financing of Micro and Small Enterprises"*. The Bank embedded the inclusive financial service system within its *2023-2025 Development Strategy*. Practicing the operating strategy of "small and diversified businesses", the Bank formulated internal policies such as the *Implementation Plan for the Coordination Mechanism of Supporting the Financing of Micro and Small Enterprises*. We propel inclusive financial services toward "increasing volume, reducing pricing, improving quality, and expanding coverage", guiding low-cost credit funds to flow toward micro and small enterprises in a greater, faster, and more precise manner, thus alleviating their financing difficulties and fully stimulating their market vitality.

Financial Impact Analysis

By the end of 2025, the balance of inclusive micro and small loans stood at RMB 92.83 billion, representing an increase of 7.18% over the end of the previous year. The number of inclusive micro and small loan customers reached 59,600, reflecting a 14.50% increase compared to the end of the previous year and demonstrating a further expansion in customer reach and coverage.

Looking forward, the Bank will further establish and perfect a tiered and categorized operational management system for inclusive customer groups. We will strive to construct a highly efficient, synergistic advancement mechanism characterized by the "integration of inclusive and retail, linkage between corporate and inclusive, and fusion of microfinance". This will actualize a new model of inclusive financial services defined by customer scale growth, structural optimization, and value enhancement.

Impact, Risk and Opportunity Management

The Bank proactively implements the coordination mechanism for financing micro and small enterprises, establishing a special task force mechanism to continuously deepen the synergy among the government, banks, and enterprises. By optimizing the supply of inclusive financial products and services, the Bank drives inclusive finance to genuinely benefit micro and small entities.

Perfecting Inclusive Safeguard Mechanisms

- Precisely matching demands:** The Bank established a three-tier linked special task force comprising the Head Office, branches, and sub-branches. It strengthened communication with government departments and industrial parks, and carried out the "Great Visit to Thousands of Enterprises and Tens of Thousands of Households" campaign. Through a tiered and categorized approach, the Bank precisely connected with eligible micro and small enterprises. By building a standardized customer acquisition model that is "localized, industrialized, and scenario-based", the Bank constructed a cross-line integrated collaborative advancement mechanism, elevating customer stickiness through professional and comprehensive services.
- Strengthening resource allocation:** Utilizing policy tools such as risk compensation and interest-discount rewards and subsidies, the Bank opened a green channel for micro and small enterprise credit extension. It facilitated the precise and direct delivery of credit funds, realizing rapid and convenient service workflows alongside inclusively suitable financing interest rates, thereby bridging the "last mile" of finance that benefits enterprises and the public.
- Optimizing digital workflows:** The Bank built an online workflow system for inclusive business that covers application, authorization, circulation, reporting, signing, and drawdown. Integrated with the intelligent transformation of internal and external data queries, this continuously elevated the level and efficiency of online services.
- Consolidating risk control management:** The Bank strengthened the management of the flow and utilization of loan funds, tightening the qualification reviews of loan applicants. It ensured that credit funds were applied to actual operations, strictly prohibiting the acquisition of funds through fraudulent transactions, and resolutely preventing capital misappropriation. The Bank standardized the management of cooperation with third-party institutions, strictly prohibiting any collaboration with illegal loan intermediaries. Leveraging technologies such as big data to empower the construction of customer rating models, the Bank continuously enhanced its digital risk control capabilities.
- Cultivating the talent pipeline:** The Bank formulated the *Measures for the Management of Inclusive Finance Relationship Managers*, standardizing the full-lifecycle management of "selection, employment, cultivation, retention, and elimination". It developed training curricula and manuals, and piloted the Inclusive (Microfinance) Academy as a training model to forge a professional, efficient, and robust inclusive finance talent team.

Enriching the Product and Service Matrix

The Bank continuously innovates and iterates inclusive products, building a comprehensive credit product matrix to satisfy the financial demands of diverse micro and small operating entities across different growth stages.

Policy-based products: Aligned with government support directives, the Bank launched products such as the "Park Batch Loan", "Xinfu Guarantee Loan", "Exchange Rate Hedging Products", "Government Procurement Loan", and "Job Stabilization and Expansion Loan". It deepened cooperation with policy-based guarantee companies and expanded the guarantee coverage for micro and small enterprises in key sectors like technology and foreign trade. By the end of 2025, the Bank's loan business balance under the Shanghai financing guarantee stood at RMB 16.31 billion, an increase of RMB 1.99 billion from the beginning of the year. Notably, the cumulative scale of the entrepreneurship guarantee business maintained its top-ranking position in the industry. During the reporting period, the Bank executed innovative transactions such as Shanghai's first loan renewal without principal repayment under entrepreneurship guarantee loans, and the first government procurement guarantee loan.

Standardized products: Relying on standardized, scenario-based products such as the "Personal Property Mortgage Business e-Loan", "Personal Business Assistance Loan", and "Inclusive Easy Loan", the Bank optimized its service models for micro and small enterprises.

Digital products: Through big data risk control models, the Bank iterated credit products such as the "Daily Balance Linked Loan" and "Banking and Tax Loan". By transforming corporate cash flows and tax data into bases for credit extension, it activated the financing capabilities of asset-light, unsecured micro and small enterprises.

Loan renewal services: The Bank proactively front-loaded its loan renewal services by pre-assessing the financing needs of maturing customers. It perfected the workflow for loan renewals without principal repayment, driving efforts to ensure maximal and seamless renewals. By the end of 2025, the Bank's cumulative volume of loan renewals without principal repayment for micro, small, and medium-sized enterprises reached RMB 44.44 billion, marking a year-on-year increase of 87.06%.

Case | Launching the First Batch of "Shanghai Trade Batch Loan" Active Credit Extensions to Assist Micro, Small, and Medium-Sized Enterprises in Upgrading Digital and Intelligent Services

Under the guidance of the Office of the Shanghai Municipal Party Committee Financial Commission, the Shanghai Municipal Commission of Commerce, and the Shanghai Financial Regulatory Bureau, the Bank collaborated with the China Export & Credit Insurance Corporation (SINOSURE) Shanghai Branch and Shanghai E&P International Inc. to jointly launch the "Bank + Insurance" financing product, the "Shanghai Trade Batch Loan". Built upon the Bank's big data model for credit approval, and by incorporating data such as SINOSURE scores and International Trade "Single Window" enterprise import and export scores, the product employs cutting-edge technologies like OCR and blockchain. It precisely captures the financial service needs of import and export enterprises and proactively authorizes credit loan limits for them. By the end of the reporting period, the Bank had provided active credit extensions to 2,780 high-quality micro, small, and medium-sized import and export enterprises in the Shanghai area, with total authorized credit limits amounting to RMB 4.47 billion, effectively propelling the high-quality development of import and export enterprises in Shanghai.

By the end of the reporting period
the Bank had provided active credit extensions to **2,780** high-quality micro, small, and medium-sized import and export enterprises in the Shanghai area with total authorized credit limits amounting to **RMB 4.47 billion**

Case | Assisting the Ecological Construction of the Commercial Aerospace Industry

Shanghai LH Industrial Development Co., Ltd. is a technology-based micro and small enterprise specializing in the R&D of satellite components and ground tooling. Leveraging its integrated "design + manufacturing" solutions, the enterprise has established formidable technical barriers within the aerospace support sector. In the second half of 2025, to seize opportunities in commercial aerospace development, the enterprise urgently required low-cost financing to advance its production upgrades. Targeting the enterprise's distinct characteristics with prominent core technologies, significant growth potential, and clear business growth drivers, the Bank efficiently approved and disbursed a loan of RMB 1.5 million through the "Entrepreneurship Guarantee Batch Loan" product. Concurrently, the Bank provided a complementary package of financial services encompassing settlement, payroll, and commercial bills, assisting the company in realizing technological upgrades and market expansion.

Metrics and Targets

Target

During the reporting period, the Bank adhered to the operating strategy of "small and diversified businesses". Closely aligned with the objectives of the *2023-2025 Development Strategy*, the Bank drove the high-quality and sustainable development of inclusive finance.

2025 Achievement Status

By the end of 2025
The balance of inclusive micro and small loans was **RMB 92.83 billion** an increase of **7.18%** over the end of the previous year

The number of inclusive micro and small loan customers reached **59,600** an increase of **14.50%** over the end of the previous year, further expanding customer reach and coverage

The balance of loans to small and medium-sized enterprises stood at **RMB 473.87 billion** representing an increase of **4.81%** compared to the end of the previous year

Featured Report

Enhancing the Accessibility of Financial Services

The Bank is committed to ensuring that diverse customer segments can access financial services conveniently and with peace of mind. Focusing on key domains such as the layout of offline branches, the development of non-branch and online channels, and the practical needs of special customer groups, the Bank deploys multiple measures to continuously enhance the accessibility and inclusivity of its financial services.

Optimizing the Layout of Service Branches

Through coordinated planning and optimized site selection, the Bank refines its branch layout to amplify the radiating and reach capabilities of its offline channels. This fosters a branch distribution system characterized by broad coverage, clear stratification, and rational layout.

- The Bank constructed a comprehensive service network with business branches acting as the main arteries, supported by "Xin Jia Yuan" public welfare service stations. By the end of 2025, the Bank operated a total of 362 branches, comprising 355 branches within the Shanghai area and 7 outside of it. Concurrently, the Bank operated 1,040 "Xin Jia Yuan" public welfare service stations.
- By the end of 2025, the Bank had established 243 branches across 108 towns and townships in Shanghai, achieving virtually full coverage at the township level. Notably, it deployed 126 branches within the "Five New Towns" and established 28 branches within a 2-kilometer radius of large-scale residential communities, thereby continuously elevating the baseline financial service capabilities in Shanghai's suburban and rural areas.

By the end of 2025
the Bank operated a total of

362 branches

the Bank operated

1,040

"Xin Jia Yuan" public welfare service stations

Expanding Non-Branch Services

The Bank is dedicated to transcending the spatial and temporal limitations of physical branches. Through diversified channel partnerships and online service systems, the Bank extends the breadth and depth of its financial services, enhancing the financial sense of gain for rural residents and micro and small enterprises.

- **Deepening rural financial cooperation:** Participating in the "government-bank-insurance-guarantor" four-party cooperative mechanism, the Bank launched the "Great Visit to Farmers' Cooperatives" special initiative. By comprehensively reaching 2,273 farmers' cooperatives in Shanghai, the Bank extended financial services directly to the fields. This guided credit resources to be preferentially channeled into key sectors vital to the national economy and people's livelihoods, such as grain production and livestock breeding. The Bank formulated financial service schemes for the construction of unmanned farms, supporting the advancement of 100,000 mu of unmanned grain-producing farms across the municipality. By the end of 2025, this scheme had encompassed 6 key developing entities and nearly 10,000 mu of construction area within Jinshan District.
- **Corporate electronic channels:** The Bank advanced the comprehensively integrated service architecture of its corporate electronic channels, encompassing both corporate online banking (PC) and corporate mobile banking apps. It launched functionalities such as mobile wealth management, a foreign exchange specialized zone, and a treasury management version on corporate mobile banking, delivering comprehensive and convenient mobile financial services to micro and small enterprises.
- **Personal mobile banking app:** The Bank streamlined the operational steps of key functional modules to lower usage thresholds for users. By building an online "guest mode" service system, users can rapidly access high-frequency, common services, thereby boosting transaction processing efficiency. The Bank enriched business reminder services, such as credit card repayments, to achieve the proactive delivery of financial services. It expanded the intelligent search scope and perfected the semantic thesaurus to fortify voice service capabilities. By the end of 2025, the Bank's personal mobile banking customers reached 6.13 million households, marking a 7.37% increase over the end of the previous year. Monthly active users reached 1.53 million households, representing a 34.47% increase compared to the end of the prior year.

By the end of 2025
the Bank's personal mobile banking customers reached

6.13 million

households

marking a

7.37 %

increase over the end of the previous year

Serving Special Demographics

The Bank's *Measures for the Service Management of Business Outlets* mandates the refinement of service workflows for special customer groups. While ensuring that special customer groups enjoy rights equal to those of other customers, the Bank fully accounts for their unique needs, striving to provide them with convenient, humanized services. Focusing on the financial needs of the elderly, persons with disabilities, individuals with mobility impairments, and new urban residents, the Bank has built a barrier-free service system integrating online and offline channels, guaranteeing that special demographics enjoy equitable access to financial services.

- Online** >
- The Bank launched the "An Xiang Version" of its mobile banking app, developing a "screen-sharing demonstration" functionality. This enables video customer service representatives to annotate and provide real-time guidance directly on the customer's operational screen. This realizes the remote, zero-distance handling of high-frequency counter transactions, thereby resolving online operational difficulties for elderly users.
 - Intelligent voice interaction functionalities were introduced, supporting voice-command operations for core transactions such as transfers and inquiries. The Bank developed a "connect to customer service" one-click calling function alongside an information-synchronizing "voice broadcast" function. These innovations construct a full-process, barrier-free service experience tailored for visually impaired and elderly demographics.

- Offline** >
- Hardware facilities tailored for the elderly and the disabled were deeply integrated into branch construction. By installing barrier-free motor vehicle parking spaces, wheelchair ramps, and low-level intelligent teller machines, the Bank routinely provides accessible amenities such as reading glasses, magnifying glasses, and wheelchairs. Branches are equipped with dual-vision voice guidance maps for both the sighted and visually impaired, braille readers, assistive listening devices, and online sign language translation tools. These measures substantially reduce the operational and communication burdens for elderly customers and persons with disabilities.
 - Dedicated caring windows and specialized personnel services were established within the branches. Centered on the practical needs of new urban residents regarding accounts, payments, loans, and policy consultations, the Bank delivers convenient and personalized financial and non-financial support.

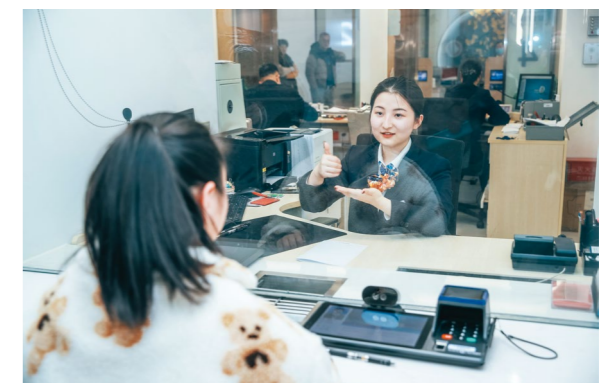
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Pension Finance*

The Bank profoundly implements the spirit of the Central Financial Work Conference. Exploring the "Shanghai Model of Finance for the Elderly" centered around the core tenet of "three constructions": the Bank perfects the integrated layout of its pension finance business and engages in the specialized operation of pension finance. Revolving around demands in financial services, livelihood services, and spiritual and cultural enrichment, the Bank contributes Shanghai's wisdom to the high-quality development of pension finance.

Governance

The Bank incorporates pension finance into its strategic planning, which is subsequently reviewed and approved by the Board of Directors. At the management level, the Bank established a special task force for pension finance to advance the implementation of the Bank-wide comprehensive service planning and construction for pension finance, thereby driving the development of the pension finance business through strategic layout. At the execution level, the Basic Customer Segment Operation Department spearheads the overall layout of pension finance.

Strategy

Risk and Opportunity Analysis

Based on the local demographic structure, the foundational service base for customer segments, and its proprietary product and service systems, the Bank identifies the short-, medium-, and long-term risks and opportunities that pension finance brings to the organization.

Risks	Risk Description	Time Horizon of Impact
Market opportunity risk	With the rapid expansion of the pension finance market, an increasing number of industry peers are entering the sector. Currently, the homogenization of pension finance products is pronounced, characterized by a lack of distinctive and targeted product designs.	Short-term, Medium-term

Opportunities	Opportunity Description	Time Horizon of Impact
Regional customer segment demands	Shanghai experiences a relatively high degree of population aging. The proportion of the elderly demographic aged 60 and above with Shanghai household registration continues to climb, and life expectancy continues to extend. This provides a massive market consumer base for the silver economy.	Medium-term, Long-term



Planning and Strategy

The Bank has elevated pension finance to a strategic height. The 2023-2025 Development Strategy explicitly mandates relying on the "Enjoying a Peaceful Heartfelt Life" (An Xiang Xin Sheng Huo) pension finance brand, fully leveraging the exemplary role of senior-friendly service outlets, and deploying multiple measures to provide attentive financial services. In 2025, the Bank formulated the Implementation Opinions on Further Developing Pension Finance, requiring the perfection of the pension financial service layout through integrated systems thinking, thereby executing the major article of pension finance with depth and substance.

Financial Impact Analysis

During the reporting period, the Bank provided agency pension payment services to a total of 1.36 million customers. By the end of 2025, the Assets Under Management (AUM) of customers receiving agency pension payments reached RMB 377 billion, representing a 14.40% increase compared to the end of the previous year.

Looking ahead, the Bank will strengthen the development of service hubs centered on pension finance characteristic outlets and "Xin Jia Yuan" public welfare stations. We will enrich the supply of pension products and forge a multi-tiered, broadly covered, characteristic, and sustainable pension financial product system characterized by peace of mind and stability, satisfying the pension wealth management needs across all age groups.

Impact, Risk and Opportunity Management

Consolidating the Foundation for the High-Quality Development of Pension Finance

Policy Construction

The Bank issued policies such as the Construction Plan for the High-Quality Advancement of Pension Finance Characteristic Outlets and the Standard Operating Procedure for the Agency Payment of Pensions, driving the solid and meticulous execution of the pension finance business.

Service System

The Bank established a service network anchored by a hundred pension finance characteristic outlets and over a thousand "Xin Jia Yuan" public welfare stations, creating a distinctively characteristic "Six Specialized" pension financial service system.

Professional Team

The Bank assembled a team of over a hundred pension service managers, complemented by management systems and internal and external training programs. This forged a professional team comprising "pension customer segment product managers + pension service managers + specialized pension teams", thereby elevating professional service capabilities.

Enriching Products

The Bank developed a multi-tiered, broadly covered, characteristic, and sustainable pension financial product system characterized by peace of mind and stability, satisfying the pension wealth management needs across all age groups.

The "Six Specialized" Service System



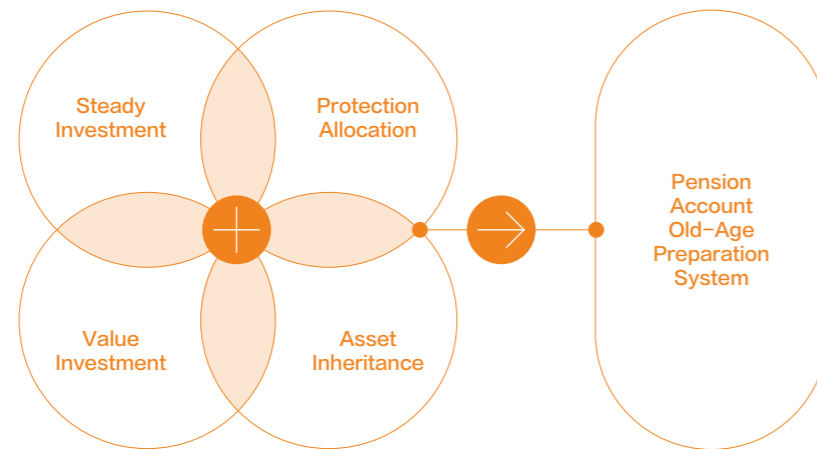
Coordinately Developing the Three Major Sectors of Pension Finance

Pension Fund Finance

In 2025, the Bank consistently excelled in providing basic pension insurance agency payment services, serving over 1.3 million agency pension payment customers and over 4 million elderly customers in Shanghai. The number of active Social Security Cards exceeded 2 million, and Senior Citizen Cards surpassed 1 million. The increment in agency pension payments maintained a leading position among municipal peers.

The Bank continuously enriched its supply of pension products, forging the "4+1" pension financial product system characterized by peace of mind and steady returns. It constructed a comprehensive operational system encompassing "old-age preparation planning—pre-retirement preparation—senior-friendly services", thereby satisfying the pension wealth management demands across all age groups.

"4+1" Pension Financial Product System



Pension Service Finance

The Bank profoundly practiced the "Shanghai Model of Finance for the Elderly", centered on the core tenets of "more heartwarming services, more forceful responsibilities, and deeper elderly assistance".

Building a Bank with More Heartwarming Pension Financial Services and a Warmer Customer Experience

- **Senior-friendly transformation of service channels:** Offline, by the end of 2025, the Bank had established 115 characteristic pension finance outlets in Shanghai, equipped with senior-friendly facilities such as courtesy windows and call bells. Online, the "Senior Friendly Version" of the mobile banking launched features including "one-click pension inquiry", "co-screen guidance", and "anti-fraud prompts", assisting elderly customers in bridging the "digital divide".
- **Professional and characteristic upgrading of service mechanisms:** In collaboration with the Shanghai Civil Affairs Bureau and the Municipal Social Security Center, the Bank conducted a series of themed training sessions on pension policies, pension insurance, and pension finance. This forged a team of pension service managers who understand the elderly, pension systems, and relevant policies. This ensures that elderly individuals who conventionally "do not know, cannot find, cannot use, dare not ask, are not assured, and cannot understand" can promptly receive empathetic, pension-related solutions.
- **Proactive participation in senior-friendly services of government units at all levels:** By the end of 2025, the Bank had constructed over 350 "social security-bank direct connection" outlets. This includes Shanghai's first social security-themed bank and 30 outlets featuring dedicated online social security processing zones. Anchored by the core positioning of "Social Security + Finance", these outlets provide a convenient, efficient, and considerate one-stop service experience for the elderly.

Case | Shanghai's First Social Security-Themed Bank Assisting in Elevating the Social Security Service Experience for Elderly Citizens

In March 2025, in cooperation with the Shanghai Municipal Social Security Center, the Bank established Shanghai's first social security-themed bank. Centered on the synergy between social security and financial services, the initiative supports social security transactions being "handled nearby", "handled at multiple points", and "handled citywide", thereby enhancing the convenience of government services. Concurrently, the Bank released the "Minshenshe · An Xiang Xin Sheng Huo" series of social security courses tailored for the elderly, popularizing social security policies in an accessible manner. This project was awarded the first prize as an Excellent Case in the "2025 Pension Financial Services Special Competition" hosted by the Shanghai Banking Association.



Building a Bank that Resolves the Urgent Needs and Practical Difficulties of the Elderly with Forceful Social Responsibility

Focusing on the urgent needs and practical difficulties in the lives of the elderly, the Bank introduced the "Xin Jia Yuan" public welfare services. This initiative is dedicated to the financialized integration of social resources to form comprehensive solutions, practically addressing the demands of the elderly demographic in areas such as medical care, fraud prevention, home-based elderly care, and digital applications.

By the end of 2025, by linking and integrating social forces, the Bank invited renowned doctors including directors and deputy directors from Grade-A tertiary hospitals to cumulatively conduct over 400 "Famous Doctors Entering the Community" live broadcasts, "Health Grand Lecture Halls", and free clinic activities. The Bank routinely penetrated communities to conduct anti-gambling and anti-fraud awareness campaigns. Tailored to the characteristics of the elderly, carefully designed curricula were deployed to heighten financial security awareness. The Bank hosted regular public welfare service days, providing exclusive, preferential services such as at-home visits, home care, and utility maintenance for seniors with mobility impairments.

Building a Bank that Enhances the Quality of Life for the Elderly with Profound Elderly-Assistance Sentiments

As the paradigm of elderly care shifts from basic "survival guarantee" to "quality enhancement", the Bank extensively coalesced the multi-party resources of "government, enterprise, community, and school". By delivering high-quality, characteristic pension cultural, entertainment, and public welfare projects, the Bank facilitated a premium, enjoyable post-retirement life for the elderly.

Supported by entities such as the Shanghai Municipal Education Commission and the Shanghai University for the Elderly, the Bank established the "Xin Jia Yuan" University for the Elderly, developing financial courses that cover topics from pension planning to bridging the "digital divide". By the end of 2025, the Bank had set up over 120 teaching points, offering approximately 100 classes per semester. With a faculty of over 200 internal and external instructors, the initiative cumulatively served over 5,000 senior students.

The Bank launched the "Community Stage" service project, creating a platform for the elderly to socialize, engage in cultural exchange, and showcase their talents. During the reporting period, the Bank hosted numerous cultural and artistic competitions, including community square dancing and singing contests, attracting over 2,500 elderly participants and thereby enriching their spiritual and cultural lives.



Case | Synergistic Innovation among Government, Bank, and Community Creating Shanghai's First Senior-Friendly Life Experience Pavilion

In December 2025, Shanghai's first senior-friendly life experience pavilion, integrating finance, livelihood, and community services, officially opened at the Bank's Changning Anshun Road Sub-branch. Jointly developed by the Bank, the Changning District Civil Affairs Bureau, and the Xinhua Road Sub-district, the project is closely tailored to the daily lives of the silver demographic. Beyond the standard financial functional areas, the pavilion incorporates physical spaces such as a senior-friendly kitchen and washroom, and features an intelligent nursing scenario. The pavilion showcases civil affairs-certified senior-friendly products, including smart security systems and bathing aids, and houses a dedicated assistive device rental zone. By providing services such as policy interpretation and product trials, it constructs a novel one-stop service model encompassing "pension finance outlets + civil affairs senior-friendly initiatives + assistive device rental experiences + stimulation of silver consumption".



Pension Industry Finance

Closely adhering to the strategic deployments of the nation and Shanghai Municipality regarding the silver economy, the Bank constructed a one-stop service system that spans "industry, academia, research, and application", continuously augmenting financing supply for the pension industry. The Bank focuses on the dual domains of institutional elderly care real estate and home-based services, identifying small-scale, high-growth sectors such as elderly services, rehabilitation assistive devices, Traditional Chinese Medicine wellness, and anti-aging products to provide credit product innovation and financing support.

Concurrently, partnering with the Shanghai Administration Center of Policy Financing Guarantee Funds for MSMEs, the Bank launched the "Batch of Elderly Care Service Loan" and innovated the "Medical and Elderly Care Integration Loan". These offerings provide preferential financing and full-lifecycle financial solutions for entities within the pension industry, facilitating its high-quality development. By the end of 2025, the Bank had delivered financial services to over 1,500 pension industry clients, with an outstanding loan balance exceeding RMB 1.1 billion.

Metrics and Targets

Target	2025 Achievement Status
By the end of 2025 the Assets Under Management (AUM) of customers with agency pension payments reaches	By the end of 2025 the Assets Under Management (AUM) of customers with agency pension payments stood at
RMB 360 billion	RMB 377 billion
	representing a 14.40% increase compared to the end of the previous year

Featured Report



Empowering Social Governance: The "Xin Jia Yuan" Public Welfare Service Project

Any domain inextricably linked to the daily lives of the public, where financial empowerment can assist in realizing the people's yearning for a better life, constitutes the main channel of the Bank's strategy. The financialized integration of social resources, the financialized resolution of social issues, and the comprehensive servicing of social needs embody the original founding aspiration of the Bank's "Xin Jia Yuan" public welfare service project. In recent years, closely adhering to the philosophy that "the People's City is built by the people, and the People's City is for the people", the Bank has continuously deepened the development of the "Xin Jia Yuan" public welfare service project. By further exploring pathways for financial institutions to empower community governance, the Bank serves the entire municipality in jointly constructing the "15-minute community life service circle".

Through the seamless integration of public welfare services and financial business, the "Xin Jia Yuan" public welfare service project has earned profound recognition from government and regulatory bodies. The project has garnered 19 national and municipal-level honors, including the 2024 Ministry of Education "Smart Elderly Assistance" Premium Work Case, and the *Enterprise Management Magazine* National 2025 Enterprise ESG Excellent Outcome Case. It has cumulatively received over 6,000 reports across mainstream media and was highlighted by the *People's Daily* as establishing a "Shanghai Model" for elderly finance.

Building Stations at the Doorstep to Enhance the Accessibility of Inclusive Services

The Bank is deeply embedded into grassroots governance systems across communities and villages. By the end of 2025, the Bank had opened 1,040 "Xin Jia Yuan" public welfare service stations, achieving total coverage of all sub-districts and towns in Shanghai. By forging a comprehensive service network anchored by 362 business outlets as the backbone and supported by the "Xin Jia Yuan" public welfare service stations, the Bank cumulatively conducted over 40,000 diverse public welfare services, assisting communities in bridging the "last kilometer" of basic livelihood work.

The Bank engaged in profound cooperation with 16 administrative districts in Shanghai Municipality to co-build "Xin Jia Yuan" public welfare service demonstration stations. By encouraging community residents to participate in the design and implementation of services, the Bank assisted in resolving pain points and bottlenecks in community governance, thereby enhancing residents' sense of social participation and responsibility.

Broadly Coalescing Multi-Party Synergies to Build a "Public Welfare Circle of Friends"

Collaborating with over 1,500 public welfare partners including government entities, enterprises, public institutions, and grassroots social organizations, the Bank continuously enriched the service connotations of "Xin Jia Yuan". It is dedicated to transforming "Xin Jia Yuan" into a platform that not only fulfills residents' financial needs but also provides emotional support and fosters community co-construction.

Providing Menu-Driven Services on Demand to Realize "Residents Placing Orders"

The Bank continuously perfected its eight "menu-style" service systems: "Health Care", "University for the Elderly", "Community Stage", "Family Education", "Agricultural Products Beneficial Purchase", "Public Welfare Services", "Home Life", and "Comprehensive Finance", actively promoting communication and interaction among community residents.

Health Care: Partnering with renowned physicians from Grade-A tertiary hospitals, the Bank cumulatively provided over 400 face-to-face health science education and medical consultation sessions by the end of 2025, driving premium medical resources down into the communities.

University for the Elderly: Serving as the first financial institution in Shanghai to participate in offline educational operations and the first financial institution branch of the Shanghai University for the Elderly Education Alliance, the Bank had established over 120 teaching sites by the end of 2025.

Community Stage: The Bank constructed platforms for cultural exchange and talent showcases featuring square dancing, vocal music, Shanghainese, and Shanghai Opera (Huju) across various districts in Shanghai. It also launched culture-enriching initiatives for the public, such as group purchasing for popular theatrical performances.

Agricultural Products Beneficial Purchase: Proactively responding to the macro directives of rural revitalization and consumption stimulation, the Bank leveraged its distinct advantages in serving "ARF" (agriculture, rural areas, and farmers). It established integrated offline and online service platforms to carefully curate Shanghai's "famous, special, and premium" agricultural products, delivering them directly "from the fields to the kitchens" at the doorsteps of the public.

Constructing a Public Welfare Service Platform to Realize Resource Sharing

The Bank built a digital community public welfare service platform that transcends spatial and temporal boundaries, delivering a highly accessible and diversified service experience to community residents. The "Xin Jia Yuan" mini-program introduced features such as a station map, an activity marketplace, and online classrooms. During the reporting period, nearly 200 online courses and cultural activities were launched, comprehensively elevating the inclusiveness and convenience of the services. Concurrently, the Bank organized internal and external "Heart Volunteers" and launched a management platform to archive public welfare service records, resolutely enacting its brand service philosophy of "Finance for the People, Serving the Community".

Case | Creating "Xin Jia Yuan" Shanghai Opera (Huju) Training Classes and Shanghainese Classrooms to Guard and Inherit Haipai Culture

Dedicated to the preservation and promotion of Haipai (Shanghai-style) culture, the Bank leveraged the "Xin Jia Yuan" platform to offer community residents a rich array of content, including Shanghainese language courses, Shanghai Opera training, and master forums. In 2025, the Bank inaugurated Shanghai Opera training classes in the three districts of Yangpu, Songjiang, and Huangpu; invited Shanghai Opera masters into communities; and hosted Haipai and Shanghai Opera cultural-themed lectures in cultural venues such as the Fengxian Museum.

Regarding curriculum development, the Bank collaborated with Shanghai Educational Television (SETV) to launch the "Xin Jia Yuan" Shanghainese series of activities. Online, the "Xin Jia Yuan" mini-program provides Shanghai Opera training courses and children's Shanghainese lessons. Offline, the Bank tailored beginner Shanghainese courses for New Shanghai residents and youth, while offering intermediate Shanghainese courses for native Shanghai residents. Furthermore, the Bank held "Xin Jia Yuan Night" themed events, organizing community members to watch Shanghainese films and Shanghai Opera concerts, guiding citizens to experience the unique charm of Haipai culture up close.



Children's Shanghainese Air Classroom

Case | "Xin Jia Yuan" Illuminating the Micro-Wishes of "The Elderly, The Young, and The New Citizens" with Public Welfare Services

The Bank launched the "Lighting up Micro-Wishes" series of activities, striving to respond to the core concerns and practical needs of pivotal community demographics, specifically "the elderly, the young, and the new citizens".

For the elderly demographic: Uniting with grassroots units such as sub-districts (towns) and neighborhood committees, the Bank delivered Chinese New Year greetings and heartfelt care to vulnerable elderly groups, including the widowed and solitary. It also initiated a specialized public welfare cleaning service, offering free indoor housekeeping for elderly households facing advanced age, financial difficulties, or disabilities.

For the youth demographic: Partnering with professional psychological institutions, the Bank provided parents and children with services spanning family education guidance, individualized counseling, and online educational videos. Teaming up with the China Welfare Institute (CWI), the Bank conducted over 10 educational events focused on children's health knowledge and first aid.

For new citizen demographics: Across Shanghai's 16 districts, the Bank provided convenience services including hot and cold drinking water, multifunctional charging stations, and emergency medical kits for new citizens such as food delivery riders, couriers, sanitation workers, ride-hailing drivers, and community elderly-care nursing staff. Additionally, it hosted regular financial knowledge educational lectures for these groups.



Digital Finance*

Guided by value creation, the Bank adheres to the dual-wheel drive of being "business-led" and "technology-empowered". The Bank systematically advances digital transformation initiatives, breaking the constraints of physical carriers for financial services to better elevate the customer experience and serve the real economy.

Governance

The Bank incorporates digital finance into its strategic planning, which is subsequently reviewed and approved by the Board of Directors. At the management level, the Bank established the FinTech and Innovation Business Committee, which is responsible for the top-level design and organizational leadership of digital transformation, steering the overall trajectory of the Bank's digital transformation. At the execution level, the Digital Transformation Office was established to spearhead Bank-wide digital transformation initiatives. Subordinate to the FinTech Department, the Data Center and the R&D Testing Center were instituted to provide robust technical support. Respectively, various business departments are responsible for executing the deep integration of business operations and data.

Strategy

Risk and Opportunity Analysis

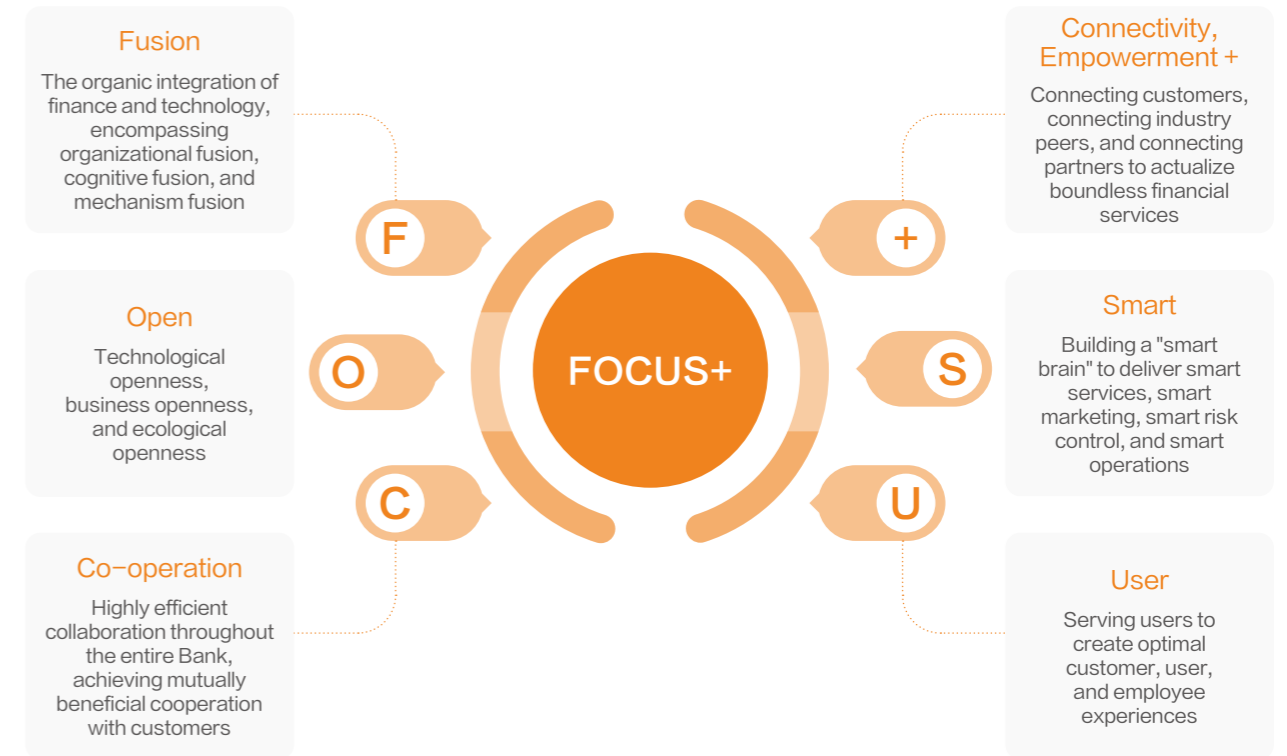
Aligned with the national digital economy development plan, and based on external technological shifts, industry competitive dynamics, and its proprietary digital capabilities, the Bank identifies the short-, medium-, and long-term risks and opportunities that digital finance brings to the organization.

Risks	Risk Description	Time Horizon of Impact
Tech ethics risk	The R&D and application of emergent technologies such as artificial intelligence, algorithmic models, and big data are accompanied by multi-dimensional tech ethics risks. For instance, algorithmic bias can easily result in unfair decision-making; massive data interactions exacerbate hidden risks of privacy leakage; and large model technologies face critical challenges, including poor interpretability, logical "hallucinations", and a deficit in underlying transparency.	Short-term, Medium-term

Opportunities	Opportunity Description	Time Horizon of Impact
Digital empowerment enhancing business quality and efficiency	The profound application of digital technologies facilitates the enhancement of customer outreach capabilities and service efficiency. By utilizing big data analytics and intelligent risk control mechanisms to optimize customer profiling and product matching, the Bank realizes precise marketing and differentiated services. Concurrently, it drives the migration of business workflows toward online and automated processes, thereby injecting continuous momentum into high-quality development.	Medium-term, Long-term

Planning and Strategy

The Bank formulated the 2023-2025 Digital Transformation and FinTech Development Strategy and introduced the "FOCUS+" digital transformation strategy. This systematically advances the digital transformation and upgrading across various business lines in domains such as products, channels, and operations, while concurrently elevating capabilities in data governance, risk management, and agile R&D.



In 2025, the Bank compiled the fourth iteration of the *Business Digital Transformation Plan* on a rolling basis, explicitly defining the digital transformation pathways for 7 major professional sectors. The Bank continuously consolidated the business and technology integration mechanism, which is anchored in "joint decision-making, joint customer visits, and joint implementation". It deepened the positive role of the "Woodpecker" suggestion and feedback management system in activating cross-domain innovative synergy, propelling process innovation and customer experience optimization within key business areas.

Financial Impact Analysis

In 2025, the Bank continuously explored the R&D and application of novel technologies, persistently deepening the fusion between business and technology. During the reporting period, the Bank's information technology investment reached RMB 1.44 billion, representing a year-on-year growth of 7.79%.

Looking forward, the Bank will adopt "online operations, datafication, and intelligentization" as its implementation pathway. The Bank will deepen online applications to refine and reshape business workflows; elevate data-driven capabilities to consolidate the operational and managerial support system; and explore intelligent technologies to propel the comprehensive upgrading of financial services.

During the reporting period the Bank's information technology investment reached **RMB 1.44 billion** representing a year-on-year growth of **7.79%**



Impact, Risk and Opportunity Management

Innovation and R&D Foundation

The Bank constructed an innovation and R&D management system to promote high-efficiency synergy between business and technology, providing an agile and reliable technological engine for the high-quality development of business operations.

Agile R&D Management

- The Bank built an agile R&D management system focused on the closed-loop value management of the entire R&D lifecycle. It developed a comprehensive, full-dimensional management dashboard encompassing ideation, business requirements, requirement analysis, system functionality, development tasks, testing tasks, and defect tracking. This facilitates the highly efficient execution of the complete workflow from R&D and testing to production launch, and drives the rapid iteration of version deliveries.
- The Bank advanced the integration of the DevOps system to realize the unified construction of R&D and operations, thereby elevating the automation level and response efficiency of technological R&D deliveries.

Technology Research and Application

- The Bank released the Management Scheme for the FinTech Innovation Laboratory to operationalize FinTech innovation research methodologies.
- The Bank fortified the management of innovative research projects, propelling the practical implementation and commercialization of research outcomes.
- The Bank perfected the pre-research management mechanism for nascent technologies, formulating a standardized system for verification and evaluation.

The Bank places emphasis on the specialized cultivation of FinTech talent. It supports employees in obtaining professional qualification certifications and continuously strengthens the construction of its professional talent pipeline. In 2025, actively responding to the national "AI + Finance" strategy, the Bank accelerated the cultivation of AI talent, with over 300 employees successfully securing AI Trainer qualification certificates. The Bank also participated in Shanghai's inaugural evaluation and appointment for intermediate professional titles in the engineering series of FinTech; 55 employees were awarded titles, ranking first municipal-wide. By the end of 2025, the Bank employed 948 full-time FinTech personnel, constituting 10.16% of the total contract workforce. This represented a 4.87% increase in FinTech personnel compared to the end of the previous year.

By the end of 2025
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948

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4.87%

increase in FinTech personnel compared to the end of the previous year

Innovation Empowering Business

Upgrading Corporate Financial Products and Services

The Bank deployed digital instruments to empower the upgrading of corporate financial products and services, continuously elevating the interaction experience for corporate clients and expanding the frontiers of financial services.

Key Achievements in the Digital Transformation of Corporate Financial Business in 2025

- **Corporate internet banking and mobile banking:** The Bank optimized its Corporate Internet Banking 3.0 and Corporate Mobile Banking 5.0 services, realizing unified electronic channel contract signing and cross-channel interoperability for voucher creation and review.
- **Multi-bank treasury management system:** Thirteen major operational centers including the decision center, funds center, and budget center were launched. Centered on treasury functions and direct bank-agriculture connections, the Bank upgraded characteristic treasury service schemes. By developing customized functions tailored to customers' daily, high-frequency business scenarios, the Bank significantly enhanced their fund management precision and operational efficiency.
- **Cash management system:** The Bank introduced intelligent, scenario-based reconciliation services and revamped its capital pool offerings. It empowered customers to rapidly and autonomously construct capital pools utilizing template tools within the corporate internet banking platform.
- **International settlement system:** The Bank constructed a next-generation international settlement business system, achieving the fully online, automated, and intelligent processing of cross-border transactions across the entire workflow.

Case | Innovating Scenario Applications for Corporate Digital Identity Verification

In 2025, under the guidance of the Shanghai Municipal Administration for Market Regulation and the People's Bank of China Shanghai Head Office, the Bank innovatively integrated the digital carrier of corporate electronic business licenses and the digital encryption functionalities of electronic seals into financial service scenarios. These included corporate account opening appointments, bank-enterprise reconciliation, business license validity updates, and corporate deposit account queries. This initiative enabled the online processing of corporate identity authentication and information verification, substantially enhancing operational convenience for corporate clients. The application was honored as one of the 2025 "Inaugural China (Shanghai) Excellent Innovative Practice Cases for Optimizing the Business Environment".

Optimizing Retail Financial Customer Operations and Services

Focusing on customer experience, the Bank consolidated its online foundational infrastructure, propelled the digitalization of business workflows, explored intelligent decision-making, and accelerated the enhancement of its retail digital and intelligent operational and service capabilities.

Key Achievements in the Digital Transformation of Retail Financial Business in 2025

- **One-stop companion platform for customer operations and services:** By constructing a 360-degree panoramic customer view, the platform precisely identifies customer demands and potential, enabling multi-scenario personalized services and tiered management to elevate the customer experience. Concurrently, it provides digital tools to support employee process management, optimizing task tracking, performance analysis, and resource allocation, thereby augmenting employee productivity and execution capability.
- **"Zhangxin App" mobile business expansion tool:** The app unifies and integrates the business expansion portals for retail lines. It provides essential operational functions, such as batch card-opening due diligence and insurance policy reviews, empowering frontline staff to deliver services with heightened quality and efficiency.

Case | "Xin e Loan" Launching Automated Electronic License Retrieval Service

The Bank introduced an automated electronic license retrieval service. Upon completion of facial recognition authorization by the customer, the "Xin e Loan" system automatically retrieves electronic licenses in real time. This service supersedes manual document photography and uploading procedures. It effectively eliminates business process interruptions traditionally caused by customers forgetting documents or image recognition limitations, thereby enhancing business continuity and the customer interaction experience.

Improving the Convenience of Inclusive Financial Services

Focusing on the digital and intelligent transformation of the rural collective economy, and leveraging one-stop panoramic oversight alongside multi-bank direct bank-agriculture connections, the Bank provides standardized fund management tools for rural collective operating entities at both town and village levels. This facilitates seamless fund payments and ensures usage compliance, continuously fostering an online, intelligent, inclusive financial service ecosystem.

Case | The "Shanghai Model" of Direct Bank-Agriculture Connection Driving Dual Enhancements in Payment and Regulatory Efficacy

The Bank's direct bank-agriculture connection system employs an innovative model characterized by "multi-bank adaptation, whole-process closed-loop, intelligent risk control, and government-bank synergy". It primarily serves rural collective economic organizations at all levels across Shanghai Municipality and their financial management personnel, concurrently fulfilling the regulatory imperatives of municipal, district, and town-level rural collective entities and supervisory departments. Utilizing standardized online payments and intelligent approval mechanisms governed by monetary thresholds, the system realizes the principle of "payment implies accounting". This has augmented payment efficiency by over 70%, substantially alleviating the workload of grassroots financial personnel. Moreover, reliant on the dual-key management mechanism comprising the "Operation Shield" and "Review Shield", alongside real-time monitoring functionalities, the system rigorously enforces the principle of segregation of duties and checks and balances, thereby mitigating abnormal transactional risks. The deployment of this system transformed the "last kilometer" of inclusive finance from merely being connected to operating seamlessly, offering replicable and scalable practical experience to resolve the regulatory challenges associated with rural collective "Three Assets" (funds, assets, and resources) nationwide.

Tech Ethics Management

Maintaining a prudent stance and adhering to the principles of fairness, transparency, and controllability, the Bank strictly complies with regulatory standards such as the *Guidelines on Technology Ethics in the Financial Sector* issued by the People's Bank of China. The Bank established a Model Management Committee and formulated the *Measures for Model Management* alongside the *Regulations on Model Verification Management*. These unequivocally mandate full-lifecycle model management requirements to ensure the secure, compliant, and efficacious operation of models. The Bank strictly guards against tech ethics risks, including technology abuse, misuse, and algorithmic discrimination. In 2025, the Bank identified no instances of tech ethics violations.

The Bank comprehensively intensified its governance over information systems and model algorithms, earnestly fulfilling the tech ethics management responsibilities incumbent upon financial institutions. Internally, the Bank explicitly stipulates that prior to deployment, information systems and model algorithms must undergo rigorous review. This scrutiny assesses the rationality, legitimacy, and interpretability of data and model usage, as well as the impact of data utilization on the legitimate rights and interests of relevant subjects, potential ethical and moral risks, and the efficacy of preventative and control measures, thereby eradicating major tech ethics risks at the source. Externally, the Bank explicitly mandates that outsourcing service providers must reference the Bank's relevant model management requirements. This ensures that the models, algorithms, and related information systems they supply adhere to the principles of interpretability, verifiability, transparency, and fairness. Regular network and information security assessments of outsourced activities are also conducted.

Regarding training and communication, the Bank developed an interpretive guide for the model management framework and an operational manual for the model asset management system. Bank-wide training on model management requirements was conducted to unify cognitive understanding, standardize operations, and mitigate model derivative risks.

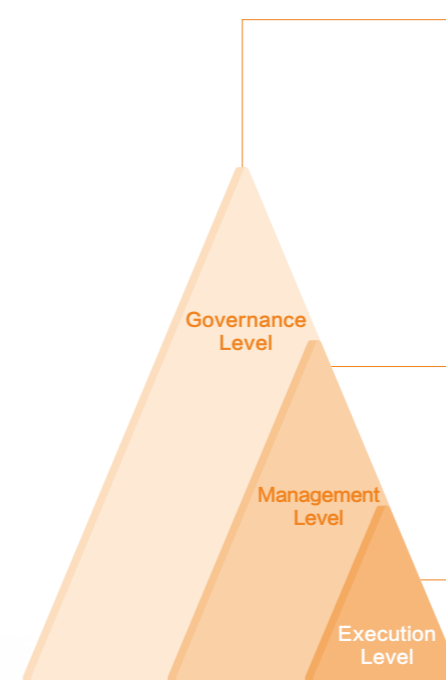
Metrics and Targets

Target	2025 Achievement Status			
Guided by the 2023-2025 Digital Transformation and FinTech Development Strategy, the Bank continuously intensified its FinTech innovation efforts, resulting in year-on-year expansions of its technology talent pool and technology investment scale.	By the end of 2025 the Bank employed	representing an increase of	During the reporting period the Bank's information technology investment reached	marking a year-on-year growth of
	948 full-time FinTech personnel	4.87% compared to the end of the previous year	RMB 1.44 billion	7.79%

Consumer Rights Protection*

Upholding the original aspiration and mission of "finance for the people" and adhering to a "customer-centric" operating philosophy, the Bank proactively fulfills its primary responsibility for consumer rights protection. We continuously elevate the quality and effectiveness of our consumer rights protection initiatives to genuinely safeguard the legitimate rights and interests of financial consumers.

Governance

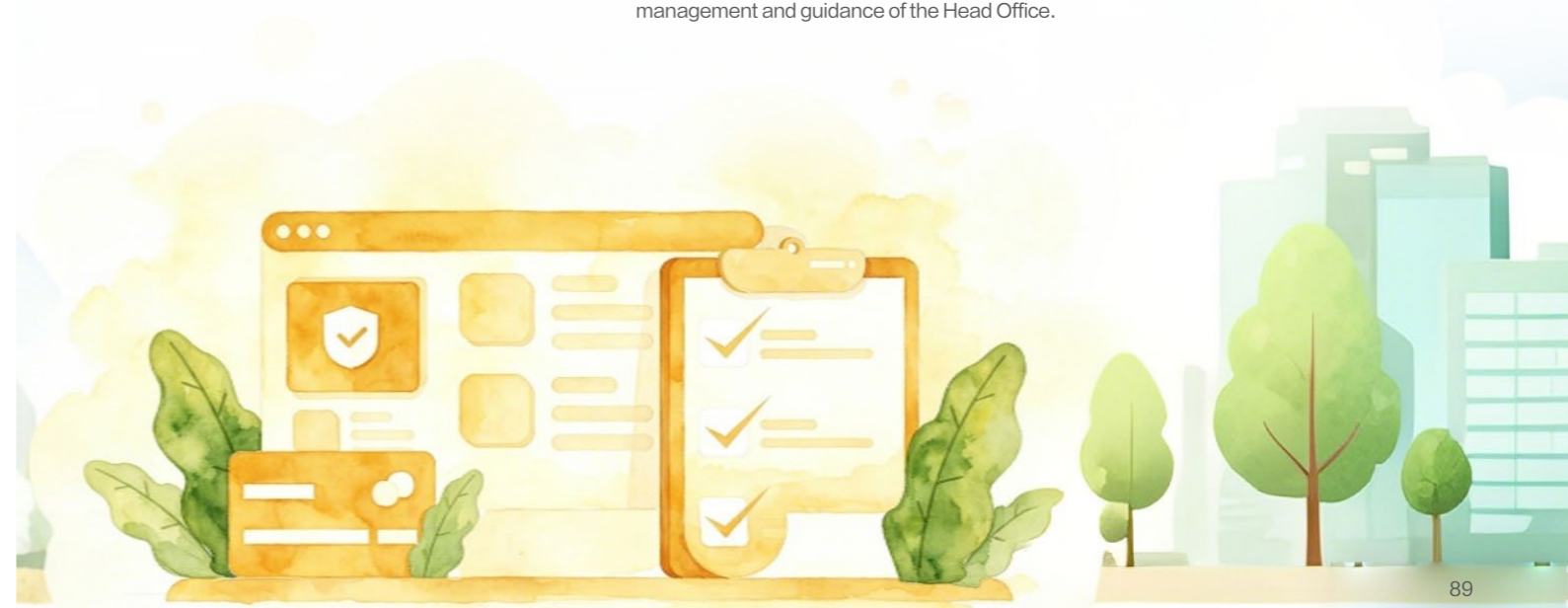


The Board of Directors of the Bank assumes the ultimate responsibility for consumer rights protection work. Subordinate to the Board is the Consumer Rights Protection Committee, chaired by the President. This committee is responsible for researching the Bank's strategies, policies, and objectives regarding consumer rights protection. It regularly receives reports from senior management on the execution of consumer rights protection initiatives and evaluates and supervises their implementation. In 2025, the Consumer Rights Protection Committee of the Board of Directors reviewed the *Proposal on the 2024 Work Summary and 2025 Work Plan of the Consumer Rights Protection Committee of the Board of Directors* and the *Proposal on the Company's Consumer Rights Protection 2024 Work Situation and 2025 Work Plan*, and heard the *Report on the Special Audit of the Company's Consumer Rights Protection*.

The Bank established the Consumer Rights Protection and Personal Information Protection Working Committee, chaired by the Bank executive in charge of consumer rights protection. This committee is responsible for establishing and perfecting the consumer rights protection institutional framework, executing relevant Board resolutions on consumer rights protection, ensuring adequate resource allocation for these efforts, and cultivating a culture and ethos of consumer rights protection.

The Consumer Rights Protection Department at the Head Office is responsible for leading the implementation and execution of the Bank's consumer rights protection initiatives. All business departments at the Head Office are responsible for the specific execution of consumer rights protection within their respective departments and business lines.

Each branch is equipped with dedicated consumer rights protection personnel. They are responsible for spearheading all tasks involving consumer rights protection within their respective branches, organizing and coordinating relevant departments and subordinate business outlets to execute consumer protection initiatives, and operating under the management and guidance of the Head Office.



Strategy

Risk and Opportunity Analysis

Based on regulatory requirements, industry standards, and customer service practices, the Bank identifies the short-, medium-, and long-term risks and opportunities that consumer rights protection brings to the organization.

Risks	Risk Description	Time Horizon of Impact
Reputational risk	As the regulatory framework for financial consumer rights protection becomes increasingly robust, and stock competition within the industry intensifies, consumer protection capability has emerged as a core element for the differentiated competitiveness of financial institutions. Any deficiencies in consumer protection management can easily trigger centralized complaints and precipitate a loss of customer trust. The proliferation of negative public opinion could inflict substantive damage on the Bank's brand image and social reputation.	Short-term, Medium-term, Long-term
Opportunities	Opportunity Description	Time Horizon of Impact
Customer loyalty enhancement	Exemplary consumer rights protection practices can effectively augment customer trust and satisfaction, elevating customer stickiness and their willingness to repurchase. This, in turn, continuously fortifies brand value and establishes a long-term competitive advantage for the Bank amidst market competition.	Short-term, Medium-term, Long-term

Planning and Strategy

The Bank formulated and implemented the *2023-2025 Consumer Rights Protection Strategy*. The Bank reinforced the "comprehensive consumer protection" concept and deeply advanced the "top-executive-led project". The Bank formulated a series of management measures and detailed implementation rules, including the *Measures for the Management of Consumer Rights Protection*. This established a "1+18+2" consumer rights protection institutional framework, comprising 1 general overarching policy, 18 specialized systems, and 2 rules of procedure. This framework permeates the entire lifecycle of ex-ante review, in-process control, and ex-post supervision; it covers all business lines across the Bank and delineates operational mechanisms for complaint management, diversified resolution of financial disputes, financial knowledge public education, consumer protection reviews, performance evaluation, inspection and supervision, and internal consumer protection training.

Financial Impact Analysis

In 2025, the Bank consistently advanced the normalized governance of consumer protection, fortified the development of its consumer protection personnel, and addressed customer complaints in a timely manner. By conducting targeted financial public education for key demographics, the Bank effectively mitigated the response costs associated with potential reputational risks, thereby ensuring the stability and compliance of its business development.

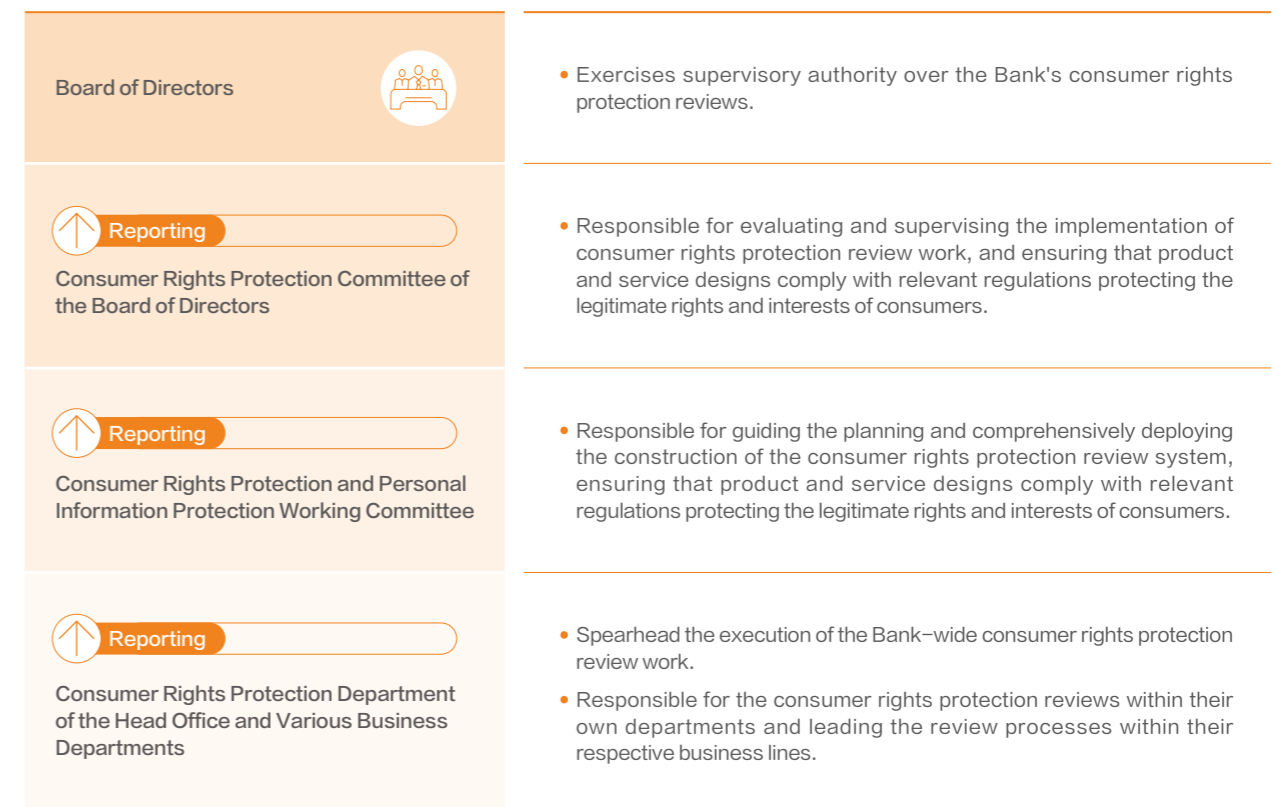
Looking forward, the Bank will continue to execute the consumer rights protection mandates of regulatory authorities. By seamlessly embedding consumer rights protection into the entirety of our corporate governance, corporate culture, and operational management, the Bank aims to realize a transformative upgrade in its consumer protection endeavors, transitioning from "passive response" to "proactive foresight", and from being "compliance-driven" to focusing on "value creation".

Impact, Risk and Opportunity Management

Product and Service Review

The Bank constructs a product and service review management system with clearly defined rights and responsibilities. Relying on institutionalized and standardized review processes, the Bank normalizes the execution of product and service reviews. By rigorously fortifying the defense line of financial security, the Bank is dedicated to providing transparent, reliable, and premium financial consumption experiences for its customers.

Product and Service Review Management Structure



In 2025, the Bank implemented the requirement of "reviewing all that should be reviewed" for consumer rights protection. Strictly adhering to regulations such as the *Provisions on Consumer Rights Protection Review* and the *Key Points for Collaborative Review of Products and Services*, the Bank deepened the multi-department collaborative review mechanism. Focusing on core operational links that may influence consumer decision-making, the Bank incorporated policy frameworks, business rules, fee pricing, agreement terms, and promotional copy into the scope of consumer protection reviews to promptly identify potential risks. In conjunction with product and service complaints and satisfaction surveys, the Bank added 19 new key points for consumer rights protection reviews and conducted targeted training to elevate the competencies of review personnel. The Bank promoted a pre-review self-assessment model across various business departments at the Head Office, issued consumer rights protection work reminders on an ad-hoc basis, and effectively embedded consumer rights protection reviews into its risk management and internal control systems.

In 2025, the Bank strictly controlled the entry gateway for financial products and services. It reviewed over 2,600 consumer rights protection items and issued 440 substantive review opinions. The adoption rate of consumer rights protection review opinions reached 100%, effectively precluding occurrences that could infringe upon the legitimate rights and interests of financial consumers.

Consumer Complaint Management

Complaint Management Policy

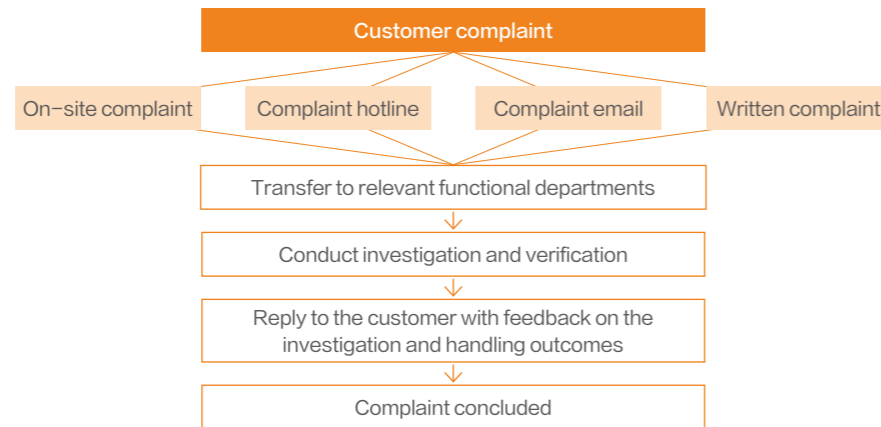
The Bank established a complaint management framework underpinned by two specialized policies: the *Measures for the Management of Consumer Complaint Handling* and the *Regulations on the Emergency Handling of Consumer Complaints*. Serving as the primary responsible persons, the heads of institutions at all levels comprehensively coordinated various major issues encountered during complaint management. They took the lead in receiving visits and complaints, fully drove the resolution of conflicts, and elevated the satisfaction of financial consumers.

Complaint Management Structure

Consumer Rights Protection Committee of the Board of Directors	In accordance with regulatory requirements and market dynamics, and in conjunction with the execution of consumer rights protection initiatives, guides and urges relevant tasks pertaining to consumer complaint management.
Consumer Rights Protection and Personal Information Protection Working Committee	Responsible for comprehensively formulating the Bank's complaint handling policies; reviews major consumer dispute cases; supervises the operational efficacy of the Bank-wide complaint handling mechanism; and regularly receives analytical reports on complaint trends.
Consumer Rights Protection Department of the Head Office	Responsible for the overall coordination and standardization of the entire complaint management process.

Complaint Handling Process

The Bank ensures unobstructed channels for financial consumer complaints, comprehensively publishing acceptance methods and handling procedures through platforms such as the official website, mobile banking App, WeChat official account, and business outlets.



Complaint Channels

Online Complaint Channels	Mobile banking App Complaint hotline: 021-962999; 4006962999 Complaint email: 962999@shrcb.com
Offline complaint channels	Various business outlets
Written complaint channels	Consumer Rights Protection Department, Shanghai Rural Commercial Bank, No. 70, Zhongshan East 2nd Road, Huangpu District, Shanghai, Postal Code: 200002

Complaint Handling Process

The Bank continuously optimizes its complaint handling process to enhance response speed and disposal efficiency. In 2025, the Bank accepted 6,546 consumer complaints (excluding duplicate complaint data), achieving a 100% complaint response rate. During the reporting period, no major or mass complaint incidents occurred.

Emphasizing source governance, the Bank strengthened the monitoring and analysis of complaint data. It publishes a monthly overview of complaint trends and convenes regular thematic analysis meetings to deeply dissect the root causes of complaints. The Bank formulates source-tracing rectification measures, conducts ongoing post-evaluations, and dynamically adjusts strategies in a timely manner to curtail the incidence of complaints at the source. Additionally, the Bank proactively advances the construction of diversified dispute resolution mechanisms, embedding this model directly into the complaint handling workflow. In collaboration with the Shanghai Financial Dispute Mediation Center, the Bank established 4 mediation workstations, leveraging mediation mechanisms to resolve complex and difficult conflicts and disputes.

Consumer Rights Protection Training

The Bank attaches paramount importance to building professional competencies in consumer rights protection. Annually, it conducts consumer rights protection training for all customer-facing employees, with a strong emphasis on reinforcing capabilities such as suitability management, personal information protection, consumer rights protection reviews, and fair marketing, thereby comprehensively elevating employees' awareness of consumer rights protection.

The Bank established a consumer protection empowerment model defined by "going down and inviting up". It conducted thematic consumer protection training Bank-wide and provided "one-on-one" specialized communication and coaching for branches and sub-branches. Differentiated consumer protection curricula were formulated for personnel across diverse business lines and positions. The Bank increased the frequency of thematic consumer protection training for personnel in roles associated with higher frequencies of customer complaints and elevated risks, while also administering Bank-wide training and testing on essential knowledge and skills related to consumer protection.

In 2025, the Bank organized 262 online and offline consumer rights protection training sessions, tallying 22,764 participations. The target audience encompassed all employees including middle and senior management, personnel in dedicated consumer rights protection roles, frontline business staff, and newly onboarded employees, achieving a 100% training coverage rate.



Fair Marketing

Management Policy

The Bank strictly complies with the requirements of relevant national laws, regulations, and regulatory documents. It formulates and implements the *Measures for the Management of Financial Marketing and Publicity* to continuously and normatively manage the Bank-wide execution of marketing and publicity in accordance with laws and compliance requirements. This system encompasses management principles, divisions of responsibilities, and negative lists, thereby establishing closed-loop management requirements comprising ex-ante approval, in-process control, and ex-post supervision for marketing and publicity. It mandates institutions at all levels to protect the legitimate rights and interests of consumers, resolutely preventing practices such as exaggerating facts, concealing risks, and excessive marketing within their respective jurisdictions.

Supervision and Review

The Bank formulates a robust responsible marketing and publicity mechanism for financial products alongside a rigorous review process for financial marketing and publicity. This clearly delineates the foundational regulations, divisions of responsibilities, and review workflows applicable during financial marketing and publicity activities.

Responsible Marketing and Publicity Mechanism for Financial Products

- The Head Office General Office spearheads the management of Bank-wide financial marketing and publicity. The Consumer Rights Protection Department, the Compliance and Internal Control Department, the Operations Management Department, the General Affairs Department, and various functional departments and offices at the Head Office participate in this management within their respective purviews.

Review Process for Financial Marketing and Publicity

- When various units at the Head Office initiate marketing and publicity campaigns, the materials must undergo a preliminary internal review by the originating unit. Subsequently, functional departments including the Compliance and Internal Control Department, the Consumer Rights Protection Department, and the General Office assist in the review to ensure that external promotional materials are devoid of expressions that exaggerate facts, conceal risks, or constitute excessive marketing.
- Various units are required to conduct continuous monitoring during the marketing and publicity process. They must leverage the "Bank-wide linkage and full participation" reputational risk management defense line during in-process controls to ensure the timely identification of issues and the safeguarding of consumers' legitimate rights and interests.
- The Bank strengthens ex-post supervision to promptly identify issues and enact rectifications and optimizations.

Fair Marketing Training

The Bank rolls out online courses centered on the responsible marketing and publicity of financial products. These courses cover the pertinent laws, regulations, and industry guidelines of financial marketing and publicity, as well as the Bank's internal management requirements, serving to deepen employees' profound understanding and precise mastery of these operational norms. Concurrently, the Bank embeds the normative management of financial marketing and publicity into its Bank-wide reputational risk management training system and the onboarding curriculum for new employees. By conducting normalized training throughout the year, the Bank solidifies awareness of standardized marketing and effectively mitigates reputational risks triggered by improper marketing and publicity behaviors.

Customer Debt Management

Loan Contract Modification

The Bank continuously perfects its post-loan service management system. It formulates relevant institutional frameworks, such as the *Regulations on the Management of Services During the Duration of Personal Loans*, to standardize the management of personal loan information modifications. Customers may apply for services including early repayment, modification of repayment information, and adjustment of loan terms through the Bank's business outlets.

Early Repayment

- Customers are required to complete the *Personal Loan Early Repayment Application and Approval Form* and confirm the fund arrival time with the lending branch. The lending branch processes the request after reviewing details such as the borrower's reasons for early repayment, the repayment amount, and the number of repayments.
- Repayment methods encompass equal principal and interest repayment, equal principal repayment, monthly proportional principal repayment, equal principal repayment with a monthly grace period, and equal principal and interest repayment with a monthly grace period.

Negotiated Repayment

- For overdue customers facing special financial hardships due to unforeseen accidents, natural disasters, illnesses, or unemployment, provided they retain the willingness to repay, they may apply for relief schemes via business outlets, relationship managers, or the customer service hotline. The lending branch verifies the authenticity of the application materials and engages in thorough negotiations with the customer based on equality and voluntariness. Drawing upon the customer's income, assets, and risk profile, the Bank offers relief measures such as modifying the repayment schedule, granting grace periods, or renewing the loan, thereby alleviating the customer's livelihood difficulties.

Debt Collection Management

Strictly abiding by laws, regulations, and industry mandates such as the *Law on the Protection of Consumer Rights and Interests*, the *Interim Measures for the Administration of Internet Loans of Commercial Banks*, and the *Measures for the Supervision and Administration of Credit Card Business of Commercial Banks*, the Bank formulates collection management systems tailored for online retail loans and credit card operations. These delineate the operational workflows, management requisites, and violation penalization measures for collection activities, providing robust institutional guarantees for the compliant management of the collection business.

Internal Collection

Management systems: The Bank formulates debt collection management systems such as the *Operating Procedures for the Management of Internal Collection Business for Online Retail Loans* and the *Measures for the Management of Internal Collection Business for Credit Cards*. It establishes standardized collection workflows and service norms covering various collection modalities, including phone calls, text messages, correspondence, and field visits and interviews.

Collection norms: During the debt collection process, the use of improper tactics such as harassment, intimidation, fraud, and threats is strictly prohibited. It is unequivocally forbidden to fraudulently use the names of administrative or judicial organs to trace customer information or execute collections. Threatening customers with inclusion on a fictitious blacklist or an illusory adverse credit database is strictly banned. Collections or harassment directed at third parties unrelated to the debt are prohibited. Furthermore, rigorous data and customer privacy protection measures must be implemented to prevent privacy breaches. Concurrently, quality control is routinely enforced through methods such as quality inspections, randomized recording reviews, and complaint analyses, accompanied by prompt rectifications, thereby guaranteeing the healthy and orderly progression of debt collection activities.

Outsourced Collection

Management systems: The Bank formulates management systems including the *Measures for the Management of Cooperative Institutions for Online Retail Loan Business*, the *Operating Procedures for the Management of Outsourced Collection Institutions for Online Retail Loans*, and the *Detailed Implementation Rules for the Management of Outsourced Collection Business for Credit Cards*. These explicitly define the admission criteria, due diligence evaluations, and management requirements for outsourced collection institutions, uniformly standardizing outsourced collection workflows.

Collection norms: The cooperation agreements executed with outsourced collection institutions (including law firms) unequivocally stipulate information security and privacy protection clauses. They mandate that collection institutions strictly comply with laws, regulations, and the Bank's internal management systems to ensure standardized outsourced collections. The agreements explicitly prohibit collection institutions from employing violent collection methods, contacting unrelated third parties, engaging in fraudulent or impostor collections, or conducting unauthorized private collections. Clear restrictions are also imposed regarding collection channels, frequencies, and permissible hours.

The Bank administers normalized training for all internal collection personnel. Through the comprehensive interpretation of collection-related policies, regulations, and internal systems, the Bank conducts training on operational process norms, professional communication skills, and typical case analyses. This fortifies the legal awareness of collection personnel, elevates their compliance ethos and operational risk prevention acumen, and refines their communication proficiencies during collection. Simultaneously, based on ongoing business developments, the Bank conducts ad-hoc on-site inspections and online remote supervision of all outsourced collection institutions, ensuring that outsourced collections are executed in a compliant and orderly manner.

Financial Knowledge Popularization

The Bank focuses on key demographic groups, specifically "the elderly, the youth, new citizens, and expatriates". It constructs a diversified "online + offline" financial education model and routinely conducts financial education and public awareness campaigns. Leveraging 1,040 "Xin Jia Yuan" public welfare service stations and 362 business outlets Bank-wide, the Bank achieved full coverage of financial knowledge popularization across all 16 administrative districts of Shanghai. In 2025, the Bank engaged deeply with villages, communities, campuses, and industrial parks, cumulatively conducting 6,980 financial education and awareness activities of various types, and reaching 4.75 million financial consumer engagements.

The Elderly

Targeting the elderly demographic, and relying on over 120 teaching sites of the "Xin Jia Yuan" University for the Elderly, the Bank employed methods such as dialect-based lectures, case analyses, anti-fraud simulation drills, interactive Q&A sessions, anti-fraud warning video screenings, and the distribution of illustrated promotional materials. These efforts focused on dissecting common fraudulent schemes and illegal financial advertising traps, such as high-yield rebate scams and fraudulent entrusted loan services. This enhanced the elderly's capacity to identify and prevent financial risks, effectively safeguarding their own "pension funds". Notably, the *Safeguarding the Pension Purse* course offered by the "Xin Jia Yuan" University for the Elderly was recognized as a "2024 Shanghai Premium Course for Elderly Education".

The Youth

Targeting university students, the Bank collaborated with local government agencies and academic institutions, including the Shanghai University of International Business and Economics and the University of Shanghai for Science and Technology. It conducted financial education lectures addressing high-frequency fraudulent schemes such as illegal campus loans, part-time brushing scams, gaming fraud, and fictitious recruitment. Through case analyses, knowledge dissemination, and risk advisories, the Bank guided students in establishing rational consumption concepts and bolstered their awareness, identification, and resistance capabilities against financial risks.

Targeting primary and secondary school students, the Bank utilized the "Little Financier" and "My Financial Dream" series of offline and online courses to deliver experiential, interactive, and cloud-based financial education activities. These initiatives provided students with financial knowledge popularization, anti-fraud, and anti-money laundering education tailored to their characteristics, assisting them in mastering financial knowledge and cultivating sound financial values.

New Citizens

Targeting the new citizen demographic, the Bank conducted offline outreach in industrial parks, commercial buildings, and agricultural trade markets. By establishing "financial knowledge promotional booths", distributing the "SHRCB Consumer Protection" financial education manuals, facilitating on-site interactive Q&A sessions, and teaching anti-fraud mnemonics, the Bank exposed common financial traps. These included illegal fundraising, telecommunications fraud, fictitious wealth management products, illicit loan intermediaries, and fraudulent credit repair services. Online, the Bank utilized radio broadcast advisories and the "Keep Rumors Away from Me" series of short videos to multi-dimensionally elevate the financial security awareness of the new citizen group.

Expatriates

Targeting expatriates in China, the Bank produced promotional materials such as bilingual (Chinese-English) thematic brochures and the *Eight Rights for Protecting Consumers* infographic. The Bank conducted in-depth outreach at the Shanghai Business School and Songjiang University Town, popularizing anti-money laundering knowledge and payment facilitation measures among foreign faculty and students, thereby assisting them in overcoming financial information barriers.

Metrics and Targets

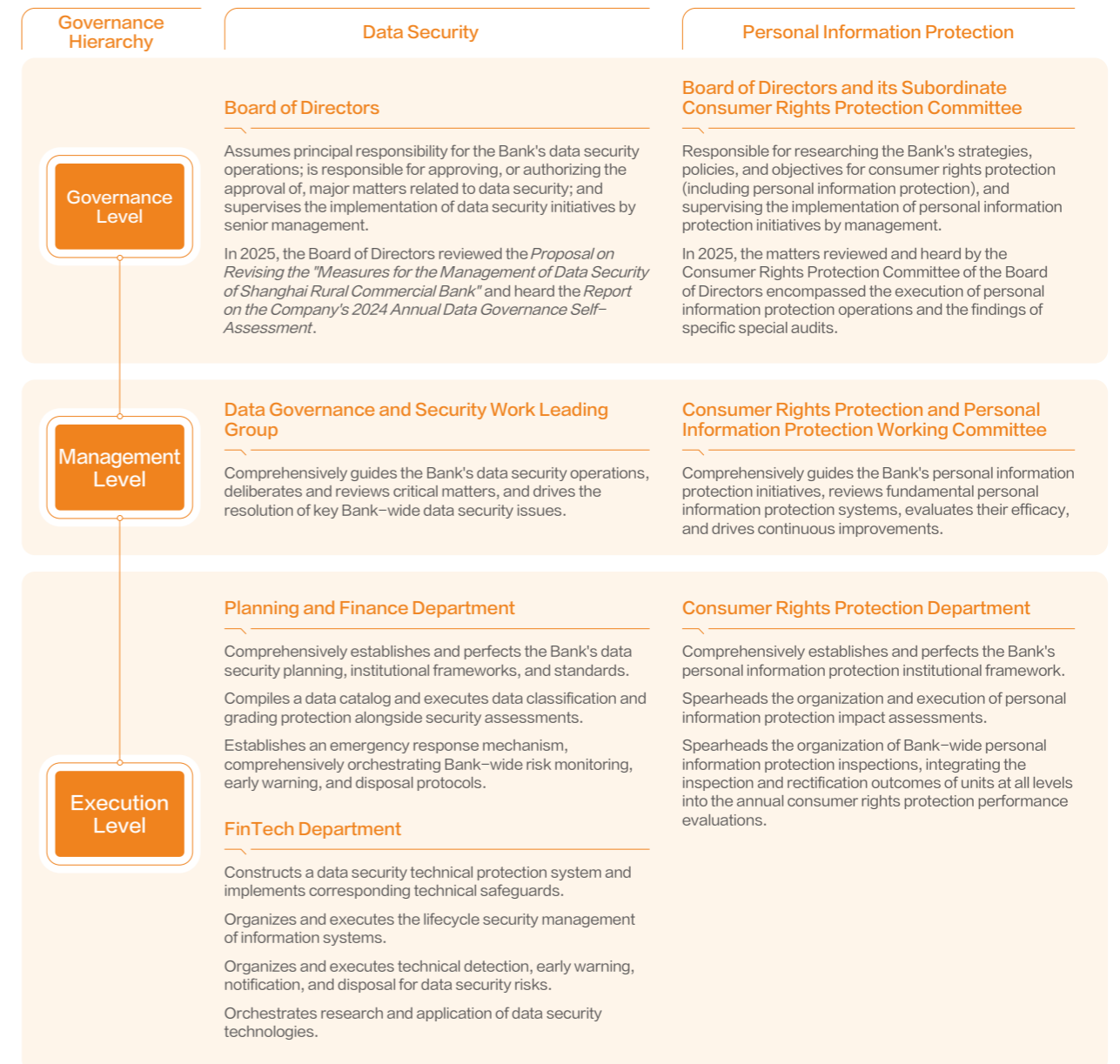
Target	2025 Achievement Status		
The penetration level of consumer financial education is elevated	In 2025 the Bank cumulatively conducted	accumulating	and reaching
	6,980	19,000	4.75 million
	financial education and awareness activities of various types	training hours	financial consumer engagements

Data Security and Privacy Protection*

Data security and privacy protection serve not only as the foundation for the Bank to conduct its business but also as the safeguard for its steady operations. The Bank strictly adheres to laws and regulations such as the *Cybersecurity Law*, the *Data Security Law*, and the *Personal Information Protection Law*. We continuously deepen full-lifecycle data security management and control, construct an in-depth cybersecurity defense system, and fully respect and guarantee customers' diverse statutory rights regarding their personal information. In 2025, the Bank experienced no major cybersecurity responsibility incidents or sensitive data leakage incidents.

Governance

The Bank established an organizational structure characterized by clear responsibilities and multi-tiered cohesion. From top to bottom, the Bank attaches paramount importance to data security and personal information protection. By strengthening the guidance, coordination, supervision, and advancement of data security and personal information protection management, the Bank ensures the effective implementation of all management requirements.



Strategy

Risk and Opportunity Analysis

Anchored in data security regulatory orientations, customer privacy protection demands, and its proprietary data governance framework, the Bank identifies the short-, medium-, and long-term risks and opportunities that data security and privacy protection present to the organization.

Risks	Risk Description	Time Horizon of Impact
Risks of data security breaches and leakages	Improper operations by internal employees, coupled with persistent attacks from external hacker syndicates and cybercriminals, constitute the primary threats to data security. Specifically, the theft and misuse of sensitive personal information not only harm customer interests but also severely impair the Bank's reputation and credibility, resulting in operational losses.	Short-term, Medium-term, Long-term
Supplier compliance risks	As the digital transformation of business deepens, the Bank intensively integrates the technologies and services of diverse third-party suppliers, forging an interconnected digital ecosystem. Should third-party suppliers harbor cybersecurity vulnerabilities or engage in non-compliant operations during system maintenance or data processing, it could trigger a cascading effect of data leakages. This would expose the Bank to legal and regulatory penalties and inflate non-interest expenses.	Short-term, Medium-term, Long-term

Opportunities	Opportunity Description	Time Horizon of Impact
Regulatory normative opportunities	The National Financial Regulatory Administration promulgated the <i>Measures for the Management of Data Security of Banking and Insurance Institutions</i> , and the People's Bank of China issued regulations such as the <i>Measures for the Management of Data Security in the Business Fields of the People's Bank of China</i> . These regulations impose stringent requirements on bank data security, providing clear guidance for banks to standardize data management. They compel banks to incorporate data security risks into their comprehensive risk management frameworks, thereby elevating the bank's overall data asset governance maturity and anti-risk resilience.	Short-term, Medium-term, Long-term
Market opportunities transformed by digital trust	High-caliber network and data security capabilities effectively assuage customer apprehensions regarding privacy leakages in an internet finance environment. By establishing a robust digital trust foundation, the Bank can effectively increase the stickiness of its existing customer base and attract new clientele, driving steady medium-to-long-term growth in business revenue.	Medium-term, Long-term

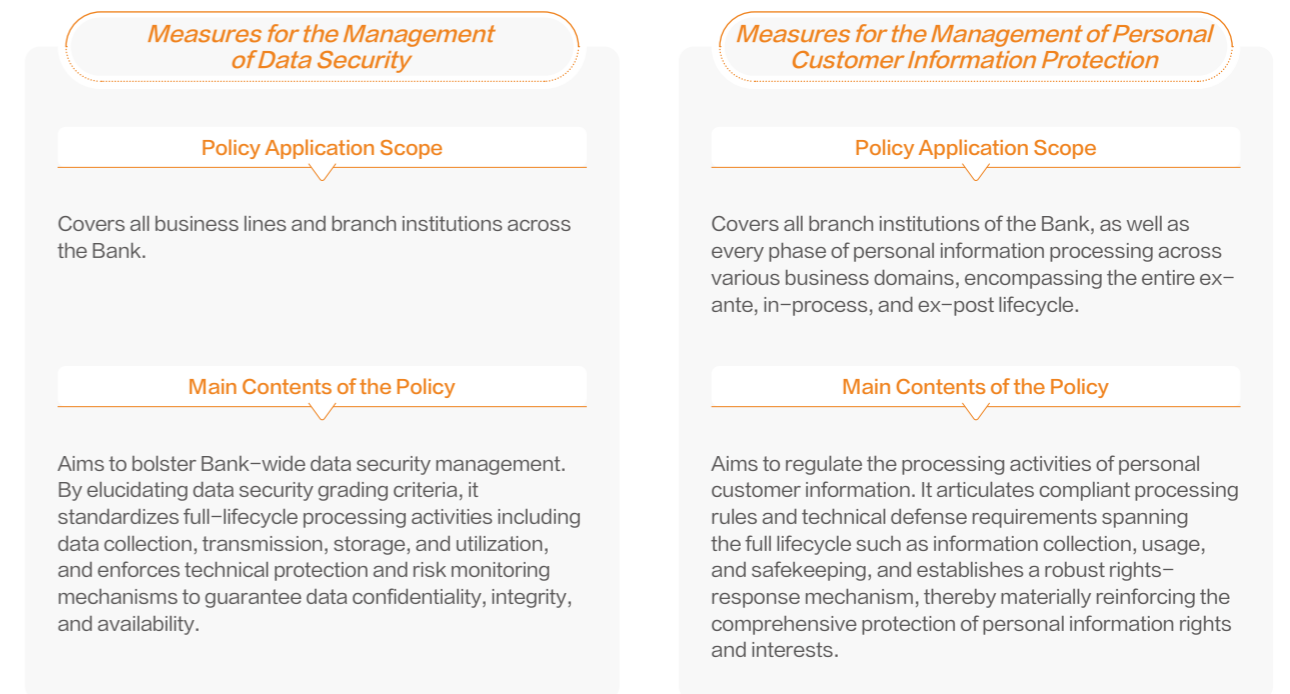


Planning and Strategy

The Bank formulated the *2023–2025 Data Strategy* and the *2023–2025 Consumer Rights Protection Strategy*. These strategies mandate the establishment of a comprehensive and effective data classification and grading management system, and the continuous optimization of security strategies and standards corresponding to different security tiers across the full data lifecycle; reinforce personal information protection by erecting a robust institutional framework dedicated to endowing personal information with full-lifecycle safeguarding.

To ensure these strategic imperatives yield tangible results, the Bank fortified its management leverages through systematic institutional construction. It formulated frameworks such as the *Measures for the Management of Data Security*, the *Measures for the Management of Data Emergencies*, the *Measures for the Management of Personal Customer Information Protection*, and the *Detailed Implementation Rules for Personal Information Protection Impact Assessment*, clearly delineating operational workflows and management standards.

Core Policies Related to Data Security and Privacy Protection



Financial Impact Analysis

In 2025, the Bank's capital expenditures on data security and customer privacy protection were predominantly allocated toward infrastructure upgrades, talent pipeline development, and third-party certifications. These investments empowered the Bank to avert potential non-interest expenses, such as regulatory fines and customer indemnifications, that could arise from latent data security vulnerabilities.

Looking ahead, amidst the deepening of digital transformation and increasingly stringent regulatory oversight, the Bank's financial investments in building network defense systems, exploring security technologies, and conducting normalized drills will sustain steady and continuous growth. In the long term, these security investments will transmute into the Bank's "digital trust" assets, enhancing customer reliance and empowering business expansion, which in turn will generate sustainable business scale growth and stable cash inflows.

Impact, Risk and Opportunity Management

Customer Information Security and Privacy Protection

Strictly complying with the requirements of laws and regulations, the Bank integrates the concept of privacy protection into the full data lifecycle and product design. By standardizing data collection and retention, reinforcing the protection of sensitive data, and ensuring unobstructed channels for responding to customer rights, the Bank is dedicated to erecting a formidable data security barrier for customers, thereby delivering a secure and reliable financial service experience.

Collection, Use, and Retention of Customer Data

Across phases such as the collection, use, and storage of personal information and data, the Bank employs de-identification and cryptographic technologies to guarantee the confidentiality and integrity of the data.

Collection Phase

- The Bank's processing of personal information adheres strictly to the principles of lawfulness, fairness, and necessity. The Bank primarily collects data from customers via online channels such as internet banking and the mobile banking App, as well as offline channels, including business outlet counters and self-service terminals. During collection, the data is strictly limited to the minimal scope required to fulfill the specific processing purpose; excessive collection is expressly prohibited.
- If there is a requisite to provide personal data to third parties due to transactional or business service needs, the Bank will fully discharge its obligation to inform the customer within the customer privacy policy, enacting mechanisms for explicit consent and separate authorization.
- Barring circumstances authorized by national laws and regulations, or instances that are business-essential and for which the customer's separate consent has been secured, the Bank does not collect customer data via third-party tools, external institutions, or illicit channels, thereby ensuring the legal compliance of all data sources.

Use and Storage Phase

- Within the customer privacy policy, the Bank expressly elucidates rules including the purpose, method, and scope of personal information processing to customers. It informs them of their entitlements, including the rights to be informed, to make decisions, to access, to correct, and to delete. The processing of personal information is conducted exclusively upon securing their consent. Except where necessary to execute customer-initiated transactions, payments, or business processing, the Bank may provide or share customer data with third parties only upon receiving explicit authorization from the customer.
- In the data storage phase, the Bank adopts a comprehensive array of security technology safeguards. Concurrently, within the customer privacy policy, it explicitly informs customers of the avenues of information preservation, the content retained, and the duration of preservation.

Deletion Phase

The Bank commits that, upon the expiration of the explicitly defined retention periods delineated below, and absent mandatory directives from laws and regulations, it will strictly adhere to internal institutional requirements to delete or anonymize the relevant personal information.

- **Basic customer identity and transaction data:** To fulfill regulatory compliance mandates and to support the operations of core businesses such as corporate electronic banking and personal microfinance, customer identity documentation and transaction records are preserved for 10 years following the termination of the business relationship or the completion of the transaction.
- **Wealth management and investment sales data:** Investor identity documentation and sales materials for business lines such as self-operated personal wealth management and corporate wealth management are preserved for 20 years, calculated from the year the transaction occurred or the relationship terminated. Relevant audio and video recording materials are retained until 6 months post-product redemption or maturity encashment; in the event of a dispute, this period is extended to 5 years following the resolution of the dispute.
- **Fund and foreign exchange trading communication records:** For financial market transactions such as foreign exchange, electronic communication records (e.g., emails and chat logs) with customers are preserved for no less than 5 years, and audio recordings for no less than 2 years. For transactions involving long-tenor derivatives, the retention period is correspondingly extended based on the duration of the instrument.

Customer Control Over Personal Information

The Bank strictly abides by the requirements of relevant laws and regulations, including the *Personal Information Protection Law*. We fully respect and practically safeguard customers' various statutory rights over their personal information, having established standardized workflows to respond to customer requests.

Rights to Access and Correct

- **Online channels:** Customers can autonomously access, review, modify, and update their personal account information via designated pages on internet banking and mobile banking platforms.
- **Offline channels:** Customers may present valid personal identification documents at the Bank's business outlets, where counter personnel will assist them in completing the verification and correction of personal information.

Right to Delete

- Under circumstances such as a customer voluntarily closing an account, or the Bank ceasing to provide specific products or services, customers retain the right to submit a request to the Bank for the deletion of their personal information. The Bank explicitly commits that, upon receipt of a valid deletion request, it will verify the customer's identity and reply regarding the handling status within 15 days. If the statutory preservation period prescribed by laws and administrative regulations has not yet expired, or if the deletion of personal information is technically unfeasible, the Bank will cease all processing activities other than storage and the implementation of necessary security protection measures.

Product Privacy-by-Design and Assessment

Adhering to a customer-centric approach, the Bank is dedicated to proactively offering customers a more secure digital financial experience. We integrate compliant privacy-by-design principles directly into the product development workflow, precisely translating regulatory and institutional requirements into business parlance, and systematically embedding them into "two lifecycles" (the product design and development lifecycle, and the personal information protection full lifecycle).

In scenarios involving the processing of sensitive personal information, the utilization of personal information for automated decision-making, the entrusted processing of personal information, the provision of personal information to other personal information processors, or the public disclosure of personal information, the Bank conducts an ex-ante personal information protection impact assessment. The scope of this assessment includes evaluating whether the purpose and method of personal information processing are lawful, fair, and necessary; the degree of impact on personal rights and interests alongside associated security risks; and whether the implemented protective measures are legal, effective, and commensurate with the risk level. Relevant assessment reports and processing records must be retained for a minimum of three years.

Sensitive Data Access Control and De-identification Protection

Access control and multi-factor authentication: The Bank established robust security mechanisms, encompassing identity authentication, and the application, review, and approval of access permissions. For information systems processing data classified at sensitive levels or above, the Bank enforces measures such as multi-factor authentication or secondary authorization confirmation, ensuring that solely authorized users or systems can access sensitive data.

De-identification and data encryption: Across phases such as the collection, use, and storage of personal information and data, the Bank deploys de-identification and cryptographic technologies including symmetric and asymmetric encryption algorithms, digital signatures, digital certificates, masking, and suppression. These measures elevate data confidentiality and stringently prevent information leakage and abuse.



Data Security Incident Prevention and Response

By combining proactive and reactive preventive measures, the Bank minimizes the risk of data breach incidents to the greatest extent possible, ensuring the security of customer information and Bank systems.

Proactive Measures

The Bank establishes a comprehensive cybersecurity defense system adaptable to on-premises environments, cloud environments, and distributed structures.

- **Security equipment and software:** The Bank deploys a variety of security equipment and software, including firewalls, intrusion detection, malicious code detection, desktop management, web application firewalls, webpage anti-tampering, data loss prevention, and operation and maintenance bastion hosts.
- **Cybersecurity active defense platform:** The Bank constructed a cybersecurity active defense platform to elevate its capabilities in monitoring and providing early warnings for cybersecurity risks.
- **Monitoring risk indicators:** The Bank establishes a key risk indicator system for data security and conducts monitoring targeted at critical scenarios such as out-of-scope authorization, abnormal internal access, and the anomalous flow of sensitive data, thereby preventing security risk incidents like data tampering, destruction, and leakage.
- **Regular risk assessments:** Annually, the Bank regularly conducts a data security risk assessment that encompasses areas such as technical protection, cross-border data transfers, and entrusted and joint processing.

Reactive Measures

In anticipation of potential data breaches or cybersecurity incidents, the Bank formulates robust emergency plans and disposal workflows.

- **Emergency plans:** The Bank formulates the *Special Emergency Response Plan for Cybersecurity Incidents*, distinctly outlining the steps, workflows, and deployment and responsibilities of emergency response personnel for addressing cybersecurity incidents such as data breaches.
- **Emergency drills:** The Bank regularly conducts emergency drills to continuously enhance its disposal capabilities for data security emergencies, thereby averting or mitigating potential impacts.
- **Disposal workflows:** The Bank establishes an efficient notification, response, and disposal mechanism, ensuring rapid response and effective containment of the incident's spread should a data security event occur.
- **Customer notification:** In accordance with pertinent stipulations in contracts and agreements, the Bank promptly fulfills its obligation to notify affected customers and cooperative partners, safeguarding customers' right to be informed and assisting them in taking measures to mitigate harm.

Data Security Training

The Bank regularly conducts information security awareness training for all employees (including dispatched workers) and third-party supplier personnel. In 2025, the Bank continuously elevated the security awareness of all personnel through a combination of online and offline methodologies, including training, examinations, and specialized drills.



<p>• All-Staff Awareness Campaigns</p>	<p>The Bank conducted cybersecurity awareness training and examinations covering all staff. The curriculum encompassed data security, artificial intelligence security, and mobile device security, among other topics. In 2025, the participation rate and assessment passing rate for employee cybersecurity training both achieved 100%.</p>
<p>• Specialized Security Drills</p>	<p>The Bank executed two specialized anti-phishing email drills covering all staff throughout the year, enhancing employees' competencies in identifying and guarding against phishing emails.</p>
<p>• Specialized Training for Third-Party Suppliers</p>	<p>The Bank hosted cybersecurity awareness training for on-site outsourced personnel. Throughout the year, this training covered over 1,800 supplier participations, further solidifying the security awareness of cooperative partners.</p>
<p>• Talent Pipeline Construction</p>	<p>In 2025, 32 employees earned 15 types of security-related certifications, including the Certified Information Security Professional (CISP), Information Security Management System Lead Auditor (ISO 27001 LA), and Information Security Professional (Senior/Level 3).</p>

Third-Party Management

The Bank rigorously standardizes the data security management of information technology suppliers. During the preliminary stages of cooperation, the Bank conducts necessary assessments and due diligence on suppliers to verify compliance related to data security, mandating the provision of acquired information security certifications and qualifications. Within the cooperation contracts executed with the Bank, suppliers must concurrently sign the *Letter of Commitment to Data Compliance*, explicitly agreeing to abide by relevant national laws and regulations, alongside the customer data and privacy protection mandates formulated by the Bank. Throughout the cooperation lifecycle, the Bank conducts regular or ad-hoc supervisory inspections of the suppliers' fulfillment of data security protection obligations and their processing of personal information. In the event of a breach, punitive actions are executed as stipulated in the contract to ensure the strict compliance of data protection.

External Certification and Internal Audit



The Bank comprehensively introduced and enforces the ISO 27001 Information Security Management System, annually inviting external third-party agencies to conduct surveillance audits and recertification of the Bank. During the reporting period, the Bank's information security management system successfully passed the ISO 27001 annual certification with a flawless "zero non-conformities" record. The scope of the ISO 27001 certification covers 100% of all information systems independently developed, operated, and maintained by the Bank, as well as its proprietary businesses.

The Bank solidly advances the graded protection of information system security. By the end of 2025, 12 core information systems of the Bank including the internet banking system and the mobile banking system had successfully completed security testing, security rectification, and grading filing. Consequently, they received the *Filing Certificate for Graded Protection of Information System Security* issued by the competent national authorities. The security protection level of these information systems was designated as Level 3, fully satisfying the Level 3 supervision and protection requirements of the Graded Protection scheme.

The Bank conducts internal audits on a regular basis. During the reporting period, the Bank completed over 10 IT audit projects, including the Special Audit of Important Information Systems, Special Audit of Business Continuity, Special Audit of Information Technology Outsourcing Management, Special Audit of Payment Security, and Special Audit of Bank Card Key Security Management. The scope of these audits encompassed the Head Office, relevant branches and sub-branches, and critical outsourcing service providers.

Metrics and Targets

Target	2025 Achievement Status
"Zero incidents, zero reports" in information security.	In 2025, the Bank recorded zero cybersecurity incidents impacting business operations and zero sensitive data breach incidents.

Human Capital Development*

Adhering to a people-oriented philosophy, the Bank endeavors to forge a diverse, equal, and inclusive working environment. We focus on the career growth, health, and safety of our employees, attach importance to safeguarding employee rights and interests, and encourage open communication. By striving to elevate employee satisfaction and their overall work experience, the Bank contributes a positive force to the harmonious development of society.

Governance

The Bank's Board of Directors reviews the human resources strategic plan. The Remuneration and Nomination Committee, subordinate to the Board, is responsible for managing the remuneration of directors, senior executives, and all employees Bank-wide. Senior management is tasked with comprehensively coordinating initiatives such as employee development and the protection of rights and interests, with the Human Resources Department and the Labor Union Office serving as the specific implementation bodies.

The Bank established a human resource management framework characterized by overall planning from the Head Office Human Resources Department, professional support from Human Resources Business Partners (HRBPs) within key business lines, localized execution by branch institutions, and differentiated adaptation by subsidiaries. Within this framework, the Head Office Human Resources Department assumes the responsibility of comprehensively coordinating Bank-wide human resources management, encompassing but not limited to institutional design and implementation in critical areas such as workforce planning, recruitment, compensation and benefits, and performance evaluation. Concurrently, various branches have established general offices or dedicated human resources departments to execute localized HR management. Subsidiaries dynamically configure their management structures based on actual operational contexts, effectively underpinning the Group's human capital development.

Strategy


Risk and Opportunity Analysis


Anchored in the external industry competitive landscape and talent market environment, alongside its own development strategy and workforce structure, the Bank identifies the short-, medium-, and long-term risks and opportunities that human capital development presents to the organization.


Risks	Risk Description	Time Horizon of Impact
The talent workforce structure requires optimization	Amidst intensifying homogeneous competition within the banking industry, a disparity persists between the Bank's current talent workforce structure and both its proprietary developmental goals and industry-leading practices. The Bank exhibits certain gaps in human resource allocation across value-creating and strategic priority domains, such as customer operations and product innovation.	Medium-term
Opportunities	Opportunity Description	Time Horizon of Impact
Digital and intelligent technological transformations	Against the backdrop of digital and intelligent transformation, technologies such as artificial intelligence are profoundly integrating into the practical scenarios of human resources management, propelling HR management toward a profound paradigm shift.	Medium-term


Planning and Strategy

The Bank formulated the 2023-2025 Human Resources Strategic Plan, establishing the "4233" strategic human resource management directional framework aimed at stimulating organizational vitality. This entails focusing on "Four Focus Areas", building "Two Contingents", perfecting "Three Sets of Mechanisms", and elevating "Three Major Efficacies".

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Advancing human resources operations by focusing on the philosophy that "talent is the primary resource", focusing on the concept of "Bank-wide strategic human resources management", focusing on "the new demands placed on human resources by Bank-wide innovation and transformation", and focusing on "advancing the modernization of the Bank-wide operational management system and operational capabilities".
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Cultivating a contingent of high-caliber, composite management personnel adaptable to the rigorous requirements of a listed bank, and a contingent of specialized, knowledge-based backbone talents adaptable to the novel demands of transformational development.
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Perfecting the "three capabilities" mechanism, the digital empowerment mechanism, and the talent and culture steering mechanism.
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Elevating the efficacy of organizational support and personnel structure allocation, the efficacy of incentive-constraint and talent value management, and the efficacy of talent development and cultivation outcome conversion.

Note: The "three capabilities" mechanism denotes that management personnel can be promoted or demoted, employees can be hired or dismissed, and compensation can increase or decrease.

The Bank continuously refines its strategic human resource management mechanisms. Closely aligning with its three core strategies and five major financial service systems, the Bank optimizes organizational structure and personnel allocation to suit the operating strategy of "customer first, small-and-dispersed first, retail first, and digital first". Concurrently, the Bank strives to establish a scientific and highly efficient line-synergistic management model, perfects the incentive-constraint and middle-and-back-office support systems, and accelerates the materialization of HR digitalization outcomes. This ensures superior operation of market-oriented mechanisms, amplifies the role of talent in spearheading development, and comprehensively elevates HR efficacy, thereby fully unleashing organizational vitality.

Financial Impact Analysis

In 2025, the Bank consistently stimulated organizational vitality through strategic measures such as optimizing the talent workforce structure, refining the compensation and benefits system, and reinforcing professional talent cultivation. During the reporting period, the Bank's expenditure on training amounted to RMB 26.18 million.

Moving forward, the Bank will concentrate on four strategic priorities: "deep linkage between the talent chain and the business chain, synchronous activation of organizational and talent capabilities, continuous iteration of specialization and marketization, and the simultaneous advancement of digital empowerment alongside the reshaping of a sense of belonging", thereby continuously driving the value enhancement of its human capital.

Impact, Risk and Opportunity Management

Diverse and Equal Employment

The Bank is dedicated to fostering a diverse, equal, and inclusive work environment. Adhering to the recruitment principles of openness, fairness, and justice, the Bank strictly complies with laws and regulations including the *Labor Law*, the *Labor Contract Law*, and the *Provisions on the Prohibition of Using Child Labor*. It formulates policy frameworks such as the *Measures for the Management of Employee Recruitment* and the *Measures for the Management of Interns* to conduct recruitment activities systematically and normatively. The Bank utilizes candidates' competencies and experience as objective recruitment criteria, resolutely rejecting any unfair treatment predicated on factors such as gender, age, ethnicity, nationality, skin color, religious beliefs, sexual orientation, or social origin. It explicitly mandates that recruitment advertisements containing discriminatory or restrictive content must not be published across any channel. Concurrently, the Bank pays close attention to the employment needs of demographics such as demobilized military personnel and individuals with disabilities, affording them equitable employment opportunities. By the end of the reporting period, the Bank's total workforce (inclusive of dispatched workers) reached 9,795 employees, encompassing 5,208 female employees, 130 ethnic minority employees, 64 in-service demobilized military personnel, and 17 in-service employees with disabilities.

During the recruitment process, the Bank rigorously verifies candidates' identity information to guarantee that all employees satisfy the statutory working age. The Bank resolutely eradicates practices such as withholding candidates' identity documents or exacting any illicit fees. It explicitly communicates working hours and welfare benefits, strictly prohibiting any coercive or deceptive tactics. In 2025, the Bank recorded zero instances involving the employment of child labor, forced labor, or any other violations of human rights and labor rights.

Talent Attraction and Retention

Talent Attraction

The Bank champions a talent acquisition strategy that prioritizes campus recruitment, supplemented by social recruitment. Utilizing a blend of online and offline methodologies, and while broadly absorbing premier talent from economic and financial sectors, the Bank proactively recruits professionals from disciplines encompassing science, technology, engineering, agriculture, and medicine (STEM and medical fields). This initiative is geared toward constructing a diversified and composite talent pipeline. In 2025, the Bank onboarded 529 new employees, comprising 424 hires from campus recruitment and 105 from social recruitment.

Campus Recruitment

Focusing on top-tier university graduates, the Bank has forged enduring cooperative relationships with multiple higher education institutions, attracting exceptional fresh graduates via diversified recruitment initiatives. Concurrently, leveraging its recruitment management system, the Bank tracks and analyzes comprehensive data across the entire campus recruitment lifecycle. Through data-driven retrospective reviews and campus recruitment satisfaction surveys, the Bank promptly garners candidate feedback and suggestions, thereby continuously optimizing recruitment strategies and elevating both the quality and efficiency of campus hiring.

Intern Cultivation

The Bank has established industry-academia-research strategic partnerships with various academic departments, including the School of Management at Fudan University, Shanghai Lixin University of Accounting and Finance, and the Shanghai University of International Business and Economics. For three consecutive years, it has executed the "Xin Experience" summer internship program. This initiative provides a robust practical platform for outstanding enrolled students, simultaneously sharpening their vocational skills and infusing the Bank with potential fresh talent. In 2025, the Bank recruited 67 interns through the "Xin Experience" summer internship program.

Management Trainee Cultivation

The Bank has developed a rigorous tracking and cultivation mechanism for Management Trainees (MTs). By deploying developmental measures such as multi-post rotational practicums, the implementation of multi-mentor guidance, and the provision of multi-dimensional resource empowerment, the Bank forges the composite capabilities and strategic vision of its MTs while deepening their alignment with the corporate culture. Furthermore, the Bank perfects its merit-based selection and exit mechanisms, monitors talent development dynamics, and intensifies the identification of high-potential individuals, thereby fully stimulating the endogenous motivation of its talent pool.



The Bank collaborated with the Shanghai University of Finance and Economics to host the second public welfare roadshow, providing university students with pro bono services including resume optimization, job-hunting coaching, and career planning

Honorary Awards

2025 Employers Most Loved by University Students
51job

2025 NFuture Most Socially Responsible Campus Recruitment Employer
Nowcoder

2024 Best Employment Partner of the Year
School of Economics, Fudan University

2024-2025 Academic Year Employer with Most Talent Attraction
Shanghai University of Finance and Economics



Talent Retention

The Bank constructed a "monitor—analyze—intervene—review" closed-loop management mechanism for talent retention. By continuously tracking employee turnover, the Bank provides decision-making support to optimize human resources management and empower strategic development.

▶ Monitoring Personnel Turnover

Leveraging the Human Efficiency Resource Optimization System (the "HEROS platform"), the Bank grasps personnel turnover across all institutions in real time.

▶ Analyzing Reasons for Employee Resignation

The Bank conducts research and multi-dimensional interviews with departing employees to comprehensively compile data on resignation motivations, career destinations, on-the-job performance, as well as their feedback and suggestions. Based on these insights, the Bank proactively initiates talent retention efforts and drives management optimization.

▶ Perfecting the Early Warning and Review Mechanism

The Bank conducts quarterly analyses of resignation trends, evaluating and adjudicating the data across dimensions such as length of service, age, business line, position sequence, and performance. Special attention is directed toward the attrition of talent in key positions, capturing turnover trends and structural characteristics to formulate targeted improvement measures.

Talent Promotion and Development

The Bank constructs diversified and interconnected talent development channels. By formulating policies such as the *Measures for the Management of Employee Ranks*, the *Measures for the Management of Professional Sequences*, and the *Plan for Fully Activating the Internal Talent Market*, the Bank perfected a career development system centered upon a "management + professional" dual-track promotion mechanism and a talent mobility mechanism. This provides employees with comprehensive, transparent career development pathways and equitable promotion opportunities, thereby cultivating a personnel management mechanism that allows for both upward and downward mobility.

Vertical Development: The "Dual-Track" Promotion Mechanism

The Bank clearly delineates parallel talent advancement pathways for both management and professional sequences. By executing a transparent promotion mechanism and conducting regular evaluations and appointments, the Bank encourages employee growth and synchronizes individual advancement with organizational objectives; refines talent categories by establishing over 10 specialized sub-fields within the professional sequence, catering to the developmental needs of diverse professional talents.



Horizontal Mobility: The Talent Flow Mechanism

The Bank encourages internal talent exchange. Through normalized internal recruitment and competitive selection for management positions, the Bank dismantles departmental silos and propels the construction of an open, fluid, and highly efficient Bank-wide internal talent market.

The Bank formulated the *Implementation Opinions on Perfecting the Cultivation and Management Mechanism for Young Cadres* and the *Notice on Further Strengthening the Management of External Temporary Assignments*. By unblocking the bidirectional pathways of internal job rotations and external temporary assignments, the Bank accelerates the cultivation of composite, multi-disciplinary talents.

Remuneration Management and Performance Assessment

Remuneration Management

The Bank formulates the remuneration management framework. In designing the remuneration system, the Bank comprehensively evaluates labor productivity, the input-output ratio of labor costs, market wage levels, and enterprise wage guidelines. Concurrently, it adheres to the risk cost control directives outlined in regulatory frameworks such as the *Supervisory Guidelines on Sound Remuneration in Commercial Banks*. This ensures the rational adjustment of employee remuneration, striking an optimal balance between risk control and employee incentivization. Furthermore, the Bank steadfastly upholds the fundamental principles of gender equality and equal pay for equal work, resolutely eliminating any remuneration or welfare disparities arising from gender.

The remuneration of the Bank's employees consists of fixed remuneration, variable remuneration, and welfare income.

Fixed Remuneration

Comprises basic remuneration components such as base salary and position allowances.

Variable Remuneration

Encompasses various forms of performance-based remuneration, both currently paid and deferred.

Welfare Income

Statutory welfare: In accordance with legal mandates, the Bank contributes to endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and the housing provident fund for all employees.

Supplementary welfare: The Bank established and operates an enterprise annuity scheme.

2025 Male-to-Female Remuneration Ratio (Male : Female)

Employee Category

Middle and Senior Management

General Employees

1.05 : 1

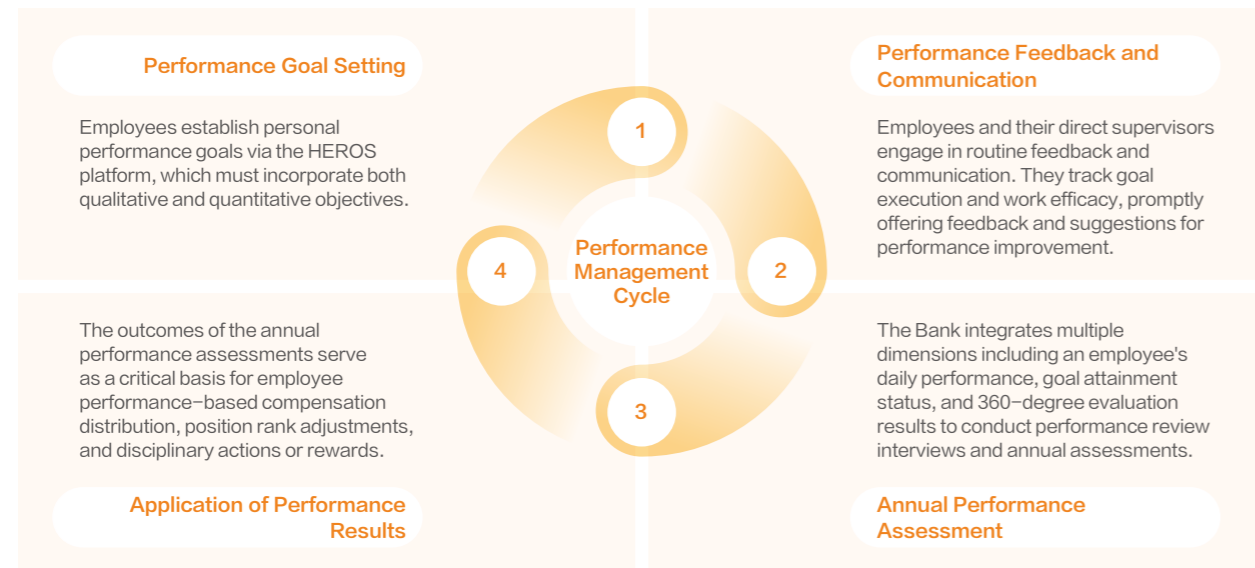
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Note: The relevant variances are attributable to objective factors including headcount structure, position distribution, and individual performance.

Performance Assessment

The Bank established a full-lifecycle performance management system, conducting annual performance assessments and evaluations for all staff (including dispatched employees).



Assessment Mechanism	Frequency	Method
Performance goal	Quarterly	Sets personal performance goals that integrate qualitative and quantitative metrics to clarify key deliverables. Concurrently, quarterly retrospective reviews are conducted to reinforce process control.
Daily communication	Real-time	Relying on the routine communication mechanism between employees and their direct supervisors, this dynamically tracks goal execution, enabling the timely correction of deviations or the initiation of performance coaching as appropriate.
360-degree assessment	Annually	Collects comprehensive feedback from employee self-assessments, direct supervisors, peers, and subordinates. This covers multi-dimensional areas such as moral conduct, professional competence, diligence and dedication, work performance, and integrity and self-discipline, thereby ensuring the thoroughness and objectivity of the evaluation.
Performance assessment	Annually	Comprehensively integrates multiple dimensions such as daily performance, goal attainment, and 360-degree assessment results to generate an annual performance assessment grade ranging across 8 levels from A+ to E. Concurrently, performance review interviews are conducted to ensure continuous improvement.

Talent Cultivation System

The Bank prioritizes talent development and cultivation, dedicating itself to building a comprehensive training system that covers all employees and spans their entire career lifecycle. The Bank formulated the *Measures for the Management of Employee Education and Training*, designing and implementing systematic and specialized training and development programs for all employees (including dispatched employees) across different ranks and positions. This injects talent vitality to support strategic execution and business expansion.

New Employee Training

Tailoring to the distinct group characteristics of new hires from campus and social recruitment, the Bank custom-designed training systems to assist them in rapidly assimilating into the corporate culture and achieving job competency.



The Bank established the "Xinmiao Program", a signature onboarding training program for campus recruits, and executes a master-apprentice on-the-job mentoring mechanism. The curriculum revolves around three major dimensions: cultural integration, general business acumen, and specialized job competencies. In 2025, this program covered 100% of new campus recruits, achieving a training satisfaction rate exceeding 95%.

The Bank established a normalized training mechanism that combines online self-directed learning with offline centralized training. Online, the Bank formulates course study lists and regularly disseminates online courses. Offline, centralized training heavily emphasizes corporate culture and compliance management requirements. Through diverse formats such as centralized lectures, Q&A sessions with instructors, and visits to the Bank's history museum, this cultivates the compliance awareness and cultural identification of socially recruited new hires.

"Xinmiao Program" Campus Recruitment New Employee Cultivation System

Training Stage	Training Objective	Main Content
Online "Xinmiao Cohesion Camp"	Fortify cultural integration and identification, and consolidate fundamental occupational capabilities	Features 19 online micro-courses covering themes such as the corporate culture series, code of conduct, compliance risk management, and the cultivation of general workplace competencies. Concurrently, community-based practical interactive activities are conducted to foster a conducive learning atmosphere.
Offline "Xinmiao Vitality Camp"	Establish systematic business cognition and deeply embed the ethos of compliant practice	Delivers offline centralized training centered on the Bank's overarching business framework, operational workflows, and risk and compliance. Thirty-four internal instructors teach 15 systematic courses covering an overview of various business lines, compliance management, and talent cultivation introductions. This is supplemented by team-building exercises to enhance cohesion.
On-the-job "Professional Empowerment Camp"	Enhance job competency to achieve rapid professional onboarding	Corporate finance line "Xinxing Plan" inclusive relationship manager training Retail line "Xinquan Classroom" new wealth management manager training Operations line "Xin Seedling Plan" teller training Technology line "Chuying Training Camp" FinTech R&D training camp
On-the-job Mentoring	Promote knowledge application and refine vocational skill levels	Aligned with the competency requirements of each role, the Bank comprehensively outlines essential knowledge and skills, customizing systematic online and offline training accordingly. Through diverse formats such as online learning, lectures, qualification exams, skills training, and milestone drills, the Bank targetedly elevates the professional capabilities of different positions. Following their onboarding, employees receive continuous coaching and skill deepening. The Bank implements a dual-mentoring model comprising management mentors and business mentors. These mentors provide personalized growth coaching and deep-dive technical guidance, assisting new employees in swiftly adapting to their roles and continuously evolving into core business personnel.



Offline "Xin Seedling Vitality Camp" and "Xinxing Plan" inclusive relationship manager training

Leadership Training

Centered on the objectives of fortifying ideological foundations, reinforcing comprehensive operational capabilities, and elevating job performance standards, the Bank conducts multi-tiered management training, reserve talent cultivation, and leadership courses applicable to all employees. This facilitates the comprehensive enhancement of management capabilities and strategic execution levels.

Middle Management Personnel

- Conducts the "Navigation Class" training for primary middle management, the "Voyage Class" training for deputy middle management, and the "Embarkation Class" for newly appointed middle managers. Throughout the year, middle management personnel participated in 755 training sessions.
- Leveraging academic resources from prestigious institutions such as Tsinghua University and Zhejiang University, the Bank fortifies theoretical learning and political training. This continuously elevates the operational and managerial acumen of middle managers, driving business value generation through effective management.

Grassroots Management Personnel

- Conducts tiered "Thousand Sails Camp" training for section-level team heads and the "Setting Sail Camp" for newly appointed section-level team heads. These programs adopt an integrated pedagogy of "online learning, testing, practice, and examination + offline flipped workshops". Online modules feature pre-training assessments and specialized courses. Offline sessions focus on authentic management scenarios, employing learning models such as role-playing, situational simulations, and team co-creation, augmented by workshop coaching to facilitate the role transition of new managers.
- Focusing on the three critical capabilities of "understanding operations, mastering management, and executing mentoring", the Bank delivers specialized training targeted at grassroots managers in the retail and corporate finance lines.

Management Reserve Talent

- Designed the "Middle-aged and Young Cadre Training Class", a signature program structured around the core competencies required of young cadres. This builds a diversified cultivation system featuring "dual tracks of academics and practice, and a fusion of internal and external training". By engaging elite faculty from Fudan University and the Zhejiang Rural Credit Academy, the program comprises 30 days of centralized offline learning across 41 courses, complemented by 11 online modules. This forges a new generation of reserve backbone leaders who possess "strong party loyalty, strategic acumen, innovative courage, business proficiency, and managerial expertise".

All Employees

- Continuously provides a wealth of management and general-knowledge course resources to all employees (including dispatched workers). Topics span leadership, emotional intelligence, personal brand building, communication skills, and stress management. Driven by self-directed learning, employees can access courses such as *Systems Thinking: How to Dismantle Organizational Defenses and Improve Efficacy* and *20 Lectures on the Secrets of Workplace Communication and Expression* via the HEROS platform, thereby facilitating their leadership enhancement and comprehensive development.



The "Middle-aged and Young Cadre Training Class" signature training project

Professional Capability Training

Aligning with the mandates of "Five Major Articles" on finance and its proprietary strategic orientation, the Bank focuses on empowering the talent pool across its five major financial service systems by establishing a professional talent repository and executing specialized training. The Bank constructed a standardized training architecture encompassing key role competency profiling, curriculum development, the allocation of premium faculty, and the synergy of mentoring mechanisms. It delivers tiered and categorized core business training across corporate finance, retail, risk, operations, and technology lines. The training emphasizes professional capability building; through a blend of online and offline modalities and the fusion of theory with practical combat, it assists employees at various career stages in their continuous growth and development, thereby perpetually replenishing the professional talent reserve.

Case | Retail Line Professional Training

Training Project	Target Audience	Training Content
"Xinquan Classroom" New Wealth Management Manager Training	New wealth management managers	Structured into four learning phases: banking fundamentals, wealth management fundamentals, centralized training drills, and on-the-job mentoring practice. This assists new wealth management managers in rapidly clarifying their role positioning.
"One Person, One Strategy" Asset Allocation and Customer Operation Capability Enhancement Training Project	Wealth management specialists, VIP wealth management managers	Performance-driven and centered on capability optimization, this project advances diversified, modular, theme-based training tailored to tiered and categorized wealth management manager roles.
"Xin Private Enjoyment" Private Banking Customer Operation Specialized Training Class	Private banking relationship managers	Adopts a dual-track model of "large-class learning + small-class practice". Large classes, directed at retail and corporate finance teams, cover wealth management service trusts and peak-season insurance marketing. Small classes focus on private banking teams, dissecting the operational logic and practical combat skills required for high-net-worth clients.
"Xin Ocean Classroom" Outlet Head Training	Outlet heads	Focuses on the standardization and differentiated operational pain points of retail business across comprehensive, hall traffic-driven, and outbound expansion-driven outlets. Aligned with personal capability enhancement needs, classes are segregated to elevate skills in operational management and channel management.
"Xin Ripple Classroom" Retail Branch Head Training	Retail-focused branch/sub-branch deputy heads, retail department managers	Organizes a comprehensive three-day, two-night boot camp. Through kickoff seminars, instructional empowerment, and practical workshops, participants refine strategic initiatives, formulate operational frameworks, and elevate their systemic thinking and comprehensive management capabilities.

Concurrently, to incentivize employees to elevate their professional competencies and comprehensive qualifications, the Bank formulated and continuously optimizes the *Regulations on Education and Training Rewards*. The applicability of this regulation has been expanded to cover all employees (including dispatched workers). The scope of rewards and reimbursements encompasses highly recognized industry certifications such as the Chartered Financial Analyst (CFA), Financial Risk Manager (FRM), CFA Certificate in ESG Investing, and Artificial Intelligence Trainer as well as academic continuing education and professional licensing examinations. In 2025, the Bank processed reward applications and reimbursements for 1,370 participations Bank-wide.

External Institution Training Cooperation

The Bank continuously deepens strategic partnerships with premier domestic and international universities and professional institutions. It proactively integrates high-quality external training resources to organize a multitude of training programs characterized by rich hierarchical structure, diverse themes, and broad coverage. By the end of 2025, the Bank had executed training collaborations with numerous renowned universities, including Tsinghua University, Zhejiang University, Fudan University, Shanghai Jiao Tong University, the University of Oxford, and the London School of Economics and Political Science. These training programs align with national strategic directives, financial developmental frontiers, and the Bank's practical operational and managerial requirements. Topics span key domains such as macroeconomics, technology finance, digital transformation, and ESG management. Through these systematic external cooperation projects, the Bank introduces cutting-edge theories, innovative paradigms, and practical wisdom into the organization. This empowers multi-tiered management personnel and backbone employees, comprehensively elevating the overall quality and professional acumen of the talent workforce.

Employee Communication Management

The Bank adheres to the concepts of democratic co-construction, the joint protection of rights and interests, and unobstructed communication. It deepens the democratic management of employees and cultivates harmonious and stable labor relations.

<p>Consolidating the Foundation of Democratic Management</p>	<ul style="list-style-type: none"> The Bank establishes and perfects a democratic management system anchored by the Workers' Congress. It normatively convenes pivotal meetings, such as the Head Office Workers' Congress and Labor Union Committee meetings. These forums focus on deliberating critical proposals, institutional frameworks, and relevant initiatives that impact employees' vital interests, ensuring that their core rights and interests are robustly safeguarded. In 2025, the Bank formulated a new iteration of the collective contract and the Special Collective Contract on the Protection of Female Employees' Rights and Interests. Additionally, it newly instituted the Special Collective Contract on Labor Safety and Health, effectively upholding the legitimate rights and interests of the workforce.
<p>Unlocking Channels for the Expression of Appeals</p>	<ul style="list-style-type: none"> The Bank implements mechanisms such as the Labor Union Chairman's Mailbox and designated Reception Days. It pilots and advances the democratic linkage model of "delivering services to the grassroots" and conducts democratic research at non-local sub-branches, ensuring that the appeals of non-local employees receive equitable attention and response. The Bank developed and operates the "Woodpecker" suggestion and feedback management system alongside the "Bubble" internal communication and interaction platform. It regularly conducts activities such as work style surveys and solicitations for rationalization suggestions, providing employees with convenient conduits to express their personal views and recommendations. The Bank launched the "Employee Service Hall" on the HEROS platform, actualizing a personnel service model characterized by "always having someone to ask, answering every query, and ensuring self-service accessibility". Cumulatively, it addressed over 800 inquiries throughout the year.
<p>Perfecting the Appeal Management Mechanism</p>	<ul style="list-style-type: none"> The Bank provides formal appeal channels for all employees (including dispatched employees), such as designated email addresses, the HEROS platform, telephone hotlines, and the "Bank Leaders' Reception Day". Relevant management systems explicitly stipulate the appeal and reconsideration protocols for matters impacting employees' vital interests, including annual performance assessments and pre-appointment public notifications for cadres. Should an employee contest the outcome of an appeal, they may file for reconsideration within the designated timeframe. This process is then investigated, verified, and adjudicated by specialists from the HR functional department, with strict assurances regarding the confidentiality of the appeal information. The Bank formulated the <i>Working Rules of the Labor Dispute Mediation Group of the Workers' Congress</i>. Elected by the Workers' Congress, the Labor Dispute Mediation Group is responsible for mediating internal labor disputes and inspecting and urging the disputing parties to honor mediation agreements. Within thirty days of a dispute arising over their rights, involved parties may submit a mediation application to the Group. Upon soliciting the consent of the opposing party, mediation proceeds provided mutual agreement is reached.

Employee Satisfaction Survey

Upholding a "people-oriented" philosophy, the Bank conducts an annual, anonymous online satisfaction survey among all employees. This initiative delves into employees' assessments of their work experience at the Bank, compensation and benefits, career progression, communication and collaboration, and cultural alignment. In 2025, the Bank's employee satisfaction survey amassed 5,874 valid responses, yielding a satisfaction score of 4.13 (out of 5.0), representing a year-on-year increment of 0.07 points. Guided by these survey outcomes, the Bank will continuously optimize human capital management, rigorously safeguard employee rights and interests, augment core talent incentivization and employee expectation management, empower and alleviate burdens at the grassroots level, and foster a compassionate workplace.

Case | Technology Finance Talent Specialized Training

In 2025, the Bank partnered with Zhejiang University to conduct the "Xin Fire Plan" technology finance talent specialized training. University scholars and industry experts were invited to deliver offline lectures on topics including frontier technologies and industry analysis. The program also incorporated on-site field visits and group discussion presentations. This deepened employees' cognition and industry insights regarding technology finance and cutting-edge tech sectors. The training successfully covered 67 young backbone employees from the Head Office, branches, and sub-branches.



Employee Welfare and Care

The Bank continuously optimizes and perfects its employee welfare and security system, constructing an all-encompassing, multi-tiered, compassionate, and fully pervasive welfare ecosystem. By earnestly guarding employee rights and nurturing their professional growth, the Bank effectively elevates employees' sense of belonging, sense of gain, and overall happiness, thereby cultivating a stable, healthy, and harmonious workplace environment.

Employee Welfare Guarantee

Strictly abiding by national laws and regulations, the Bank comprehensively executes statutory welfare policies. This includes: remitting full contributions for the "five insurances and one fund" (endowment, medical, unemployment, work-related injury, and maternity insurances, plus the housing provident fund) for all employees; establishing and operating the enterprise annuity to fortify employee pension security; and facilitating universal participation in the Shanghai Trade Union Members' Exclusive Basic Guarantee and the Shanghai Workers' Mutual Aid Guarantee Project to forge a robust risk-mitigation framework. Concurrently, the Bank guarantees employees' diverse leave entitlements, implementing national and local leave policies (e.g., annual leave, marriage leave, maternity leave, paternity leave, breastfeeding leave, parental leave, and elderly care leave). These leave provisions are applicable to all Bank employees (including dispatched employees).

Maternity Leave and Paternity Leave

The Bank provides paid maternity and paternity leave for female and male employees, respectively. Taking the Shanghai region as an illustrative example, female employees are entitled to the nationally mandated 98 days of basic maternity leave, supplemented by the 60 days of reward maternity leave stipulated by the Shanghai municipality, culminating in a total of 158 days. Male employees are granted 10 days of paternity leave.

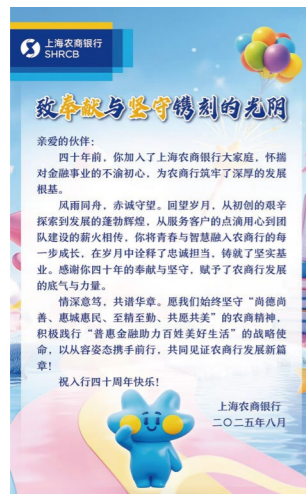
Parental Leave

For employees who legally bear children under the age of 3, the Bank provides 5 days of parental leave per person annually. The total allocated days are cumulatively calculated based on the number of qualifying children.

Elderly Care Leave

In 2025, the Bank introduced paid elderly care leave. During periods when an elderly relative requires hospitalization for medical treatment, the employee, serving as a primary caregiver, may cumulatively utilize up to 5 days of paid care leave annually. If the caregiver is an only child born during the era of the national one-child policy, they may cumulatively utilize up to 7 days of paid care leave annually.

Furthermore, in 2025, the Bank broadened the scope of its employment anniversary benefits. It instituted paid anniversary leave, granting 1 day of paid leave alongside an anniversary commemorative gift package to active employees celebrating specific employment milestones. Additionally, onboarding gift packages were distributed to new hires. These combined initiatives benefited approximately 2,900 individuals.



The Bank distributing employment anniversary commemorative gift packages to employees

Female Employee Care

In 2025, the Bank revised and perfected the *Special Collective Contract on the Protection of Female Employees' Rights and Interests*. This collective contract comprehensively encompasses the legitimate rights and special requisites of female employees. It includes provisions for preventing and combating workplace violence and sexual harassment directed at female employees, administering work-related injury assistance, and providing psychological health interventions. The contract further refined formulations regarding the role of the Female Workers Committee in championing female employees' labor and developmental rights, thereby institutionally safeguarding female employees and supporting their career trajectory and value actualization.

Adopting a needs-driven approach, the Bank conducts multi-dimensional research into the core imperatives of female employees spanning work, life, and health. It actively constructs supportive service hubs. By the end of 2025, the Bank had successfully established 66 integrated "Mommy's Care Rooms", offering a convenient, comfortable, and exclusive space for expectant and nursing mothers. Moreover, building upon standard routine physical examinations, the Bank incorporated female-specific screening items, such as cervical cancer screenings and breast examinations, proactively safeguarding the health of its female workforce.

Enriching Spiritual and Cultural Life

Anchored in the spiritual and cultural imperatives of its workforce, the Bank diversifies its formats of care, innovates its activity platforms, and orchestrates a variety of distinctive humanistic initiatives. It persistently cultivates a learning organization, establishing the "Inheritance" SHRCB Lecture Hall as a core cultural brand. Focusing on disciplines such as traditional Chinese culture, history, and philosophy, the Bank invites distinguished experts and scholars to deliver lectures. It also deepens the "Scholarly SHRCB" initiative, facilitating immersive reading activities that elevate employees' humanistic literacy, cognitive paradigms, and comprehensive self-cultivation.



The "Hundred Years of Glory, Red Inheritance" classic revolutionary recitation competition



Intangible cultural heritage handicraft experience in celebration of "March 8th Women's Day"

Centering around major festivals and internal organizational milestones, the Bank integrates multifaceted elements such as cultural bazaars, intangible cultural heritage experiences, "National Trend" (Guochao) interactive events, and humanistic aesthetic education to forge an immersive, scenario-based cultural experience platform. Deeply invested in the growth of young employees, the Bank organizes youth networking events, creating exchange platforms that broaden social horizons. The Bank also established a signature series of spring and autumn lunch/evening activities. Organized along the dual themes of cultural inheritance and physical/mental wellness, these specialized courses foster a fulfilling lifestyle "outside the eight working hours". Through parent-child activities including outdoor explorations, agricultural study tours, mini-marathons, and stargazing educational sessions, the Bank extends its ethos of care directly to employees' families.



"Quyuan Fanghua, Ingenious Elegant Rhyme" traditional culture-themed activity



"Children Walking in the Fields, Agricultural Fun Time" parent-child family day event

Employee Assistance and Condolences

Routine Condolences

- The Bank remains committed to issuing holiday benefits during major annual festivals and routinely conducts the "delivering warmth in winter and cooling in summer" campaigns. It comprehensively administers routine condolences for employee milestones and life events, including birthdays, marriages, childbirths, hospitalizations, bereavements, and retirements.
- Focusing acutely on employees facing hardships, the Bank delivered assistance and "warmth-delivering" condolences totaling 711 person-times throughout the year, with cumulative condolence expenditures exceeding RMB 1.45 million.

Specialized Assistance

- The Bank organizes the "Love One-Day Donation" initiative, broadly mobilizing employee participation. All funds raised are channeled directly into the hardship assistance fund, furnishing a robust financial bedrock for ongoing assistance endeavors.
- For employees confronting extraordinary circumstances such as acts of heroism for a just cause or the onset of major illnesses, the Bank implements a specialized assistance mechanism characterized by a two-tiered linkage between the Head Office and grassroots branches.

Occupational Health and Safety

The Bank adheres to the philosophy of "safety first, prevention foremost, and health above all", placing the physical and mental health and workplace safety of its employees as its top priority. It is committed to constructing an occupational health and safety management system characterized by sound policies, effective prevention and control, and meticulous care, thereby fostering a safe, healthy, and secure working environment for its employees.

Physical Health Guarantees

Comprehensive Health Screening

- Annually provides comprehensive physical examinations for all employees, configuring targeted screening items tiered by age demographics. Concurrently, it offers professional follow-ups, re-examination recommendations, and health guidance for any post-examination anomalies.
- Invites medical experts to dispense personalized health counsel, assisting employees in comprehensively understanding their health status and mitigating health risks.

Upgraded Supplementary Medical Insurance

- Annually procures supplementary medical insurance for all employees. This coverage integrates a rich array of benefits including online medical consultations, pharmaceutical advisory services, green channels for expedited medical treatment, and accompanied medical consultations for critical illnesses, thereby substantially alleviating employees' medical financial burdens and establishing a robust risk-mitigation safeguard.

Optimized Health Management

- Constructed the "Nuanxin · Health Station", which integrates health monitoring, remote diagnostics, and health science education. The station is equipped with first aid kits, establishes personal health records for employees, and synergizes with in-house clinic and workplace pharmacy services to deliver convenient, trackable healthcare.
- Formed online and offline health communities, organizing health promotion activities such as emergency first-aid training, health knowledge seminars, Traditional Chinese Medicine (TCM) therapies, and shoulder/neck physiotherapy.

Nuanxin · Health Station

Psychological Health Support

The Bank internally incubated and cultivates a team of "Mental Coach" volunteer. In collaboration with external professional psychological institutions, this initiative supports employees in accessing one-on-one professional psychological counseling services via channels such as telephone consultations and instant conversational support. In 2025, the Bank disseminated the *Mental Health Self-Help Manual* Bank-wide, deploying it as an instantly accessible "psychological toolkit" for employees. Furthermore, the Bank piloted psychological monitoring devices, enabling employees to track their mental wellness via brainwave data and receive health improvement prompts, thereby pioneering new methodologies for building positive psychological resilience in the workplace.



Mental Health Self-Help Manual

Case | Honoring Among the Nation's Inaugural Batch of "Pioneering Pilot Units for High-Quality Workplace Health Management"

The Bank proactively responds to the directives of the Healthy China strategy by systematically advancing the ecological construction of a health-centric enterprise. Grounded in the diverse health imperatives of its workforce, the Bank deeply integrates measures encompassing occupational health guarantees, psychological health support, sports and cultural empowerment, and comprehensive safety protections. Innovatively charting new pathways for the synergistic enhancement of both employee health and organizational efficacy, the Bank was honored during the reporting period as one of the nation's first "Pioneering Pilot Units for High-Quality Workplace Health Management".



Safety and Emergency Management

The Bank implements safety and emergency management mandates strictly in accordance with the law. By formulating the *Regulations on Safety Production Responsibility and Supervision and Management*, the Bank integrated the requirement to "practically strengthen emergency standby management" into the annual safety target responsibility agreements executed across all echelons of the Bank. Regarding daily operations, the Bank continuously perfects a top-down, networked linkage mechanism and an internal-external synergistic disposal and communication mechanism under its three-tier security control framework. This is achieved by advancing safety risk governance in critical areas, refining emergency disposal plans for diverse risk scenarios, fortifying the management of emergency response teams and material stockpiles, and organizing rigorous emergency drills. During special periods, particularly focusing on key junctures such as major holidays and sensitive periods, as well as extreme weather events like flood and typhoon prevention, the Bank comprehensively executes robust safety controls, standby duty rosters, and emergency management protocols.

In 2025, the Bank rolled out universal educational campaigns for mandatory safety courses, hosting tiered and categorized specialized safety training tailored for safety officers, safety management personnel, new hires, and outsourced staff. Leveraging thematic campaigns such as Disaster Prevention and Reduction Day, Safety Production Month, and Fire Safety Month, the Bank effectively heightened employees' risk prevention awareness and their self-rescue and mutual-aid proficiencies. During the reporting period, the Bank conducted over 1,000 emergency plan drills across all levels.

During the reporting period, the Bank implemented a multitude of management initiatives across dimensions including diverse and equal employment, talent attraction and retention, the talent cultivation system, employee welfare and care, and occupational health and safety. These initiatives were executed with solid momentum, yielding highly significant results.

Metrics and Targets

	Target	2025 Achievement Status
Diverse and Equal Employment	Achieve 100% legal and compliant execution of labor contracts	Labor contract signing rate: 100%
	Increase the proportion of female management personnel	Proportion of female management personnel: 48.62%
Talent Attraction and Retention	Provide employment opportunities for persons with disabilities	Number of employees with disabilities hired: 17
	Maintain the employee turnover rate at a low level	The employee turnover rate stood at 2.71% remaining flat compared to the same period last year
Talent Cultivation System	Encourage employees' "dual-track" career development and internal promotion.	Management Sequence: Promoted and further deployed 27 middle management personnel and 198 section-level management personnel.
	Conduct diversified employee training.	Professional Sequence: Newly appointed 82 individuals to senior levels, and advanced the ranks of 1,309 employees. Employee training expenditure: RMB 26.18 million. Training categories covered all employees, with the per capita training hours reaching 138.25 hours.
Employee Welfare and Care	Establish an anonymous reporting and independent investigation mechanism to categorically eliminate incidents of discrimination, harassment, and bullying.	Reported incidents involving child labor, forced labor, discrimination, harassment, or bullying: 0 cases. Completed the employee satisfaction survey, registering an average satisfaction score of 4.13 .
Occupational Health and Safety	Zero occurrences of major work-related injury accidents	Number of work-related fatalities: 0

Social Public Welfare and Charity

The Bank steadfastly upholds the corporate mission of "Inclusive Finance Delivers Better Life". Proactively practicing the core corporate cultural ethos of "Value virtue and goodness, benefit the city and the people, pursue excellence with diligence, and realize the shared dream of harmony", the Bank formulated and enforces the *Measures for the Management of External Donations*, thereby embedding the fulfillment of social responsibilities directly into its developmental strategy. In 2025, the Bank continuously deepened its philanthropic and charitable practices. By focusing on critical domains such as rural revitalization, child development, and cultural inheritance, and through systematic, brand-driven public welfare projects, the Bank strived to construct a more inclusive, compassionate, and responsible banking institution. During the reporting period, the Group's charitable donations totaled RMB 27.00 million.

The Bank regards serving rural revitalization as a pivotal measure in fulfilling its responsibilities as a state-owned enterprise. By amalgamating financial assistance, industrial support, and livelihood improvement initiatives, the Bank assists rural areas in fortifying their endogenous development momentum, thereby consolidating and expanding the achievements of poverty alleviation.

Consolidating the Achievements of Poverty Alleviation

Key Measures for Consolidating the Achievements of Poverty Alleviation in 2025

Advancing the "100 Enterprises Helping 100 Villages" Initiative	The Bank continuously advanced the "100 Enterprises Helping 100 Villages" initiative. During the reporting period, the Bank donated RMB 500,000 to Renhe Town, Maguan County, Yunnan Province. Directed toward the construction of a sorting center project for agricultural and sideline products, this donation effectively bolstered the collective economic strength of the local village and catalyzed employment for residents in surrounding villages.
Implementing Comprehensive Rural Assistance	During the reporting period, the Bank initiated a new round of comprehensive rural assistance projects in collaboration with Chongming District, Shanghai. The Bank donated RMB 5.00 million toward project investment and construction, elevating the independent developmental capacities of relatively economically weak areas.
Conducting Paired Assistance Between Urban and Rural Party Organizations	The Bank treats the paired assistance between urban and rural Party organizations as a vital component of its service to rural revitalization. During the reporting period, the Bank injected RMB 1.97 million in assistance funds across 16 villages and towns in the Chongming and Fengxian districts of Shanghai. These funds supported livelihood improvements and the enhancement of grassroots governance capabilities.
Caring for Rural Children	The Bank continued to execute the "Growing with Children, Shanghai Seedling Development" rural children's welfare program. During the reporting period, the Bank donated RMB 215,000 to primary schools in Mile City and Ruili City, Yunnan Province. The funds were allocated to procure diverse cultural and sports facilities and to upgrade students' accommodation conditions, genuinely cultivating a safer, warmer learning and developmental environment for rural children.

Advancing Children's Financial Quotient (FQ) Education

Proactively embracing a "participatory" philanthropic philosophy, the Bank continuously consolidates its "Little Financier" public welfare brand, providing enduring support for the cultivation of youth financial literacy. During the reporting period, through systematic curriculum design and immersive scenario-based experiences, the Bank consistently popularized foundational financial knowledge among the youth demographic. In January 2025, the "Little Financier" child-friendly characteristic public welfare service point (located at the Head Office Business Department) established by the Bank was officially recognized as one of Shanghai's inaugural batch of 100 child-friendly characteristic practice sites.

Key "Little Financier" Activities in 2025

Caring Summer Daycare Class Financial Quotient (FQ) Public Welfare Courses

The Bank hosted 7 "Little Financier" open day events and delivered over 650 FQ public welfare sessions across 456 Caring Summer Daycare Class locations. These initiatives reached over 24,000 youth and child participations.

Financial Enlightenment Integrated with Environmental Education

In observance of June 1st International Children's Day and World Environment Day, the Head Office Risk Management Department, in collaboration with the Huangpu Sub-branch and the Communist Youth League (CYL) Committee of the Head Office, co-hosted the "Little Financier: Green 'Children's' Journey" Head Office Experience Day. Through immersive tours, engaging mini-financial seminars, and FQ games, the event seamlessly blended financial enlightenment with green environmental concepts, guiding youngsters to conceptualize how finance can bolster environmental conservation.



The Bank conducts the "Little Financier" financial quotient enlightenment activity

Conducting Campus Football Public Welfare Initiatives

The Bank proactively leverages its role as a bridge for financial state-owned enterprises in promoting coordinated regional development. Utilizing campus football as a carrier, it continuously deepens its youth sports public welfare practices. During the reporting period, the Bank donated RMB 500,000 each to Xigaze City in Xizang and Karamay City in Xinjiang, respectively, to consistently advance the youth football "Shanghai Training" Plan and the "Dreaming on the Green Field" football talent cultivation project. The Bank donated RMB 500,000 to the Putuo Women's Football Development Special Fund of the Shanghai Sports Development Foundation to improve the conditions of youth football training facilities.

Case | Deepening Shanghai-Xizang Integration to Assist Plateau Youth in Chasing Dreams on the Green Field

Responding to the national call to promote ethnic unity and coordinated regional development, the Bank launched the three-year Xigaze youth football "Shanghai Training" Plan in 2024, with a total investment of RMB 1.5 million. The initiative aims to use sports as a bond to deepen interaction, communication, and integration between Shanghai and Xizang, propelling local campus football from mere interest enlightenment toward a systematic and professional trajectory. The year 2025 coincided with the 60th anniversary of the founding of the Xizang Autonomous Region. Commemorating this, the Bank donated RMB 500,000 to implement the "Shanghai-Training" exchange program, organizing and executing a variety of youth football exchange activities. In August, the inaugural "Shanghai Rural Commercial Bank Cup" Campus Football League was held at the Sajia Town Central Primary School, constructing a broad stage for children to showcase their talents and chase their dreams.



Disseminating and Promoting Intangible Cultural Heritage

The Bank actively dedicates itself to the protection and inheritance of fine traditional Chinese culture, promoting the integration of Intangible Cultural Heritage (ICH) into public life through cross-border collaborations. During the reporting period, the Bank partnered with the Shanghai Children's Art Theatre of China Welfare Institute to jointly execute the "Intangible Cultural Heritage for Children" traditional Chinese culture publicity activities. Through diverse formats such as hosting the annual special performance of *Gather! Supermen*, establishing ICH-characteristic business outlets, and organizing themed cultural weeks and ICH workshops, the Bank popularized ICH knowledge among the public, particularly the youth demographic, thereby fostering the mutual learning and sharing of traditional Chinese arts.



Engaging in Public Welfare Volunteer Services

The Bank profoundly advances community public welfare and volunteer services. In 2025, the Bank conducted 3,948 public welfare events, recording 10,528 youth volunteer participations and directly benefiting 76,173 individuals through its public welfare projects, thereby transmitting financial warmth directly to the community frontline.

Key Public Welfare Volunteer Services in 2025

<p>Caring for Special Demographics</p> <p>The Bank continuously implemented projects such as "Fulfilling Micro-Wishes", providing material support and companionship services for community families facing hardships and autistic children. Aligning with "World Autism Awareness Day", branch institutions organized activities including public welfare hikes and interactive science popularization sessions to foster public understanding and acceptance of the autistic community.</p>	<p>Respecting and Assisting the Elderly</p> <p>The Bank deepened its "Xin Jia Yuan" public welfare services. Youth employee volunteers visited multiple elderly care institutions to conduct wall-painting activities, beautifying the living environments. During the Double Ninth Festival, the Bank extended distinctive festive greetings to the elderly demographic through theatrical performances and anti-counterfeit currency themed recitations.</p>	<p>Community Co-Construction</p> <p>The Bank actively participated in public welfare markets during the volunteer service season across various districts in Shanghai. This promoted the seamless integration of convenience services, financial public education, and community life, enabling citizens to enjoy compassionate volunteer services right at their doorsteps.</p>
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Case | Employees Hike to Raise Funds in Support of Children in Difficulties

In May 2025, for the eighth consecutive year, the Bank organized employee volunteers to participate in the "Walk for an Egg" public welfare hiking fundraiser. During this event, a total of 85 employees completed the 50-kilometer hiking challenge, advancing public welfare advocacy through active, hands-on participation. They cumulatively garnered 785 instances of donation support, raising RMB 111,000 in charitable funds. The capital raised will be allocated to support the healthy developmental needs of children facing difficulties in the central and western regions. Throughout the event, 20 certified first-aid volunteers from the Bank provided comprehensive safety guarantees, ensuring the smooth execution of the activity.



The Bank establishing a volunteer service point at the site of a public welfare activity



The Bank participating in the "Walk for an Egg" public welfare hiking activity

Social Performance Data

Indicator Name	Unit	2025	2024	2023
Finance for "Agriculture, Rural Areas, and Farmers" ("ARF")¹⁰				
Balance of agriculture-related loans	RMB 100 million	660.04	644.33	663.78
Balance of inclusive agriculture-related loans	RMB 100 million	153.41	148.37	142.95
Cumulative loans issued for the guarantee fund business of agriculture-related operating entities	RMB 100 million	12.50	11.44	10.12
Farmer loans	RMB 100 million	208.04	193.76	161.17
Loans to rural non-financial enterprises and government agencies/organizations	RMB 100 million	117.04	114.89	160.26
Agriculture-related loans to urban non-financial enterprises and government agencies/organizations	RMB 100 million	333.38	334.01	340.84
Loans for agriculture, forestry, animal husbandry, and fishery to non-farmer individuals	RMB 100 million	1.58	1.67	1.51
Inclusive Finance				
Balance of SME loans	RMB 100 million	4,738.65	4,521.24	4,492.69
Balance of micro and small enterprise (MSE) loans	RMB 100 million	3,183.20	2,969.80	2,870.24
Number of SME loan customers	/	63,634	56,114	56,806
Number of MSE loan customers	/	62,572	55,102	55,567
Balance of inclusive micro and small loans	RMB 100 million	928.31	866.08	779.28
Growth rate of the balance of inclusive micro and small loans	%	7.18	11.14	21.55
Number of inclusive micro and small loan customers	/	59,586	52,040	50,268
Cumulative issuance of seamless loan renewals for micro, small, and medium enterprises (MSMEs)	RMB 100 million	726.08	672.94	611.74
– Of which: Cumulative occurrence amount of MSME loan renewals without principal repayment	RMB 100 million	444.41	237.57	199.95
– Benefiting enterprises	/	5,966	2,866	2,382
Supporting Private Enterprises				
Balance of private enterprise loans ¹¹	RMB 100 million	2,970.77	2,978.21	/

¹⁰ The 2025 balance of agriculture-related loans, balance of inclusive agriculture-related loans, loans to rural non-financial enterprises and government agencies/organizations, and agriculture-related loans to urban non-financial enterprises and government agencies/organizations are disclosed in accordance with the adjusted statistical criteria issued by the National Financial Regulatory Administration (NFRA) in 2025. The 2024 data have been restated retrospectively in accordance with these criteria, while the 2023 data remain unadjusted and are therefore not directly comparable.

¹¹ In accordance with the statistical criteria of the National Financial Regulatory Administration (NFRA), this category includes loans to privately-controlled enterprises and personal operating loans, excluding bill discounts.

Indicator Name	Unit	2025	2024	2023
Number of private enterprises establishing credit cooperation relations for the first time in the current year	/	3,856	4,055	4,000
Technology Finance¹²				
Balance of technology loans	RMB 100 million	1,212.52	1,074.57	925.16
Proportion of the balance of technology loans	%	23.58	21.94	20.47
Number of technology loan customers	/	5,787	5,281	3,275
Digital Finance				
Information technology investment amount	RMB 100 million	14.39	13.35	11.35
Year-on-year growth rate of information technology investment amount	%	7.79	17.64	14.05
Number of FinTech personnel	/	948	904	818
Accessibility of Financial Services				
Offline Service Scale				
Number of business outlets	/	362	364	364
Coverage rate of large-scale residential communities	%	95	95	92
Coverage rate of smart counters	%	100	100	100
Number of smart teller machines	/	804	797	794
Number of senior-friendly service outlets	/	322	315	300
Coverage rate of senior-friendly services across outlets	%	100	100	/
Number of characteristic pension finance outlets	/	115	55	2
Number of outlets equipped with barrier-free channels	/	322	315	300
Number of outlets featuring barrier-free environment construction	/	3	3	2
Online Service Scale				
Number of online channel users (de-duplicated customer count across personal mobile banking, WeChat banking, and internet banking)	10,000	688.45	649.63	613.28
Number of personal mobile banking customers	10,000	612.64	570.61	534.52
Growth rate of personal mobile banking customers	%	7.37	6.75	/

¹² The 2025 data are disclosed statistically in accordance with the latest regulatory criteria outlined in the *Statistical Indicators of the General Statistical Policy for the "Five Major Articles" on Finance* (Shanghai Yinfa [2025] No. 45). The 2024 data have been restated retrospectively in accordance with these criteria, while the 2023 data remain unadjusted and are therefore not directly comparable.

Indicator Name	Unit	2025	2024	2023
Personal mobile banking monthly active users (MAUs)	10,000	152.84	113.66	91.96
Growth rate of personal mobile banking MAUs	%	34.47	23.60	23.94
Service volume of remote banking manual services	10,000	78.40	95.48	102.40
Consumer Rights Protection				
Number of consumer rights protection training sessions	/	262	230	4
Total duration of consumer rights protection training	Hours	1,048	920	/
Participations in consumer rights protection training	Person-times	22,764	19,450	36,646
Coverage rate of formal employees in consumer rights protection training	%	100	100	100
Number of consumer financial education training sessions	/	6,980	6,873	6,944
Total duration of consumer financial education training	Hours	19,000	17,000	/
Participations in consumer financial education training	10,000 person-times	475.18	467.12	388.90
Number of responsible marketing and fair advertising training sessions	/	1	1	/
Participations in responsible marketing and fair advertising training	Person-times	293	269	/
Number of debt collection training sessions	/	64	2	/
Participations in debt collection training	Person-times	641	80	/
Customer inquiries and handling	Cases	1,897,455	2,229,968	2,471,347
Customer complaint handling rate	%	100	100	100
Number of customer complaints	/	6,546	5,874	3,443
Complaint response rate	%	100	100	100
Customer survey satisfaction rate	%	99.44	99.39	99.43
Employee Employment				
Total number of employees	/	9,795	9,821	9,544
Number of male employees	/	4,587	4,594	4,519
Number of female employees	/	5,208	5,227	5,025
Number of male management personnel	/	817	798	787
Number of female management personnel	/	773	763	728
Proportion of female management personnel	%	48.62	48.87	48.05

Indicator Name	Unit	2025	2024	2023
Number of male grass-roots employees	/	3,770	3,796	3,732
Number of female grass-roots employees	/	4,435	4,464	4,297
Number of employees with labor contracts	/	9,329	9,276	8,936
Number of dispatched employees	/	466	545	608
Number of employees with master's degrees and above	/	2,476	2,367	2,110
Number of employees with bachelor's degrees	/	6,442	6,455	6,309
Number of employees below bachelor's degrees	/	877	999	1,125
Number of employees aged 35 and below	/	5,248	5,481	5,430
Number of employees aged 36 to 55	/	4,087	3,936	3,784
Number of employees aged 56 and above	/	460	404	330
Number of employees with Shanghai household registration	/	8,009	7,967	7,770
Number of employees without Shanghai household registration	/	1,786	1,854	1,774
Number of employees from Hong Kong, Macao, and Taiwan regions	/	2	2	2
Number of ethnic minority employees	/	130	130	119
Number of employees with disabilities	/	17	14	15
Total number of new hires ¹³	/	529	753	940
Number of male new hires	/	235	450	433
Number of female new hires	/	294	303	507
Number of new hires via campus recruitment	/	424	595	581
Number of new hires via social recruitment	/	105	158	359
Employee Turnover¹⁴				
Employee turnover rate	%	2.71	2.71	4.04
Male employee turnover rate	%	2.14	2.24	3.98
Female employee turnover rate	%	3.19	3.10	4.09
Turnover rate of employees aged 35 and below	%	4.39	4.12	6.09
Turnover rate of employees aged 36 to 55	%	0.65	0.81	1.06
Turnover rate of employees aged 56 and above	%	0	0	0

¹³⁻¹⁴ [Statistical Scope] The statistical scope for the new hire indicators covers active employees with labor contracts at the end of the respective year. The statistical scope for the employee turnover indicators exclusively covers employees with labor contracts.

Indicator Name	Unit	2025	2024	2023
Employee Welfare				
Labor contract signing rate	%	100	100	100
Non-remuneration welfare coverage rate	%	100	100	100
Social insurance coverage rate	%	100	100	100
Physical examination coverage rate	%	100	100	100
Employee assistance funds distributed	RMB 10,000	145.33	84.43	107.05
Participations in assisting employees facing hardships	Person-times	711	350	/
Safeguarding Employee Rights and Interests				
Proportion of employees participating in the satisfaction survey	%	62.93	55.93	/
Employee satisfaction score	Points (1-5)	4.13	4.06	/
Confirmed incidents of discrimination, harassment, or bullying	Cases	0	0	0
Confirmed incidents of child labor	Cases	0	0	0
Confirmed incidents of forced labor	Cases	0	0	0
Occupational Health and Safety				
Number of work-related fatalities	/	0	0	0
Work-related fatality rate	%	0	0	0
Number of work-related injury cases	Cases	34	15	23
Number of working days lost due to work-related injuries	/	1,731	652	969
Investment in work safety	RMB 10,000	8,640	10,190	9,200
Coverage rate of employees in work safety education and training	%	100	100	100
Hours of work safety education and training	Hours	82	67	58
Employee Training				
Number of employee training course sessions	Session	2,947	2,424	2,195
Employee training capital expenditure	RMB 10,000	2,618.22	2,812.10	1,891.00
Participations of employees in training	Person-times	379,512	369,123	331,817

Indicator Name	Unit	2025	2024	2023
Participations of male employees in training	Person-times	177,726	172,666	157,112
Participations of female employees in training	Person-times	201,786	196,457	174,705
Total duration of employee training	Hours	1,354,197	1,514,391	1,738,521
Total duration of male employee training	Hours	634,171	708,391	823,174
Total duration of female employee training	Hours	720,026	806,000	915,347
Percentage of employees trained	%	99.48	99.61	99.60
Percentage of male employees trained	%	99.54	99.60	99.62
Percentage of female employees trained	%	99.42	99.61	99.58
Percentage of senior management personnel trained	%	100	100	100
Percentage of middle management personnel trained	%	100	100	100
Percentage of grass-roots employees trained	%	99.38	99.60	99.59
Per capita training hours of employees	Hours	138.25	154.20	182.16
Per capita training hours of male employees	Hours	137.09	154.39	163.82
Per capita training hours of female employees	Hours	139.28	156.88	202.56
Per capita training hours of senior management personnel	Hours	271.33	194.38	159.24
Per capita training hours of middle management personnel	Hours	151.87	160.33	157.07
Per capita training hours of grass-roots employees	Hours	137.81	154.02	179.30
Public Welfare and Charity				
Charitable donation amount	RMB 10,000	2,700.40	1,782.40	1,175.80
Number of public welfare activities conducted	/	3,948	3,175	2,705
Number of public welfare and charity projects	/	45	42	39
Beneficiaries of public welfare and charity projects	Person-times	76,173	78,356	30,278
Duration of volunteer activities	Hours	9,212	8,708	/
Participations in volunteer activities	Person-times	10,528	/	/
Number of employee volunteers	/	2,632	/	/

03

Governance

Anchored in the leadership of Party building and founded upon robust governance, the Bank actively practices its core values of "integrity, responsibility, innovation, and win-win". The Bank steadfastly upholds its responsibilities, adheres to commercial ethics, and reinforces compliance, internal controls, and risk management. By propelling sustainable development through high-quality governance, the Bank contributes its financial strength to the stability and prosperity of both the economy and society.

SDGs Responded to in this Chapter:



Material Sustainability Issues Covered in this Chapter:

- Corporate Governance
- Business Ethics Management (Corporate Behavior)
- Risk Management
- Procurement Management



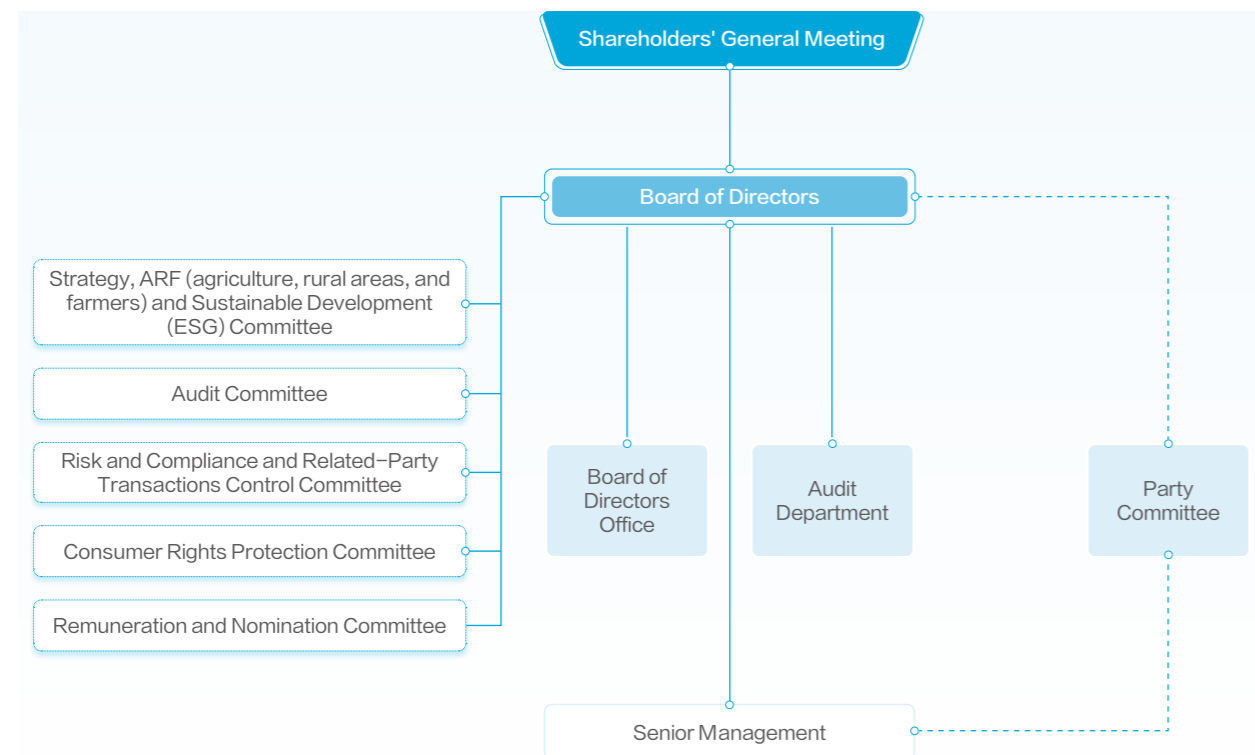
Corporate Governance

Strictly adhering to the *Company Law*, the *Commercial Bank Law*, the *Code of Corporate Governance of Banking and Insurance Institutions*, and the mandates of regulatory authorities, the Bank is dedicated to exploring and perfecting a modern corporate governance structure with Chinese characteristics. The Bank persists in comprehensively integrating the Party's leadership into every facet of corporate governance. It continuously refines its corporate governance policy framework, fortifies the construction of the Board of Directors, promptly fulfills information disclosure obligations, safeguards the legitimate rights and interests of investors, and incessantly elevates corporate governance efficacy.

In 2025, to implement the newly revised *Company Law* alongside the Board of Supervisors reform directives issued by competent regulatory authorities, the Bank optimized the top-level design of its corporate governance. It completed revisions to the *Articles of Association* and newly formulated or amended a total of 21 corporate governance policies. The Bank abolished the Board of Supervisors and all supervisor positions, with the Audit Committee of the Board of Directors assuming the supervisory functions and powers previously stipulated by the *Company Law*, thereby officially transitioning to a single-tier corporate governance structure.

The Bank established a corporate governance structure among the Party Committee, the Shareholders' General Meeting, the Board of Directors, and Senior Management, characterized by "statutory and transparent rights and responsibilities, coordinated operations, and effective checks and balances". The Bank instituted a "1+4+N" corporate governance framework: underpinned by the *Articles of Association*, structured around the standardized operational rules of the four major governance bodies, and supported by a suite of management policies covering shareholder equity management, related-party transaction management, director and senior executive management, information disclosure and investor relations, and equity investment. This comprehensive framework provides a robust guarantee for the Bank's high-quality and sustainable development.

Corporate Governance Structure Chart



Leadership of Party Building


Integrating into Corporate Governance to Empower Operation and Management


The Bank steadfastly adheres to the "Two Consistencies", embedding the Party's leadership and Party building into every link and tier of corporate governance, as well as all facets of daily operations. This ensures the Party Committee fully exercises its leadership role in "steering the direction, managing the overall situation, and ensuring implementation". The Bank revised the *Detailed Implementation Rules for the Implementation of the "Preliminary Procedure" for Research and Discussion by the Party Committee*, dynamically adjusted the inventory of major operational and managerial matters subject to preliminary deliberation by the Party Committee, and continuously refined the institutional mechanisms through which the Party Committee exercises its leadership.


The Bank relies on the scientific decision-making of the Party Committee to guarantee the comprehensive fulfillment of its economic, political, and social responsibilities, thereby fortifying strategic coordination and top-level design across critical domains of operation and management. In 2025, the Bank's Party Committee conducted thematic research on pivotal initiatives, including strategic OKRs and the flagship project of "grasping execution, strengthening management and refining internal strength", thereby optimizing its role in masterminding the broader context, deliberating major issues, and tackling core priorities. By conducting preliminary reviews on critical matters such as elevating financial services for new agricultural operating entities and the construction of digital credit systems, the Party Committee reinforced forward-looking strategic planning and value-driven guidance. Furthermore, by regularly reviewing progress reports from the executive management team, the Party Committee tightened the closed-loop management of key initiatives, continuously driving the profound integration of Party building with business operations across objectives, tasks, and implementation pathways.


Deepening Study and Education to Advance Positive Work Styles and Strict Discipline

In 2025, the Bank designated the earnest execution of study and education campaigns aimed at deeply implementing the spirit of the Central Eight-Point Regulation as a major political task. By strengthening organizational leadership and meticulously deploying arrangements, the Bank holistically advanced the integration of study, inspection, and rectification, yielding a series of tangible results.

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Learn Deeply
The Head Office orchestrated 8 learning seminars. Concurrently, by conducting educational visits to the Memorial of the Fourth National Congress of the Communist Party of China and the Shanghai Warning Education Base, the Bank fortified the ideological guidance provided to newly promoted cadres, young cadres, and personnel in key positions.
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Rectify Solidly
The Bank conducted 5 rounds of comparative self-inspections. For issues demanding immediate rectification upon identification, the Bank ensured prompt and thorough implementation of corrections. For prominent issues slated for centralized rectification, the Bank advanced them in close tandem with core business operations. By the end of 2025, all issues identified by the Head Office Party Committee had been fully rectified.
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Stay Close
The Head Office leadership cohort conducted in-depth investigative research, catalyzing the resolution of grassroots-level challenges. The Bank continuously leveraged the "Shared Home Committee" platform, extensively soliciting opinions and suggestions from grassroots employees regarding the refinement of work styles.
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Supervise Strictly
The Bank hosted offline thematic training sessions and conducted online "Monthly Lectures" for ideological advocacy. It comprehensively assessed the Bank-wide study and education landscape, systematically executed the "Four No's and Two Direct's" supervisory inspections, and strictly safeguarded the efficacy of its study and education initiatives.

Governance Structure

Shareholders' Meeting

The Shareholders' Meeting represents the highest organ of authority of the Bank and comprises all shareholders. It is responsible for electing and replacing directors who do not serve as employee representatives, determining directors' remuneration, and deliberating on and approving matters such as the Board of Directors' report, profit distribution plans, amendments to the *Articles of Association*, increases or reductions in registered capital, and bond issuance proposals. In 2025, the Bank convened 2 Shareholders' Meetings, during which 19 proposals were reviewed and 8 reporting matters were heard.

Board of Directors

Operation of the Board of Directors

The Board of Directors functions as the paramount operational decision-making body of the Bank. Tasked with formulating strategies, making executive decisions, and preempting risks, it bears ultimate accountability for the Bank's operations and management. Subordinate to the Board are 5 specialized committees: Strategy, ARF (agriculture, rural areas, and farmers) and Sustainable Development (ESG); Audit; Risk Compliance and Related-Party Transaction Control; Consumer Rights Protection; and Remuneration and Nomination. Throughout 2025, all directors of the Bank exhibited a profound sense of responsibility and dedication, faithfully and diligently discharging their duties. During the reporting period, the Bank convened 8 Board meetings, reviewing 103 proposals and hearing 33 reporting matters. Concurrently, the Board's specialized committees held 31 meetings, deliberating on 124 proposals and hearing 46 reporting matters. The attendance rates for the Board of Directors and its specialized committees achieved 93% and 97%, respectively, providing a resolute decision-making foundation for the Bank's steady and efficient operations.

Composition of the Board of Directors

Guided by the objective of cultivating a Board characterized by "appropriate scale, rational structure, effective checks and balances, and outstanding professionalism", the Bank proactively constructs a diversified and specialized Board. By optimizing the structural composition of the director corps, the Bank comprehensively elevates the efficacy of the Board. By the end of 2025, the Board comprised 14 directors: 2 Executive Directors, 7 Non-Executive Directors (including 1 Employee Director and 6 Shareholder Directors), and 5 Independent Directors.

Overview of Positions, Genders, Ages, and Professional Backgrounds of Board Members in 2025

Director Name	Position	Gender	Age	Professional Background
XU Li	Chairman, Executive Director	Male	58	Finance (Banking)
WANG Ming	Vice Chairman, Executive Director, President	Male	50	Finance (Banking)
YING Changming*	Employee Director	Male	53	Finance (Banking)
GUAN Wei	Non-Executive Director	Female	54	Economics, Finance
ZHANG Xueyan	Non-Executive Director	Female	51	Economics, Risk Management
WANG Juan	Non-Executive Director	Female	53	Finance, ESG
LIU Yu	Non-Executive Director	Male	41	Finance, Economics
RUAN Liya	Non-Executive Director	Female	42	Finance, Accounting
LE Jiawei	Non-Executive Director	Male	48	Finance, ESG
HUANG Jixian	Independent Director	Male	66	Finance, Risk Management
CHEN Ying	Independent Director	Female	54	Auditing, Finance
CHEN Gui	Independent Director	Male	47	Law, Economics
LIU Yunhong	Independent Director	Male	49	Law, Finance
LI Peigong	Independent Director	Male	44	Accounting, ESG

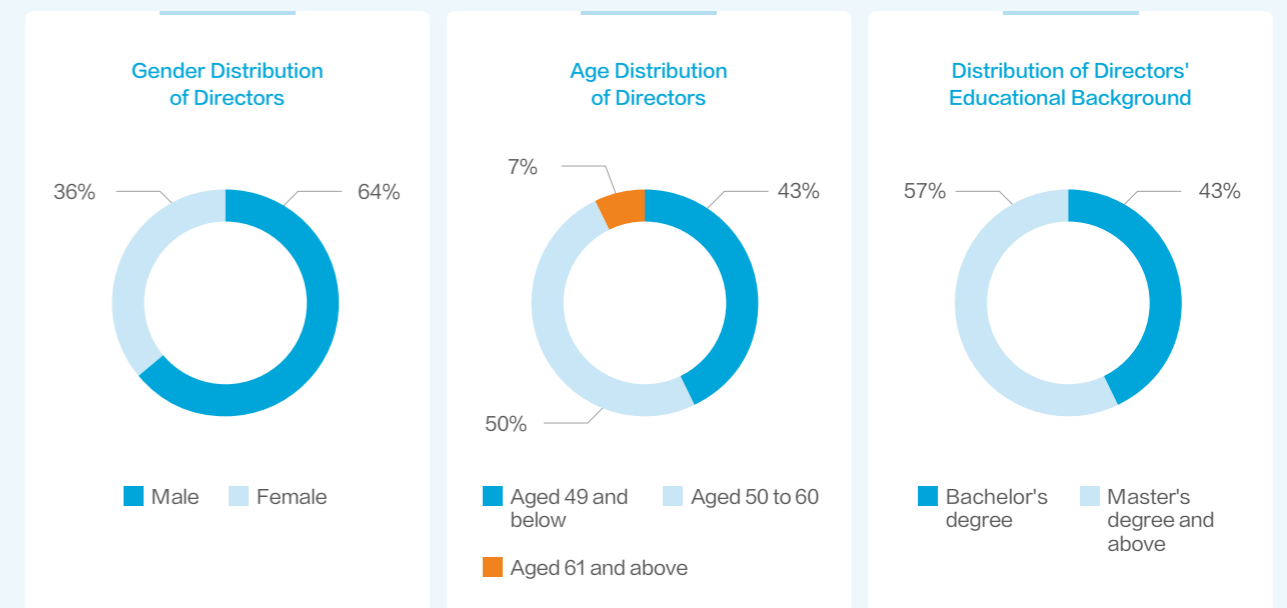
Note: Mr. YING Changming resigned from his positions as a Director of the Bank and a member of the Audit Committee on April 15, 2026, due to changes in his work arrangements.

Independence of Directors

In 2025, the Bank revised the *Working System for Independent Directors*. This revision further optimized the nomination and performance mechanisms of the Board, sharply delineating independence and responsibility boundaries while amplifying the synergy among professional committees. This approach fully leverages the pivotal role of independent directors in participating in decision-making, providing supervisory checks and balances, and offering professional counsel within corporate governance, thereby ensuring they exercise their statutory powers independently and lawfully. By the end of 2025, independent directors constituted 36% of the Board.

Board Diversity

The Bank embeds the principle of diversity into the core of its corporate governance. In 2025, the Bank amended its *Articles of Association*, proactively establishing "Diversity of Board Members" as a statutory commitment clause. It explicitly mandates "advancing the diversity of Board members, encompassing, but not limited to, gender, age, cultural background, educational attainment, and professional experience". By the end of 2025, female representation on the Board stood at 36%, and 57% of directors held a master's degree or higher. Furthermore, the broad age distribution robustly ensures a profound amalgamation of seasoned industry expertise with emergent paradigms, thereby heightening the comprehensiveness and efficacy of decision-making.



Board Professionalism

Intimately aligned with its strategic development trajectory and ESG management imperatives, the Bank meticulously selects industry experts possessing expertise in financial accounting, risk management, legal compliance, green finance, and corporate governance. This forms a multidisciplinary, composite decision-making echelon. By persistently integrating premium "external intellectual resources", the Bank continuously fortifies the strategic alignment of the director corps with Bank-wide imperatives, thereby fully actualizing the Board's core function in defining strategy, driving decisions, and preempting risks.

Overview of Members and Management Experience of the Specialized Committees under the Board of Directors in 2025

Specialized Committee under the Board of Directors	Member Roster	Management Experience
Strategy, ARF (agriculture, rural areas, and farmers) and Sustainable Development (ESG) Committee	Chairman: XU Li Members: WANG Ming, GUAN Wei, ZHANG Xueyan, CHEN Ying, LI Peigong	The Chairman possesses over 30 years of experience in banking operations and senior management roles. All other committee members possess substantial experience in the operation and management of large-scale enterprises and ESG stewardship.
Audit Committee	Chairman: CHEN Ying Members: YING Changming, HUANG Jixian, CHEN Gui	The Chairman formerly served as a senior executive and Chief Financial Officer of a large state-owned enterprise and holds the title of Senior Accountant. Both the Chairman and the committee members possess profound professional acumen and management experience spanning finance, accounting, and auditing.
Risk Compliance and Related-Party Transaction Control Committee	Chairman: HUANG Jixian Members: WANG Ming, WANG Juan, CHEN Gui, LIU Yunhong	The Chairman previously held the positions of President of a tier-one branch and Director of the Internal Audit Bureau at a large state-owned commercial bank. The Chairman and all members possess extensive experience in legal, risk, and compliance management.
Consumer Rights Protection Committee	Chairman: WANG Ming Members: WANG Juan, RUAN Liya, CHEN Gui	The Chairman previously served as a senior executive and General Counsel for a commercial bank. The Chairman and the committee members are highly experienced in consumer rights protection and compliance management.
Remuneration and Nomination Committee	Chairman: CHU Xiaoming* Members: LIU Yu, LE Jiawei, LIU Yunhong, LI Peigong	The Chairman formerly served as the Chairman of a prominent securities firm. The Chairman and the committee members possess expansive expertise in corporate governance and cost management.

Notes: 1. For a detailed account of the primary professional backgrounds of each director, please refer to the section "Main Work Experience of Directors and Senior Management Personnel" in the Bank's 2025 Annual Report.
2. Mr. CHU Xiaoming's qualification to serve as an Independent Director was ratified by the Shanghai Bureau of the National Financial Regulatory Administration on January 6, 2026.

Performance Evaluation of Directors

The Bank persistently refines policy frameworks such as the *Code of Professional Ethics for Directors and Senior Management Personnel* and the *Measures for the Performance Evaluation of Directors*. Directors' performance is differentially evaluated across five dimensions: fulfillment of the duty of loyalty, fulfillment of the duty of diligence, professionalism in duty execution, independence and ethical caliber in duty execution, and compliance in duty execution. This process establishes and operationalizes high standards of occupational ethics and professional acumen, reinforces directors' self-disciplinary constraints, and compels them to proactively champion ESG standards. Consequently, this provides a resolute governance safeguard for the Bank's high-quality and sustainable development.

In 2025, strictly adhering to these institutional requisites, the Bank comprehensively deployed evaluation methodologies encompassing data analysis, behavioral observation, and performance assessments to conduct director self-evaluations, mutual evaluations among directors, Board of Directors evaluations, and Board of Supervisors evaluations. The outcomes demonstrated that the performance evaluations of all directors of the Bank for the year 2024 were uniformly rated as competent.

Director Training

The Bank prioritizes the capacity building of its directors, actively organizing and incentivizing their participation in diverse professional training programs. This ensures their agility in adapting to market dynamics and regulatory mandates, thereby continuously elevating scientific decision-making and performance efficacy. In 2025, the Bank's directors engaged in multiple training initiatives, primarily including the *Compliance Performance Training for Directors, Supervisors and Senior Management of Listed Companies*, the *Follow-up Training for Independent Directors of Listed Companies*, and the *Independent Director Performance Learning Platform Training* hosted by the Shanghai Stock Exchange. Additionally, they participated in the *Independent Director Capacity Building Training* organized by the China Association for Public Companies, alongside specialized internal training sessions on critical compliance domains conducted by the Bank. The per capita training duration reached 9.7 hours.

Case | Executing Specialized Training on the New Anti-Money Laundering Law

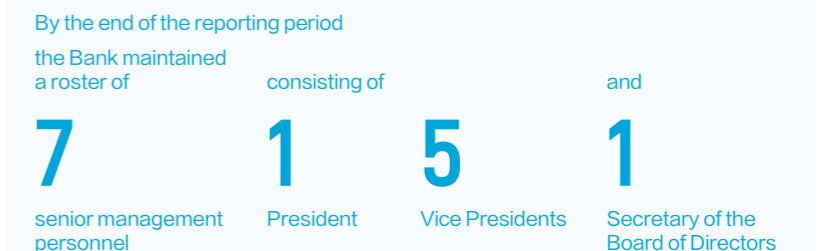
In March 2025, the Bank engaged experts from third-party professional institutions to conduct a centralized training session for directors, supervisors, and senior management personnel, centered on the core revisions of the new *Anti-Money Laundering Law*. Participants concentrated on pivotal shifts, including the "risk-based" approach, standards for customer due diligence, and thresholds for monitoring suspicious transactions, engaging in profound deliberations regarding their potential ramifications on routine operational workflows. This specialized training tangibly fortified the cognitive readiness of directors, supervisors, and senior executives to navigate emergent compliance challenges. It further solidified their operational obligations as the "primary responsible persons" for money laundering risk management, laying a robust foundation for the Bank to erect an impregnable compliance defense line under the new legislative framework.

Director Remuneration

The Bank formulates and continuously perfects the *Measures for the Administration of Directors' Remuneration*. This explicitly defines the composition and benchmarks of remuneration, implements differentiated remuneration incentives, and is complemented by remuneration clawback mechanisms. By achieving a bidirectional linkage between remuneration and performance, the Bank utilizes scientific incentivization and constraint protocols to bolster the accountability and duty execution of its directors.

Senior Management Responsibilities and Personnel Composition

The Bank operates under a President-responsibility system beneath the leadership of the Board of Directors. As dictated by the *Articles of Association*, the Bank's Senior Management is comprised of the President, Vice Presidents, the Secretary of the Board of Directors, and other personnel formally recognized by the Board. By the end of the reporting period, the Bank maintained a roster of 7 senior management personnel, consisting of 1 President, 5 Vice Presidents, and 1 Secretary of the Board of Directors.



Remuneration Assessment and Constraint Mechanisms

The Bank established a scientific remuneration management and assessment framework tailored for senior management personnel, explicitly integrating sustainable development-related metrics into their performance evaluations.

Deferred Payment and Clawback of Performance-Based Remuneration

- The remuneration for senior executives consists of an annual base salary paired with medium-to-long-term incentives. Strictly complying with the *Supervisory Guidelines on Sound Remuneration of Commercial Banks* issued by the China Banking Regulatory Commission (currently the National Financial Regulatory Administration), the Bank revised and promulgated the *Measures for the Administration of Deferred Payment and Clawback of Performance-based Remuneration*. For senior executives and employees occupying roles with a material impact on risk (including those who have departed), the Bank enforces a mechanism for the deferred payment and clawback of performance-based remuneration, inextricably linking the payout of deferred compensation to overarching risk profiles.
- Should infractions of regulations or disciplinary codes occur during an executive's tenure, or if major financial discrepancies necessitate the restatement of financial reports leading to compensation payouts based on erroneous data, or if significant detriment is inflicted upon the Bank's assets or reputation, the Bank, upon culpability determination by relevant internal departments, will lawfully halt the disbursement of unpaid remuneration. Furthermore, it will fully or partially claw back previously disbursed annual performance remuneration and medium-to-long-term incentives.

Linking Remuneration with Sustainability

- The Bank executes the *Measures for the Performance Assessment and Management of Professional Managers*, developing a strategic OKR evaluation mechanism for senior executives that prioritizes both process evaluation and strategic value contribution. The assessment matrix encompasses core dimensions such as operating efficiency, developmental transformation, and risk management coupled with compliant operations.
- To propel the operationalization of its sustainable development strategy, the Bank incorporates critical ESG indicators such as inclusive finance, green lending, consumer rights protection, and anti-money laundering into the executive remuneration assessment framework. This strategically guides senior management to pivot toward long-term value creation and the resolute fulfillment of social responsibilities.

The Bank proactively embraces the oversight of the capital markets and the broader public, transparently disclosing the remuneration of its directors and senior management personnel. By the end of 2025, the basic annual salary disbursed to Chairman XU Li, attributable to the 2025 fiscal year, amounted to RMB 495,900, with a performance-based annual salary of RMB 340,200; the employer's contribution to social insurance and the housing provident fund totaled RMB 167,800. For President WANG Ming, the basic annual salary attributable to 2025 was RMB 437,500, with the employer's contribution to social insurance and the housing provident fund totaling RMB 98,300. For comprehensive details regarding the remuneration of other directors and senior management personnel, please consult the Bank's *2025 Annual Report*.

Protection of Investors' Rights and Interests

Equity Management

The Bank establishes an efficient, professional, and synergistic investor relations management system. It actively constructs a fair, transparent, and efficient mechanism to protect investors' rights and interests, practically safeguarding the legitimate rights and interests of all shareholders, with a particular emphasis on small and medium investors.

The Bank continuously fortifies shareholder equity management, rigorously implements regulatory requirements, and consolidates the foundational framework of its equity management systems. In 2025, the Bank revised and perfected the *Measures for Equity Management*, the *Measures for the Management of Shares Held by Directors and Senior Management Personnel and Changes Therein*, and the *Measures for the Management of Raised Funds*, effectively steering the "critical minority" toward compliant shareholding. Throughout 2025, the Chairman of the Bank earnestly executed the duties of the "primary responsible person", while senior executives, including the Vice Chairman and the President, stringently adhered to regulations in their duty performance, ensuring zero occurrences of equity-related violations Bank-wide. Furthermore, the "critical minority", comprising directors and senior management personnel, strictly honored their share purchase lock-up period commitments as mandated, ensuring all personal shareholding activities were entirely lawful and compliant.

The Bank establishes and perfects a mechanism for the continuous monitoring and evaluation of major shareholders' qualifications. In 2025, the Bank conducted qualification evaluations for major shareholders and principal shareholders in compliance with laws and regulations. Following review and approval by the Board of Directors, the relevant evaluation reports were submitted to regulatory authorities, and a specialized report detailing the evaluation of principal shareholders was presented at the annual Shareholders' Meeting. The Bank periodically conducts evaluations and information verifications, focusing intensely on key areas such as principal shareholders' shareholding behaviors, major shareholders' equity transfers, share pledges, and related-party transactions, thereby urging shareholders to strictly honor their commitments and standardize their shareholding practices.

Market Value Management

The Bank attaches paramount importance to market value management, executing the *Three-Year Shareholder Return Plan (2024-2026)* to deliver sustained, stable, and reasonable investment returns to investors. In 2025, the Bank formulated the *Measures for Market Value Management* and published both a valuation enhancement plan and a special action program "Improvement of quality, efficiency and returns", thereby driving the elevation of the Bank's investment value. Within its *Articles of Association*, the Bank optimized its profit distribution mechanism, specified the desirable threshold for the core tier-one capital adequacy ratio, and established the steady upward trajectory of the cash dividend ratio as a core objective. The Bank took the lead within the industry to implement and finalize its 2025 mid-term cash dividend payout, promptly sharing the fruits of its value creation with investors.

Investor Relations Management

The Bank established an efficient, professional, and synergistic investor relations management system, fortifying its operational foundation by formulating and continuously perfecting the *Measures for the Management of Investor Relations*. Adhering to an integrated approach that combines "going out" with "inviting in" and "online communication" with "offline interaction", the Bank continuously broadens its investor communication channels. Utilizing the official corporate website, dedicated investor mailboxes, consultation hotlines, and the "SSE E-interaction" platform, the Bank deploys diverse engagement formats including Shareholders' Meetings, investor briefing sessions, special investor open days, research receptions, and roadshow visits. These efforts practically deepen the scope and efficacy of investor communications and actively convey the Bank's investment value.

Key Investor Activities in 2025

Performance Briefing Sessions

- The Bank hosted 3 performance briefing sessions during the reporting period. Among them, the 2024 annual performance briefing innovatively utilized a "live video streaming + on-site interaction + online text interaction" format, accumulating nearly 550,000 page views.
- The Bank proactively participated in the 2025 Shanghai jurisdiction listed companies collective reception day, as well as the interim and third-quarter performance briefing sessions, engaging in robust online interactions with a vast base of small and medium investors.

Institutional Engagement

- The Bank actively attended brokerage investment strategy conferences and exchange forums, received securities analysts and institutional investors for on-site research, and proactively embarked on roadshow visits to numerous institutions. Throughout the year, these diverse activities enabled the Bank to engage with institutional investors over 600 times.

Thematic Activities

- Closely aligning with national strategies and core business priorities, the Bank successfully hosted a thematic investor event focused on technology finance, effectively deepening the market's comprehension of the Bank's strategic operations and business trajectory.

The Bank highly prioritizes the legitimate rights and interests of small and medium investors. During the reporting period, the Bank organized the "I am a Shareholder" special activity, inviting small and medium investors to visit the listed company. The Bank fielded over one hundred consultation calls from small and medium investors and maintained a 100% timely response rate to inquiries posted on the "SSE e-interaction" platform, fully safeguarding these investors' rights to information, participation, and active communication.

During the reporting period, the Bank was honored with the "2024 Best Practice of Investor Relations Management of Listed Companies" by the China Association for Public Companies, the 15th Tianma Award for Investor Relations of Chinese Listed Companies by Securities Times, and the 8th China Excellence IR Annual "Best Capital Market Communication Award".

Information Disclosure

The Bank strictly implements relevant regulatory stipulations governing the information disclosure of listed companies and continuously optimizes its information disclosure management system. In 2025, the Bank revised and perfected policies including the *Measures for the Management of Information Disclosure* and the *Measures for the Management of Insiders of Insider Information*. This further clarified the Audit Committee's supervisory responsibilities over information disclosure and delineated the specific regulations regarding the suspension or exemption of disclosures. By the end of the reporting period, the Bank had forged a relatively comprehensive information disclosure framework, encompassing the Measures for the Management of Information Disclosure, the Measures for the Management of Insiders of Insider Information, and the Procedures for the Compilation of Periodic Reports.

Staunchly protecting investors' right to know, the Bank adheres to the principles of "openness, fairness, and justice". It truthfully, accurately, and completely discloses corporate governance and operational management information, ensuring that the content is concise, coherent, and easily comprehensible. This facilitates timely, accurate, and equitable access to information for all investors, particularly small and medium investors. Expanding beyond routine statutory disclosure channels, the Bank actively explores visual formats such as H5 presentations and WeChat info-graphics to centrally highlight core data from periodic reports, thereby significantly elevating the investor reading experience. During the reporting period, the Bank consecutively maintained the highest "A rating" in the Shanghai Stock Exchange's 2024-2025 information disclosure evaluation.

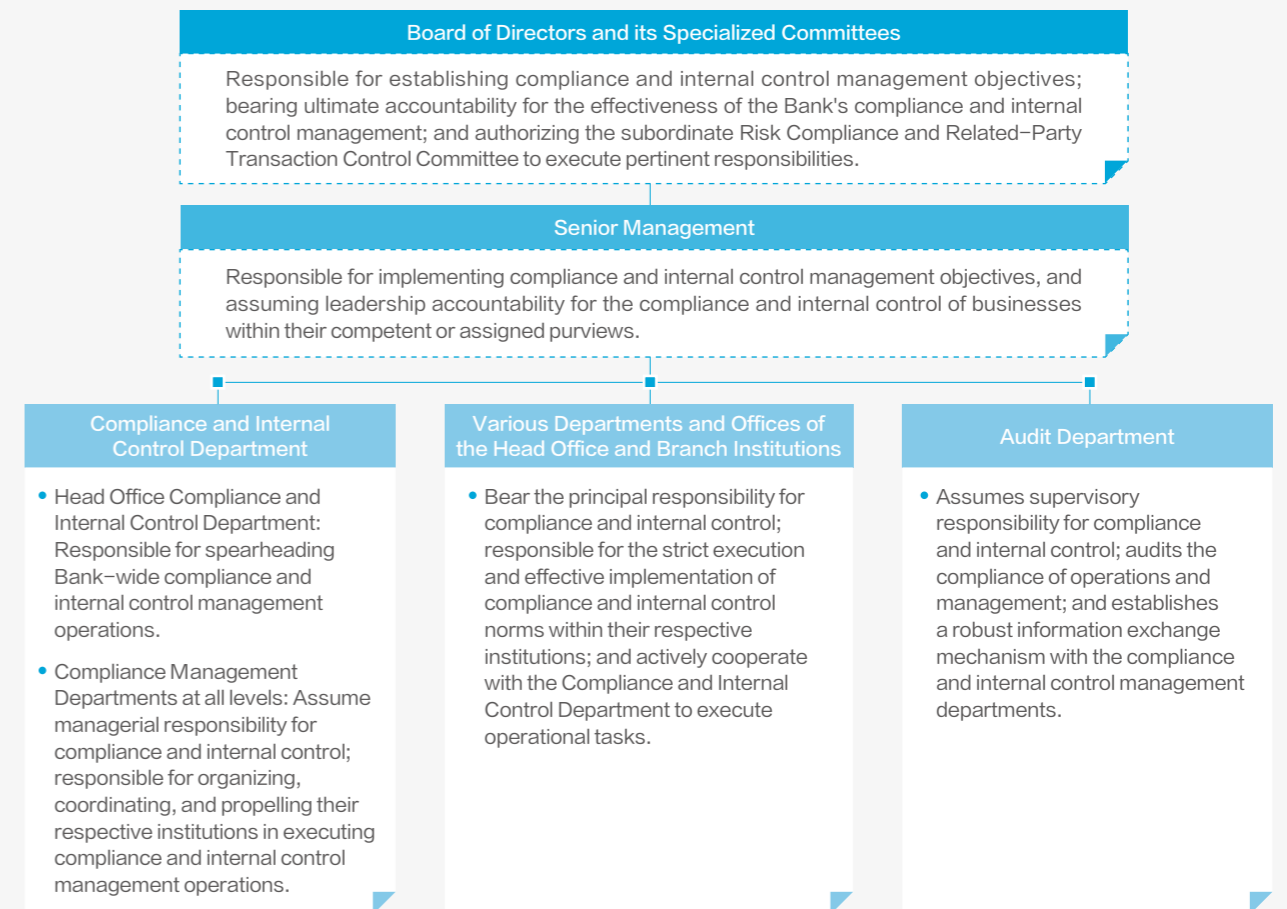
Primary Types of Information Disclosure

Disclosure Document Type	2025 Disclosure Volume	Disclosure Value and Highlights
Periodic reports	4 reports	Focused on value transmission and market priorities, the Bank optimized presentation content and logical flow to enhance visualization and readability, striving to elevate the reports' efficacy and decision-making reference value.
Interim announcements	48 reports	Timely disclosure of the company's material operational developments, practically safeguarding the equitable right to know for all categories of investors.
ESG report	1 reports	Comprehensively reflects the Bank's practices across environmental, social, and governance domains, broadening the breadth and depth of information disclosure while effectively communicating the Bank's investment and social value.

Business Ethics Management (Corporate Behavior)

The Bank attaches paramount importance to the construction of compliance and internal control management. Centering on key areas such as compliance management, process control, and mechanisms for inspection, supervision, and evaluation, the Bank propels the continuous standardization and perfection of its compliance and internal control management. To ensure the efficient operation of the internal control system, the Bank constructed a compliance organizational structure featuring clear delineations of rights and responsibilities and tiered management. Concurrently, governed by policies such as the *Measures for Compliance Management* and the *Measures for Internal Control Management*, the Bank delineates the organizational structure and responsibility framework for compliance and internal control-related operations, standardizing compliance and internal control management requirements. In 2025, the Bank revised the *Measures for Compliance Management* to further fortify the duty-performance guarantees for compliance personnel. It formulated the *Provisions on Internal Control Process and Defect Management (Trial)* to systematically construct an internal control framework and operational model encompassing process control and defect management. The Bank revised the *Detailed Implementation Rules for Internal Control Evaluation* to continually elevate the systematic integrity and efficacy of its internal controls.

Compliance and Internal Control Organizational Structure Chart



Employee Behavior Management

The Bank constructed an employee behavior management governance structure wherein "the decision-making level charts the direction, the executive level grasps implementation, the overall planning level coordinates comprehensively, and the specialized level provides robust support". The Bank formulated policies such as the *Code of Conduct for Employees*, the *Provisions on the Management of Employee Abnormal Behaviors*, the *Measures for the Behavior Management of Practitioners*, and the *Measures for Handling Employee Violations*, providing lucid guidelines for employees' ethical practice and compliant operations.



Screening Model

The Bank established a tripartite behavior screening model comprising "routine screening + centralized screening + special screening". Building upon quarterly routine screenings, the Bank zeroes in on core risk nodes such as abnormal fund transactions and operational risks to forge an employee behavior management mechanism that "covers all positions and permeates all processes".

- **Routine screening:** Conducts quarterly screenings for abnormal employee behavior, delineates critical screening checkpoints, and promptly escalates detected anomalies to the lead management department at the Head Office to ensure rigorous in-depth verification and tracking.
- **Centralized screening:** In 2025, the Head Office departments and offices, branches, sub-branches, and holding subsidiaries executed a centralized screening for abnormal employee behavior. The subjects of this screening encompassed employees across all positions, alongside outsourced personnel who might externally provide services to clients on behalf of the Bank or potentially access classified information.
- **Special screening:** Conducts specialized screening initiatives across key domains, covering critical positions and pivotal business lines at the Head Office and various branches and sub-branches, ensuring the implementation of closed-loop rectification for all identified issues.



Digital Early Warning

The Bank constructed a multi-dimensional digital management and control matrix, comprehensively elevating the identification precision and monitoring intensity of abnormal employee behaviors, effectively preempting employee moral hazard and operational risks.

- **Constructing the compliance and case prevention early warning and monitoring system:** Integrates internal and external data to build early warning models, fortifying the online management and control of abnormal employee behavior.
- **Launching the retail early warning management platform:** Deploys early warning rules for business risk advisories, actualizing the online screening and traceable documentation of risk events, thereby amplifying business processing efficacy.
- **Elevating the operational safety prevention and control standards of operating systems:** Fortifies prevention and control mechanisms via technologies such as video analytic monitoring and remote vault inventory management.



Compliance Promotion and Implementation

- Proactively advocates and cultivates a compliance culture. Through methodologies such as case compilation and the dissemination of cautionary case studies, the Bank executes compliance culture promotional campaigns Bank-wide, covering all employees (including dispatched employees). In 2025, the Bank compiled 5 issues of *Cases of Handling Employee Violations*, 1 issue of typical cautionary case notifications, alongside the *Compilation of Typical Cases of Employee Violations* and the *Compilation of Typical Cases of Administrative Penalties for Banking Financial Institutions in Shanghai*. These efforts elucidate regulations through real-world cases, amplifying accountability and cautionary awareness.

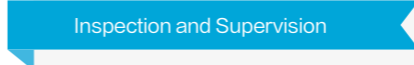


Assessment and Accountability

- Incorporates the efficacy of employee behavior management into the Bank-wide performance assessment framework, directly tethering it to employee remuneration, promotion, and merit evaluations.
- Maintains a steadfast "zero tolerance" stance toward all categories of violations uncovered during screenings, enforcing strict accountability in accordance with laws and regulations.

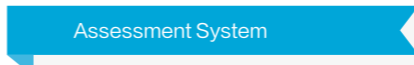
Anti-Corruption

The Bank resolutely executes the major decisions and deployments of the Party Central Committee regarding improving Party conduct, upholding integrity, and the anti-corruption struggle. Viewing clean finance as the bedrock of steady operations, the Bank formulated core policies such as the *Implementation Opinions on the Construction of Clean Financial Culture* and the *Implementation Measures for the Responsibility System of Improving Party Conduct and Upholding Integrity*. These explicitly mandate that senior management personnel at the Head Office bear comprehensive leadership responsibility for the Bank-wide construction of Party conduct and integrity, while the principal heads of institutions at all levels serve as the primary responsible persons. The Bank fortifies political supervision, heightens the intensity of supervision and disciplinary enforcement, and reinforces integrity education, thereby cultivating a clean and upright financial ecological environment.



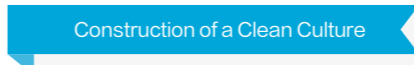
Inspection and Supervision

- The Bank established an Inspection Work Leading Group at the Head Office to systematically advance inspection work covering the entire Bank. The inspection group adheres to rigorous workflows; through methodologies such as listening to reports, conducting individual interviews, reviewing documentation, and processing petition reports, it focuses on verifying the advancement of Party conduct, integrity, and anti-corruption efforts, as well as the work styles, integrity, and self-discipline of the management echelon. For personnel who fail to correctly discharge their prescribed duties or who cross red lines, the Bank metes out criticism and education, disciplinary sanctions, or organizational processing depending on the severity of the circumstances. Individuals suspected of criminal offenses are resolutely transferred to judicial organs for lawful adjudication, ensuring that accountability is exacted fairly and transparently.



Assessment System

- The Bank established and perfected an inspection and assessment system governing the responsibility system for clean governance. This system clearly delineates the scope, content, methodologies, procedures, and application of assessment outcomes. An inspection and assessment is conducted annually, incorporating comprehensive feedback mechanisms such as site visits, symposiums, questionnaire surveys, and democratic appraisals. The assessment outcomes are directly tethered to the performance evaluations and the selection and appointment of management personnel, ensuring the absolute fulfillment of responsibilities.



Construction of a Clean Culture

The Bank conducts theoretical study and cautionary education covering all employees (including dispatched employees), continually elevating the integrity awareness and behavioral standards of the entire workforce:

- The Bank convened a Bank-wide learning, educational, and cautionary meeting to report on supervision and disciplinary enforcement. Attendees collectively viewed cautionary educational films detailing typical cases of disciplinary and legal violations, facilitating a profound dissection of prominent issues.
- The Bank continuously advanced the construction of "Clean Corners". By the end of 2025, 26 distinct "Clean Corners" had been established Bank-wide, and 2 business outlets were honored as excellent outlets for the construction of clean financial culture in the Shanghai banking industry. Leveraging these outlets as a base, the Bank proactively launched the "Clean Breeze into Communities" campaign, effectively elevating public awareness of and trust in financial integrity.
- Utilizing the "Shanghai Rural Commercial Party Building" official WeChat account, the Bank published the thematic series "Discussing Cases, Tugging Sleeves, and Fastening Buttons". This series utilizes real cases to expound on morals, discipline, law, and accountability, thereby differentiating various types of disciplinary violations and significantly sharpening the targeted focus of the education.



Whistleblowing Management

The Bank is dedicated to forging an open and transparent supervisory environment. It formulated policy frameworks, including the *Measures for the Management of Petition Work* and the *Measures for Handling Reports of Violations of Regulations and Discipline*, to standardize the workflows for accepting, verifying, and processing reports.

Reporting Process and Reporting Channels



- Reporting can be conducted via both real-name and anonymous channels. Reports and accusations subject to processing by discipline inspection and supervisory departments are centrally accepted and handled by the Discipline Inspection and Supervision Group of the Shanghai Municipal Commission for Discipline Inspection and Supervisory Commission Stationed at Shanghai Rural Commercial Bank. Petition reports falling outside the purview of the Discipline Inspection Group are centrally managed by the General Office of the Head Office and processed in a tiered manner based on the identity of the reported individual.
- The centralized management department shall review the report and determine whether to accept it within 15 days of receipt, subsequently notifying the whistleblower.
- Personnel assigned to handle reports shall conduct investigative work in a timely manner and provide prompt feedback to the whistleblower, strictly under the premise of not divulging state secrets, commercial secrets, or personal privacy.
- For cases where verification proves the reported facts of violations are clear and the evidence is conclusive, enforcement shall be executed in accordance with the Bank's relevant provisions for handling violations of regulations and discipline.



- The Bank provides diverse reporting conduits, including information networks, letters, telephone lines, faxes, and in-person visits.
- A 7 × 24-hour reporting hotline has been established and published on the homepage of the official website as well as across all business premises, actively inviting supervision and reporting from the general public.

Whistleblower Protection Measures

Information Confidentiality

Personnel handling reports are legally bound to strictly fulfill confidentiality obligations regarding the whistleblower's privacy and all submitted reporting materials.



Prevention of Retaliation

It is strictly prohibited for any unit or individual to intimidate, threaten, or retaliate against whistleblowers in any form. Any behaviors that infringe upon the legitimate rights and interests of whistleblowers will be severely investigated and penalized.

Avoidance of Conflicts of Interest

Should personnel handling a report possess a direct conflict of interest with the reported matters or the implicated individuals, they must recuse themselves in accordance with the law.

Anti-Money Laundering

The Bank strictly abides by national anti-money laundering (AML) laws, regulations, and regulatory mandates. It incorporates money laundering risk management into its comprehensive risk management framework and has established an AML risk management architecture encompassing the Board of Directors, Senior Management, and the Head Office alongside branch institutions. In 2025, closely aligning with the stipulations of the new *Anti-Money Laundering Law*, the Bank revised its money laundering risk management policies and institutional frameworks, including customer money laundering risk assessments. It initiated the development of a next-generation intelligent AML system, conducted AML risk self-assessments, and continuously elevated the quality and efficacy of its AML risk management.



Due Diligence

Adhering to "risk-based" and "Know Your Customer (KYC)" principles, the Bank established internal control protocols for customer due diligence. It identifies and takes reasonable measures to verify the identities of customers and their beneficial owners. Throughout the lifecycle of the business relationship, the Bank continuously monitors and evaluates the overall status and transactional behaviors of its customers.



Behavioral Requirements

The Bank strictly prohibits employees from participating in or facilitating money laundering activities in any form. It explicitly mandates that all employees fulfill AML responsibilities across the entire spectrum of product research, development, and marketing services. Furthermore, employees are obligated to maintain the absolute confidentiality of information acquired while lawfully performing their duties and are required to report any suspicious activities.



Specialized Training

Following the principle of "differentiating hierarchies, target audiences, formats, and content", the Bank integrates senior executives, AML-designated personnel, frontline business staff, and employees of holding subsidiaries into its quarterly routine training programs. It also champions a job-shadowing learning mechanism for post personnel. In 2025, thematic AML training including comprehensive campaigns on the new *Anti-Money Laundering Law* and role-qualification training covered 5,228 person-times.

Anti-Terrorist Financing

The Bank strictly complies with relevant laws and regulations pertaining to anti-terrorist financing. On the business front, the Bank expressly prohibits the opening of anonymous accounts and forbids direct or indirect transactions with any shell banks. Operationally, the Bank fully integrates anti-terrorist financing standards into customer business processing and routine employee training frameworks. It rigorously enforces the dynamic monitoring of terrorism-related watchlists and the freezing mechanism for terrorism-related assets, effectively preempting terrorist financing risks.

Anti-Unfair Competition

The Bank's *Code of Conduct for Employees* explicitly mandates strict adherence to the principles of fair competition during business activities, requiring rigorous compliance with relevant laws and regulations to ensure compliant business operations. In both personal and corporate financial services, the Bank insists on prudent operations to guarantee fair and transparent transactions. Concurrently, by conducting compliance education, the Bank heightens employee awareness and behavioral management, eradicates operational violations, and upholds market order. In 2025, the Bank experienced no lawsuits or material administrative penalties arising from unfair competition practices.

Business Ethics Audit

Through initiatives such as specialized audits, comprehensive operation and management audits, and personnel fiduciary responsibility audits, the Bank prioritizes supervision and inspection on issues pertaining to business ethics. These include abnormal employee behaviors, the fairness of related-party transactions, and consumer rights protection. Operating on a three-year cycle spanning 2023 to 2025, the Bank deployed a combination of on-site and off-site methodologies to achieve 100% audit coverage across all tier-one branches, sub-branches, and holding subsidiaries.

Employee Behavior Management

The Bank conducts annual audits of both institutions and personnel. In 2025, the Bank completed 47 comprehensive operation and management audits and 266 fiduciary responsibility audits for entrusted personnel. These audits focused on supervising human resources management, internal controls, case prevention, ethical conduct, and instances of abnormal employee behavior, thereby tightening behavioral constraints and elevating the compliance awareness of practitioners.

Related-Party Transactions

The Bank conducts an annual specialized audit on related-party transactions. The findings are reported to the Board of Directors, the Risk Compliance and Related-Party Transaction Control Committee, and the Audit Committee. In 2025, the Bank executed audit evaluations on areas including institutional construction, process execution, transaction management, pricing fairness, and system controls, driving enhancements in overall management standards.

Anti-Money Laundering

The Bank conducts an annual specialized audit on AML operations and integrates AML assessments into broader projects, such as comprehensive operation and management audits of branches and personnel fiduciary responsibility audits. The findings of these specialized audits are reported to the Audit Committee of the Board of Directors. In 2025, the Bank conducted audit evaluations on the construction of AML institutional frameworks, business-level money laundering risk assessments, the execution of AML duties across various units, and the effectiveness of problem rectification, thereby elevating the quality and efficacy of AML operations.

Consumer Rights Protection

The Bank conducts an annual specialized audit on consumer rights protection, reporting the findings to the Consumer Rights Protection Committee of the Board of Directors and the Audit Committee. In 2025, the consumer rights protection audit primarily encompassed the effectiveness of program implementation, the appropriateness of internal performance management, and the tangible execution of consumer rights protocols.



Responsible Taxation

The Bank strictly abides by laws and regulations such as the *Enterprise Income Tax Law*, the *Individual Income Tax Law*, and the *Law on the Administration of Tax Collection*. It formulates operational protocols for pertinent taxes, such as the *Measures for Tax Management*, to ensure absolute tax compliance. Concurrently, the Bank optimizes tax management workflows, strengthens internal collaboration, sharpens professional competencies, and advances digital infrastructure, comprehensively elevating its tax management standards. In 2025, responding to the national mandate for tax digitalization, the Bank fully integrated with the "Leqi" platform, driving the integration of "business, finance, taxation, and invoicing" and realizing a fully paperless end-to-end process.

Intellectual Property Protection

The Bank adheres to the requirements of national laws and regulations such as the *Copyright Law*, the *Trademark Law*, and the *Patent Law*. It formulated policy frameworks including the *Measures for the Management of Intellectual Property Rights* and the *Measures for the Management of Software Legalization*. During the reporting period, the Bank revised the *Provisions on the Management of FinTech Intellectual Property Rights* to further optimize the patent application workflow. In its daily operations, the Bank promptly files for trademark, patent, and copyright protections, securely safeguarding its intangible assets and innovative achievements. By the end of 2025, the Bank possessed 177 valid trademarks, 25 approved software copyright registrations, and 3 patent inventions.

Online Management

Utilizing its online intellectual property management platform, the Bank advanced the digitization of IP ledgers, accelerating the entry, classification, and rapid retrieval of patent, trademark, and other related data. It achieved the online management of IP disputes, seamlessly connecting the phases of dispute declaration, progress tracking, document archiving, and retrospective analysis, ensuring that the dispute resolution process remains trackable and compliantly traceable.

Training and Advocacy

During the reporting period, the Bank conducted specialized training targeting copyright infringement risks in the context of AI applications. Integrating practical compensation benchmarks with typical case studies, the training profoundly analyzed potential infringement patterns and precautions in high-frequency business scenarios, such as the commercial use of fonts and imagery.

Brand Image

The Bank formulated the *Brand Visual Identity System Manual*, translating brand connotations into unified visual symbols and molding a distinctive brand image. Proactively advancing its strategic trademark layout, the Bank registered the trademark series for its official IP mascot, "Xiaoyuanbao", thereby significantly enhancing brand recognition and market influence.

Risk Management

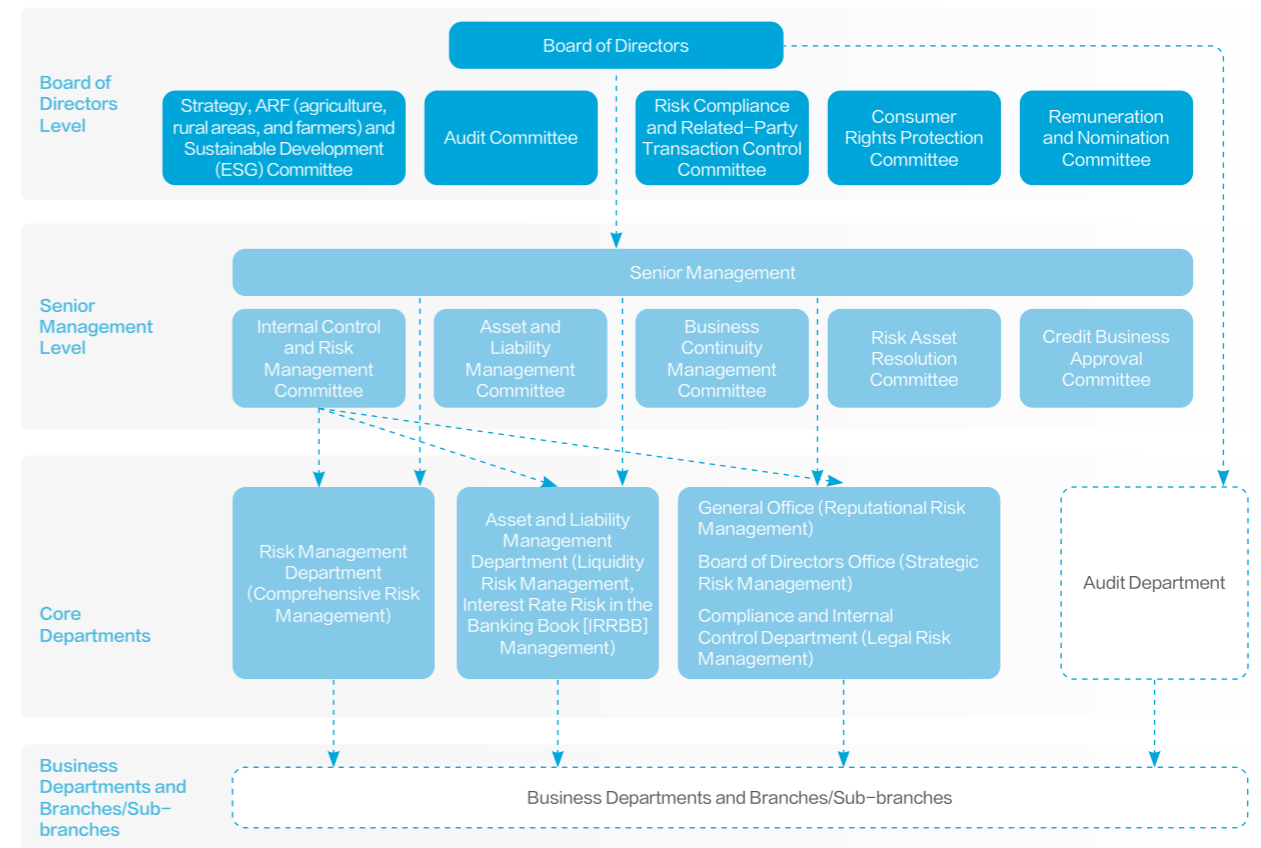
Upholding the philosophy of "enhancing risk operation capabilities to create value through risk management," the Bank adheres to the principles of matching, comprehensiveness, independence, and effectiveness. It continuously refines its comprehensive risk management system to elevate risk operation capabilities and propel the high-quality development of the entire Bank.

Risk Management System

Organizational Structure

The Bank established a comprehensive risk management organizational architecture that covers the entire Group. The Board of Directors bears ultimate responsibility for the Bank's risk management. The Board and its subordinate Risk Compliance and Related-Party Transaction Control Committee are responsible for formulating risk management strategies and policies, while the Audit Committee exercises a supervisory role. At the Senior Management level, the Chief Risk Officer spearheads Bank-wide risk management operations, ensuring the highly efficient functioning and continuous optimization of risk management mechanisms. Subordinate to the Senior Management are specialized committees—including the Internal Control and Risk Management Committee, the Credit Business Approval Committee, the Risk Asset Resolution Committee, the Asset and Liability Management Committee, and the Business Continuity Management Committee—which tangibly execute their respective internal control and risk management mandates. The risk management department is responsible for the overall coordination of comprehensive risk management efforts; the various business departments collaborate closely; and the audit department conducts independent, objective supervision, evaluation, and consultation.

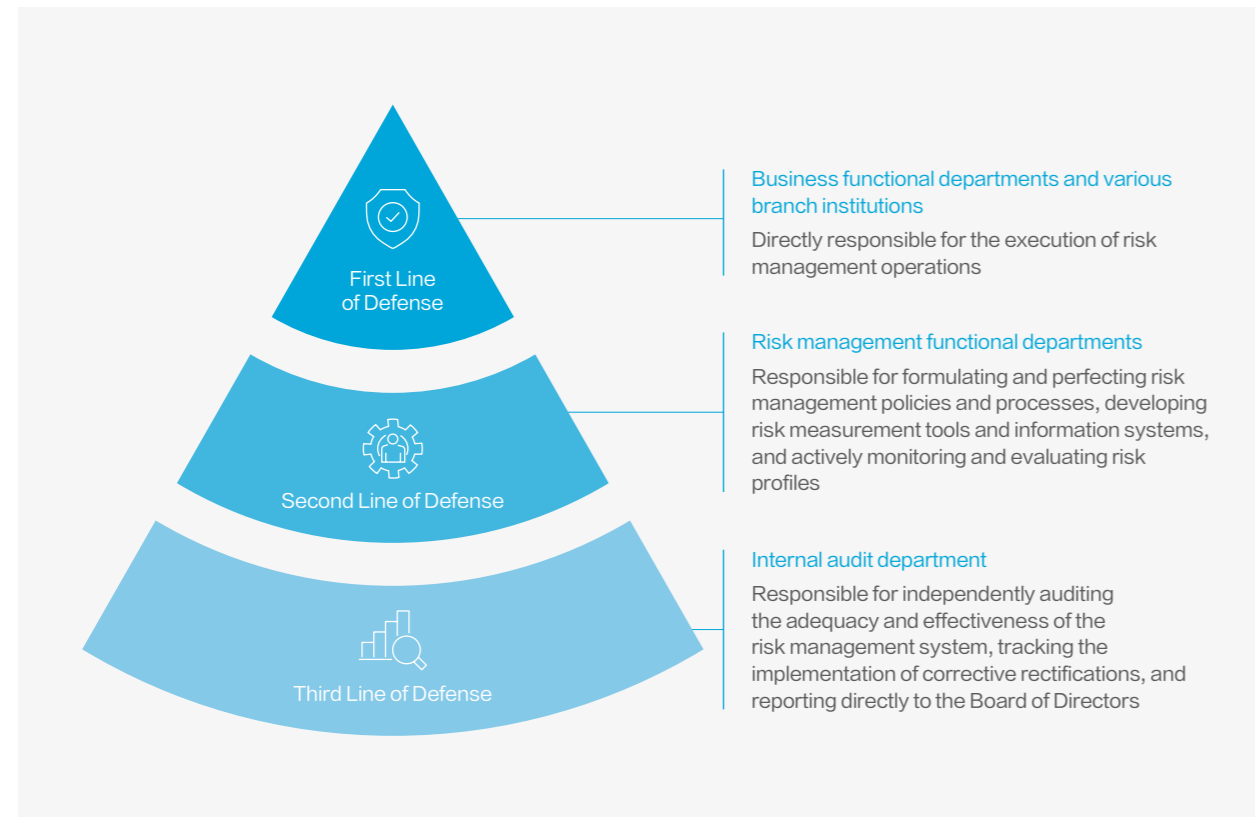
Risk Management Organizational Structure



Management Model

Grounded in the "Three Lines of Defense" framework for risk management, the Bank constructed a multi-tiered and multi-dimensional risk management model. Employing a methodology that combines qualitative and quantitative analyses, the Bank systematically identifies, evaluates, monitors, and controls an array of risks. These encompass credit risk, market risk, operational risk, liquidity risk, interest rate risk in the banking book (IRRBB), concentration risk, strategic risk, reputational risk, legal risk, money laundering risk, and climate risk.

"Three Lines of Defense" in Risk Management



Risk Management Audit

The Bank conducts both routine and specialized audits, executing systematic inspections across critical domains such as credit risk, market risk, and liquidity risk. This enables a comprehensive assessment of the adequacy and effectiveness of risk management systems, operational workflows, and overall execution. The Bank's audit framework is anchored in identifying latent risks, uncovering deficiencies, and driving the implementation of necessary rectifications. This catalyzes the continuous optimization of the risk management system and elevates both the granularity and efficacy of the Bank-wide risk management apparatus.

Prevention of Emerging Risks

In 2025, the Bank conducted a systematic assessment of emerging risks. By profoundly analyzing and anticipating the potential impacts within domains such as climate change and technological iteration, and by deploying targeted mitigation measures, the Bank comprehensively elevated its risk resilience, thereby providing a robust guarantee for the steady operation of its business.

Emerging Risk Area	Risk Type	Risk Description	Response Measures
Climate Change Risk	Environmental	<ul style="list-style-type: none"> Extreme weather events, such as typhoons and floods, may force the Bank's business outlets to suspend operations and could damage certain financial infrastructure. This not only escalates the Bank's daily operational costs but also poses a potential threat to the personal safety of both employees and customers. Extreme climate events may severely disrupt customers' normal production and operations, leading to business interruptions, supply chain blockages, and damage to fixed assets. Consequently, the risk of customer asset impairment increases, accompanied by a corresponding rise in the probability of default. The sustained elevation of global temperatures and sea levels may drive up production costs for customers in specific industries and regions, diminish output efficiency, and ultimately squeeze their profitability. In particular, agriculture-related assets in regions such as the Yangtze River Delta face relatively prominent physical climate risks, which subsequently exert negative impacts on the quality and safety of the Bank's relevant assets. 	<ul style="list-style-type: none"> Regarding operational management, the Bank established a disaster weather emergency response system and constituted a specialized emergency response team. It clearly delineates the disaster prevention responsibilities across various departments and positions, perfects emergency contingency plans, and provisions essential disaster prevention materials and equipment. The Bank regularly conducts disaster prevention training and simulation drills to enhance employees' emergency response capabilities. Targeting common disasters like typhoons and floods, the Bank instituted an inspection mechanism to promptly identify and eliminate hidden hazards, striving to minimize disaster-induced losses. Regarding the asset business, the Bank has already begun incorporating physical climate risks into its overarching risk management framework. It has successfully completed the physical climate risk assessment for agriculture-related assets in the Yangtze River Delta region, conducting in-depth analyses of the potential detriments that extreme climate events could inflict upon local agricultural production and enterprise operations. Moving forward, the Bank will heavily focus on the initiatives undertaken by agriculture-related customers in the Yangtze River Delta such as water-saving irrigation, drought and flood resistance, and wind and disaster mitigation. By guiding these clients to enhance their agricultural adaptability and disaster resistance, the Bank ensures the safety and stability of its financial assets.
Technology Ethics Risk	Technological	<ul style="list-style-type: none"> The research, development, and application of emergent technologies such as artificial intelligence (AI), algorithmic models, and big data are accompanied by multi-dimensional technology ethics risks. For instance, algorithmic bias can easily lead to inequitable decision-making; massive data interactions exacerbate hidden risks of privacy breaches; and large model technologies face inherent challenges, including poor interpretability, logical "hallucinations", and a lack of underlying transparency. 	<ul style="list-style-type: none"> Adhering to the principles of fairness, transparency, and controllability, the Bank continuously perfects its model management system. Prior to the deployment of new models and algorithms, the Bank strictly executes reviews to assess ethical and moral risks alongside the effectiveness of designated prevention and control measures. Additionally, it regularly conducts network and information security assessments on IT-related outsourcing activities. For detailed information regarding the Bank's technology ethics management, please refer to the "Digital Finance - Technology Ethics Management" section of this Report.

Construction of Risk Culture

The Bank places high importance on cultivating an all-staff risk culture. By establishing a tiered and categorized risk management training system and utilizing diversified training programs, the Bank stays closely aligned with frontier trends and policy shifts within the risk management sphere. This continuously elevates the risk awareness and professional competencies of all employees, providing robust support for the perpetual optimization of the Bank-wide risk management standards.

The Bank employs a hybrid approach combining online and offline modalities to execute multi-dimensional training and ideological advocacy. Targeted at branch relationship managers, personnel within the risk business line, investment and risk management staff for bonds and derivatives, business continuity liaisons, and personnel from the Head Office Risk Management Department, the Bank conducts multiple thematic risk management training sessions. The curriculum covers areas including credit allocation policies, operational risk, green finance, model management, internal ratings, bond investment and trading, financial derivatives trading, and business continuity management, among others. In 2025, the Bank executed 30 diverse risk management training sessions, recording 5,119 participations and accumulating 10,087 hours of training.



The Risk Management Department of the Head Office conducts specialized training

Procurement Management

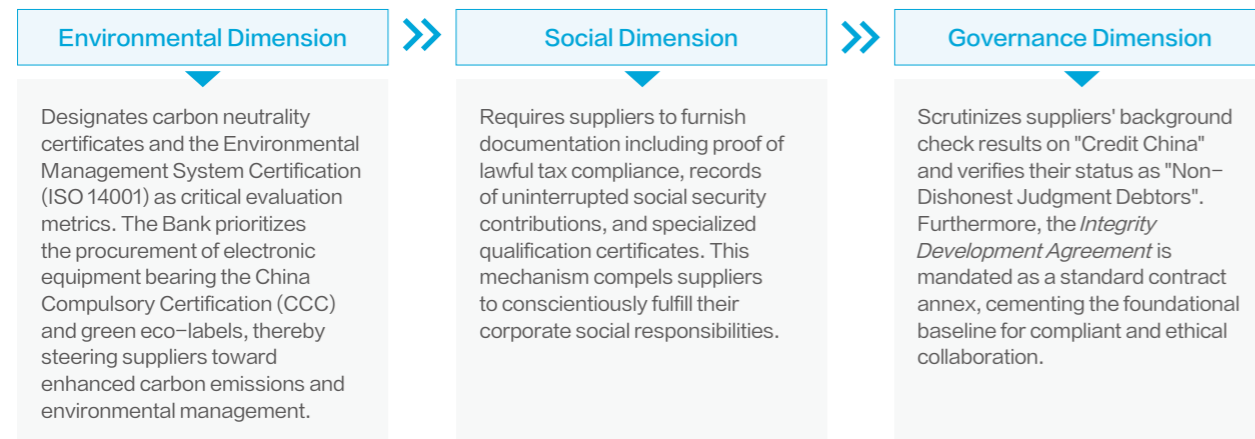
The Bank is dedicated to forging an open, transparent, standardized, and efficient procurement system. By formulating policy frameworks such as the Measures for the Management of Centralized Procurement, the Detailed Implementation Rules for Centralized Procurement, the Measures for the Management of Daily Small-Value Procurement (Trial), and the Measures for the Management of Suppliers, the Bank strictly standardizes procurement workflows and supplier management protocols. A Centralized Procurement Center has been established to organize and execute procurement management and implementation, as well as to supervise and guide the centralized procurement activities across all branches and sub-branches.

The Bank implements full-lifecycle procurement management and amplifies technological empowerment. By deploying a procurement management system, it elevates the level of digitalization and intelligence, boosts procurement efficiency, tightens cost controls, and effectively preempts operational risks. In 2025, the Bank officially became a founding member of the China Supplier ESG Rating Platform. As the inaugural commercial bank among the founding members, it actively participated in the platform's development, contributing the unique strength of the Rural Commercial Bank to the cultivation of a sustainable supply chain ecosystem.

The Bank conducts rigorous supplier admission reviews by embedding ESG criteria, encompassing environmental protection, resource conservation, employee rights, and compliance and integrity. This proactive identification of associated risks serves to drive responsible procurement practices.

Supplier Admission Review

Core Checkpoints for Responsible Procurement Review Environmental Dimension



The Bank persistently conducts risk monitoring and on-site inspections for incumbent suppliers. By enforcing rigorous contract performance risk controls, it ensures the continuity and stability of relevant business operations.

The Bank conducts performance evaluations centered on metrics such as supplier service quality, delivery timeliness, professional competence, and after-sales service. Concurrently, it conducts annual anti-corruption advocacy campaigns targeted at key suppliers, collaboratively fostering a pristine procurement environment.

The Bank implements classified management for supplier misconduct. Suppliers engaged in severe misconduct such as submitting fraudulent materials, colluding to manipulate bids, offering bribes for illicit gains, or engaging in unauthorized private negotiations, are blacklisted and barred from participating in the Bank's procurement activities for a period of three years. For suppliers involved in general misconduct, their eligibility to participate is suspended for 3 to 12 months, commensurate with the severity of the infraction.

Supplier Performance Monitoring

Supplier Evaluation and Optimization

The Bank has established a formal appeal mechanism. Suppliers facing penalties for misconduct may contest the decision and submit substantive evidentiary materials via a standardized appeal process. The relevant departments within the Bank will rigorously execute review and resolution procedures in strict accordance with established regulations, ensuring that the legitimate rights and interests of suppliers are fully safeguarded.

Safeguarding the Rights and Interests of Small and Medium-sized Enterprises (SMEs)

The Bank strictly honors its obligation for prompt payment, thereby safeguarding the legitimate rights and interests of its suppliers. In 2025, the Bank recorded zero instances of payment arrears to SME suppliers.

Governance Performance Data

Indicator Name	Unit	2025	2024	2023
Corporate Governance				
Number of Board of Directors members	/	14	15	16
Number of executive directors	/	2	2	2
Number of non-executive directors	/	7	8	8
Number of independent directors	/	5	5	6
Number of male directors	/	9	11	11
Number of female directors	/	5	4	5
Proportion of external directors	%	79	80	88
Number of Board of Directors meetings	/	8	8	8
Average attendance rate at Board of Directors meetings	%	93	97	96
Number of director training sessions	/	5	7	6
Compliance and Business Ethics				
Coverage rate of business ethics training (including dispatched employees and contractors)	%	100	100	100
Number of anti-money laundering (AML) training sessions	/	22	12	16
Participations in anti-money laundering (AML) training	Person-times	5,228	4,019	2,595
Number of compliance and case prevention cautionary education training sessions	/	5	15	12
Participations in compliance and case prevention cautionary education training	Person-times	9,882	9,894	9,248
Hours of compliance and case prevention cautionary education training	Hours	24,624	/	/
Supplier Management				
Supplier screening coverage rate	%	100	100	100
Total number of suppliers	/	1,587	942	756
Number of domestic suppliers	/	1,585	940	754
Number of overseas suppliers	/	2	2	2

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 2600276 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《2025 年度可持续发展报告》（以下简称“《可持续发展报告》”）中选定信息的报告

一、结论

我们对截至 2025 年 12 月 31 日及截至 2025 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《可持续发展报告》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
绿色信贷余额 (亿元)	截至 2025 年 12 月 31 日
总行大楼外购电力 (万千瓦时)	截至 2025 年 12 月 31 日止年度
营业办公纸张消耗量 (吨)	截至 2025 年 12 月 31 日止年度
涉农贷款余额 (亿元)	截至 2025 年 12 月 31 日
科技贷款余额 (亿元)	截至 2025 年 12 月 31 日
信息科技投入金额 (亿元)	截至 2025 年 12 月 31 日止年度
营业网点数量 (个)	截至 2025 年 12 月 31 日
女性员工人数 (人)	截至 2025 年 12 月 31 日
女性管理人员人数 (人)	截至 2025 年 12 月 31 日
公益慈善捐赠金额 (万元)	截至 2025 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 2025 年 12 月 31 日及截至 2025 年 12 月 31 日止年度上海农商银行《可持续发展报告》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.

毕马威华振会计师事务所(特殊普通合伙) — 中国合伙制会计师事务所，是与毕马威国际有限公司(现美国私营担保有限公司)相关的独立成员所全球网络中的成员。



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 2600276 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 2600276 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 2600276 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：2026 年 4 月 22 日

附录：可持续发展信息编制基础

绿色信贷余额（亿元）：可持续发展报告披露的绿色信贷余额是指截至 2025 年 12 月 31 日，上海农商银行依据《中国人民银行上海市分行转发调整绿色贷款专项统计内容的通知》（上海银发〔2025〕21 号）口径统计的绿色信贷表内余额。统计范围为总行及各分支机构。

总行大楼外购电力（万千瓦时）：可持续发展报告披露的总行大楼外购电力是指 2025 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。

营业办公纸张消耗量（吨）：可持续发展报告披露的营业办公纸张消耗量是指 2025 年度上海农商银行总行大楼与张江中心园区的营业办公纸张消耗总量，数据来源于每月订购及入库记录。

涉农贷款余额（亿元）：可持续发展报告披露的涉农贷款余额是截至 2025 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。统计范围为总行及各分支机构。

科技贷款余额（亿元）：可持续发展报告披露的科技贷款余额是截至 2025 年 12 月 31 日，上海农商银行根据《金融“五篇大文章”总体统计制度统计指标》（上海银发〔2025〕45 号）口径统计的科技贷款表内余额。统计范围为总行及各分支机构。

附录：可持续发展信息编制基础（续）

信息科技投入金额（亿元）：可持续发展报告披露的信息科技投入金额是指 2025 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》口径统计的信息科技投入。统计范围为总行及各分支机构。

营业网点数量（个）：可持续发展报告披露的营业网点数量是指截至 2025 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。

女性员工人数（人）：可持续发展报告披露的女性员工人数是指截至 2025 年 12 月 31 日，上海农商银行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）：可持续发展报告披露的女性管理人员人数是指截至 2025 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。

公益慈善捐赠金额（万元）：可持续发展报告披露的公益慈善捐赠金额是指 2025 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。

Content Index

Index to the *Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards)*

Statement of use	Shanghai Rural Commercial Bank has reported in accordance with the GRI Standards for the period from January 1, 2025, to December 31, 2025.
GRI 1 uesd	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location of Disclosure
General Disclosures		
	Disclosure 2-1 Organisational details	About Us – Company Profile
	Disclosure 2-2 Entities included in the organisation's sustainability reporting	About the Report
	Disclosure 2-3 Reporting period, frequency, and contact point	About the Report
	Disclosure 2-4 Restatements of information	Environmental Performance Data – Green Finance Social Performance Data – Finance for "Agriculture, Rural Areas, and Farmers" ("ARF"), Technology Finance
	Disclosure 2-5 External assurance	Independent Assurance Report
	Disclosure 2-6 Activities, value chain and other business relationships	About the Report
	Disclosure 2-7 Employees	Social – Human Capital Development Social Performance Data – Employee Employment, Employee Turnover, Employee Welfare, Safeguarding Employee Rights and Interests, Occupational Health and Safety, Employee Training
	Disclosure 2-8 Workers who are not employees	Social – Human Capital Development Social Performance Data – Employee Employment
	Disclosure 2-9 Governance structure and composition	Governance – Corporate Governance
	Disclosure 2-10 Nomination and selection of the highest governance body	Governance – Corporate Governance
	Disclosure 2-11 Chair of the highest governance body	Governance – Corporate Governance
	Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	Governance – Corporate Governance
	Disclosure 2-13 Delegation of responsibility for managing impacts	Governance – Corporate Governance
	Disclosure 2-14 Role of the highest governance body in sustainability reporting	Sustainability Strategy and Management – Governance Structure
	Disclosure 2-15 Conflicts of interest	Governance – Corporate Governance
	Disclosure 2-16 Communication of critical concerns	Governance – Corporate Governance
	Disclosure 2-17 Collective knowledge of the highest governance body	Sustainability Strategy and Management – Governance Structure Governance – Corporate Governance
	Disclosure 2-18 Evaluation of the performance of the highest governance body	Governance – Corporate Governance

GRI 2:
General
Disclosures
2021

GRI Standard	Disclosure	Location of Disclosure
	Disclosure 2-19 Remuneration policies	Social – Human Capital Development Governance – Corporate Governance
	Disclosure 2-20 Process to determine remuneration	Governance – Corporate Governance
	Disclosure 2-22 Statement on sustainable development strategy	Sustainability Strategy and Management – Strategic Philosophy
	Disclosure 2-23 Policy commitments	Sustainability Strategy and Management – Strategic Philosophy, Responsibility Objectives, Governance Structure, Domains of Responsibility
	Disclosure 2-24 Embedding policy commitments	Sustainability Strategy and Management – Strategic Philosophy, Responsibility Objectives, Governance Structure, Domains of Responsibility
	Disclosure 2-25 Processes to remediate negative impacts	Governance – Business Ethics Management (Corporate Behavior)
	Disclosure 2-26 Mechanisms for seeking advice and raising concerns	Sustainability Strategy and Management – Stakeholder Engagement
	Disclosure 2-27 Compliance with laws and regulations	Governance – Business Ethics Management (Corporate Behavior)
	Disclosure 2-28 Membership associations	About Us – Company Profile
	Disclosure 2-29 Approach to stakeholder engagement	Sustainability Strategy and Management – Stakeholder Engagement
	Disclosure 2-30 Collective bargaining agreements	Social – Human Capital Development
Material Topics		
	Disclosure 3-1 Process to determine material topics	Sustainability Strategy and Management – Management of Material Issues
	Disclosure 3-2 List of material topics	Sustainability Strategy and Management – Management of Material Issues
	Disclosure 3-3 Management of material topics	Sustainability Strategy and Management – Domains of Responsibility, Management of Material Issues
Biodiversity		
	Disclosure 101-1 Policies to halt and reverse biodiversity loss	Environmental – [Featured Report on Biodiversity] Guarding the Beauty of Nature, Jointly Building an Ecological Civilization
	Disclosure 101-2 Management of biodiversity impacts	Environmental – [Featured Report on Biodiversity] Guarding the Beauty of Nature, Jointly Building an Ecological Civilization
	Disclosure 101-3 Access and benefit-sharing	Environmental – [Featured Report on Biodiversity] Guarding the Beauty of Nature, Jointly Building an Ecological Civilization
	Disclosure 101-4 Identification of biodiversity impacts	Environmental – [Featured Report on Biodiversity] Guarding the Beauty of Nature, Jointly Building an Ecological Civilization
	Disclosure 101-5 Locations with biodiversity impacts	Environmental – [Featured Report on Biodiversity] Guarding the Beauty of Nature, Jointly Building an Ecological Civilization
	Disclosure 101-6 Direct drivers of biodiversity loss	Environmental – [Featured Report on Biodiversity] Guarding the Beauty of Nature, Jointly Building an Ecological Civilization
	Disclosure 101-7 Changes to the state of biodiversity	Environmental – [Featured Report on Biodiversity] Guarding the Beauty of Nature, Jointly Building an Ecological Civilization
	Disclosure 101-8 Ecosystem services	Environmental – [Featured Report on Biodiversity] Guarding the Beauty of Nature, Jointly Building an Ecological Civilization

GRI 2:
General
Disclosures
2021

GRI 3:
Material Topics
2021

GRI 101:
Biodiversity
2024

GRI Standard	Disclosure	Location of Disclosure
Economic Performance		
GRI 201: Economic Performance 2016	Disclosure 201-1 Direct economic value generated and distributed	About Us – Company Profile
	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	Environmental – Tackling Climate Change (Environmental Financing Impact)
	Disclosure 201-3 Defined benefit plan obligations and other retirement plans	Social – Human Capital Development
Indirect Economic Impacts		
GRI 203: Indirect Economic Impacts 2016	Disclosure 203-1 Infrastructure investments and services supported	Social – Serving the Real Economy, Serving Rural Revitalization, Technology Finance, Inclusive Finance, Pension Finance, Social Public Welfare and Charity Social Performance Data – Finance for "Agriculture, Rural Areas, and Farmers" ("ARF"), Inclusive Finance, Supporting Private Enterprises, Technology Finance, Public Welfare and Charity
	Disclosure 203-2 Significant indirect economic impacts	Social – Serving the Real Economy, Serving Rural Revitalization, Technology Finance, Inclusive Finance, Pension Finance, Social Public Welfare and Charity Social Performance Data – Finance for "Agriculture, Rural Areas, and Farmers" ("ARF"), Inclusive Finance, Supporting Private Enterprises, Technology Finance, Public Welfare and Charity
Procurement Practices		
GRI 204: Procurement Practices 2016	Disclosure 204-1 Proportion of spending on local suppliers	Governance Performance Data – Supplier Management
Anti-corruption		
GRI 205: Anti-corruption 2016	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	Governance – Business Ethics Management (Corporate Behavior)
	Disclosure 205-3 Confirmed incidents of corruption and actions taken	Governance – Business Ethics Management (Corporate Behavior)
Anti-Competitive Practices		
GRI 206: Anti-Competitive Behaviour 2016	Disclosure 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Governance – Business Ethics Management (Corporate Behavior)
Tax		
GRI 207: Tax 2019	Disclosure 207-1 Approach to Tax	Governance – Business Ethics Management (Corporate Behavior)
	Disclosure 207-2 Tax Governance, Controls and Risk Management	Governance – Business Ethics Management (Corporate Behavior)
	Disclosure 207-3 Stakeholder Engagement and Management of Concerns Related to Tax	Sustainability Strategy and Management – Stakeholder Engagement Governance – Business Ethics Management (Corporate Behavior)
Materials		
GRI 301: Materials 2016	Disclosure 301-1 Materials used by weight or volume	Environmental Performance Data – Energy and Resource Use, Green Office
Energy		
GRI 302: Energy 2016	Disclosure 302-1 Energy consumption within the organisation	Environmental Performance Data – Energy and Resource Use
	Disclosure 302-2 Energy consumption outside of the organisation	Environmental Performance Data – Energy and Resource Use
	Disclosure 302-3 Energy intensity	Environmental Performance Data – Energy and Resource Use

GRI Standard	Disclosure	Location of Disclosure
GRI 302: Energy 2016	Disclosure 302-4 Reduction of energy consumption	Environmental Performance Data – Green Operations
	Disclosure 302-5 Reductions in energy requirements of products and services	Environmental Performance Data – Green Finance, Green Operations
Water and Effluents		
GRI 303: Water and Effluents 2018	Disclosure 303-1 Interactions with water as a shared resource	Environmental Performance Data – Green Operations
	Disclosure 303-2 Management of water discharge-related impacts	Environmental Performance Data – Green Operations
	Disclosure 303-3 Water withdrawal	Environmental Performance Data – Energy and Resource Use
Emissions		
GRI 305: Emissions 2016	Disclosure 305-1 Direct (Scope 1) GHG emissions	Environmental Performance Data – Greenhouse Gas (GHG) Emissions
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	Environmental Performance Data – Greenhouse Gas (GHG) Emissions
	Disclosure 305-3 Other indirect (Scope 3) GHG emissions	Environmental Performance Data – Greenhouse Gas (GHG) Emissions
	Disclosure 305-4 GHG emissions intensity	Environmental Performance Data – Greenhouse Gas (GHG) Emissions
	Disclosure 305-5 Reduction of GHG emissions	Environmental Performance Data – Greenhouse Gas (GHG) Emissions
Waste		
GRI 306: Waste 2020	Disclosure 306-1 Waste generation and significant waste-related impacts	Environmental – Green Operations
	Disclosure 306-2 Management of significant waste-related impact	Environmental – Green Operations
	Disclosure 306-3 Waste generated	Environmental Performance Data – Waste Management
	Disclosure 306-4 Waste diverted from disposal	Environmental Performance Data – Waste Management
Supplier Environmental Assessment		
GRI 308: Supplier Environmental Assessment 2016	Disclosure 308-1 New suppliers that were screened using environmental criteria	Governance – Procurement Management
	Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken	Governance – Procurement Management
Employment		
GRI 401: Employment 2016	Disclosure 401-1 New employee hires and employee turnover	Social Performance Data – Employee Employment
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social – Human Capital Development
	Disclosure 401-3 Parental leave	Social – Human Capital Development
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018	Disclosure 403-1 Occupational health and safety management system	Social – Human Capital Development
	Disclosure 403-3 Occupational health services	Social – Human Capital Development
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	Social – Human Capital Development
	Disclosure 403-5 Worker training on occupational health and safety	Social – Human Capital Development
	Disclosure 403-6 Promotion of worker health	Social – Human Capital Development
	Disclosure 403-9 Work-related injuries	Social Performance Data – Occupational Health and Safety
	Disclosure 403-10 Work-related ill health	Social – Human Capital Development

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GRI Standard	Disclosure	Location of Disclosure
Training and Education		
GRI 404: Training and Education 2016	Disclosure 404-1 Average hours of training per year per employee	Social Performance Data – Employee Training
	Disclosure 404-2 Programmes for upgrading employee skills and transition assistance programs	Social – Human Capital Development
	Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	Social – Human Capital Development
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	Disclosure 405-1 Diversity of governance bodies and employees	Social – Human Capital Development Social Performance Data – Employee Employment
Non-discrimination		
GRI 406: Non-discrimination 2016	Disclosure 406-1 Incidents of discrimination and corrective actions taken	Social – Human Capital Development
Child Labour		
GRI 408: Child Labour 2016	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labour	Social – Human Capital Development
Forced or Compulsory Labour		
GRI 409: Forced or Compulsory Labour 2016	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Social – Human Capital Development
Local Communities		
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	Social – [Featured Report] Empowering Social Governance: The "Xin Jia Yuan" Public Welfare Service Project, Social Public Welfare and Charity
Supplier Social Assessment		
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	Governance – Procurement Management Governance Performance Data – Supplier Management
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	Governance – Procurement Management
Marketing and Labelling		
GRI 417: Marketing and Labelling 2016	Disclosure 417-1 Requirements for product and service information and labelling	Social – Consumer Rights Protection
Customer Privacy		
GRI 418: Customer Privacy 2016	Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social – Data Security and Privacy Protection

Dimension	S/N	Issue	Corresponding Article(s)	Location of Disclosure
Environment	1	Climate change tackling	Articles 21	Environmental – Tackling Climate Change (Environmental Financing Impact)
			Articles 22	Environmental – Tackling Climate Change (Environmental Financing Impact)
			Articles 23	Environmental – Tackling Climate Change (Environmental Financing Impact)
			Articles 24	Environmental Performance Data – Greenhouse Gas (GHG) Emissions
			Articles 25	Environmental Performance Data – Greenhouse Gas (GHG) Emissions
			Articles 26	Environmental Performance Data – Greenhouse Gas (GHG) Emissions
			Articles 27	Environmental – Tackling Climate Change (Environmental Financing Impact), Green Finance, Green Operations
			Articles 28	Environmental – Green Finance, Green Operations
Society	2	Pollutant discharge	Article 30	Environmental – Green Operations
			Article 31	Environmental – Green Operations
			Article 32	Environmental – [Featured Report on Biodiversity] Guarding the Beauty of Nature, Jointly Building an Ecological Civilization
			Article 33	Environmental – Green Operations
			Article 35	Environmental – Green Operations Environmental Performance Data – Energy and Resource Use
			Article 36	Environmental – Green Operations Environmental Performance Data – Energy and Resource Use
			Article 37	Environmental – Green Operations Environmental Performance Data – Waste Management
			Article 39	Social – Serving Rural Revitalization, Social Public Welfare and Charity Social Performance Data – Finance for "Agriculture, Rural Areas, and Farmers" ("ARF")
			Article 40	Social – [Featured Report] Empowering Social Governance: The "Xin Jia Yuan" Public Welfare Service Project, Social Public Welfare and Charity Social Performance Data – Public Welfare and Charity
			Article 42	Social – Digital Finance
Sustainability-related governance	3	Waste disposal	Article 43	Social – Digital Finance
			Article 45	Governance – Procurement Management
			Article 46	Governance – Procurement Management
			Article 47	Social – Consumer Rights Protection
			Article 48	Social – Data Security and Privacy Protection
			Article 50	Social – Human Capital Development
			Article 52	Sustainability Strategy and Management – Management of Material Issues
			Article 53	Sustainability Strategy and Management – Stakeholder Engagement
			Article 55	Governance – Business Ethics Management (Corporate Behavior)
			Article 56	Governance – Business Ethics Management (Corporate Behavior)

Index of Shanghai State-owned Listed Companies ESG Indicator System (2026 Edition)

Level 1 indicator	Level 2 indicator	Level 3 indicator		Disclosure requirements	Location of Disclosure
		Code	Name		
E Environment	E1 Environmental management	E1.1	Environmental management targets and policies	Mandatory disclosure	Environmental – Tackling Climate Change (Environmental Financing Impact), Green Operations
		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	Environmental – Green Finance, Green Operations
		E1.4	Green product or service revenue	Disclosure encouraged	Environmental – Green Finance
		E1.5	Explain if not disclosed	Explain if not disclosed	Not Applicable
		E1.6	Environmental training performance	Explain if not disclosed	Environmental – Green Operations
		E1.7	Environmental event risk assessment and prevention	Disclosure encouraged	Environmental – Tackling Climate Change (Environmental Financing Impact)
		E1.8	Environmental violations and criminal cases	Explain if not disclosed	Environmental – Green Operations
		E1.9	Circular economy development	Explain if not disclosed	Environmental – Green Operations
	E2 Energy	E2.1	Energy management objectives and planning	Explain if not disclosed	Environmental – Tackling Climate Change (Environmental Financing Impact)
		E2.2	Energy saving measures	Explain if not disclosed	Environmental – Green Operations
		E2.3	Renewable energy development and application	Explain if not disclosed	Environmental – Green Operations
		E2.4	Total energy consumption	Mandatory disclosure	Environmental Performance Data – Energy and Resource Use
		E2.5	Energy consumption intensity	Mandatory disclosure	Environmental Performance Data – Energy and Resource Use
	E3 Water Energy	E3.1	Water resource objectives and planning	Explain if not disclosed	Environmental – Green Operations
		E3.2	Water conservation measures	Explain if not disclosed	Environmental – Green Operations
		E3.3	Annual water consumption	Mandatory disclosure	Environmental Performance Data – Energy and Resource Use
		E3.4	Water intensity	Mandatory disclosure	Environmental Performance Data – Energy and Resource Use
		E3.5	Water resource recycling volume	Disclosure encouraged	Not Applicable
	E4 Pollutants	E4.1	Wastewater management objectives and planning	Mandatory disclosure	Not Applicable
		E4.2	Wastewater reduction measures	Explain if not disclosed	Not Applicable
		E4.3	Wastewater pollutant emissions	Explain if not disclosed	Not Applicable
		E4.4	Wastewater Pollutant Emission Intensity	Explain if not disclosed	Not Applicable
		E4.5	Waste Gas Management Goals and Plans	Mandatory disclosure	Not Applicable
		E4.6	Measures to Reduce Waste Gas Emissions	Explain if not disclosed	Not Applicable
		E4.7	Waste Gas Pollutant Emissions	Explain if not disclosed	Not Applicable
		E4.8	Waste gas pollutant emission intensity	Explain if not disclosed	Not Applicable

Level 1 indicator	Level 2 indicator	Level 3 indicator		Disclosure requirements	Location of Disclosure	
		Code	Name			
E Environment	E4 Pollutants	E4.9	Solid waste management goals and plans	Mandatory disclosure	Environmental – Green Operations	
		E4.10	Solid waste disposal measures	Explain if not disclosed	Environmental – Green Operations	
		E4.11	Hazardous solid waste disposal measures	Explain if not disclosed	Environmental – Green Operations	
		E4.12	Solid waste emissions	Explain if not disclosed	Environmental Performance Data – Waste Management	
		E4.13	Solid waste emission intensity	Explain if not disclosed	Not Applicable	
		E4.14	Solid waste recycling, utilization, disposal volume	Explain if not disclosed	Not Applicable	
		E4.15	Other pollutant management	Explain if not disclosed	Not Applicable	
	E5 Climate Change	E5.1	Climate change management	Explain if not disclosed	Environmental – Tackling Climate Change (Environmental Financing Impact)	
		E5.2	Measures supporting national "carbon peaking and carbon neutrality" goals	Explain if not disclosed	Environmental – Tackling Climate Change (Environmental Financing Impact)	
		E5.3	Carbon verification/measurement measures	Disclosure encouraged	Environmental – Tackling Climate Change (Environmental Financing Impact)	
		E5.4	Greenhouse gas emissions (scope 1)	Explain if not disclosed	Environmental Performance Data – Greenhouse Gas (GHG) Emissions	
		E5.5	Greenhouse gas emissions (scope 2)	Explain if not disclosed	Environmental Performance Data – Greenhouse Gas (GHG) Emissions	
		E5.6	Greenhouse gas emissions (scope 3)	Disclosure encouraged	Environmental Performance Data – Greenhouse Gas (GHG) Emissions	
		E5.7	Greenhouse gas emission intensity	Explain if not disclosed	Environmental Performance Data – Greenhouse Gas (GHG) Emissions	
	E6 Biodiversity	E6.1	Biodiversity protection system	Mandatory disclosure	Environmental – [Featured Report on Biodiversity] Guarding the Beauty of Nature, Jointly Building an Ecological Civilization	
		E6.2	Biodiversity protection measures	Explain if not disclosed	Environmental – [Featured Report on Biodiversity] Guarding the Beauty of Nature, Jointly Building an Ecological Civilization	
	S Social	S1 Brand value management	S1.1	Brand strategic planning and resource guarantee	Mandatory disclosure	Governance – Business Ethics Management (Corporate Behavior)
			S1.2	Product service quality management system and standard construction	Mandatory disclosure	Social – Consumer Rights Protection
			S1.3	New brand incubation and old brand renewal	Explain if not disclosed	Social – Serving Rural Revitalization, Green Finance, Technology Finance, Pension Finance
			S1.4	Core technology driven brand premium	Explain if not disclosed	Social – Digital Finance
			S1.5	Brand satisfaction and loyalty	Mandatory disclosure	Social – Consumer Rights Protection Social Performance Data – Consumer Rights Protection
			S1.6	Brand global performance	Explain if not disclosed	Not Applicable
			S1.7	Brand public welfare	Mandatory disclosure	Social – [Featured Report] Empowering Social Governance: The "Xin Jia Yuan" Public Welfare Service Project, Social Public Welfare and Charity
			S1.8	Brand protection	Mandatory disclosure	Governance – Business Ethics Management (Corporate Behavior)

Level 1 indicator	Level 2 indicator	Level 3 indicator		Disclosure requirements	Location of Disclosure
		Code	Name		
S Social	S2 Products & Services	S2.1	Information security	Explain if not disclosed	Social – Data Security and Privacy Protection
		S2.2	Customer privacy protection	Mandatory disclosure	Social – Data Security and Privacy Protection
		S2.3	Responsible marketing	Explain if not disclosed	Social – Consumer Rights Protection
		S2.4	Product and service accessibility	Disclosure encouraged	Social – [Featured Report] Enhancing the Accessibility of Financial Services
		S2.5	Customer complaint handling	Explain if not disclosed	Social – Consumer Rights Protection
		S2.6	Customer complaint volume / complaint rate	Disclosure encouraged	Social Performance Data – Consumer Rights Protection
		S2.7	Product R&D and innovation	Explain if not disclosed	Social – Digital Finance
		S2.8	R&D investment amount	Disclosure encouraged	Social Performance Data – Digital Finance
		S2.9	R&D intensity	Disclosure encouraged	Social Performance Data – Digital Finance
		S2.10	Number of R&D personnel	Disclosure encouraged	Social Performance Data – Digital Finance
		S2.11	Intellectual property protection	Explain if not disclosed	Governance – Business Ethics Management (Corporate Behavior)
		S2.12	Number of valid patents	Disclosure encouraged	Governance – Business Ethics Management (Corporate Behavior)
		S2.13	Compliance with scientific and ethical norms	Disclosure encouraged	Social – Digital Finance
	S3 Employee Responsibility	S3.1	Employee employment and composition	Mandatory disclosure	Social – Human Capital Development Social Performance Data – Employee Employment
		S3.2	Employee rights protection	Explain if not disclosed	Social – Human Capital Development
		S3.3	Employee turnover rate	Explain if not disclosed	Social – Human Capital Development Social Performance Data – Employee turnover rate
		S3.4	Employee democratic management	Explain if not disclosed	Social – Human Capital Development
		S3.5	Salary and welfare system	Explain if not disclosed	Social – Human Capital Development
		S3.6	Employee care	Explain if not disclosed	Social – Human Capital Development
		S3.7	Employee satisfaction	Disclosure encouraged	Social – Human Capital Development Social Performance Data – Safeguarding Employee Rights and Interests
		S3.8	Employment absorption situation	Explain if not disclosed	Social – Human Capital Development Social Performance Data – Employee Employment
		S3.9	Establishment of reasonable and effective employee appeal system	Explain if not disclosed	Social – Human Capital Development
		S3.10	Employee occupational health and safety management	Mandatory disclosure	Social – Human Capital Development
S3.11	Certification of occupational health and safety management system	Disclosure encouraged	Not Applicable		
S3.12	Safety emergency management measures	Explain if not disclosed	Social – Human Capital Development		
S3.13	Total work safety investment	Explain if not disclosed	Social Performance Data – Occupational Health and Safety		

Level 1 indicator	Level 2 indicator	Level 3 indicator		Disclosure requirements	Location of Disclosure	
		Code	Name			
S Social	S3 Employee Responsibility	S3.14	Work safety training performance	Explain if not disclosed	Social Performance Data – Occupational Health and Safety	
		S3.15	Work-related injury and death	Explain if not disclosed	Social Performance Data – Occupational Health and Safety	
		S3.16	Employee physical examination coverage rate	Explain if not disclosed	Social Performance Data – Employee Welfare	
		S3.17	Employee career development system	Mandatory disclosure	Social – Human Capital Development	
		S3.18	Employee training and practical measures	Explain if not disclosed	Social – Human Capital Development Social Performance Data – Employee Training	
		S3.19	Effectiveness of employee development	Explain if not disclosed	Social – Human Capital Development	
		S4 Supply Chain Responsibility	S4.1	Supplier management system	Mandatory disclosure	Governance – Procurement Management
			S4.2	Supply chain security and stability assurance	Disclosure encouraged	Governance – Procurement Management
			S4.3	Leading coordinated development of private and small and medium-sized enterprises	Disclosure encouraged	Governance – Procurement Management
	S4.4		Supplier ESG management	Disclosure encouraged	Governance – Procurement Management	
	S5 Corporate Responsibility	S5.1	Serve national strategy or regional development	Mandatory disclosure (distinct indicator)	Social – Serving the Real Economy	
		S5.2	"Five major Articles" on finance	Mandatory disclosure (distinct indicator)	Environmental – Green Finance Social – Serving Rural Revitalization, Technology Finance, Inclusive Finance, Pension Finance, Digital Finance	
		S5.3	Community relations	Explain if not disclosed (distinct indicator)	Social – [Featured Report] Empowering Social Governance: The "Xin Jia Yuan" Public Welfare Service Project, Social Public Welfare and Charity Social Performance Data – Public Welfare and Charity	
		S5.4	Public service	Explain if not disclosed (distinct indicator)	Social – [Featured Report] Empowering Social Governance: The "Xin Jia Yuan" Public Welfare Service Project, Social Public Welfare and Charity Social Performance Data – Public Welfare and Charity	
		S5.5	Public crisis response	Explain if not disclosed (distinct indicator)	Not Applicable	
		S5.6	Tax contribution	Explain if not disclosed (distinct indicator)	Governance – Business Ethics Management (Corporate Behavior)	
		S5.7	Promote common prosperity	Explain if not disclosed (distinct indicator)	Social – Serving Rural Revitalization	
	G Governance	G1 Corporate governance	G1.1	Party leadership integrated into corporate governance	Explain if not disclosed (distinct indicator)	Governance – Corporate Governance
			G1.2	Proportion of independent directors	Mandatory disclosure	Governance Performance Data – Corporate Governance

Level 1 indicator	Level 2 indicator	Level 3 indicator		Disclosure requirements	Location of Disclosure		
		Code	Name				
G1 Corporate governance		G1.3	Compliance management system	Mandatory disclosure	Governance – Business Ethics Management (Corporate Behavior)		
		G1.4	Risk management system	Mandatory disclosure	Governance – Risk Management		
		G1.5	Audit system	Mandatory disclosure	Governance – Business Ethics Management (Corporate Behavior), Risk Management		
		G1.6	Measures to avoid business ethics violations	Explain if not disclosed	Governance – Business Ethics Management (Corporate Behavior)		
		G1.7	Business ethics training performance	Explain if not disclosed	Governance Performance Data – Compliance and Business Ethics		
		G1.8	Anti-monopoly and fair competition	Explain if not disclosed	Governance – Business Ethics Management (Corporate Behavior)		
		G1.9	Whistleblower protection policy	Explain if not disclosed	Governance – Business Ethics Management (Corporate Behavior)		
		G1.10	Integrity operation and credit system construction	Explain if not disclosed	Governance – Business Ethics Management (Corporate Behavior)		
		G2 ESG Governance		G2.1	Board involvement in ESG management	Mandatory disclosure	Sustainability Strategy and Management – Governance Structure
				G2.2	ESG organizational framework	Mandatory disclosure	Sustainability Strategy and Management – Governance Structure
G2.3	ESG strategies/objectives			Explain if not disclosed	Sustainability Strategy and Management – Strategic Philosophy		
G2.4	ESG stakeholder identification			Disclosure encouraged	Sustainability Strategy and Management – Stakeholder Engagement		
G2.5	Identification of material ESG issues			Disclosure encouraged	Sustainability Strategy and Management – Management of Material Issues		
G2.6	ESG-related policies			Mandatory disclosure	Sustainability Strategy and Management – Governance Structure, Domains of Responsibility		
G2.7	Stakeholder engagement activities			Disclosure encouraged	Sustainability Strategy and Management – Stakeholder Engagement		
G2.8	Linking management remuneration with ESG performance			Disclosure encouraged	Governance – Corporate Governance		
G2.9	ESG integration into business processes			Disclosure encouraged	Environmental – Tackling Climate Change (Environmental Financing Impact)		
G2.10	ESG professional skills and competencies			Disclosure encouraged	Environmental – Green Finance Governance – Corporate Governance		
G2.11	ESG information reporting mechanism			Mandatory disclosure	About the Report		
G2.12	ESG third-party evaluation			Disclosure encouraged	Independent Assurance Report		
G2.13	ESG digital construction			Disclosure encouraged	Not Applicable		
G2.14	Promote overseas institutions to strengthen ESG practices			Disclosure encouraged	Not Applicable		
G3 Data Governance		G3.1	Foundational platform development	Disclosure encouraged (distinct indicator)	Social – Digital Finance		
		G3.2	Data aggregation and interoperability	Disclosure encouraged (distinct indicator)	Social – Digital Finance, Data Security and Privacy Protection		
		G3.3	Data governance system	Disclosure encouraged (distinct indicator)	Social – Data Security and Privacy Protection		

Feedback Form

Dear Readers,

Thank you for taking the time out of your busy schedule to read this report. In order to better provide valuable information to you and other stakeholders, while driving the continuous improvement of our environmental, social, and governance (ESG) practices, we earnestly hope that you can provide your valuable opinions on this report and share your feedback with us through the following channels:

Tel: 021-61899333

Email: ir@shrcb.com

Address: 9/F, No. 70 Zhongshan East 2nd Road, Huangpu District, Shanghai

Contact: Board of Directors Office, Shanghai Rural Commercial Bank

1. Which category of stakeholder do you belong to?

- Shareholders and investors
 Customers
 Employees
 Government and regulatory authorities
 Suppliers and partners
 Communities
 Public media
 Others

2. Is your overall evaluation of this report satisfactory?

- Yes
 Average
 No

3. Do you believe this report comprehensively reflects Shanghai Rural Commercial Bank's performance in environmental, social, and governance aspects?

- Yes
 Average
 No

4. Do you consider the information, data, and indicators disclosed in this report to be clear, accurate, and complete?

- Yes
 Average
 No

5. Do you find the content arrangement and layout design of this report to be well-organized, easy to understand, and reader-friendly?

- Yes
 Average
 No

6. What other suggestions do you have regarding Shanghai Rural Commercial Bank's report preparation and fulfillment of social responsibilities?

We sincerely thank you for your support and assistance to Shanghai Rural Commercial Bank.



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