



Responsible Banking Progress Statement for PRB Signatories

Summary

[Shanghai Rural Commercial Bank] 2025

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
Content Briefly describe your bank’s sustainability strategy, and which international, regional or national frameworks and UN Sustainable Development Goals it aims to align with. Note any changes in the reporting year. Response: The Bank has embedded the sustainability concept deeply into the top-level design of its strategy, has publicly committed to aligning its business strategy with the Paris Agreement and with China’s carbon peaking and carbon neutrality goals, and has proactively conducted impact analysis and target setting. The Bank actively draws on domestic and international sustainable finance frameworks. In terms of information disclosure, the Bank reports in accordance with the <i>Corporate Sustainability Disclosure Standards – Basic Standard (Trial)</i> and <i>Corporate Sustainability Disclosure Standard No. 1 – Climate (Trial)</i> issued by the Ministry of Finance of China, the <i>Guidelines for Sustainability-Related Information Disclosure by Financial Institutions (Trial)</i> issued by the	Content Briefly describe the bank’s most significant impact areas and the steps taken to identify, measure and manage them—including impact analysis results, targets set (including sectors, portfolio coverage, and KPIs), actions taken, and progress against the targets. Where targets have been set, share details of the bank’s transition/action plan, and progress made. Explain how the bank addressed interlink-ages between impact areas where possible. Example Progress Indicators ▪ % of bank’s portfolio covered by the impact analysis and each set target ▪ Updated values of KPIs defined by bank to measure progress against targets Response: Drawing on key national policies and on the results of the UNEP FI impact analysis tool, the Bank has identified four significant and relevant impact areas: availability of resources and services, climate stability, biodiversity and the circular economy. These areas correspond to SDG 9 (Industry,	Content Briefly describe how the bank works responsibly with clients and customers in relation to significant impacts, including products and services offered, internal policies and processes and engagement to implement targets/action plans/transition plans to encourage sustainable practices/economic activities. Note any changes in the reporting year. Example Progress Indicators ▪ % of clients and/or customers engaged in key sectors in areas of significant impact. ▪ USD or CNY sustainable finance volume mobilized and/or as a percentage of the global or sector portfolio Response: Through a range of products and services, the Bank supports climate change mitigation, promotes the transition of the real economy, progressively improves the measurement of environmental benefits, supports the integration of rural revitalization with low-carbon development and actively explores biodiversity finance. For details, please refer to the Supplements.

People's Bank of China, the United Nations Sustainable Development Goals (SDGs), and <i>IFRS S1 General Requirements for the Disclosure of Sustainability-related Financial Information</i> and <i>IFRS S2 Climate-related Disclosures</i> issued by the International Sustainability Standards Board (ISSB), together with other domestic and international standards and frameworks. In response to national policy, the Bank has formulated the <i>Green Finance Development Strategy of Shanghai Rural Commercial Bank for 2021 - 2025</i> and the <i>Work Plan of Shanghai Rural Commercial Bank for Carbon Peaking and Carbon Neutrality during the 14th Five-Year Plan Period</i>.	Innovation and Infrastructure), SDG 11 (Sustainable Cities and Communities), SDG 14 (Life Below Water) and SDG 15 (Life on Land) of the United Nations Sustainable Development Goals (SDGs). On the basis of the impact analysis, the Bank has selected green finance and inclusive finance as its impact areas, has adopted the outstanding balance of green loans and the outstanding balance of inclusive loans to micro and small enterprises as its key indicators, and has set quantitative targets in its development strategy. As at the end of 2025, the Bank's outstanding green loans amounted to RMB 68.757 billion and its outstanding inclusive loans to micro and small enterprises to RMB 92.831 billion. For further details of the impact analysis, the actions taken and the monitoring of progress, please refer to the Supplements.	As at the end of 2025, the Bank had 26.4014 million individual customers (excluding credit card customers) and 335,200 corporate customers. Outstanding green loans amounted to RMB 68.757 billion, up by 10.36% from the end of the previous year; outstanding inclusive loans to micro and small enterprises amounted to RMB 92.831 billion, up by 7.18% from the end of the previous year; and the number of inclusive micro and small enterprise borrowers reached 59,600, up by 14.50% from the end of the previous year.
Links & references <i>Shanghai Rural Commercial Bank 2025 Annual Report</i> https://en.shrcb.com/shrcb-en/annual_report/annual_report/index.shtml <i>Shanghai Rural Commercial Bank 2025 Sustainability Report</i> https://en.shrcb.com/shrcb-en/annual_report/esg/f07e142a-2.shtml	Links & references <i>Shanghai Rural Commercial Bank 2025 Annual Report</i> <i>Shanghai Rural Commercial Bank 2025 Sustainability Report</i>	Links & references <i>Shanghai Rural Commercial Bank 2025 Annual Report</i> <i>Shanghai Rural Commercial Bank 2025 Sustainability Report</i>

Principle 4: Stakeholders	Principle 5: Governance & Culture	Principle 6: Transparency & Accountability
Content Briefly describe how the bank consults, engages and collaborates/partners with relevant stakeholders for the purpose of implementing the Principles. This could include understanding impacts, setting ambitious targets, advocating for enabling regulatory/policy environments, and creating partner- ships that contribute to addressing significant impacts. Note any changes in the reporting year. Response: The Bank actively promotes a business environment for sustainable finance by taking part in international conferences, engaging in exchanges with domestic peers and publishing research reports. In June 2025, the Bank took part in the UNEP FI Regional Roundtable Asia Pacific and delivered a keynote address on the theme of upholding responsible banking commitments and jointly building a sustainable financial future. For further details of stakeholder engagement in research and exchange activities, please refer to the Supplements.	Content Briefly describe the key governance structures in place (Board and Executive level) and related accountability mechanisms to implement the Principles. This could include how governance structure supports your bank’ s management of significant impacts and risks, including target implementation and monitoring of action/transition plans. In addition, briefly describe how a culture of responsible banking is driven internally (e.g. via employee learning & development). Note any changes or progress in the reporting period. Example Progress Indicators ▪ Details of remuneration practices linked to sustainability targets. ▪ % of employees trained on responsible banking topics. Response: The Bank has established a three-tier sustainability governance structure comprising the governance level, the management level and the execution level, and continues to improve the top-level design and organizational arrangements for green finance and inclusive finance. For further details of corporate governance efforts, please refer to the	Content Provide reference to additional relevant reports, if not listed as references with P1 – P5. Briefly note whether/where assurance of sustain- ability information has been undertaken (optional).

	Supplements.	
Links & references <i>Shanghai Rural Commercial Bank 2025 Annual Report</i> <i>Shanghai Rural Commercial Bank 2025 Sustainability Report</i>	Links & references <i>Shanghai Rural Commercial Bank 2025 Annual Report</i> <i>Shanghai Rural Commercial Bank 2025 Sustainability Report</i>	Links & references

Supplements

Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

Links & references

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The Bank was listed on the A-share market on 19 August 2021, becoming a company listed on the Main Board of the Shanghai Stock Exchange (stock abbreviation: SHRCB; stock code: 601825). As at the end of December 2025, the Bank operated 362 branches and sub-branches, of which 355 were located in Shanghai; across the 108 townships of Shanghai, the Bank operated 243 outlets, has covered basically all towns and villages. The Group's total assets amounted to RMB 1,587.666 billion, deposits taken (principal) to RMB 1,140.032 billion and total loans and advances to RMB 773.001 billion.

The Bank operates in the financial sector. Its business scope covers the commercial banking activities approved by the People's Bank of China and the banking regulatory authority, principally: taking deposits from the public; granting short-, medium- and long-term loans; handling domestic and international settlement; handling the acceptance and discounting of bills; acting as agent for the issuance and redemption of government bonds and underwriting them; trading in government bonds and financial bonds; inter-bank borrowing and lending; bank card services; foreign currency deposits, foreign currency loans, foreign currency remittances, international settlement, interbank foreign currency lending, and credit investigation, consultancy and attestation services; agency collection and payment services and agency insurance services; safe deposit box services; financial leasing; other business approved by the National Financial Regulatory Administration; and foreign exchange settlement and sales. As a regional bank headquartered in Shanghai, the Bank extends its loans mainly in the Shanghai area. As

at the end of 2025, the Bank's corporate loans were mainly concentrated in real estate, leasing and business services, and manufacturing.

The Bank gives full play to its financial strengths, adheres to the concept of sustainable development and focuses on the goal of high-quality development, supports strategic emerging industries and the development of the real economy, vigorously advances green finance, comprehensively deepens the construction of its management systems, actively promotes the development of green business and steadily increases its positive environmental and social impact, and draws on its service strengths in agriculture, rural areas and farmers, micro and small enterprises, scientific and technological innovation and community finance to fulfill its responsibilities in inclusive finance.

In response to key national policies, the Bank has formulated the *Green Finance Development Strategy of Shanghai Rural Commercial Bank for 2021 – 2025* and the *Work Plan of Shanghai Rural Commercial Bank for Carbon Peaking and Carbon Neutrality during the 14th Five-Year Plan Period*, aiming to build a financial services system for sustainable development featuring green finance with focus on key areas such as green agriculture, energy, energy conservation and environmental protection, manufacturing and construction, to establish a sound long-term mechanism serving the development of a green, low-carbon and circular economy, and to set out a detailed work plan in support of the national carbon peaking and carbon neutrality goals, thereby providing comprehensive guidance for and advancing the Bank's practice and development in green finance and environmental protection.

Strategy alignment

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Right (UNGPs), the forthcoming instrument on plastic etc.

Include any other national and/or regional frameworks that your has a strategy to align with where relevant.

Links & references

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The Bank has embedded the sustainability concept deeply into the top-level design of its strategy, has publicly committed to aligning its business strategy with the Paris Agreement and with China's carbon peaking and carbon neutrality goals, and has proactively carried out impact analysis and target setting.

The Bank's material disclosures follow the *Corporate Sustainability Disclosure Standards – Basic Standard (Trial)* and *Corporate Sustainability Disclosure Standard No. 1 – Climate (Trial)* issued by the Ministry of Finance of China, the *Guidelines for Sustainability-Related Information Disclosure by Financial Institutions (Trial)* issued by the People's Bank of China, and the *Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Report (Trial)* issued by the Shanghai Stock Exchange. The Bank also refers to the United Nations Sustainable Development Goals (SDGs), the *Global Reporting Initiative (GRI) Sustainability Reporting Standards (2021)*, and *IFRS S1 General Requirements for the Disclosure of Sustainability-related Financial Information*

and *IFRS S2 Climate-related Disclosures* issued by the International Sustainability Standards Board (ISSB).

Principle 2: Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target-setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), as part of its initial or ongoing impact analysis.

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The Bank uses the latest version of the UNEP FI impact analysis tool, combined with key domestic policies, to identify its significant impact areas systematically. On the basis of the results generated by the tool, the composition of the Bank's portfolio (covering principally real estate, manufacturing and wholesale and retail) and the policy context (such as the carbon accounting requirements of the People's Bank of China and green finance policies), four significant and relevant impact areas have been identified: availability of resources and services, climate stability, biodiversity and the circular economy. These areas correspond to SDG 9 (Industry, Innovation and Infrastructure), SDG 11 (Sustainable Cities and Communities), SDG 14 (Life Below Water) and SDG 15 (Life on Land) of the United Nations Sustainable Development Goals (SDGs).

In the area of climate stability, the Bank's principal potential negative risks arise from the real estate and manufacturing sectors. It should be noted, however, that within manufacturing, the Bank is engaged in equipment manufacturing related to new energy (wind, solar and biomass power), so that the positive impact is expected to be greater than the initial results generated by the tool. To manage climate risk, the Bank continues to measure carbon emissions at asset level, conducts climate stress testing of high-carbon industries and assesses the physical risks of credit bond issuers. Through its business policies, the Bank encourages customers to reduce emissions and restricts lending to high-emission industries; in line with the documents of the People's Bank of China and the methodology of the Partnership for Carbon Accounting Financials (PCAF), attribution factors are used to apportion the carbon emissions of credit assets. Measurement is based on the ESG and sustainability reports of listed companies and on data such as energy

consumption, product output and operating income, from which emission factors are derived; carbon accounting is then carried out for those corporate loans for which data are available. In the area of availability of resources and services, the Bank plans to expand its positive impact by strengthening its support for inclusive finance and thereby improving the coverage and accessibility of resources and services. Biodiversity and the circular economy have likewise been identified as significant impact areas, and financial support in these areas will be scaled up in line with business realities.

According to the Interlinkages Map of the impact analysis tool, the Bank has confirmed that climate stability and availability of resources and services are relatively independent impact areas, with no evident negative correlation or synergy between them. This finding enables the Bank to manage the two areas independently when setting targets and to avoid conflicts between targets. Overall, with the support of the UNEP FI impact analysis and of financed-emissions accounting, the Bank is able to identify, prioritize and measure systematically the most significant positive and negative impacts associated with its portfolio, and to establish clear priority areas for target setting.

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#).

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Since President Xi Jinping announced the strategic goals of carbon peaking and carbon neutrality in September 2020, China has continued to adjust its industrial and energy structures and to promote green, environmentally friendly and low-carbon ways of living, and the green and low-carbon transition has become one of the central orientations of economic development. In 2025, the People's Bank of China, the National Financial Regulatory Administration and the China Securities Regulatory Commission jointly issued the *Catalogue of Projects Supported by Green Finance (2025 Edition)*, which for the first time unified the standards applicable to green financial products. In addition, the *Implementation Opinions on Promoting the High-Quality Development of Inclusive Finance*, issued by the State Council in October 2023, call for improved products and services in the key areas of inclusive finance, support for the sustainable development of micro and small business entities, effective implementation of the national rural revitalization strategy, better financial services in areas affecting people's livelihoods, and the creation of a sound ecosystem for the high-quality development of inclusive finance. Accordingly, on the basis of the impact analysis and key national policies, the Bank has set targets for the outstanding balances of green loans and of inclusive loans, which are monitored regularly and publicly disclosed.

Progress is as follows:

In terms of business development, as at the end of 2025 the Group's total green financial services exceeded RMB 100 billion, of which outstanding green loans amounted to RMB 68.757 billion, an increase of 10.36% on the end of the previous year. Outstanding inclusive loans to micro and small enterprises amounted to RMB 92.831 billion, an increase of 7.18%, while the number of inclusive micro and small enterprise borrowers reached 59,600, an increase of 14.50%.

In terms of management systems, the Bank continues to improve the top-level design and organizational structure for green finance and to advance the development of green finance throughout the Bank from the top down. The Strategic, ARF (agriculture, rural areas, and farmers) and Sustainable Development (ESG) Committee under the Board of Directors provides guidance on the overall advancement of green finance and environmental protection. At senior management level, the ESG Work Leading Group has been established, with a Green Finance Working Group under it, so as to strengthen overall leadership of green finance work on an ongoing basis. A dedicated green finance section has been set up within the relevant head office department to drive the development of green finance across the Bank. The Bank has also improved its management system for inclusive business in order to enable development, implementing the policy requirements of the State and the regulatory authorities concerning inclusive finance. It has established a sound institutional framework for inclusive finance and is promoting the transition of inclusive finance from scale expansion to high-quality and sustainable development. Resource allocation has been optimized, with continued preferential allocation of resources to inclusive loans to micro and small enterprises, and a multidimensional, differentiated performance assessment system has been refined so as to fully stimulate the intrinsic motivation of front-line staff to serve inclusive finance.

In addition, the Bank actively supports its green finance and inclusive finance work through its organizational structure, product and service innovation, risk management, digital transformation and staff training.

Principle 3: Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Client and Customer engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

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Through a range of products and services, the Bank supports climate change mitigation, promotes the transition of the real economy, supports the integration of rural revitalization with low-carbon development and actively explores biodiversity finance. Selected examples of good practice are set out below:

I. Green finance

The Bank issued Shanghai's first climate loan, supporting the green development of agriculture-related enterprises. In November 2025, working with the Meteorological Bureau of Jinshan District, Shanghai, the Bank granted Shanghai's first climate loan to Cooperative A in Jinshan District. The loan draws on the *Evaluation Standards for Climate-Friendly Enterprises and Agriculture-Related Business Entities in Jinshan District*, under which a composite assessment system of basic and supplementary climate-related criteria translates an enterprise's capacity to respond to meteorological disasters and similar events into quantifiable and assessable indicators. The indicators cover the monitoring of, early warning of and response capacity for meteorological disasters, disaster-prevention infrastructure, economic management systems, carbon emission intensity and the application of green production technologies, among other dimensions. The assessment results serve as an important basis for setting the interest rate and the amount of the loan, effectively alleviating the long-standing difficulties enterprises face in obtaining loans and in providing eligible collateral or pledges.

The Bank issued Shanghai's first loan secured by a pledge of water abstraction rights, activating water resources as a living asset. In May 2025, working with the Shanghai water authorities, the Bank innovatively brought water abstraction rights within the scope of bank pledges and credit enhancement, granting Shanghai's first loan of RMB 45.5 million secured by a pledge of water abstraction rights. Using a sustainability-linked loan structure, the Bank priced the customer's water abstraction rights on the basis of annual abstraction volume and market value, and linked the loan interest rate to the surplus water withdrawal volume. The Bank confirms with the water authorities at regular intervals whether the customer's water use quota is being met; where the surplus water withdrawal volume

exceeds the agreed level, the Bank reduces the interest rate for the customer, further lowering the financial cost of the customer's water-saving transition.

The Bank has continued to increase its investment in green bonds, and its current holdings cover green financial bonds, green medium-term notes, green enterprise bonds and green corporate bonds. The proceeds of these bonds are widely applied to green industrial projects that meet the requirements of the *Catalogue of Projects Supported by Green Bonds (2025 Edition)* and the standards of the *Common Ground Taxonomy*, with a focus on the power, transport, energy, construction and environmental protection sectors, supporting the Belt and Road Initiative, the response to climate change, biodiversity conservation and development of projects in emerging green sectors.

The Bank actively explores climate finance in order to help customers respond to climate change proactively. In July 2025, in cooperation with the Shanghai Financial Meteorological Innovation Centre, the Bank issued China's first structured deposit product linked to the Yangtze River Delta daily temperature index, which was launched at the meteorological session of the World Artificial Intelligence Conference. The product employs an innovative structure combining a meteorological index with derivatives, under which returns are positively linked to the Yangtze River Delta daily temperature index, helping customers in agriculture-related and other specific sectors to effectively hedge and mitigate the risks arising from extreme weather.

The Bank is active in green bond underwriting, helping issuers to support major national projects and livelihood projects related to environmental protection. Transactions underwritten include a green bond of the China Development Bank supporting green infrastructure upgrading; a green bond of the Agricultural Development Bank of China themed on a green and beautiful Jiangsu; China's first green bond meeting the standards of the updated *Common Ground Taxonomy*; and a green bond themed on support for national reserve forest development.

The Bank issued a biodiversity loan to support improved animal welfare in modern agriculture and animal husbandry. An agricultural and animal husbandry technology company designated as a national core pig breeding farm and a central pork reserve base applies the concepts of green circularity and sustainable development throughout the pig farming value chain and, in 2025, received China's first Animal-Friendly Farm Grading Certificate for Pigs, safeguarding the healthy growth of its livestock across five welfare dimensions. In recognition of the enterprise's outstanding performance in animal protection and green production, the Bank granted it a biodiversity loan.

II. Inclusive finance

In support of rural revitalization, the Bank has used credit resources to finance the construction of the 40 MW fishery-photovoltaic complementary project at Haiwan Yihotang, Fengxian District. The project adopts an integrated model combining power generation above water with aquaculture below. Once completed, it is expected to generate more than 50 million kWh of electricity a year and to reduce carbon dioxide emissions by an average of 49,000 tonnes a year, while raising output value per unit area of the fish ponds by 300%, so that green agriculture drives prosperity based on green energy, and both ecological and economic benefits are achieved.

In support of development of modern agriculture, and in line with Shanghai's deployment for upgrading of modernization in protected agriculture, the Bank worked with the municipal financing guarantee center to innovate and launch, in December 2025, Shanghai's first fixed-asset loan for protected agriculture under an agricultural guarantee scheme, providing critical funding for HY Flower Cooperative to upgrade its intelligent glass greenhouses. The product offers flexible loan tenors, shares risk through policy-based guarantees and improves service efficiency through a dedicated bank-guarantee green

channel. Once in operation, the project is expected to shorten the flower growth cycle by more than 25 days, raise the premium-quality rate to 95% and save more than RMB 4 million a year in costs, providing a replicable financing model for high-standard farmland, cold-chain logistics and similar fields.

Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

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1. Green finance

In responding to climate change, the Bank has built a green finance FPA service system centered on green credit, green bonds, green retail banking, green investment banking and green leasing, providing customers with comprehensive financial solutions in local and foreign currencies, both on and off-balance sheet, with the aim of creating a one-stop green finance service platform. Green credit comprises basic products (green project loans, green liquidity loans and others), specialized products (water-saving loans, carbon emission reduction support tools, SHEA-pledged financing, CCER-pledged financing, pollutant discharge rights mortgage loans and others), green supply chain products (green bill discounting, green letters of credit, green factoring and others) and green fund management (green asset pools, green treasury management and green split-account and settlement).

In support of biodiversity, the Bank actively explores and develops more suitable financial products and services in order to provide funding for biodiversity conservation projects. As one of 36 Chinese banks that have joined the *Joint Declaration of Banking Financial Institutions in Support of Biodiversity Conservation*, the Bank actively implements the Post-2020 Global Biodiversity Framework, continues to raise the strategic importance of biodiversity conservation and harnesses the power of finance to promote eco-friendly, sustainable, green and inclusive development. In the *Credit Policy of Shanghai Rural Commercial Bank for 2025*, the Bank has strengthened its support for green-finance initiatives, explicitly supporting development in biodiversity and requiring close attention to customers' performance in environmental protection, energy conservation and carbon reduction, cleaner production, the circular economy and biodiversity, so as to strengthen the management of customers' environmental, social and governance (ESG) risks and guard against systemic transition risk.

2. Inclusive finance

With regard to agriculture, rural areas and farmers, the Bank has taken solid steps to

advance its agriculture-related financial services, supporting comprehensive rural revitalization by improving institutional safeguards, strengthening the financial ecosystem for agriculture-related customer segments and enabling the development of the rural collective economy. The bank has introduced a dedicated subsidy policy for agriculture-related loans and continues to direct financial resources towards agriculture-related areas. The Bank has deepened its support for the high-quality development of agriculture-related customers, made every effort to extend financial coverage to new types of agricultural business entities, and innovated agriculture-related financial products and services with a focus on key areas such as germplasm and seed sources.

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

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The bank upholds an open and inclusive attitude, actively expanding diversified communication channels for stakeholder dialogue, and listening carefully to government and regulatory authorities, customers, investors and shareholders, employees, suppliers and partners, and the wider public. By developing a full understanding of stakeholders' expectations and concerns, the Bank responds to them in a timely and effective manner through its concrete sustainability practice. Details of the channels and forms of engagement are set out in the Sustainability Report (Chapter III, Sustainability Strategy and Management – (V) Stakeholder Engagement).

The Bank has achieved notable results in sustainable finance. The major awards received in 2025 include the Best Practice Case in Corporate Sustainability of Listed Companies 2025, conferred by the China Association for Public Companies; the Outstanding Institution in Green Finance Services in Shanghai's Banking Sector 2025, conferred by the Shanghai Banking Association; a place among the Top 10 City Commercial Banks and Rural Financial Institutions for green debt financing instruments, conferred by the National Association of Financial Market Institutional Investors; and the Advanced Collective in Carbon Peaking, Carbon Neutrality, Energy Conservation and Emission Reduction in Huangpu District, Shanghai 2024, conferred by the Development and Reform Commission of Huangpu District, Shanghai.

The Bank has established regular communication mechanisms with regulatory authorities, industry associations and research institutions, focusing on key issues such as green finance and transition finance, and takes an active part in research projects in green finance, bringing rural-commercial-bank insights to discussions on emerging industry topics.

In May 2025, the Bank supported the development of the habitat community in Xinjing Town, Changning District, Shanghai, and gave its name to the Shanghai Rural Commercial Bank Habitat Museum. The project is an important vehicle for regional ecological governance and nature conservation and has been selected as one of the United Nations Biodiversity 100+ Global Typical Cases. The Bank has also established the Xin Jia Yuan public welfare service demonstration station within the museum and actively works with the community to hold regular themed activities such as nature education and lectures on environmental protection. In June, the Bank took part in the UNEP FI Regional Roundtable Asia Pacific and delivered a keynote address on the theme of upholding responsible banking commitments and jointly building a sustainable financial future. In October, the Bank attended the 2025 Sustainable Global Leaders Conference and delivered a keynote address on the development of Shanghai's five centers and on sustainable economic and social development.

Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Governance Structure for Implementation of the Principles

Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

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The Bank has established a three-tier sustainability governance structure comprising the governance level, the management level and the execution level. The Board of Directors is the highest decision-making body for ESG management; The Strategic, ARF (agriculture, rural areas, and farmers) and Sustainable Development (ESG) Committee under the Board of Directors provides overall leadership and coordination of the Bank's ESG work. At management level, the ESG Work Leading Group reviews and decides upon material ESG matters and advances key work under the ESG agenda; under it, a Green Finance Working Group advances green finance risk management and business development, carries out policy research, formulates strategic plans, targets and roadmaps, and decides on important matters such as resource allocation and incentive mechanisms. A green finance section has been established within the relevant head office department, responsible for the day-to-day management and coordinated advancement of green finance and environmental (climate) work. The Bank has also strengthened credit support in its credit extension and allocation policy for key areas such as green agriculture and rural development, new energy, the green and intelligent transformation of the petrochemical industry, and ecosystem and biodiversity conservation, and has refined the key control points for environmental and climate risk, thereby helping to build new drivers of green development and to green the development model. For details, see the Sustainability Report (Chapter III, Sustainability Strategy and Management – (III) Governance Structure; and Chapter IV, Environment – (I) Responding to Climate Change – 1. Governance).

The Bank has incorporated services for rural revitalization into its strategic plan, which has been 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 considering and reviewing proposals relating to rural revitalization and for supervising and evaluating the implementation of the rural revitalization strategy. The Bank has set up a leading group for its grid-based rural revitalization financial task force, headed by a member of the Bank's senior management, which coordinates the building of the grid-based teams, provides guidance on the delivery of grid-based financial services for rural revitalization and on the development of the related channels, and discusses, reviews and decides important

matters concerning organizational structure, rules and procedures and resource allocation that arise in the course of this work. For details, see the Sustainability Report (Chapter V, Society – (II) Serving Rural Revitalization – 1. Governance).

Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Links & references

Shanghai Rural Commercial Bank 2025 Sustainability Report

Response

The Bank has established a sound system for developing specialist talent in green finance, expanding its green finance workforce through institutional arrangements, training, examinations and other means. It has issued the *Implementation Rules for the Green Finance Specialist Talent Pool*, which clarify the division of responsibilities and establish a system for developing specialist expertise. The Bank has developed seven core courses covering, among other topics, the state of the green finance market, policy interpretation and typical cases, together with supporting test materials, which are delivered in a targeted manner to staff across the Bank through an online platform in support of the high-quality development of green finance.

The Bank's sustainable finance training covers both senior management and staff. Training on green finance business has been conducted at a number of branches and sub-branches, with sub-branches invited to share their experience through internal exchanges. In 2025, the Bank held a series of comprehensive green finance themed training sessions, with cumulative attendance exceeding 2400, and conducted in-depth analysis on the new green identification standards and the difficulties involved. The Bank also held an ESG theme day, structured around the training theme of concept, awareness and action, which used interactive activities such as an ESG concept exhibition and an ESG knowledge blind-box challenge to strengthen Bank-wide identification with ESG principles and deepen staff awareness of ESG risk.

In addition, the Bank takes an active part in PRB activities at international and domestic levels. It has joined the UNEP FI Asia-Pacific Nature Reporting Preparer Forum, the Chinese Version Industry Materiality Impact Matrix Research Group and the PRB 2025 Policy Analysis Working Group, contributing actively to discussions and putting forward proposals, and thereby contributing Chinese expertise to the development of sustainable finance worldwide.

Risk and due diligence processes and policies

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

Links & references

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The Bank continues to improve its management of environmental risks and opportunities, refining the processes for identifying, assessing and managing climate-related risks, embedding the review and assessment of environmental and social risks in the end-to-end credit management process and continuously improving the admission and early-warning system for ESG risk in credit bonds, thereby steadily enhancing its environmental risk management capability.

In credit management, the Bank has incorporated environmental risk management requirements into the pre-lending, during-lending and post-lending stages, strengthening risk control throughout due diligence, review and approval, and post-lending management, and improving the quality and efficiency of environment-related risk management. At the post-lending stage, for example, the *Management Provisions for Post-lending Inspection of Corporate Credit Extension Business by Shanghai Rural Commercial Bank* expressly require routine inspections to cover whether the borrower complies with national environmental policies in respect of energy consumption, pollutant discharge, chemical and waste management, and safety and health management.

The Bank has issued the *Credit Risk Management Measures of Shanghai Rural Commercial Bank*, which requires a sound system for managing customers' ESG risk, with classified management and dynamic assessment of such risk and the application of assessment results throughout the three checks of the lending process, credit pricing and economic capital allocation. For customers presenting potentially significant ESG risk, targeted risk mitigation and management measures are applied.

The Bank strives to build a multidimensional customer ESG assessment model covering all industries. Drawing on mainstream international ESG rating frameworks and domestic regulatory guidance, and taking account of its own customer structure and business characteristics, the Bank has established an indicator system covering the three dimensions of environmental performance, fulfilling of social responsibility and corporate governance level, resulting in a six-grade ESG risk rating system capable of fine-grained differentiation, which effectively strengthens the identification, measurement and control of customers' non-financial risks.

The Bank has also introduced authoritative ESG ratings data for credit bond issuers from the external publicly available market, assessing issuers across the environmental, social and governance dimensions in order to strengthen pre-investment risk identification, credit review during investment and post-investment risk management, to identify and guard against hidden non-financial risks of issuers and to identify high-quality customers with sustainable development potential. Building on the ESG ratings assigned to credit bond issuers by several widely recognized ESG rating agencies, the Bank has established a negative ESG screening mechanism to guard against ESG risk in its investments.

In terms of exploration of risk quantification, the Bank has for four consecutive years conducted transition risk stress tests for high-carbon industries on its own initiative, using scenario simulation and sensitivity analysis to assess customers' credit and default risk under the delayed-transition scenario of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), in preparation for forward-looking risk management. Under the stress scenario for 2025 – 2060, the overall credit risk of the Bank's customers in high-emission industries and of certain customers covered by the emissions trading scheme rises, but the impact on the Bank's capital adequacy ratio is limited and the risk is generally controllable. For details, see the Sustainability Report (Chapter IV, Environment – (I) Responding to Climate Change – 3. Impact, Risk and Opportunity Management).

Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report