



This report is printed on recyclable and environmentally friendly paper  
Copyright ownership of this report belongs to Bank of Shanghai Co., Ltd. and shall not be reproduced,  
copied or used in other ways without permission  
We appreciate any suggestion or feedback on the report



上海银行  
Bank of Shanghai

[www.bosc.cn](http://www.bosc.cn)

Address: No.168, Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone

Postcode: 200120

Tel.: 86-21-68476988

Fax: 86-21-68476215

Service hotline: 95594



上海银行  
Bank of Shanghai

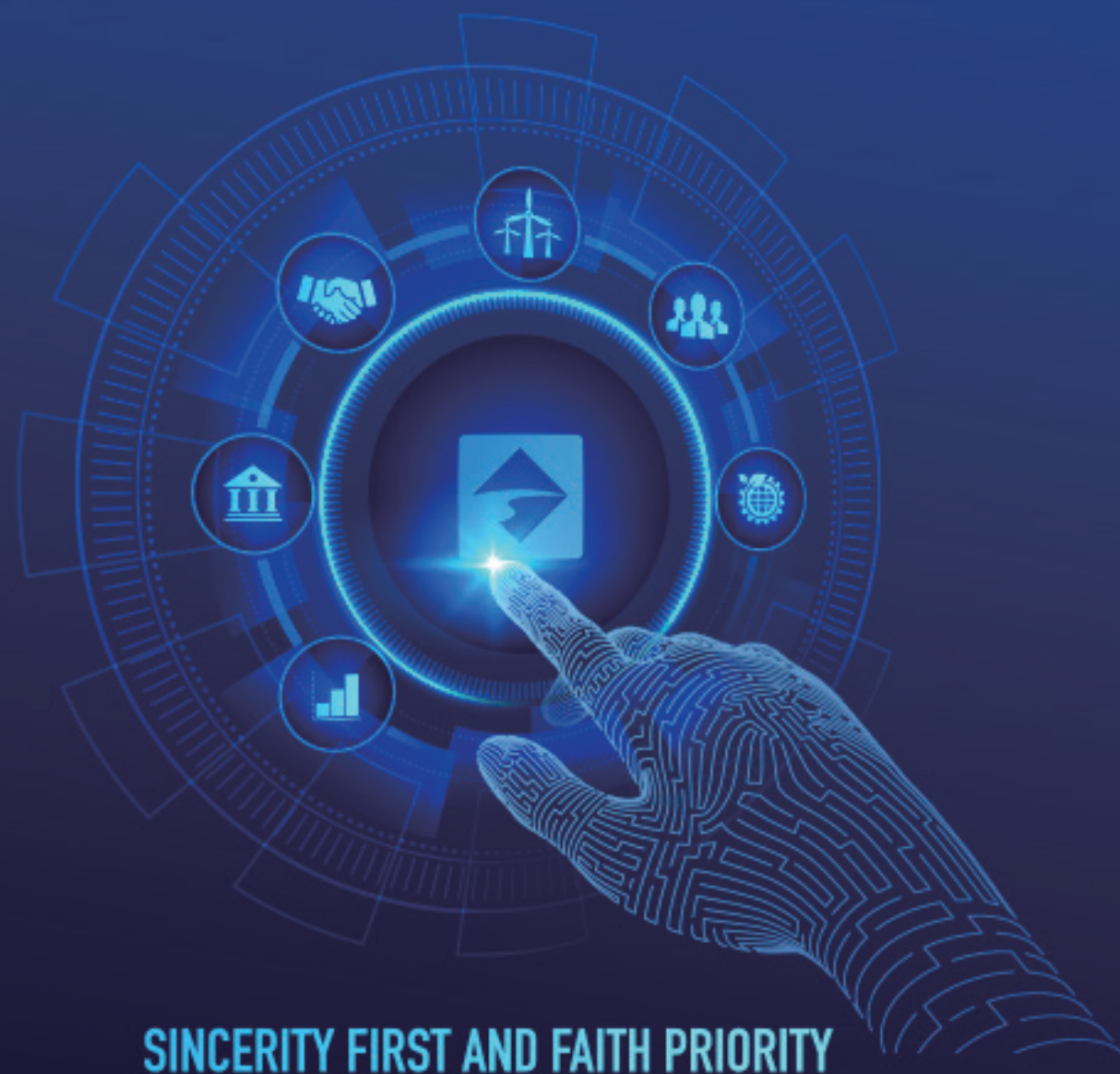
2022 Social Responsibility Report

Bank of Shanghai Co., Ltd.

# 2022

## SOCIAL RESPONSIBILITY REPORT





SINCERITY FIRST AND FAITH PRIORITY

## About this Report

### Reporting Period:

From 1 January 2022 to 31 December 2022. Part of this report is beyond the period above to ensure consistency.

### Reporting Scope:

This report covers Bank of Shanghai Co., Ltd. and its subsidiaries. For the purposes of expression, Bank of Shanghai Co., Ltd. also refers to "Bank of Shanghai", "the Bank", "BOSC", "we", or "us".

### Reporting Cycle:

This is an annual report.

### Explanation of Information:

The financial information in this report is based on the 2022 Annual Report. Other information is mainly for 2022, and some includes information from previous years. The amount of currency involved in this report uses RMB as the measurement currency, unless otherwise specified.

### Reference Basis:

This report is prepared based on the Opinions on Strengthening the Social Responsibilities of Banking Financial Institutions issued by the China Banking and Insurance Regulatory Commission, the Guidelines on Corporate Social Responsibility of Banking Financial Institutions issued by the China Banking Association, Self-Regulation Guideline No. 1 of Shanghai Stock Exchange for Listed Companies – Standardised Operations and the Sustainability Reporting Guidelines of the Global Reporting Initiative and other regulations.

### Assurance Approach:

PricewaterhouseCoopers Zhong Tian LLP was appointed to perform the third-party assurance on this report in accordance with the International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and issued an independent assurance report.

### Access of this Report:

The printed version of this report is available at the Office of Board of Directors of Bank of Shanghai. The electronic version can be downloaded from the column of "Social Responsibility" at the website of Bank of Shanghai ([www.bosc.cn](http://www.bosc.cn)).

### Contact Information:

The Office of Board of Directors of Bank of Shanghai  
No.168 Middle Yincheng Road  
China (Shanghai) Pilot Free Trade Zone  
Postal code: 200120  
Tel: 021-68476988  
Fax: 021-68476215



# Contents

P02	About this Report
P05	Chairman’s Statement
P07	President’s Statement
P09	Key KPIs
P11	About Us
P12	Corporate Culture
P87	Honours and Awards
P88	Outlook
P93	GRI Content Index

## Deepen Stable Operation 13

P15	Continuous improvement in corporate governance
P17	Promoting the implementation of strategies
P18	Strengthening comprehensive risk management
P18	Strengthening internal control and compliance management
P19	Business continuity management
P19	Anti-corruption
P20	Anti-money laundering
P21	Strengthening social responsibility management
P22	Valuing communications with stakeholders

## For Economy 25

P26	Supporting national strategies and regional development
P28	Upgrading inclusive finance
P32	Deepening science and technology innovation finance
P35	Supporting rural revitalisation
P36	Serving the high-standard opening-up

## For People’s Livelihood 39

P40	Supporting the promotion of household consumption
P41	Deeply cultivating eldercare services
P43	Promoting the transformation of wealth management
P44	Supporting medical service system development
P45	Supporting the development of education
P46	Strengthening services for new migrant-citizens
P48	Providing a convenient bill payment service
P48	Implementing fee reduction and concession

## For Clients 49

P50	Improving services in outlets
P51	Enhancing online service coverage
P52	Paying attention to customer feedback
P53	Protecting consumer rights
P55	Enhancing data security and privacy protection
P57	Enhancing outlets security protection
P58	Safeguarding asset security

## For Environment 59

P60	Green finance management
P61	Green finance
P65	Green operations

## For Employees 71

P72	Implementing people-oriented management
P74	Focusing on employee development
P77	Caring for employees

## For Society 79

P80	Deepening the assistance mechanism
P83	Conducting financial education
P84	Implementing responsible procurement
P85	Supporting social welfare and voluntary activities
P86	Supporting cultural and sports



Photo by Wang Lujie, General Office



# Chairman's Statement



Chairman  
Bank of Shanghai Co., Ltd.

“

In 2022, the 20th National Congress of the Communist Party of China (the “CPC” or the “Party”) was held successfully, sounding the clarion call for the country and its people forging ahead on the journey towards a modern socialist country in all respects. At the new historical height, Bank of Shanghai actively responded to the great call by following the new development philosophy, upholding the commitment to serving the nation, staying true to the original aspiration of developing finance for the people, and pooling forces to pursue good through financial operations. Efforts were also made to deepen value creation, maintain sound operation, and further enhance professional, efficient and high-quality financial services to support high-quality economic development and meet people's needs for quality life.

”

**Endeavour to support the stability of the economy as a financial institution.** As a state-owned enterprise in China, we have remained mindful of the country's most fundamental interests. With comprehensive financial services and extensive financial resources, we vigorously supported the country's efforts to stabilise the economy, market participants and employment. To better serve small and micro businesses (SMBs) through our digitalisation-based inclusive finance, we launched the non-stop service “SMB Companion” (上行惠相伴), under which more financial resources are channelled into SMBs, thus enhancing their financial accessibility. The effectiveness of the service is demonstrated by the fact that our outstanding inclusive loans grew by 48%. To ease difficulties of enterprises in terms of finance, the Bank developed a special financial service programme, according to which special credit lines were offered to enterprises for their investment and financing purposes. In addition to those credit lines, credit loans of RMB180 billion were provided for enterprises. For enterprises with special difficulties, we adopted multiple steps such as deferred payment of interest, fee reduction and interest concession in favour of the real economy, extension of loans on a seamless basis and temporary interest rate reduction to create an enabling environment for those enterprises so that they could transcend the economic cycle. With the aim of empowering independent innovations in science and technology, we introduced innovative models such as intellectual property pledge financing so that sci-tech enterprises and emerging industries could embrace faster growth, thereby contributing to China's pursuit of sci-tech self-reliance and self-strengthening at higher levels. We actively served national strategies such as the coordinated development in the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area. Accordingly, we made efforts to optimise the regional industry structure and coordinated development by promoting the business environment optimisation, supporting the infrastructure interconnectivity across the area, paying intensive attention to the industry chain scenario, and expanding the supply chain finance. As a champion of the "dual circulation" development pattern, we leveraged our cross-border platform cooperation to perfect online cross-border services throughout the industry chain, and supported high-standard opening-up to the outside.

**Improve people's livelihood under the philosophy of finance for people.** We are mindful of people's concerns and act on their expectations. Taking people's satisfaction as the standard of our financial services, we presented our approach and proposals to address pressing concerns of the people. As an inclusive bank, we have continuously extended and expanded our financial services to contribute to people's livelihood improvement. Our service system was further improved for the elderly, new migrant-citizens and other groups. For the elderly, we made efforts to build more age-friendly communities by developing our pension finance brand characterised by elderly-oriented channels, products and services. For the new migrant-citizens, we implemented the action plan of "Better Life, More Beautiful with You" (美好生活, 有你更美), under which financial services were provided for the full life cycle of new migrant-citizens to enhance their sense of fulfilment, happiness and security. In an effort to support the business reopening and consumption recovery, we enhanced our financial care for the public by actively providing financial services tailored to consumption scenario related to people's livelihood and offering innovative consumer credit product portfolio. We also endeavoured to enhance medical service experience by promoting digital transformation of convenient medical services, and expanding smart medical care. Active efforts were made to explore how to effectively combine financial services with the development of education and deepen the integration of industry and education to help develop a high-quality education system.

**Seek transformation and development under the green concept.** "We should protect the environment, and the environment will in turn give back to us". We sought green transformation in terms of business and operations so that green concept could be embedded in our operation and management. We constantly deepened our comprehensive green financial services and developed a “Green Finance+” product system with an aim of advancing the green transformation of economic and social development with the power of finance. A sound ESG risk management system was established, under which ESG requirements were incorporated into the full credit grant process. We also carried out climate risk stress tests to enhance our ability to prevent and defuse ESG risks. We are a champion of and pioneer in green and low-carbon development, which is justified by our extensive efforts to pursue green operations. Our environmental information accounting management was improved by establishing a management system covering all levels and processes. We endeavoured to push forward energy efficiency, emission reduction and low-carbon operation by establishing and implementing standards for green outlets, exploring how to manage employee carbon footprint, putting greater efforts into green culture promotion, and guiding our employees to act on a green basis. To share our green operation experience on a pilot basis, we built the first zero-carbon parks in Shanghai, participated in the formulation of Shanghai's first zero-carbon park evaluation standard, and released the environmental information disclosure report earlier than most peers.

**Create a harmonious society by practising finance for good.** Our development relies on society, and we thus should give back to the society. Upholding the people-oriented approach, we maintained a win-win relationship with our customers, communities and other stakeholders to seek a better life. We increased our support for rural revitalisation through financial services. Such support included

the creation of diversified offerings to raise the level of supply, and support for agricultural modernisation, growth in rural incomes and rural infrastructure upgrading. We witnessed 25% growth in outstanding loans related to farmers, agriculture and rural areas. Our gains in poverty alleviation were further consolidated. To do this, we deepened our assistance mechanism for Yanshan County in Yunnan and Fengxian District in Shanghai to promote the development and growth of self-motivation industries through consumption-oriented assistance and assistance in production and sales, and pool common strength for rural revitalisation through party building and paired assistance for poor students, thus contributing to the common prosperity. Our customer service was further standardised, and all channels became more intelligent. We also upgraded accessibility services and deepened the development of "Love Station". All of these demonstrated our commitment to provide sincere financial services for customers. In terms of consumer rights protection, under the concept of "compliant operation and quality service" for consumer rights protection, we actively responded to consumer demands, and deepened traceability improvement to enhance service quality. We allocated resources in financial education to create a harmonious financial environment, in line with our commitment to safeguarding the security of assets of our customers. We pledged to contribute to the development of communities by actively engaging in public service activities, advocating employees to participate in volunteer services, and supporting cultural and sports undertakings.

**Improve corporate governance to strengthen the foundation of development.** Good corporate governance nurtures the endogenous power for sustainable development. We have been promoting the establishment of a modern state-owned enterprise system with Chinese characteristics throughout the Bank to lay the foundation for our own high-quality development. We integrated the leadership of the Party into all aspects of corporate governance and let various governance bodies function well so as to jointly promote the harmonious development of the economy, society and the environment. Achievements were made in such special areas as green finance, inclusive finance, consumer rights protection and rule of law thanks to our robust governance in those areas. We continued to promote the construction of a data-driven comprehensive risk management system so that we could rely on technology to achieve more professional and forward-looking risk management, thus preventing and defusing financial risks. The rule of law was highlighted throughout the Bank. We improved the long-term management mechanism for compliance risks, put greater efforts to manage conduct of employees, and cultivate a clean financial culture to create a clean and upright environment. On the basis of people-oriented management, we explored and improved the development model for employees, and enhanced the multi-channel development system and multi-level training system in order to continuously establish a talent pool adapting to the requirements of sustainable development.

**Set sail at the right time.** The year 2023 is the first year for the full implementation of the guiding principles of the 20th National Congress of Communist Party of China. On the new journey, we will present our answer to the call of our times while staying true to our mission. We will, on the basis of solid work, join hands with stakeholders to write an even more exciting new chapter in the high-quality advancement towards Chinese path to modernisation.



# President's Statement



President  
Bank of Shanghai Co., Ltd.

“

Financial institutions should always stay true to their original aspiration of developing finance for people. In 2022, we fulfilled our social responsibility as a financial institution under the new development philosophy. We actively explored ESG practices to promote the combination of our own high-quality development with fulfilment of social responsibility, thus deepening value creation. In 2022, we achieved a net profit attributable to shareholders of the Bank of RMB22.280 billion, a year-end non-performing loan ratio of 1.25% and a social contribution value of RMB6.5 per share. Further, we were included in the first "China ESG 50" list released by Forbes China.

”

**Pursue common prosperity with the real economy.** The real economy represents one of the most fundamental interests of China, therefore serving the real economy is the due responsibility of China's financial institutions. Keeping in mind the internal and international imperatives, we actively leveraged our function of allocating financial resources to promote high-quality economic development. We promoted a fair credit culture in which we extend loans only based on the credibility of enterprises without considering their size or ownership, and established a long-term mechanism under which enterprises are willing to make borrowings from us. We continued to improve quality, expand scale, make inclusive finance more accessible so that more financial resources are channelled into small and micro businesses. We also contributed to the virtuous cycle among technology, industry and finance, and accelerated innovations in sci-tech financial products and service systems to support the high-quality development of sci-tech enterprises, strategic emerging industries and manufacturing industries and advance the country's industries towards the middle and high-end level on the industrial chain, thus adding new momentum for economic development. We intensified our participation in rural revitalisation through financial services. In this regard, we streamlined internal operation mechanism, integrated agriculture-related services with inclusive finance, offered more financial services to emerging agricultural business entities, and supported the modernisation of agriculture to lift farmers out of poverty, thus pushing forward the high-quality development related to farmers, agriculture and rural areas. As of the end of 2022, the balance of our inclusive loans increased by 48.35%, the balance of loans to technology enterprises by 19.28% and the balance of agriculture-related loans by 25.46%. We actively integrated our development into the "dual circulation" development pattern and fully supported national strategies, regional development and high-standard opening to the outside world by leveraging our location advantages. We provided continuous financial support for enterprises and individuals to resolutely implement the country's requirement to reduce fees and interests, with a total fee reduction of RMB550 million for the year.

**Put the people first to improve people's well-being.** Based on meeting people's aspirations for a better life, we enhanced our services by taking the urban digital transformation as a leverage. We explored new models of financial services for new migrant-citizens around their full life-cycle needs for employment, housing, living, healthcare and elderly service. All of these were aimed at improving the accessibility and convenience of financial services for new migrant-citizens. Based on our experience in eldercare services, we optimised and extended our special service initiatives for the elderly, including provision of companion online service experience, "citizen class" and cloud salons to help the elderly cross the digital divide, availability of a "green service channel" for the elderly and a one-stop benefit supermarket for the elderly, all of which demonstrated that serving the elderly is one of our key priorities. Thanks to our consistent efforts in the eldercare service, we maintained No.1 in terms of payment of pension in Shanghai. As a partner bank under the "Nursing Home + Internet Hospital" pilot project of Shanghai, we have implemented Shanghai's first pilot project of smart nursing home. Focusing on smart healthcare, we continued to improve our convenient medical financial services and ranked first in the industry in terms of coverage of public hospitals in Shanghai. We promoted the application of digital RMB payments in the healthcare sector and assisted first Shanghai hospitals to implement the digital RMB payment function. To support the development of regional quality education resources, we rolled out "BOSC Intelligent Learning" (上银智学) to develop smart campuses and the financial literacy education service. We actively responded to the needs of consumption related to people's livelihood and boosted consumer confidence by actively providing financial services tailored to consumption scenario, offering innovative consumer credit products and affiliated services.

**Keep developing "Green Banking" (绿树城银) brand for green transformation.** Following the concept of "Lucid waters and lush mountains are invaluable assets", we regard the goal of "carbon peak and carbon neutrality" as an important strategic opportunity, and pledge to develop sustainable finance through green operations. To be specific, we, on the basis of identifying, assisting and protecting green industries, improved green finance management system to support the development of green finance. We optimised our "Green Finance+" product system by providing a complete range of comprehensive green financial services including green credit, green investment banking, green investment, green wealth management and green cross-border services, thereby promoting environment-friendly orientation in all business areas. We secured first orders for several innovative green businesses revolving around green industry and ecological protection. In 2022, the balance of green loans increased by 116.38%, the balance of green inclusive loans increased by 191.34%, the balance of green bond investment by 46.46%, and the balance of green consumption loans by RMB3.141 billion. We underwrote green debt financing instruments of RMB5.455 billion, ranking first among urban commercial banks. The "Green Banking" brand was awarded the "China Financial Product Communication Model" and the "Financial ESG Pioneer of the Year", and was selected as one of the excellent cases in the "Bank Road with Chinese Characteristics" organised by the China Banking Association. Upholding the green concept throughout the Bank, we promoted green operations,

deepened our green and low-carbon operation system, stuck to the implementation path, and accelerated our own green transformation in terms of zero-carbon data centre, green outlet standards, carbon footprint management and carbon accounting management.

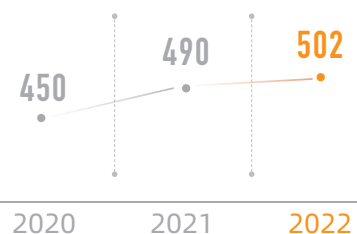
**Dedicate to public service activities to share the fruits of development.** We have been contributing back to society to seek harmony with society. In 2022, our spending on public service activities stood at RMB34,754,800. We improved our assistance mechanism to consolidate our gains in poverty eradication and rural revitalisation. We integrated resources to form a full-chain consumption-led assistance model, thus pushing forward the characteristic industries for rural revitalisation. We took consumer protection as a key leverage and internal driving force for sharpening our core competitiveness. To this end, we intensified efforts to realise the full-process consumer protection, and improve the mechanism so that complaints are traceable and improvements thus could be made to enhance service quality. We continued to enhance our anti-fraud practice in terms of sensitivity and insight and safeguarded security of funds of our customers by means of better technology application. With the blacklist blocking function, we blocked a total of over RMB95 million in suspicious inter-bank transfer transactions throughout the year. In terms of talents, we followed the concept of "putting talents in the right positions". We pledged to develop the Bank into a hub in which employees could embrace the career development channel and enjoy the characteristic training system. We actively introduced and independently developed quality learning resources to promote growth of employees so that they could create value together with the Bank. In 2022, employees attended more than 1.11 million training, with each employee receiving 67 hours of training on average. The number of training and average hours of training received by each employee increased by 24% and 18% year-on-year, respectively. Actively leveraging our strengths in resources, manpower and technology, we carried out consumer education activities at outlets to enhance the coverage of financial literacy, thus creating a harmonious financial consumption environment.

**The year 2023 is the first year for the full implementation of the guiding principles of the 20th National Congress of Communist Party of China, and it is crucial for continuing implementation of our strategic planning.** Standing at a new starting point, we will adhere to the principles of serving the country and its people with excellent financial products and services. We will be well-positioned to take on the bigger challenges and go after the ambitious goals as a part of our commitment to promoting high-quality sustainable development, thus contributing BOSC's strength to the Chinese path to modernisation.

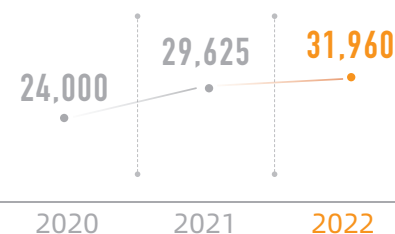
# Key KPIs

## GOVERNANCE

Number of anti-money laundering training



Anti-money laundering training coverage



Number of directors

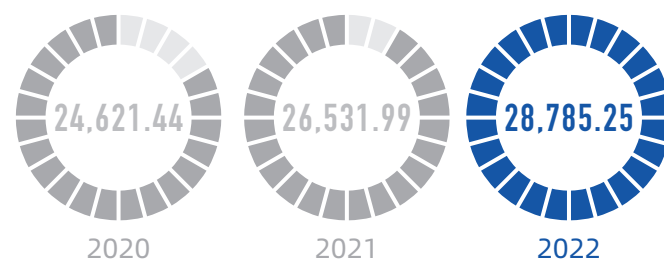
18

Number of independent directors

6

## ECONOMICS

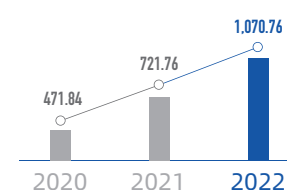
Total assets (RMB100 million)



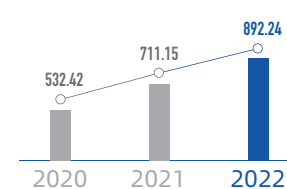
Total tax payments (RMB100 million)



Balance of inclusive-finance loans (RMB100 million)



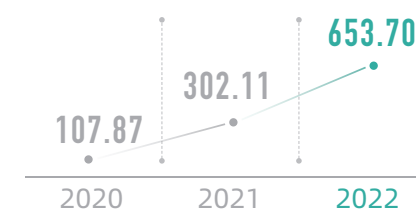
Balance of agriculture-related loans (RMB100 million)



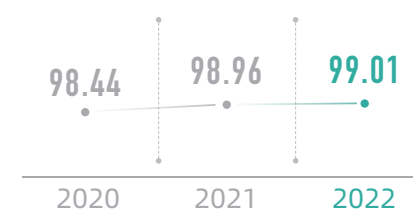
Indicators	Unit	2022	2021	2020
Net profits attributable to shareholders of the Bank	RMB100 million	222.80	220.42	208.85
Operating income	RMB100 million	531.12	562.30	507.46
Average return on assets	%	0.81	0.86	0.89
Weighted average return on net assets	%	11.00	11.80	12.09
Capital adequacy ratio	%	13.16	12.16	12.86
Non-performing loan ratio	%	1.25	1.25	1.22
Provision coverage ratio	%	291.61	301.13	321.38

## ENVIRONMENT

Balance of green loans (RMB100 million)

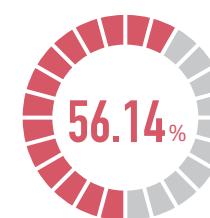


Distribution rate of electronic channel settlement business (%)

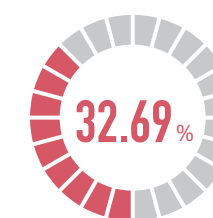


## SOCIETY

Percentage of female employees



Percentage of female in mid and senior management



Total number of employees of the Group

14,333

Total number of employees of the Bank

13,763

Indicators	Unit	2022	2021	2020
Social contribution value per share	RMB	6.50	6.34	5.90
Customer satisfaction	%	93.49	92.05	91.85
Post-speech satisfaction	%	99.77	99.85	99.83
Total training expenses for employees	RMB ten thousand	1,043	1,152	1,255
Amount of external donation	RMB ten thousand	3,475.48	2,849.33	3,978.16

1.Total tax payments: data is sourced from "Cash flows statement - Payments of taxes and surcharges" in the annual financial report.

2.Balance of green loans: statistics is made in accordance with the Notice of the People's Bank of China on the Establishment of Special Statistical System for Green Loans.

3.Total water and electricity consumption in operation are based on the Group's standard, which refers to the total water and electricity consumption of the Bank and its subsidiaries. The total fuel consumption of official vehicles is based on the Group's standard, which refers to the total fuel consumption of official vehicles of the Bank and its subsidiaries.

4.Social contribution value per share = earnings per share + (total tax payments + staff costs + interest expenses + total investment in public welfare)/total share capital at the end of the period.

5.Customer satisfaction refers to the customer satisfaction indicators obtained by the Bank through the "Project Mysterious Man" and the questionnaire of internal outlet operators.

6.Post-speech satisfaction refers to the proportion of the rating number of "Very Satisfied", "Satisfied" (including the number of return visits for "Not Satisfied" or wrong operation) in rating "Very Satisfied", "Satisfied" and "Not Satisfied" in respect of satisfaction rating of the Bank after the connection to the staff services.

7.The total number of employees of the Group refers to the total number of formal employees and dispatched workers of the Group, covering the Bank and its subsidiaries.



# About Us

Bank of Shanghai Co., Ltd., headquartered in Shanghai, was established on 29 December 1995. It was listed on the main board of the Shanghai Stock Exchange (stock code: 601229). With the strategic vision of “Boutique Bank” and the core value of “Sincerity first and faith priority”, the Bank focuses on the goal of high-quality sustainable development, regards digitalisation as the core force of innovation-driven and energy-enhancing, and accelerates transformation and development to strive to achieve new qualitative changes.

Since its establishment, Bank of Shanghai has adhered to the original aspiration and mission of a financial enterprise. It has actively integrated itself into local economic construction, assisted in the implementation of strategies such as Yangtze River Delta integration, Beijing-Tianjin-Hebei coordination, Guangdong-Hong Kong-Macao Greater Bay Area and Chengdu-Chongqing economic circle, and served the innovative development of Shanghai's “Five Centres”, “Five New Cities” and free trade zones, and continuously improved regional service capabilities. The Bank focused on supporting the transformation and upgrading of the real economy, increased investment in inclusive finance, science and technology innovation finance, green finance and people's livelihood finance, built special service brands such as “SMB Companion” (上行惠相伴) and “Green Tree City Banking” to create an open and cooperative innovation service platform, and launched professional service systems such as “BOSC E-Bill” (上行e链), “Smart e-Medical Treatment” (智慧e疗) and “BOSC Intelligent Learning” (上银智学) to achieve continuous growth in business scale. The Bank persevered to serve people's pursuit of a better life, deeply built the pension financial service model of “suitable, for and benefiting the elderly”, cultivated the professional ability of big wealth management, and contributed to meet the scenario-based consumption needs, so as to provide customers with comprehensive services beyond finance.

So far, Bank of Shanghai has set up tier-one branches in Shanghai, Ningbo, Nanjing, Hangzhou, Tianjin, Chengdu, Shenzhen, Beijing and Suzhou, and tier-two branches in Wuxi, Shaoxing, Nantong, Changzhou, Yancheng, Wenzhou, Qianhai, Shenzhen-Shanwei Special Cooperation Zone and Taizhou, with branches and sub-branches covering the Yangtze River Delta, Beijing-Tianjin-Hebei, Guangdong-Hong Kong-Macao, Chengdu-Chongqing and other national strategic implementation areas. The Bank has established BOSC Hong Kong and its subsidiary BOSC International, BOSC Asset and its subsidiaries BOSC Ruijin and BOSC Wealth Management, initiated the establishment of four rural banks, and has jointly established SC Consumer Finance with Ctrip to optimise the cross-border and comprehensive business layout.

In recent years, the comprehensive strength of Bank of Shanghai has been continuously enhanced and the development quality has been steadily improved. The Group's total assets currently stand at close to RMB2.9 trillion, with an annual operating income of over RMB50 billion and profit of over RMB20 billion. The asset quality of the Group remains at a good level in the banking industry. Bank of Shanghai is one of the 19 systematically important banks in China and ranks among the top 100 banks in the Top 1000 World Banks List published by The Banker.



# Corporate Culture

## Mission:

Providing professional services and creating long-term value

## Vision:

To become an excellent boutique bank

**Service:** exquisite products and professional services

**Management:** refined management and efficient operation

**Finance:** steady growth and outstanding profitability

**Brand:** respected brand with integrity and excellent ethics

**Workforce:** Build a strong team of professionals

## Business philosophy:

market-oriented and customer-centric

## Management philosophy:

innovation, collaboration, refinement and efficiency

## Talent concept:

people-oriented and making the best use of talents

## Service concept:

growth with heart

## Risk concept:

steady and compliant operation to enhance value



# Deepen Stable Operation

- 15 Continuous improvement in corporate governance
- 17 Promoting the implementation of strategies
- 18 Strengthening comprehensive risk management
- 18 Strengthening internal control and compliance management
- 19 Business continuity management
- 19 Anti-corruption
- 20 Anti-money laundering
- 21 Strengthening social responsibility management
- 22 Valuing communications with stakeholders





# Continuous improvement in corporate governance

## Leading by Party Building

The Party Committee of the Bank thoroughly studied and implemented the guiding principles of the 20th National Congress of the Communist Party of China, adhered to the Party's centralised and unified leadership of financial work, effectively played the leading role of "controlling the direction, managing the overall situation and ensuring implementation", promoted the incorporation of Party leadership into the entire process of corporate governance, and promoted the deep integration of Party construction and operation management. The Party Committee highlighted the political and people-oriented nature of financial work, implemented the Party's and the national guidelines and policies and major national and regional strategies, continued to promote the allocation of more financial resources to key areas and weak links of the real economy, and promoted modernisation construction with Chinese characteristics by virtue of its own high-quality development. The Party Committee of the Head Office performed its social responsibility duties, carefully reviewed topics and major issues related to social responsibility, promoted the Bank to play an active role in serving national and regional strategies and supporting the development of the real economy, and promoted the combination of corporate social responsibility construction and central task.



▲ Mr. Jin Yu, the Secretary of the Party Committee and the Chairman of the Board of Directors, presenting and communicating at the special conference to study and disseminate the guiding principles of the 20th National Congress of the Communist Party of China

## General Meeting

In 2022, the Bank convened one general meeting, at which 11 proposals were considered and two reports were received. The Bank convened and held general meetings in accordance with laws and regulations to ensure that shareholders, especially minority shareholders, enjoy equal status and can fully exercise their rights as shareholders. The general meeting was witnessed by lawyers who issued legal opinions and announced the resolutions in accordance with the law.

The Bank protects the rights and interests of shareholders and actively provides convenience for shareholders to participate in corporate governance. Online and offline registration channels are available at the shareholders' general meeting, and a combination of on-site voting and online voting are allowed to improve the level of participation in the shareholders' general meeting. For the 2021 Annual General Meeting, online participation was available, allowing shareholders to attend the meeting either physically or online and then express their opinions on topics of the meeting, thus providing sufficient time and reasonable channels for minority shareholders to express their opinions. For significant matters that affect the interests of minority shareholders, the voting of minority shareholders shall be separately counted.



▲ The Bank held the 2021 Annual General Meeting by way of on-site meeting and online meeting

Being committed to building a modern enterprise system with Chinese characteristics, the Bank actively explored and analysed the best governance practices to improve the corporate governance structure and governance mechanism. Each governance body conducted coordinating operation and effective performance, and further promoted the quality and sustainable development strategy of the Bank.

## Board of Directors

As of the disclosure date of this report, the Board of Directors of the Bank consisted of 18 directors, including three Executive Directors, nine Non-executive Directors, six Independent Directors. Two of those Directors were female directors. Independent Directors accounted for no less than one-third of the total number of members of the Board of Directors.

In 2022, the Board of Directors further improved the governance structure of consumer rights protection, and separately established the Consumer Rights Protection Committee under the Board of Directors. The former Risk Management and Consumer Rights Protection Committee under the Board of Directors was renamed as the Risk Management Committee under the Board of Directors. As of the disclosure date of this report, the Board of Directors has established six special committees, including the Strategy Committee, the Related-Party Transactions Control Committee, the Risk Management Committee, the Audit Committee, the Nomination and Remuneration Committee and the Consumer Rights Protection Committee. The Chairman of the Board of Directors serves as the chairman of the Strategy Committee, the Executive Director and the President of the Bank serves as the chairman of the Consumer Rights Protection Committee, and Independent Directors serve as the chairman of the other special committees.

In 2022, the Board of Directors of the Bank held 11 meetings, at which a total of 106 proposals and reports were considered, received and reviewed. The Board of Directors actively promoted the incorporation of social responsibility into development strategies, governance structure, corporate culture and business processes. It considered, received and reviewed proposals and reports related to social responsibility, mainly including relevant systems, annual and interim reports, social responsibility reports, statement of risk preference, comprehensive risk management reports, risk management reports of major categories, internal control evaluation reports, compliance risk management self-assessment reports, related-party transaction management implementation reports, green finance development reports, inclusive finance strategy implementation reports, consumer rights protection summary and plans, work progress reports on "special governance year of consumer rights protection", employee behaviour assessment reports, data governance self-assessment reports, anti-money laundering and anti-terrorism financing work reports, institutional money laundering risk self-assessment reports, and external donations, etc.

## Board of Supervisors

As of the disclosure date of this report, the Board of Supervisors of the Bank consisted of six Supervisors, including one Shareholder Supervisor, three External Supervisors and two Employee Supervisors. The Board of Supervisors has two special committees: the Supervision Committee and the Nomination Committee. Both committees are chaired by external supervisors.

In 2022, the Board of Supervisors of the Bank held six meetings in total, at which 49 proposals and reports were considered, received and reviewed. The Board of Supervisors effectively supervised the performance of the Board of Directors and the Senior Management in social responsibility. It considered, received and reviewed proposals and reports related to social responsibility, mainly including evaluation reports on the implementation of development plans, annual and interim reports, social responsibility reports, comprehensive risk management reports, internal control evaluation reports, risk management reports of major categories, summary and plans of consumer rights protection, evaluation reports on the implementation of inclusive finance strategies, employee behaviour assessment reports, data governance self-assessment reports, related-party transactions management implementation reports, anti-money laundering and anti-terrorism financing work reports, etc.

## Senior Management

As of the disclosure date of this report, the Bank had a total of seven Senior Management members, including one President, three Vice Presidents, one Secretary of the Board of Directors and two chief officers. The two Vice Presidents concurrently served as Chief Financial Officer and Chief Information Officer, respectively.

Under the guidance of the Board of Directors and the supervision of the Board of Supervisors, the Senior Management effectively promoted the implementation of strategic planning. The Bank has established an information reporting mechanism for the Senior Management to the Board of Directors and the Board of Supervisors, under which the Senior Management regularly reports to the Board of Directors and the Board of Supervisors on the operation and management of the Bank. The Senior Management duly implemented the social responsibility strategy, incorporated social responsibility into business development and risk management, continuously improved various social responsibility work systems, processes and mechanisms, and reported to the Board of Directors and the Board of Supervisors on the performance of social responsibility.

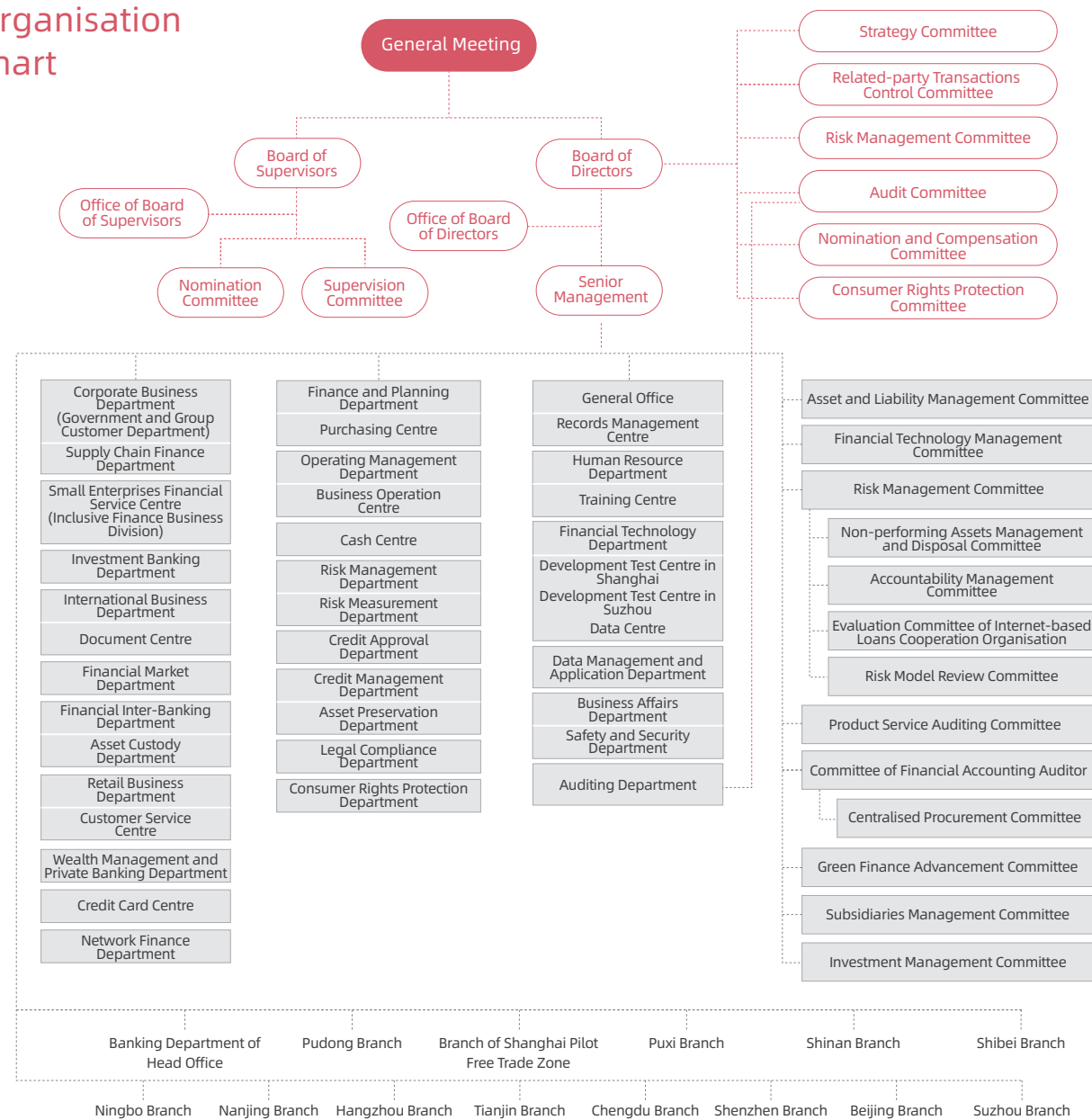
## Performance of duty evaluation

In 2022, the Board of Supervisors of the Bank duly implemented the duty performance evaluation system of Directors, Supervisors and Senior Management in accordance with relevant regulatory requirements, continued to improve the duty performance evaluation for Directors, Supervisors and Senior Management, tightened up the duty performance requirements and routine supervision, and promoted the active and effective performance of duties by various governance bodies. In 2022, the attendance rate of all Directors and Supervisors in on-site meetings of the Board of Directors and on-site meetings of the Board of Supervisors in person was more than two-thirds. In 2022, all Directors, Supervisors and Senior Management members who participated in the performance evaluation were evaluated to be "competent".

## Performance appraisal

The Bank's appraisal system covers social responsibility related requirements. For Senior Management, social responsibility appraisal indicators include service quality, fair treatment of consumers, public financial education, green credit, etc. For operating institutions, the Bank tightened up the appraisal of social responsibility, assessed financial window services, consumer rights protection, green credit, etc., and imposed penalties for non-compliant sales and other incidents that have a significant impact on social responsibility.

## Organisation chart



## Promoting the implementation of strategies

2022 was the second year of the implementation of this round of planning (2021-2023), and the planning was effectively implemented overall.

The Bank continued to promote high-quality development. In 2022, the Bank optimised its business structure, with rapid growth in inclusive, green, scientific and technological innovation, manufacturing, and online supply chain finance. Real estate loans, government financing platform loans and interbank liabilities were reduced in an orderly manner. Six major projects were established, including the enhancement of the competitiveness of sub-branches and the management of key products, which effectively improved the management efficiency.

The Bank fully implemented the digital transformation. Along the path of transformation towards an online, digital and intelligent banking, the Bank formed a digital transformation action plan. The basic work such as report governance and data quality management were gradually consolidated, and the visualised management project "Mobile Traveller" was gradually transformed to the management platform, which accelerated the working mode of data-driven management. The construction of the "data-driven comprehensive risk management system" of the backbone project facilitated the improvement of risk management and data application capabilities. The Bank actively deployed and explored intelligence development, and improved the supporting capacity of projects such as intelligent marketing, intelligent customer service, intelligent risk control and AI intelligent search.

## Strengthening comprehensive risk management

In 2022, the Bank maintained prudent risk preference, continued to improve the comprehensive risk management, and promoted system improvement, system integrity and process optimisation to tighten up the management of various risks, and thus the general risk level was stable. The Bank, based on its convenient location, followed the policy guidelines to support credit investment in the real economy such as inclusive finance, supply chain finance, livelihood finance, green finance and "five new cities", and prevented and defused risks related to high-priority areas, businesses and customers.

The Bank actively prepared for the implementation of the new regulatory rules on capital management, carried out policy interpretation and data calculation according to the requirements of the exposure draft, simultaneously guided the adjustment of business structure, improved the whole-process management of credit granting, and improved the level of refined risk management to lay a solid foundation for the high-quality development of the Bank.

The Bank implemented the national green development policy, actively carried out environmental and social risk management consulting projects, and improved the construction of the Bank's ESG system in various aspects such as policy system, rating and data service, and green identification. The Bank paid close attention to the ESG performance of customers or projects, guided credit resources to industries such as environmental protection, energy conservation, clean energy, ecological environment, green upgrading of infrastructure and green services, supported emission reduction activities of enterprises in carbon-intensive industries, and strictly restricted credit granting or investment to customers with substandard ESG performance.

## Strengthening internal control and compliance management

In 2022, the Bank improved the long-term mechanism of legal compliance management, consolidated the management foundation, cultivated the compliance culture, strengthened the team capacity building, and continuously improved the management level.

The Bank continued to improve the systems. In 2022, in line with the changes in regulatory policies and the annual key work, the Bank organised and carried out special clean-up actions on rules and regulations, strengthened the implementation of corporate governance regulatory requirements, improved the data governance system, tightened up anti-money laundering management through developing, revising and repealing systems, and improved the top-level design of the system, promoted the formation of a more comprehensive, systematic and standardised supporting management system for various business activities and management activities, and further improved the long-term mechanism of system management, taking the actual situation of operation and management into account.

By organising and carrying out a series of compliance culture construction activities, the Bank strived to build a systematic, professional and mobile training system to carry out all-round and multi-level legal compliance training and legal publicity activities. In 2022, the Bank focused on promoting legal compliance lectures, warning education, cases study. Employees of the Bank actively participated in a series of trainings to enhance their awareness of legal compliance, and create a good atmosphere of "learning, understanding and abiding of law. The Bank carried out special training on business in key areas: organising online and offline training on personal information protection law, financial data compliance, agency bank suitability obligations, bank guarantee business, with a total of 2,080 employees participating. The Bank organised special publicity activities related to the Constitution, the Shanghai Rule of Law Culture Festival (上海法治文化节), and the Personal Information Protection Law, for the Bank and social financial consumers, which improved the awareness of law among all employees and fulfilled the social responsibilities of the Bank.

In respect of strengthening the behaviour management of employees, the Bank has established and continued to improve the employee behaviour management system. In 2022, the Bank implemented and revised the employee behaviour management measures and code of conduct based on industry norms. It revised special management systems such as the regulations on the rotation and adjustment of key positions and the implementation of mandatory leave, and refined the behaviour management requirements into various business systems and processes. The Bank implemented the key points of routine management, tightened up the management of key positions and duty abstention management, and implemented rotation and mandatory leave as planned throughout the year.





## Business continuity management

The overall structure, system and responsibility of the Bank's business continuity management were well-established with a smooth routine operation mechanism in place. The annual emergency drills were carried out in an orderly manner as planned, and the data backup centre for disaster resilience was improved year by year, which met the regulatory requirements and the needs of the Bank.

In terms of management system, the Bank formulated and continuously improved the business continuity management system, and the routine management organisational structure and emergency response organisational structure were in good operation. In 2022, the Bank included the subsidiaries involved in business operation into the scope of business continuity management to improve management standards and form group business continuity management.

In terms of emergency response capabilities, the Bank formulated a business continuity emergency plan covering all kinds of interruption scenarios, sorted out key links of principal businesses, clarified specific response measures for key resources such as important items and key positions, improved management processes, improved the operability of emergency plans, and ensured rapid response to interruption events. The Bank actively carried out a diverse range of drills to ensure the effectiveness of emergency plans. In 2022, 67 business continuity drills for business, key infrastructure and information systems were carried out at the headquarters, including 17 business drills for real takeover through data backup centre for disaster resilience switching. 174 and 495 drills were conducted at branches and outlets, respectively.

2022 was an extremely challenging year in terms of business continuity. Relevant solutions for various interruption scenarios were formulated at each level in advance with various necessary backup resources made available in advance. During the disposal process, the Bank responded quickly, promptly launched an emergency plan, implemented the strategy of "active-active data replication in the same city, and separate locations for personnel in the same city" in special periods, and ensured the uninterrupted provision of services for principal businesses through personnel on-site, remote access to information systems and the use of resources of remote branches.

## Anti-corruption

In 2022, the Bank practiced the general principle of rigorous self-governance, and insisted on the promotion of integrity, discipline and anti-corruption. The Bank focused on deepening the comprehensive and strict governance of the Party, promoting the unified planning of overcoming difficulties and high-quality development while conducting inspections, deeply implemented the closed-loop management of inspection and rectification, focused on inspection and rectification before non-inspection to promote the quality and efficiency improvement of inspection and rectification, and high-quality development. Focusing on key areas such as credit approval and large-amount procurement, the Bank sorted out and investigated risks inherent to integrity, and tightened up the management and control of key links to establish a line of defence against corruption. The Bank implemented the responsibility chain, organised and signed the responsibility statement for comprehensive and strict governance of the Party, promoted the coordination of all parties involved, integrated the implementation of responsibilities, and promoted the implementation of the responsibility of the Party governance at all levels.

The Bank deeply cultivated an honest and upright financial culture, continued to strengthen routine supervision and management, and promoted the normalisation and long-term development of mechanisms. We incorporated integrity education into the training program for internal organisations at all levels, and comprehensively used the forms of watching warning videos, expert counselling, exchange and discussion to keep them in mind. The Bank carried out activities such as the collection of "Integrity Short Video" and the "Financial Culture Story of Youth Integrity", and a number of works won awards in the selection of competent authorities and were broadcast throughout the Bank, creating a strong atmosphere of advocating integrity.

## Anti-money laundering



In 2022, in accordance with the principle of "risk first", the Bank implemented anti-money laundering laws and regulations, implemented regulatory policy requirements, continued to improve the anti-money laundering management organisational structure and system construction, improved the money laundering risk assessment mechanism, strengthened technological support, carried out long-term publicity, and effectively fulfilled the anti-money laundering obligations.

The Bank incorporated money laundering risk management into its corporate governance and comprehensive risk management system, clarified the responsibilities of the Board of Directors, the Board of Supervisors and the Senior Management, and established a sound organisational structure for money laundering risk management. The Senior Management established an anti-money laundering leading group, which is headed by the main leaders of the Bank. The Bank established a sound anti-money laundering management system and continued to give full play to the management synergy of the three lines of defence against money laundering risks of business departments, anti-money laundering leading management departments and audit departments. The Bank continued to improve the anti-money laundering work system. In 2022, the Bank revised eight systems, including the Management Regulations of Bank of Shanghai on Large-sum Transactions and Suspicious Transactions Reporting, and improved the anti-money laundering regulations for relevant business lines such as the Company and other banks. In 2022, the Bank carried out a self-assessment on the risk of institutional money laundering. The internal audit department implemented anti-money laundering audit on an annual basis, tracked the implementation of rectification of problems in a timely manner, and effectively played the role of internal supervision. In 2022, the Bank's money laundering risk management system operated smoothly, and the money laundering risk was generally controllable.

**In 2022, the Bank deepened the closed-loop management of money laundering risks, improved the management mechanism of all links, and improved the effectiveness of money laundering risk management.**

The Bank improved the money laundering risk assessment mechanism for new products, clarified the development of new businesses (including products and services), carried out money laundering risk assessment for products when existing products were substantially changed, re-evaluated the money laundering risk of existing businesses when their elements and regulatory requirements changed, and implemented access review for new products such as corporate mobile payment and personal pension business during the year. The Bank improved the anti-money laundering and anti-terrorist financing list monitoring mechanism, and carried out real-time monitoring and retrospective investigation of the monitoring list by combining information system and manual analysis. The Bank stepped up the research and judgement of money laundering risks, improved the suspicious transaction monitoring model in a targeted manner, and built and optimised 107 suspicious transaction rules models in 18 categories during the year. By making full use of information to explore suspicious clues, the Bank tightened up customer due diligence. Meanwhile, the Bank stepped up the construction of the anti-money laundering system, improved the efficiency of machine control, and improved the effectiveness of anti-money laundering.

**In 2022, the Bank deepened the anti-money laundering concept and performance awareness at all levels, and implemented multi-level anti-money laundering training.**

During the year, the Bank organised 502 training sessions, over 31,960 employees participated. The Bank regularly carried out anti-money laundering training for directors and supervisors to acquire a clear understanding of the development trend and regulatory trend of anti-money laundering. The Bank organised anti-money laundering training for senior management personnel, cadres at all levels and business lines to promote the awareness of anti-money laundering and implement the working mechanism; At the group level, we organised and carried out anti-money laundering regulatory policy interpretation and practical training to improve the knowledge reserve and management ability of subsidiaries.

**In 2022, the Bank actively fulfilled its social responsibility of anti-money laundering and further enhanced the awareness of anti-money laundering in society.**

The Bank promoted basic knowledge of anti-money laundering through self-service machines and rolling screens at outlets to create an atmosphere of anti-money laundering activities. Fully leveraging the advantages of new media, the Bank expanded the scope of publicity. Focusing on the daily publicity of "popularising basic knowledge and introducing regulations and policies", we carried out special publicity activities such as "staying away from online gambling" to warn of the harm of illegal and criminal activities. Through the "infiltration" publicity, the public's awareness and participation in anti-money laundering work of financial institutions continuously improved, and a harmonious and safe financial environment was created.

## Strengthening social responsibility management

### Promotion of responsibility integration

The Bank combined both our vision and mission with social responsibility. In promoting the construction of “Boutique Bank”, the Bank continued to enhance the social responsibility of our employees. The Bank improved social responsibility management, pushed forward all governance bodies to effectively assume social responsibilities, safeguarded the legitimate rights and interests of shareholders and treated all shareholders fairly. The Bank safeguarded the interests of customers, operated with integrity and compliance, and provided safe, convenient and efficient financial services for the public. The Bank also focused on environmental protection, supports public welfare, and actively contributes to society.

### Social responsibility goals

By assuming responsibilities and obligations to stakeholders such as shareholders, customers, employees, partners, communities, and the natural environment, the Bank created value for society and achieved harmonious development of the enterprise and the society.

### Value of social responsibility

- Create maximum value for shareholders and promote sustainable development
- Provide excellent services for customers to create value and grow with customers
- Create growth space for employees to enhance value and develop with the Bank
- Provide development platform for partners to achieve win-win cooperation
- Support and assist communities to build a harmonious society
- Assume environmental protection responsibility to build an economical society

## Valuing communications with stakeholders

### Deepen investor relations

The Bank continued to improve the multi-level investor relations management system with its own characteristics, continuously enriched the communication channels for investors, and formed various routine communication channels for investors, such as roadshows, results briefings, investor research, investor day, investor hotline, IR mailbox, investor message board and SSE e-interaction.

The Bank actively explored applications of digital technology, enriched communication methods with the capital market, leveraged the advantages of efficient and zero-distance communication through online channels, and organised annual, interim and quarterly results exchange meetings through online videos and text interaction, so as to break geographical restrictions and effectively enhance investor participation. The annual results presentation was held in the SSE Roadshow Centre and [www.p5w.net](http://www.p5w.net), and was broadcasted in real-time at [www.cnstock.com](http://www.cnstock.com) and [www.cs.com.cn](http://www.cs.com.cn) and via Wind 3C and other customer terminals. After the presentation, the live broadcast video of the results press conference on the interactive platform was broadcast in a timely manner. The interactive exchange records of the results presentation were published on the website of SSE E-Interaction and the website of the Bank, and the news and Q&A records of the results presentation were selected on the Bank's official WeChat account, making it easier for investors to retrieve and review.

The Bank continued to deepen the integration of investor relations and information disclosure, improved the active disclosure and compliance disclosure mechanism focusing on the capital market and investors' concerns, enriched the dimensions and communication forms of periodic report disclosure, enhanced readability, and continuously improved the quality and efficiency of investor relations management. During the Reporting Period, the Bank was awarded the “Excellent Practice of 2021 Annual Report Results Presentation of Listed Companies” by China Association for Public Companies, the “Investor Relations Gold Award (2021) - Performance Presentation Innovation Award” by [www.p5w.net](http://www.p5w.net), and was included in the “Cash Dividend Distribution List of A-share Listed Companies” by China Association for Public Companies.



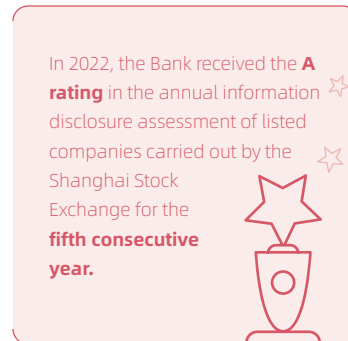
▲ The Bank held the 2021 annual and 2022 first quarter results briefing



## Improving transparency

The Bank continuously pushed forward the construction of information disclosure management mechanism. The Bank continued to improve its effectiveness of information disclosure based on the principles of truthfulness, accuracy, completeness, timeliness and fairness so as to safeguard the right to know of the investors. In 2022, the Bank was rated as A in the annual information disclosure assessment of listed companies carried out by the Shanghai Stock Exchange for five consecutive years.

The Bank tightened up the disclosure of social responsibility performance. The Bank started to release social responsibility reports on an annual basis in 2007, ahead of most other banking institutions. Furthermore, it consistently enriched the disclosure of social responsibility reports to actively demonstrate to the public our thinking, exploration and practice of fulfilling social responsibility. In recent years, the Bank has continuously improved its environmental information disclosure. In 2022, the Bank disclosed the environmental information disclosure report on its official website for the first time, and proactively disclosed the results of its green transformation to the public.



▲ 2019 Annual Social Responsibility Report



▲ 2020 Annual Social Responsibility Report



▲ 2021 Annual Social Responsibility Report



▲ 2021 Annual Environmental Information Disclosure Report

## Stakeholder expectations and response measures

	Expectation	Communication method	Response measure
Shareholders	<ul style="list-style-type: none"> <li>Stable investment return</li> <li>Effective corporate governance</li> <li>Sustainable development</li> </ul>	General meetings, company announcements, result briefings, result roadshows, investor surveys, listed company collective reception day, investor hotline and mailbox, "Investor relations" column of the official website, SSE e-interaction, etc.	<ul style="list-style-type: none"> <li>To promote transformation development</li> <li>To improve the corporate governance system</li> <li>To enhance information disclosure management</li> <li>To actively manage investor relations with multi-levels</li> <li>To safeguard the interests of minority shareholders</li> </ul>
Customer	<ul style="list-style-type: none"> <li>Effective financial service</li> <li>High-quality financial product</li> <li>Maintenance of customer interests</li> </ul>	Outlet services, online services, customer services hotlines, satisfaction surveys and customer activities, etc.	<ul style="list-style-type: none"> <li>To enhance the product innovation</li> <li>To improve the quality of the services</li> <li>To improve the protection of consumer rights and interests</li> </ul>
Employee	<ul style="list-style-type: none"> <li>Complete interest protection</li> <li>Sound career development</li> <li>Reasonable remuneration benefits</li> <li>Good workplace environment</li> </ul>	Vocational training, Workers Congress, reasonable suggestions, union activities, etc.	<ul style="list-style-type: none"> <li>To guarantee equal and fair employment for employees</li> <li>To improve remuneration and promotion mechanisms</li> <li>To strengthen employees' training and open up career development channels</li> <li>To pay attention to the physical and mental health of employees, and provide a good workplace environment</li> </ul>
Government	<ul style="list-style-type: none"> <li>Supporting the real economy</li> <li>Complying with national laws and regulations, and industry standards and norms</li> <li>Optimising the business operation environment</li> <li>Fair competition in accordance with the law</li> <li>Promoting employment actively</li> <li>Promoting the improvement of livelihood</li> </ul>	Laws and regulations, industry conferences, special reports, policy guidelines, daily research, communication and forum, etc.	<ul style="list-style-type: none"> <li>To support national strategies and regional development, and provide services to the headquarters economy</li> <li>To support self-reliance and improvement of technologies and transformation and upgrade of industries</li> <li>To maintain the increase and expansion of inclusive finance, and promote the seamless renewal of loans</li> <li>To implement the fee reductions and concessions policy</li> <li>To support rural revitalisation</li> <li>To provide relief financing, and support employment stabilisation</li> <li>To strengthen the construction of laws, and take the initiative to pay taxes in accordance with the laws</li> </ul>
Regulatory institution	<ul style="list-style-type: none"> <li>Compliance operation</li> <li>Effective protection of risks</li> <li>Maintenance of financial stability</li> </ul>	Regulatory policies, regulatory inspections, working reports and regulatory reports	<ul style="list-style-type: none"> <li>To reinforce compliance and integrity operation</li> <li>To enhance comprehensive risk management</li> <li>To strengthen internal control management</li> <li>To strengthen anti-corruption and anti-money laundering efforts</li> <li>To implement regulatory inspection and rectification</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Development of green finance</li> <li>Promotion of energy conservation and emission reduction</li> </ul>	Environmental information disclosure, environmental public welfare activities, ESG training, green finance business activities, etc.	<ul style="list-style-type: none"> <li>To build a green finance product system</li> <li>To support the development of green industries</li> <li>To advocate the green operations</li> </ul>
Partnership	<ul style="list-style-type: none"> <li>Fair, open and just procurement</li> <li>Mutual development with integrity and mutual benefits</li> </ul>	Procurement information announcements, tender negotiation and communications, contracts, business cooperations, etc.	<ul style="list-style-type: none"> <li>To improve supplier management mechanism</li> <li>To insist on responsible procurement</li> <li>To establish good cooperation relationship</li> </ul>
Community	<ul style="list-style-type: none"> <li>Caring for the underprivileged</li> <li>Building a harmonious community</li> <li>Creating a healthy and safe living environment</li> </ul>	Financial courses training, community services, volunteer services, charity activities, sponsorship, etc.	<ul style="list-style-type: none"> <li>To conduct financial literacy activities</li> <li>To participate in and support public welfare charity</li> <li>To encourage employees to participate in volunteer activities</li> </ul>



# For Economy

Adhering to the fundamental principle of supporting the real economy with financial services, the Bank focuses on the function of financial resource allocation to promote high-quality development. In 2022, the Bank implemented the policy orientation of stabilising growth, market participants and employment, highlighted the support for green finance, inclusive finance, strategic emerging industries and technology-based enterprises, rural revitalisation, infrastructure construction and people's livelihood, and promoted the optimisation of business environment, continuously improving the quality and efficiency of financial services.

## Supporting national strategies and regional development

Fully leveraging the advantages of its own regional distribution, the Bank roots high-quality development in serving regional development, actively supports national strategies and regional construction such as the integration of the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, the coordinated development of the Beijing-Tianjin-Hebei Region and the Chengdu-Chongqing Economic Circle. By improving the mechanism of relevant regional business promotion committees and continuing to optimise regional credit policies, the Bank coordinates and promotes financial services with an integrated mindset, focusing on key areas and major projects and expanding higher-level financial service supply to support coordinated regional development.

As of the end of 2022, the Bank had established 337 outlets and two specialised institutions in 16 large and medium-sized cities in China, including 232 institutions in Shanghai, 47 branches in other regions of the Yangtze River Delta, 29 branches in Beijing-Tianjin-Hebei Region, 20 branches in Guangdong-Hong Kong-Macao Region and nine branches in central and western China.



▲ President Zhu Jian attended the joint meeting of local SASACs and state-owned enterprises in the Yangtze River Delta Region



### CASE STUDY

#### The Bank supports the construction of Zhongxin Jiashan Modern Industrial Park

Located in Jiashan County, Zhejiang Province, Zhongxin Jiashan Modern Industrial Park is adjacent to Qingpu District of Shanghai and is officially designated as an important demonstration project of Yangtze River Delta integration. The Bank actively connected with regional governments, established working mechanisms, supported the construction of key projects in the park, provided comprehensive financial services for core enterprises and their upstream and downstream enterprises in the park, and promoted the implementation of PPP projects in the industrial park. As of the end of 2022, the Bank invested RMB4.48 billion to support the development of the industrial park.





## CASE STUDY

### Hangzhou Branch is actively involved in the construction of the new terminal of Hangzhou Xiaoshan International Airport

The new terminal project of Hangzhou Xiaoshan International Airport is intended to support the organisation of the Hangzhou Asian Games, which will greatly improve passenger throughput. Hangzhou Branch actively granted syndicated loans of RMB500 million for project construction.



▲ Wuxi Branch supports the Yangtze River Delta Integration Cooperation Project —River Water Environment Improvement Project for Beixingtang



## CASE STUDY

### Shenzhen Branch supports the development of a nuclear power enterpris in the Greater Bay Area

Shenzhen Branch focuses on developing customers in the Guangdong-Hong Kong-Macao Greater Bay Area and actively contributes to the development of the Guangdong-Hong Kong-Macao Greater Bay Area. Maintaining a good cooperative relationship with a group which is a large-scale enterprise specialising in nuclear power as its main business, Shenzhen Branch carried out in-depth cooperation in various business fields such as asset business, liability business, investment banking business and cross-border business, continued to improve comprehensive financial services, and helped the company to continuously develop its core business and group business.



## CASE STUDY

### Tianjin Branch Supply Chain Finance provides support for an integrated engineering construction group

The group is one of the large-scale integrated construction groups with businesses mainly covering railway engineering, highway engineering and urban rail transit. Tianjin Branch uses reverse factoring business under the supply chain to support the group's nationwide suppliers for construction projects. As of the end of 2022, Tianjin Branch served a total of 669 supplier customers of the group, with a reverse factoring loan balance of RMB1.33 billion at the end of the year.



## CASE STUDY

### Chengdu Branch underwrites 22 Shudao Investment MTN002 to support expressway infrastructure construction

Chengdu Branch jointly underwrote 22 Shudao Investment MTN002 of Shudao Investment Group Co., Ltd. The proceeds amounted to RMB2 billion, of which RMB600 million was underwritten by the branch. The proceeds were used for the construction of the G4216 expressway from Xinshi, Pingshan to Jinyang section. The expressway project of G4216 Line from Xinshi, Pingshan to Jinyang section is an important part of Yanjiang expressway, which is characterised by difficult geological conditions and construction difficulties. Its construction is of great significance for improving the expressway network in Sichuan and Yunnan provinces, building a comprehensive three-dimensional transportation corridor in the Yangtze River Economic Belt, promoting the comprehensive development of regional advantageous resources and poverty alleviation, and promoting the rapid development of regional economy and society.

## Upgrading inclusive finance



The balance of inclusive loans was

**RMB107.076** billion



The banking industry is duty bound to develop inclusive finance, with the aim of serving the real economy and the people. In 2022, the Bank adhered to the principle of "processing loan applications regardless of enterprise size or ownership", focused on the financing needs of small and micro enterprises and private enterprises, upgraded integrated inclusive financial services, gathered the strength of all parties involved, continuously promoted the improvement, increment and expansion of inclusive finance, enhanced the availability of finance, and enabled more financial activities to flow to inclusive customers. As of the end of 2022, the balance of inclusive loans amounted to RMB107.076 billion, representing an increase of 48.35% compared to the end of the previous year.

## Improving product system

The Bank deeply integrated the daily business scenarios of small and micro enterprises, continuously improved the product system of "small and micro quick loans", and set up four quick loan products of guarantee, credit, mortgage and scenario to help small and micro enterprises develop.



▲ The Bank enters into a strategic cooperation agreement with Shanghai Financing Guarantee Fund Management Centre

### Quick Loans for Guarantee

In partnership with policy-based guarantee institutions, the Bank launched a small and micro online financing product system. The Bank collaborates with Shanghai SME Policy Financing Guarantee Fund to launch guarantee fund online quick loan, and launches various featured financing services for small and micro enterprises in different industries at different development stages. Small and micro enterprises can apply, sign, pay premiums and withdraw money conveniently online. As of the end of 2022, the Bank was the only bank in Shanghai providing online processing services for inclusive guaranteed loans, and ranked first in the industry in terms of the scale of guarantee fund loan business in Shanghai.

### Quick Loans for Mortgage

Relying on the small and micro online financing product system secured against residential buildings, office buildings and plants, we provide efficient and user-friendly full-process services to small and micro enterprises and business owners through online QR code application, one-on-one service for exclusive customer managers, and one-stop contracting mode, and complete credit withdrawal as soon as T+1 days.

### Quick Loans for Credit

Based on enterprise tax payment and daily business transaction data, the Bank launched a credit-based small and micro financing product system for small and micro customers with an online automatic process. Customers cannot only apply online, automatically grant credit, sign contracts online, but also can withdraw and repay at any time, and meet the needs of small and micro enterprises for operating revolving funds at any time.

"Quick Loans for Small and Micro Enterprises" Product System

### Quick Loans for Scenario

The Bank deeply integrates with specific business scenarios and industrial chains to create an online financing product system with a contactless customer experience. It provides featured products and services such as E-Credit (票易贷), E-Finance (惠E融) and Easy Instalment (易分期), and provides exclusive services for small and micro customers in featured industries such as upstream and downstream segments of the industrial chain and logistics and transportation.

## Creating Digital Inclusive Finance

The Bank deepened the application of financial technology and improved the level of digital inclusive services. In November 2022, the Bank launched the online service platform of “SMB Companion” (上行惠相伴) to create a comprehensive platform integrating “publicity, display, application and processing” of all inclusive products and provide one-stop services.



### CASE STUDY

#### The Bank launches a highly innovative product, “Guarantee Fund Online Quick Loan”

The Bank continued to promote product innovation and service upgrading of guaranteed loans of guarantee funds. In March 2022, the Bank launched “Online Quick Loan of Guarantee Funds”, an innovative product that uses digital means such as electronic signature and face recognition to allow enterprises to sign contracts online, pay guarantee fees and withdraw money, and shorten the contracted lending operation completed within the past two days to within 30 minutes, greatly improving the loan acceptance efficiency.

## FEATURE STORY

### The Bank launches the inclusive financial service brand “SMB Companion”



In November 2022, the Bank officially launched the inclusive financial service brand “SMB Companion” to build a “one-stop” inclusive financial service platform for small and micro enterprises, achieving a deeper level of digital empowerment. “SMB Companion” focuses on small and micro customers, and seeks to improve customer experience with a more efficient service model. Adhering to the whole-journey strategy, the Bank provided end-to-end services for small and micro customers with dedicated customer managers designated, facilitated the in-depth integration of online standardisation and offline customised services, created a three-dimensional, more diversified, user-friendly, efficient and safe inclusive financial service system, and provided a complete range of financial services (including but not limited to credit) to small and micro enterprises at different development stages.



Firstly, the Bank provided more diversified and flexible comprehensive financial services for small and micro customers, built a product system with “Quick Loans for Small and Micro Enterprises” at the core, and provided more diversified credit services in different scenarios based on public information such as corporate tax payment, upstream and downstream data of the industrial chain and regional economic characteristics. Furthermore, the Bank integrated various comprehensive financial services such as account opening appointment, electronic letter of guarantee, agency bookkeeping and cross-border settlement into the online platform to meet various financial needs of small and micro customers at different stages, industries and regions throughout their growth cycle, so as to achieve genuine mutual growth.

Secondly, technological empowerment improved service capabilities. We innovatively used digital means such as biometrics identification, text recognition, robot process automation, and artificial intelligence to enable internet-based delivery of services and automate the review and approval process and risk control operations, and continued to build the “smart finance” digital service process, so as to save time for customers with data-based services. Based on the operating data of the enterprise, the system automatically evaluates and matches products to improve service efficiency; establish a full-process view of customers, support

customers to make online self-service inquiry progress, and make customers feel more comfortable. The Bank made loan financing more accessible to small and micro enterprises by further reducing the processing time.

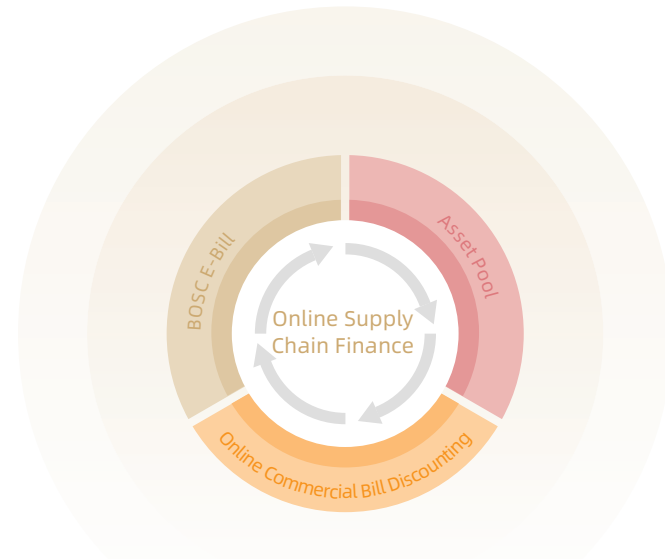
Thirdly, we effectively protected the privacy of small and micro customers. The Bank attached equal importance to security and development, adopted management measures such as hierarchical classification of customer information security, and utilised technical means such as data encryption and electronic signature anti-counterfeiting to properly keep customer information, and prevent privacy leakage, ensuring that small and micro customers can use the services with total peace of mind.

As of the end of 2022, 13 types of “Quick Loans for Small and Micro Enterprises” series products were launched on the “SMB Companion” platform with four quick loans in mortgage, guarantee, credit and scenario at the core; furthermore, based on the characteristics of regional economy, the Bank created localised characteristic products and various comprehensive financial services such as corporate account opening appointment, electronic guarantee, and electronic reconciliation. In 2022, the Bank accepted more than 37,000 customer applications and granted loans of more than RMB32 billion.





The Bank continues to build online supply chain finance brands such as “BOSC E-Bill”, “Asset Pool” and “Online Commercial Bill Discounting” to optimise “Inclusive Finance of BOSC” contactless financial services and expand the scenario application of “Pan-Core Supply Chain”, providing online user-friendly financing services for upstream and downstream enterprises in the industry chain.



## CASE STUDY

## “BOSC E-Bill” funding for supply chain of catering enterprises

Beijing Branch carried out reverse factoring cooperation with a benchmark catering enterprise in the supply chain by using the “BOSC E-Bill” to solve its needs to shorten the payment period, accelerate the capital turnover cycle and stocking of suppliers. A total of credit loans of RMB1.3 billion were granted to 68 foodstuff suppliers nationwide.

## Providing bailout funds



Establishment of special investment and financing quota of

**RMB180 billion**

The Bank actively implemented the decisions and arrangements of the central government, fully supported the development of the real economy, promoted employment and people's livelihood, and made greater efforts to help small and medium-sized enterprises solve difficulties.

Launch relief measures. On 1 April 2022, the Bank took the lead in issuing 18 “Inclusive Finance Relief Action Plan” ahead of other Shanghai-based banks, and set up a special credit line of RMB10 billion for the first tranche. In mid-May, the Bank released 30 special financial service plans, and set up a special investment and financing quota of RMB100 billion. For qualified enterprises, we launched a number of measures such as deferred payment of interest and reduction of fees, and added a special investment and financing quota of RMB180 billion in mid-October. The investment was fully completed during the year.

Promote seamless loan renewal. For the first time, the Bank expanded the scope of customers to medium-sized enterprises for non-repayment of principal and non-renewal, and moderately eased the criteria for non-repayment of principal and non-renewal by inclusive enterprises to boost market participants in difficulty.

Cut interest rate reduction periodically. The Bank cut the interest rate of inclusive loans to small and micro enterprises in stages to effectively reduce the financial costs of inclusive small and micro enterprises.

Insist on building a long-term mechanism. The Bank formulated a long-term implementation plan for loans to small and micro enterprises, and proposed 40 specific measures in five aspects, including improving the fault tolerance mechanism, strengthening assessment and incentives, stepping up channel construction, enriching financial products and strengthening policy publicity, to enhance the willingness, ability and sustainability of the Bank to serve small and micro enterprises.



## CASE STUDY

## Shinan Branch supports corporate financing through registration of movable property guarantee

A domestic automobile exhibition service enterprise, holding approximately 600 automobile exhibitions of various brands every year; its downstream customers are all powerful brand automobile enterprises. As an asset-light enterprise, the company requires financing to fund its routine operations, but lacked sufficient assets for financing mortgage. Nevertheless, Shinan Branch used the accounts receivable of the relevant downstream automobile enterprises as pledge guarantee and filed registration of movable property guarantee. We granted credit of RMB10 million and quickly made loans to meet the customer's urgent needs for financing.

## Deepening science and technology innovation finance

Under the guidance of the innovation-driven development strategy and the 14th Five-Year Plan of Shanghai to build a science and technology innovation centre with global influence, the Bank accelerated the independent innovation of financial empowerment technology, assisted with the development of innovation systems, empowered science and technology, and continuously built up new development momentum.

The Bank supported the high-quality development of science and technology innovation enterprises, strategic emerging industries and manufacturing industry by continuously deepening the financial service system for science and technology innovation, stepping up product innovation and effective supply. As of the end of 2022, the Bank's balance of loans to technology enterprises came in at RMB103.874 billion, representing an increase of 19.28% over the end of the previous year.



The balance of loans to technology enterprises was

**RMB103.874 billion**



## CASE STUDY

## The operation department of the head office supports an integrated circuit design enterprise

The company is a leading enterprise in China's integrated circuit design industry and a key strategic emerging industry enterprise in Shanghai, obtaining global network verification and the shipment certification of more than 200 operators in more than 100 countries around the world. As the first bank-wide pilot project of full-process credit extension, the Bank granted RMB1.2 billion of medium and long term manufacturing loans based on the characteristics of long R&D cycle and large investment of customers, effectively supporting the operation and development of major scientific and technological innovation enterprises.



## CASE STUDY

## Puxi Branch supports the commercialisation of independent innovation medical achievements

Being a representative enterprise in the field of medical imaging equipment breaking through the “bottleneck” problem and implementing domestic self-developed design and manufacturing, the company is responsible for providing supporting medical AI solutions for the application of the group's medical imaging equipment. Due to the demanding research technology requirements and the long incubation period, the company, as a start-up, has not yet achieved stable operating returns during the transformation of scientific research achievements, thus facing difficulties in meeting its own financing needs. On the basis of thorough communication with the enterprise, Puxi Branch conducted in-depth investigation on the industry background, carefully studied and judged the development prospects of the enterprise, and supported with the innovation 5-year research and development fund loan products with a total amount of RMB450 million to facilitate the transformation of independent innovation achievements of the enterprise.



## CASE STUDY

## Beijing Branch supports the development of core enterprises of new glass materials

As the only central enterprise of "Scientific Reform Demonstration Enterprise" with an excellent rating in the building materials industry, the company continues to increase the independent innovation and industrial layout of new glass materials, and overcome the "bottleneck" key technology. Beijing Branch collaborates closely with the company to provide comprehensive financial services according to the company's business needs, supporting its continuous promotion of independent innovation, and the company's credit balance in our Bank is nearly RMB3.6 billion.

## Improving the service system

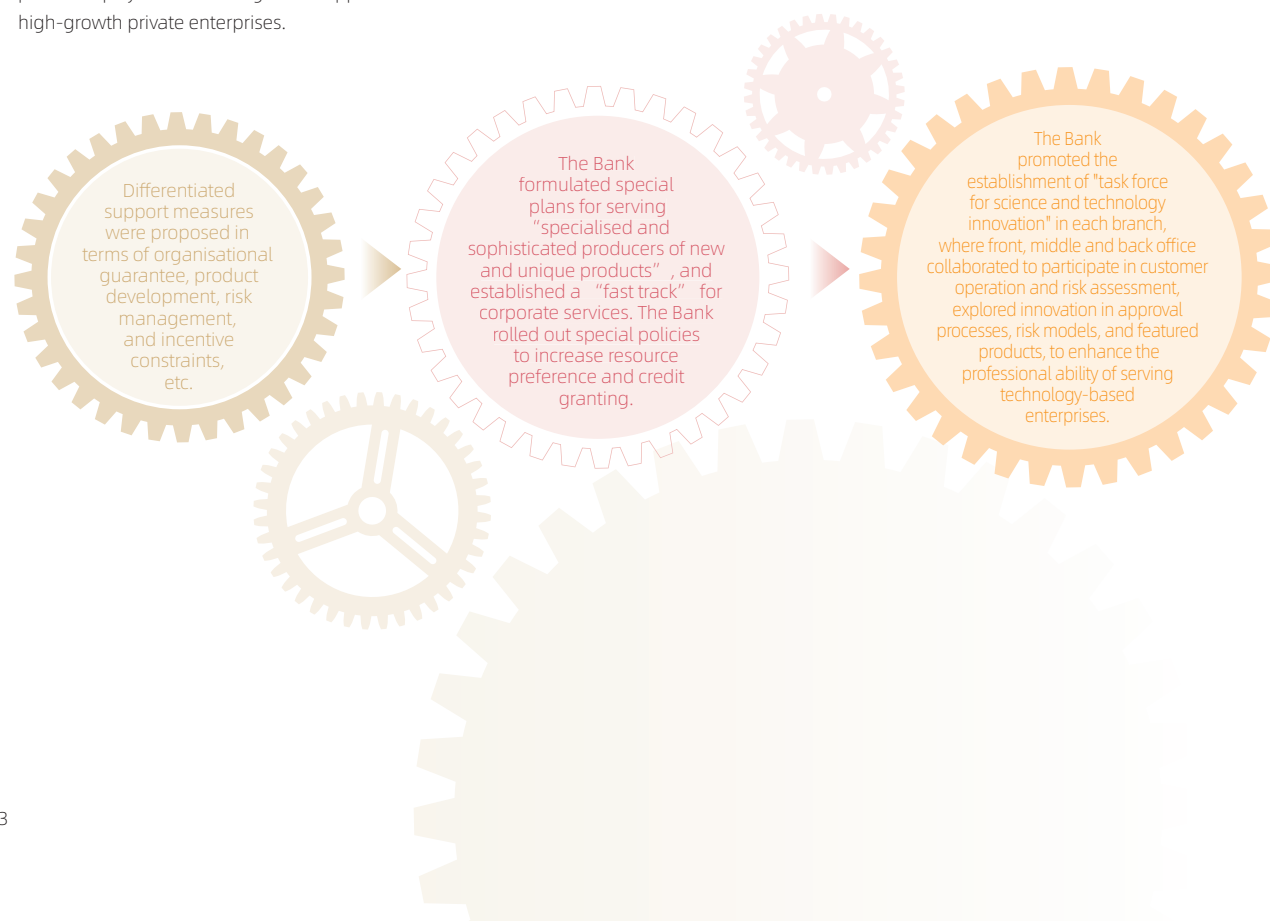
The Bank established a key product and service system, focusing on promoting innovative service models such as investment and loan linkage and intellectual property pledge financing. The first established service model of "pledge financing of patent licensing income right" was included in the first batch of 20 typical cases of intellectual property pledge financing and insurance in China, and "intellectual property pledge financing products" won the outstanding award of 16th session of "Financial Services Fair" (金洽会) and "Shanghai Financial Industry Relief Outstanding Achievement Selection". The Bank iteratively upgraded innovative products and service plans such as R&D capital loans, investment-loan linkage stock options, etc., to provide equity and debt integration support for more high-growth private enterprises.



## CASE STUDY

## Hangzhou Branch supports the development of artificial intelligence enterprises

A company is an artificial intelligence company specialising in shape recognition technology, which has had several rounds of strategic financing and plans to gradually introduce high-quality strategic investors to achieve initial share offering. The Company's orders have increased significantly in recent years, resulting in a shortage of working capital. Hangzhou Branch tailored financing solutions to the company, gave the company a special credit line in the form of "equity + debt" through the use of product portfolio, and completed the approval of loan in a short term, solving the urgent needs of the customer. Hangzhou Branch will continue to introduce high-quality strategic investors for the company to enhance its credit line.



## CASE STUDY

## The Bank supports "specialised and sophisticated producers of new and unique products"

The collaborative robot business operated by a company is a technology-intensive industry that relies on continuous investment in R&D and operating funds. In 2018, the company's new generation of collaborative robots was launched on the market and then was widely recognised, but due to limited working capital and a long payment cycle for project engineering, it was impossible to organise large-scale production. After obtaining a clear understanding of the company's pain points, we conducted in-depth research on the industry and application scenarios, and learned that the company's products were mainly used in the construction of smart factories in semiconductors, auto parts and other industries, and the project took more than one year to complete, from raw material procurement to production. Short-term working capital loans in the market for less than one year cannot meet their funding needs. After thorough due diligence, the Bank provided the company and its subsidiaries with a two-year working capital loan of RMB80 million in the shortest possible time, which met the capital and term needs of the enterprise. In 2022, the total amount of credit granted by the Bank to the company's series of enterprises increased to RMB100 million, further supporting the innovation and development of enterprises.

A company is mainly engaged in the home intelligent projection category, maintains a leading position in the industry, and constantly develops new technologies to promote the industry forward. Chengdu Branch granted a total comprehensive credit of RMB370 million to its two subsidiaries to help it reserve core raw materials such as chips, maintain its market competitiveness, and promote its continuous development in the direction of premium, sophisticated and cutting-edge features.

A company is a high-tech enterprise mainly engaged in research and development and production of rare earth permanent magnet materials with a number of patents obtained. The energy conservation and environmental protection new energy magnet production line with independent research and development achieved mass production and orders grew fast. Due to the sharp rise in raw material prices, capital support was urgently needed. While the company's collateral has been fully mortgaged, other credit enhancement measures for financing were urgently needed. Through the "Zhuan Jing Bao" (专精保) cooperation with Ningbo Finance and Guarantee Company, Ningbo Branch granted a working capital loan of RMB10 million to the enterprise in a timely manner, which greatly eased the pressure of capital turnover and effectively reduced the financing costs of the enterprise due to the exemption of guarantee fees.

## Building a platform for cooperation

Maintaining close cooperation with the Science and Technology Commission of Shanghai Municipality, Shanghai Municipal Commission of Economy and Informatisation, Shanghai SME Policy Financing Guarantee Fund Management Centre, and Shanghai Intellectual Property Administration, the Bank actively participated in the development of various scientific and technological innovation financial product solutions, and created a scientific and technological innovation full life cycle product pool. In partnership with Shanghai SME Policy Financing Guarantee Fund Management Centre, the Bank jointly launched a special product "Specialised and Innovative Loan for Science and Technology Innovation" (科创专新贷) for specialised and sophisticated producers of new and unique products, and iteratively upgraded products such as "Loan Linked with Investment for Science and Technology Innovation" (科创投联贷) and intellectual property pledge loan, so as to open up more financing channels for technology-based enterprises. The Bank explored and optimised the "Listed Technology Loan" (上市技易贷) product with the Shanghai Technology Exchange to provide enterprises with one-stop services such as technology contract registration, transaction authentication, and tax exemptions.



## CASE STUDY

## The Bank takes the lead in underwriting the country's first science and technology innovation asset-backed note



Science and technology innovation note is an innovative product launched by the Association of Traders, which helps to attract social capital, promote scientific and technological innovation, and accelerate the flow of various innovative elements toward enterprises. In September 2022, the Bank led the successful issuance of the country's first "Science and Technology Innovation Asset-backed Note" - "2022 Triumph No. 2 Targeted Asset-Backed Commercial Note (Science and Technology Innovation Notes) of King Sun Financial Leasing (Shanghai) Co., Ltd.". The proceeds from the project will be used for the construction of scientific and technological innovation projects of national high-tech enterprises Kaisheng jinghua (凯盛晶华) and Chengdu COE (成都中光电), as well as the repayment of corresponding existing debts. The successful issuance of the science and technology innovation notes is of great significance to enterprises to continue to increase investment in scientific and technological innovation and improve the overall technological standard.



# Supporting rural revitalisation



Rural revitalisation is the necessary way to achieve common prosperity, and the Bank is highly aware of the importance of rural revitalisation. It actively implemented the national strategic deployment of comprehensively promoting rural revitalisation, gave full play to its own financial strength, strengthened overall planning, refined the implementation pathway, and continued to participate in supporting agricultural modernisation, increasing farmers' income, rural infrastructure construction and improving the living environment, so as to help rural revitalisation. As of the end of 2022, the balance of agriculture-related loans of the Bank was RMB89.224 billion, representing an increase of 25.46% over the end of the previous year.

The Bank continued to refine the internal operation mechanism for serving rural revitalisation and guide operating institutions to take the initiative to provide services. The Bank integrated agriculture-related services with inclusive finance, actively supported inclusive agriculture-related credit, implemented preferential policies for internal assessment, and set up preferential coefficients for internal economic capital assessment for agriculture-related inclusive customers. The Bank provided FTP special subsidies for RMB agriculture-related loans. Differentiated evaluations were given to eligible non-performing tolerance of agriculture-related loans.

The Bank actively responded to the multi-field and diversified financial needs to support rural revitalisation, strengthened product innovation and support, and improved the level of financial service supply. For rural infrastructure construction and living environment improvement, the Bank provided direct financing services, medium and long-term credit products, etc. For new-type agricultural business entities, the Bank actively carried out cooperation between banks and governments as well as guarantor companies, and promoted special products such as "agricultural guaranteed loans". The Bank supported the modernisation of the agricultural industry and deepened the transaction scenarios of the agricultural industry chain, continued to give full play to the service advantages of online supply chain financial platforms and strengthened support for upstream and downstream enterprises and farmers in the industrial chain.



## CASE STUDY

### Chengdu Branch supports rural power grid construction

Rural power grid construction is a long-term major project to benefit the people in Sichuan Province, and a group is responsible for the construction and upgrading of rural power grids in nearly 100 counties in Sichuan Province. In order to further consolidate and expand the achievements in poverty alleviation and comprehensively promote rural revitalisation, Chengdu Branch issued a total of RMB500 million of working capital loans to the group in 2022 for the power supply of poor counties in southern Sichuan, eastern Sichuan, Daliang mountains and other areas, to support the steady progress of rural power grid construction in Sichuan Province through financial strength.



## CASE STUDY

### Beijing Branch uses digital solutions to give farmers easy access to loans

Beijing Branch collaborated with an agricultural technology company to provide supply chain loans under the procurement of production materials for new business entities such as individual industrial and commercial enterprises, small and micro enterprises and farmers based on the transaction scenarios of online procurement by users on its platform, effectively solving the problem of new agricultural business entities and farmers' difficulties in obtaining loans. The branch conducted data integration with partners, and intelligently and directionally paid the loan to the goods supplier after the customer completes the receipt confirmation of the purchase materials, so as to realise the closed-loop management of information flow, logistics and capital flow. In 2022, the cooperation project cumulatively lent a total of RMB502 million, providing loan support for more than 200 customers and strongly supporting the healthy development of agriculture and aquaculture.



▲ Nanjing Branch supports grain reserve management enterprises

The Bank continued to deepen the service layout in rural areas. In Chongming, Jinshan, Fengxian, Jiading, Qingpu and other administrative districts of Shanghai and some townships in Pudong, Baoshan and Minhang, 43 business outlets have been built to achieve financial service radiation to surrounding residents. Considering the layout of business outlets and the needs of local residents, the Bank gave priority to choosing six hospitals such as Chongming Medical Insurance and Fengxian District Central Hospital, two medical insurance centres, as well as some cooperative enterprises, community supporting markets, universities and other places where personnel are relatively gathered and payment demand is relatively strong, and put detached self-service equipment to provide more targeted and time-sensitive financial services.

The Bank promoted village and town banks to give better play to their resource advantages, improved the professional agricultural support system, carried out various types of rural entity financial services in depth to facilitate high-quality development of "agriculture, rural areas and farmers".



## CASE STUDY

### Minhang BOSC Rural Bank supports the construction of rural revitalisation demonstration villages

As one of the first nine rural revitalisation demonstration villages in Shanghai, Gexin Village of Pujiang Town urgently needed to relocate the homesteads of more than 200 rural households during the old rural housing reconstruction program, and the project encountered difficulties due to insufficient construction funds. Minhang BOSC Rural Bank actively responded to the call to support rural revitalisation, and set up a "special loan for rural revitalisation" to provide financial support for the relocation and renovation of local villagers, ensuring the smooth progress of the renovation of old homes, which was highly recognised by the local government and villagers. In less than half a year, the appearance of the innovation village has been completely renewed, and it has become a famous "Internet celebrity" village.

# Serving the high-standard opening-up

The Bank actively integrated into the new development pattern of dual circulation, responded to the requirements of stable foreign trade policies, based itself on the policy advantages of Shanghai Lingang Special Area, gave full play to the global resource advantages of BOSC Hong Kong, strategic shareholder Banco Santander, Shanghai, Hong Kong and Taiwan "Bank of Shanghai" alliance, improved the level of online and digitalisation, and enhanced the ability of professional cross-border financial services to contribute to the high-level opening-up.



▲ Senior management meeting on strategic collaboration with Banco Santander





## CASE STUDY

## Cross-border financial service supports the high-end manufacturing

A company is a professional company that has been deeply involved in crystal growth technology, wafer manufacturing technology and cutting-edge material research for more than ten years. In 2022, the Bank handled foreign currency working capital loans for the clients, laying a solid foundation for their rapid business development and helping them consolidate their position in the field of integrated circuit manufacturing. The customer has a good momentum and has established extensive cooperative relationships with customers around the world.

## Promoting online cross-border business

Focusing on the whole chain of cross-border business of customers, the Bank has built an online platform "BOS SMART CBS" that integrates payment, receipt, documents, forex settlement and sale, exchange rate hedging, trade financing and other functions, and is committed to providing customers with safe, intelligent, user-friendly and efficient services. As of the end of 2022, the online coverage rate of "BOS SMART CBS" annual active customers reached 52.01%, an increase of 22.20 percentage points year-on-year.



## CASE STUDY

## Online products ensure business continuity for cross-border customers



A cross-border e-commerce enterprise, whose main product is imported dairy, during the special period in early 2022, could not submit cross-border receipt and domestic foreign exchange settlement documentation offline. The Bank quickly set up an emergency team, formulated personalised solutions, guided customers to open online banking functions, and conducted business through "BOS SMART CBS", which met customers' urgent demands and contributed financial strength to material support in the special period.

## Facilitating cross-border trade

The Bank actively responded to the pilot project of high-standard opening-up of foreign exchange reform in Shanghai Lingang Special Area, enhanced the ability of foreign exchange management to serve the real economy, and improved the service level with facilitation services combined with online functions. As of the end of 2022, we handled the high-level pilot business under current accounts in the Lingang Special Area for a number of enterprises, with a pilot business amount of about US\$140 million, helping enterprises accelerate innovation and development, and serving the construction of Pudong "Leading Zone" and Lingang Special Area.



## CASE STUDY

## Facilitation promotes high-level opening-up of cross-border trade and investment

A company is a professional enterprise engaged in international shipping agency, and in the past, when handling foreign exchange receipts and payments under current accounts, it needed to provide supporting materials such as contracts, invoices or customs declarations one by one, which was time-consuming and laborious. The Bank actively implemented the detailed rules for the pilot of high-level opening-up of Lingang, formulated corresponding pilot business varieties, specific operation procedures and post-event testing and verification mechanisms for enterprises, and efficiently completed the access and filing of pilot enterprises. After the approval of the enterprise facilitation pilot, the daily receipt and payment process eliminated the circulation and review of documents during the process, and combined with the "BOS SMART CBS" automatic entry function, it enjoyed a new experience of convenience and digitalisation.

## Serving foreign exchange risk management needs

In order to better serve market participants to manage foreign exchange risks, the Bank launched a special work plan to promote enterprises to establish a mature concept of exchange rate risk neutrality, and provided personalised and differentiated exchange rate hedging products based on the characteristics of various entities, with a total of 451 foreign exchange hedging "first account" in 2022. The Bank introduced a small-amount deposit exemption policy for foreign exchange derivatives for micro, small and medium-sized enterprises, by providing a credit policy of free margin within a certain amount for import and export enterprises and trade service enterprises that met the requirements, and simplified the approval process and credit approval documents. Furthermore, the Bank optimised the business handling process, and added functions such as forward pending order trading in "BOS SMART CBS".

## Supporting the "Belt and Road" Initiative

The Bank actively responded to the "Belt and Road" initiative, and built a cross-border cooperation platform to deepen cross-border financial services, thus helping enterprises "Go global" and "Bring in".



## CASE STUDY

## Nanjing Branch uses cross-border platform to help enterprises go global

An engineering design group acquired Spanish Company E to leverage its layout advantage in the "Belt and Road" region to serve global engineering infrastructure customers. Nanjing Branch took advantage of the Bank's cooperation with its shareholder, Banco Santander, to help Company E obtain credit at Banco Santander through cross-border guarantees. With the support of our cross-border platform, Company E has successfully undertaken engineering orders worth 100 million euros.





# For People's Livelihood

To protect people's livelihood, the Bank insists on putting financial services first. The Bank continued to deepen its understanding of people's growing needs for a better life, extended its service tentacles to all areas of people's livelihood, and promoted financial inclusion to enhance people's livelihood and well-being.

Photo by Gu Wencheng, Ningbo Branch

## Supporting the promotion of household consumption

The Bank fully recognised that consumption was the key link and important engine to smooth domestic circulation, based on a thorough understanding of the new trends and new needs of residents for a better life, strengthened scientific and technological empowerment, and innovated consumer credit products, promoted consumption recovery to tap into consumption potentials.

### Innovating credit products

Create microfinance service products based on Internet channels. The Bank launched the "Online Xinyi Loan" personal credit consumer loan product based on WeChat mini program service, which optimises related services in terms of channel lightening, online process, intelligent risk control, centralised management, business digitalisation, and business development scenarios. The services are compatible with the customer's mobile terminal usage habits, and the credit granting time of the whole process is reduced to five minutes, further improving the convenience of consumer credit acquisition. As of the end of 2022, the cumulative number of customers for online Xinyi Loan application was 86,000, the cumulative number of withdrawal customers was 11,000, and the loan balance was RMB974 million.

Launch credit card products close to people's livelihood consumption. To develop personalised products based on scenarios and customer consumption needs, the Bank has collaborated with Internet platforms to launch a number of co-branded credit cards to tailor special benefits for residents' daily consumption.



The cumulative number of withdrawal customers of Online Xinyi Loan

**11,000** persons



Loan balance

**RMB974** million



▲ Hema co-branded credit card



▲ JD co-branded credit card



▲ Meituan co-branded credit card (Female version)



## Enhancing financial care

To ensure the demand for personal credit services during special periods, the Bank provided special financial care services for personal loan customers who were unable to repay on time and temporarily lost their source of income due to the impact in special periods, including deferred repayment, credit repair, etc., and opened up online green service channels based on customer's appeal. As of the end of 2022, a total of more than RMB56 million of deferred repayment of personal loans had been approved, the credit card repayment deferral service had been provided to 44,000 retail customers in total, involving RMB570 million in principal and more than RMB300,000 reduced in interest and fees. The Bank accelerated product innovation, launched exclusive Xinyi Loan products for anti-epidemic workers and employees in the industries which have resumed work and production, and granted more than RMB16 million worth of loans in aggregate as of the end of 2022.



The total approved amount of deferred repayment of personal loans

more than **RMB56** million



Credit card deferred repayment services provided to individuals in total

**44,000** individuals

## Contributing to the recovery of consumption

The Bank promptly responded to the resumption of production and business activities. Since June 2022, our credit card sector has successively launched a series of activities such as tea-based drink, travel, and e-commerce around people's livelihood consumption. The Bank launched a series of activities focusing on six categories of consumption in response to the "May 5 Shopping Festival" (五五购物节). Based on the theme of the 20th anniversary of the issuance of our credit card, we integrated a series of special activities to help enhance the brand "Shopping in Shanghai".

The Bank actively promoted the construction of urban living circles, launched various business district activities focusing on the two themes "Happy Drinks on Wednesday" (周三美饮) and "Good Life on Friday" (周五美好生活), including 31 business district activities and more than 2,800 cooperative stores in Shanghai throughout the year. To promote mobile payment and carry out preferential activities to guide consumption, the Bank jointly carried out the "Being Together, Meeting Spring" (在一起, 春会来) mobile payment preferential activities with Alipay, WeChat, and Cloud QuickPass, benefiting more than 400,000 customers every day. The Bank actively explored emerging business formats such as membership supermarkets, and scenic spots, and expanded card-using consumption scenarios to help release consumption potentials.

## Deeply cultivating eldercare services



Undertaking the distribution of pensions to

more than **1.6** million customers in Shanghai

Revolving around the internal and external visions of becoming a "leading age-friendly financial service institution" and building an age-friendly society, the Bank inherited and carried forward its rich practical experience in eldercare services, and strove to build a financial service institution with channels suitable for the elderly, products providing for the elderly, services caring for the elderly, and a strong reputation among the elderly. As of the end of 2022 the Bank undertook the issuance of pensions to more than 1.6 million customers in Shanghai, with an annual payment of nearly 25 million, maintaining the first in Shanghai.

## Upgrading channels for the elderly

On the basis of providing pension financial services in 232 outlets in Shanghai, the Bank has built 50 pension financial sub-branches and 51 pension business peak outlets according to local conditions, to continue to serve the elderly. Focusing on the concept "safe, simple and easy to use", the Bank upgraded the "Better Life Edition" (美好生活专版) mobile banking APP suitable for elderly customers, and carried out visual design with full-process of large-font, skeuomorphic design and follow-up prompts for the common functions of elderly customers, and improved intelligent search capabilities, to help elderly customers find the desired business more quickly, creating a companionate experience in the online service. ITM page design uses a large font version and embedded handwriting input method, and offers the on-site help function by calling staff from the outlets, which improves the friendliness and convenience of smart equipment for elderly customers.



▲ Elderly volunteers served as bank guiders to help the elderly

## Helping the elderly to overcome the "Digital Divide"

The Bank got close to elderly customers, and continued to carry out the financial activity "Good Life by Your Side" (美好生活在您身边) in communities to help the elderly by the way of public welfare. Through the establishment of "Citizen Lessons" and the launch of an innovative online cloud salon service model "Good Life", etc., we helped the elderly solve the difficulties in using intelligent applications. In 2022, the Bank carried out about 1,300 activities, covering more than 26,000 customers. "Good Life by Your Side, Public Welfare for Helping the Elderly to Overcome the 'Digital Divide'" was selected as the "Typical Cases of Inclusive Finance in China (2022)" by the China Banking Association.



▲ Lessons for the elderly

## Delivering warm services

The Bank optimised the service environment facilities for the elderly, and provided special service measures such as "green service channels" for the elderly. The outlets with a large flow of elderly pension customers continued to provide the "morning market" service and allocated volunteers to serve as bank guiders. In order to further meet the needs of elderly customers for capital transfer without leaving their homes, the Bank promoted the "virtual online outlets" service channel and provided more user-friendly online services. Since June 2022, our virtual online outlets have served more than 15,000 elderly customers over 60 years old in total. The Bank further expanded the commonly used counter trading functions of PAD covered outlets, and provided more cordial services to elderly customers in a "shoulder-to-shoulder" manner. For special elderly groups, the PAD extension service model was adopted to improve door-to-door services. The Bank provided the elderly with direct access to the dedicated lines, carried out customised outbound services, and the connection rate of the special line for the elderly was nearly 3 percentage points higher than the average.

## Carrying out various elderly-friendly activities

Focusing on the health needs, entertainment needs and quality of life needs of elderly customers, we continued to enrich the "perfect" value-added service scenarios and categories, carried out ten rights and interests activities such as shopping, food, and opera, and kicked off innovative feedback activities such as "cloud theatre" and "cloud photography" during the Double Ninth Festival to create a one-stop rights and interests supermarket for the elderly.



▲ Feedback activity "cloud theatre"

## Empowering eldercare

The Bank actively assisted the construction of Shanghai's eldercare professional team, exclusively supported and participated in the organisation of the 2022 Shanghai Elderly-Care Professional Skills Competition held by the Shanghai Civil Affairs Bureau. By creating an exclusive service card for eldercare personnel, the Bank created an overall social atmosphere for the skill improvement of the eldercare service team, and drove the improvement of comprehensive ability of Shanghai eldercare services.

## Promoting the transformation of wealth management

The Bank practises the service principle of Finance for the People. Based on meeting the diversified wealth management needs of residents, the Bank continued to promote the second transformation of wealth management, created a market-wide open allocation platform, and remained committed to becoming a wealth management expert for urban residents. Meanwhile, the Bank continuously upgraded the wealth management service system that benefits the people to continuously improve the happiness and sense of achievement of customers.

### Optimising and enriching allocation categories

Focusing on safeguarding people's livelihood, the 2022 version of Shanghai's customised commercial supplementary medical insurance "Shanghai inclusive insurance" (沪惠保) product was introduced, and the number of customers benefitting from it has doubled compared with that in 2021; the Bank conformed to the new pattern and new policies of the third pillar of the elderly, enriched endowment insurance products, and laid out exclusive commercial endowment insurance products in advance to meet the needs of the general public for old-age security.

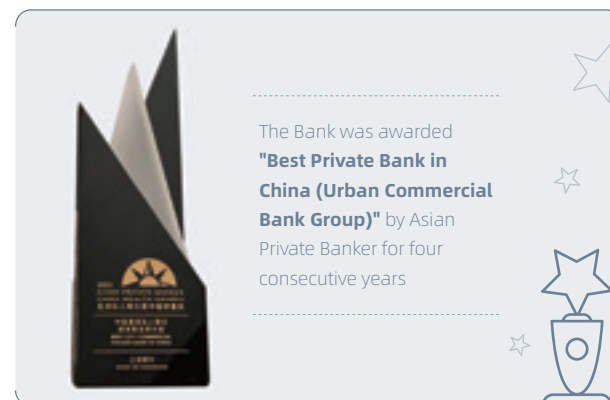
The Bank focused on wealth allocation, built a market-wide, 24-hour product line, and continued to introduce high-quality and stable allocation varieties to meet the different risk appetite and term needs of residents. The number of product cooperation institutions of wealth management subsidiaries of banks has been expanded from three to seven, which enriched the asset allocation means of customers.

Focusing on value investing, in order to meet the steady investment needs amid sustained market volatility, the Bank built a pool of selected liquidity products mainly based on interbank certificates of deposit, short and medium-term bonds, continued to guide the long-term allocation concept of fund fixed-amount investment, and helped investors overcome market fluctuations.

### Upgrading wealth management services

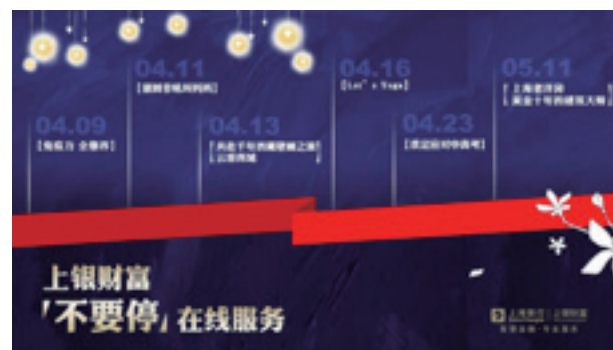
The Bank optimised the online transaction function, enriched the information display dimension of various products in mobile banking channels, and provided customers with multi-dimensional and whole-process investment decision support. The Bank developed online transaction channels, relied on "virtual online outlets" to expand the online insurance application model, and used "cloud account managers" to achieve "zero-contact" insurance application for customers.

The Bank continued to improve the investment experience, created intelligent investment analysis tools, optimised wealth diagnosis functions, launched insurance diagnosis services, and improved online full-process wealth accompaniment services for pre-investment decision-making, investment tracking, and post-investment analysis.



The Bank upgraded online services, launched wealth management "cloud services" in the first half of 2022, built a live broadcast platform "Bank of Shanghai Wealth Management", and launched a series of activities such as "Don't stop!" and "Authoritative Face-to-Face" (权威面对面), covering multiple themes such as macro interpretation, wealth planning, health preservation, and cultural appreciation. A total of 22 live broadcast activities were launched during the special period, with more than 100,000 participants, continuously conveying the professionalism and temperature of "Bank of Shanghai Wealth Management".

The Bank carried out normalised investor education, collaborated with online and offline channels such as branch salons, official WeChat public account, live broadcast rooms, mobile banking, etc., and launched multi-theme and multi-form investor education salons such as market research and judgement, net worth fluctuations, and asset allocation, continued to cultivate financial concepts to enhance residents' sense of security in asset allocation.



▲ Online activity "Don't stop!"

## Supporting medical service system development

The Bank made its contributions to the country building establishing and improving a high-quality and efficient medical and health service system, and continued to improve user-friendly medical services to enhance medical experience. As a member of the digital transformation construction team of "user-friendly medical services" in Shanghai, the Bank has provided comprehensive service support for about 150 public hospitals in Shanghai, ranking first in the industry in cooperation coverage. The Bank actively participated in annual key service innovation projects such as digital RMB payment applications in the medical field, and assisted to build the first hospital in Shanghai to fully launch digital RMB payment functions.



### Innovative scenario applications of digital currency medical payment are created in collaboration with Ruijin Hospital

The application of digital RMB payment in the medical field is one of the key innovation scenarios for the digital transformation of "user-friendly medical services" in Shanghai in 2022. On 14 June 2022, with the support of the Bank's digital RMB payment and clearing system, Ruijin Hospital affiliated to School of Medicine of Shanghai Jiao Tong University completed the construction and application of digital RMB payment functions in various windows such as outpatient and emergency settlement as well as admission and discharge management, thus becoming the first hospital in Shanghai to fully launch digital RMB payment functions, and becoming a pioneering real-world scenario to help Shanghai build the first unified platform covering digital currency medical payment in China.



### Innovating "nursing home + Internet hospital" service

The Bank actively reached out to civil affairs authorities, gave full play to the resource advantages of cooperation with Shanghai public hospitals and the professional service experience in the field of smart medical care, promoted the digital transformation of the eldercare service field, helped to build and promote "nursing homes + Internet hospitals" in Shanghai, and built a smart terminal for Internet medical treatment exclusive services for the elderly to provide convenient Internet medical treatment, prescription opening and drug distribution services for the elderly in eldercare institutions, and assisted the Civil Affairs Bureau of Shanghai Putuo District to complete the city's first pilot project in 2022. We will continue to assist all districts of the city to implement house-to-house eldercare + Internet hospitals.



▲ Hangzhou Branch introduces our smart medical services to Shaoxing



# Supporting the development of education

The Bank actively supported the development of education, promoted the construction of a high-quality education system, and improved the quality of independent training of talents.

The Bank actively collaborated with universities to promote the construction of disciplines and smart campuses, and improve the development for the integration of industry and education.



## CASE STUDY

### The Bank enters into a comprehensive strategic cooperation agreement with Shanghai Ocean University

In November 2022, on the occasion of the 110th anniversary of Shanghai Ocean University, the Bank entered into a comprehensive strategic cooperation agreement with Shanghai Ocean University. Taking this signing as a new starting point, the Bank explored a new model of education finance, integrated the superior resources of both sides, collaborated in scientific and technological innovation services, international exchanges, smart campus and other fields, supported the construction of top disciplines, promoted the integrated development of industry and education, helped marine science and technology innovation and assisted the university to become a world-class characteristic university in the marine field with important international influence.



▲ Shibei Branch brings the finance course "little banker" to primary and secondary schools

Following the national comprehensive reform education policy of "double reduction", the Bank initiated the establishment of the financial literacy education cooperation project alliance for primary and secondary schools in Shanghai, covering more than 50 primary and secondary schools, and initially formed the characteristic of financial literacy education service of "BOSC Intelligent Learning" (上银智学).



## CASE STUDY

### The Bank launches a series of financial literacy education activities "BOSC Intelligent Learning"

Under the guidance of the Shanghai Municipal Education Commission, the Bank collaborated closely with Shanghai University of Finance and Economics and the Science and Technology Innovation Centre of the Chinese Society of Education to launch the "BOSC Intelligent Learning" financial literacy education characteristic project, including a series of public events such as "little finance lesson" for primary and secondary school, the financial competition for primary and secondary school students of "Little Financial Talents" (财经素养小达人), financial technology laboratory visits, and financial education and training for primary and secondary school teachers, providing both primary and secondary school teachers and students with up-to-date financial knowledge, immersive practical experience and a communication platform for self-presentation, which has been popular and recognised by teachers and students.

The Bank actively collaborated with the education fund institutions across the nine districts in Shanghai and donates to key areas of education development such as teachers' team construction, comprehensive literacy education, and digital transformation, so as to promote the high-quality and balanced development of regional educational resources.



## CASE STUDY

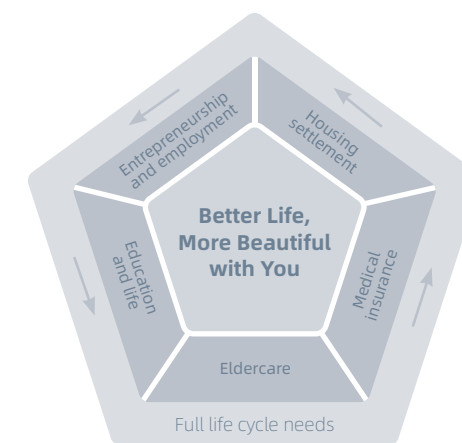
### The Bank launches the Xinyi Loan (信义贷) exclusive product "Teacher Loan" (教师贷)

In order to meet the multi-faceted financial needs of teachers as a special group, such as education, decoration, tourism, medical treatment and daily life consumption, etc., the Bank has launched the exclusive credit product "Teacher Loan" to provide teachers with a loan amount of up to RMB200,000, diversified loan methods, and exclusive preferential interest rates.

# Strengthening services for new migrant-citizens

New migrant-citizens are the main force of urban construction, and the Bank fully respects the contribution of new migrant-citizens to urban modernisation. To this end, the Bank strengthened financial services for new migrant-citizens, and effectively improved the availability and convenience of financial services for new migrant-citizens to enhance their sense of gain, happiness and security of new migrant-citizen.

In 2022, the Bank released the "Better Life, More Beautiful with You" action plan to accelerate the exploration of new migrant-citizens' financial service models, in respect of the full life cycle needs of new migrant-citizens' entrepreneurship and employment, housing settlement, education and life, medical insurance, and eldercare.



## Entrepreneurship and employment

The Bank actively communicated with district-level employment promotion centres in Shanghai, actively reached new migrant-citizens and entrepreneurial organisations with financing needs in the start-up period, and provided entrepreneurial guarantee loan support. Furthermore, the Bank increased financial support for manufacturing, wholesale and retail, information transmission, software and information technology services industries that the majority of new migrant-citizens work for.



## CASE STUDY

### The Bank actively provides start-up loans for new migrant-citizens

The Bank actively communicated with the Shanghai SME Policy Financing Guarantee Fund Management Centre (上海市融资担保中心) and Shanghai Employment Promotion Centre, included new migrant-citizen groups in the scope of entrepreneurship guarantee loan support, and launched an exclusive product program "New migrant-citizen Entrepreneurship Guarantee Loan". The Bank provided exclusive financial service business "commercial vehicle loan" for truck drivers, urban distribution operators and other groups to purchase various types of commercial vehicles, and provided differentiated preferential policies in terms of down payment requirements, terms, and repayment methods.



## Housing settlement

The Bank increased credit support for the operation of developers of affordable rental housing and public rental housing projects, and strengthened product research and project match-making such as REITs for guaranteed rental housing.

The Bank strengthened information interaction with government departments, launched mortgage registration without meeting in person, and improved the efficiency and experience of new migrant-citizens' housing business.

The Bank launched an exclusive electronic deposit certificate for house purchasing deposit and Chengyijin (诚易金) products.



### Education and life

To meet the diversity and convenience of new migrant-citizens' daily consumption, the Bank launched a series of exclusive products of online Xinyi Loan "New Migrant-Citizen Graduation Loan" (新市民毕业贷) and "Instalment Loan for Life" (生活有期贷). The cumulative amount of loans issued amounted to RMB650 million for the year.



### CASE STUDY

#### The Bank launches the exclusive product "New Migrant-Citizen Graduation Loan"

In order to help new migrant-citizens achieve their needs for housing, education and living consumption, the Bank launched the "New Migrant-Citizen Graduation Loan" product for social newcomers in new migrant-citizens, which can give 3 years' loans with up to RMB100,000 for social newcomers who meet the standards of new migrant-citizens and graduate from ordinary full-time colleges and universities, and implement phased preferential annual interest rates.



### Medical insurance

The Bank provided medical insurance fund settlement services to a total of 143 hospitals at all city and district levels in Shanghai to support new migrant-citizens to gain entitlement to medical insurance offsite settlement services at all times. The Bank cooperated with the construction of the standard medical insurance fund system of the National Health Insurance Administration, and promoted the realisation of functions such as fund expenditure sub-accounting and real-time settlement of multiple types of insurance for medical treatment in different places.



### Eldercare

The Bank continued to improve personal pension products, and improved online and offline process experience and service capabilities. Relying on citizen classrooms and "good life studios", the Bank provides the "doorstep" services for community residents, to guide the parents of new migrant-citizens to use the smartphone application.



### Basic service

The Bank issued exclusive debit cards for new migrant-citizen groups, established a special sector of mobile banking for new migrant-citizens, and optimised channels such as "virtual online outlets". The Bank promoted the construction and upgrading of the "Love Station" outlet to become a new migrant-citizen labour station.



▲ Special sector of Mobile banking service for new migrant-citizens



### Professional guarantee

The Bank actively adapted itself to the real-name system management system of Shanghai construction projects, and incorporated the special account for migrant workers' wages opened by the Bank and the payroll into the whole process dynamic monitoring and early warning system of the real-name management system. As of the end of 2022, the Bank had opened and controlled special accounts for migrant workers' wages for 54 engineering construction projects.

## Providing a user-friendly bill payment service

Focusing on serving the needs of citizens, the Bank continued to optimise payment products and services, actively integrated them into areas closely related to people's livelihood, and implemented "Finance for the People". The Bank continued to build a "convenient life" zone for mobile banking, and constantly diversified and improved various payment scenarios such as public utilities, education, medical insurance, and welfare lottery, so that customers can enjoy convenient life services.



### CASE STUDY

#### The Bank actively solves the difficulties associated with public utility payment

In early 2022, due to the suspension or reduction of public utility bill payment acceptance channels by some financial institutions in Shanghai, which resulted in difficulties in the payment of utility bills by some citizens, especially the elderly, the Bank took the initiative to make the elderly-oriented transformation of financial services, provided cash payment services to the public, and furthered expand cash payment services to the locations of branches.

The Bank continues to provide professional banking agency services for the government and non-profit institutions, carries out resident endowment insurance and medical insurance payment with the Shanghai Social Security Centre and the Shanghai Municipal Tax Service, provides subsidies for local special groups with subsistence allowances in cooperation with Shanghai Civil Affairs Bureau, serves the maternity payment of the Shanghai Municipal Medical Insurance Bureau, provides pension payment for retired military personnel in the city, and supports the construction of people's livelihood projects by continuously expanding the scope of services and reducing service fees.

## Implementing fee reduction and concession

The Bank set service fee rates in strict compliance with regulatory requirements. Taking into full account of market competition, the Bank ensured reasonable pricing levels that match the service quality. Meanwhile, the Bank resolutely implemented the national work deployment on fee reduction and concession for financial institutions and benefiting enterprises and people, adhered to the implementation of differentiated fee reduction and concession mechanisms,

and increased support for the real economy. The Bank announced a number of preferential policies for special customer groups such as small and micro enterprises and livelihood finance, as well as special matters such as disaster relief and pension distribution, with a cumulative fee reduction of RMB550 million in 2022. Among them, the Bank actively responded to benefit small and micro enterprises, implemented the policy of reducing payment fees, and expanded the coverage and preferential treatment of preferential policies for companies' settlement account service fees in batches. As of the end of 2022, the Bank made payment fee reduction discounts of RMB76.77 million to 164,000 corporate customers. In 2022, the Bank further expanded the scope of preferential fees related to account management, waived the opening fee and corporate e-banking Ukey cost fee for all corporate customers, and waived the handling fee for small and micro enterprises and individual industrial and commercial enterprises with a single transfer amount of up to RMB100,000 (inclusive) through electronic banking.



Cumulative fee reduction

**RMB550** million



Payment fee reduction discounts to corporate customers

**164,000** customers

**RMB76.77** million



# For Clients

Adhering to the concept of "customer-oriented", the Bank relied on digital transformation to upgrade financial services in an all-round way, paid great attention to customers' feedback and service improvement, and protected customer rights to continuously improve customer experience.

Photo by Chen Xi, Pudong Branch

## Improving services in outlets

### Improving the intelligent service experience

In 2022, the Bank accelerated the digital transformation of its branches, increased the application of smart machines, promoted the "virtual online outlets" model to break through the physical limitations of traditional service models and provide intelligent and convenient services closer to customers.

The Bank innovated and promoted the "virtual online outlets" service model, which provided customers with convenient "face-to-face" financial services through remote video by the service personnel to solve the problem of customer identification under the remote service mode. Such model promotes the transformation and upgrading of the service model. The "virtual online outlets" model has covered major customer service channels such as PAD, mobile banking, and intelligent teller machines (ITMs), enabling remote contactless handling in business scenarios such as personal account opening, password reset, and large amount transfer. In 2022, the new model served more than 130,000 customers.

The Bank optimised the launch of self-service machines, and gradually replaced the single-function ATMs and lobby-type teller machines with more full-featured smart ones to provide more convenient self-service. As of the end of 2022, a total of 1,636 self-service machines were deployed across the Bank, including 963 ITMs, representing an increase of 51 over the previous year.

The Bank improved PAD mobile service in the hall, used the PAD tool to assist the hall staff to provide customers with various basic services. The early warning mechanism of outlet customer flow and waiting time was added, and it realised functions such as mobile scanning code to get numbers, re-calling and other functions, assisting hall staff to guide the diversion and make the reasonable allocation of counter staff, to ensure that customers handle business in an orderly and fast manner.



▲ Virtual online outlet



ITMs

963



Representing a year-on-year increase of

51



▲ The staff of Shenzhen Branch use PAD equipment to provide services to customers



▲ Shibeil Branch sets up a courier "Happiness Station" to provide heart-warming services

Strengthening standardisation

In 2022, the Bank further improved the service standards of its outlets in relation to leading peers, improved the customer satisfaction rating mechanism, organised on-site special supervision and inspection of outlets services and tightened up service monitoring and supervision. The Bank carried out service standardisation training, tightened up management requirements such as first inquiry responsibility and collaborative service, and deepened the service management of outlets.

Accelerating the resumption of business operations at outlets

Since 1 June 2022, the living order in Shanghai has been fully back on normal track. The Bank actively and effectively deployed outlets to resume work and production, and more than 70% of the outlets resumed business within two days. The Bank organised 1,000 volunteers to support the front line of the outlets, and deployed a series of care measures such as "as early or postponed as possible" for business hours, effectively coping with the surge in business at outlets and the peak of pension issuance, and ensuring livelihood needs.

Optimising the outlets layout

In order to better align with national and regional development strategies such as the integration of the Yangtze River Delta and the construction of five new cities, better serve the real economy and the people, expand the coverage of inclusive financial services and provide convenient services, the Bank continued to optimise the layout of outlets. In 2022, four new branches were established, and ten branches were relocated and adjusted.



CASE STUDY

**Pudong Branch optimises the geographical distribution of outlets to improve the market reach of financial services**

In the new round of development planning of the Shanghai Municipal Government, Tang Town (唐镇) is planned as a new town, and it is located in the neighbouring area where major national high-tech parks and economic parks are located. The town has a population of more than 150,000. Pudong Branch completed the establishment of the Tang Town Sub-branch in 2022 and fully opened in June 2022, further expanding the regional coverage of the branch outlets and benefiting more residents.



Enhancing online service reach

Focusing on user needs and usage scenarios, the Bank continued to diversify online services and channel functions to improve the convenience, compliance, security and service reach experience of online services.

In 2022, Corporate Online Banking launched a number of "cloud services" such as online signing and increasing online transfer limit, helping enterprises resume work and production, benefiting more than 2,000 enterprises. Corporate Mobile Banking launched the "SMB Companion" (上行惠相伴) special sector, creating an online one-stop inclusive financial service platform, adding digital and convenient services such as enterprise income and expenditure report analysis and message push, serving nearly 20,000 small and micro enterprises. The Bank explored mobile banking barrier-free services, innovated and launched digital employee services, helped customers complete financial services such as audit and transfer through voice, and served more than 500,000 customers. The Bank optimised the Good Life APP, and improved the construction of credit card "audit and repayment", "life payment", "beautiful mall", "instalment mall" and other scenarios to achieve online full coverage of credit card products.

	Unit	2022	2021	2020
Number of mobile banking users	0'000	939.51	870.12	762.03
Number of online banking users	0'000	506.04	497.16	481.78
Number of WeChat banking users	0'000	405.51	396.19	381.63
Number of telephone banking users	0'000	175.58	175.20	174.44
Trade scale of mobile banking	0'000	48,215.86	46,228.68	42,321.94
Trade scale of online banking	0'000	14,650.93	14,708.50	14,978.92
Distribution rate of electronic channel settlement business	%	99.01	98.96	98.44

The Bank built the "Xinyi Signing" (信义签) online deposit service gateway, ensuring the safety and reliability of the digital contract signing process through digital certificate encryption, block chain and other technologies, and continuously exporting online real-time electronic signature signing and electronic deposit services for various business scenarios such as online supply chain and consumer loans.

The Bank accelerated the improvement and diversification of online payment and settlement services. The Bank improved the service capabilities of Internet payment channels, partnered with leading Internet payment platforms to provide the embedded one-click card binding services, and facilitated customers' Internet payment card binding experience under the premise of ensuring customer information security. The Bank continued to deepen the pilot work of digital RMB, continuously enriched the functions of digital RMB wallets, actively expanded the application of digital RMB in consumption, inclusive finance, medical care, data transactions and other scenarios, and implemented the issuance of digital RMB loans.

In June 2022, the Bank launched the omni-channel business collaboration centre, and such centre is positioned to realise the process connecting of all service channels of the Bank and information sharing. The Bank introduced the "order service" model, which uses the order number as the only index from the perspective of the customer to realise the digital display of the whole life cycle of the business process. At present, the centre has connected a total of nine service channels including mobile banking, WeChat banking, mobile service banking (Pad), virtual online outlets, counters, intelligent teller machines (ITM), corporate online banking, CRM, and cash management platforms, to achieve full coverage of major service channels. It has launched 13 scenarios such as pre-writing of business handling, online batch account opening, and cross-channel transaction breakpoint resumption, generating a cumulative number of 31,000 orders, providing customers with a cross-channel collaborative service experience.

Paying attention to customer feedback

In 2022, the Bank deepened its digitalisation drive, continued to build an efficient and professional customer service platform, paid great attention to customer feedback, tightened up closed-loop management, promoted service improvement, achieved positive interaction with customers, and enhanced customer experience.



Fast and accurate positioning requirements

The customer service hotline has launched intelligent voice services, so that customers can complete business consultation and handling by communicating with intelligent voice robots. They shorten customer online time, and have achieved full coverage of voice navigation services, multiple sets of customer group service strategies and nearly 50 interactive scenario configurations, with an ASR accuracy rate of 92% and an intelligent voice service distribution rate of 80%.

The online text robot has been upgraded to version 3.0, adding 19 high-frequency function page entrances, and offering functions such as "guess what you want to ask" and "association input" to quickly identify and solve customer problems. The incoming call volume prediction model realised the robot's self-learning output with the model accuracy rate of 96%, so that the operation service manpower can more accurately match the customer's call demands and reduce the waiting time.

The Bank made a timely deployment of telephone voice. It reported 24 customer concerned events at the first layer, and met the service needs of 630,000 customers for the first time. The Bank enriched 17 service appointment scenarios to meet the personalised needs of customer service time, and the number of customers' appointments increased by six times year-on-year.



## Strengthening customer service management

By introducing intelligent voice analysis and RPA and other technologies, building three robot service risk monitoring teams of intelligent quality inspection, post-supervision and public opinion, the Bank achieved 80% coverage of intelligent quality inspection business and 100% coverage of high-risk operation business post-supervision, thus improving the risk prevention capabilities.

## Closed-loop management to improve the services

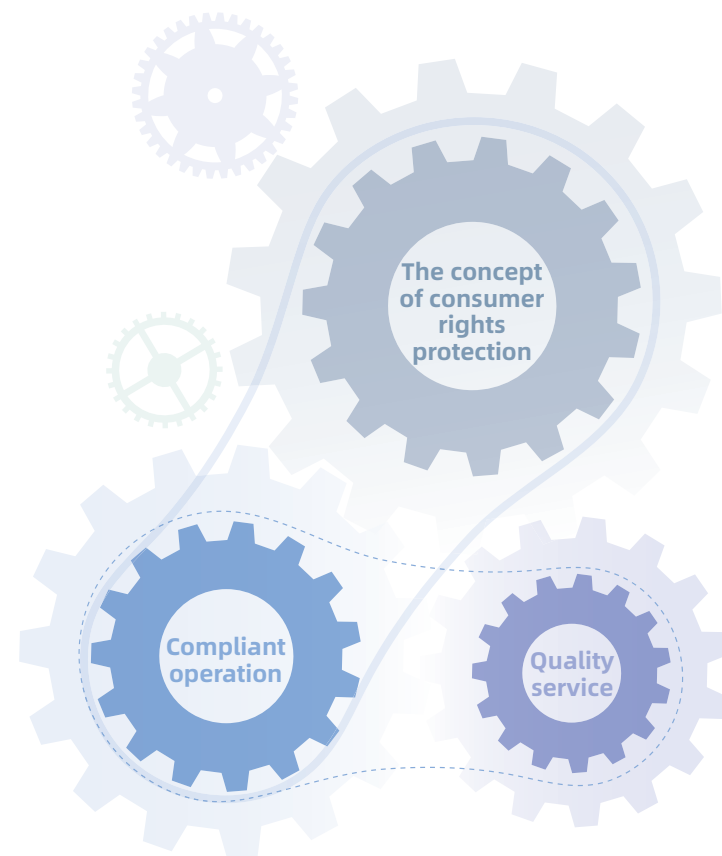
In 2022, the Bank improved the management mechanism, continued to implement and improve the mechanism of real-time and active collection of service evaluation data from online and offline channels and the full return visits of "dissatisfied" customers. The Bank introduced intelligent technology, used intelligent voice robots instead of staff to conduct return visits to "unsatisfactory" customers, broadened the coverage of problem collection, and improved the timeliness of research. The Bank focused on data-driven, explored and analysed customer experience problem data with the help of intelligent technology, located the root cause, formed analysis reports and shared them across the bank, so as to promote service improvement. The Bank promoted closed-loop improvement, implemented closed-loop management of "Experience Problem - Voice of the Customer - Process Optimisation". The number of valuable optimisation suggestions increased by 14 percentage points, and the adoption rate increased by five percentage points.

## Protecting consumer rights

In 2022, the Bank deeply practised the aim of "Finance for the People", clearly established the concept of "compliant operation and quality service" for consumer rights protection, and regarded consumer rights protection as the key driver and internal driving force for shaping core competitiveness, to further promote the protection of consumer rights.

## Improving the governance of consumer rights protection

The Board of Directors established a separate Consumer Rights Protection Committee, with the Executive Director and President as the chairman. The President is directly in charge of the protection of consumer rights. The Bank established a leading group for consumer rights protection to coordinate and promote important work and key matters for the protection of consumer rights and increased the weight of consumer rights protection in institutional performance appraisals. The protection of consumer rights has been further transformed into "re-management of bank-wide services".



## Strengthening whole-process control

### In terms of prior review

The Bank developed an online review module to further standardise the review process and post-supervision management. In 2022, the review content of products and services comprehensively covered institutional norms, agreement texts, marketing publicity of consumer rights, etc., effectively promoting the front-end implementation of consumer rights protection.

### In terms of the control of the matter

The Bank promoted the construction of intelligent dual-recording projects, and basically realised the coverage of the whole Bank's outlets system and applications. The Bank established and continuously iterated scenario-based models to improve the coverage, accuracy and efficiency of sales compliance inspections. The Bank tightened up on-site management of outlets and promoted the effective improvement of compliance supervisors' ability to perform their duties.

### In terms of dispute resolution

On the basis of the original complaint management system, the Bank formulated relevant procedures such as operational requirements for the handling of first and repeated complaints, requirements for the handling of complaints at an elevated level, and requirements for the specification of complaint data, and improved the complaint handling management system. The Bank established the mindset of discovering problems based on data, initially established an analysis framework for the protection of consumer rights, discovered key problems through data analysis, proposed response ideas, objectively displayed changing trends and strengthened management. The Bank established an improvement mechanism for tracing the source of complaints, proposed improvement measures for specific problems and continuously tracked the implementation, and organised special research on key areas of the protection of consumer rights.

According to the Implementation Manual of the Statistical Classification and Coding Industry Standards for Financial Consumer Complaints of Banking Financial Institutions, the Bank had 61,119 consumer complaints in 2022, with a complaint resolution rate of 99.6%. In terms of business type, complaints related to bank cards (39,108, accounting for 64%), personal financial information protection (6,085, accounting for 10%) and debt collection (2,986, accounting for 4.9%) accounted for a relatively high proportion, while the main rest were 1,724 on loans, 1,457 on payment settlements, 1,493 on RMB savings, etc. In terms of regional distribution, the acceptance volume was 41,734 in Shanghai (accounting for 68.3%), 4,682 in Jiangsu (accounting for 7.7%), 3,946 in Zhejiang (accounting for 6.5%) and 3,604 in Beijing (accounting for 5.9%), the main rest were 2,653 in Shenzhen, 1,886 in Tianjin, 1,658 in Chengdu, etc.



# Enhancing data security and privacy protection

The Bank attaches great importance to data security and customer privacy protection, and actively implements laws, regulations and industry standards such as the Data Security Law and the Personal Information Protection Law. The Bank established and improved the data security management structure, improved the internal control system and responsibility mechanism, standardised the life-cycle management of consumer financial information, strengthened technological protection, and carried out security education and training to effectively protect data security and customer privacy. In 2022, the Bank had no major information security incidents and no confirmed incidents of infringement of customer privacy.

## Management structure

The Bank established an information security leading team to coordinate the bank-wide data security management. The data security management department is responsible for the specific work, and each relevant unit set up a data security post to identify data security risk scenarios in the business process, and implement internal inspection and risk assessment.



### Internal control system

The Bank formulated the Measures for Data Security Management of Bank of Shanghai in accordance with laws, regulations and regulatory requirements, and established and improved a series of systems such as data security classification and hierarchical management, data life cycle security management, data security incident management, personal customer financial information management, etc., which clarified the implementation requirements of data classification and grading, life cycle security, risk assessment, outsourcing data security, data security incident emergency response plan, etc., and covered the responsibility identification and handling rules for violations of personal information protection regulations, and improved the internal control system of data security management of the Bank.

## Technical protection

In terms of data security technology protection measures, the Bank implemented technical protection capabilities transformation for seven application scenarios, including email outsourcing control, boundary security deployment, terminal watermark control, remote access protection, production access control, database intelligent desensitisation, and state secret transformation and upgrading.



### Network layer

The Bank established different network areas according to the degree of importance of the business system and set up corresponding security strategies. We implemented closed-end management in the production network, and there were no other data output methods except for the data extraction process. The Bank developed a testing network to implement virtual desktop technology development to ensure data availability. The daily office network implemented the Internet desktop technology to ensure the logical isolation of the internal and external network.

### Data layer

In terms of the business system that involves sensitive information, the Bank implemented auto encryption during downloading; and in terms of development testing data, the Bank implemented data desensitisation.

### Terminal layer

We implemented strict control on the core business terminal, prohibited any external data output such as USB transfer, and implemented auto encryption to USB transfer for the normal business terminal.

### Internet exits layer

The Bank leveraged sensitive information control for internet exits, and realised corresponding audit functions.

### New system and new process layer

The Bank reviewed personal financial information security requirements before the new system or process launching, covering technical standards of the whole data lifecycle, and it implemented requirements such as consents of privacy policies and data desensitisation at a minimum level on the display of page content.



## Education & training

The Bank organised data security trainings through various forms to enhance the data safety awareness of all employees annually. In March and September 2022, the Bank carried out publicity on data security for all employees of the Bank, and conducted several rounds of goal-oriented training on system interpretation and risk assessment guidance for data security personnel. The Bank produced and released training materials on data security and personal information management through the online training platform on an annual basis, and carried out special research on personal information protection business practice of commercial banks.

## Enhancing outlets security protection

In 2022, the Bank continued to deepen the safety management of outlets, promoted the standardisation of safety production, pushed forward the intelligent construction of security in outlets to improve intrinsic safety.

The Bank took the lead in setting up the standards for the first fire-fighting group of commercial banks in Shanghai to fill the gap in the banking industry, and took the lead in compiling a safety production standardisation manual to regulate the safe operation of outlets. By combining fire safety management with the requirements of laws and regulations, the comprehensive risk management of the Bank, the actual fire safety of the Bank and the work safety standardisation manual of Bank of Shanghai, the standards of the fire-fighting group first explored a new path for standardised construction of banking outlets. The work safety standardisation manual contained the six-step approach of risk closed-loop management of classification, identification, inspection, early warning, disposal and accountability to ensure more safety operation environment of outlets.

The Bank took the lead in piloting intelligent security services in outlets to make security control in key areas more effective. Through “scenario + data”, the Bank conducted intelligent monitoring of 23 scenarios in four aspects, including case prevention, security, operation and marketing, to detect abnormalities and automatically alert them. The Bank realised the AI-based analysis of video surveillance images in specific scenarios, which was the first in the industry.

The Bank implemented listing and deregistration of bottom plate risk to make the outlet environment safer. We organised special rectification in key areas such as door signs, UPS equipment and electric bicycles, completed the annual inspection of fire-fighting facilities and signs, and the upgrade of expired UPS equipment, standardised the parking of electric bicycles, and timely prevented and resolved potential safety hazards.

The Bank established a long-term linkage mechanism with local police to strengthen the security barrier of outlets. The two-level monitoring platform of the Head Office and branches monitored the customer flow on a real-time basis, connected the sub-branches to the local police, reported relevant information in a timely manner, and coordinated the police force to help maintain the on-site order and ensure the operation order of the outlets.



## Safeguarding of asset security



Accumulated interception of suspicious interbank transfer transactions on the blacklist of counterparties

7,692

Capital involved

RMB95 million+

The Bank continued to improve the professionalism of management and services, maintained the sensitivity and insight of anti-fraud work, and strengthened the security barrier of customer funds. The Bank continued to improve the account management system, tightened up account classification management, deepened due diligence requirements, and prevented and controlled account capital risks. The Bank established a black and gray list of pre-warning, integrated the information of discipline/accounts involved provided by the regulatory authorities, the clues of card-off provided by the public security, and the suspicious customer information accepted and identified by the counters of the Bank's outlets, and set the risk level. The counter, ITM and other channels accepted the account application for automatic verification and prevention according to the rules and levels. A total of 1,544 early warning reminders and interceptions were made throughout the year. The Bank connected with Shanghai Anti-fraud Centre to build a fund prevention system for telecom and network fraud cases, and launched the blacklist interception function for counterparties. During the year, the Bank intercepted 7,692 suspicious inter-bank transfer transactions involving more than RMB95 million, effectively maintaining the security of customer transfer funds.



CASE STUDY

### Suzhou Branch independently develops anti-fraud process to protect customers' capital safety

In March 2022, Suzhou Branch independently developed the "E-check Anti-fraud Assistant"(E 查通 - 反诈助手), which controlled over 900 suspicious accounts in total in the year, effectively preventing telecom and network fraud while ensuring the security of customer funds.

On 4 July 2022, when using the "E-check - Anti-fraud Assistant" system, Kunshan Sub-branch of Suzhou Branch found that the account owned by a customer Mr./Ms. Shen had recently transacted with a number of natural persons, which was within the scope of abnormal transactions. The staff of the sub-branch immediately carried out reinforced customer due diligence, and returned to the customer through the mobile phone number in the customer system. For abnormal account transactions, the customer said that those were generated from playing games on an online platform. Such platform would provide rebates on a daily basis, so he/she had transactions with many natural persons. However, the customer cannot provide relevant evidence.

After the return visit to such customer, the staff of the sub-branch believed that the customer's reply was in doubt, and immediately inquired about the platform through the national credit publicity website and the mainstream media, and learned that the online platform the customer said was set up by a catering company. After becoming a member of the catering company, members can buy and sell meal coupons on the platform for profit, and the transaction process was suspected of illegal fund-raising platform. The staff once again called such customer, informed the customer of the situation and advised the customer to be alert to the traps of the illegal fund-raising platform. The customer expressed that it would not conduct any operation on the platform after the fund was received, and would like to express its gratitude.

Subsequently, this customer went to the Kunshan Sub-branch in person to express gratitude to the staff for their due diligence, and said that the involved platform was unable to withdraw in late July, and commended the Bank's considerate service to recover economic losses.

# For Environment

Taking the development of green finance as a priority and achieving its own green and low-carbon transformation as a base, the Bank continues to improve the construction of green finance system and mechanism, focuses on improving the ability of green financial services, actively promotes the concept of green development, and practises low-carbon operation for being a practitioner and pioneer of green and low-carbon.

Photo by Zhou Yisong, Chengdu Branch

## Green finance management

### Management structure

The Bank continued to improve the green finance management mechanism under the overall leadership of the Board of Directors and Senior Management to improve the coordination of business departments, branches and sub-branches.

#### Management structure

##### Board of Directors

As the highest decision-making body for green finance management, the Board of Directors is responsible for determining the strategic plan for green finance and supporting carbon peak and carbon neutrality, reviewing and approving the green finance objectives formulated by senior management, reviewing the reports on green finance, reviewing the Bank's sustainable development performance including green finance, and making suggestions for improvement.

##### Strategy Committee of Board of Directors

It is responsible for formulating the strategic plans for green finance and supporting carbon peaking and carbon neutrality, supervising the implementation of plans, and reviewing the targets of green finance.

##### Management

The Senior Management has established the Green Finance Promotion Committee, with the president of the Bank as the chairman. According to the decisions of the Board of Directors, the committee is responsible for implementing the strategic plan of green finance and supporting carbon peak and carbon neutrality, formulating development strategies and action plans, regularly assessing the effectiveness of various tasks, proposing adjustment plans and implementing rectification responsibilities and other related matters. The member departments of the committee carry out product innovation, environmental risk management, resource support, green operation and other work around the Bank's green finance business.

##### Business department, branches and sub-branches

The Bank has set up a green finance department at the head office and branches, and has basically established a top-down organisational guarantee system.

##### Affairs Department of the Head Office

It is responsible for arranging the formulation and implementation of the Bank's development plans for achieving peak carbon emissions and carbon neutrality, building a green and low-carbon operation system, and organising the Bank to promote the green development concepts of conservation, environmental protection and sustainable development.

### Policy system

In terms of green finance development, the Bank built a "1 + 2 + N" policy framework to provide policy guarantee for the development of green finance. "1" is to formulate the Green Finance Management Regulations of Bank of Shanghai and the Working Regulations for the Green Finance Promotion Committee of Bank of Shanghai as the guiding documents, and clarify the Bank's management system and division of responsibilities. "2" is to issue the Guidelines for the Development of Green Finance and the Interim Measures of Bank of Shanghai for Environmental, Social and Governance Risk Management as a guiding document for the development of green finance and environmental, social and governance risk management. We created "N" product management measures, such as the Operation Procedures of Bank of Shanghai for Carbon Emission Quota Pledge Credit Business in Shanghai and the Operation Procedures of Bank of Shanghai for Contract Energy Loan Business, to clarify the implementation path and operation specifications for product development.

In terms of low-carbon operation, the Bank formulated Carbon Peak and Carbon Neutrality White Paper of Bank of Shanghai, which clarified the overall goal, management system, mechanism support and implementation path of the Bank's carbon peak and carbon neutrality work. Furthermore, the Bank will study and carry out carbon accounting work, and establish a sound routine operation model that matches green development.



## Risk management

The Bank formulated the ESG risk management system, established a well-established ESG risk management system, standardised the identification, assessment, management and control of ESG risks of credit business, incorporated ESG risk management requirements into the whole process of credit extension management, continuously optimised the supporting risk management tools, and comprehensively improved the systematic prevention and resolution ability of ESG risks.



The Bank carried out climate risk stress tests to assess the potential impact of the transition to carbon neutrality targets on the Bank's credit assets. The test results showed that the credit risk of high-carbon industries such as power, steel, building materials, petrochemical, chemical, paper making, civil aviation and non-ferrous metal smelting was generally controllable under pressure, and there was no significant decrease in capital adequacy ratio.

## Green finance

The Bank always regards green finance as an important aspect of serving the real economy and an important direction for future development. The Bank continued to improve the professional ability of green finance, launches the "Green Tree City Banking" financial service brand to accurately "identify green", attentively "help green" and patiently "protect green", continuously improved the product and service system, broadened the service field, and provided one-stop comprehensive financial services for enterprises.

The Bank has built a "Green Finance +" product and service system. At present, it boasts four product categories, namely "green finance benefiting thousands of enterprises", "green joint venture investment", "global green finance" and "green life", to provide customers, their industrial chains and ecosystems with one-stop and all-round green investment and financing services. In 2022, focusing on the "Green Finance +" product and service system, the Bank continued to promote the implementation of a number of innovative businesses. Meanwhile, the Bank actively collaborated with government departments and industry associations to build a platform to support the development of green industries in various aspects. The Bank and Shanghai Economic and Information Technology Commission entered into the Memorandum of Financial Cooperation on Green and Low-Carbon Development of Shanghai Industries for the 14th Five-Year Period for promising to provide financing facilities equivalent to RMB10 billion for the development of green and low-carbon industries.



▲ The Bank entered into a strategic cooperation agreement with China Energy Conservation and Environmental Protection Group

## Green finance benefiting thousands of enterprises

The Bank regards clean energy as the key support direction of green finance, thus increasing direct financing support. The Bank provided integrated financial services of local and foreign currencies and commercial and investment banking for leading enterprises and listed companies. For the growth enterprises in the field of clean energy, the Bank continued to increase resource investment, and formed product and service solutions that were applicable to the characteristics of the enterprise's life cycle, such as contract energy management loans, intellectual property pledge loans and green supply chain loans.

The Bank focused on the integrated development of inclusive finance and green finance, determined the three major green and inclusive development directions of "ecological agriculture, energy-saving services and green transportation", and promoted the products of "Huinong loan" (惠农贷), "Contract energy loan" (合同能源贷) and "New energy commercial vehicle loan" (新能源商用车贷).

As of the end of 2022, the Bank's green loan balance was RMB65.37 billion, representing an increase of 116.38% over the end of the previous year. The number of green loan customers was 1,270, representing an increase of 148.05% over the end of the previous year. The balance of green inclusive loans was RMB3.062 billion, representing an increase of RMB2.011 billion compared to the end of the previous year.



### CASE STUDY

#### The Bank provides support for a leading membrane electrode company in the hydrogen energy industry

The company is a leading manufacturer of membrane electrode in the Chinese hydrogen energy industry. It has independently developed high-performance low-platinum membrane electrode products, with leading technical strength in China. The Bank focused on the research of corporate financing needs, provided enterprises with comprehensive financial services of "on-balance-sheet credit" + "equity investment", provided "R&D loan" and other special products, and introduced inter-group investment banking platform, BOSC International (Shenzhen), to provide diversified financing channels to meet the financing needs of enterprises at all stages.



### CASE STUDY

#### Hangzhou Branch grants the Bank's first distributed photovoltaic project loan for the whole area

In December 2022, Hangzhou Branch issued the first loan for the whole area to promote the distributed photovoltaic project, which was used for the whole area of Linping District, Hangzhou to promote the construction of the rooftop photovoltaic power station of the distributed photovoltaic transformation project, with a total credit of RMB560 million and a term of 10 years.



### CASE STUDY

#### Free Trade Zone Branch implements the new national standard energy entrusted management project

In August 2022, Free Trade Zone Branch launched the contract energy loan business of a company for the energy-saving transformation project of the administrative service centre in Xuhui District, Shanghai. The project is the first energy entrusted management project in the field of public institutions in Shanghai in accordance with the new national standards of the Guidance on Energy Performance Contracting, which has a demonstration and promotion significance.



## CASE STUDY

## Suzhou Branch helps industry layout for green new material enterprises

To actively respond to the call of the Jiangsu CPC Committee and the provincial government to promote coordinated regional development through north-south cooperation, a group planned to execute high-end functional and green recycled fibre projects in Suqian, Jiangsu, with an aim of building a large base for research and development and production of green fibre. In 2022, Suzhou Branch entered into a strategic cooperation agreement with the group and provided green credit support of RMB1.2 billion to the recycled fibre R&D and production company of such group to facilitate such group realising low-carbon industrial layout.



## CASE STUDY

## Puxi Branch supports the development of an industrial smart company in the energy sector

A company is an industrial intelligence enterprise whose main business is to use artificial intelligence and big data algorithm programming to provide intelligent diagnostic analysis for power plants, wind turbines and other equipment to achieve centralised monitoring, fault diagnosis and intelligent early warning, thereby achieving commission-free operation, optimising energy consumption and achieving green production. Puxi Branch has increased loans to the company four times in a row to support the start-up and growth of the company. The company is cooperating with large domestic power grids and steel enterprises, involving projects of typical exemplary nature, and the company's development has received attention and investment from renowned investment institutions.



## CASE STUDY

## Shenzhen Branch aids enterprises to engage in distributed photovoltaic power generation sector

A company is one of the pioneers in the environmental energy industry, and greenhouse gas power generation projects developed, maintained and operated by the company rank first in China. In recent years, the company has accelerated its layout in the field of distributed photovoltaic power generation and undertaken the construction of distributed photovoltaic power generation infrastructure for energy consumers. In order to support the infrastructure construction cycle, Shenzhen Branch provides contract energy loans to address the company's medium and long-term loan needs and solve the financing difficulties faced by the customer one by one.



## Green Joint Venture Investment



Balance of green bond investment

**RMB13.693** billion



The Bank has taken the initiative to integrate into the low-carbon transition and actively explored feasible paths for green and low-carbon development. The Bank continued to improve green industry chain services considering the full life cycle of green enterprises and provided comprehensive financial services for green and low-carbon enterprises through the comprehensive use of various investment and financing products such as "equity, bond, loan and investment".

In terms of green investments, the balance of the Bank's green bond investments was RMB13.693 billion at the end of 2022, representing an increase of 46.46% over the end of the previous year.



## CASE STUDY

## The Bank secures China's first low-carbon transition-linked asset-backed securities investment business

In September 2022, the Bank secured China's first low-carbon transition-linked asset-backed securities investment business from CCCC Shanghai Dredging Co., Ltd., with an investment amount of RMB200 million. The business is a specific type of bond created by Shanghai Stock Exchange in May 2022, which allows issuers to select key performance indicators and low-carbon transition targets, specify a time frame for achieving the targets, and link the terms of the bond to the issuer's corporate low-carbon transition targets.

In terms of green underwriting, the Bank increased support for direct financing in green areas such as energy conservation and environmental protection, clean energy, infrastructure upgrading and transformation in 2022, maintaining its advantage in innovative green bond products. The Bank secured first orders for several innovative green businesses, achieving an underwriting scale of RMB5.455 billion for green debt financing instruments, ranking first among urban commercial banks.



## CASE STUDY

## The Bank underwrites Three Gorges New Energy's first carbon neutrality bond 2022

In February 2022, the Bank, as the lead underwriter, successfully underwrote carbon neutrality bonds for China Three Gorges New Energy (Group) Co. Ltd. The bond issued amounted to RMB2 billion, and the proceeds were applied for the construction of the Group's photovoltaic and wind power generation projects and promoting the development of green projects such as energy conservation and environmental protection, pollution prevention and control, resource conservation and recycling. The bonds correspond to nine wind power and photovoltaic power generation projects, which are expected to generate benefits such as an annual carbon dioxide emission reduction of 504,400 tonnes, with significant carbon emission reduction.



## CASE STUDY

## The Bank secures first orders for several innovative green underwriting businesses

In February 2022, the Bank successfully underwrote the first green debt financing scheme in the new energy vehicle industry in China. The financier was a private manufacturing enterprise in the new energy charging industry in Shenzhen. Proceeds of the scheme were RMB30 million, and they were exclusively used for the manufacturing, construction and operation of charging stations.

In March 2022, the Bank successfully underwrote the country's first green new energy vehicle leasing asset ABN, namely, the first tranche of 2022 green asset-backed notes of Shanghai NIO Financial Leasing Co., Ltd., with an issue size of RMB1.03 billion, the proceeds of which were used entirely for the launch of smart electric vehicle business of NIO.

In April 2022, the Bank successfully underwrote the first transportation green bond in Shanghai - the first tranche of Green Medium Term Notes for 2022 of Dazhong Transportation (Group) Co., Ltd., with an issue size of RMB200 million, proceeds of which were entirely used for the acquisition of new energy vehicles.



## Global Green Finance

We are committed to the concept of green development and work in collaboration with our overseas subsidiaries such as BOSC HK and BOSC International to provide cross-border green financial services for domestic and overseas enterprises through the characteristic platforms such as the strategic cooperation between BOSCs in Shanghai, Hong Kong and Taiwan and between BOSC and Banco Santander.



## CASE STUDY

## Suzhou Branch offers green finance syndicated loan linking loan interest rates with corporate ESG indicators

In May 2022, Suzhou Branch, together with Shanghai Commercial Bank and Shanghai Commercial & Savings Bank, granted the Bank's first green finance syndicated loan linking the interest rate with the corporate ESG indicator. The loan correlates the loan interest rate with the ESG indicators of the customer. Based on the ESG indicators disclosed by the Bank of the customer for the previous year, such as "greenhouse gas emission intensity", "waste water emission intensity" and "supplier code of conduct promotion priority", the ESG indicator achievement status was calculated on the "ESG indicator review day" to determine the preferential interest rate plan, providing the customer with an innovative ESG financing solution to boost the development of green industries.





### Hangzhou Branch and BOSC International enhance the first standby letter of credit for green US dollar bonds for district and county-level financial control platforms in China

In January 2022, Hangzhou Branch, in conjunction with BOSC International, assisted a company to successfully issue overseas US dollar bonds, with Hangzhou Branch providing standby letter of credit enhancement support and BOSC International acting as the global coordinator. The US dollar bonds were issued for a carbon neutrality supply chain project and a new energy vehicle manufacturing base project in Huzhou, Zhejiang Province, and were certified as "Green and Sustainable Finance" by the Hong Kong Quality Assurance Agency.

## Green Life

The Bank is actively offering products such as green consumer credit, green-themed cards and green wealth management.

In terms of green consumption credit, cooperation with leading new energy vehicle manufacturers was accelerated and the scope of automotive financial services was further expanded. In 2022, the Bank supplied new energy vehicle consumption loans of RMB3.66 billion, representing an increase of RMB2.936 billion year-on-year, and as of the end of 2022, the balance of new energy vehicle consumer loans was RMB3.92 billion, representing an increase of RMB3.141 billion over the end of the previous year.

In terms of green-themed cards, a "carbon" zone for personal debit card customers was set up in the mobile banking equity platform in which customers can do benefit redemption based on their low-carbon behaviour records, promoting the concept of low-carbon life. As of 2022, a total of 4,334 low-carbon life debit cards have been issued.

In terms of green wealth management, the Bank promoted the funds under wealth management to flow to ESG-leading enterprises to practise carbon neutrality responsibility. The Bank issued BOSC Value Selection ESG-themed 1.6-year green wealth management products, raising proceeds of RMB378 million. The Wealth Management Preferred Green Theme Fund expanded the number of products from 32 to 43, further diversifying green financial investment services.



▲ Meituan Co-branded Credit Card (Bicycle Version)



Amount of new energy vehicle consumption loans supplied in 2022

**RMB3.66** billion **RMB2.936** billion



Balance of new energy vehicle consumption loans as of the end of 2022

**RMB3.92** billion **RMB3.141** billion



Cumulative low carbon living debit cards issued as of the end of 2022

**4,334** cards

## Green operations

In 2022, we focused on the "six combinations" and continued to make efforts to advance our own green transformation. We acted as a practitioner and pioneer in green and low-carbon development.

Uniting green strategy with implementation path. Focusing on the goal of achieving carbon peak and carbon neutrality, we comprehensively promoted the construction of a green bank, strengthened the four-wheel drive of green operation, green behaviour, green procurement and green value, built a green and low-carbon operation system. In serving the local economy and focusing on the construction of low-carbon cities, we actively participated in pilot demonstration, explored and implemented our own green and low-carbon development, which demonstrated our resolution.

Following green standards through pilot operation. As the only participant from the financial sector, we participated in the development of Shanghai's first zero-carbon park evaluation standards, namely, the Technical Specification for the Developing and Evaluating of Zero-Carbon Park, and the Technical Specification for the Developing and Evaluating of Zero-Carbon Data Centre.



### Zhangjiang Park is selected as the "First Zero-Carbon Parks in Shanghai"

Zhangjiang Park was successfully included in the list of the first zero-carbon enterprises (parks) in Shanghai, one of the first three zero-carbon parks and the only financial institution selected.

In 2022, BOSC made greater efforts to promote construction of the Zhangjiang Zero-carbon Park in terms of overall planning, energy saving and emission reduction, carbon inclusion and industrial incubation, and explored replicable technical routes and innovative models in order to become the front-runner in the creation of the zero-carbon park.

Preparations were made for the planning. In May 2022, a long-term target plan for the creation of a zero-carbon



park was developed in line with the Technical Specification for Developing and Evaluating Zero-Carbon Park (T/SEESA010-2022), which focused on four areas: infrastructure and industry, energy and recycling, low-carbon management and technology, and carbon credits and performance.

We strived to achieve emission reduction. In September 2022, the distributed photovoltaic project in Zhangjiang Park was connected to the grid, with an average annual green electricity generation of 730,000 kWh, reducing 307 tonnes of carbon dioxide. In recent years, based on the actual building and equipment in the park, and under the premise of uninterrupted operation, projects such as free cooling source renovation and centrifugal unit frequency conversion renovation have been carried out in accordance with the technical path of "passive + active + renewable energy", saving more than 2.1 million kWh of electricity annually and improving the energy efficiency level of the data centre year by year.

We took the lead in exploring inclusive green-office support. We carried out pilot projects such as the Carbon Credits Application App and Cloud Printing in the park, and actively utilised the energy efficiency management system to achieve digital accounting of electrical energy to create a green and low-carbon demonstration model for the first time.

We adopted a package of innovative steps for incubation. The distributed photovoltaic project in Zhangjiang Park adopted the contract energy management model to achieve a double cycle of green industry and financial services. New technologies were introduced in energy-saving and emission reduction renovation, and energy digital management to generate new momentum for green industry development and those technologies have shown their effectiveness.



Integrating green outlets with green finance. Focusing on the whole process of outlet construction, operation and service, we established quantitative and all-factor green outlet construction standards, carried out the pilot construction of "green finance + green outlets", promoted the green sharing marketing model, and set up green enterprise sharing display areas in outlets. We also built a platform for the display of green products such as energy conservation and renewable resources utilisation.



## CASE STUDY

## Taizhou Branch creates first BOSC green outlet

Taizhou Branch developed green outlets based on the five elements of "wisdom, humanity, simplicity, nature and sharing". In terms of design and construction, the branch integrates green design concepts, adopts photovoltaic signs and light strips, and zoning control of air-conditioner and light.

In terms of green procurement, it uses energy-efficient electrical equipment, high-efficiency water-saving appliances, green building materials and furniture. In terms of green operation, it adopts Smart ID Card on a pilot basis, which supports three compliance monitoring and four early warning functions, pilots a green enterprise cooperation display, and it promotes cloud printing. In terms of environmental friendliness, it adopts accessible facilities, green algae landscape walls and natural lighting and ventilation to create a green outlet that is pleasant for people and business.



Connecting green behaviour to carbon footprint. We explored the carbon inclusive mechanism, opened up the carbon footprint and bonus point scenario channels, took the lead in sorting out 33 actions in nine scenarios such as green commuting, green office, green life and green activities, developed a carbon credit application APP platform, and promoted the bank-wide pilot programme.



## CASE STUDY

## Using digital empowerment to guide employees to conduct green behaviour. BOSC launches Carbon Credit App

In January 2023, BOSC Carbon Credit App was officially launched. The app won the "Best Innovation Award for Financial Institutions" in the 3rd Yangtze River Delta Financial Technology Innovation and Application Global Competition, and was selected as an outstanding case by Shanghai Municipal Association for Government Administrative Affairs and Shanghai Energy Conservation Association.

BOSC Carbon Credits APP integrates eight scenarios and 33 types of behaviours such as green commuting, green office, green-themed activities and knowledge learning of and carbon neutrality, utilises technologies such as the Internet, Internet of Things and 5G, generates the carbon bills of outlets and employees through digitalisation.

Aim to achieve the first in one area. Shanghai released the "Shanghai Carbon Inclusion System Construction Work Plan" in December 2022, and BOSC was one of the first banks to provide an enterprise version solution for Shanghai carbon inclusion mechanism.

Combinations in three areas are realised. We promoted the combination of green branch operation services and green financial services, green office life guidance and green points incentive, green knowledge learning and green values cultivation, and carried out active exploration and practice in the application of emission reduction scenarios such as customer cloud salon, marketing cloud services, cloud printing, green commuting, "Clear Your Plate" campaign, recycling of unused items, green classroom and green-themed book sharing sessions.

We explore four modules of function - personal points, assistance for outlet, points ranking and equity conversion. It is expected to achieve carbon reduction of more than 2,000 tonnes/year, which is equivalent to more than 3,500 carbon sinks of ten-year-old pinus sylvestris.

In the next step, we will explore the development and application of more emission reduction scenarios. On the basis of integrating into the Shanghai Carbon Inclusion Ecosystem, implementing "dual circulation" between employees and customers, and guiding participation in the construction of non-commercial forest for carbon sink, we will create three highlights in the future planning of the Carbon Credit APP to explore our participation in the carbon inclusion system construction pilot in Shanghai.



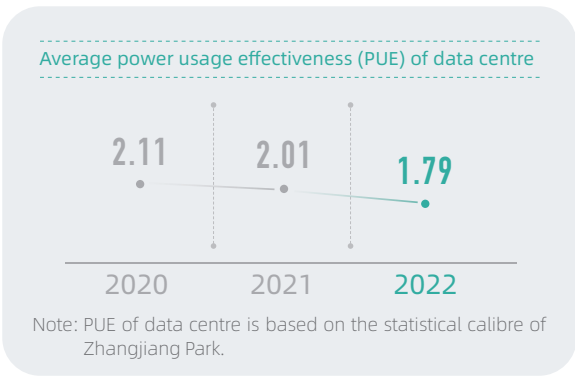


Promoting a green environment and carbon emission reduction. We explored and formulated environmental information accounting management regulations based on financial and enterprise characteristics, established accounting work mechanism and carbon quota management mechanism, tightened up the whole-process management of statistics, inspection, assessment, disclosure and audit, carried out environmental information survey, formed a four-level management system of head office, branch, sub-branch and outlet, and completed the inspection of energy consumption, resources, waste and other information at more than 360 business offices of the Bank.

Indicator	Unit	2022	2021
Total greenhouse gas emissions (scope 1 and scope 2)	tons of CO <sub>2</sub> equivalent	50,307.59	69,323.43
Direct (scope 1) greenhouse gas emissions	tons of CO <sub>2</sub> equivalent	3,339.78	3,830.50
Indirect (scope 2) greenhouse gas emissions	tons of CO <sub>2</sub> equivalent	46,967.81	65,492.93
Natural gas consumption	ten thousand m <sup>3</sup>	93.25	103.33
Gasoline	tons	415.94	501.66
Diesel	tons	16.06	22.31
Liquefied petroleum gas	tons	3.10	0.57
Outsourced electricity	ten thousand kWh	9,884.69	9,397.99
Hazardous waste generated	tons	11.23	
Non-hazardous waste generated	tons	305.91	

Note: The hazardous wastes generated include waste batteries, light tubes, cartridges, ink cartridges, ribbons, computers, etc., while the non-hazardous wastes generated include waste office furniture, kitchen waste, waste office supplies, etc., which are not traced back to the 2021 data.

Combining green development and deep cultivation of culture. In terms of publicity and guidance, we deeply promoted the concept of green development through the release of the proposal of “carbon peak and carbon neutrality” action, the holding of green-themed reading and sharing sessions and the creation of green classrooms. In terms of specific practise, we focused on the theme activity of “carbon peak and carbon neutrality + cost reduction and efficiency enhancement” , promoted new models such as cloud printing, shared printing and shared workstation to facilitate the “carbon peak and carbon neutrality +” cooperation with strategic customers, explored and incubated emerging green enterprises to seek deep integration of green development and operation management.



▲ Hangzhou Branch collaborates online and offline to create a green office scenario



▲ Carbon Peak and Carbon Neutrality Knowledge Lecture of Tianjin Branch



▲ Shenzhen Branch Volunteer Club organises environmental protection public welfare publicity activities



▲ Nantong Branch holds Arbor Day activities





Adhering to the people-oriented philosophy, the Bank strives to build a great place for talent development by effectively protecting the rights and interests of employees, and caring for the growth of employees, to continuously enhance employees' sense of achievement, thus creating common value with employees.

## For Employees

Photo: "Happy Reading Joyful Sharing" Reading

## Implementing people-oriented management

Talents are the internal driving force for the continuous development of the Bank. The Bank established the talent value philosophy, smoothed development channels, and provided a broad space for learning and growth to promoted the continuous growth and unlocking of value of talents in the Bank.

The Bank eliminated employment discrimination and treated employees of different genders, nationalities, cultural backgrounds and religious beliefs equally.

	Unit	2022	2021	2020
<b>Total number of employees of the Bank</b>	person	13,763	13,202	12,932
Including: Female	person	7,726	7,409	7,160
Male	person	6,037	5,793	5,772
Labour contract employees	person	12,146	11,661	11,327
Labour dispatched workers	person	1,617	1,541	1,605
Employees under 30 years old	person	4,187	4,126	4,449
Employees from 31 to 50 years old	person	8,859	8,389	7,846
Employees over 50 years old	person	717	687	637
<b>Percentage of female employees</b>	%	56.14	56.12	55.37
<b>Percentage of female in mid and senior management</b>	%	32.69	31.37	34.46
<b>Number of employees from ethnic groups</b>	person	294	284	261
<b>Percentage of employees with bachelor's degree or above</b>	%	85.85	85.22	83.92
<b>Placement of disabled persons</b>	person	14	12	13

## Attracting excellent talents



The number of external recruits throughout the year increased by nearly

20%

The Bank actively responded to the national policies of stabilising employment and ensuring employment, continued to increase talent recruitment, enriched the organisational forms of campus recruitment and social recruitment, extensively introduced outstanding talents at home and abroad, and continuously improved the recruitment efficiency and interview experience. The number of external recruits throughout the year increased by nearly 20%.

In 2022, the Bank won the honorary title of "Best Employer" selected by a number of professional institutions and universities, actively participated in brand activities such as "Talents of state-owned enterprises" ( 国资骐骥 ) and "Gathering all talents" ( 海聚英才 ) in Shanghai, increased efforts in active recruitment of college graduates, mature and tight talents and financial science and technology talents, continuously provided diversified employment opportunities, and made every effort to play the role of "stabiliser" and "ballast stone" in the employment of college graduates.

	Unit	2022	2021	2020
Number of new employees	person	1,445	1,213	1,218
Employees turnover rate	%	5.90	6.06	4.20



Protection of employees' rights

The Bank complied with the national laws, regulations and policies on labour and human resources, and formulates labour, human resource and salary systems to protect the legitimate rights and interests of employees. Under the principle of distribution according to work and equal pay for equal work, the Bank provided employees with remuneration with internal fairness and external competitiveness. The Bank continuously optimised and improved the non-salary and welfare system for employees to provide employees with diversified benefits and improves employee satisfaction on the premise of meeting compliance. The Bank made contributions to social insurance for employees in accordance with national laws and regulations. The Bank established an enterprise annuity plan and regularly evaluated the plan to enhance employees' pension protection level. The Bank provided employees with supplementary medical insurance plans and physical examination plans, and continuously optimised and adjusted those plans according to the actual situation of employees, so as to enhance medical protection and health care for employees.

The Bank attached great importance to the protection of employees' personal information and privacy by specifying the usage scope and confidentiality requirements of employees' information, and establishing an approval mechanism for the use of employees' information to prevent the misuse or leakage of employees' personal information and privacy.

The Bank continued to improve the employee complaint mechanism, smoothed communication channels, enhanced the communication and understanding between employees and managers, and established a harmonious and stable labour relationship through positive interaction. The Bank took employees' complaints seriously, heard employees' requests, actively responded to employees' reasonable opinions and suggestions, and safeguarded their legitimate rights and interests.

	Unit	2022	2021	2020
Labour contract signing rate	%	100	100	100
Social security coverage rate	%	100	100	100
Union construction rate	%	100	100	100
Number of work-related injuries	person	24	19	13

Implementing democratic management

The Bank attached great importance to the establishment and implementation of the Workers' Congress system. The system establishment rate was 100%. In 2022, the Bank held two congresses, at which two proposals were considered and approved, including the collective contracts, work hours plan for employees, and three reports were received, including the duty performance benefits of leaders in 2021 and the implementation of business expenditure budget, the preparation of budget for 2022 and the duty performance report of employee supervisors for 2022.

The Bank implemented the "Rules for Proposals of the Workers' Congress of Bank of Shanghai", standardised the working mechanism and process of the Workers' Congress, made democratic participation channels unblocked for employees, guaranteed employees' right to be informed, to participate, to be heard and to oversee in accordance with the law, and carried out corporate democratic management in accordance with laws. The Bank continued to carry out employees' rationalisation suggestions and proposals. In 2022, the labour union of the Bank received 33 rationalisation proposals, and seven of them were discussed and handled. The labour union of branches received 377 rationalisation suggestions, of which 162 suggestions were adopted. The Bank focused on the implementation of proposals and organised employee supervisors and the democratic management committee of the Workers' Congress to review the implementation of proposals.



▲ Pudong Branch holds Workers' Congress to review the employee performance appraisal and other systems

Optimising the incentive and restraint mechanism

According to the requirements of the operation and management of modern joint-stock commercial banks, the Bank gradually built a remuneration incentive and restraint mechanism combining long-term, medium-term and short-term. The Bank combined the Bank's team building work, and made the remuneration resources more adequately matched with the Bank's overall efficiency and individual performance through optimising the assessment goals, implementing the hierarchical and classified assessment, and strengthening the management of the assessment process and the application of results. The Bank established and improved the mechanism for deferred payment and recourse rebate of employees' performance-based remuneration to give play to the guiding role of performance-based remuneration in the Bank's operation and management and promote the Bank's stable operation and sustainable development.

Focusing on employee development

Multi-channel development system

The Bank actively explored effective ways to improve the employee development system, clarified the growth path for employees, and continued to deepen the targeted training for different kinds of employees.

For the growth stages such as training on rotation of new recruits, basic skills, professional competence improvement and management capability training, the Bank clarified the specific training objectives, training methods and management requirements, refined the projects that should be aware of and necessary capabilities for duty performance, tightened up process management and ability assessment, and helped new recruits "do things and make them work" .

The Bank strengthened the capacity building of professional teams of the Bank and established a professional competence system. In addition to the management position sequence, the Bank has established a hierarchy of professional and technical positions such as credit approval personnel, technical managers and customer managers, which has smoothed the career development channels for employees. By clarifying evaluation standards and growth objectives through different levels and classes, the Bank provided a platform for the display and improvement of professional capabilities. Furthermore, the Bank also provided incentive mechanism to improve the effectiveness of training, stimulated the self-driving effect of the development of employees in professional and technical positions, and promoted the organic growth of professional talents.

The Bank launched a number of reserve talent training programs, such as the "Kick start Program", with the goal of cultivating high-quality, interdisciplinary talents in line with the strategic development direction of the Bank, formulated personalised training plans, selected high-potential young employees to participate in cross-departmental training and post exchanges at head office and branches, and helped them grow in key projects and tasks across the Bank.

Multi-level Training System

Focusing on the development strategy and combining the needs of the bank-wide team building, the Bank further improved the hierarchical and classified training, consolidated the foundation of training capabilities, and strove to build a comprehensive and multi-level training system covering all employees to give play the positive role of training empowerment. In 2022, the total number of participants exceeded 1.11 million, representing a year-on-year increase of 24%. The average training hours per person was 67 hours, representing a year-on-year increase of 18%.

We worked together to empower and enhance the ability of the talent team. Focusing on "key groups and key areas", the Bank highlighted the three driving forces of "management ability, professional ability and digital ability", and carried out training in a differentiated and multi-form manner.



### Cadre Team

The Bank promoted cadre training on different aspects and topics by focusing on “mind shifts, skills enhancement and leadership”

### Professional Talent Team

The Bank applied scenario-based mind to explore the implementation of standard and practical training for professional teams such as branch president and inclusive customer manager based on the full process of market, customer and position, to help professional staff to continuously improve their capabilities in achieving business goals.

### Fintech Talents Team

By deepening the digital training project system, the Bank cultivated fintech talent teams through course learning, tool application and project practise.

### New Employees

A training model of “standardised tasks, supporting tools, extensive communication and dynamic review” was established to improve basic capabilities for new employees to perform job duties.

We push forward innovation and transformation to build training capacity. We organically integrated training to meet the needs of transformation and development to build a training system with the Bank’s characteristics. To this end, we enhanced the accuracy of training, and optimised the comfortable and open training experience. We vigorously promoted online training through standardised course learning, live broadcast and reviewing, and the number of online training for the year increased by 15%. We actively introduced and developed high-quality learning resources to enrich the online course system, opened 550 courses for the year and accumulated more than 3,200 courses. To promote the integration of knowledge, we established an open training and sharing mechanism such as “online site for absorbing knowledge” to meet the needs of employees for personal ability improvement, which provided diversified channels for employees’ growth.



▲ Mr. Jin Yu, the Secretary of the Party Committee and the Chairman of the Board of Directors, was delivering speeches on the completion ceremony of the training class for guiding principles of the 20th National Congress of the Party



### CASE STUDY

#### Building a digital empowering training system to cultivate digital talents

In 2022, by focusing on the learning and application of digital concepts, tools and methods, the Bank implemented differentiated training in terms of the understanding of management personnel, multi-practise of digital personnel and the application by business personnel to further improve digital capabilities.

Digital classroom for cadres: we lectured on digital tools and methods and digital application in the Bank to empower cadres at all levels, thereby helping improve the ability of data-driven operation and management.

“Smart class” and “one course per week”: we gave lectures on the basic knowledge of financial technology and basic application in the Bank to all the Bank’s cadres and employees, and consequently promoted knowledge and the integration of business and technology. The training coverage in the Bank reached 85%.

Digital training camp: as to business apartments, we combined with the application of digital tools commonly used in the Bank, to improve practical application capabilities through course learning, tool practical operation, project practise, etc.

Digital professional training: under the goal of “dedicated cultivation for special post and key personnel” for the technology team, the Bank enhanced its digital professional capabilities through internal technical training and external professional qualification certification. Throughout the year, 74 persons at the Bank obtained fintech professional qualification certification.



▲ The 5th Geek Competition Achievements Exhibition





CASE STUDY

The Bank organises standardised training for inclusive customer managers to strengthen team building

In order to improve the professional service capabilities of inclusive customer managers, the Bank implemented a standardised training for inclusive customer managers. More than 500 inclusive customer managers and employees of the inclusive finance business department of each business unit participated in the training. The training focused on the full-process practical operations of inclusive customer managers and six aspects, such as key products, customer analysis and marketing strategies. The head office and each business unit delivered online and offline lectures to improve inclusive customer managers' performance capabilities through knowledge learning, exchange and sharing, and practice.



	Unit	2022	2021	2020
Number of employees trained	Person	1,112,012	899,323	519,828
Average training hours per employee	Day	8.38	7.09	6.22
Number of employee training projects	Phase	4,821	5,173	5,288
Total expense of employee training funds	RMB ten thousand	1,043	1,152	1,255

Caring for employees

Promoting employees' health and well-being is the Bank's key work in its routine operation and management activities. To this end, we strived to create a safe, positive and warm working environment to assure employees' happy work and healthy life.

We implemented the "Employee Health Care Programme" to care for employees comprehensively. We provided 24 services for employees, including online medical treatment, online psychological consultation, offline medical treatment assistance, patient view on video, free medical examination for parents, AI intelligent consultation, and sleep quality testing and improvement to improve the service mechanism for employees' physical and mental health, with a total of 6,124 services used throughout the year. To optimise the operation and management of the "Staff Home" in the Head Office, the Bank set up a gym equipped with professional fitness equipment, and developed various fitness courses such as "yoga" and "zumba" to meet the increasing needs of employees in terms of health and fitness.



▲ Ningbo Branch conducts workplace stress management training



CASE STUDY

Beijing Branch provides new employees with comfortable work and life

Beijing Branch took the initiative to actively communicate with relevant government agencies. In 2022, it completed household registration for 16 students of 2021, and successfully applied for 40 work residence permits and four household registration quotas for 2022. Furthermore, it promoted the gradual settlement of overseas students. Meanwhile, it actively communicated with the relevant housing leasing agencies about favourable prices for staff accommodation, which enabled 83 new staff to enjoy preferential prices for leasing and significantly reduced their living costs.

We gave play to the role of the trade union as a "big family" to emphasise daily assistance, implemented the online employee assistance system to enhance the efficiency of assistance and the sense of belonging and achievement of employees. Throughout the year, the Bank helped 390 people at the Head Office level with a total amount of RMB3.7 million. A special fund of RMB7.01 million was allocated to branches to care for employees who were ensuring business continuity and supporting the resumption of production activities. We insured more than 8,300 employees in Shanghai for the B + insurance plans for severe illness of Shanghai Federation of Trade Union and new employees for basic protection of the "Shanghai Employee Mutual Support Programme 2020" for accident injury.

We sincerely care about female employees through specific physical examinations. To support female employees to make better use of "her strengths" and show their talents as "heroines", we proceeded with the star-level construction of Baby Care Room and featured activities for female employees on International Women's Day.



▲ Tianjin Branch launches International Women's Day Olympic Winter Sports

The Bank valued the care for retired employees by organising consolation to the retired employees at the Spring Festival and the Double Ninth Festival, insuring the retired employees of the Bank with the mutual assistance protection plan and arranging annual physical examination for them.



▲ The Bank holds the "Happy Reading Joyful Sharing" to share reading experience



▲ Pudong Branch organises staff club activities



▲ Shenzhen Branch holds Children's Day celebration activities



# For Society

Insisting on rewarding society and co-existing with society, the Bank carries out various activities in the fields of fixed assistance, social public welfare, and cultural and sports undertakings. We adhere to regular financial education, implements responsible procurement, and empowers the community to build the Bank full of warmth. In 2022, the Bank invested a total of RMB34.7548 million in social welfare undertakings.

Photo by Li Jing, Beijing Branch

## Deepening the assistance mechanism

The Bank actively responded to the deployment and requirements of consolidating and expanding the achievements of poverty alleviation and promoting rural revitalisation under the new situation, continued to participate in the cooperation between East and West China, supported the rural revitalisation of Shanghai, helped consolidate the development foundation of Yanshan County, Yunnan Province and Fengxian District, Shanghai, promoted branches to implement targeted assistance, and improved the level of rural development.

### Support the development of paired villages in Yanshan County, Yunnan Province

To fund the development of paired villages, the Bank donated RMB2.5 million to three paired villages in Yanshan, which was specifically used for rural construction and industrial development. In terms of rural construction, we focused on rural education and rural medical care. We improved the school infrastructure, purchased dining tables and seats and mattresses for students. We renovated and optimised the environment of the village's clinics and allocated medical equipment according to actual needs. In terms of industrial development, we continued to support the sustainable operation of featured industries of "one village, one industry", and gradually expanded the collective assets of paired villages.



▲ The Bank donates dining tables and seats and bathrooms to A'ji Primary School in Yanshan County





Consumption assistance enables connection between production and sales. The Bank actively implemented consumption assistance and integrated resources to create a full-chain of consumption assistance. Firstly, the Bank purchased products from Yunnan Province when procuring relevant employee benefits, especially from Yanshan County, Yunnan Province, which was the paired county of the Bank. Secondly, the Bank mobilised employees and customers to "Buy Instead of Help" and further deepened the construction of "Be with You" assistance brand. Thirdly, the Bank integrated resources to connect with big market platforms. The Bank assisted in recommending the professional breeding cooperative for farmers in Yufeng, A'Meng Town to be approved as the "Shanghai Outward Vegetable Production Base", assisted beef in Gaofeng, Yanshan, apple in A'she Township and soft seeds pomegranate in Luotaiyi to be included into the "Hundred Goods in Hundred Counties" brand in Shanghai, and launched the Shanghai consumption assistance platform and the WeChat official website and the live broadcast room of "Hundred Goods in Hundred Counties".



### The Yufeng cooperative targeted funded by the Bank was approved as "Shanghai Outward Vegetable Production Base"

On 19 December 2022, at the Shanghai Promotion Week of "Introducing Yunnan's Product to Shanghai", the Yufeng Cooperative in Yanshan County of Yunnan Province, funded by the Bank, held a signing ceremony of "Shanghai External Vegetable Production Base" with Shanghai Vegetable Group. Shanghai Vegetable Group will open green channels for extended production base, set up sales windows, and provide training and technical support in food safety testing and traceability and visual system. In this regard, the quality of the Yufeng Cooperative's products is recognised by the Shanghai market, and the access of the products to Shanghai will be smoother, which also shows that the Bank's industrial assistance to Yanshan County in Yunnan Province will be further branded.



Pairing assistance in education highlights the dual support of wisdom and aspiration. The Bank continued to carry out the "Friendship of Bank of Shanghai to Realise Yanshan Dream" paired assistance in education with the working mode of "1 assistance target + 1 paired individual + 1 party and league organisation" to expand and attract social forces. We innovated the forms of volunteer assistance.



▲ Beef in Yanshan hit the shelves via live broadcast room of "Hundred Goods in Hundred Counties"



### The Bank partners up with Shanghai Children's Foundation to assist students in Yanshan, Yunnan

In 2022, in order to further expand the social influence of the "Friendship of Bank of Shanghai to Realise Yanshan Dream" paired assistance in education, the Bank collaborated with Shanghai Children's Foundation to add a link of public welfare assistance for "Friendship of Bank of Shanghai to Realise Yanshan Dream" on the official WeChat platform of the Children's Foundation. While regularly raising funds from employees of the Bank and caring people to expand the coverage of assistance, we intensified efforts in raising assistantship. In addition, the Bank also donated the "Caring Pack" containing a Growth Manual for Adolescent Girls for girls of school age in Yanshan region to help them grow up in adolescence.



The Bank stepped up the joint construction of Party building, while sharing and uniting the joint development thereof. The three Party branches of Shinan Branch of the Bank continued to carry out the construction of Party building in association with the Party branch of the paired villages. Party building publicity walls were built in the paired villages to help the Party members in the paired villages to learn and implement the spirit of the 20th National Congress of the Communist Party of China, reaching the development consensus of promoting common prosperity and helping rural revitalisation. In combination with "practise for the public", the Bank carried out activities such as caring subsidies and donations of daily necessities to farmers who were vulnerable to return to poverty and farmers with special difficulties.

## Deepening the comprehensive rural support in Fengxian District

By leveraging its own advantages in resources, the Bank actively increased financial support for Feng Xian to highlight the financial empowerment for regional development. We further deepened the comprehensive assistance in rural areas through consumption assistance and the construction of the Party building. By building sales channels for agricultural products, organising the procurement of agricultural products and holding financial lectures, we appointed youth members as its village instructors to explore new paths for rural revitalisation and development in Shanghai.

In addition, the branches of the Bank fully utilised their resources and strength to actively participate in the local rural revitalisation and assistance based on the local characteristics.



### Chengdu Branch conducts targeted poverty alleviation with Songpan County

By means of "growth of self-motivation and traffic directing", the Chengdu Branch assisted Huoshaotun Village, Shili Town, Songpan County to build a Village Offering Hui Specialty. The Branch donated funds of RMB120,000, and actively carried out party building construction, poverty alleviation through consumption, donation, etc. Leveraging its own channels and resources, the Branch promoted and directed traffic for the village, jointly promoted the sustainable development of the cultural and tourism service industry in Huoshaotun Village, and formed an independent self-growing mechanism to assist rural revitalisation.



## Conducting financial education

The Bank fully understands the importance of cultivating the financial literacy of the public to improve the ability to prevent social financial risks and maintain social stability. We gave full play to the role of financial institutions as a bridgehead, insisted on organising regular financial education and concentrated financial knowledge popularisation activities to enhance the "soft power" of finance.

Focusing on the characteristics of consumer groups and combining with the touches and pain points in financial scenarios of consumer, we planned promotional content in a scientific manner, and conducted extensive online publicity and education in the form of long graphics, comics, short videos, H5 and other methods, therefore breaking the barriers of popularisation of traditional financial knowledge and improving consumer financial literacy and risk awareness with potential tacit. As an offline outlet-based promotion platform, the Bank actively carried out consumer education activities at outlets to enhance the coverage and appeal of financial literacy through community visits, campus visits, enterprise visits, business districts visits, and thus get closer to our consumers. During the year, the Bank organised a variety of themed publicity and education activities covering a wide range of groups, including the "3.15 Consumer Rights Protection Education Publicity Week", the "Promoting Financial Knowledge to Save Money" and "Walk for Financial Knowledge" in June, the "Financial Knowledge Publicity Month - Popularising Financial Knowledge to Thousands of People" in September, and the "New migrant-citizen Financial Service Promotion Month" in November, to enrich the content of online and offline publicity through multiple channels. Throughout the year, the cumulative number of consumers reached was 2.38 million, which effectively improved consumer financial knowledge and risk prevention awareness, and created a harmonious and win-win financial consumer environment.



▲ Shaoxing Branch promotes financial knowledge in farmer's market



▲ Nanjing Branch combats with false money on campus



▲ Shinan Branch publicises "Promoting Financial Knowledge to Save Money" and deposit insurance knowledge



### CASE STUDY

The Bank hosts offline publicity and education activities under the theme of the "Popularisation Month of Financial Knowledge - Popularising Financial Knowledge to Thousands of People and Be a Rational Investor, a Good Internet Citizen of Financial Industry"

On the afternoon of 23 September 2022, the offline publicity and education activity under the theme of "Popularisation Month of Financial Knowledge - Popularising Financial Knowledge to Thousands of People and Be a Rational Investor, a Good Internet Citizen of Financial Industry" hosted by the Bank and organised by Puxi Branch was held at the Wanping Theatre. The impressive contents attracted many groups and major media to participate and interact on site.

During the event, the Bank, the young backbone of the Financial Dispute Resolution Centre and outstanding police representatives worked together to demonstrate the importance of preventing telecom network fraud and establishing a rational investment concept through small humour dramas. The children's spectacular chorus with anti-fraud theme deeply rooted in the awareness of risk prevention and increased the awareness of protecting their own wealth. Also, the Bank donated books related to financial knowledge to the audience, and promoted in the form of financial knowledge publicity and education video playing in turn, interactive questions and distribution of promotion manuals. We revealed illegal financial traps to make rational investment and consumption more popular.

The financial institutions and consumers were bonded to spread financial knowledge to thousands of households, contributing to creating a healthy and positive financial and internet environment.



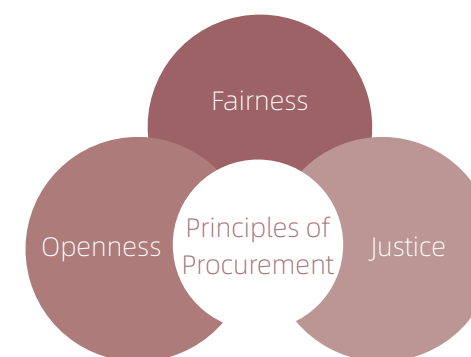
### CASE STUDY

Fumin Sub-branch of Head Office gives lessons on "Financial Service Citizen Class"

On 16 September 2022, Fumin Sub-branch of Bank of Shanghai held the "Financial Service Citizen Class" of a series of activities on the "Shanghai State-owned Enterprise Open Day", which taught citizens about preventing telecom fraud. The lecturer explained the common telecom fraud means to the audience in a short, light and easy way with real cases to help the residents keep their wealth safe.



## Implementing responsible procurement



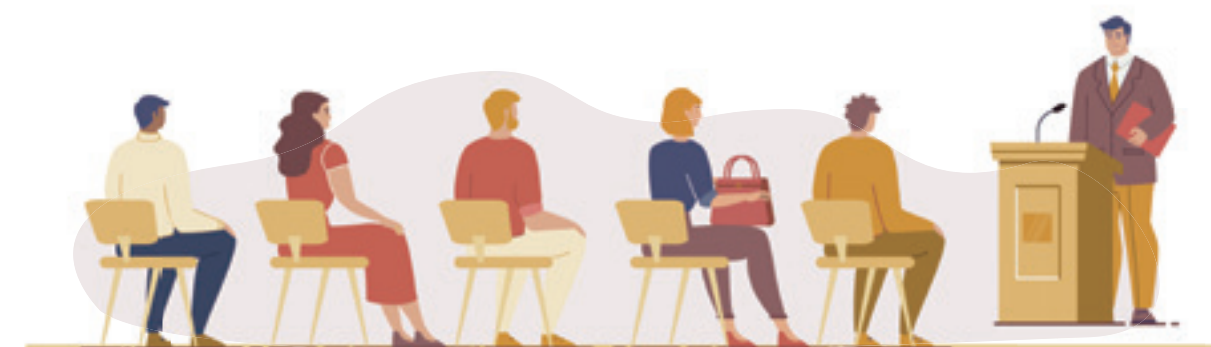
In accordance with the provisions of national laws and regulations, the Bank established and improved the centralised procurement management system to govern the centralised procurement. We implemented centralised procurement under the principles of openness, fairness and justice.

The Bank tightened up the verification of suppliers' non-performing records in safety production, environmental certification and human rights, etc., qualification review of procurement standards, with attention paid on suppliers' social responsibility performance.

The Bank increased efforts to source suppliers and China's public service platform for bidding and tendering was included to search suppliers. The Bank standardised the online review process and management requirements for centralised procurement, and conducted online procurement activities through the system, mobile APP and other applications to improve the efficiency and effectiveness of centralised procurement.

The Bank practised green procurement, gave priority to the procurement of energy-saving and environmental-friendly products, and added the green procurement scoring in centralised procurement as applicable to deepen green concept.

Item	Unit	2022	2021	2020
Procurement contract performance rate	%	100	100	100
Supplier review coverage	%	100	100	100





## Supporting social welfare and voluntary activities

Focusing on social needs, the Bank devoted to public welfare undertakings by leveraging its resources, manpower and technology, and carried out special public welfare activities with social caring to contribute to the construction of a harmonious and beautiful community.

The Bank encouraged employees to participate in volunteer services to expand the volunteer team, promoted the improvement of the long-term mechanism of volunteer activities, and advocated the spirit of mutual assistance, consequently enhancing people's livelihood and well-being.



### CASE STUDY

#### Warming outdoor workers with love stations

A love station for outdoor employees was opened by Songjiang Sub-branch of Shinan Branch, which provides targeted public welfare services such as water fountains, air conditioners, refrigerators, microwaves, charging stations and emergency medicines to outdoor employees. It organised professional forces to provide consultation and counselling services in respect of workplace adaption, mental health and parent-child relationship for young people engaged in express and food delivery. It provided warm services for the elderly in the environmental hygiene industry to warm them with the love from society.



### CASE STUDY

#### Tianjin Branch's "We Love Recycling" activity for recycling of used goods

Tianjin Branch initiated a public welfare activity of "We Love Recycling" for the recycling of used goods to connect environmental protection with public welfare. By recycling idle or obsolete items from employees and passing them to professional organisations for recycling, the brand-new tables and chairs shall in return be delivered to children in need in mountain areas. While maximising the value of waste items and disposing idle or obsolete items of enterprises and employees, such activity reduced environmental pollution to empower public welfare.



▲ Employees in Wenzhou Branch conducts voluntary blood donation



▲ Beijing Branch voluntarily places shared bikes

## Supporting cultural and sports

The Bank actively supported cultural and sports undertakings and promoted spiritual civilisation infiltrating to stimulate the endogenous driving force of urban construction.



▲ The Bank holds the "Inheritance of Chinese Spirit and Implementation of Finance for the People -Photo Exhibition of the China Communist Party's Century"



### CASE STUDY

#### The Bank enters into a strategic cooperation agreement on youth football with Shanghai Football Association

In November 2022, the Bank, Shanghai Municipal Education Commission, Shanghai Municipal Sports Bureau and Shanghai Football Association held the opening meeting of a football training programme at school and the "one-stop" football layout and construction meeting in Shanghai Datong High School, aiming to further improve the training capacity of football outstanding talents on campus through high-level football training courses. During the event, the Bank and the Shanghai Football Association entered into the "Shanghai Youth Football Development Support Project" strategic cooperation agreement, pursuant to which, both parties shall jointly work on various fronts, including the construction of youth football base, directed training for trainers, regular testing of teaching results, teaching material development, football culture and cultural communication.



# Honours and Awards

## Social Responsibility Awards

No.	Organiser	Award Name
1	The Banker	Ranking 68th by tier 1 capital in the ranking of "Top 1000 World Banks 2022"
2	Forbes China	Included in the "China ESG 50" list
3	State-owned Assets Supervision and Administration Commission of Shanghai	"Digital Quick Loan for Small and Micro Enterprises Project" was awarded the enterprise information demonstration project
4	Shanghai Municipal Commission of Economy and Informationisation	Zhangjiang Park was successfully selected as one of the first three zero-carbon parks, and was the only financial institution selected
5	China Central Depository & Clearing Co., Ltd	Excellent Financial Bond Issuing Institution Outstanding Underwriter for the China Bond Green Index
6	National Inter-bank Funding Centre	2022 Award of Market Influence Market Innovation Award
7	Shanghai Stock Exchange	Excellent Investment Institution Serving National Strategy Excellent Bond Investment Institution
8	Shanghai Gold Exchange	Third prize of "2021 Outstanding Financial Member Unit" Best Pricing Transaction Member Unit Best Anti-money Laundering Member Unit
9	Shanghai Clearing House	2022 Excellent Clearing Member 2022 Excellent Issuer 2022 Excellent Innovative Business Promotion Institution
10	The 7th Asia-Pacific Fortune Forum	Best Chinese Wealth Management Bank in 2022
11	Asian Private Banker	Best Private Bank (Urban Commercial Banks Group)
12	Wind	Outstanding Urban Commercial Bank as the Underwriter of Inter-Bank Debt Financing Instruments
13	PYSTANDARD	Bank with Excellent Wealth Service Capability Bank with Excellent Transformation and Development Urban Commercial Bank with Excellent Wealth Management
14	China UnionPay	2022 UnionPay Mobile Payment Cooperation Outstanding Contribution Award
15	International Data Corporation (IDC)	2022 IDC China Financial Industry Technology Application Scenarios FinTech Breakthrough Award
16	Securities Times	2022 Tianji Award for Pension Financial Services of Banks
17	China Fund News	2022 Excellent Wealth Management Bank (Urban Commercial Bank)
18	National Business Daily	ESG Financial Pioneer of the Year Inclusive Finance of the Year The Most Socially Responsible Listed Company

# Outlook

The year 2023 is the first year for the full implementation of the guiding principles of the 20th National Congress of Communist Party of China. The Bank will fully implement the guiding principles of the 20th National Congress of Communist Party of China, adhere to the new development philosophy, effectively grasp opportunities, strengthen risk prevention and control, promote the close integration of its own transformation and development with the expectations of stakeholders, and focus on promoting high-quality development, thus contributing to the good start of comprehensively building a modern socialist country.

Strengthening responsibility management

- Strengthen communication with stakeholders and update on responsibility issues
- Improve corporate governance and ESG management mechanism
- Strengthen comprehensive risk management, internal control and compliance management to promote steady operation

For economy

- Optimise financial resource allocation to improve effective supply
- Support coordinated regional development and optimise business environment
- Support inclusive finance, technological self-dependence, rural revitalisation, opening up, and deepen the connotation of financial services

For people's livelihood

- Actively extend financial services to respond to and meet people's livelihood demands
- Enhance product and service innovation to continuously meet the needs of financial consumers

For clients

- Promote digital transformation and deepen intelligent application to offer efficient, convenient and safe services
- Enhance consumer rights protection, solve specific problems from the source, and improve professional service capabilities

For environment

- Continue to deepen the connotation of green financial services and promote the green transformation of society
- Deeply promote green operations to achieve goals of carbon peak and carbon neutrality

For employees

- Protect employees' interests, and improve performance appraisal and resource allocation
- Improve talent development system and strengthen construction of multi-level training system to promote career path

For society

- Deepen targeted assistance mechanism to build self-motivation function
- Maintain good cooperation via responsible procurement
- Educate on finance regularly, improve public welfare and charity projects, participate in various volunteer activities



# Independent Assurance Report



普华永道

2023/SH-0248  
(第一页, 共三页)

## 注册会计师独立鉴证报告

致: 上海银行股份有限公司董事会

我们接受委托, 对上海银行股份有限公司(“贵公司”)2022年度社会责任报告中选定的2022年度关键数据(以下简称“关键数据”)执行了有限保证的鉴证业务。

## 关键数据

本报告就以下选定的2022年度贵公司社会责任报告关键数据实施了有限保证鉴证工作程序:

- 电子渠道结算业务分流率
- 绿色贷款余额
- 运营耗水总量
- 运营耗电总量
- 公务车耗油总量
- 集团员工总数
- 本行员工总数
- 女性员工占比
- 新进员工数量
- 中高层管理人员中女性比例
- 残疾人安置情况
- 少数民族员工人数
- 话后满意度
- 对外捐赠金额
- 每股社会贡献值

我们的鉴证工作仅限于企业社会责任报告中选定的2022年度关键数据, 企业社会责任报告中所披露的其他信息、2021年及以前年度信息均不在我们的工作范围内。

## 标准

上海银行股份有限公司编制2022年度社会责任报告关键数据所采用的标准列示于社会责任报告中第92页的关键数据编报基础(以下简称“编报基础”)中。

## 管理层的责任

按照编报基础编制2022年度社会责任报告关键数据是上海银行股份有限公司管理层的责任。这种责任包括设计、执行和维护与编制社会责任报告关键数据有关的内部控制, 以使该等数据不存在由于舞弊或错误而导致的重大错报。

普华永道中天会计师事务所(特殊普通合伙)  
中国上海市黄浦区湖滨路202号领展企业广场2座普华永道中心11楼 邮编200021  
总机: +86 (21) 2323 8888, 传真: +86 (21) 2323 8800, www.pwccn.com

1



普华永道

2023/SH-0248  
(第二页, 共三页)

## 我们的独立性与质量管理

我们遵守了国际会计师职业道德准则理事会颁布的国际会计师职业道德守则(包括国际独立性标准)中的独立性及其他职业道德要求。该职业道德守则以诚信、客观、专业胜任能力及应有的关注、保密和良好职业行为为基本原则。

本事务所遵循国际质量管理准则第1号。该准则要求会计师事务所设计、实施和运行质量管理体系, 包括与遵守职业道德要求、职业准则和适用的法律和法规要求相关的政策与程序。

## 注册会计师的责任

我们的责任是在执行鉴证工作的基础上对2022年度社会责任报告关键数据发表结论。

我们根据《国际鉴证业务准则第3000号(修订版)——历史财务信息审计或审阅以外的鉴证业务》的规定执行了鉴证工作。该准则要求我们计划和实施工作, 以形成鉴证结论。

有限保证鉴证业务所实施程序的性质和时间较合理保证鉴证业务有所不同, 且范围较小。因此, 有限保证鉴证业务获取的保证程度远低于合理保证鉴证业务。因此, 我们不会就2022年度企业社会责任报告中选定的2022年度关键数据在所有重大方面按照编报基础编制, 发表合理保证意见。我们的鉴证工作包括评估2022年度企业社会责任报告关键数据是否存在由于舞弊或错误导致的重大错报风险, 以及应对评估出的风险。选择的鉴证程序取决于我们的判断及对项目风险的评估。在我们的工作范围内, 我们仅在贵公司总行层面开展工作。我们没有对除贵公司总行外的其他分支机构实施鉴证工作。我们所实施的工作包括:

- 1) 与贵公司参与提供企业社会责任报告中所选定的关键数据的相关部门员工进行访谈;
- 2) 实施分析程序;
- 3) 对选定的企业社会责任报告中关键数据实施抽样检查;
- 4) 重新计算;
- 5) 我们认为必要的其他程序。

## 固有限制

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

2



普华永道

2023/SH-0248  
(第三页, 共三页)

结论

基于已实施的程序及获取的证据, 我们没有注意到任何事项使我们相信 2022 年度社会责任报告中选定的 2022 年度关键数据未能在所有重大方面按照编报基础编制。

使用限制

本报告仅向上海银行股份有限公司董事会出具, 而无其他目的。我们不会就本报告的内容向任何其他人士承担任何责任。



Preparation Basis of Key Data

No.	KPI	Preparation basis	Statistic scope
1	Distribution rate of electronic channel settlement business (%)	The proportion of electronic channel transaction volume to the sum of electronic channel transaction volume and counter channel transaction volume, covering all branches of the Bank.	The Bank, excluding subsidiaries
2	Balance of green loans (RMB100 million)	Corporate loans denominated in RMB and foreign currencies that meet the requirements of the special statistical system for green loans of the People's Bank of China.	The Bank, excluding subsidiaries
3	Total water consumption in operation (10,000 tons)	Total water consumption of the Bank and its subsidiaries.	The Group, including the Bank and its subsidiaries
4	Total electricity consumption in operation (10,000 kWh)	Total electricity consumption of the Bank and its subsidiaries.	The Group, including the Bank and its subsidiaries
5	Total fuel consumption of official vehicles (litre)	Total fuel consumption of official vehicles of the Bank and its subsidiaries.	The Group, including the Bank and its subsidiaries
6	Total number of employees of the Group (person)	Total number of formal employees and dispatched workers of the Group, covering the Bank and its subsidiaries.	The Group, including the Bank and its subsidiaries
7	Total number of employees of the Bank (person)	Total number of formal employees and dispatched workers of the Bank.	The Bank, excluding subsidiaries
8	Percentage of female employees (%)	The proportion of female employees in the Bank's formal employees and dispatched workers.	The Bank, excluding subsidiaries
9	Number of new employees (person)	Number of employees who joined the Bank in the current year (including re-employment).	The Bank, excluding subsidiaries
10	Percentage of female in mid and senior management (%)	The proportion of female employees in the mid and senior management of the head office.	The Bank, excluding subsidiaries
11	Placement of disabled persons (person)	Number of disabled employees in the Bank's formal employees (including retired, passed away and resigned in the current year).	The Bank, excluding subsidiaries
12	Number of employees from ethnic groups (person)	Total number of ethnic minority employees in the Bank's formal and dispatched employees.	The Bank, excluding subsidiaries
13	Post-speech satisfaction (%)	The proportion of the rating number of "Very Satisfied", "Satisfied" (including the number of return visits for "Not Satisfied" or wrong operation) in rating "Very Satisfied", "Satisfied" and "Not Satisfied in respect of satisfaction rating of the Bank of Shanghai after the connection to the staff services.	The Bank, excluding subsidiaries
14	Amount of external donation (RMB ten thousand)	Amount of external donation actually included in the financial statements of Bank of Shanghai.	The Group, including the Bank and its subsidiaries
15	Social contribution value per share (RMB)	The calculation of social contribution value per share is as follows: social contribution value per share = earnings per share + (total tax payments + staff costs + interest expenses + total investment in public welfare)/total share capital at the end of the period.	The Group, including the Bank and its subsidiaries



GRI Content Index GRI


No.	Disclosures	Index
GRI 2: General Disclosure 2021		
2-1	Organizational details	P11
2-2	Entities included in the organization's sustainability reporting	P02
2-3	Reporting period, frequency and contact point	P02
2-5	External assurance	P89-91
2-6	Activities, value chain and other business relationships	P11
2-7	Employees	P10、72
2-9	Governance structure and composition	P17
2-10	Nomination and selection of the highest governance body	P16
2-11	Chair of the highest governance body	P05-06
2-12	Role of the highest governance body in overseeing the management of impacts	P16
2-13	Delegation of responsibility for managing impacts	P16
2-14	Role of the highest governance body in sustainability reporting	P16
2-15	Conflicts of interest	P16
2-16	Communication of critical concerns	P16、24
2-17	Collective knowledge of the highest governance body	P16
2-18	Evaluation of the performance of the highest governance body	P16
2-19	Remuneration policies	P16、74
2-20	Process to determine remuneration	P16、74
2-22	Statement on sustainable development strategy	P21
2-23	Policy commitments	P05-08
2-24	Embedding policy commitments	P05-08
2-26	Mechanisms for seeking advice and raising concerns	P24
2-27	Compliance with laws and regulations	P18-20、55、73
2-29	Approach to stakeholder engagement	P24
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	P09
201-2	Financial implications and other risks and opportunities due to climate change	P61
201-3	Defined benefit plan obligations and other retirement plans	P73、78


No.	Disclosures	Index
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	P25-48
203-2	Significant indirect economic impacts	P25-48、80-82
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	P19
205-2	Communication and training about anti-corruption policies and procedures	P19
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	P10、69
302-4	Reduction of energy consumption	P65-69
302-5	Reduction in energy requirements of products and services	P61-65
GRI 303: Water and Effluents 2018		
303-5	Water consumption	P10
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	P69
305-2	Energy indirect (Scope 2) GHG emissions	P69
305-5	Reduction of GHG emissions	P66-69
GRI 306: Waste 2020		
306-3	Waste generated	P69
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	P84
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	P72
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P73、77-78
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	P57、77-78
403-3	Occupational health service	P57、77-78
403-5	Worker training on occupational health and safety	P57、77-78
403-6	Promotion of worker health	P77-78
403-9	Work-related injuries	P73

No.	Disclosures	Index
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	P77
404-2	Programs for upgrading employee skills and transition assistance programs	P74-77
404-3	Percentage of employees receiving regular performance and career development reviews	P74-77
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	P16、72
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	P72
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	P79-86
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	P84
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	P53-54
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P55-57


# Readers' Feedback Form

Thank you for reading the 2022 Annual Social Responsibility Report of Bank of Shanghai Co., Ltd. We are sincerely looking forward to your valuable opinions and suggestions on this report, in order to better meet your needs, provide you and stakeholders with valuable information, promote your supervision of the Bank's social responsibility, and improve the ability and level of fulfilling social responsibility of the Bank.


Contact us




Fax:: 021-68476215



E-mail: ir@bosc.cn



Post address: The Office of Board of Directors of Bank of Shanghai, No.168 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone



Postal code: 200120

- 1、What's your overall assessment of the Social Responsibility Report of Bank of Shanghai?
- ☐ Excellent

☐ Good

☐ Average
- 2、What's your assessment of Bank of Shanghai's fulfilment of economic responsibility?
- ☐ Excellent

☐ Good

☐ Average
- 3、What's your assessment of Bank of Shanghai's fulfilment of environmental responsibility?
- ☐ Excellent

☐ Good

☐ Average
- 4、What's your assessment of Bank of Shanghai's social responsibility performance?
- ☐ Excellent

☐ Good

☐ Average
- 5、Do you think this report can reflect the impact of Bank of Shanghai's social responsibility practices on the economy, environment and society?
- ☐ Yes

☐ Fair

☐ No
- 6、What do you think of the clarity, accuracy and completeness of the information, data and indicators disclosed in this report?
- ☐ High

☐ Average

☐ Low
- 7、Do you think the content arrangement and layout design of this report are easy to read?
- ☐ Excellent

☐ Good

☐ Average
- 8、Your comments and suggestions for Bank of Shanghai's social responsibility work and this report:

We highly appreciate to your enthusiastic feedback!

