



盛京銀行
SHENGJING BANK

Shengjing Bank Co., Ltd.*

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 02066



2023

環境、社會及管治報告
ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

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About This Report

1. Description of the Report

This is the eighth *Environmental, Social and Governance Report* (“ESG Report” or “this Report”) issued by Shengjing Bank Co., Ltd. (“Shengjing Bank”, “the Bank”, “we”) since 2016. This report reflects the Bank’s environmental, social and governance (“ESG”) performance in 2023.

2. Reporting Basis

This report is based on the disclosure requirements of the *Environmental, Social and Governance Reporting Guidelines* of the Stock Exchange of Hong Kong Limited and takes into account the *Guidance on Social Responsibility (ISO 26000)* of the International Organization for Standardization (ISO), the *GRI Standards 2021* of the Global Reporting Initiative. It complies with the relevant requirements of the former China Banking and Insurance Regulatory Commission (now the China Banking and Insurance Regulatory Commission) *Opinions on Strengthening the Social Responsibility of Banking Financial Institutions* and the China Banking Association’s *Guidelines on Corporate Social Responsibility of Banking Financial Institutions in China*. The report focuses on Shengjing Bank’s efforts in promoting environmental, social, and governance aspects. The preparation of the report is guided by the principles of importance, quantification, balance and consistency.

3. Reporting Scope and Reporting Period

The reporting period for this report is annual. The time frame is 1 January 2023 to 31 December 2023 (referred to as the “reporting period”). Unless otherwise specified, the scope of this report is dominated by Shengjing Bank Co., Ltd., covering subsidiaries, branches, branches and franchises. Given the continuity and comparability of the disclosures, some of the information may be traceable beyond the reporting period.

4. Data Collection

The financial data covered in the report are partly derived from the financial statements prepared in accordance with IFRS in 2023, which are independently audited by CROWE (HK) CPA LIMITED. Other data are mainly from the Bank’s internal system and branch statistics, the relevant cases from the daily work practice summary. During the reporting period, due to the adjustment of statistical methods for some information, some information has been restated and please refers to this report for any inconsistency with information reported in previous years. Unless otherwise stated, the amounts involved in the report are in RMB as the measurement currency.

5. Report Access

You can download the electronic text of this report on the Hong Kong Stock Exchange website (www.hkexnews.hk) or the website of Shengjing Bank Co., Ltd. (www.shengjingbank.com.cn). For further information about us, please refer to our annual report or visit our website for additional information. This report is published in both Chinese and English languages. If there is an ambiguity in the understanding of the two texts, the Chinese version will prevail.

6. Contact Information

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Message From the Chairman

2023, this year signifies the commencement of fully implementing the directives outlined in the 20th National Congress of the Communist Party of China, marking a pivotal year for advancing the objectives outlined in the “14th Five-Year Plan”. Additionally, it marks the initiation of the three-year action plan for comprehensive rejuvenation in Liaoning Province. During this period, we will synchronize our efforts under the leadership of our Communist Party, adhere to utilize the high-quality party building on leading high-quality development, strengthen our position as the city commercial bank, focus on the “Five Key Aspects” of finance, contribute financial support to the local economic development.

Firmly establishing the foundation and cultivating core capabilities, continuously improving of our governance. Over the past year, we have refined our governance practices, steadfastly guided by the requirements of Communist Party, anchoring the aim of development with high-quality, furthering reforms and innovation, enhancing internal control system, optimizing management processes, strengthening the legality of regulations, reinforcing the risk management and safeguarded financial stability, resulting in a more robust and healthy operational performance. Furthermore, we are comprehensively advancing our sustainable development strategy, enhancing our ESG governance structure and embodying the social responsibility of a financial enterprise, making greater contributions to achieving coordinated development in economy, society and environment.

Sparing no effort to promote development and enhance the quality and efficiency of the economy. Over the past year, we have pursued practical results, implemented national regional strategic initiatives, remained committed to serving local economies and actively engaged in optimizing and upgrading industrial structures. Through concrete actions, we have raised strong financial impetus into the social and economic development of the Liao-Shen area. We adhere to the essence of financial enterprise, upholding our original intention and mission of serving the real economy. By harnessing the collective power of finance on supporting the real economy, we have explored more sustainable models for local economic development, thereby providing financial services more efficiently.

Vigorously striving to benefit agriculture, rural areas and farmers, and solidly promoting rural revitalization. Over the past year, we have taken proactive measures to implement the vital instruction of “prioritizing the development of agriculture and rural areas”. Innovating agricultural financial products, enhancing the capacity of modern agricultural financial services and strengthening the rural financial services system are set as our work focus. We actively foster new types of agricultural entities, facilitate the establishment of regional agricultural industry clusters and support agricultural development, benefits and prosperity. These efforts have injected greater vitality into accelerating the modernization of agriculture and rural areas.

Protecting the ecology, further enriching our green foundation. Over the past year, we have adhered to the new development philosophy, adhere to the priority of ecology and environment protection, implement the thought of green development into all the business operations, which made it clearer that we insisted on a high-quality development direction. We are definitely promoting the implementation of the green financial strategy, accelerating the transformation of investment and financing structures towards green initiatives and strengthening comprehensive green financial services. Through these efforts, we are guiding various sectors of society to actively participate in green development, ensuring more precise supply on green funds.

Serving the people and fulfill their aspirations for a better life. Over the past year, we have deepened our commitment to the principle of “finance for the people” and fulfilled the social responsibilities of financial enterprises by taking up the responsibility of financial consumer protection and building a line of defense for rights and interests. By focusing on community services and improving people’s livelihoods, we have extended financial services to a broader spectrum of the population. We have pioneered the concept of being good neighbors and companions, fostering a spirit of neighborly love. Through the creation of a comprehensive service system called “Shengqing Community,” we have established a friendly and supportive environment for our neighbors. Rooted in the community and dedicated to serving it, our services are more accessible and convenient for the people.

Where our aspirations lie, there are no limits; where our goals are set, there are no obstacles. Focused on the present yet oriented towards the future, in this new era where opportunities and challenges coexist, Shengjing Bank embarks on a journey guided by the strategic vision of “becoming a good bank serving enterprises and benefiting the people.” We uphold the core values of “integrity, compliance, agility, innovation and performance”, forging ahead with determination, and striving to overcome obstacles to script a new chapter of high-quality development.

SUN Jin
Chairman

Statement by the Board of Directors

Shengjing Bank's Board of Directors pledges that the Bank and the Board of Directors will adhere to the requirements outlined in the Hong Kong Stock Exchange's "Corporate Governance Code" and "Environmental, Social and Governance Reporting Guide" and the China Securities Regulatory Commission's "Guidelines for Corporate Governance of Listed Companies". We are committed to continuously improving the Bank's environmental, social and governance (ESG) system. The Board will enhance its supervision and participation in ESG affairs within the Bank, actively integrating ESG principles into the company's development strategies, significant decisions, and operational activities.

The Board of Directors serves as the highest decision-making body for ESG work within the Bank, bearing ultimate responsibility for such endeavors. The Strategic Development and ESG Committee was responsible for collecting and disclosing ESG information, as detailed in this report. The report has been reviewed and approved by the Board of Directors. The Board guarantees that the report contains no false records, misleading statements or significant omissions and assumes responsibility for its truthfulness, accuracy and completeness.

During this reporting year, the company conducted a review and assessment of ESG issues, and the Board of Directors reviewed, discussed, and confirmed the achievements of ESG work for the year. We will continue to promote the integration of ESG principles into company strategies and decision-making processes to facilitate sustainable development and fulfill corporate social responsibilities comprehensively. To ensure the reliability of the company's ESG performance metrics, the company has engaged Centre Testing International Group Co., Ltd. (CTI) to independently verify the "Shengjing Bank Co., Ltd. 2023 Environmental, Social and Governance Report."



Company Profile

Shengjing Bank Co., Ltd. (02066.HK) was established in September 1997, with its headquarters located in Shenyang, Liaoning Province. It is a robust headquarters bank in the Northeast China. Based in the Northeast region, Shengjing Bank has always adhered to its market positioning of serving the local economy, serving the small and medium-sized enterprises, serving the urban and rural residents, achieving effective coverage across the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and the Northeast region. As of now, Shengjing Bank has established 18 branches in Beijing, Shanghai, Tianjin, Shenyang, Changchun, Dalian and other cities within Liaoning Province, with 14 branches located in Liaoning Province. Additionally, we have set up three branch-level specialized institutions including the Fund Operations Center, Credit Card Center and Small Enterprise Financial Services Center, as well as 189 traditional branches and one micro branch within its jurisdiction. Furthermore, Shengjing Bank has initiated the establishment of Shengjing Bank Consumer Finance Co. Ltd. And 6 rural banks. Leveraging its institutional mechanisms and decision-making advantages, Shengjing Bank actively fulfills its corporate social responsibilities, proactively aligns with national major strategies and policy deployments and strives to enhance its capacity and effectiveness in serving the real economy.



Development Strategy

The Bank is implementing the “12345” development strategy, revolve around the strategic theme of “strengthening the leadership of Party building and realizing high-quality development”, pay close attention to the two key tasks of “restructuring and development, reforming and risk management”, build three engines of “institutional reshaping, mechanism reengineering and digital transformation”, strengthen four core guarantees of “Party building leadership, compliance management, risk management and control, operation and network transformation”, and establish five major business segments of “retail finance, inclusive finance, government finance, corporate finance, financial market and asset management”.



Strategic Vision

Becoming a good bank serving enterprises and benefiting the people



Mission

- Providing better services for customers
- Seeking better development for employees
- Creating greater value for shareholders
- Contributing more to society



System of Values

- Integrity
- Compliance
- Agility
- Innovation
- Performance



Core Highlights and Honors

Core ESG Highlights in 2023



Construct the “Shengjing Sci-Tech Innovation” comprehensive service system, establish technology-focused branches and provide key support to technology-based enterprises

Introduce financing solutions such as “Liaoning Sci-tech Loan” and “Liaoning IP Loan” from both the perspectives of technology entities and intellectual property rights

Explore the model of integrating investment and lending for scientific and technological innovation enterprises to achieve organic integration between credit business and equity investment



The balance of green loans amounts to RMB**9.797** billion, an increase of **51.92%** from the beginning of the year

The issuance of “Liaoning Carbon Loans,” a special green finance product, has driven a reduction in carbon dioxide emissions by **29,100** tonnes

A total of 142 tranches of carbon-neutral structured deposit products have been issued, with cumulative sales reaching RMB**12.953** billion



Initiate the “Starry Sea” Plan to facilitate financing channels for micro and small enterprises

Establish inclusive finance counters in core branches, providing “one-stop” services within the “2+3+2” working timeframe

Increase inclusive agricultural credit issuance and allocate account managers to design service solutions



Introduce the “Life Accompanied by Shengjing, Jingxin Companion” pension finance service system, integrating high-quality resources from the social senior care service industry

Innovate a specialized service model for elderly clients through the combination of “Retail + Context + Ecology”

Strengthen elderly assistance equipment and facilities, establish barrier-free access and improve the elderly-friendly service capabilities of the mobile application



Expand local lifestyle service scenarios and accelerate the construction of the digital RMB system to empower convenient services

Enrich online channel products and functionalities, continuously enhance service experiences and increase the E-banking substitution rate to **89.95%**

Digitize branches and deploy new intelligent devices to enhance self-service terminal capabilities

Core Highlights and Honors

Honors in 2023

Honors and Awards	Awarding Entity
Ranked 158th in the Top 1,000 Global Banks	The Banker magazine
China's Top 500 Enterprises	China Enterprise Directors Association, China Enterprise Confederation
Top 100 Chinese Banks	China Banking Association
Outstanding Asset Management City Commercial Bank Outstanding Cash Management Bank (Wealth Management Product) Excellent Wealth Management City Commercial Bank Outstanding Regional Service Private Bank	PY Standards
Market Influencer of the Year – Core Dealer Market Influencer of the Year – Money Market Dealer Market Innovation Award Business Institution – X-Repo	National Interbank Funding Centre
2023 Outstanding City Commercial Bank	21st Century Business Herald
Outstanding Credit Card of the Year Retail Business Benchmarking Enterprise of the Year	caijing.com.cn
Outstanding Public Relations (PR) Team of the Year Outstanding ESG Practical Enterprise of the Year	Investor.org.cn
Local Brands for Annual Contribution	International Finance News
Outstanding City Commercial Bank Award	JRJ.com
Pioneer for Carbon Peak and Neutrality of Beautiful China	Investment Times
Excellence in Service of Physical Bank in 2023	WEMONEY Laboratory
The 17th Golden Cicada Award – 2023 Green Financial Service Institution	China Times
Service Innovation Cases of China Banking Industry Jinnuo – Micro-video Paradigm of Chinese financial brand	CBIMC
ESG Green Finance Award in 2023	Jiemian
2023 Liaoning Financial Consumer Rights Protection Model Enterprise 2023 Liaoning Integrity Financial Brand 2023 Financial Brand Recommended by National Alliance of Provincial Party Newspapers – Excellent Brand Influence Bank	Liaoning Daily
The Most Trusted Bank in Liaoshen Area in 2023 The Most Recognized Wealth Management Products in Liaoshen Area in 2023	Liao Shen Evening News
Outstanding Case Award for Risk Management Innovation Outstanding Case Award for Channel Construction Innovation	City Commercial Banks Clearing Co., Ltd.
2023 Excellent Comprehensive Business Institutions	Shanghai Commercial Paper Exchange Corporation Ltd.

01

Outstanding Governance, Deepened Responsibility

Shengjing Bank has consistently pursued a financial development path with Chinese characteristics, continuously improving our corporate governance mechanism. We actively prevent and address significant financial risks, maintaining a prudent and compliant operational stance. This steadfast commitment provides a solid foundation for the Bank's sustainable development.



Outstanding Governance, Deepened Responsibility

ESG Governance System

Shengjing Bank is committed to strengthening its governance foundation, enhancing the efficiency of the Board of Directors, actively fulfilling ESG responsibilities, deepening stakeholder communication and information disclosure, and continuously improving corporate governance standards.

ESG Governance Mechanism






Shengjing Bank attaches great importance to ESG governance and has completed the formulation of the *Shengjing Bank 2024-2026 Strategic Plan*, integrating ESG concepts into development goals and strategic frameworks, and assuming social responsibility as its corporate mission. It explicitly states “strengthening ESG management, fulfill the social responsibility of financial enterprises, and contribute to the high-quality development of the economy and society.” After review by the Board of Directors, the “Strategic Development Committee” is renamed to the “Strategic Development and ESG Committee” to comprehensively advance ESG practices at a strategic level. Under the leadership of the Board of Directors, various departments of the Bank discuss corporate operations and ESG performance, conduct in-depth analyses of substantive ESG issues and comprehensively evaluate related performance and impacts.

The Bank has established an ESG management mechanism with the Board of Directors as the highest ESG governance body, forming a clear and well-defined ESG governance structure. The Board of Directors is responsible for reviewing and approving ESG strategies, visions and goals, as well as assessing the risks and significance of ESG matters. The Strategic Development and ESG Committee under the Board of Directors exercises the powers delegated by the Board of Directors, regularly submitting ESG-related reports to the Board of Directors and overseeing the implementation of ESG-related objectives. The senior management serves as the executing body for ESG strategies, with various departments and branches of the head office cooperating and responding to market developments and stakeholder expectations. In the future, ESG concepts will continue to be integrated into the Bank’s daily operations, ESG management will be further strengthened and ESG governance systems and institutional construction will be further improved.



ESG Governance Structure

Outstanding Governance, Deepened Responsibility

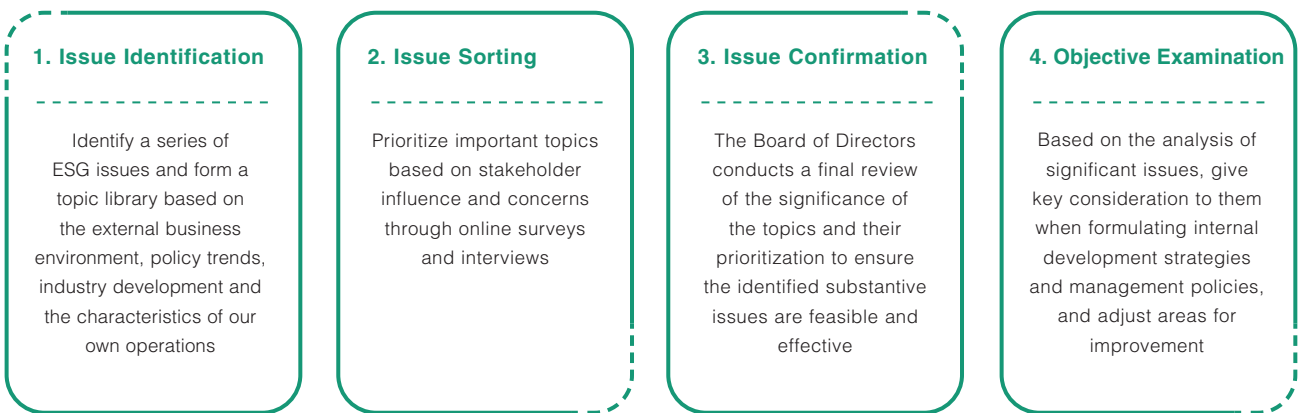
Department	Responsibility
 <p>Board of Directors</p>	<ul style="list-style-type: none"> • Review and approve ESG strategies, visions, and objectives • Authorize and supervise the Strategic Development and ESG Committee in exercising its powers • Regularly receive and review ESG-related reports submitted by the Strategic Development and ESG Committee • Adjust the set ESG-related objectives to ensure the sustainable development of the Bank
 <p>Strategic Development and ESG Committee</p>	<ul style="list-style-type: none"> • Coordinate and promote the development of the Bank's ESG system, review reports on ESG-related work, study trends in sustainable development and ESG development, relevant policies and regulations, ensure the Bank's compliance with and adherence to applicable laws, regulations and supervisory requirements, and promote the implementation of other ESG-related work required by the government and regulatory authorities • Supervise, inspect and evaluate the implementation of the Bank's ESG work, and make recommendations to the Board on the Bank's development strategy and ESG-related matters
 <p>Senior Management</p>	<ul style="list-style-type: none"> • Responsible for the concrete implementation of ESG strategies • Collaborate with relevant departments and branches of the head office to execute ESG-related tasks
 <p>Head Office Departments</p>	<ul style="list-style-type: none"> • Coordinate the implementation of the company's ESG-related tasks, advancing ESG strategies according to departmental responsibilities, ensure the implementation of ESG matters • Coordinate the preparation and publication of ESG reports, provide various forms of support and data, and ensure the accuracy and completeness of the report
 <p>Branches, Sub-branches and Franchises</p>	<ul style="list-style-type: none"> • Implement the ESG strategy issued by the headquarters, implement related tasks based on the business scope of branches, sub-branches and Franchises • Actively engage in ESG affairs to ensure the achievement of ESG goals in the local area

The ESG Governance Responsibilities

Outstanding Governance, Deepened Responsibility

Material Issues Identification

Shengjing Bank attaches great importance to ESG management, comprehensively considering macro policies, economic environment, industry development trends, corporate strategic planning and production operations. We also fully understand stakeholders' expectations, regularly identify, analyze and evaluate ESG issues, and clarify the core issues that are of significant importance to the Bank's development. We regard these core issues as the key focus of ESG management and continuously optimize governance and risk control to enhance the overall level of ESG management. We identify significant issues through the following four steps:



The results of the materiality assessment are reflected in the materiality matrix below, which shows the impact of each topic on the Bank's sustainable development and on the Bank's stakeholders.












Materiality Matrix of Shengjing Bank

Outstanding Governance, Deepened Responsibility

Stakeholder Communication

In the process of fulfilling our social responsibilities, Shengjing Bank attaches great importance to communication with stakeholders. We have established regular communication mechanisms and interactive methods with various stakeholders and responds to their expectations and demands in an open and transparent manner.

Stakeholders	Expectations and Demands	Communication Channels	Response Initiatives
 Government	<ul style="list-style-type: none"> Serving national strategies Supporting the real economy Developing inclusive finance Facilitating the development of small and medium-sized enterprises 	<ul style="list-style-type: none"> Policy directives Specialized reports Information submission Work meetings 	<ul style="list-style-type: none"> Compliance with laws and regulations Implementing major strategies Implementing economic policies Promoting the development of high-tech industry
 Regulators	<ul style="list-style-type: none"> Operating in compliance with laws and regulations Preventing financial risks Promoting industry development Maintaining financial stability 	<ul style="list-style-type: none"> Regulatory policies Research visits Data reporting Routine communication 	<ul style="list-style-type: none"> Serving the local economy Serving small and medium-sized enterprises Serving urban and rural residents Strengthening internal controls Enhancing risk management system Intensifying routine inspections Acceptance of regulatory rectification
 Shareholders	<ul style="list-style-type: none"> Sustaining prudent operations Enhancing corporate value Ensuring sustainable investment returns Improving corporate governance Protecting shareholder rights 	<ul style="list-style-type: none"> Shareholders' meeting Company announcements Performance roadshows Information disclosure 	<ul style="list-style-type: none"> Improving governance structure Implementing development strategies Increasing profitability Timely disclosure of information Creating shareholder value
 Customers	<ul style="list-style-type: none"> Simplifying business processes Enhancing service quality Diversifying financial products Protecting consumer rights Safeguarding customer interests 	<ul style="list-style-type: none"> Marketing activities Customer service hotline Questionnaire surveys Product promotions 	<ul style="list-style-type: none"> Optimizing business processes Enhancing product innovation Improving service quality Promoting financial literacy Upgrading information technology services
 Employees	<ul style="list-style-type: none"> Enhancing compensation and benefits Protecting employee rights Offering vocational training and development 	<ul style="list-style-type: none"> Labor union Staff representative congress Visiting activities Vocational training 	<ul style="list-style-type: none"> Enhancing compensation system Strengthening employee training Caring for employee well-being
 Suppliers	<ul style="list-style-type: none"> Practicing fair procurement Upholding integrity and fulfill commitments Pursuing win-win cooperation 	<ul style="list-style-type: none"> Negotiations Cooperative agreements Bidding and tendering 	<ul style="list-style-type: none"> Improving procurement management system Enhancing business cooperation
 Partners	<ul style="list-style-type: none"> Fostering mutual collaboration Facilitating industry communication and exchange 	<ul style="list-style-type: none"> Seminars Project collaborations 	<ul style="list-style-type: none"> Conducting research visits Strengthening industry exchanges
 Community	<ul style="list-style-type: none"> Engaging in community activities Aiding vulnerable groups Promoting financial literacy Implementing philanthropic assistance 	<ul style="list-style-type: none"> Visiting activities Community service activities Financial service events Charity activities 	<ul style="list-style-type: none"> Participating in public welfare and charity Organizing community activities Employee volunteer initiatives Promoting financial literacy campaigns
 Environment	<ul style="list-style-type: none"> Supporting low-carbon economy Fostering sustainable development Managing environmental risks Developing green finance Implementing green office practices 	<ul style="list-style-type: none"> Energy conservation and emission reduction Green finance 	<ul style="list-style-type: none"> Innovating green finance products Practicing green and low-carbon operations Electronic banking Supporting the development of green industries

Outstanding Governance, Deepened Responsibility

Integrity and Compliance Operation

Shengjing Bank abides by various laws, regulations and banking supervisory regulations. We continuously optimize our compliance operation system and anti-corruption system, consolidates compliance defenses in key areas, improves the construction of anti-money laundering risk management system and resolutely prevents the occurrence of any illegal or non-compliant behavior.

Comprehensive Risk Management

Shengjing Bank is committed to establishing a sound risk management system, establishing a comprehensive risk management organizational structure. We have formulated risk management policies and processes to strengthen internal control and supervision, thereby effectively promoting the Bank's sustainable development.




Risk Management System

Shengjing Bank has established a risk governance architecture with clear responsibilities along with a comprehensive risk management system that is complete, practical, and aligned with the overall development strategy of the Bank. This system effectively implements comprehensive risk management covering all customers, products, processes, and personnel.



Risk Management Architecture

Outstanding Governance, Deepened Responsibility

Role	Responsibility
 <p>Board of Directors</p>	<ul style="list-style-type: none"> • The highest decision-making body for comprehensive risk management across the Bank • Bears ultimate responsibility for comprehensive risk management
 <p>Supervisory Board</p>	<ul style="list-style-type: none"> • Undertakes the supervision of comprehensive risk management
 <p>Senior Management</p>	<ul style="list-style-type: none"> • Assumes responsibility for the implementation of comprehensive risk management • Executes resolutions passed by the Board of Directors
 <p>Risk Management Department</p>	<ul style="list-style-type: none"> • Serves as the leading department for comprehensive risk management, responsible for constructing the Bank-wide comprehensive risk management system • Organizes the formulation of comprehensive risk management policies and procedures • Organizes the supervision of the implementation of comprehensive risk management policies by various functional departments and branches
 <p>Business Operating Organization</p>	<ul style="list-style-type: none"> • Conducts daily management of various risks based on division of responsibilities and the types of risks involved • Regularly reports the work of risk management to the risk management department
 <p>Various Risk Management Office</p>	<ul style="list-style-type: none"> • Cooperates with the Bank-wide comprehensive risk management based on respective comprehensive management responsibilities • Provides support, guarantees and services during the comprehensive risk management process • Implements a risk chief supervisor system, reports directly to superiors and ensures comprehensive risk monitoring and effective resolution
 <p>Audit Offices</p>	<ul style="list-style-type: none"> • Evaluates the applicability and effectiveness of risk identification, measurement, and monitoring procedures based on the risk situation • Discloses and reports issues identified during the audit process according to relevant regulations, shares information with relevant risk management departments, provides audit opinions, and fulfills reporting procedures

Risk Management Responsibilities

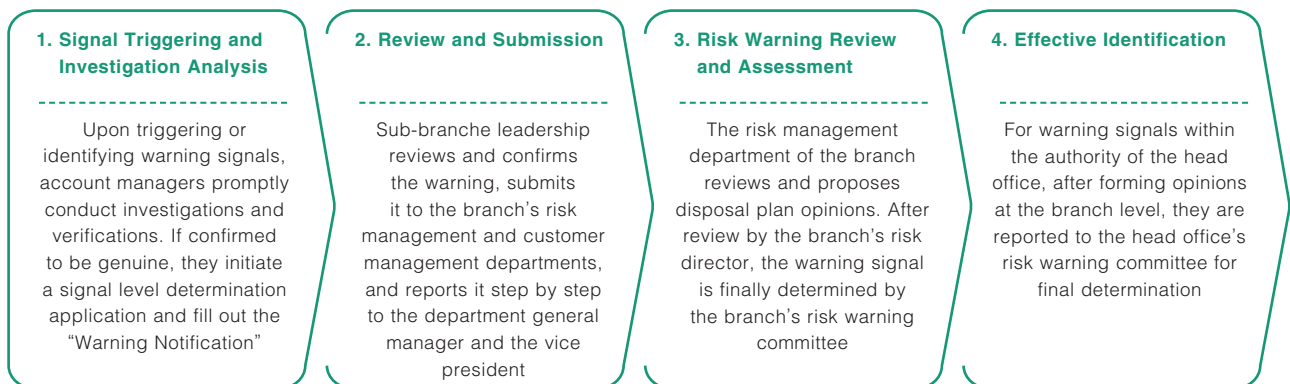
Outstanding Governance, Deepened Responsibility

Financial Risk Prevention

Shengjing Bank deeply engaged in the risk assessment of various new products, ensured that the introduction of new products will not bring unforeseen risks to the Bank. We have also strengthened special risk management by implementing market risk consulting projects, conducting detailed gap analyses and formulating market risk organizational structures and policy suitable for the Bank. We have also enhanced information technology risk management by conducting risk assessments before system deployment and conducting on-site inspections of various branches to ensure the effective implementation of risk control measures.

Digital Risk Control Measures	
<p>▶ Increase emphasis on model management, conduct quantitative verification of model performance, comprehensively evaluate models from aspects such as model discrimination ability, accuracy and stability, fully enhance the risk identification ability of models, and prevent model application risks</p>	<p>▶ Promote the construction of Expected Credit Loss (ECL) systems, establish an Expected Credit Loss management system based on the Expected Credit Loss model, effectively identify various credit risks, make timely and accurate provisions for impairment losses, comprehensively enhance risk quantification management capabilities, and provide data model support for RAROC and EVA measurement</p>
<p>▶ Establish a credit risk early warning system to detect and identify risk categories, severity, causes and their developmental trends of monitored objects in advance, and issue corresponding risk warning prompts in a timely manner</p>	<p>▶ Establish a risk mitigation management system to uniformly regulate the management of collateral assets across the Bank</p>
<p>▶ Establish a customer rating management system to identify potential risks through risk quantification tools such as customer rating models, and realize internal rating management and monitoring</p>	<p>▶ Establish a large exposure risk system to systematize risk exposure measurement, truly and deeply reveal customer risk exposures</p>
<p>▶ Establish a credit limit management system, which includes the entire process management and risk control technology applications from limit establishment, effectiveness, adjustment, freezing to invalidation</p>	<p>▶ Establish a comprehensive report platform for corporate credit, meeting the requirements of capital measurement, internal capital adequacy assessment, regulatory reporting, information disclosure and other applications</p>

During the reporting period, we conducted over 30 specialized training sessions on risk management, including market risk, post-lending inspection, loan five-tier classification and file management, gradually enhancing the professional capabilities of risk line staff.



Credit Risk Early Warning Process

Outstanding Governance, Deepened Responsibility

Integrity and Anti-Corruption Measures

Shengjing Bank has formulated and implemented the *Shengjing Bank Disciplinary Inspection and Supervision Management Measures*, the *Shengjing Bank Investigation Measures for Abnormal Employee Behavior* and the *Shengjing Bank Accountability Management Measures*, establishing a standardized system for anti-corruption and accountability management. The Bank is committed to fostering a culture of integrity in finance, regularly conducting cautionary education and training, and fortifying the ethical defense line against corruption and malpractice. No significant corruption lawsuits affecting the Bank have been reported. During the reporting period, the Bank conducted 356 anti-corruption training sessions, totaling 381 hours and attended by 17,746 individuals.

Benxi Branch Collectively Watched Integrity Alert Education Film

On 19 December 2023, Benxi Branch organized its staff to collectively watch the *2023 Anti-Corruption Education Series Reference Videos*. The abundance of typical cases showcased in the cautionary educational videos further clarified the “bottom line”, “red line” and “high-pressure line” for the employees. This initiative aims to guide them to “take warning from others’ misfortunes, respect fear, guard against temptation and maintain bottom lines” in their future work, correctly navigating the relationships between “public and private”, “righteousness and interests” and “right and wrong”.



Dalian Branch Organized Anti-Corruption and Integrity Alert Education






Dalian Branch was advancing the “learning to maintain integrity” initiative in-depth and concretely. On 7 November 2023, middle-level management staff visited the Nanguanling Prison in Dalian to conduct anti-corruption and integrity education. Everyone expressed their determination to deeply learn from the lessons, cherish the organization’s cultivation and trust, treasure the happy life they have, strengthen their ideological defenses, uphold integrity bottom lines, live honestly, work diligently, and always maintain self-discipline and vigilance. They pledged to remain loyal, clean, and responsible at all times.



Outstanding Governance, Deepened Responsibility

We are advancing anti-corruption measures in our procurement processes by formulating the *Shengjing Bank Management Measures for Centralized Procurement of Goods and Services (Trial)* and clarifying procurement system and management processes. We integrate tender procurement matters into the “Liaoning Sunshine State-Owned Enterprises” platform to strengthen supervision and audit of procurement activities, preventing corrupt practices.

Shengjing Bank maintains an open reporting channel, allowing informants to report through various channels such as phone calls, letters, visits and emails. We strictly adhere to confidentiality requirements, minimizing the scope of knowledge and fully safeguarding the personal privacy and safety of informants. Any form of retaliation against informants is strictly prohibited.

	Report Hotline:	024-22535980
	Report Email:	SJYHJJJCZ@163.com
	Acceptance Unit:	Discipline Inspection and Supervision Team of the Commission for Discipline Inspection and Supervision of Shenyang Municipal People’s Procuratorate stationed at Shengjing Bank (formerly the Supervision Department of Shengjing Bank Head Office)
	Acceptance Address:	109 Beizhan Road, Shenhe District, Shenyang City, Shengjing Bank Headquarters
	Acceptance Commitment:	Timely investigation and verification of reported information, confidentiality of informant identity and information, strict accountability according to regulations, disciplines and laws for verified violations, and referral to judicial authorities for criminal prosecution if suspected of illegal activities.

Safeguarding Financial Order

Shengjing Bank strictly abides by national anti-money laundering laws and regulations, as well as industry guidelines issued by regulatory authorities such as the People’s Bank of China, comprehensively implementing anti-money laundering regulatory requirements and enhancing our capabilities in anti-money laundering duties. The Bank enhances anti-money laundering training, focusing on interpreting anti-money laundering policies, relevant risk warnings, and case studies to strengthen the risk prevention awareness of all staff.



02 | Focusing on Regional Economy and Common Development

Shengjing Bank continuously contributes to the local economy and fully supports the development of key economic regions. We provide professional and comprehensive financial services to support key projects, enterprises, regions, and sectors, implementing the national major regional strategies through practical actions.



盛京銀行

Focusing on Regional Economy and Common Development

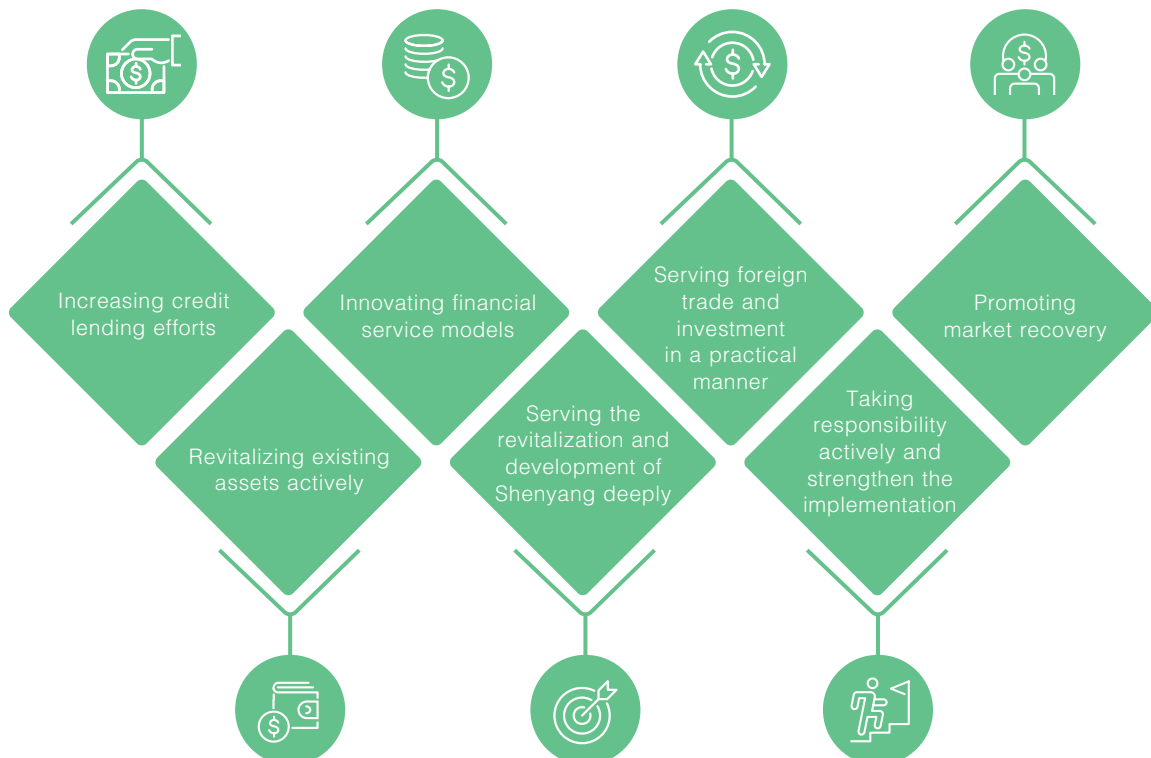
Supporting Regional Development

Shengjing Bank is committed to optimizing the local industrial structure, adapting customized financial service solutions that are closely integrated with regional resource advantages and industrial characteristics. We continue to act the role as the financial support for regional coordinated development and comprehensive revitalization.

Supporting the Revitalization of Liaoning Province

As the largest banking corporation in the Northeastern China, Shengjing Bank has always taken an active role in the “Liao-Shen Campaign” to revitalize Northeastern China and Liaoning Province. We have formulated the *Action Plan for Fully and Deeply Serving the Economic and Social Development of Shenyang*, the *Shengjing Bank's Action Plan to Consolidate the Strength and Promote the Continuous Economic Recovery in Liaoning Province* and the *Shengjing Banks's Action Plan on Serving Shenyang's Economy and Social Development in a Comprehensive and In-depth Manner* and the *Measures of Shengjing Bank to Implement the Three-year Action Requirements for the Comprehensive Revitalization of Liaoning*. We focus on building Shenyang into a national central city and “one hub and four centers”, and the three-year action plan for Liaoning's comprehensive revitalization and new breakthroughs, implement the special action of “Revitalizing New Breakthroughs, To Be a Pioneer of Revitalization”. With the goal of becoming the key bank for regional revitalization, we have gradually made the “Inclusive Micro and Small Enterprise Credit Plan,” “Green Credit Plan,” “Technology Enterprise Credit Plan,” and “Inclusive Agricultural Credit Plan”.

7 Aspects of the Measures of Shengjing Bank to Implement the Three-year Action Requirements for the Comprehensive Revitalization of Liaoning



Focusing on Regional Economy and Common Development

Shengjing Bank focus on the promotion of significant projects, supporting urban renewal, ecological protection, and environmental governance, and providing financing support for the related projects. As of the end of the reporting period, Shengjing Bank had invested RMB48.894 billion in significant projects of public facilities and livelihood engineering construction in Liaoning Province, effectively energize the economic and social development and significant projects construction in the Liao-Shen area.

Shengjing Bank Signs *Strategic Cooperation Agreement* with Bureau of Science and Technology of Liaoning Province

On 6 April 2023, Shengjing Bank signed a strategic cooperation agreement with Bureau of Science and Technology of Liaoning Province, almost 200 technology-based enterprises attended the signing event. Taking this event as an opportunity and followed the guidance of Bureau of Science and Technology of Liaoning Province, Shengjing Bank will further leverage its professional and characteristic service advantages, continuously increasing support for technology-based enterprises in financial product innovation and business models optimization, playing a leading role in the implementation of the strategy of rejuvenating the province through science and technology with providing financial support.



Shengjing Bank Assists Shenyang in Accelerating the Construction of a National Central City

On 16 January 2023, Shengjing Bank signed a strategic cooperation agreement with Heping District, Shenhe District, and Hunnan District of Shenyang, taking practical actions to deepen cooperation between banks and enterprises and seek common development, to assist Shenyang speed up to be a national central city. Shengjing Bank will take this opportunity to combine finance with regional development demands, thereby promoting industrial, urban, social development and transformation.

Focusing on Regional Economy and Common Development

Servicing Key Areas

Shengjing Bank has its base in Liao-Shen area and operates branches in Shanghai, Beijing, and Tianjin. Using an extensive business network and branch arrangement, it focuses on the important tasks proposed by the integrated development of the Yangtze River Delta, coordinated growth of Beijing-Tianjin-Hebei, and serves regional economic development.

Beijing Branch Strengthens Partnership with Key Enterprises in Daxing District

Beijing Branch continues to strengthen its partnership with key enterprises in Daxing District, actively contributes to the district's economic development. In 2023, Daxing Sub-branch invested RMB250 million in corporate bonds issued by local enterprises through wealth management funds, providing strong support for enterprises in the public market bond financing.

Shanghai Branch Assists the Construction of "Five Centers" of Shanghai

On 26 April 2023, Shanghai Branch participated in the opening ceremony of the "2023 4th China (Shanghai) Online Transaction Festival for Industrial Products", and was the only financial institution to participate in the signing ceremony of the "Yunchi Action" in the Yangtze River Delta. Shanghai Branch will carry out diversified financial cooperation in all areas with partners, such as cash management, third-party online supply chain financial services, and boutique industry fund operation, to empower the construction of "Five Centers" with high-quality financial services.

Tianjin Branch Creates a New Model of Regional Economic Services by Cultivating Local Enterprises

Tianjin Branch focuses on the strategy of coordinated development of Beijing-Tianjin-Hebei, continuously providing high-quality financial services for local enterprises. In 2023, Tianjin Branch has cumulatively issued manufacturing loans of RMB997 million, agricultural loans of RMB1.989 billion, green loans of RMB490 million, and foreign currency loans in the shipping industry of USD70 million, striving to build a new model of local branch serving the regional economy and enterprises.

In 2023, Tianjin Branch has cumulatively issued

- | | |
|------------------------|---|
| • manufacturing loans | • agricultural loans |
| RMB 997 million | RMB 1.989 billion |
| • green loans | • foreign currency loans in the shipping industry |
| RMB 490 million | USD 70 million |

Focusing on Regional Economy and Common Development

Constructing Beautiful Countryside

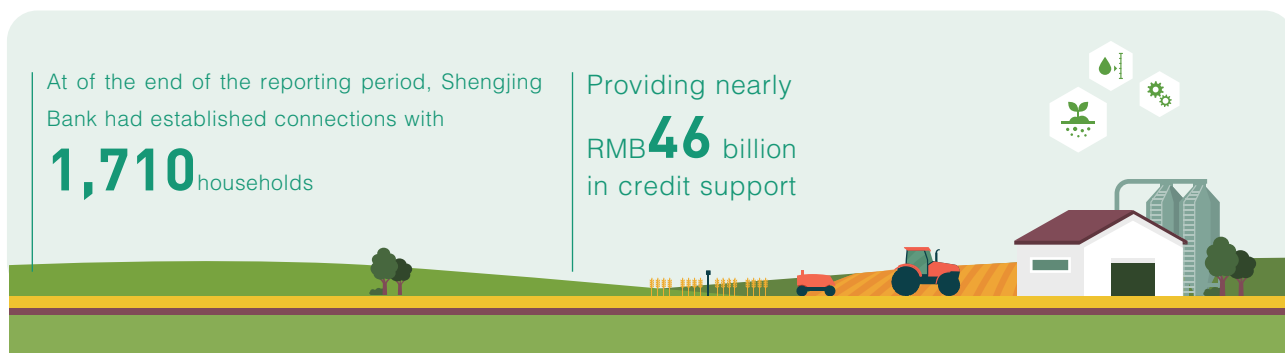
Shengjing Bank continues to improve capabilities of serving rural revitalization, promotes the establishment of regional characteristic agricultural industry clusters, and strives to meet the diverse financial needs of new types of agricultural entities, thereby providing stronger support for the establishment of a multi-level, fully covered, and sustainable modern rural financial service system.

Supporting the Agricultural Industry

Industrial revitalization is an important foundation for rural revitalization. The Bank set up an “Agricultural Finance Working Group” to practice the new model of financial poverty alleviation. We provided supporting specialized policies, innovated our product combinations, prioritize the audit and approval to enhance our professional capability in modern agricultural financial services.

Shengjing Bank has launched the “1+1+N” rural revitalization action plan, added the service of guaranteed loans for agricultural entrepreneurship to increase farmers’ income, and intensified the support for credit resource for the construction of ocean ranches and offshore fisheries, built a “credit disbursement + loan interest subsidy + investment and loan linkage” investment and financing model to support regional investment promotion.

We are continuously innovating our agricultural support products, launching the “Shengjing Industry Loan” and “Liaoning Agricultural Loan,” planning service programs for agricultural industry clusters with unique features, and offering comprehensive financial services throughout the entire industry chain for operating groups such as “grain processing enterprises + planting households,” “grain stock + grain supply chain,” “leading enterprises + sales network,” “industrial park + industry,” etc.



Shengjing Bank Signs Strategic Cooperation Agreement with Bureau of Agriculture and Rural Affairs of Liaoning Province

On 18 December 2023, Shengjing Bank signed strategic cooperation Agreement with Bureau of Agriculture and Rural Affairs of Liaoning Province, continuously strengthen the credit support for new types of agricultural operating entities and rural infrastructure construction, and actively exploring a service model of “government + finance + new agricultural operating entities + upstream and downstream enterprises + farmers”.



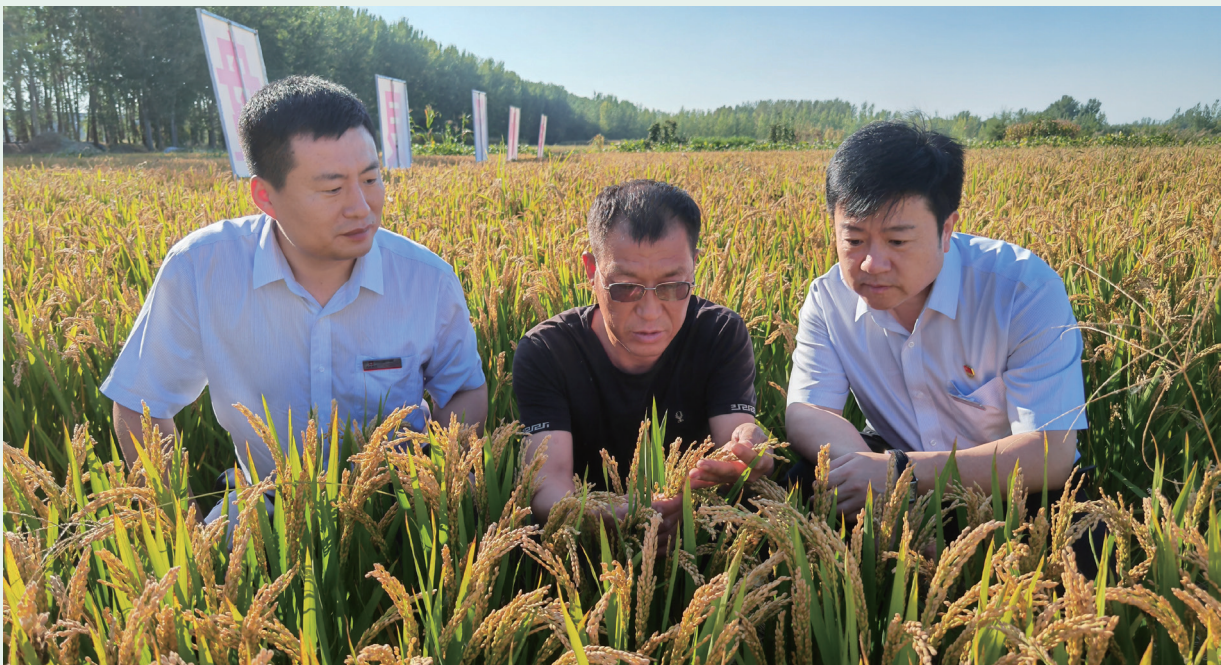
Focusing on Regional Economy and Common Development

Shengjing Bank Pioneered the Financing Model of “Transfer of Rural Property Rights” Within Liaoning Province

Shengjing Bank focuses on regional industrial clusters, and in partnership with Shenyang Rural Property Rights Exchange Center, pioneered the financing model of “Transfer Financing of Rural Property Rights” in Liaoning Province, and successfully completed the first transaction. The model capitalizes on the transferable character of rural property rights transactions, overcomes traditional challenges in guarantee, successfully revitalizes rural assets, and fulfills the financing needs of “agriculture, rural areas, and farmers” clients. In the future, Shengjing Bank will strive to realize the rural revitalization development strategy of Liaoning Province, provide service through leveraging geographical advantages, and make fully effort to create a “Shenyang model” for comprehensive agricultural financial support.

Panjin Branch Increasing Credit Lending Efforts on Inclusive Agriculture

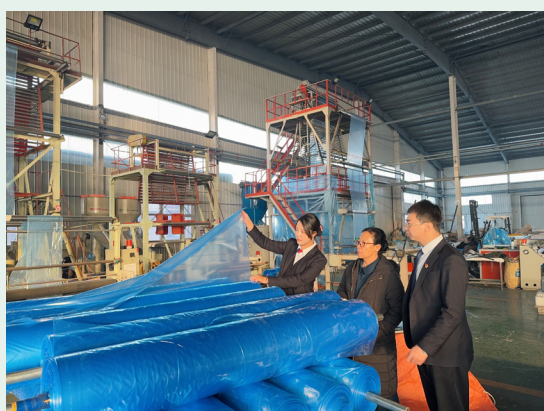
Panjin Branch capitalizes on the advantage of the high-quality japonica rice and soybean industries in the Liao River Basin region, as well as the agglomeration areas for agricultural product processing in Gaosheng and Liaobin, connects with new agricultural entities, expands the circulation of agricultural products and characteristic industry clusters of rice, river crabs and alkali-resistant persimmons, extends the agricultural industry chain, seeks breakthroughs and achieves targeted support of inclusive agriculture and sustainable growth of asset scale. Also, Panjin Branch combines the industry and Liaohe River Basin, implements the model of “characteristic industry + characteristic products + characteristic branches”, strengthens the support for rice processing industry and animal husbandry industry to achieve targeted support of inclusive finance into rural characteristic industries.



Focusing on Regional Economy and Common Development

Liaoyang Branch Supports the Operation of Agricultural Film Enterprise

An agricultural film enterprise in Liaoning Province urgently needed working capital for raw material procurement. However, financial complications arose due to insufficient collateral. Focusing on this enterprise's operation characteristics, Liaoyang Branch provided "Liaoning Agricultural Loan," which used intellectual property rights pledges as a guarantee method to solve the problem of insufficient collateral, and successfully supplied credit funds to the firm, providing financial security for its development.



Carrying Out Poverty Alleviation and Visiting Activities

Shengjing Bank has extensively carried out visiting activities, using its advantages to deeply build link with rural grassroots, participating in poverty alleviation activities in various forms such as assisting in agricultural live broadcasts, poverty alleviation donations, assistance for education. The Bank is committed to providing support for vulnerable groups in society, helping them improve their living conditions and quality of life.

Huludao Branch Conducted Agricultural Live Broadcast Activities

On 29 April 2023, Huludao Branch in collaboration with the Huludao Communist Youth League and Badayouxuan Supermarket, jointly carried out a themed live broadcast activity of "supporting agriculture and promoting business, benefiting urban and rural areas." This live broadcast introduced the red tourism culture and local agricultural products of Tashan, Huludao to netizens to realize the beautiful dream of assisting rural revitalization.



Focusing on Regional Economy and Common Development

Liaoyang Branch Conducted Spring Festival visits

As the Spring Festival approached, Liaoyang Branch in collaboration with the Finance Office of Liaoyang, carried out the “Sincere Wishes for the New Year” activity, condoling with difficult households and community workers, bringing them warmth and care, and conveying heartfelt blessings for the Chinese New Year.



Chaoyang Branch Donated Packages to Children in Mountainous Areas

On 1 March 2023, Chaoyang Branch in collaboration with several enterprises and individuals, held the “Sixth Session Happiness Knocks at the Door of Love Packages Donation Activities”. Books, stationery, and clothes were donated to bring love to children in poor mountainous areas, Chaoyang branch would like to deliver care and hope to the children in need through such events.



Focusing on Regional Economy and Common Development

Devoting to Community Welfare

Shengjing Bank upholds the concept of “Being kind to the neighbors, being there for the neighbors”, integrating the fulfillment of social responsibility into our own development, and interpreting the sense of responsibility with practical actions. We practice public welfare and charity, advocate voluntary services, and contribute to the realization of a better life for all the residents.

Serving the Community Residents

Shengjing Bank deepens the concept of financial services for the people, relies on community finance to expand the “One elder and one kid” population service system in the community, and built the comprehensive service system of “Shengqing Community”. Residents can enjoy more convenient and efficient community services through the construction of “Shengqing Station”.

The Bank has unified the construction standards of “Shengqing Station”, upgraded the existing space and facilities of the branches, optimized the service areas. Based on the principle of adapting to local conditions and being practical and efficient, plans are formulated after assessing the actual situation of each branch. “Shengqing Stations” are equipped with convenient service counters, leisure tables and chairs, microwave ovens, mobile phone charging facilities, first aid kits, umbrellas, reading glasses, hand sanitizers, and other convenience items, providing more convenience and care for the public.



“Shengqing Cloud Collection” Community Market



Community Club Activities

Focusing on Regional Economy and Common Development

Shengli Sub-branch of Anshan Branch Sent Warmth to Elders on the Double Ninth Festival

Ahead of the Double Ninth Festival, Shengli Sub-branch in collaboration with the community, hosted a series of “Warmth-sending” activities under the theme of “Warmth and Gratitude on the Double Ninth Festival”. They provided visiting, blessings, and daily necessities such as rice, flour, oil, and milk to the elders, veterans, and the needy. During the conversations, the elders’ faces were constantly lit up with bright smiles, and they all expressed their gratitude to Shengjing Bank for their care, allowing them to spend such a warm Double Ninth Festival.



Engaging in Public Welfare and Charity

Shengjing Bank always maintains care for society, through volunteer services, donations, and other forms contributes to society, spreading positive energy and allowing more people to feel the warmth of society. In 2023, Shengjing Bank donated a total of RMB145 thousand in charity funds.



Visiting to Children's Welfare Home



Assisting in College Entrance Examination



Supporting Marathon



Servicing Aviation Meeting

03

Adhering to the Origin, Gathering the Growth of Small and Medium-sized Enterprises

Shengjing Bank is committed to serving small and medium-sized enterprises, supporting their expansion of production, the improvement of technology, and the expansion of the market for the real economy by optimizing service processes, reducing financing costs, and innovating financial products.



Adhering to the Origin, Gathering the Growth of Small and Medium-sized Enterprises

Serving the Real Economy

Shengjing Bank, in line with the mission and responsibility of local financial enterprises, has formulated the *2023 Public Business Development Guidelines and Measures to Assist Economic Stability and Promotion of Revitalization*, integrates regional financial resources to contribute to the high-quality development of the economy and society.

Supporting Strategic Industries

Shengjing Bank focuses on serving the real economy and Liaoning's advantageous industry clusters and strategic emerging industry clusters, continues to increase its credit investment in ten priority industries such as equipment manufacturing, digital technology, pharmaceuticals, and energy and petrochemicals. It has also established a green channel for credit approval, prioritizing credit scale to support the acceleration of economic recovery.

Liaoyang Branch Rapidly Issued Working Capital Loans for a Pharmaceutical Company in Liaoning

Liaoyang Branch is deeply cultivating key areas, strengthening financial support for the pharmaceutical and medical industry. Due to the long repayment cycle, a pharmaceutical company in Liaoning encountered difficulties in working capital. Liaoyang Branch investigated and found that the company has a good operating condition and tax credit. Within just two working days, Liaoyang Branch successfully processed the "Tax E Loan" for the company. As the company's sales scale continued to expand, it raised new financing demands. Through the alignment of the head office, branch, and sub-branch, Shengjing Bank successfully issued working capital loans to the company again within one week, promoting the diversification of the company's procurement of pharmaceuticals and medical equipment.



Cracking the Financing Difficulties for Technology Companies



Supporting the Development of High-tech Enterprises

Adhering to the Origin, Gathering the Growth of Small and Medium-sized Enterprises

Innovating Supply Chain Finance

Shengjing Bank is accelerating the construction of an innovative supply chain financial service system, integrating the high-quality transformation with development of the bank itself, and innovatively launching the “TOWER+” supply chain financial brand to better serve industrial development. Branches are based on the economic and industrial development characteristics of their respective areas, effectively supporting the industry clusters such as “beef cattle breeding” and “fertilizer sales” in Shenyang, the industry clusters of “rice planting,” “corn planting,” and “silkworm planting” in Liaoyang, the industry clusters of “white feather chicken breeding” and “lean meat duck breeding” in Tieling, and the industry clusters of “peanut planting” and “peanut processing” in Huludao. The supply chain is stable, continuously boosting the high-quality development of the real economy in the Liao-Shen area.

Activating the Interbank Market

Adhering to the concept of “building peer relationships, increasing services, and creating win-win results,” Shengjing Bank participates in interbank market transactions, continuously expands its business scope and partner network, and innovates the currency market business to support the important role of the interbank RMB market in China’s financial market system. The Bank was awarded the titles of “Annual Market Influence Institution” and “Market Innovation Business Institution” in the evaluation of the high-quality development of the interbank local currency market member business.



The Bank was awarded the titles of “Annual Market Influence Institution” and “Market Innovation Business Institution”

Adhering to the Origin, Gathering the Growth of Small and Medium-sized Enterprises

Assisting Small and Micro Enterprises

Shengjing Bank is committed to improving the inclusiveness of its financial services by implementing inclusive finance principles of integrity, compliance, agility, innovation, and performance. The bank has formulated the “Shengjing Bank’s Action Plan on Serving for the Development and Growth of Private Small and Micro Enterprises,” and has taken practical measures in creating a fair financing environment, providing comprehensive financial services, optimizing the supply of financial elements, assisting in the high-quality development of enterprises, and creating a favorable development atmosphere, using the power of finance to stimulate the private economy.

The Bank has launched the “Starry Sea” Plan to serve small and micro enterprises. Through innovative models and suitable products, it explores diversified and sustainable development models of inclusive finance, smooths the financing channels for small and micro-enterprises. It creates a diversified financing product system covering “credit and collateral,” “short-term and medium-to-long-term,” “online and offline,” leveraging the role of “inclusive finance counter” to provide one-stop, comprehensive financial services for a large number of private small and micro-enterprises, helping them embark on the path of “professionalization, refinement, and specialization.”

Shengjing Bank organized the “Financial Resources Flows to Thousand Enterprises” special action, visiting enterprises in key areas such as technological innovation, advanced manufacturing, green development, and rural revitalization. We have proactively provided policies, inquired about demands, solved problems, and increased investments, visited customers through the five major paths of “organizational promotion,” “service system,” “bank-enterprise docking,” “fee reduction,” and “promotion and publicity,” with cumulative visits exceeding 10,000 enterprises, providing funding guarantees for the transformation and development of more small and micro enterprises.

Exclusive Green Channel 126 core branches have set up “inclusive financial counters” to provide “one-stop” services including account opening, settlement, credit, and consultation.	Professional Service Team 18 branches have set up operating departments, inclusive finance departments, to assign exclusive customer managers and product managers and design product service solutions.	Comprehensive Product Support Provide various product support such as “Liaoning Sci-tech Loan”, “Liaoning IP Loan”, “Liaoning Trade Loan”, “Liaoning Stock Loan”, and launch digital credit products “Tax E Loan” and “Real estate e Loan”, and customize financial service solutions for enterprises.	Efficient Approval Process Complete business processing within the “2+3+2” working time limit with complete documents.	Exclusive Interest Rate Discount Low interest rate discounts for inclusive loans, with the Bank bearing insurance and evaluation fees and other related expenses incurred during the loan processing.
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Shengjing Bank and Liaoning Equity Stock Exchange Collaborated to Create a New Investment and Loan Connecting Model

On 28 February 2023, Shengjing Bank signed a comprehensive strategic cooperation agreement with the Liaoning Equity Exchange Center, creating the “Liaoning Stock Loan” stock option product for serving small and medium-sized enterprises. Through the innovative integration of indirect financing and direct financing, it enhances the market vitality and development resilience of growth-oriented small and medium-sized enterprises in the Liao-Shen area, which helps to incubate and cultivate a large number of high-quality listed and backup enterprises.

Adhering to the Origin, Gathering the Growth of Small and Medium-sized Enterprises

Dalian Branch Hosted the New Third Board and Specialized, Refined, Distinctive, and Innovative Enterprise Linkage Forum

On 17 May 2023, Dalian Branch hosted a forum on the linkage between the New Third Board and specialized, refined, distinctive, and innovative enterprise, enlightening 24 national high-tech enterprises on the specialized, refined, distinctive, and innovative enterprise and New Third Board application processes, and answering attendees' queries, providing an efficient and convenient financing platform for high-quality small and micro-enterprises.



Innovating Financial Products

Shengjing Bank integrates innovative thinking into its development DNA, continues to innovate and provide flexible product designs customized to the needs of each customer, offering comprehensive and powerful financial support for high-quality enterprise development. Proactively adapting to changing market demands, the Bank provides professional and comprehensive financial service solutions through product combinations.

As the pioneering bank of the “Liao” series products, it promotes the application and implementation of the products while increasing the research and development efforts for new products, continuously iterating and upgrading the “Liao” and “Sheng” series products to unleash new vitality for enterprises through financial strength.

Liaoning Culture Loan

Shengjing Bank continues to increase its financial support for the cultural and tourism industry. “Liaoning Culture Loan” is one of the innovative products tailored to the financing needs of the cultural and tourism industry. Enterprises can withdraw funds at any time based on the supply and sales contracts within the credit limit, which is convenient and also saves costs for customers.

Liaoning Sci-tech Loan

Specialized, refined, distinctive, and innovative enterprises are the main force in Liaoning Province to improve the level of industrial chain and stabilize economic growth. Shengjing Bank has individually connected with the white-listed customers of technology-based enterprises, as well as the list of “small and medium-sized enterprises” and “gazelle” enterprises, and innovatively launched the “Liaoning Sci-tech Loan” product to support technology-based enterprises.

Liaoning Carbon Loan

“Liaoning Carbon Loan” green finance specialized product includes several sub-products such as carbon emission reduction loans, carbon quota pledge loans, and carbon credit-linked loans. This product combines the preferential policies from People’s Bank of China about the carbon emission reduction support tools, helps to revitalize enterprises’ carbon assets, introduce enterprise carbon credit evaluation systems, and effectively address their financing difficulties and high cost problems in the field of green finance.

Shengjing Chain Loan

Traditional supply chain loans generally require the use of the core enterprise’s credit line. Shengjing Bank has innovatively introduced the “Shengjing Chain Loan” product, which does not require providing credit to the core enterprise, nor does it require the core enterprise’s cooperation in confirming accounts receivable and payment accounts, further increases support for private and small and micro enterprises.

We focus on applying digital technology in the innovation of financial products, integrating internal and external data using digital means. The “Tax E Loan” product we offer adopts a service model of “bank + taxation + internet”, takes the enterprise’s tax and credit situation as its core, efficiently and flexibly provides financing support to small and micro-enterprises with honesty in tax payment, and helps enterprises to transform tax credit into financing credit.

04 | Specializing in Service and Focusing on Livelihoods

Shengjing Bank practices the concept of “serving the urban and rural residents”, focuses on providing warm service, continues to optimize the feeling of customers, strengthens the mechanism of consumer rights protection. We also convey financial knowledge through a variety of channels, so that every consumer could enjoy our convenient and efficient financial services without concerns.



Specializing in Service and Focusing on Livelihoods

Consumer Rights Protection

Shengjing Bank pays great attention to the protect consumers' rights and interests, we strictly follow the *Law of the People's Republic of China on the Protection of Consumers' Rights and Interests* and the *Guidelines for the Protection of Consumers' Rights and Interests in Banking*. The Bank promotes the realization that our consumers are always treated fairly, equitably and honestly in all stages of business transactions.

Consumer Protection Mechanism Development

Shengjing Bank has incorporated consumer rights and interests' protection into corporate governance, the bank formulated the *Policy on Consumer Rights and Interests Protection of Shengjing Bank Co., Ltd.* and the *Measures for the Administration of Consumer Rights and Interests Protection of Shengjing Bank*, and made it clear that the Board of Directors takes the ultimate responsibility for consumer rights and interests protection. The Board of Directors has established the Risk Control and Consumer Protection Committee, which is responsible for guiding and supervising the establishment and improvement of the management system for consumer protection.

The Bank's overall objective of consumer protection is to effectively protect the legitimate rights and interests of our consumers, improve the quality of services, enhance financial stability, improve the financial capability of the public, support the development of the financial industry, and win the respect of the society. We have formulated an annual training plan for consumer protection, organized internal consumer protection training in all the branches, and stepped up the assessment of key indicators to ensure that the legitimate rights and interests of consumers are effectively protected.

In 2023, the Bank carried out more than

4,000 consumer protection promotional activities



Chaoyang Branch Holds 2023 Financial Consumer Rights Protection Educational Propaganda Month Activities

On 26 September 2023, Chaoyang Branch faced to the public, held the educational activities in communities, rural areas, enterprises and business districts, teaching financial knowledge by leaflets to middle-aged and old-aged groups, teenagers and business owners. By establishing the concept of rational investment and advocating rational consumption, we helped the key groups to better understand the investment risks, guided consumers to embrace the idea of rational and value-based investment, and discouraged blind and impulsive investments.

We strictly comply with national laws, regulations, and regulatory requirements in our marketing activities, and have formulated the *Shengjing Bank Consumer Rights and Interests Protection Financial Marketing and Publicity Behaviour Implementation Rules (2022)* to ensure business compliance. Shengjing Bank adheres to the concepts of “know our products” and “know our customers”, strengthens our investor suitability management, fully reveals the risks of the products, and sells financial products to customers that under their risk tolerance.

Privacy & Information Security

Shengjing Bank complies with the *Cybersecurity Law of the People's Republic of China*, the *Personal Financial Information Protection Technical Specifications* and other relevant regulations, and has formulated the *Measures for the Shengjing Bank Customer Financial Information Protection Management Measures*. We have established a normal management mechanism and implemented various security control measures in terms of both security management system and deep defense system to effectively protect the privacy and information security of our consumers.

Specializing in Service and Focusing on Livelihoods

The Bank has established a security control system for the entire life cycle of information systems, and a comprehensive risk assessment system for information technology, actively carried out self-inspection, assessment and rectification of IT system risks, and continuously improved the technical capabilities of our IT employees. We have incorporated the handling of customer financial information disclosure and other related incidents into our institutional information security incident emergency response mechanism, formulated specialized processes and plans, set up an emergency response team, and conducted training and drills from time to time in order to improve our preventive and response capabilities.

During the reporting period, Shengjing Bank offered privacy and information security training courses on cybersecurity emergency response and information security management, with a cumulative total of over

5,100 participants



Customer Information Protection System

Develop management regulations for customer financial information protection (production data)	Establish management systems for outsourced service providers and external cooperation institutions	Carry out customer financial information classification and grading management
Establish consumer financial information security inspection and supervision mechanism	Establish daily management and operating procedures	Establish an information system hierarchical authorization management mechanism
Establish customer financial information desensitization	Establish processing procedures for consumers' financial information complaint and appeal	Conduct security impact assessments of customer financial information (production data)
Clarify the deadline for the financial information (production data) sharing, storage, use, and destruction of consumers	Incorporate the handling of consumer financial information disclosure and other related incidents into the institution's information security incident emergency response work mechanism, and develop dedicated processes and plans	

Shengjing Bank Wins Financial System Network Security Skills Competition of Liaoning Province

Shengjing Bank attaches great importance to IT-enabled digital transformation and the cultivation of IT talents, and constantly strengthens collaboration and interaction with cybersecurity experts and cybersecurity professional technology labs from all walks of life for enhancing our professional ability and technical level. On 29 November 2023, Shengjing Bank's cybersecurity team won the first place in the group at the Liaoning Provincial Financial System Cybersecurity Skills Competition.



Specializing in Service and Focusing on Livelihoods




Listening to the feedback of the Customers

Shengjing Bank attaches importance to listening to customers' voice and has established a comprehensive customer feedback mechanism, making full use of both online and offline channels to actively collect valuable opinions and suggestions from customers in order to accurately grasp their needs. In order to gain a deeper understanding of consumers' perception of and satisfaction with our products and services, we regularly conduct consumer satisfaction questionnaire surveys to better know our consumers' satisfaction with the Bank's products and services, which provides data support for the Bank's service enhancement and financial product improvement.

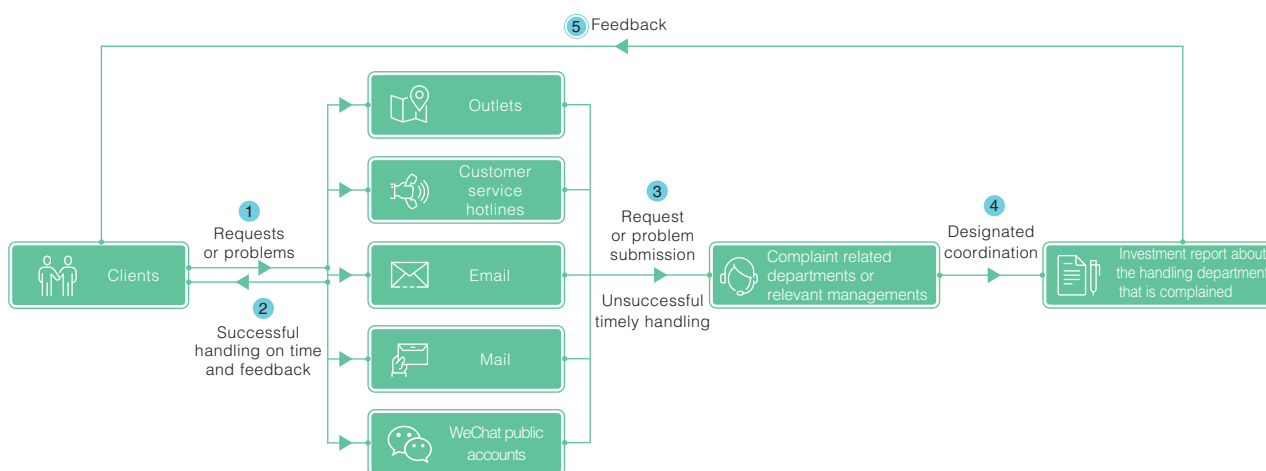
In 2023, the customer satisfaction rate for Shengjing Bank's Remote Banking Centre reached

99.49%



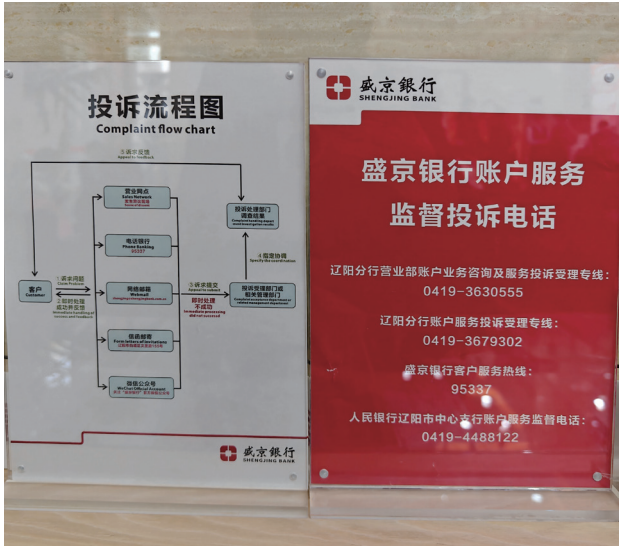
	Branches	Report customer demands or problems to the lobby manager or outlet manager, or leave a message in the customer feedback book.
	Customer service hotlines	Call our 24-hour customer service hotline (95337) and select speaking to our customer service agent.
	Mail	Send a complaint letter to the Shengjing Bank Remote Banking Centre, No. 37 Xishuncheng Street, Shenhe District, Shenyang City, Liaoning Province, China.
	Email	shengjing@shengjingbank.com.cn
	WeChat public accounts	Follow the official WeChat account of "Shengjing Bank" and send complaints or issues via text, images, voice message, etc.

Consumer Enquiry and Complaint Channels



Consumer Complaint Handling Process

Specializing in Service and Focusing on Livelihoods



Complaint Channel Information Disclosure

Shengjing Bank has established a unified and efficient customer complaint handling procedure and a strict and effective customer complaint management mechanism. We have formulated the *Shengjing Bank's Customer Complaint Management Measures*, *Shengjing Bank's Implementing Rules for Diversified Settlement of Financial Consumer Disputes (2022)* and other complaint handling management systems, so that consumer complaints from different channels are effectively handled in accordance with the corresponding acceptance process and handling procedures. We handled every complaint in a standard manner and made great effort to resolve conflicts and disputes from the perspective of consumers.



Complaints resolution rate

100%

Warm-hearted Customer Service

Shengjing Bank draws closer with customers with a smile and wins trust of customers with service. We continue to enhance our awareness of proactive service, build a service team with "winning service and great professionalism", and create a financial service brand with deep influence.



Caring for the Special Customers

Specializing in Service and Focusing on Livelihoods

Shenyang Branch Shenhe Sub-branch Provides Door-to-door Services for Medical Workers

Due to the heavy task of hospital reception, medical workers often work at full capacity. After learning that Shenyang Women's and Infants' Hospital medical workers have collective card opening and card replacement needs, medical workers of Shenhe Sub-branch carried portable equipment to provide door-to-door services for them, while explaining the prevention of telecommunication network fraud, the deposit insurance system, and other financial knowledge. Their enthusiastic, professional and efficient service was highly praised by the medical workers.

Shenyang Branch Xinmin Sub-Branch Delivers "Barrier-Free Service" to Special Customers

Employees of Xinmin Sub-branch went into the homes of the disabled and other special groups in the surrounding communities to provide door-to-door services for elders or disabled people with various financial service needs. After discussion, our employees knew that Mr LV's bank card was automatically switched to frozen status due to a long period of inactivity. The staff of Xinmin Sub-branch then came to his home with the equipment, and in accordance with the service process, after verifying the authenticity of the entrusted matters on the spot, they successfully helped the elder take out the money.

Public Financial Education

In order to further strengthen financial consumers' awareness of their rights, obligations and risks, and to build a harmonious financial consumption environment, Shengjing Bank continues to carry out public financial education activities. Leveraging on our large customer groups and wide social recognition, Shengjing Bank, in conjunction with a variety of actual cases, aiming at the characteristics and needs of different groups, launched close cooperation with communities, schools, enterprises and other social sectors to popularize financial knowledge in key areas such as deposit insurance, anti-money laundering, anti-counterfeiting, cybersecurity and investment and wealth management.



During the reporting period

- Successfully dissuaded victims from transferring money in **12** cases in all of the Bank's business outlets, protecting funds of RMB **1.54** million.



Specializing in Service and Focusing on Livelihoods

Changchun Branch Organizes “Little Banker” Theme Educational Activities

On 4 December 2023, Changchun Branch organized a “Little Banker” theme education activity. The activity included financial enlightenment, useful business tips, money counting competitions, and Anti-Fraud knowledge courses. They also learnt about the history of currency development, money counting skills and the use of New Year’s money. We helped the juveniles to establish a correct concept of money and financial awareness.



Panjin Branch Promotes Knowledge of Telecommunication Fraud Prevention

Panjin Branch went into the community of Changhu New Town to celebrate Chinese New Year with the residents while conveying consumer protection knowledge. We helped them understand how to prevent telecommunication fraud, phishing websites, online fraud, and illegal fund-raising. We took a special case approach to middle-aged and elderly citizens who were lack of financial knowledge, and got good feedback on our outreach efforts.



Specializing in Service and Focusing on Livelihoods

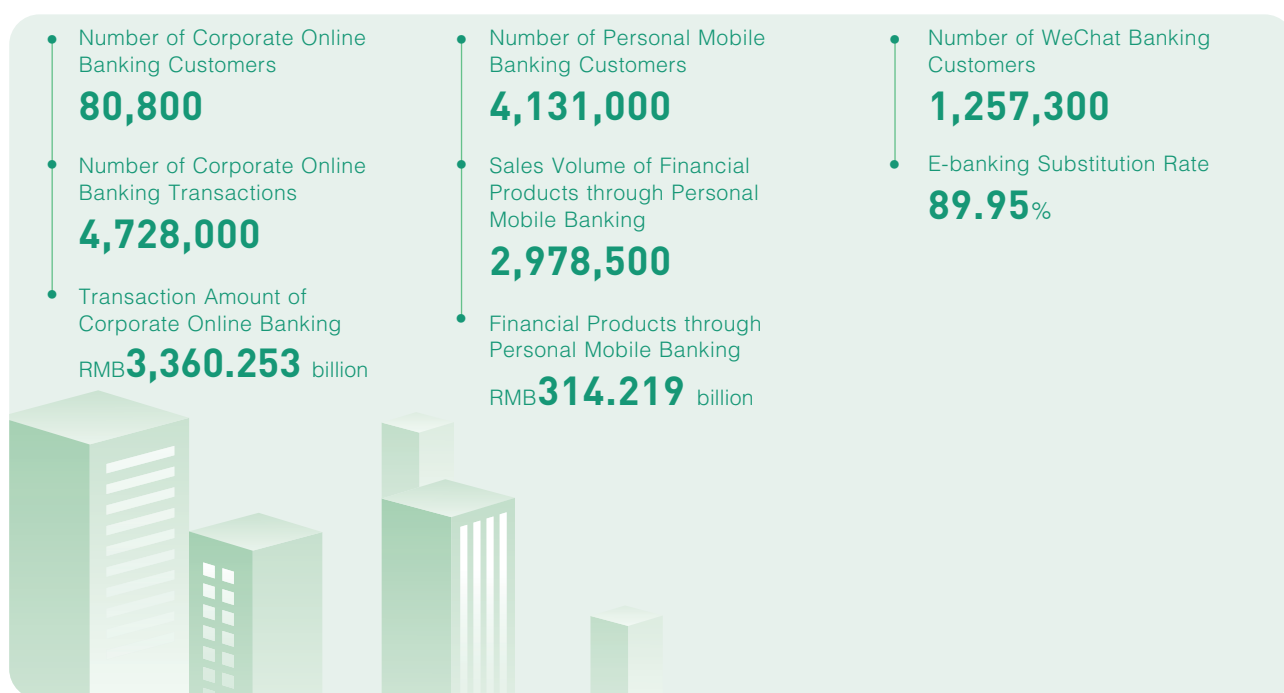
Smart Financial Services

Shengjing Bank promotes intelligent financial services, combining traditional banking services with digitalization and intelligence, and improves customer experience through high technology. We are deeply committed to local life, exploring more fintech application scenarios and build a scenario ecology with Shengjing Bank's characteristics step by step.

Around project development, the Bank has formulated the *Regulations for the Implementation of Demand Management for Application Development Category of Shengjing Bank*, and the *Regulations for the Implementation of Software Development Category of Shengjing Bank*. The Information Technology Department, as our R&D and innovation management organization, is responsible for formulating R&D plans and promoting technological development. We make sure that we always follow the scientific and ethical norms in our innovation and R&D. Each project undergoes a strict requirement approval process to ensure that it complies with national laws and regulations, and the relevant provisions of the People's Bank of China and the State Administration of Financial Supervision and Administration of the People's Republic of China, so that each scientific and technological achievement could have a positive impact on the advancement of society.

We advocate the concept of intellectual property protection, strictly abide by the related laws and regulations, such as *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and improve the construction of intellectual property management system, respecting the intellectual property rights of others, fully support the role of intellectual property rights in business operations, and providing strong support for the Bank's brand building and business development. At the end of the reporting period, the Bank owned 4 software copyrights.

During the reporting period, Shengjing Bank created a new version of mobile banking APP, significantly enhancing its visual design, user interface, QR code payment, and security measures. The Bank has also integrated the Standard, Wealth and Care versions to provide customers with an "specialized" service experience.



05 Green and Low-carbon Practices for Sustainable Finance

Shengjing Bank deeply understands the significant role of green finance in implementing national environmental and climate strategies, improving social well-being and promoting sustainable development. While practicing green operations, the Bank also guides and supports various sectors of society to participate in green development, contributing financial support to achieve the “dual carbon” goals.



Green and Low-carbon Practices for Sustainable Finance

Development of Green Finance

Shengjing Bank attaches great importance to the development of green finance, insisting on deepening and strengthening comprehensive green financial services while balancing environmental and social benefits alongside business development. We continuously improve our systems, innovates products and enhances services.

Development Strategy for Green Finance

Shengjing Bank is committed to improving its green financial management system. It implements a green finance development strategy led by the Board of Directors and the Strategic Development and ESG Committee. The Bank has formulated relevant regulations for green finance management, established a green finance management framework, and clarified the overall thinking, development direction, implementation path and specific requirements for green finance. the Bank has established specialized service teams across departments and branches. The Bank has created an effective marketing mechanism through the marketing service guidelines to guide more funds from the entire bank into green industries such as energy conservation, environmental protection, clean energy and ecological environment, thereby expanding the coverage of green finance.

Green Finance Credit Policy

Shengjing Bank comprehensively controls credit environmental and social risks throughout the entire process. the Bank has established a green finance credit policy system covering factors such as industry access, interest rate pricing and performance evaluation. This system clearly defines the direction and key areas of support for green finance, and implements differential and dynamic credit policies. the Bank strictly restricts credit allocation to industries with high energy consumption, high emissions and excess capacity. We implement a green loan priority expedited review and approval policy, which enhances credit approval efficiency across multiple stages including pre-loan investigation, loan approval and disbursement review.

Project Category	Policy Requirements
Projects without environmental impact assessments	▶ No loans or other financial support shall be granted
For enterprises with significant energy consumption, pollution issues and insufficient rectification efforts	▶ Except for credit related to energy conservation and emission reduction improvements, no new credit shall be extended, and existing credit shall be gradually reduced and recovered
Customers or projects that meet the Bank's industry credit policy requirements	▶ Appropriate preference shall be given in terms of credit scale, credit limit, loan interest rates and economic capital utilization
Key supported project areas	▶ Reasonable determination of loan interest rates and terms, actively supporting, assisting, and promoting the development of green credit

Differentiated Green Loan Credit Policy

Green and Low-carbon Practices for Sustainable Finance

Green Finance Business Practice

Shengjing Bank actively explores green finance innovation, promotes green finance products and services, strengthens green finance cooperation and exchanges, and conveys the green finance brand image.

Diversified Business System

Shengjing Bank comprehensively implements the ESG concept throughout the investment and financing activities, constructing a diversified business system. We are committed to promoting the transformation of investment and financing structure towards green development and accelerating the innovation of product and service systems.

Carbon Financial Products

The Bank has actively explored carbon financial product innovation and has offered a total of 142 issues of carbon-neutral structured deposit products, which are linked to the first instalment of CDB's 2021 and 2022 green financial bonds respectively, with a cumulative total of RMB12.953 billion in product sales.

We have innovatively launched the "Liaoning Carbon Loan" green finance special product, which includes several sub-products such as carbon emission reduction loans, carbon quota pledge loans and carbon credit-linked loans. By combining with the preferential policies of the People's Bank of China's carbon emission reduction support tools, we help enterprises solve the problems of difficulty and high cost of financing in the field of green finance.

At the end of the reporting period

the balance of green loans reached

RMB **9.797** billion
an increase of
51.92%
from the beginning of the year



At the end of the reporting period

the transaction volume of the "Liaoning Carbon Loan" business

reached RMB **125** million
with a balance of RMB **115** million
equivalent to a cumulative reduction of
29,100 tonnes
of carbon dioxide emissions



Shengjing Bank Innovated with the Launch of "Liaoning Carbon Loan" to Support Green and Low-carbon Development in the Liao-Shen area

On 12 May 2023, the "Shenyang Green Finance Service Platform Launch Ceremony and Carbon Emission Reduction Support Tool Promotion Conference" was successfully held in Shenyang. At the conference, Shengjing Bank, as a representative of the banking industry in Shenyang, announced the launch of the "Liaoning Carbon Loan" series of products. The introduction of this product demonstrates that Shengjing Bank is closely following the national policy direction, innovating in the field of carbon finance, leading the market, and also reflecting Shengjing Bank's role as a local financial main force in responding to regional climate change and promoting green, low-carbon and high-quality development.



Green and Low-carbon Practices for Sustainable Finance

Shengjing Bank Provided Liaoning First Comprehensive Carbon Emission Credit Financing

An energy company in Liaoning is one of the key emission units included in the national carbon emission trading market in Liaoning Province. It consistently has surplus after settling its annual carbon emission quotas. The company urgently needs funds to purchase coal at a relatively stable price to reduce winter heating costs. After understanding the company's needs, Shengjing Bank and the Shenyang Environmental Resources Exchange proposed a plan to use carbon emission rights for collateral financing, ultimately assisting the company in obtaining short-term online financing. The successful implementation of this business effectively helps the company revitalize its carbon assets, effectively addressing the financing difficulties faced by the company in green development. It also paves the way for the company to reduce emissions through a low-cost, market-oriented approach with dual environmental and economic benefits.

Green Credit

The Bank vigorously develop green credit trading business, increasing our focus and support for industries transitioning to green practices. In the field of water conservation, we have launched a special financing service called "Water-saving Loan", prioritizing credit resources for urban and rural water-saving supply, industrial water-saving and emission reduction. This initiative provides low-cost loan funds for the efficient use of water resources.

Chaoyang Branch Supported a Steel Company's in Liaoning Steelmaking Capacity Replacement Project

Chaoyang Branch has cumulatively provided totaling RMB97 million for a steel company's steelmaking capacity replacement project. Through equipment replacement and upgrading to large-scale and intelligent systems, the project has reduced energy consumption and oxygen consumption. The energy consumption indicators for each process have reached advanced levels, effectively enhanced the quality of steel production and production efficiency while improved the surrounding environment.

Green Bonds

The Bank regards green bonds as an important investment area, actively participating in financing through green bonds and continuously optimizing investment structures and strategies. By the end of the reporting period, a total of RMB450 million had been invested in the field of green bond financing, aiming to bring positive impacts to society and the environment.

Cooperation and Exchange in Green Finance

Shengjing Bank actively engages in cooperation and exchange in the field of green finance. We have established business exchange mechanisms with both the Shenyang Environmental Resources Exchange and the Beijing Institute of Green Finance and Sustainable Development. Additionally, we have signed a strategic cooperation agreement with the Shenyang Environmental Resources Exchange, aiming to deepen cooperation in areas such as innovation of carbon finance products and the construction of green industry capabilities. Furthermore, the Bank has applied to join the Professional Committee of the China Green Finance Association and has been invited to participate in the annual meeting of the Green Finance Professional Committee of the China Financial Society in 2023. Through these engagements, we gain deeper insights into the forefront and concepts of green finance, maintaining close ties with the national green finance policy orientation.

Promotion of Green Finance Brand

Shengjing Bank actively strengthens the promotion of its green finance brand. We have compiled and distributed the *Shengjing Bank Green Finance Product Manual*. Additionally, we have widely publicized innovative green finance products such as carbon emission reduction loans and carbon emission rights pledge loans in media outlets such as China National Radio Network, China Economic Net, Liaoning Daily, Liaoshen Evening News and Shenyang TV. This extensive coverage has garnered significant attention from peers and businesses, effectively enhancing the market image of our green finance brand. During the reporting period, the Bank was honored with the "17th Gold Cicada Award for 2023 Annual Green Finance Service Institutions" by Huaxia Times.

Green and Low-carbon Practices for Sustainable Finance

Low-carbon Green Operation

Shengjing Bank is committed to becoming a resource-saving and environmentally friendly financial institution. We adhere to the concept of “green operation” and strive to minimize the environmental impact at the operational level.

Sound Environmental Management

Shengjing Bank strictly adheres to relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China*. We have formulated management systems such as the *Shengjing Bank Headquarters Construction Opinion* and the *Shengjing Bank Office Agreement on Creating a “Green Office, Low-carbon Life, Energy-saving and Consumption Reduction”* and other related documents to manage energy use of the Bank. We call on all employees to save electricity, water, office supplies, promote paperless office work and avoid material waste. We firmly establish a sense of thrift and responsibility, strictly avoid resource waste and loss, gradually cultivate a corporate culture that advocates environmental protection and thrift, and reduce energy consumption in the operation process.

During the reporting period, the Bank did not experience any significant violations of relevant laws and regulations regarding emissions of waste gases and greenhouse gases, discharge of pollutants into water or land, or generation of hazardous or general waste that would have a significant impact on the Bank.

Energy Consumption

In the operations of Shengjing Bank, electricity is the primary source of energy consumption. To achieve the goal of green operation, we actively implement various energy-saving measures and strictly supervise and manage the use of energy. As of the end of the reporting period, the headquarters total energy consumption of our bank was 4.28 million kilowatt-hours, with a headquarters per capita energy consumption of 0.42 million kilowatt-hours per employee¹. To reduce energy consumption year by year, we have set multiple energy-saving targets, including reducing electricity usage, optimizing energy utilization and enhancing employee training awareness.



- Turn off office equipment when not in use, especially those not in use for long periods, and activate power-saving mode where available
- Power off unnecessary electronic devices when leaving work, and promptly turn off electrical equipment after meetings to conserve electricity
- Choose energy-efficient lighting and utilize natural light to save electricity
- Adjust air conditioning temperatures and close doors and windows according to seasonal and temperature changes, using natural ventilation to save energy



- Manage the allocation of official vehicles and strengthen the management of their usage, promoting green transportation
- Streamline conferences, shorten meeting times, advocate for video conferences and reduce transportation energy consumption

We are committed to integrating the development of digital banking services with environmental protection. Through various channels such as online banking, mobile banking and WeChat banking, we provide electronic financial services to customers, aiming to save social resources and promote the development of a low-carbon economy.

¹ During the reporting period, the total number of employees according to the Bank's calculation was 1,022.

Green and Low-carbon Practices for Sustainable Finance

Shengjing Bank Applies Green Data Center Energy-saving Measures

Shengjing Bank continuously replaces physical servers with virtual servers to reduce energy consumption and cooling demand. In 2023, 894 new virtual machines were added to the data center, which now has a total of 5,073 virtual machines. This initiative saved 29,033,800 kWh of electricity annually, which is equivalent to a reduction of 22,791.53 tonnes of CO₂ emissions.

Year	Electricity consumption at headquarters (million kWh)	Oil consumption at headquarters (litres)	Natural gas use at headquarters (m ³)	Total energy consumption at headquarters (million kWh)	Unit energy consumption (million kWh/employee)
2023	3.6033	49,239	24,030	4.28	0.0042
2022	4.4644	62,423	23,528	5.27	0.0054
2021	3.9677	66,453	24,473	4.82	0.0051

Emission of Exhaust Gas

The emission of exhaust gas from Shengjing Bank is primarily due to the consumption of gasoline by our fleet of vehicles. We aim to reduce air pollutant emissions by minimizing the use of company vehicles and maintain emissions within a reasonable range in the future. During the reporting period, the Bank generated a total of 0.72 kilograms of SO_x, 18.62 kilograms of NO_x, and 20.71 kilograms of PM².

Year	SO _x (kg)	NO _x (kg)	PM (kg)
2023	0.72	18.62	20.71
2022	0.918	262.547	19.331
2021	0.977	–	–

Water Resource Management

Shengjing Bank actively promotes water conservation among our employees. the Bank has established multiple water-saving objectives, which include forming specialized teams for water resource management, implementing rational planning for bank water usage and conducting employee awareness campaigns to reduce water consumption. Regular maintenance of water facilities has eliminated occurrences of leaks and wastage. Furthermore, the Bank has intensified its educational efforts among employees, gradually fostering a culture of civilized and efficient water usage. This has led to employees developing conscientious habits of water conservation, effectively preventing the wastage of water resources. The water used by the Bank is sourced from third-party municipal water suppliers and discharged into the municipal drainage system after use. As of the end of the reporting period, the total water consumption at our headquarters amounted to 43,978 tonnes, with a per capita water consumption of 43.03 tonnes per employee. Additionally, there have been no issues regarding the procurement of suitable water sources.

² Due to the unavailability of annual mileage data for public vehicles prior to 2022, the NO_x and PM for 2022 are calculated based on the cumulative mileage since the purchase of the vehicles. The NO_x and PM for 2023 are calculated based on the annual mileage data.


Green and Low-carbon Practices for Sustainable Finance

Year	Headquarters common water volume (tonnes)	Headquarters per capita density of common water (tonnes/employee)
2023	43,978	43.03
2022	40,695	42.04
2021	52,890	62.52



Waste Management

To minimize the environmental impact of waste generated during operations, Shengjing Bank has set targets to reduce paper waste, effectively manage waste and recycle electronic products. The Bank adheres to proper waste management practices, encouraging employees to take practical actions to reduce waste and promoting waste classification and recycling. As a non-production enterprise, our main business activities do not involve high pollution or emissions, resulting in no significant harmful waste generation. The limited hazardous waste generated by the Bank's daily use of batteries, discarded light tubes and similar items is properly and harmlessly disposed of through waste management companies. As of the end of the reporting period, the Bank generated 176.85 tonnes of non-hazardous waste (mainly household waste) and 7.16 tonnes of hazardous waste, resulting in a per capita production of 0.17 tonnes of non-hazardous waste per employee and 7.01 kilograms of hazardous waste per employee.

 <p>Conserving Office Supplies</p>	<ul style="list-style-type: none"> • Strictly control the procurement of office supplies, avoiding the purchase of high-grade office supplies and choosing low-energy-consumption products • Standardize the procedure for distributing office supplies, ensuring that the head of the unit approves and signs off on the distribution to avoid unnecessary usage. Improve the efficiency of office supply utilization by collecting reusable items and reducing the use of disposable ones • Promote the use of recycled paper and replace items with recyclable alternatives, such as pens with replaceable cores, toner cartridges and rechargeable batteries • Install office paper recycling bin and install separate recycling bins for office paper, periodicals, newspapers and packaging paper to facilitate recycling • Encourage conference attendees to use meeting supplies reasonably and return items to their designated places after the meeting to avoid waste
 <p>Promoting Paperless Office</p>	<ul style="list-style-type: none"> • Maximize the utilization of office systems like OA instant messaging to reduce the use of paper documents and further increase the utilization rate of office systems • Avoid printing unless necessary, print double-sided only when explicitly required, and minimize the consumption of paper and printer consumables
 <p>Controlling Consumables</p>	<ul style="list-style-type: none"> • Conserve the use of paper towels and other paper-based products in restrooms • Strengthen the use and maintenance of office equipment to prevent damage
 <p>Recycling Terminal Devices</p>	<ul style="list-style-type: none"> • Recycle replaced terminal equipment, including computers, terminals, printers, dot matrix printers, keyboards and networking devices

Green and Low-carbon Practices for Sustainable Finance

	Unit	2023	2022	2021
Non-hazardous waste				
Household garbage	tonnes	175	300	168
Destroyed production hard drives	kg	68.6	76	14
Laptop hard drives	kg	2	2	3
Desktop computer hard drives	kg	45	47	51
Discarded computers	kg	680	698	765
Discarded printers	kg	850	940	1,034
Other discarded electronic information products	kg	200	326	358
Hazardous waste				
Toner	kg	809	766	727
Toner Cartridges	kg	3,697	3,564	3,386
Ink cartridge	kg	4.4	4.8	4.5
Ribbon cartridge	kg	2,650	2,585	2,455

Beijing Branch Tongzhou Sub-branch Launches “Garbage Separation” Educational Activities

Tongzhou Sub-branch together with Yongshundongli Community, organized a public welfare and educational campaign on “garbage classification”, actively promoting knowledge of garbage classification to community residents. Incorporating content closely related to residents’ daily lives into activities such as garbage classification wheel and flying chess, the campaign aimed to increase residents’ participation and raise awareness of the importance of garbage classification. This campaign aimed to guide residents to correctly classify garbage, starting from themselves and from small actions, in order to protect the environment we all share.



Green and Low-carbon Practices for Sustainable Finance

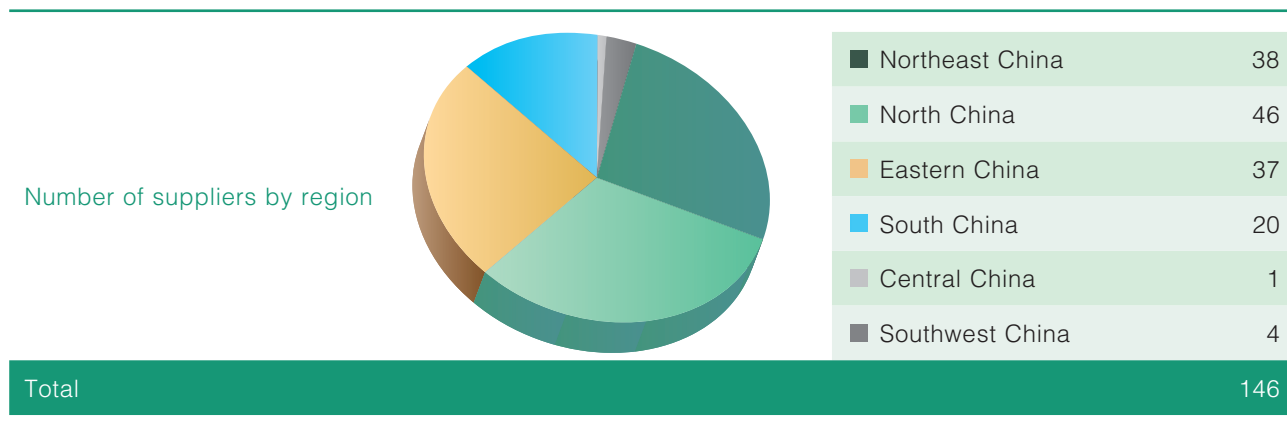
Implementation of Green Procurement

Shengjing Bank adheres to the *Interim Provisions on Centralized Procurement Management of State-owned Financial Enterprises* and related regulations to standardize centralized procurement practices, thereby enhancing procurement efficiency and effectiveness. The Bank has established internal management systems such as the *Shengjing Bank Regulations on Centralized Procurement of Goods and Services (Trial)* to implement principles of unified management and unified bargaining. While prioritizing energy-saving and environmentally friendly products as well as nationally supported products, we select outstanding suppliers within the industry based on the specific characteristics of each project. In supplier selection, we adhere to the principles of “openness, fairness and impartiality”, taking into account the supplier’s social responsibility performance, civil liability capacity, business reputation, financial status, technical capabilities, tax and social security records, as well as compliance with operating regulations.



We adhere to the procurement philosophy of energy conservation and environmental protection, actively implement green procurement policies, and encourage suppliers to incorporate environmental protection and energy conservation requirements into their management systems. We prioritize selecting suppliers who have obtained environmental management system certification and product environmental labels. We actively communicate our support for and advocacy of green procurement to suppliers to encourage them to improve their production environment.

As of the end of the reporting period, the Bank has a total of 146 suppliers. The details are shown below.



Green and Low-carbon Practices for Sustainable Finance

Responding to Climate Change

Shengjing Bank has identified and disclosed policies and actions to address climate-related risks and opportunities in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework, striving to contribute to mitigating climate change through practical actions.

Climate Change Management

Shengjing Bank clearly defines the governance responsibilities of the Board of Directors, and the Strategic Development and ESG Committee in addressing climate change-related issues. We thoroughly understand and assess the challenges and opportunities posed by climate change, integrating climate change-related decisions into our governance framework, and ensuring effective implementation of relevant decisions and actions at all levels.

Opportunity and Risk Identification

Based on publicly available materials and industry analyses, Shengjing Bank reviews materials released by peers, industry commentaries and media reports to identify industry-wide risks. We have identified the potential impacts of climate change on our business sectors over different time scales (short to long term). Through qualitative assessments, we rank the identified risks based on their likelihood, impact, adaptability and resilience, categorizing them into “low,” “medium,” and “high” impact intensities.



Green and Low-carbon Practices for Sustainable Finance

Type of Risk	Climate risk Factors	Risk Classification	Examples of Risks	Time Dimension	Business Areas Covered	Impact Intensity
Physical Risk	Heat waves	Acute Operational Risks	During heat waves, employees may be unable to work due to heat exhaustion, heat stroke or other health conditions caused by the extreme heat, resulting in higher operating costs.	Long-term	Bank-wide	Medium
	Earthquakes	Acute Operational Risks	The risk of earthquakes is low as the Bank's offices are not geographically located in areas prone to earthquakes.	Long-term	Bank-wide	Low
	Typhoons	Acute Operational Risks	The risk of typhoons is low as our offices are located away from typhoon-prone areas.	Long-term	Bank-wide	Low
	Extreme weather events	Acute Operational Risks	The region where the Bank operates may face extreme weather events such as heavy rainstorms and blizzards, which could lead to disasters such as flooding and snow disasters, affecting clients' business operations and increasing the risk of loan defaults.	Long-term	Bank-wide	High
	Sea level rise	Chronic Operational Risks	The risk of sea level rise is low as the Bank's offices are not located along the coastline.	Long-term	Bank-wide	Low
Transition Risk	Energy	Acute Operational Risks	As the Bank is not involved in manufacturing, the main source of energy used by the Bank is purchased electricity and therefore the risk of energy stress is low.	Short-term	Bank-wide	Low
	Water resources	Chronic Operational Risks	The risk of water shortage is low as the Bank's offices are in a non-high water stress area.	Short-term	Bank-wide	Low
	New policies for low carbon economy transition	Market and Technology Risks	China's commitment to the 3060 dual carbon target and the introduction of new government policies to support the low carbon transition have increased the Bank's research and development costs and corresponding market competition in green finance.	Long-term	Bank-wide	Medium
	Regulatory mandatory disclosure	Operational and Reputational Risks	Regulatory mandated disclosure of climate-related financial information and the lack of historical data and accurate accounting methods affects the quality of disclosure.	Short-term	Bank-wide	Low

Climate Risk Identification Matrix

Green and Low-carbon Practices for Sustainable Finance

The Bank has taken various measures to improve its climate risk management and enhance its ability to respond to unexpected weather events, while applying opportunities to explore new business opportunities and promote sustainable business development.

Opportunity	<ul style="list-style-type: none"> The government's issuance of new policies supporting low-carbon transformation has provided significant opportunities for Shengjing Bank's development in the field of green finance. With the deep adjustment of the economy, energy and industrial structure, there will be a substantial increase in demand for green investment and financing, and emerging industries and innovative formats will flourish. Against this backdrop, Shengjing Bank will encounter significant opportunities for business expansion, operational model optimization, and product innovation.
Response	<ul style="list-style-type: none"> The Bank have formulated contingency plans, taking into full account the impact of climate disasters, categorizing emergency events and specifying concrete response measures. An emergency response leadership team has been established to ensure the provision of adequate personnel, materials, and system support. In mitigating greenhouse gas emissions, the Bank's main sources are emissions from purchased electricity, municipal heating and fuel. Our primary measures for the future include improving resource utilization efficiency, increasing the proportion of renewable energy use, prioritizing clean energy, leasing green and energy-efficient buildings, and encouraging green travel and online meetings. The Bank can enhance risk management for clients by reviewing their risk resilience and response measures, enabling timely responses to the impacts of climate risk events on client operations. The Bank is introducing more green financial products to support clients in carrying out environmentally friendly and sustainable development projects. This approach aims to reduce the impact of climate risks on client operations and promote economic transformation and upgrading.

Indicators and Targets

The primary sources of carbon emissions for Shengjing Bank are purchased electricity, municipal heating and fuel consumption. During the reporting period, the Bank's total greenhouse gas emissions were 2,237.87 tonnes of carbon dioxide equivalent, representing a 18.30% decrease compared to the previous period. The per capita greenhouse gas emissions were 2.19 tonnes of carbon dioxide equivalent per employee, representing a 22.61% decrease compared to the previous period. As a financial service institution, the Bank's energy consumption mainly arises from the office activities of its staff. Therefore, Shengjing Bank's carbon emission target for this reporting period is to maintain per capita greenhouse gas emissions within a reasonable range.

Year	Headquarters Scope 1 Greenhouse gas emissions ³ (tonnes of CO ₂ equivalent)	Headquarters Scope 2 Greenhouse gas emissions ⁴ (tonnes of carbon dioxide equivalent)	Headquarters total Greenhouse gas emissions (tonnes of CO ₂ equivalent)	Greenhouse gas emission intensity (tonnes of CO ₂ equivalent/employee)
2023	182.93	2,054.94	2,237.87	2.19
2022	193.21	2,546.02	2,739.23	2.83
2021	197.33	2,385.08	2,582.41	2.73

³ The main headquarters Scope 1 greenhouse gas emissions come from direct emissions of greenhouse gases from the combustion of gasoline, diesel and natural gas.

⁴ The main headquarters Scope 2 greenhouse gas emissions come from purchased electricity production.

06

Empowering Growth, Accumulating Talents

Shengjing Bank adheres to the concept of employing people based on both virtue and talent, and emphasizes professional ethics, makes the value of our employees maximized and let them play their best. We enhance cohesion with our corporate culture to give employees a sense of belonging, happiness and acquisition, and build up a strong talent force to lay a solid foundation for the sustainable development of the bank.



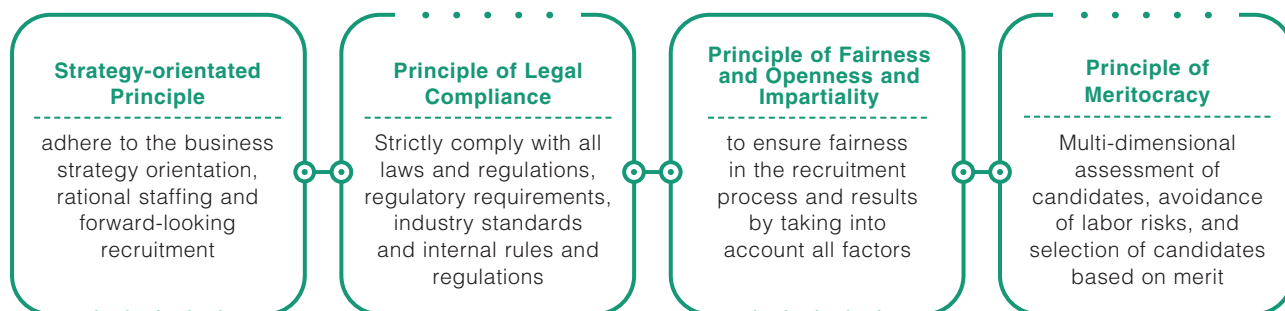
Empowering Growth, Accumulating Talents

Protecting Employee Rights and Benefits

Shengjing Bank is committed to creating a fair and harmonious working environment for our employees. The Bank strictly abides by the *Labor Contract Law of the People's Republic of China*, the *Provisions on Prohibition of Child Labor* and other relevant national and local laws and regulations, and establishes a comprehensive employment management and remuneration and welfare system to protect the rights and interests of employees.

Employment

Shengjing Bank implements the laws and regulations related to labour employment and formulates the *Shengjing Bank Labour Contract Management Regulations* and other systematic documents to ensure that there is no discrimination on gender, age, religion, ethnicity, nationality, poverty, disability and other factors in the recruitment process. We strongly oppose and avoid the use of child labor and forced labor, and strictly verify the authenticity of each candidate's identity information. In order to cope with possible problems, we have formulated appropriate handling plans. In case of discovery, we will take immediate corrective actions to maintain a fair, just and lawful employment environment. During the reporting period, there were no incidents of child or forced labor in the Bank.



Recruitment Principles

External Recruitment

Social Recruitment: It organically combines the introduction of excellent talents in the industry with the effective use of existing employees, gives branches the autonomy to employ people, and realizes “one policy for one branch” in selecting and employing candidates. The selection process implements a “total linkage” mechanism, whereby the head office centralizes the paper test to help the branch do the first round filter, and the branch interviews its own recruits to ensure that the quantity and quality of talents introduced meets the standards, and that high-quality talents are introduced to promote high-quality development.

Campus Recruitment: The head office and branches of the Bank jointly organized and implemented job fairs such as the Northeast Asia Talent Exchange Conference and Shenyang City’s “Five Deliveries to Campus”. We signed a strategic cooperation agreement with the Northeast University of Finance and Economics to continuously enhance the Bank’s regional influence.

Internal Selection

The Bank carries out internal selection in an open, fair and impartial manner to promote internal mobility of employees and activate their high-speed growth potential. We create personnel mobility channels among the head office, branches and sub-branches to optimize the personnel structure. We create a stage for employees with potential to display their talents, so as to promote the turnover rate of the talent stock and realize the overall incremental growth.

Recruitment Channels

Empowering Growth, Accumulating Talents

Shenyang Branch Organized the “New Journey of Rule of Law and Healthy Women’s Journey” Law Promotion Activity on Women’s Day

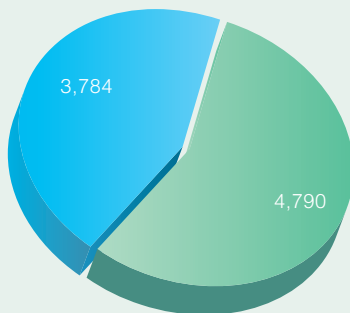
As the 113th International Working Women’s Day was approaching, the Rights and Interests Department of the Provincial Women’s Federation, the Rights and Interests Department of the Municipal Women’s Federation, and the Juvenile and Family Cases Trial Division of the Municipal Court visited the Shenyang Branch to jointly carried out the “New Journey of the Rule of Law and Healthy Women’s Journey” law promotion activities. This activity enabled female employees to further understand the contents of the newly revised Law of the People’s Republic of China on the Protection of Rights and Interests of Women and enhanced not only their legal awareness but also health consciousness. In the future, Shengjing Bank will further unite the women’s power, further create a good atmosphere of caring for the physical and mental health of female employees and safeguard the legitimate rights and interests of them, better promote the harmony and stability of enterprises and society.



In 2023

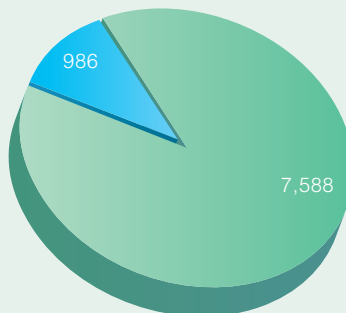
Shengjing Bank had **488** new employees and a **100%** labour contract signing rate, with a total of **8,574** employees

classified by gender



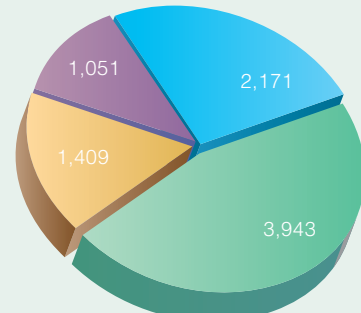
Male Female

classified by ethnicity



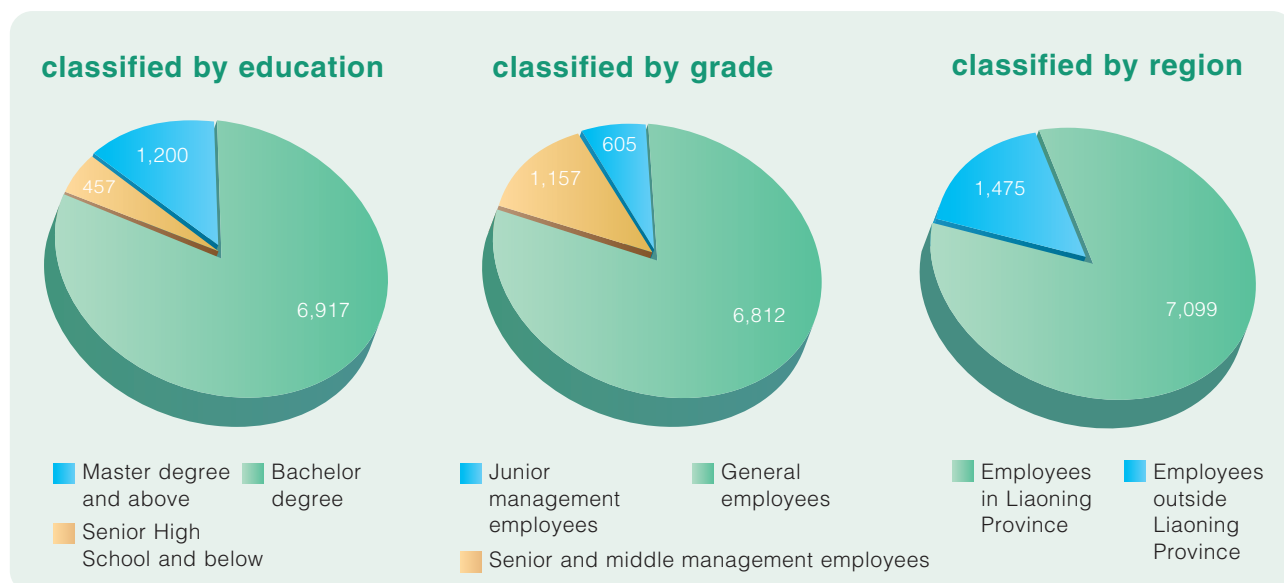
Han Others

classified by age



30 and below 31-40
41-50 50 and above

Empowering Growth, Accumulating Talents



Salary and Benefits

Shengjing Bank has formulated the *Measures for Total Salary Management of Shengjing Bank* in accordance with the relevant national, provincial and municipal regulations by keeping up with the standard of other advanced financial enterprises and considering our actual workload. We strictly follow the system to implement various elements of payroll management, employee appraisal and job sequence pay scale, and continuously promote the scientific, institutionalized and standardized payroll management system to give full play its dual role of incentives and constraints. The Bank's remuneration system consists of three components: fixed remuneration, variable remuneration and welfare income. Fixed remuneration is mainly determined by the sequence, level and salary scale of the employees, while variable remuneration is oriented by the results of the performance appraisal of his organization and himself. We have implemented a performance-based monthly fixed advance payment to increase the current income of employees.

Shengjing Bank provides employees with comprehensive basic social insurance and benefits, adding supplementary medical insurance and enterprise annuity (supplementary pension insurance) to the statutory social security contributions (five insurance and one housing fund), which promotes the stability of the employees.



Benefits for Employees

Empowering Growth, Accumulating Talents

Employee Training & Development

Shengjing Bank has always adhered to the concept of “talent resources are the first resource”, and is committed to “setting up a stage, setting up a competition arena, and building a platform” for each striver. The bank provides diversified training and development opportunities, builds a broad way for their growth and career advancement, and make efforts with our employees to make progress and grow up together.

Employee Training


Shengjing Bank attaches great importance to staff training and has adopted a refined training project management. We have established a “bank-to-person” training management mechanism for training activities across the bank, assigning one training manager to each branch and the department of head office. The duty for this manager is to oversee the progress of employees’ annual training plan, follow up their training activities, listen to the feedback from training organizations, and raise improvement suggestions to ensure the trainings are effectively implemented inside the bank.

During the reporting period, we organized various kinds of training and promotional activities such as new employee training, leadership training and internal departmental training to help employees improve their professional skills and comprehensive quality, and organized different types of examinations to further test the training outcome of our employees.


During the reporting period

the total investment in staff training was RMB **6.7552** million

with a total of **19,913** hours of staff training, **48** hours per person and a training coverage rate of **100%**




New Employee Training	Leadership Training	Department Training
We conduct centralized pre-employment training, using face-to-face course, videos, scenario-based exercises, skills instruction, group competition and other kinds of training. We carry out trainings on company rules and regulations, corporate culture, professional skills and workplace etiquette.	We compile training materials that are tailored to the actual situation and level, and use face-to-face lectures and exams to train our employees from all aspects.	Each employee should take turns to lead the course and teach the operation process of the work for different content in charge. We conduct in-house training in the form of face-to-face lectures, operation simulations and on-site exercises.




Training Channel Construction

Set up the “Shengjing Bank Mobile Learning” platform to aggregate training course resources and share them with the whole bank



Construction of Training Faculty

A team of more than 300 internal trainers has been formed to undertake major training tasks for different content of business operations



Preparation of Training Materials

Compiled and put into use training materials of about 2 million words in three categories

Empowering Growth, Accumulating Talents

Shengjing Bank Applies Online Education Platform to Enable Employees to Learn Anytime, Anywhere

Shengjing Bank has created an intelligent system for the whole process of “teaching”, “learning”, “research”, “examination” and “management”, which is realized on the “Shengjing Bank Mobile Learning” APP. We have created a comprehensive, systematic, and convenient intelligent learning environment for all the employees through a customized online training and learning platform. The “Shengjing Bank Mobile Learning” platform mainly covers the content of management and leadership, financial technology, retail business, public business, operation management, internal control and compliance, etc. During the reporting period, 133 internal courses and 27 external courses were uploaded, with an accumulated annual online learner of 53,000 in a total of 11,200 hours.

Shengjing Bank Conducts New Employee Orientation

On 11 July 2023, Shengjing Bank provided professional knowledge, business skills, corporate culture and workplace etiquette training to the new employees recruited in 2023 through on-site lectures, online learning, environmental simulation, hands-on operation, skills guidance and other diversified forms of lectures. It enabled new employees to master the professional knowledge required for the job as soon as possible, supported them to complete the role transition quickly, so as to lay a solid foundation for their professional careers.



Shenyang Branch Participates in the Shenyang Modern Metropolitan Area Youth Development Forum

On 24 May 2023, the Youth Development Forum of Shenyang Modern Metropolitan Area “City Friendly and Inclusive, and the Youth make a difference” was held in Shenyang International Youth Activity Centre, the youth representatives of Shenyang Branch participated in the forum and gave speeches on site. The youth representatives of Shenyang Branch actively innovated the way of display, vividly demonstrated the efforts and contributions of Shenyang Branch in optimizing the environment for youth cultivation in Shenyang City, supporting the career development of the majority of the youth and their growth, etc. In the future, Shenyang Branch will also make efforts to improve the environment for youth development. In the future, Shenyang Branch will also continue to pay great attention to the cultivation of young employee and the construction of the youth team, and play a good role to serve the development for youth talents.



Empowering Growth, Accumulating Talents

Employee Development

Shengjing Bank attaches great importance to the personal development and promotion of its employees, and has formulated the *Shengjing Bank Professional Sequence and Salary Grade Management Measures* and *Shengjing Bank Employee Appraisal and Management Measures* to establish a completed promotion and development management system. According to the Bank's current management system, value orientation and job characteristics, we have set up five professional sequences, namely management sequence, marketing sequence, technical sequence, operation sequence and consultant sequence, and provided two promotion paths for employees, which are respectively promotion within the sequences and promotion across the sequences, so as to encourage the employees to move forward on their career paths and to realize win-win situations in terms of self-development and company development.

The Bank continues to promote the optimization of talents, focusing on selecting outstanding talents internally, and allowing capable and potential employees to be promoted through fair assessment and appraisal. We have formulated the *Administrative Measures for the Appointment of Managers* and the *Administrative Measures for the Qualifications of Senior Managers of Shengjing Bank* to further standardize the selection and appointment criteria and procedures. The Bank clarifies 5 working procedures, which respectively are motion for deliberation, democratic recommendation, organizational inspection, discussion and decision, and appointment, and 24 specific steps for research and motion so as to enhance the professionalism of team building.



Talent Pool Development

We introduced a third-party assessment agency to carry out the assessment of mid-level management personnel, completed the centralized written test, structured interviews, 360-degree assessment and other assessment items for employees from the head office departments, franchised institutions, branches and subsidiaries. We issued relevant assessment reports, and established a reserve pool of talents.



Temporary Position Exercise for Managers

Adopting the form of "two-way posting and complementary training" between the head office and branches of the Bank to establish an "up-and-down" management system.

Echelon Building of Talents

Employee Retention

Shengjing Bank focuses on attracting and retaining talents, and has formulated the *Shengjing Bank Employee Appraisal Management Measures* and the *Supplementary Agreements to Labour Contracts*. Upholding the principle of open and transparent assessment, the Bank applies the method of integrating performance appraisal and performance evaluation to provide a scientific basis for employees' hierarchical remuneration, job promotion and evaluation of excellence and precedence. The results of this assessment are directly used in the distribution of performance pay, adjustment of fixed salary, and real-time adjustment of merit assessment, which fully stimulates the passion and potential of employees, strongly improves the professional management level of the talent team, and truly attracted the talents, keep them retained and fully utilized.

During the reporting period

the Bank's employee turnover rate was

2.33%



Empowering Growth, Accumulating Talents

Employee Care

Shengjing Bank cares about the work and life of our employees and attaches importance to improving their life quality and happiness feeling. In particular, the Bank has formulated the *Shengjing Bank Employee Care Management Measures* and endeavors to create a harmonious, happy and healthy working environment for them.

Caring the Lives of Employees

Shengjing Bank advocates the concept of “Happy Work, Healthy Life” and puts it into practice through colorful activities about culture and sports. The Bank has set up associations for table tennis, badminton, football, basketball, chess, swimming, painting, calligraphy and photography to provide a platform for employees to cultivate their interests and communicate with each other. We also regularly carry out a variety of specialized cultural and sports activities to help employees release work pressure and enhance team cohesion.



Setting Up a Mother and Baby Lounge to Build a Comfortable Station for Female Employees

Shengjing Bank Organizes Badminton Competition for Staff

In July 2023, Shengjing Bank organized the staff badminton competition “Grow Up in the Journey, Badminton Be with You”, which fully demonstrated the spirit of unity, hard work, health and harmony of the staffs. It further built the atmosphere of “happy work, healthy life”, enriched the connotation of the bank’s corporate culture, stimulated the vitality of the team, and gathered the majestic power of employees to make progress together.



The Labor Union of Shenyang Branch Held a Series of Activities for Employees to Welcome Chinese New Year

In order to enrich the cultural life of the staffs in both the headquarter and branch business departments, enhance the centripetal force, cohesion and combat effectiveness of them, the labor union of Shenyang Branch held series of activities for celebrate the Spring Festival of 2023 to all the staffs, which was entitled “Concentrating and Gathering of Strength in the New Era, Excelling in the New Journey”. In these activities, a total of 105 employees registered to participate in competitions of five pieces of chess, checkers, military chess and poker upgrade, 200 employees participated in the riddle-guessing activity, and the other 130 participated in the knowledge competition of “Improving Work Quality and Efficiency, I am the Pioneer” through the APP of “Shengjing Bank Mobile Learning”. These activities enriched the spiritual and cultural life of employees, created a festival and peaceful atmosphere for the Chinese New Year, released their work pressure, and enhanced the emotional communication.



Empowering Growth, Accumulating Talents

Dalian Branch Hosted the “Shengjing Bank Cup” Football Match

On 25 February 2023, the first “Shengjing Bank Cup” football match was successfully completed at Dalian Xinghai Football Stadium. This match is a football competition jointly organized by Dalian Branch and Dalian Financial Trade Union, and was also a sports event to enhance the friendship, expand the exchanges, promote the co-operation and common development among the financial industry with various units of the financial system in Dalian. The event lasted 4 months, with a total of 29 teams involved. After a fierce competition, Shengjing Bank Dalian Branch won the championship of the first “Shengjing Bank Cup” Dalian Financial System Staff Football Match.



For employees who met temporary difficulties, Shengjing Bank adheres to the concept of “serving the overall situation and supporting employees”, and actively organizes trade unions to carry out assistance and visiting activities. During the reporting period, we allocated RMB212,000 in funds to provide timely assistance and supported 51 employees in difficulty, enabled them truly experience the love and deep friendship of the Shengjing Bank family.

Shenyang Branch Visits Employees in Difficulties on the Eve of Chinese New Year

On the eve of the Spring Festival, Shenyang Branch visited employees in difficulty and brought them sympathy, health kits, warm kits and rice, noodles, oil and other living goods. We sent warmth to them and supported them on real needs, so as to made the visit and condolent activities as a heart-warming project of cohesion.



Democratic Communication

Shengjing Bank attaches importance to communication with its employees and has formulated the *Implementing Rules of Shengjing Bank’s Staff Congress*, which provides an effective way for employees to participate in the Company’s operation and management as well as major decisions. Employees express their opinions and suggestions on the Bank’s operation and management, welfare and treatment, working environment and other topics through the Staff Congress, and the management handles the feedback seriously and responsibly and has to make timely reports, replies on time to help the employees solve the problems that impacted their interests.

Empowering Growth, Accumulating Talents

Protecting the Health of Employees

Shengjing Bank complies with the *Production Safety Law of the People's Republic of China*, provides a safe working environment for our employees, conducts regular on-site safety inspections at each of the branches and subsidiaries, and holds safety risk analyses to rectify potential hazards, thereby effectively mitigate and prevent potential unsafe events. At the same time, we made full use of our advanced remote video monitoring system to conduct off-site inspections of the daily security management of our branches and the duty status of our monitoring center. At different slots, we communicate with the branches regularly on the problems and deficiencies identified through inspections of main items, so as to ensure that practical solutions are taken and potential risks are solved on time.

We carry out onboard safety education and pre-job special safety education to provide comprehensive and personalized safety training for different employees. Such trainings enhanced the employees' awareness and skills of safety precaution in their daily work, and lays a solid foundation for the company's overall safety and security.

Shengjing Bank has continued to provide health protection services for all the employees, and has carried out various forms of healthy education activities such as health lectures. We have also equipped nearly 100 "Care Medical Boxes" in all departments, conference areas, canteens and fitness centers of the Bank to further improve the health care mechanism for employees.



Daily Fitness Activities



Seminar on Traditional Chinese Medicine Health Care for Occupational Groups

Shengjing Bank Organized a Seminar on Eye Care and Health Awareness

To further show concern for the health of all the employees, Shengjing Bank invited doctors from He's Eye Hospital and held a seminar on "Bright Eyes, Unlimited Eyes" and a free eye clinic. The doctor conducted a fundus health test and organized eye muscle adjustment experience for the employees, and provided glasses cleaning service.



Key Performance Tables

Indicator Name	Unit	2023	2022	2021
Environmental Performance⁵				
Emissions				
Nitrogen oxide emissions	kg	18.618	262.547	–
Sulfur oxide emissions	kg	0.724	0.918	0.977
Particulate Matter emissions	kg	20.713	19.331	–
Greenhouse gas emissions (Scope 1)	tonnes of CO ₂ e	182.93	193.21	197.33
Greenhouse gas emissions (Scope 2)	tonnes of CO ₂ e	2,054.94	2,546.02	2,385.08
Greenhouse gas emission density	tonnes of CO ₂ e/ employee	2.19	2.83	2.74
Non-hazardous waste (total)	tonnes	176.85	302	170
Density of non-hazardous waste	tonnes/employee	0.17	0.31	0.18
Household waste	tonnes	175	300	168
Destroyed production hard disk	kg	68.6	76	14
Laptop hard Drives	kg	2	2	3
Desktop Computer hard drives	kg	45	47	51
Discarded computers	kg	680	698	765
Discarded printers	kg	850	940	1,034
Other discarded electronic information products	kg	200	326	358
Hazardous waste (total)	tonnes	7.16	6.92	6.57
Hazardous waste density	kg/employee	7.01	7.15	6.96
Toner	kg	809	766	727
Toner cartridge	kg	3,697	3,564	3,386
Ink cartridges	kg	4.4	4.8	4.5
Ribbon	kg	2,650	2,585	2,455

⁵ Please refer to this report for adjusting some environmental data in 2021.

Appendix

Indicator Name	Unit	2023	2022	2021
Resource Usage				
Headquarters electricity usage	million kWh	3.6033	4.4644	3.9677
Head office oil consumption	liters	49,239	62,423	66,453
Head office natural gas consumption	cubic meter	24,030	23,528	24,473
Head office water consumption	tonnes	43,978	40,695	52,890
Water usage density	tonnes/employee	43.03	42.04	62.52
Social Performance				
Employment⁶				
Quantity of employees	person	8,574	8,553	8,199
Quantity of male employees	person	3,784	3,804	3,639
Quantity of female employees	person	4,790	4,749	4,460
Quantity of employees under 30 years old	person	2,171	2,337	1,931
Quantity of employees between 31-40 years old	person	3,943	3,892	3,739
Quantity of employees between 41 and 50 years old	person	1,409	1,298	1,294
Quantity of employees over 50	person	1,051	1,026	1,135
Quantity of employees with graduate degrees and above	person	1,200	1,146	1,084
Quantity of employees with bachelor's degree	person	6,917	6,827	6,424
Quantity of employees with high school education or below	person	457	580	591
Quantity of senior management employees	person	1,157	1,122	1,019
Quantity of junior management employees	person	605	595	565
Quantity of general employees	person	6,812	6,836	6,515
Quantity of employees in Liaoning Province	person	7,099	7,147	6,741
Quantity of employees outside Liaoning Province	person	1,475	1,406	1,358
Quantity of Han Chinese employees	person	7,588	7,578	7,396
Quantity of employees from other ethnic minorities	person	986	975	803
Employee turnover	person	205	245	303

⁶ The data for 2023 and 2022 is adjusted to the Group's caliber; the data for 2021 is adjusted to the Shengjing Bank's caliber instead of the Group's caliber, consistent with the annual report.

Indicator Name	Unit	2023	2022	2021
Male employee turnover rate	%	2.68	1.44	1.78
Female employee turnover rate	%	2.15	1.43	1.96
Turnover rate of employees under 30 years old	%	3.94	0.96	1.48
Turnover rate of employees aged 31-40	%	1.90	1.45	1.16
Turnover rate of employees aged 41-50	%	1.93	0.36	0.53
Turnover rate of employees over 50	%	1.36	0.09	0.57
Turnover rate in Liaoning province	%	1.50	1.60	2.15
Turnover rate outside Liaoning province	%	6.97	1.26	1.55
Health and Safety				
Deaths on duty	person	0	0	0
Percentage of death on duty	%	0	0	0
Number of workdays lost due to work-related injuries	day	54	366	567
Development and Training⁷				
Total training attendance	person-times	330,994	540,826	522,886
Total training hours	hours	19,913	27,565	32,330
Annual training frequency per capita	times	45	–	–
Annual training hours per capita	hours	48	–	–
Annual investment in training ⁸	million	6.7552	4.8289	0.2707
Quantity of male employees trained	person-times	129,127	207,190	209,127
Quantity of female employees trained	person-times	201,867	333,636	313,759
Quantity of middle and senior management employees trained	person-times	35,035	75,405	38,577
Quantity of junior managers trained	person-times	51,129	90,186	40,153
Quantity of general employees trained	person-times	244,830	375,235	444,156
Employees training coverage ratio	%	100	100	100
Average number of training hours for male employees	hours	43	52	82
Average number of training hours for female employees	hours	52	67	95

⁷ The statistical calibers are for primary, secondary and third tier training.

⁸ Adjustments were made to the total annual training input data in 2022, please refer to this report.

Appendix

Indicator Name	Unit	2023	2022	2021
Average number of training hours for middle and senior management employees	hours	33	64	45
Average number of training hours for junior management employees	hours	93	145	85
Average number of training hours for general employees	hours	46	53	98
Supply Chain Management				
Total number of suppliers	number	146	70	76
Number of suppliers in Northeast China	number	38	27	13
Number of suppliers in North China	number	46	22	35
Number of suppliers in East China	number	37	13	17
Number of suppliers in South China	number	20	6	8
Number of suppliers in Central China	number	1	0	1
Number of suppliers in Southwest China	number	4	2	2
Product Liability				
Number of complaints about business operations	number	6,150	3,270	2,462
Complaint handling rate	%	100	100	100
Customer privacy leakage incidents	number	0	0	0
R&D				
R&D employee ratio	%	3	–	–
Number of software copyrights	number	4	–	–
Anti-Corruption				
Number of employees involved in anti-corruption education	people	17,746	7,977	–
Total hours of employee participation in anti-corruption education	hours	381	104	–
Community Investment				
Total amount of public welfare expenditure	RMB	145,000	42,250	5,370,000

Report Index Table

The Content Index of Environmental, Social and Governance Reporting Guide of HKEX

Aspect	Description	Disclosure Location
A. Environmental		
Aspect A1: Emissions	General disclosure Information on: (a) the policies; and (b) compliance with the relevant laws and regulations that have a significant impact on the issuer relating to exhaust gas and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste	Page 45 · 47 · 50
A1.1	The types of emissions and respective emissions data	Page 46
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Page 52
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Page 48
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Page 48
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Page 52
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Page 47
Aspect A2: Use of resources	General Disclosure Policies on the efficient use of resources, including energy, water, and other raw materials.	Page 45-46
A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in 16 total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	Page 46
A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Page 47
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Page 45
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Page 46
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A ⁹

⁹ Shengjing Bank is primarily a financial services company and does not address this disclosure indicator.

Appendix

Aspect		Description	Disclosure Location
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Page 45
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Page 45-46
Aspect A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Page 50
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Page 51-52
B. Social			
Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Page 54
	B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Page 55-56
	B1.2	Employee turnover rate by gender, age group and geographical region.	Page 65
Aspect B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Page 62
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Page 65
	B2.2	Lost days due to work injury.	Page 65
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Page 62
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Page 57
	B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Page 65
	B3.2	The average training hours completed per employee by gender and employee category.	Page 65-66
Aspect B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Page 54
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Page 54
	B4.2	Description of steps taken to eliminate such practices when discovered.	Page 54

Aspect		Description	Disclosure Location
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Page 49
	B5.1	Number of suppliers by geographical region.	Page 49
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Page 49
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Page 49
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Page 49
Aspect B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Page 34
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A ¹⁰
	B6.2	Number of products and service related complaints received and how they are dealt with.	Page 36-37
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Page 40
	B6.4	Description of quality assurance process and recall procedures.	N/A ¹¹
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Page 34
Aspect B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Page 17
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Page 16
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Page 17
	B7.3	Description of anti-corruption training provided to directors and staff.	Page 16
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Page 26
	B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).	Page 26
	B8.2	Resources contributed (e.g., money or time) to the focus area.	Page 66

¹⁰ Shengjing Bank is primarily a financial services company and does not address this disclosure indicator.

¹¹ Shengjing Bank is primarily a financial services company and does not address this disclosure indicator.

Independent Assurance Statement

Independent Assurance Statement

The target stakeholders of this statement: Government Non-Government Organization Clients
Suppliers Investors Customers
Other stakeholders:

Responsibilities of the reporting organization and assurance provider: CTI Certification Co., Ltd. (hereinafter referred to as "CTI") is entrusted by Shengjing Bank Co., Ltd. (hereinafter referred to as the "Reporting Organization") to assure the sustainable development information disclosed in its 2023 Environmental, Social and Governance Report (hereinafter referred to as the "Report"). The purpose of this process is to provide reasonable assurance for the sustainable information disclosed by the reporting organization, and to provide confidence for stakeholders to make decisions based on the information provided by the reporting organization. This independent assurance statement is available in both Chinese and English versions, the Chinese version shall prevail.

Assurance Standard: AA1000 AS (v3)

Scope:

- Assure the content, background, and application of the report, as well as the quality of sustainable development information presented during the reporting period;
- Evaluate the compliance of the report with the AA1000 Accountability Principles (2018) in terms of inclusivity, materiality, responsiveness, and impact;
- Review the sustainability initiatives, practices, implementation, maintenance, and performance information described in the report;
- Assess the reporting mechanism of sustainability information and its consistency with applicable reporting standards;
- Evaluate the applicability and appropriateness of data collection, quantification, and data management included in the report.

Assurance type: Type 2

Subject matters and depth of review:	Subject Matters	Level of Assurance
	Degree of compliance with AA1000 Accountability Principles (2018)	Moderate Level
	Quality of sustainability performance	Moderate Level

Reference to criteria used: ISO 26000 GRI SASB
ISO 14064 IFRS UNSDG
TCFD IIRC HKEX ESG Guidelines
Others: Guidelines for Corporate Social Responsibility of Chinese Banking and Financial Institutions

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Sources of Disclosures Name of report: 2023 Environmental, Social and Governance Report

Covered: Source: Reporting Organization

Methodology: CTI formulated an engagement plan based on the assurance process and conducted the engagement according to the plan. CTI conducted inspections with a professional skepticism attitude, and the assurance activities included the following procedures:

- Based on the process of sampling, understanding, testing and judging the degree to which the reporting organization adheres to the AA1000 Accountability Principles, an evaluation is made of the degree to which the reporting organization adheres to the AA1000 Accountability Principles;
- Conducting management interviews on the effectiveness of the processes that have an impact, including the top management, department managers, and managers responsible for sustainable development;
- Based on sampling, reviewing and inspecting the management practices, business processes, and evidence-collection processes of the reporting organization;
- Collecting and assessing documentary evidence and management representations that support adherence to the AA1000 Accountability Principles.

Conclusions: According to the AA1000 Assurance Standard (v3), CTI conducted a Type 2 assurance on the sustainable development information disclosed in the 2023 Environmental, Social and Governance Report prepared by the reporting organization. According to the requirements of the AA1000 Accountability Principles (2018), the conclusions are as follows:

The conformity of reporting organization and the report against AA1000 Accountability Principles (2018)

Inclusivity: CTI did not find any deviation between the report and the inclusive principle of AA1000 Accountability Principles (2018). The reporting organization regularly identifies and participates stakeholders, incorporating the concerns of key stakeholders into important considerations for the company's sustainable development. The report meets the requirements of inclusivity.

Materiality: According to the AA1000 Accountability Principles (2018), CTI conducted a substantive evaluation of various aspects of the reporting organization, both internally and externally. CTI believes that the report proposes various issues and boundaries of different business operations of the reporting organization, and that the report meets substantive requirements.

Responsiveness: After the assurance of CTI, it is believed that the reporting organization's response to major issues has been defined and reflected in the report. The report meets the responsiveness requirements of the AA1000 Accountability Principles (2018) and Guidelines for Corporate Social Responsibility of Chinese Banking and Financial Institutions.

Impact: The reporting organization has clear procedures to regularly monitor and measure their sustainable development impact, and has professionals to effectively promote the sustainable development agenda. CTI did not find any situations or issues that had an impact on the ecosystem and surrounding infrastructure, and the reporting organization met the impact requirements of the AA1000 Accountability Principles (2018).

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Appendix

The quality of sustainability information disclosed in the report

For the sustainability performance in 2023 disclosed in the report, no material errors were found by CTI, as described below:

- Number of employees involved in anti-corruption education
- Total hours of employee participation in anti-corruption education
- Total amount of public welfare expenditure
- Quantity of employees
- Quantity of male employees
- Quantity of female employees
- Quantity of employees under 30 years old
- Quantity of employees between 31-40 years old
- Quantity of employees between 41 and 50 years old
- Quantity of employees over 50
- Quantity of employees with graduate degrees and above
- Quantity of employees with bachelor's degree
- Quantity of employees with high school education or below
- Quantity of senior management employees
- Quantity of junior management employees
- Quantity of general employees
- Quantity of employees in Liaoning Province
- Quantity of employees outside Liaoning Province
- Quantity of Han Chinese employees
- Quantity of employees from other ethnic minorities
- Total training attendance
- Total training hours
- Annual training frequency per capita
- Annual training hours per capita
- Annual investment in training
- Quantity of male employees trained
- Quantity of female employees trained
- Quantity of middle and senior management employees trained
- Quantity of junior managers trained
- Quantity of general employees trained
- Headquarters electricity usage
- Head office water consumption

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Limitations and mitigation methods

The limitations and mitigation methods of CTI in the assurance process:

- CTI did not conduct assurance on economic performance indicators, and only confirmed the accuracy of economic performance indicators through the verification of audited financial reports;
- CTI did not verify sustainability performance indicators. It only confirmed through interviews and factual evidence that all sustainability performance indicators have clear data sources;
- CTI was unable to provide assurance opinions on the opinions, beliefs, inferences, wishes, expectations, future intentions, and other viewpoints described in the report. However, CTI conducted assurance and issued assurance opinions on both quantitative and non-quantitative factual evidence supporting the above viewpoints;
- CTI will further focus on improving and enhancing the disclosure and management of ESG report information based on the purpose of continuous improvement in future assurance engagement.

Competence and Independence of CTI

Established in 2004, CTI has been approved by the China National Certification and Accreditation Administration (CNCA) and accredited by the China National Accreditation Service for Conformity Assessment (CNAS). It is an independent and impartial third-party professional certification institution with extensive experience in conducting management system certification for quality, environment, safety, occupational health and energy, and validation and verification of environmental information such as greenhouse gases.

Except for the assurance and verification of sustainability data and the report, no member of the assurance team has any business relationship with Shengjing Bank Co., Ltd., its directors, executives, or department managers. After the internal im-partiality assessment conducted by CTI, we believe that there is no conflict of interest in this assurance engagement.

Assurance Team Leader

Sun Pan



Technical Reviewer

Lin Wu



Signed by

General Manager: Zhou Lu




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Reader Feedback Form

Dear readers.

Greetings!

Thank you very much for reading “Shengjing Bank 2023 Environmental, Social and Governance Report”, we very much hope that you can evaluate this report and give us your valuable opinions, your comments and suggestions are an important basis to help us make continuous improvements to the report. Please fill in the survey comment form below and give us your feedback through the following methods.

Tel: 024-2253 5633

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Address: No. 109, Beizhan Road, Shenhe District, Shenyang, Liaoning Province, the People's Republic of China

Postal code: 110013

Shengjing Bank 2023 Environmental, Social and Governance Report Feedback Form

Name _____ Position _____
Phone number _____ E-mail _____

1. Your overall evaluation of this report is.

very good good fair poor very poor

2. What do you think about the accuracy, completeness, timeliness and clarity of the information disclosed in this report?

very good good fair poor very poor

3. Do you think this report's content layout and style are easy to read?

very good good fair poor very poor

4. What are the issues you are concerned about?

5. What do you think is the need-to-know information not reflected in the report?

6. Do you have any other comments on the environmental, social and governance aspects of Shengjing Bank's work?



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