



Develop Ourselves into a First-Class Joint-Stock Commercial Bank with International Competitiveness in All Respects

2023

SPD BANK

Corporate Social Responsibility Report

(Environmental, Social and Governance Report)





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## Notes to the Report

<b>Report period</b>	From January 1 to December 31, 2023, with reference to contents and data from previous years as needed
<b>Latest release</b>	April 2023
<b>Report cycle</b>	Annual
<b>Publication history</b>	SPD Bank published the first CSR report in China's banking industry in 2006 and has published CSR reports for 19 consecutive years.
<b>Basis of Preparation</b>	<p>This report meets the relevant requirements of Opinions on Strengthening the Social Responsibility of Banking Financial Institutions issued by the former China Banking Regulatory Commission, Guidelines on the Corporate Social Responsibility of Banking Institutions of China issued by China Banking Association, Guidelines No. 1 for Self-regulation of Companies Listed in Shanghai Stock Exchange - Standardized Operation, and Notice on Promoting the Implementation of Environmental, Social, and Governance (ESG) Work for State Owned Listed Companies in Shanghai by Shanghai State-owned Assets Supervision and Administration Commission</p> <p>It was prepared with reference to the Guidelines on Environmental, Social, and Governance Reporting issued by The Stock Exchange of Hong Kong, ISO 26000: Guidelines on Social Responsibility (2010) issued by the International Organization for Standardization, and GRI Sustainable Development Reporting Standards issued by the Global Reporting Initiative (GRI)</p>
<b>Report scope</b>	<p>This report focuses primarily on Shanghai Pudong Development Bank Co., Ltd. (hereinafter referred to as "SPD Bank", "the Bank" or "we"), covering the head office, branches inside Mainland China, Hong Kong Branch, Singapore Branch, and London Branch. Some of the contents involve legal persons such as SPD Wealth Management, SPD Bank International Holdings Limited, Shanghai International Trust Co., Ltd., SPD Bank Financial Leasing Co., Ltd., AXA SPD Bank Investment Managers Co., Ltd., Tullett Prebon SITICO (China) Ltd., SPD Rural Banks and SPD Silicon Valley Bank Co., Ltd., all of which are affiliated to SPD Bank Group.</p> <p>Statistical criteria for some data may deviate from the above-mentioned scope. Please refer to the notes and explanations in the appendix of this report for details.</p>
<b>Data source</b>	The data are derived from internal documents, reports, and relevant statistical data.
<b>Report assurance</b>	In order to ensure the authenticity and reliability of the report, KPMG Huazhen Certified Public Accountants (Special General Partnership) was employed to perform a limited assurance engagement for selected key data disclosed in the report and to issue an independent assurance report in accordance with <i>International Standard on Assurance Engagements 3000: Assurance Engagement Other Than Audits or Reviews of Historical Financial Information</i>
<b>Release forms</b>	The report is published in both print and online formats, and the electronic version can be found at SPD Bank's official website and its WeChat account "Meet SPD Bank" Official website: <a href="https://www.spdb.com.cn">https://www.spdb.com.cn</a>
<b>Printed on</b>	<p><b>Prepared by</b></p> <p>Publicity Department of the Party Committee (Public Relations Department) of SPD Bank</p> <p><b>Contact information</b></p> <p>Address: No.12, Zhongshandongyi Road, Huangpu District, Shanghai, PRC Postcode: 200002 Tel: 86-21-61618888 Fax: 86-21-63232036</p>

## Concept of Responsibility

### Core Concept

SPD Bank's corporate social responsibility view is to rely on the financial professional advantages to form responsibility competitiveness with the characteristics of SPD Bank, take the initiative to assume economic, social, and environmental responsibilities, and promote the sustainable development of our stakeholders and ourselves.

### Action Guidelines on Corporate Social Responsibility

<p>Comply with laws and regulations and operate steadily. Abide by laws and regulations, operate steadily, and ensure the compliance, stability, and sustainable development of SPD Bank.</p> <p>01</p>	<p>Be honest and serve the public. Act according to the law and in good faith, increase financing support in the areas of growth, livelihood, and structural adjustment, provide the public with modern financial products and services to the maximum extent, serve the public with advanced financial concepts, and innovate financial experience for the public.</p> <p>02</p>	<p>People-oriented approach based upon unified value. Create values for stakeholders to the greatest extent and realize the harmonious consistency of corporate and stakeholder values.</p> <p>03</p>
<p>Devote love and pay back to the society. Actively support and participate in public welfare and charity activities, carry forward SPD Bank's volunteer view of "dedication, mutual support, friendship and progress" through ongoing volunteer activities, safeguard and promote social interests, and realize the coordinated development of the Bank and the society.</p> <p>04</p>	<p>Implement policies and allocate resources. Serve the country's macro-control policies, give full play to the role of finance in guiding and allocating social resources, rationally and effectively allocate credit resources, and support China's low-carbon economy and green development.</p> <p>05</p>	<p>Advocate environmental protection and green finance. Support green credit, innovate green financial products, support energy-saving and environment-friendly green industries by leveraging business behaviors and market mechanisms, and build a low-carbon bank in China's financial industry.</p> <p>06</p>



## A Word from the Secretary of the Party Committee and Chairman of SPD Bank

2023 marks the 30th anniversary of the opening of SPD Bank and a crucial year for the implementation of the Bank's 14th Five Year Plan. SPD Bank earnestly implemented the guiding principles from the 20th National Congress of the Communist Party of China (CPC), and comprehensively implemented the guidelines from the Central Financial Work Conference. Bearing in mind the "National Priorities", SPD Bank worked pragmatically in financial sector with a political and people orientation. Adhering to the concept of serving the real economy, SPD Bank actively served the national strategy, further promoted innovation and transformation, actively supported the construction of Shanghai as "Five Centers", and did a good job in technology finance, green finance, inclusive finance, pension finance, and digital finance in its efforts to continuously build up its own characteristics and advantages. With a brave attitude and strong sense of responsibility, we firmly moved forward towards the goal of comprehensively building a first-class joint-stock commercial bank with international competitiveness.

**Focused on serving the real economy.** Always adhering to the development concept of "New Thinking and Hearty Service", SPD Bank strengthened group coordination to serve major national strategies such as the integrated development of the Yangtze River Delta, the coordinated development of Beijing-Tianjin-Hebei, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, and the Belt and Road Initiative over the past year, contributing to regional coordinated development. We served the goal of establishing Shanghai as "Five Centers" and injected a continuous stream of "financial resources" into the real economy. Being a pioneer in the reform of free trade finance and a guide for overseas enterprises, we focused on providing convenient free trade financial services for free trade zone enterprises with our own cross-border advantageous products. Relying on the advantages of digitalization, we continuously enhanced the level of digital inclusive services and continuously improved the financial services for weak links in the real economy such as private small and micro enterprises, helping to achieve common prosperity. We increased support for sci-tech self-reliance and self-strengthening at higher levels, continuously increased financial supply in key areas such as the advanced manufacturing industry and sci-tech enterprises, helping to accelerate the construction of a modern industrial system, and demonstrating new efforts to serve the high-quality development of the real economy.

**Joined hands to move towards a better future.** Closely focusing on the work guidelines to pursue Carbon Peak and Carbon Neutrality, SPD Bank fully promoted low-carbon transformation, built a "green bank" model to actively explore and practice in the green and low-carbon fields, and served industrial transformation and upgrading over the past year, enhancing financial functions, and achieving new breakthroughs in the field of green finance. We practiced the ESG concept with sustainable development as the core, integrated the ESG concept into the whole process of business management, and firmly promoted green transformation, assisting in achieving high-quality development. We also built an integrated green finance service system and continuously shaped the "SPD Bank Green Innovation" brand, further enhancing the competitiveness of green finance. We actively explored and practiced in the green and low-carbon fields, improved the overall arrangement of green finance, guided and allocated more financial resources to flow towards green and low-carbon industries and served the stable and orderly low-carbon transformation of carbon-intensive enterprises, promoting the development of economic and social green transformation, and fully supporting the achievement of the national "Dual Carbon" goals.

**Worked together to build a harmonious home.** Adhering to the customer-centric business philosophy, SPD Bank focused on strengthening consumer rights protection, optimized service processes with sincerity, and cared for the service needs of customer groups such as the elderly and new citizens over the past year, continuously improving their sense of gain, happiness, and security. We were always committed to building a people-oriented corporate culture, vigorously promoting the spirit of dedication, a sense of responsibility, and consideration of the whole interests, building a new concept system of the corporate culture of SPD Bank, and promoting the transformation of cultural power into productivity and creativity. Focusing on giving back to society, we continuously pushed forward the progress of the SPD Bank Public Welfare Foundation project, constantly improving the reputation and social awareness of SPD Bank's public welfare brand and demonstrating SPD Bank's contribution to building a harmonious and beautiful society.

Time and tide wait for no man and hard work pays off. If we keep going and never give up, the future is promising. SPD Bank will continue to be guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and fully implement the decisions and arrangements made by the Party Central Committee, the State Council and the Shanghai Municipal Government. We will perform the responsibility of "Serving the People with Financial Strength", continue to promote the Digitalization & Intelligentization Strategy, and focus on the "Five Priority Tracks" of technology finance, supply chain finance, inclusive finance, cross-border finance and wealth & asset management finance. We will take effective measures to further leverage our traditional strengths and accelerate efforts to achieve high-quality development. All staff of SPD Bank will firmly move forward with the pace of "Strivers", pursue the "SPD Bank Dream" with the attitude of "Stalwart Guardian", and build a "New SPD Bank" with the spirit of "Doers", continuously contributing to the high-quality economic development and Chinese modernization!

### Zhang Weizhong

Secretary of the Party Committee and Chairman of Shanghai Pudong Development Bank Co. LTD

## A Word from the Senior Management

In 2023, SPD Bank fully followed the guiding principles from the 20th National Congress of the Communist Party of China (CPC), and conscientiously carried out the decisions, deployments, and regulatory requirements of the Party Central Committee, the State Council, and the Shanghai Municipal Party Committee and Government. Focusing on the strategic goal of the "14th Five Year Plan", we continued to promote transitions to light asset, green and low-carbon operation, and digitalization. Centering on the business mainline of "Quickening Launch, Increasing Revenue, Ensuring Quality, and Consolidating Foundation", we adhered to longtermism, maintained strategic determination, took firm steps to seek transformation and development and deepened the reform of our business structure. We faced challenges, bravely moved forward, earnestly served the real economy, and achieved further progress in promoting high-quality development.

In 2023, SPD Bank achieved a total operating revenue of RMB 173.434 billion, paid taxes of RMB 30.3 billion, with a social contribution value per share of RMB 9.18, ranking 260th among Fortune Global 500, 115th among Forbes Global 2000, and 18th among the Global Banking 1000 for three consecutive years.

**In the economic field,** SPD Bank fully leveraged its geographical advantages of being based in Shanghai, strengthened the group collaboration, and continued to make efforts to support regional development strategies such as the integrated development of the Yangtze River Delta, the coordinated development of Beijing-Tianjin-Hebei, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, and to serve the "the Belt and Road" Initiative and Shanghai's major tasks, so as to inject momentum into the development of the real economy. We gave full play to the radiation effects of our leading role in free trade finance, accelerated the innovation and development of free trade finance, and relied on the three major coordinated free trade platforms in Shanghai, Shenzhen and Hainan to meet the needs of high-quality customers across the country for free trade cross-border financial services. We continued to strengthen our digital inclusive financial capabilities and improve the coverage, availability and convenience of our inclusive financial services. We upgraded sci-tech financial service plan, committed to building a new sci-tech financial service system of "stocks, bonds, loans, guarantees, leases, incubation, matchmaking, and linkage", providing full life-cycle services for technology enterprises. As of the end of 2023, our FT deposit and loan balances exceeded RMB 60 billion and RMB 70 billion respectively. We served over 50,000 sci-tech enterprises, whose loan balance increased by over 30% compared to the beginning of the year, and we served over 70% of listed companies on the Sci-tech Innovation Board, continuously building the brand influence of "SPD Bank Sci-tech Innovation".

**In the environmental field,** SPD Bank continued to build a "Green Bank" to serve industrial transformation and upgrading and promoted green and low-carbon transformation of the economy and society, helping to achieve the "Dual Carbon" goal. We continuously innovated green financial products and business models, effectively integrated traditional credit products as well as financial tools such as mergers and acquisitions, bonds, equity, bank consortium, and matchmaking, and spared no effort to build a green financial supermarket that spanned the interbank market, capital market, and carbon finance factor market. We enhanced the brand "SPDB Green Innovation", improved the professional service system of green finance, and strengthened the competitive advantage in the field of green finance. As of the end of 2023, the balance of green credit was 524.6 billion yuan, an increase of 97.5 billion yuan or 22.82% compared to the end of the previous year. Since obtaining the carbon reduction support tool, we issued a total of RMB 18.6 billion of carbon reduction loans to 151 projects, resulting in an annual carbon reduction of 5 million tons of carbon dioxide equivalent.

**In the social field,** SPD Bank adhered to the original aspiration of serving the people with financial strengths and promoted digital transformation and the construction of application scenario system in key areas concerning people's livelihood, serving the real economy and the people's needs in an even better fashion. We continuously provided preferential services with lower fees and increased support for inclusive finance and people's livelihood consumption. We optimized the service process, paid attention to the financial service needs of new citizens, the elderly, children, and people with disabilities, and continuously improved the customer service experience. We continuously improved the system and mechanism of cadres and talents management, focusing on building a high-quality cadre and talent team, and continuously enhancing the cohesion and capabilities of employees. We assisted in consolidating the achievements of poverty alleviation, continued to carry out social welfare projects, and support the society through concrete actions. In 2023, SPD Bank donated a total of 14.21 million yuan in rural revitalization, children's health education, and disaster relief.

Looking ahead to 2024, SPD Bank will continue to follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and fully implement the decisions and deployments of the Party Central Committee, the State Council, and the Shanghai Municipal Party Committee and Government. We will develop a scientific understanding of the new stage of development, fully implement the new development concept, and actively serve the building of a new development pattern. We will effectively improve the quality and efficiency of our service to the real economy, fulfill our mission and responsibility as a state-owned bank, and promote the high-quality development of China's economy and society with high-quality financial services. "New SPDB, New Start", the Bank as a whole is committed to the goal of "comprehensively building a first-class joint-stock commercial bank with international competitiveness".

### Liu Yiyao

Deputy Secretary of the Party Committee, Executive Director, Vice President, and Chief Risk Officer of the SPD Bank Shanghai Pudong Development Bank Co. LTD



# Management

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## Party Building

SPD Bank thoroughly implemented the guiding principles from the CPC 20th National Congress, always adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and stuck to the comprehensive leadership of the Party. We conscientiously implemented the working guidelines of the Central Financial Work Conference, and contributed financial strength to serve the national major strategies and the building of Shanghai's "Four Major Functions" and "Five Centers" in a broader and deeper way.

### Dedicated to building China's financial strength

We adhered to the political and people-oriented nature of financial work and followed the laws of economic and financial development to ensure that the development strategy of SPD Bank is consistent with the decisions and deployments of the Party Central Committee, and ensure that the core values of SPD Bank always align with the people-centered value orientation. Based on the development strategy of SPD Bank and its own characteristics and advantages, we focused on five major areas: technology finance, green finance, inclusive finance, pension finance, and digital finance and continuously improved service quality and efficiency, promoting high-quality development. We seized the opportunity of high-level financial opening up, maintained a global mindset, leveraged the advantages of our group-based international services, and enhanced cross-border financing convenience, helping to enhance the competitiveness and influence of Shanghai as an international financial center. We adhered to the "Customer-Centric" business model, accelerated digitalization & intelligentization transformation, sped up the re-engineering of the business management process, and made every effort to improve business management efficiency and effectiveness.

### Party building energized the high-quality development of the bank

With top priority given to the Party's political construction, we launched initiatives to gain a good understanding of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and acted on it as an important political task. We conducted theme research, made improvements according to key research results, and cared for employees in a better way with effective measures to promote development and care for employees in a better way.

Adhering to the ideological building to enhance cohesion and forging the soul, we constantly strengthened the Party's innovative theoretical foundation, earnestly implemented the "First Issue" mechanism, strictly carried out the requirements of theoretical studies of theme education through group learning, theme lectures, expert instructions and self-studies.

We continued to focus on improving organizing capacity, strengthened the Party's organizational building, fully implemented the general requirements for Party building and followed the Party organizational guideline in the new era, and strove to improve the quality and efficiency of Party building.

We adhered to the comprehensive and strict governance of the Party and the bank to ensure that our financial work advanced in the right political direction. We promoted the change of the work style and observed strict discipline, and foster a clean and upright atmosphere through the whole bank.

Research projects conducted

192

Key research results applied

237

Key measures to solve difficult problems and promote development

162

Pressing difficulties and problems solved that were of great concern to the employees

76

### Corporate culture gathered strength to make the bank thrive

Keeping in step with the times and basing ourselves on the development mission, we issued the "2022-2025 Corporate Culture Construction Action Plan", specifying the key tasks based on the "Five Actions". We gave full play to the important role of corporate culture construction to "increase cohesion and promote development". We strengthened organizational support and integrated cultural concepts into the whole process of management, promoting the overall level of corporate culture construction.

Taking the important historical moment of the 30th anniversary of the opening of SPD Bank as an opportunity, we carried out a wide range of staff activities, held development symposiums and the 30th anniversary commemoration meeting. We set up the exhibition hall of SPD Bank, edited and published "30 Years of Unity - SPD Bank Milestones (1993-2023)", and rolled out the anniversary special journal and model special issue of the internal culture magazine "Bund 12". In the special issues, the 30 years of development history of SPD Bank was retrospectively, and the advanced models emerging from various fronts and various positions are publicized, greatly increasing cohesion in the whole bank.





## Corporate Governance

SPD Bank continuously promoted the modernization of its governance system and capabilities. We further deepened the organic integration of Party building and corporate governance and effectively ensured that the Party Committee gave full play to its leading role of "Guiding Direction, Managing Overall Situation, and Ensuring Implementation"; We constantly improved our governance structure and built a clear and sound governance structure for sustainable development, which defined the boundaries of responsibilities of the Board of Directors, the Board of Supervisors and senior management to ensure that there were effective checks and balances on all governance bodies who exercised their rights and obligations in accordance with their respective roles and responsibilities in a coordinated way and safeguarded the legitimate rights and interests of all stakeholders, striving to become a first-class joint-stock commercial bank with a strong sense of social responsibility.



### Performance of the Board of Directors and ESG Governance

The Board of Directors attached great importance to strengthening ESG management responsibilities, paid close attention to the company's commitment to economic, social and environmental responsibilities, regarded social responsibility as an integral part of SPD Bank's culture, brand and core competitive advantages, and promoted the common sustainable development of the Bank and stakeholders.

The structure of the Board of Directors remained diversified. As of the end of the reporting period, the Bank had a total of 10 directors in office, including two executive directors, three equity directors, and five independent directors (two female directors). The positions of chairman and president of the company were set up separately, with external directors accounting for 80% of the board. The independent directors of the company were all professionals who had a significant social influence in economics, finance, accounting, law, and other fields and were familiar with international accounting standards, laws and regulations, financial supervision and other market rules. The fourth meeting of the third employee representative assembly of the company elected one employee director to promote the orderly participation of employees in the company's governance in accordance with the law and protect their rights and interests. The company was constantly committed to building a more diversified board of directors, with diversity in gender, personnel structure, professional qualities, and experience, bringing more new perspectives, concepts, and ideas to strengthen ESG governance, and ensuring the scientific decision-making of the Board of Directors.

In terms of the performance of the duties of the Board of Directors, six board meetings were held in 2023 to review ESG-related proposals, covering the development of the Bank's business related to green finance, the implementation of green credit strategy, the development of green credit business, the development of innovation, the Bank's own environmental and social performance, and the fulfillment of corporate social responsibility. The board effectively fulfilled its responsibilities in social responsibility and ESG, risk management, inclusive finance, the protection of consumer rights and interests, and digital technology, and promoted the integration of ESG concepts into corporate governance.

In terms of ESG governance, the Board of Directors had four specialized committees: the Strategy and Sustainable Development Committee (Inclusive Financial Development Committee), the Risk Management and Related Party Transaction Control Committee (Consumer Rights Protection Committee), the Nomination and Compensation Assessment Committee, and the Audit Committee. Among them, the Strategy and Sustainable Development Committee (Inclusive Finance Development Committee) was responsible for reviewing the company's strategic planning and basic management systems related to sustainable development, such as social responsibility, green finance, ESG (Environment, Society and Governance), reviewing the reports related to green finance goals and sustainable development made by senior management, and supervising and evaluating the implementation of strategies related to sustainable development in a bid to further strengthen the planning and guidance of the Board of Directors on the Bank's green finance strategy and sustainable development management, actively fulfill social responsibility, practice the concept of green development, and develop good corporate governance practices.

The management actively promoted the implementation of environment-related work and established the Promotion Committee of the Green Finance Business, with the President as the director of the committee, which coordinated the development

of green finance of the Group, gave full play to the advantages of various sectors of the Group and the synergies of subsidiaries, innovatively developed green finance, accelerated the "Dual-Carbon" transformation, and followed the path of green and low-carbon development. Since the establishment, the Green Finance Business Promotion Committee held several working meetings and reviewed proposals on business strategies of green investment and financing as well as green operations.

In the head office, SPD Bank set up the Investment Banking Department (Green Finance Department), which had a green finance center to implement the decisions of the Green Finance Business Promotion Committee and lead the green finance work of the Group. We set up the Environmental Risk Control Center in the Risk Management Department of the head office, and established a full-time management team to lead the management of the environmental, social and governance risk of the organization. All domestic branches set up green finance departments that were responsible for promoting the implementation of green finance business in its region.

### The Performance of the Board of Supervisors

The Board of Supervisory attached great importance to supervising the performance of the Board of Directors and its members as well as the senior management and its members in the ESG field. In 2023, the Board of Supervisory held seven meetings to review ESG related proposals and listened to relevant reports, covering the development of the bank's businesses related to green finance and inclusive finance, as well as strategic execution, innovation transformation, corporate environmental and social performance, and corporate social responsibility performance. The effective supervision of the Board of Supervisory promoted the performance of the Board of Directors and senior management, as well as the integration of ESG concepts into corporate governance. At the same time, the annual supervision and evaluation conducted by the Board of Supervisory covered the ESG field. It conducted supervision and evaluation on the Bank's inclusive finance, green finance, innovation transformation, the service of major national strategies and the real economy in 2022, pointed out shortcomings and proposed supervision suggestions such as strengthening business empowerment through digital transformation and improving the value creation ability of green finance through "Dual Carbon" transformation in a bid to promote the Bank's better fulfillment of social responsibility.

The Board of Supervisors attached great importance to the protection of consumer rights and interests. It reviewed the reports of the regulatory bodies on consumer complaints in the banking industry on a quarterly basis, put forward supervision suggestions on the insufficient consumer protection work pointed out in the annual regulatory evaluation, and urged SPD Bank to continuously improve the level of consumer protection work.

The Board of Supervisors laid emphasis on giving full play to the role of the employee supervisors in performing their duties and safeguarding the rights and interests of the employees. In 2023, the employee supervisors listened to the opinions and suggestions of the employee representatives on rules, regulations and major matters involving the vital interests of the employees during the Workers Congress, and reported to the Board of Supervisors on the review of the proposals of the Workers Congress in accordance with the provisions, promoting the Bank to better implement the "people-oriented" concept and safeguard the rights and interests of the employees.

### Investor relations and information disclosure

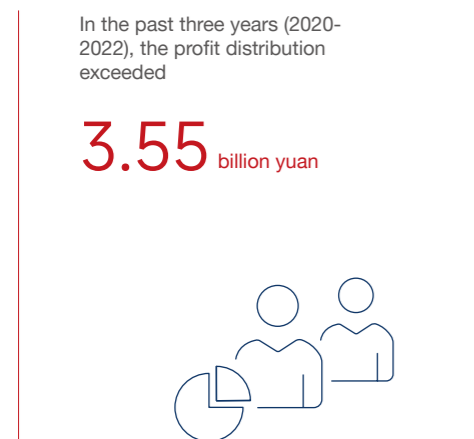
Always taking the safeguarding investors' rights and interests as its mission, SPD Bank continuously increased innovation efforts during the reporting period, and continuously improved the management level of investor relations.

**First, we continuously promoted investor communication on a daily basis,** such as actively inviting industry analysts and institutional investors for in-depth communication and exchanges, and participating in strategic meetings and other investor activities held at home and abroad. We set up special post mechanism for communication and interaction with investors by phone and network, and a special communication mechanism with small and medium-sized investors who paid attention to the company's operation and management for a long time.

**Second, we actively organized major investor exchange activities.** In 2023, we held three performance presentations to continuously maintain and enhance our market influence, communicate with investors, and advocate the bank's values proposition, strategies, and business transformation results so as to promote investors' understanding of the Bank's core competitive advantages and operational management ideas and enhance transparency.

**Third, we were committed to delivering sustainable returns to shareholders.** We continuously built a corporate culture to serve and respect investors, gave full respect to the demands of shareholders, and were committed to providing shareholders with sustained and stable returns, so that investors could have their share of the value growth of SPD Bank. The cash dividend ratio of 2022 annual profit distribution was 20.50%, and the dividend rate was 4.32%. In the past three years (2020-2022), the profit distribution exceeded 35.5 billion yuan.

**Fourth, we actively fulfilled the obligation of information disclosure to ensure timely, accurate, complete, and fair information disclosure.** In 2023, the company disclosed four regular reports and 79 temporary announcements on the Shanghai Stock Exchange. We disclosed annual performance reports for the 18th consecutive year and continued to disclose semi-annual performance reports to promote investors' understanding of our business performance on a timely basis. In regular reports, we provided detailed explanations of the company's strategic planning, core competitiveness, asset quality, competitive landscape and trends in the banking industry that investors were highly concerned; we further highlighted the achievements of SPD Bank's "Dual Carbon" transformation and green bank construction; and we provided quantitative analysis in areas such as green finance, social welfare, consumer rights protection, and investor relationship management to enhance report readability and help protect the legitimate rights and interests of stakeholders. In temporary announcements, we timely disclosed important corporate governance information to effectively protect the right of investors and enhance the public's confidence in the high-quality and sustainable development of SPD Bank.



## Risk and Compliance

### Important Progress in Risk Compliance

Taking high-quality development as the main line, SPD Bank adhered to problem-solving orientation and orderly promoted the internal control and management of key compliance items.

First, we comprehensively promoted institutional embedment. We built the basic framework of "Business Product Tree" composed of five-level directories, further optimized the structure and level of product tree through system comparison, synchronously started the construction of "Management Activity Tree", established standards and methods required by institutions in the framework, and strengthened the prevention of key risks.

Second, we improved the digital capability of compliance and built three major systems for employee abnormal behavior monitoring, abnormal business monitoring, and compliance internal control work platform. We regularly retrieved suspicious information through the "Dual-track" mechanism of online expansion of monitoring scope and offline verification to timely detect problem clues, verify and dispose violations, and promote the optimization of the management mechanism.

Third, we constantly enhanced compliance awareness and improved the compliance training and publicity. We regularly informed the staff of violation cases and strengthened warning and education. We organized institutions at all levels to carry out compliance training and improved the pertinence and effectiveness of training. We set up a "Compliance Engine" public account to issue compliance warnings and firmly established compliance awareness in the whole bank.

### Employee Behavior Management

SPD Bank promoted employee behavior management in an all-around way.

First, we improved the employee behavior management system with the "Three Methods, One Standard and One Code" as the core. In 2023, we completed the updating and revision of system documents such as the Employee Code of Conduct, and kicked off the revision and evaluation of the Measures for Investigation and Management of Employees' Abnormal Behaviors, Measures for Treatment of Employee Violations, and Standards for Treatment of Employee Violations.

Second, we strengthened compliance training as well as warning. We issued the "Staff 22 Prohibited Acts Accountability Case Compilation" and "Case Prevention and Control Workbook", and we continuously improved the awareness of integrity, law-abiding and compliance of all employees through the "Compliance Engine" public account and other channels.

Third, we improved the digital monitoring ability of employees' abnormal behaviors. By leveraging access to the internal and external databases such as transaction flow, judgment documents, and business information, we regularly and irregularly retrieved suspicious information, and handled it immediately to timely curb the underlying risks of employee moral hazard and operational risk.

### Anti-Money Laundering

Always adhering to the "risk-based" regulatory concept, SPD Bank conscientiously fulfilled its duties of anti-money laundering and counter-terrorism financing by adopting a problem-oriented approach and taking effectiveness as the goal. We constantly checked for money laundering crimes, implemented the Law of the People's Republic of China on Combating Telecom and Online Fraud, and promoted customer risk prevention, channel limit management, and real-time account monitoring. We strengthened due diligence on high-risk customers and evaluation of high-risk products, striving to achieve closed-loop management of "Pre-admission, In-process Control, and Post-monitoring"; we actively adapted to the requirements of information technology regulation, gave play to "Big Data" supervision on functions and behaviors, and conscientiously fulfilled the important obligation of anti-money laundering, helping to maintain the overall financial security of the country.





## Data Governance

### Data Governance System

SPD Bank attached great importance to data governance work, and has been building a data governance system since 2011 under the requirements of regulators' data governance and the guidance of the Bank's overall strategy. As of now, we have established a relatively complete data governance system, which makes clear the responsibilities of the Board of Directors, Board of Supervisory, senior management, various departments, branches, and group subsidiaries, with a top-down, coordinated and consistent data governance architecture. In 2018, we established a leadership group of data governance in the head office, with the president serving as the group leader and department heads of the head office serving as the group members, to research and decide on important data governance issues and promote the resolution of important issues in the entire Bank's data governance work. We developed the "SPD Bank 2021-2025 Data Strategy Plan", released the "SPD Bank Data Governance Regulations" and other programmatic systems, and formulated rules, regulations, and management processes. Starting from 2013, we have been building an intelligent data asset management platform for managing, promoting and applying data governance achievements to achieve the security and efficient sharing of data assets across the Bank.

### Basic Platform Construction

According to the requirements of the "14th Five-Year Plan" for digital technology of the whole bank, SPD Bank vigorously promoted the construction of the basic data platform of "MPP+HADOOP", which had an integrated architecture, built a research and development system integrating scheduling, monitoring and DataOps, and established the storage, calculation and integration capabilities of structured and unstructured data. At present, the basic data platform has a total capacity of 46.5PB, stores 18PB of service data, covering 410 business systems and 630 items of external imported data, and 160,000 types of data application operations.

### Data Aggregation and Interworking

SPD Bank completed the T+1 automated collection and aggregation of 436 major system metadata across the Bank, as well as the inventory and release of 7.53 million basic data assets and 375 service-oriented data assets with "Data + Algorithm + Scenario" as the core. Relying on the basic data platform of SPD Bank, we provided efficient, massive, and stable data aggregation, interworking, integration capabilities, and data-sharing services to the entire bank. Currently, we have provided data service support for 400 data applications and more than 6,000 BIU users across the Bank.

The total capacity of the basic data platform at present

46.5 pb

Service data stored

18 pb

Intra-bank service systems covered

410

External imported data covered

630 items

Application of various data

160,000

Main system metadata T+1 of the whole bank automatically collected and aggregated

436

Basic data assets of the whole bank

7.53 million items

Service-oriented data asset inventoried and released with "data + algorithm + scenario" as the core

375

## Data Security

SPD Bank continued to strengthen data security and customer privacy protection, and established a full-cycle and multi-level data security system to effectively protect our business and data security. In 2022, we obtained the third-level certification in the capability assessment of data security governance by the China Academy of Information and Communications Technology.

We strengthened the whole-cycle data security management. We developed data security management measures, implemented classified and graded data management to realize data control in the whole cycle ranging from collection, transmission, storage, usage to deletion and destruction, and adopted graded protection based on their security level. We carried out information security training for all staff every year, formulated the "SPD Bank Emergency Plan for Data Leakage", which made clear the emergency handling process and assignment of responsibilities for incidents and wrongdoings like selling customer information and exposing documents or codes on public platform, and deployed a regular inspection mechanism to better ensure data security and enhance the ability to deal with emergencies. We established an information security management system based on ISO27001 international standard and new international and domestic requirements and carried out annual system maintenance and optimization. We accepted the audit of third-party independent certification bodies and made continuous efforts to strictly control the implementation of internal norms and improve the level of information security management.

We established a hierarchical technical framework of data security. By following the proactive defense philosophy and hierarchical in-depth defense strategy, we set up measures and deployed equipment for security management and control at data, terminal, application, system, network and physical layers. We laid special emphasis on boundary control and brought forth stricter requirements for control, closing and monitoring of more than ten possible data leakage channels, including emails, mobile devices, printing, and the Internet. We synchronously implemented data security requirements throughout the whole cycle of information system construction. Through the control of demands, development, testing, we achieved synchronous planning, construction, and use of security technical measures.



### Important Progress of Internal Audit

The internal audit of SPD Bank is carried out under the direct leadership of the Party Committee and the Board of Directors of the Head Office. In 2023, according to the deployment and requirements of Shanghai State-owned Assets Supervision and Administration Commission, we established the audit leading group of SPD Bank to further strengthen the centralized and unified leadership of the Party Committee of the Head Office on internal audit.

SPD Bank established two levels of internal audit institutions at headquarters and branches, implementing an independent and vertical internal audit system and an organizational structure that separates the functions of the front, middle, and back offices. We established an internal audit work standard system based on the internal audit charter, which consisted of three parts: basic internal audit standards, specific standards, and internal audit practice guidelines. We also established an internal audit management mechanism of "one main line, two-wheel drive, three constructions, four standards, five distinctions, and six unifications". In 2023, SPD Bank formulated regulations such as the "SPD Bank Internal Audit Management Measures for Consumer Rights Protection" and the "SPD Bank Management Measures for Overseas Audit Talent Pool" to continuously strengthen the standardization of internal audit work and further improve the internal audit system.

In 2023, we adhered to the risk-oriented main line in the internal audit work, focused on policy implementation, key areas, and the performance of responsibilities to strengthen audit supervision; we actively paid attention to inclusive finance, green finance, financial management, information technology, financial consumer rights protection and other fields; we strengthened the coordination of the three lines of defense, further promoted audit rectification, and deepened the application of audit results, effectively improving rectification and supervision efficiency and strengthening joint efforts.



In July 2023, SPD Bank won one of the first "Leading Level" certifications of maturity assessment of the construction capability of internal audit data by China Academy of Information and Communications Technology; the case of "SPD Bank's Audit Digital Construction Practice" won the "Benchmark Case" of comprehensive capability at the second Digital Audit Forum, which was guided by China Institute of Internal Auditing and sponsored by China Academy of Information and Communications Technology.

### Commercial Ethics

In 2023, SPD Bank wrote "every staff shall not take advantage of power to accept bribes or other illegal income, shall not seize the property of the company" into the articles of association. We carried out warning education concerning typical cases of violations of regulation, discipline and law, enhancing the compliance awareness of all staff through in-depth analysis and making them to know, understand and abide by the law.

### Intellectual Property Protection

In 2023, SPD Bank actively carried out patent and computer software copyright registration and application for financial technology innovation achievements, and promoted intellectual property protection. By the end of 2023, we applied for a total of 974 information technology patents, among which 124 patents were authorized and in effect, including 111 invention patents; and completed 171 software copyright registration.

### Responsible Publicity

SPD Bank strictly abode by the Advertising Law of the People's Republic of China and other legal norms to carry out advertising. We revised and issued the "SPD Bank Management Measures for News and Information Release (B/O)" and "SPD Bank Negative List of Advertising Behavior and Content (Interim)" to further strengthen the standardized management of external publicity work.

### Antitrust and Fair Competition

SPD Bank conducted financial service businesses in accordance with the principles of equality, voluntariness, fairness and good faith. Under the premise of prudent operation and steady development, we sought the maximum economic benefits for shareholders and related stakeholders, and took "promoting and supporting the development of the national economy and the comprehensive progress of society" as our business purpose, which is incorporated into the articles of association.

### Supplier Management System

SPD Bank integrated green concepts into its procurement-related work and set up green access requirements and evaluation standards for products and services in supplier admission standards and procurement bidding processes. In the "SPD Bank Procurement Management Measures" and "SPD Bank Procurement Supplier Management Measures", it was explicitly written that "this institution advocates green procurement concepts, prioritizes the procurement of energy-saving and environmentally friendly products, and reasonably abide by green procurement principles in the process of confirming and proposing procurement needs, supplier sourcing, and procurement implementation based on procurement practices to fulfill the Bank's social responsibility; the procurement application department is required to determine supplier qualification conditions and setting evaluation rules to implement policies supporting innovation, green development, and the development of small and medium-sized enterprises.

By the end of 2023

Information technology patent application submitted

974

Patents granted and in force

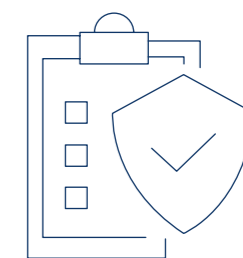
124

Including Invention patents

111

Software copyright registration completed

171





# Practice

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## Economy: Gathered Strength to Serve Market Entities

### Group-wide Collaboration to Serve the National and Regional Strategy and Major Tasks in Shanghai

SPD Bank actively leveraged the group's collaborative advantages and continuously made efforts to support and serve the major national strategies, the "Belt and Road" Initiative, and major tasks in Shanghai with cross-business, cross-market and cross-field comprehensive financial services, showing our fulfillment of responsibilities.

#### Serve the Belt and Road Initiative

Since the "Belt and Road" Initiative was launched, SPD Bank has dedicated to building an international "Four in One" business platform for offshore banking, free trade finance, overseas branches and overseas investment banking, has constructed a cross-border financial service pattern integrating domestic and foreign investment banking, has supported the energy and infrastructure construction of countries along the "Belt and Road", and has helped Chinese enterprises to "go out and expand cross-border business". By the end of 2023, SPD Bank had provided credit support of more than US \$19.6 billion to enterprises related to the countries along the "Belt and Road".

We gave full play to the advantages of our offshore branches and provided service portfolios such as account settlement, financing, and financial advisory for enterprises to participate in the "Belt and Road" Initiative. Relying on the FT account system, we met the cross-border service needs in the "Belt and Road" Initiative through settlement and exchange facilitation and cross-border two-way RMB capital pool. SPD Bank successively set up Hong Kong branch, Singapore branch, and London branch to meet enterprises' cross-border investment and financing needs under the Belt and Road Initiative. In addition, SPD Bank International Holdings Limited played the role of an overseas licensed investment bank to achieve close linkage and effective complementation between investment banking and commercial banking in serving enterprises' business under the "Belt and Road" Initiative.

In terms of cross-border trade, we provided enterprises with various types of domestic and foreign currency cross-border trade settlement services. In terms of cross-border fund management, by providing local and foreign currency capital pool and other services, we established two-way channels for enterprises at home and abroad to achieve global integrated fund management with cash management products to flexibly match. In terms of overseas investment and financing, we actively provided enterprises with cross-border project financing, merger and acquisition financing, and other products and services.

In terms of cross-border RMB services, we continued to deepen settlement facilitation services, and sequentially launched functions such as cross-border RMB mobile banking, domestic bulk transfer of capital projects, and cross-border RMB full payment services, constantly contributing to making breakthroughs in the internationalization of RMB. According to the statistical data of the People's Bank of China, by the end of 2023, the cross-border RMB receipt and payment business volume exceeded 1.1 trillion yuan, and the cross-border RMB settlement volume accounted for more than 50% of the international settlement volume in local and foreign currencies.

#### Case

### Provide financial solution for a digitalization- & intelligentization-based cross-border logistics project

The year 2023 marks the 10th anniversary of the Belt and Road Initiative. Over the past decade, the China-Europe Railway Express, with its unique advantages, has played an important role in deepening economic and trade exchanges between Eurasian countries and the stabilizing the international industrial and supply chain, becoming a flagship project of the Belt and Road Initiative and an important channel serving the domestic and international double cycle.

In November 2023 in Xi'an, Shaanxi Province, SPD Bank co-organized the "Railway Express Rumbles on Silk Road - SPD Bank China-Europe Railway Express Cross-border Comprehensive Service Exchange Conference", released the "China-Europe Railway Express Comprehensive Financial Service Plan", which was based on scenarios, integrated into the ecology, to help the high-quality development of China-Europe Railway Express and made new contribution in serving the national strategy, supporting the real economy, and promoting the development of foreign trade.



#### Case

### Serve international production capacity cooperation

In 2023, SPD Bank participated in the syndicated loan financing of the Indonesian nickel and cobalt smelting project of a nickel whole industry chain company, with a loan share of 1 billion yuan. The project was guided by comprehensive and utilization and green exploitation of laterite nickel ore resources and coordinated development of related industries, which had positive significance for deepening international production capacity cooperation.

#### Case

### Support Green Belt and Road Initiative

In 2023, SPD Bank participated in the syndicated loan financing for a waste-to-energy plant project of a listed environmental protection new energy company in Vietnam, with a loan share of \$20 million. The plant was the first waste-to-energy plant in Hanoi, Vietnam, which would effectively improve the local human settlement environment. The project became a demonstration project for Chinese private enterprises to go to Vietnam to participate in the green "Belt and Road" Initiative.

#### Case

### Provide cross-border REITs loans to help China-Singapore connectivity project

SPD Bank Chongqing Branch took a number of measures to promote the healthy development of cross-border financial business and supported the building of Chongqing into an inland international financial center and the China-Singapore connectivity project with open, diversified and high-quality services. After learning about SASSEUR GROUP' need for REITs cross-border syndicated loan, Chongqing Branch communicated closely with customers, the leading bank, and professional law firms about business details, and cooperated fully with Singapore Branch to continuously solve the difficulties, and finally realized the issue of cross-border REITs syndicated loan in March 2023, which was another breakthrough made by the Chongqing Branch in helping the China-Singapore connectivity project to explore and connect Singapore's international financial market.



### Serve the Major Tasks of Shanghai

As a financial flagship enterprise headquartered in Shanghai, SPD Bank has always been in line with the development of Shanghai. With group-wide and comprehensive services, SPD Bank actively supported the building of Shanghai into an international financial center and a smart city, assisted the high-level reform and opening up of the Pudong New Area and the building of a leading area for socialist modernization, helping Shanghai to better play the role as an experimental field of the national reform and opening up and an trail breaker of Chinese style modernization.

### Help Build Shanghai into an International Financial Center

We deeply participated in the construction of factor markets, helping Shanghai become the main platform and pricing center for global RMB product trading. As of the end of 2023, SPD Bank had established business cooperation with 33 financial factor market institutions and had obtained a total of 79 business qualifications from 24 financial factor markets. We actively participated in the trading of bonds, foreign exchange, currency, precious metals, and bulk commodities in various markets, and played the role of core market makers. In 2022, SPD Bank won a total of 70 awards issued by 12 institutions. We actively supported innovation of products and services in factor market, being the first to roll out over 40 new businesses: served as one of the first batch of participators in the digital RMB settlement and completed the first order of business; was among the first batch of participators in the centralized lending business of the trading center and the Shanghai Clearing House. We made key efforts to promote innovative services such as the inclusion of the NRA account into the gold international board settlement system of the Shanghai Gold Exchange, and cross-border carbon quota business of the bulk commodity clearing of Shanghai Clearing House, the upgradation of China Clearing Shanghai Branch interbank system, interbank lending, domestic payment and collection and disbursement of foreign currency for foreign exchange transaction center.

We continuously provided investment, financing, and hedging services to support the development of regional economy and entity enterprises. In 2023, SPD Bank invested a total of over 83 billion yuan in RMB bonds issued by local governments and more than 200 enterprises in the Yangtze River Delta region with self-run funds, providing direct investment and financing support for enterprises in various industries and key engineering projects in the region. We invested over 28 billion yuan with self-run funds in ABS to assist enterprises in the Yangtze River Delta in tapping high-quality idle assets and optimizing resource allocation. We handled bill rediscounting for nearly 13 billion yuan in the Yangtze River Delta region, provided low-cost bill financing services to over 240 small, micro, and private enterprises in the region. We served approximately 24,000 customers with "SPD Bank Hedging" and promoted online services through the "E Alliance" to actively meet the hedging needs of enterprises.

### Promote the Upgrading of Urban Infrastructure

Case

#### Participate in the ABS of Shanghai's largest resettlement housing

In April 2023, Shanghai Branch participated in the investment of the largest resettlement housing ABS (asset-backed securitization) issued by Shanghai Construction Group in Shanghai. The branch fully participated in the pre-issue subscription to the fund trusteeship, efficiently met the diversified financing needs of enterprises, and spared no effort to serve the local economic construction of Shanghai.

Case

#### Support the selling of Shanghai government bonds over the counter in 2023

From March 21 to March 23, 2023, the Shanghai Branch supported the selling of Shanghai government bonds over the counter, giving priority to supporting public welfare projects such as major public infrastructure construction in Shanghai, which effectively met the investment needs of key industries and major projects in the city, and better promoted the sustainable and sound economic and social development of the city by leveraging the advantages of financial services. At the same time, the branch further enhanced the sense of participation of the public to meet the investment needs of individuals and small and medium-sized institutions by buying Shanghai government bonds to help the city's economic and social development and share the fruits of reform and development.

### Support Industrial Agglomeration and Upgradation in Shanghai

Case

#### A number of measures to support the development of the private economy

On April 18, 2023, to effectively improve the quality and efficiency of financial services for private enterprises, the Shanghai Headquarters of the People's Bank of China and the Shanghai Federation of Industry and Commerce held a "Private Enterprises Group Credit Signing Ceremony". SPD Bank, as the bank representative, signed a contract with three private enterprises, 51JOB Qianjin Network Information Technology (Shanghai) Co., LTD., CanSinoBIO (Shanghai) Biotechnology Co., LTD., Shanghai Sanma Intelligent Technology Co., LTD., to provide a total of more than 10 billion yuan of intended credit lines to support the continuous improvement of the quality and efficiency of financial services for private enterprises.

Shanghai Branch takes increasing credit supply to private enterprises as a key task. On the one hand, for advanced manufacturing, strategic industries and private science and technology enterprises with independent and controllable industrial chain and supply chain, the branch continued to strengthen medium and long-term financial support to meet the long-term financing needs of private manufacturing enterprises. On the other hand, the branch gave full play to its service advantages in the fields of direct financing for private enterprises, mergers and acquisitions and reorganization to help the coordinated development of private economic regions. By the end of 2023, the loan balance of private enterprises in Shanghai Branch exceeded 215 billion yuan, and the new private enterprise loans issued in 2023 exceeded 160 million yuan, accounting for more than 46% of the new corporate loans issued.

Case

#### Promote "Industry's Going Upstairs" to build "Intelligent Manufacturing Space"

SPD Bank quickly responded to policy requirements to form "four specialized mechanisms" for "Intelligent Manufacturing Space" financial services. On November 10, 2023, we issued the first loan for "Intelligent Manufacturing Space" (Industry's Going Upstairs), becoming the first commercial bank to launch credit exclusive products for "Industry's Going Upstairs". Through the formation of a bank syndicate, SPD Bank will help Chint Smart Port to build "Intelligent Manufacturing Space", and provide active exploration for Shanghai to expand the development space of manufacturing industry, release productivity, and increase the proportion of industry.

Case

#### Publish SPDB Blue Book: Outlook on Hedging Market for five consecutive years

In February 2023, SPD Bank issued the SPDB Blue Book: Outlook on Hedging Market for the fifth consecutive year, with the theme of "Innovation: Integrity Leads to Success". Centering on "comprehensively implementing the guiding principles from the CPC 20th National Congress, fully understanding the new development pattern, focusing on high-quality development, following closely the Chinese path to modernization with financial service", the Blue Book systematically expounded on the aspects of macro-economy, fixed income, foreign exchange, bulk commodities and precious metals, which comprehensively revealed the opportunities and challenges in the financial market, promoted cooperation with strategies and fully embodied the concept of "SPD Bank Hedging, Win-win Cooperation" to provide professional hedging services and help enterprises to operate steadily.



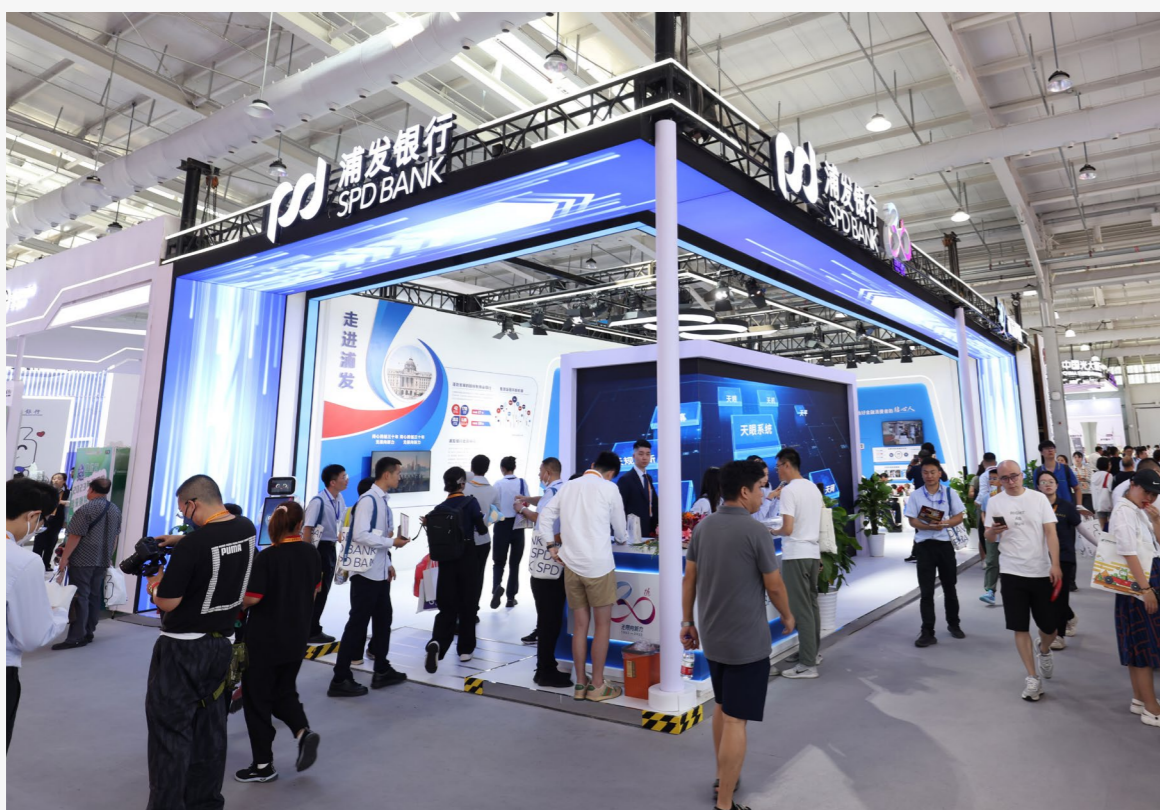


Serve Major Activities

Case

Debut in 2023 China International Service Trade Fair

On September 2-6, 2023, SPD Bank made its debut at the 2023 China International Service Trade Fair. The main exhibition booth centered on the five main themes of "serving the construction of major national projects, supporting local economic development, being a leader in advantageous business fields, being a good partner who accompanies enterprises to grow, and a close friend for financial consumers". It comprehensively showcased comprehensive financial services such as science & technology finance, green finance, inclusive finance, and cross-border finance in various forms such as pictures, texts, and videos, sharing service achievement cases. It also set up artificial intelligence practical applications and game interaction areas to create a wonderful and diverse visual experience.



Case

Fully support the 6th China International Import Expo

During the 6th China International Import Expo, SPD Bank effectively linked domestic and foreign platforms and launched the "Different Currency Financing Business for Import" to help enterprises reduce foreign currency financing costs. We launched "iPuhui" US dollar personalized deposit to help enterprises optimize the allocation of foreign exchange resources. We provided comprehensive cross-border financial services for all participants, including remittance, exchange, financing, guarantee and credit enhancement.

Case

Strengthen service to support wonderful Asian Games

SPD Bank Hangzhou Branch strictly adhered to the requirements of the "2+4+3" Asian Games financial service supportingsystem, providing customers with convenient, efficient, and high-quality financial services in the aspects of outlets, cash, foreign exchange, and payment. The branch focuses on "key responsible outlets for cash service assurance" and built a "Hand in Hand Asian Games Collaboration Team" for AB group outlets, with 7\*24 dedicated personnel on duty to fully meet the cash service needs of domestic and foreign tourists during the Asian Games. At the same time, we did a good job in ensuring financial services in key areas, conducted investigations and visits to merchants, distributed "Notice of Financial Services for the Asian Games" and coin purses, and ensured that cash issues involving merchants were responded to within 10 minutes, contributing financial strengths to the "Wonderful Asian Games" with efficient services.





### "Benefit People's Livelihood" with "Accelerated Development" of Inclusive Finance

SPD Bank implemented the "digitalization & intelligentization Strategy", continuously enhanced digital inclusive services, reduced the financing cost of enterprises, developed digital inclusive services at multiple points, and continuously improved the coverage, availability and convenience of inclusive financial services for small and micro enterprises and rural revitalization, so as to contribute financial strength to promoting common prosperity.

#### Support Small and Micro Enterprises

In 2023, SPD Bank actively responded to the State Council's "Implementation Opinions on Promoting High-quality Development of Inclusive Finance" and issued 30 measures to provide differentiated full life cycle services for small and micro enterprises.

We enriched online financing services, integrated and launched "Puhui" product system. In 2023, SPD Bank comprehensively upgraded online mortgage products and launched a new "Puhui Mortgage Loan" product; we upgraded "Bank Tax Loan" to "Puhui Tax Loan" to enhance its competitiveness; we optimized the renewal of loans for small businesses and increase financial support for small and micro businesses. Our diversified financing products can also be flexibly combined to meet the diversified and multi-level financing needs of customers.

We deepened digital operations, transformed and upgraded the "SPDB Chain" product system. Through accurate underlying data analysis, industry insights and customer portraits, we realized chain enablement, digital operation and intelligent risk control. We strove to create an "8+X" product portfolio to support the financing needs in various scenarios of "one chain and one policy". At the same time, we continued to optimize the development model of the "1+N Circle Chain", created a "tabular and parametric" business processing template, simplified the approval process of schemes and strategies, and further improved the service response speed.

Case

#### Join hands with China Pacific Property Insurance Co., LTD. to create a new model of small and micro financing

In July 2023, Shenzhen Branch and China Pacific Property Insurance Co., LTD. jointly launched the government procurement cloud platform "Supplier Personal Online Loan" project. China Pacific Property Insurance conducted online underwriting for customers based on the transaction data of the government procurement cloud platform, while SPD Bank conducted online real-time approval based on policy information, applicant credit information and independent risk control model, which greatly improved the approval efficiency and risk control ability, effectively addressed small and micro customers' shortage of funds, lack of credit, and loan inconvenience, and promoted the diversification and convenience of financing in the government procurement market.

Case

#### "Cross-Border Flash Loan" addresses the financing difficulties of small and micro foreign-trade enterprises

In July 2023, SPD Bank cooperated with the China International Trade Single Window to customize the exclusive financing service "Cross-Border Flash Loan" for small, medium, and micro foreign-trade enterprises by relying on the automatic approval of big data model. Aiming at solving the problems faced by small foreign trade enterprises such as lack of collateral and barriers in traditional financing channels, we realized the precise bailout of enterprises through online and digital means. As of the end of December 2023, we had served nearly 150 enterprises and had issued 18 million yuan of "Cross-Border Flash Loan".

Case

#### Visit tens of thousands of enterprises to enhance confidence and upgrade service

SPD Bank actively responded to the activity of "Visit Tens of Thousands of Enterprises to Enhance Confidence and Upgrade Service" organized by the State Administration for Financial Regulation, the Ministry of Industry and Information Technology, and the Ministry of Commerce. We continuously optimized mechanisms, products, technologies, and processes in financial services, supported the small and micro ecology with inclusive finance, and addressed financing difficulties for enterprises. In the process of taking the initiative to understand the needs of small and medium-sized enterprises, SPD Bank branches focused on serving six types of customers, including innovative small and medium-sized enterprises and small and medium-sized enterprises in key industrial clusters, to offer distinctive and differentiated financial services. As of the end of December 2023, we visited a total of 90,600 customers, and offered new loans of over 142.29 million yuan to 4,614 small and medium-sized enterprises.



On December 7, 2023, SPD Bank held a symposium to support the high-quality development of private enterprises in Shanghai, continuing to strengthen financial services for private enterprises and help the high-quality development of the private economy.



SPD Bank Chongqing Branch held the second "Pursue Innovative Development through Cooperation and Win-win" Chongqing Meeting of High-quality small and medium-sized enterprises, Chongqing digital financial Innovation product launch Conference and other bank-enterprise meetings. SPD Bank Nanchang Branch held the activities of Support Smart Treasurer with Technology Finance" Group enterprise capital pool and Treasurer development Salon and the "Accompanied by SPB Bank to Go Global" Meeting. SPD Bank Changsha Branch and Hunan SME Service Center held a series of training lectures of "The Growth Path of SMEs".



Serve Rural Revitalization

SPD Bank accelerated the digital transformation of agriculture-related finance, bringing funds to support agricultural production and farmers' wellbeing. We formed a retail credit financial ecological map for smart agriculture, including six standard products of "aquaculture loan", "agricultural reclamation loan", "feed loan", "green photovoltaic loan", "rural small shop loan", and "agricultural machinery and equipment loan". By the end of 2023, SPD Bank extended a total of 7.2 billion yuan of "smart agriculture" retail loan, serving more than 10,000 agriculture-related customers.

Case

SPD Bank and China Pacific Property Insurance Work Together to resist the risk of price fluctuation of agricultural products

To help pig-raising enterprises avoid the business risks that may be caused by market price fluctuations, Shanghai Branch of SPD Bank and China Pacific Property Insurance Co., LTD. worked together to design price insurance product for enterprises and innovatively launched the "Agricultural Insurance + SPD Bank Hedge" business. This model can also be applied in the planting industry to help farmers avoid the risk of market price fluctuations. Through the innovative combination of "SPD Bank Hedge" and "Agricultural Insurance", we effectively reduced the impact of agricultural product market price fluctuation on the income of farmers, and helped enterprises to expand production and increase income.



Case

Channel "financial resources" to support the construction of a smart greenhouse planting base

In March 2023, Huzhou Branch, a subordinate to Hangzhou Branch, issued a loan of 100 million yuan for a smart greenhouse planting base project in Anji Agricultural High-tech Zone to support the green development of local modern agriculture. The project aimed to build a smart greenhouse with digital operation on the premise of taking good care of crop field, to provide training services and business site for innovative and entrepreneurial talent, and to provide a convenient business premises for local residents, returned migrant workers, and agriculture-related college students to innovate and start businesses. Huzhou Branch efficiently completed the project credit approval, and provided interest rate concessions for the project to ease the capital turnover pressure of enterprises, and injected new momentum for the new business form of developing agriculture with science and technology.



Case

Finance contributes "wisdom" to rural prosperity

SPD Bank Hefei Branch strongly supported the construction of the smart agriculture project in Xiaogang Village with a credit line of more than 100 million yuan to meet the financial needs of the construction of glass greenhouses and related supporting auxiliary facilities and equipment. With the digital greenhouse put into operation, tourists who come sightseeing and picking can feel the "high-tech" behind the digital greenhouse up close.

Compared with traditional field planting, the semi-enclosed multi-span glass greenhouse reduces cost and increases benefit to the best. Not only can the annual yield of tomatoes be increased by about 5 to 6 times, but the irrigation water consumption is only one-twentieth of the traditional method. More than 200 local workers will be employed, and the annual output value is about 50 million yuan.



Case

"Characteristic Aquaculture Loan" supports smart agriculture

Based on the characteristics of local agricultural development, SPD Bank Taiyuan Branch launched the "Featured Breeding Loan", which served five types of farmers who raised pigs, chickens, cattle, sheep, or keep bee. By the end of 2023, the balance of "Featured Breeding Loan" products reached RMB 17.96863 million for 54 households.

Jinshuoyuan Agriculture and Animal Husbandry Development Company in Jincheng City is a pig farming enterprise with a smart digital economy ecology. In June 2023, Taiyuan Branch learned that the company needed funds to expand production and provided it with a "Featured Farming Loan" for the first time to support enterprises to expand production and build a "close-loop" pig industry chain.



Case

Support the revitalization of the dairy industry through supply-chain financing

SPD Bank and Yili Group, a leading dairy enterprise, jointly launched the "SPDB-Yili Loan" to provide online supply chain financing for milk suppliers, and Yili Group's upstream cooperative ranchers across the country can apply for loans online. At present, the ranchers that applied for the loan come from places all over China like Baoding in Hebei Province, Qujing in Yunnan Province, and Hohhot in Inner Mongolia.

SPD Bank Hohhot Branch cooperated with SPDB Financial Leasing to provide financing leasing services to Inner Mongolia Lixing Ecological Animal Husbandry Co., LTD., the upstream rancher of Yili Group, with cows as assets, and handled the biological asset leaseback business for it. The total credit scale of the project exceeded 300 million yuan, which played a positive role in promoting the adjustment of local industrial structure in rural areas and the modernization of rural development.





Case

Win the title of "National Excellent Main Sponsor Village Bank" and other honors

In 2023 (10th) National Comprehensive Business Development Ranking of Rural Banks and the Fifth National Brand Value Ranking of Rural Banks, six of the rural banks of SPD Bank were awarded the "National Top 100 Rural Banks", and one was awarded the "National Excellent Rural banks for Rural Revitalization Service"; One was awarded "Excellent Rural Bank for Innovation of Financial Products and Services"; Three were rated as "typical representative units of the brand value of rural banks in China". Eight SPD rural banks won awards, with a listed rate of 29%.SPD Bank continued to be rated as the "National Excellent Main Sponsor of Rural Banks".



- Xinchang SPD Rural Bank, founded in February 2011, adhered to the original aspiration of "Serving the People with Financial Strength" and launched a variety of featured financial products and services such as "Tea Machine Equipment Mortgage Loan", "Rural Small Loan" and "Villagers' Stock Right Mortgage Loan". The bank actively served comprehensive rural revitalization and was widely praised by the government and customers.
- Gongyi SPD Rural Bank, founded in September 2009, facing challenges such as the rainstorm in Zhengzhou, made every effort to maintain continuous financial services, helping regional post-disaster reconstruction, enhanced business operation strength, and continued to improve service level and customer management ability.
- Liyang SPD Rural Bank, founded in June 2009, took "serving agriculture, rural areas, and rural residents as well as the small and micro enterprises with inclusive finance" as its mission, adhered to channeling more resources to the grassroots, and took concrete actions as a new rural financial institution in serving the real economy of the county.
- Chaling SPD Rural Bank, established in November 2012, strove to serve county economic development through innovation in business models and products by launching "Bank Electricity Connect", "Cattle Loan" and other featured financial products to improve the access rate of financial resources of "agriculture, rural areas and rural residents".
- Zixing SPD Rural Bank, founded in November 2009, deeply engaged in county finance and provided quality and customer-oriented services enabling more customers to enjoy convenient and affordable financial services.
- Linwu SPD Rural Bank, founded in November 2012, puts future in line with the development of the county's real economy and created "Village Connect" products to let local villagers benefit from inclusive finance.

Strengthen Services for People's Well-being

SPD Bank deeply practiced the concept of inclusive financial services, innovated service models of inclusive finance, and carried out a series of consumer finance activities to benefit the people by optimizing and upgrading new consumer loan products, so as to help the people live a better life.

Case

Create a new model of integrated development of "Finance + Cultural Tourism"

SPD Bank Kunming Branch launched a quick working capital loan for small and medium-sized enterprises in the Nanqiang street market, which met the short-term and medium-term capital needs of enterprises in the production and operation process. At the same time, merchants in the market could also further improve the convenience of payment and collection by connecting with SPD Bank API. With the help of the Kunming Branch, the streets of Nanqiang quickly recovered after the epidemic, and the passenger flow increased rapidly.

SPD Bank Lhasa Branch aimed at the characteristic industry of the ethnic costume industry, took the initiative to carry out research and connection, and successfully issued the first individual operating loan of the ethnic industry - "Tibetan Cloth Loan", which not only sent the "timely rain" for the turnover of enterprise working capital, but also achieved the ice-breaking of the local characteristic industry business development.



Note: Source from the Publicity Department of Kunming Wuhua District Committee

Case

Help the consumer market pick up in multiple scenarios

SPD Bank launched characteristic consumer credit products for new citizens, providing them with a variety of consumer installment loan products, covering multiple fields such as automobiles and daily consumption, effectively tapping and stimulating the consumption potential of new citizens. We launched housing loans for transferring mortgaged houses in cities that meet the conditions, which simplified the mortgage business process and helped customers with essential need for a home to live in and demands for better housing. Following the main line of "State-owned Assets and State-owned Enterprises to promote consumption", put forward by the Shanghai Municipal Commission of Commerce and Shanghai State-owned Assets Supervision and Administration Commission, SPD Bank carried out a series of consumption promotion activities, launched a number of consumer loan products with characteristics to benefit the people, and enhanced services in a number of consumption scenarios to boost market expectations and confidence, and polish the new business card of Shanghai's consumer shopping with financial strength.





### Support Green Transformation

SPD Bank integrated the concept of green development into the key areas of inclusive finance, provided support for the green transformation of production and operation modes of small and micro enterprises, agricultural enterprises and farmers, such as technological upgrading and pollution control, promoted the development of green ecological agriculture, supported green agricultural production, rural green consumption, and promoted the green transformation of urban and rural residents' lifestyle.

#### Case

##### Green to Gold

Lishui Branch, a subordinate to SPD Bank Hangzhou Branch, helped Yaxi Town develop characteristic leading industries that promote collective income growth in villages and towns through the construction of photovoltaic power generation bases, river rental, and other methods. The rooftop photovoltaic project in Kuchuan Village, Yaxi Town, supported by more than 2 million yuan of funding from the Lishui Branch, generated 20,000 yuan of electricity generation revenue in the first quarter of 2023 alone after being put into operation in December 2022 and could increase the collective economic income of Kuchuan Village by 80,000 yuan in one year. Aiming to boost the development of villages and benefit local people, Lishui Branch increased financial support to assist in the construction of beautiful towns and the improvement of the operation conditions of agricultural machinery in farmland, and promote the vigorous development of rural tourism that integrates agriculture, culture, and tourism.

SPD Bank Xi'an Branch and Xi'an Yellow River Photovoltaic Technology Co., LTD. launched the "Photovoltaic Loan", which could be directly applied by farmers through App and was more efficient and convenient compared with the traditional model. Through the "Photovoltaic Loan", we provided loans to farmers who purchase household distributed photovoltaic power plants from Yellow River Photovoltaic to help farmers use the idle roofs of their homes to achieve self-sufficiency in electricity and create "sunshine benefits". After calculation, the final earnings could not only cover the principal and interest of the loan but also had a surplus, broadening the channels for farmers to increase income and get rich.

On June 30, 2023, the household photovoltaic operating lease project jointly promoted by SPD Bank Financial Leasing and Zhengtai Aneng ushered in the country's first successful grid connection of the photovoltaic power stations. Through the characteristic leasing model of "Financing+Leasing", we helped build a rural clean energy utilization system based on renewable energy. Through the profit-sharing model, we effectively increased the disposable income of farmers, promoted rural revitalization, and practiced the development concept of "Green Mountains and Clear Waters are as Valuable as Gold and Silver" through concrete actions. The implementation of this project explored a new model and path for an organic combination of green finance, inclusive finance, and rural revitalization strategies.



### "Boosted Engine" to Stimulate the "New Momentum" of Technology Finance

#### Serve the Construction of Major Projects

SPD Bank continued to give full play to the group's collaborative advantages, supporting the fields of space satellites, deep-sea mapping, and commercial aircraft, and actively provided financial services for the artificial intelligence industry, and served the construction of national major projects with higher quality.

#### Case

##### Support China's "One Rocket, Multi-Satellites" to move to a new level

In June 2023, the Long March 2D carrier rocket ignited and took off on time, refreshing the launch record of "One Rocket, Multi-Satellites" in China. This cooperation was an in-depth innovative practice of SPD Bank Financial Leasing in the space field and was also an outstanding achievement of focusing on leasing's essential role to serve the real economy and promoting win-win cooperation between the financial industry and the space industry.



#### Case

##### Finance helps the "Air Silk Road"

To implement the national strategy of jointly building the "Belt and Road" for high-quality development and building the "Air Silk Road" in the 14th Five Year Plan, SPD Bank Zhengzhou Branch, centering on the Zhengzhou-Luxembourg "Air Silk Road" national strategy and leveraging Shanghai's role as a financial and trade center, gave full play to the local financial backbone, took aircraft financing business as the entry point, and by virtue of the package of financial services program of "Smartly Designed Program +Business Financing Support", provided financing of 124 million yuan to Henan Aviation Investment Group in 2023, which actively supported the upgrading and development of Henan aviation industry and domestic commercial aircraft industry chain and provided finance for the smooth delivery of the first ARJ21 passenger-to-cargo aircraft in Henan, which was also one of the first ARJ21 passenger-to-cargo aircraft in China.





Case

**Support the development of deep-sea mapping technology**

SPD Bank Guangzhou Branch, according to the characteristics of large investment and long cycle in high-end equipment research and development of a subsidiary of a Guangzhou technology company, provided full-lifecycle accompanying services to meet the financial needs of its various development stages. As of the end of 2023, the Guangzhou Branch provided the company with more than 70 million yuan of financial support to help it develop underwater surveying and mapping equipment, so as to let domestic high-end underwater measurement and Marine space big data measurement help the realization of "Ocean Power Dream".



Case

**Help build a diversified and integrated AI industrial ecology**

In 2023, the Xuhui Binjiang Sub-branch of Shanghai Branch of SPD Bank opened. Focusing on building a high-quality platform for display and communication for artificial intelligence enterprises in the region and adhering to the concept of "Outlet+Experience Center+Incubator", the sub-branch endowed financial scenarios with more social attributes, and built a smart service system that integrates "Applying Technology+Service Functions+Scene Links+Ecological integration". In the future, the sub-branch will fully support Xuhui District, Shanghai in accelerating the spatial layout of "One Core, One Pole, One Belt" and the implementation of the AI Development "T Plan" to promote the higher-quality development of Shanghai's artificial intelligence industry.

**Serve Advanced Manufacturing Industry**

SPD Bank consistently strengthened medium and long-term financial support for advanced manufacturing, continuously increased lending to advanced manufacturing enterprises, fully supported the building of high-end industrial clusters, and accelerated the high-quality development of advanced manufacturing.

Case

**Light up the "lighthouse factory" and help the manufacturing industry in the smart and digital transformation**

Lanju Group started the construction of "Lighthouse Smart Factory" in 2022, and a series of high-tech projects such as digital intelligence, digital twin, and artificial intelligence cockpit needed to be launched, but faced the need of large investment and tight deadline for completion.

Guangzhou Branch actively connected with Lanju Group. In June 2023, the branch and Lanju Group signed a nearly 100 million yuan "digital loan" project. After the completion of the project, it is expected that the annual output value will be more than 600 million yuan and multiple goals will be achieved such as the growth of production efficiency and output, the increase of inventory turnover, the decrease of "Double Carbon" emissions, the decrease of product unit energy consumption, and decrease of operating costs, helping the enterprise to become a leading "Lighthouse Smart Factory" in the industry and even in the world.



In February 2023, SPD Bank, as the sponsor manager, launched the first "Sci-tech Innovation" themed wealth management direct financing tool in China for Nanjing Intelligent Manufacturing Industrial Park Construction and Development Company. The park focused on building a modern industrial system that integrated advanced manufacturing and modern service industries, contributing a number of leading demonstration projects and scenarios in the "Smart and Digital Transformation" industrial action, and was building a distinctive "Smart Manufacturing Jiangbei District" industrial landmark. SPD Bank teamed up with financiers to launch the country's first sci-tech innovative wealth management direct financing tool, providing an innovative model for technology and finance cooperation between banks and enterprises.

Case

**Help advanced manufacturing enterprise issue the first collective bill**

On December 25, 2023, the first phase of the 2023 collective short-term financing bill for advanced manufacturing enterprises in the Yangtze River Delta, exclusively underwritten by SPD Bank, was successfully issued. The issuance scale of this bill is 700 million yuan, with a term of 270 days and a coupon rate of 2.98%, which is 47 base points lower than the one-year LPR, effectively reducing the financing costs of private enterprises. This collective bill, jointly issued by three private advanced manufacturing enterprises, Guoxuan High Tech Co., Ltd., Shangneng Electric Co., Ltd., and Ningbo Jizhi Technology Co., Ltd., took industrial clusters as the starting point, promoted the division of labor and cooperation between upstream and downstream of advanced manufacturing, and enhanced the synergy advantage of the new energy industry chain.

Case

**Financial momentum ignites the sci-tech engine of Hunan, boosting the "Little Giant" enterprise to achieve great development**

Hunan Feiwo New Energy Technology Co., LTD., founded in 2012, was one of the first batch of specialized "little giant" enterprises of the Ministry of Industry and Information Technology of the People's Republic of China.

For many years, Changsha Branch had provided enterprises with professional and comprehensive financial services, helped it match accounts receivable terms and improved fund utilization efficiency through short-term and medium-term working capital loans. Through the letter of credit - forfaiting business, the branch helped the enterprise expand its credit limits, effectively reduced its financing costs, and accompanied it to grow all the way. In the first half of 2023, the company vigorously promoted the "wind power high-strength fastener project", and Changsha Branch provided 40 million yuan to support the project, helping it expand production capacity and upgrade technology and achieve intelligent manufacturing transformation and upgrading. In June 2023, the company went public on the ChiNext, and SPD Bank became the custodian bank for the funds raised by the company's IPO, continuously safeguarding the company's development and takeoff.





## Support the growth of sci-tech enterprises

Relying on group units such as SPDB International, SPDB Financial Leasing, Shanghai Trust and joining hands with factor market institutions such as the Shanghai Stock Exchange, Shenzhen Stock Exchange, Beijing Stock Exchange, SPD Bank built a diversified sci-tech financial ecosystem with full life-cycle services of "Commercial Bank + Investment Bank + Ecology" to meet the financing needs of various growth stages of technology enterprises together with various entities such as government departments, securities brokerages, equity investment institutions, and sci-tech hub enterprises.

### Case

#### Help to issue the country's first batch of hybrid sci-tech bills

On July 26, 2023, "The Fifth Medium-term Note of Shaanxi Investment Group Co., Ltd.(hybrid KECH Bill)", exclusively underwritten by SPD Bank, was issued in 2023, with a scale of 1 billion yuan. It was mainly used for equity investment of the issuer in sci-tech enterprises and growing enterprises and the investment of Shaanxi Taichuang Original New Investment Fund. This hybrid sci-tech innovative bill was an innovative project with the largest single issuing scale in the first batch of hybrid sci-tech bills in China and was also another important practice of SPD Bank in serving sci-tech enterprises.

### Case

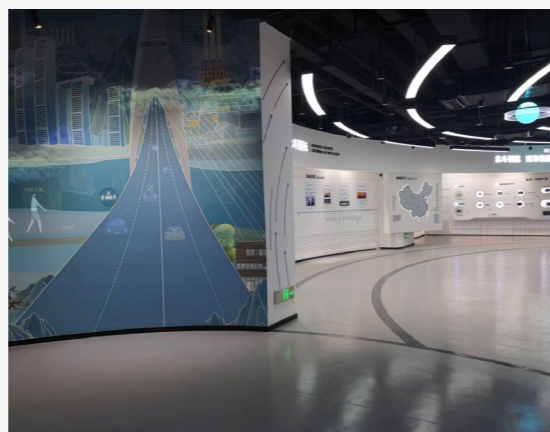
#### Loan + external direct investment safeguard the growth of sci-tech enterprises

In August 2023, SPD Bank signed strategic cooperation agreements of debt-equity combination financing with 13 investment institutions, including China Reform Fund, Green Pine Capital Partners, and SDIC Fund. According to the agreement, both parties would fully leverage their respective advantages, closely carry out joint business action, and provide characteristic financial services for sci-tech enterprises. Responding to the country's requirements of establishing a financial service support system of Interconnected "Stock+Loan+Debt+Insurance" linkage, SPD Bank seized new opportunities and provided comprehensive financial services for sci-tech enterprises and ecological partners by relying on the main business of commercial banks and the advantages of diversified financial licenses. At the same time, we would rely on the "Four in One" international financial service platform to provide assistance for the internationalization of enterprises.

### Case

#### Help specialized, sophisticated, special and new enterprises overcome difficulties

In February 2023, SPD Bank Chongqing Branch learned that Beidou Intelligent Connected Vehicle Technology Co., Ltd., a specialized, sophisticated, special and new "Little Giant" enterprise, had a batch of urgent orders to produce and had a significant demand for raw materials procurement funds. Through on-site research, industry research, and evaluation of the company's development prospects, the branch conferred credit after examination for the enterprise within 10 days, and a medium - and long-term unsecured "Quasi Credit" sci-tech innovation loan of 100 million yuan was issued. This was the largest credit granted to the company, and also the fastest credit extended. It was a strong proof of Chongqing Branch's innovation of service methods and strong support for the development of specialized, sophisticated, special and new enterprises.



### Case

#### Diversified financial services accurately help sci-tech enterprises

At the beginning of its establishment, Zhejiang Hangke Technology Co., Ltd. received comprehensive assistance from the Hangzhou Branch of SPD Bank. At that time, as a "new" technology company, it encountered problems with capital inflows, which was resolved by SPD Bank through coordination among enterprises, external management, and the development zone management committee. Afterwards, according to the specific needs of the enterprise, we increased the credit limit. On the eve of the company's listing, the demand for funds surged. We promptly followed up on the demand and opened a green channel to increase credit limits. After being listed on the sci-tech innovation board in 2019, SPD Bank's connection with Hangke Technology became closer and provided it with comprehensive financial services such as international settlement and salary processing.

### Case

#### Sci-tech Innovation Gravity Club co-creates an ecology

SPD Silicon Valley Bank launched the Sci-tech Innovation Gravity Club, which linked high-quality ecosphere resources, provided differentiated financial products and all-round empowerment, and built a "Financing+Intelligence+Technology" platform for sci-tech enterprise investment institutions and industry experts. Through organizing multi-dimensional founder training, advanced information sharing round-table meetings and other activities, the club attracted many investment institutions and sci-tech enterprises to actively participate and gained high recognition. As of the end of December 2023, the club served more than 5,000 local innovative enterprises and helped 45 customers successfully go public at home and abroad, becoming the preferred partner in the Chinese technology circle.





## "Excellent Services" Promote High-level Opening up of the Financial Industry

2023 marks the 10th anniversary of the construction of the Shanghai Pilot Free Trade Zone. Over the past ten years, SPD Bank has been a pioneer in the free trade financial reform and a guide for enterprises going international, leaving a strong mark on the blueprint of financial reform in the free trade zone, providing free trade account services for more than 5,000 enterprises and building a two-way cross-border RMB cash pool for more than 490 multinational enterprises. SPD Bank is the only joint-stock commercial bank that has been nominated for the Shanghai Free Trade Zone Financial Innovation Case Selection for eleven consecutive times. As of the end of December 2023, SPD Bank had FT account deposits of more than sixty billion yuan and loans of over seventy billion yuan, continuously maintaining a leading position among joint-stock commercial banks.

### Innovate institutional mechanisms

In September 2013, with the establishment of the Shanghai Pilot Free Trade Zone, SPD Bank simultaneously established Shanghai Pilot Free Trade Zone Branch focusing on carrying out innovative businesses and building itself into a bank-wide free trade service platform. In August 2019, with the establishment of the Lingang New Area of the Shanghai Free Trade Zone, SPD Bank established Shanghai Pilot Free Trade Zone Lingang New Area Branch, and SPD Bank was the first commercial bank in the new area to set up an exclusive institution corresponding to the management committee of the new area. This branch strove to provide enterprises with professional cross-border financial services and continuously improved their service level.

### Featured financial services

SPD Bank closely followed the direction of the financial reform of the free trade zone, made full use of the free trade zone policies that reflect the convenience of circulation, financing and exchange, such as cross-border cash pools, FT accounts and foreign exchange management reforms, and combined its own cross-border advantageous products to serve the high-quality development of the real economy, and strove to provide comprehensive and convenient free trade financial services such as cross-border payment and settlement, cross-border investment and financing, cross-border capital management, cross-border trade financing and foreign exchange hedging for enterprises in the free trade zone.

In terms of cross-border capital flows, SPD Bank was an active practitioner of facilitating financial services. After regulatory authorities such as the People's Bank of China and the State Administration of Foreign Exchange, and various peer organizations successively issued a series of policies such as cross-border settlement facilitation, SPD Bank responded quickly, optimized its management and products, and did a good job in product empowerment, not only implementing the new policies at the first time, but also attaching great importance to the replication and promotion of facilitation, actively carrying out publicity and guidance, replication and promotion, and forming the leading position of the industry. And up to now, the total number of high-quality customers with various facilitation access has exceeded four hundred.

In terms of cross-border fund management, SPD Bank was one of the first banks in the market to implement various types of cash

SPD Bank was one of the first commercial banks to pass the FT system acceptance inspection and became the first commercial bank in the industry to cover the city's outlets with free trade account services. Meanwhile, SPD Bank actively explored the integration with international rules to provide enterprises with international, professional and comprehensive "Four in One" financial services of offshore banking platform, free trade platform, overseas branches and overseas subsidiaries, helping to promote the high-level opening up of the financial industry.

pools. The business types covered the free trade zone version of the cross-border cash pool, the full-featured cross-border cash pool, and the centralized operation and management of foreign exchange funds. According to the actual situation of multinational group companies, we provided personalized customized services, and have built more than 460 cash pools, covering customers in emerging Internet industries, biomedicine and other key national support fields, and solving the needs of enterprises to adjust the surplus and shortage of funds at home and abroad through the construction of cross-border cash pools.

In terms of cross-border financing services, SPD Bank utilized two markets and resources, both domestically and internationally, to provide financing support for major projects and key enterprises in the zone. As of December 2023, SPD Bank has disbursed approximately three hundred billion yuan through free trade accounts, covering credit support for project construction in the zone, overseas financing for enterprises going global, and overseas M&A financing for well-known investment institutions and high-tech enterprises based on industrial chain integration.

In terms of cross-border exchange services, SPD Bank launched a series of free trade exchange products to focus on the foreign exchange hedging needs of cross-border enterprises, and was the first in the industry to launch the real-time foreign exchange settlement and sales function of online banking for free trade accounts, so as to enhance the convenience and risk management capabilities of enterprises in handling foreign exchange business with technology empowerment. Enterprises made real-time transactions according to online banking quotations, and realized

WYSIWYG transactions, avoiding price fluctuations that may be caused by the original one-by-one inquiry process, and providing more efficient support for internal exchange rate risk management. In addition, through the application of API direct connection (open banking) technology to free trade real-time exchange, the

### Build a professional platform

SPD Bank set up the "Zhu Chengbei Free Trade Innovation Laboratory," named after Comrade Zhu Chengbei, winner of the Shanghai May Day Labor Medal, to carry out work in the fields of customer service, business innovation and cross-border risk management, effectively playing a leading and exemplary role as a business pioneer.

Focusing on customer experience, SPD Bank formed scenario-based service characteristics. According to the industry characteristics of the agglomeration of the free trade zone, by focusing on the regional economic characteristics and customer needs, SPD Bank was the first in the industry to launch the *Free Trade Zone Financial Service Plan*, which has been updated to version 12.0. The Plan highlighted the characteristics of scenario-based services and provided financial supply based on the needs of customers. After years of practice and exploration, SPD Bank has accumulated service experience in twelve scenarios, including offshore economy and trade, cross-border e-commerce, global treasury, overseas capital security, cross-border ship management, and free trade bonds.

By constantly expanding thinking and improving the level of innovation, SPD Bank took the lead in the fields of RMB capital account convertibility, expanding the cross-border use of RMB, foreign exchange management reform and financial innovation, and managed to be the first to implement nearly one hundred new and innovated businesses. Firstly, we sought to enrich the financial innovation of the integration of domestic and foreign currencies in FT accounts, help promote the RMB capital account,

### Replicate, promote, and radiate throughout China

In the face of the historical opportunity of the construction of free trade zones across China, SPD Bank gave full play to the advantages of its experience in free trade financial services in the early stage and fully supported the construction of free trade zones across China.

While actively promoting the innovative practice of financial services in the Shanghai Free Trade Zone, SPD Bank was one of the first batch of banks to participate in FT account pilot projects in the Hainan Free Trade Port and the Shenzhen Qianhai Pilot Free Trade Zone, and set up exclusive service agencies or teams in twenty-two free trade zones across China, becoming one of the banks with the highest financial service coverage rate in the free trade zone, and forming a free trade financial service layout that is "based in Shanghai and radiating to the whole country".

In the Shanghai Free Trade Zone, SPD Bank has successively implemented nearly one hundred first-order and pioneering businesses in the market, including FT two-way cross-border RMB cash pool, offshore bonds in the free trade zone, overseas equity

bank's cross-border financial services were embedded in the enterprises' platforms and business processes, and all business was completed in the enterprise interface, realizing the frictionless operation of financial business.

launch the first batch of FT overseas financing and FT foreign currency services, and implement the first batch of FTE account services for science and technology innovation enterprises outside the zone, the first batch of FTF overseas talent introduction services, the first FT cross-border aircraft financial leasing, the first FT RMB structured deposit, the first FT custody, etc. Secondly, we spared no effort to promote the financial innovation of RMB internationalization. SPD Bank was one of the first batch of banks to launch the two-way cross-border RMB cash pool, RMB overseas loans, and fully functional two-way cross-border RMB cash pooling business, and the Bank was the first to launch centralized collection and payment under cross-border RMB current account for service trade, and the CIPS system. Thirdly, we continued to promote foreign exchange management reform and financial innovation. SPD Bank was one of the first batch of banks to launch centralized operation and management of foreign exchange funds, and voluntary settlement of foreign exchange capital, and to implement the facilitation of payment of capital accounts, and facilitation of foreign debts of high-tech enterprises.

By exploring risk management models compatible with cross-border facilitation policies, SPD Bank built a risk control model to conduct risk management in the form of points. If an enterprise's total evaluation points meet the standards, it can simplify the audit procedures of this enterprise, which improves convenience and experience.

incentive services for FTF accounts, and Shanghai-Hong Kong linkage FT syndicated transfers.

In the Shenzhen Qianhai Pilot Free Trade Zone, SPD Bank took the lead in implementing innovative businesses such as FT fully functional two-way cross-border RMB cash pooling business and interbank "FT+OSA" overseas syndication in the zone, and provided cross-border e-commerce enterprises with integrated financial services of "FT platform collection and payment + offshore online supply chain financing".

In the Hainan Free Trade Port, SPD Bank implemented the first batch of new offshore international trade businesses in the Hainan Free Trade Port, the first batch of overseas bond investment businesses of Hainan state-owned assets and state-owned enterprises in the market, and the first batch of FTN financing business under interbank guarantee.



Case

**Implement the first free trade bond investment business of a purely foreign-funded institution in the whole market**

SPD Bank Shanghai Branch successfully invested in the free trade zone offshore CNY bonds issued by a member of CapitaLand Group of Singapore, with a maturity of 3 years and an issuance scale of 600 million yuan, and finally invested and won the bid of 180 million yuan. This issue of bonds was the first free trade zone bond issued by a purely foreign-funded institution in the whole market, and the actual credit subjects were overseas listed REITs; and the funds raised were mainly used to replace overseas outstanding debts and optimize the financing structure.

Case

**Take the lead in providing a "safe haven" for enterprises through cross-border cash pools**

After learning about Nippon Paint China's cross-border fund transfer needs, SPD Bank opened FTN accounts for its Hong Kong company and Singapore holding company, taking into account the needs of multiple currencies, and recommended the fully functional cross-border RMB cash pool to the enterprise. The group headquarters deposited the dividends received from the subsidiaries in the FTN account of SPD Bank, and then transferred them to domestic companies through the capital pool as needed to support the daily operation of the enterprise. This service not only solved the problem of capital flow, but also provided a "safe haven" with relatively stable returns for multinational companies such as Nippon Paint China in the context of increasing global risk events.



Case

**Seize the opportunity and become a good helper for cross-border business operations of enterprises**

SPD Bank seized the policy opportunities of the "Qianhai 30 Financial Measures" and "Hengqin 30 Financial Measures" to give full play to the advantages of cross-border multi-platform services and support the construction of the free trade zone.

SPD Bank Shenzhen Branch, in collaboration with Hongkong Branch, launched a product combining import trade financing and spot overseas foreign exchange purchase, providing supply chain enterprises with products combining RMB settlement and spot overseas foreign exchange purchase when they made payments for external procurement, and helping enterprises reduce financing costs and avoid exchange rate risks. At the same time, SPD Bank made use of the integrated business linkage mechanism of domestic and overseas branches to improve the timeliness of currency exchange and payment.

SPD Bank Zhuhai Branch, in collaboration with Hongkong Branch, participated in the issuance of 500-million-yuan senior unsecured guaranteed bonds by Huafa Group in Macau as the joint global coordinator, which became the first corporate bond of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (hereinafter referred to as "In-depth Cooperation Bond") in China, promoting the interconnection of financial markets in the Guangdong-Hong Kong-Macao Greater Bay Area.

Case

**Collaborate to implement global treasury projects for biopharmaceutical enterprises**

Through efficient collaboration with Nanning Branch, SPD Bank Shanghai Pilot Free Trade Zone Branch successfully loaded the global treasury for a biopharmaceutical company, helping the enterprise to realize the integrated management of domestic and overseas accounts, which was the specific practice of SPD Bank in doing well in technology finance and digital finance to serve the real economy. Guided by an open and integrated strategic top-level design, with a digital architecture as the foundation and various product innovations as the texture, SPD Bank's global treasury service solution provided enterprises with a whole-process integrated service solution of "consulting + system + finance + operation and maintenance" through the integration of financial and non-financial services, helping enterprises improve the refinement, intensification and intelligence level of treasury management.

Case

**Safeguard cross-border e-commerce "going global"**

SPD Bank Shenzhen Branch cooperated with Xinyun Logistics Trading Limited to launch a characteristic offshore cross-border e-commerce embedded trade financing business, which improved the company's operational efficiency and enhanced the convenience and inclusiveness of financing and settlement for cross-border e-commerce enterprises. Through the "Preferential Account Opening" service, it helped a trading company in Shenzhen to open a preferential account, and successfully piloted the collection and settlement of foreign exchange for cross-border e-commerce with electronic information of transactions, which reduced the settlement cost of the enterprise and improved the convenience and security of cross-border clearing of funds.

Case

**Collaborate with SPDB Financial Leasing in developing shipping finance**

SPDB Financial Leasing is one of the first companies registered and established in the Shanghai Lingang New Area to carry out financial leasing projects. As of the end of December 2023, SPDB Financial Leasing has implemented 53 cross-border leasing projects for ships in the New Area, with a cumulative project amount of more than 16 billion yuan, and conducted innovative businesses such as the FT cross-border aircraft financial leasing project in the Shanghai Free Trade Zone and the cross-border ship financial leasing project in the Hainan Free Trade Port.



Case

**Release version 12.0 of the Free Trade Cross-border Service Plan**

On September 21, 2023, SPD Bank released version 12.0 of the *Free Trade Cross-border Service Plan*, which reviews the historical evolution of the financial policy development of the Shanghai Free Trade Zone, sorts out the achievements of SPD Bank's continuous work in the Free Trade Zone, focuses on the service measures and characteristic advantages of SPD Bank in scenario-based services in the field of cross-border free trade (including key scenarios such as cross-border ship management and free trade bonds), and emphatically recommends SPD Bank's latest two major brands, namely, Free Trade E-Pass and Free Trade Bond Studio.





## Environment: Green Actions for a Better Future

### Green-oriented Development to Build a Green Bank

In 2023, SPD Bank continued promoting the implementation of the 2021-2025 Development Strategic Plan of Shanghai Pudong Development Bank (Group) and the 2021-2025 Innovation Plan of Shanghai Pudong Development Bank (Group) and made overall arrangements for the Bank's environmental and climate-related development plans and strategic objectives during the 14th Five-Year Plan period. By taking the "carbon peaking and carbon neutrality" transformation as one of the three key transformations of the whole bank in the future, we made every effort to promote the "green bank" construction, and continuously improved the direct sales of financial services to better serve industrial transformation and upgrading, and help achieve the "carbon peaking and carbon neutrality goals".

We continued promoting the green transition of our asset liability structure, product service models, and corporate culture. Firstly, we built the company's ESG framework and organization system in accordance with international standards, defined our own roadmap for implementing the "carbon peaking and carbon neutrality" strategy, and promoted the "green bank" construction in a systematic, digital, and visual way. Secondly, we built comprehensive carbon financial service capabilities covering basic functional services, product innovation, trading and market making, and capacity building in the carbon market, and comprehensively promoted carbon neutrality in our own operations and asset portfolios, making steady progress on the path to "Green Bank."

We continued promoting the construction of the environmental risk management system, and established environmental risk management requirements that match the development of green finance business. Firstly, we improved the organizational structure, established an Environmental Risk Control Center in the head office in July 2022, and set up a professional team to lead the bank's environmental risk management work; secondly, we improved the mechanism, incorporated environmental risks into the comprehensive risk management system, included the chapter on environmental risk management in the comprehensive risk management report, and continued following up and reporting on a quarterly basis; and thirdly, we improved the management process and continuously promoted the integration of environmental risk management requirements into the entire credit process.

In September 2022, SPD Bank officially became a supporting institution of the Taskforce on Climate Related Financial Disclosures (TCFD), which represented another active exploration by the financial institution in environmental information disclosure. After signing the *Joint Declaration of Banking Financial Institutions in Supporting Biodiversity Conservation*, we focused on marine life protection, water environment protection of key river basins, ecological restoration, and soil governance and restoration, and contributed our financial strengths to supporting ecological civilization construction and biodiversity protection. In November 2023, we became one of the first batch of "Sustainability Standards First Learning Partners" of the International Financial Report Standard Foundation's (IFRS) Beijing International Sustainability Standards Board (ISSB) Office.

SPD Bank established an environmental and social risk management system, improved relevant credit policies, systems, and process management, and continuously improved its ability to identify,

measure, monitor and control environmental and social risks in the development of green credit business. In accordance with the *Green Credit Guidelines* and the *Notice on Printing and Distributing Key Evaluation Indicators for the Implementation of Green Credit*, SPD Bank formulated and issued the *Measures for the Management of Environmental and Social Risks of Shanghai Pudong Development Bank* in 2015, which clearly stipulates the definition, management principles, management mechanisms and management processes of environmental and social risks, and promoted the revision of the system in accordance with the latest requirements of the *Notice on Printing and Distributing the Guidelines on Green Finance in the Banking and Insurance Industries*.

SPD Bank has incorporated a number of ESG risk-related signals into the early warning system as an important component of the early warning management system, for example, "enterprises are subject to administrative penalties with high risk or higher risk level within six months" and "enterprises are included in the key monitoring list by the Environmental Protection Bureau". When a customer triggers an alert signal, the score will be calculated based on the weight accumulation. SPD Bank adopts differentiated management measures for different levels of early warning customers. The early warning signal can be automatically obtained and triggered by the system, or it can be manually obtained and registered, and the corresponding early warning identification, continuous tracking and exit management can be carried out. In order to effectively solve the capital needs of renewable resource enterprises and promote the sound development of renewable energy, SPD Bank has formulated the *Management Measures for Renewable Energy Subsidy Rights Confirmation Loans* and the *Management Measures for Accounts Receivable Pledge Financing Business under Contract Energy Management*.

We continued to promote the integration of environmental risk management requirements into the entire credit process. In terms of pre-loan due diligence, we regarded environmental and social risks as necessary links, and relevant investigation opinions were included in the credit investigation report for classification management and dynamic evaluation. In terms of risk review, the compliance of environmental and social risk management of customers and their projects was regarded as an important content, and appropriate judgments were made on their formal and substantive compliance requirements. In terms of credit approval, the classification of environmental and social risks and risk review opinions were taken as important references. In terms of loan review, the management status of environmental and social risks was taken as an important content and embedded in the single business review process. In terms of post-loan management, we collected, identified, classified and dynamically analyzed environmental and social risk information, adopted different early warning and response mechanisms, and responded to relevant major risk events in a timely manner.

### Case

#### Hold the "SPD Bank Green Finance Circle of Friends" project promotion meeting

On June 20, 2023, SPD Bank, cooperating with the National Green Development Fund and the Shanghai United Assets and Equity Exchange, held a project promotion meeting for "SPD Bank Green Finance Circle of Friends". The meeting focused on the theme of "party building leading green development and jointly building and sharing a beautiful China," aiming to jointly promote the integrated green development of the Yangtze River Delta and continuously inject financial vitality into green development.



### Case

#### Launch the Comprehensive Financial Service Plan for Zero Carbon Industrial Park

By anchoring the development opportunity of the zero-carbon industrial park, SPD Bank launched the *Comprehensive Financial Service Plan for Zero-carbon Industrial Park* to further enrich the refined service connotation of "SPDB Green Innovation." The Plan focuses on the diversified needs of various industrial parks, such as industrial parks, logistics parks, data centers, and comprehensive parks, in the whole life cycle of preparation and planning, investment and construction, operation iteration, transformation and development related to zero-carbon transformation, and provides customized comprehensive financial services for government departments, property owners, management parties, enterprises settling in parks and other relevant parties. At present, SPD Bank has cooperated with a number of zero-carbon industrial parks across China to help these parks achieve zero-carbon transformation and development with its financial strength.

In Fujian, SPD Bank supported the construction of a local offshore wind power zero-carbon industrial park through project financing, helping to build it into a model zero-carbon industrial park. SPD Bank provided financial support to a zero-carbon new energy smart equipment industrial park in Guangxi, helping to build a large-scale wind power equipment production base in the southwest region. In Inner Mongolia, SPD Bank supported a leading private wind power enterprise to build a 900,000-kilowatt wind-solar-battery hybrid power project in Tongliao and took the lead in providing a green syndicated loan for the 400,000-kilowatt wind power project of Wuchuan Carbon Peaking Pilot Demonstration Wind Storage Base for an energy group, continuously enhancing the "SPDB Green Innovation" brand.





Case

**Join hands with ChinaBond Pricing Center Co., Ltd. to release the ChinaBond Green and Inclusive Finance Theme Finance Bond Select Index**

On January 9, 2023, SPD Bank and ChinaBond Pricing Center Co., Ltd. grandly released the ChinaBond Green and Inclusive Finance Theme Finance Bond Select Index. For commercial bank bonds and green policy financial bonds that explicitly invest the raised funds in the fields of green, small and micro enterprises, agriculture, rural areas and farmers, the battle against poverty, and mass entrepreneurship and innovation initiative, the ratings of issuers of commercial bank bonds are all AAA, and their ChinaBond Market Implied Ratings have reached AAA- and above, which deeply reflects "green, inclusive, and optimal selection".



Case

**Green finance continues wining awards and enhancing brand influence**

In April 2023, SPD Bank won the Best Green Service Bank of the Year Award at the annual China Financial Institutions Gold Medal List selection event hosted by the *Financial Times*. In August, at the ESG Development Forum of the Banking Industry 2023 hosted by China Banking and Insurance Media Company Limited, SPD Bank won awards such as "Top 20 Banks in ESG Comprehensive Performance" and "Annual Green Finance Model Case in Banking Industry (2023)" for its excellent performance in the ESG field. As a pioneer in the field of green finance, SPD Bank fully implements the new development concept, strengthens its own environmental, social, and governance (ESG) management, integrates ESG concepts into the entire business management process, and actively fulfills economic, environmental, and social responsibilities.



**Continuous Innovation in Low-Carbon Transition Creates Green Ecological Value**

In 2023, SPD Bank continued promoting the "SPDB Green Innovation" brand, and improving the "Six+N service system" covering six major fields: green intelligent manufacturing, green urbanization, green energy, environmental protection, new energy vehicles, and carbon finance, by centering on the *Green Financial Integrated Service Plan 3.0*. As of the end of 2023, the balance of green credit (according to the statistics of the People's Bank of China) was 524.6 billion yuan.

We continued increasing the supply of green finance, improving the layout of the green finance sector, increasing support for the low-carbon transition of the real economy, actively exploring transition finance business, guiding and allocating more financial resources to green and low-carbon industries and serving the smooth, orderly and low-carbon transition of carbon-intensive enterprises, so as to promote economic and social green transition and development, and fully support the realization of the national "dual carbon" goal.

SPD Bank actively leveraged the monetary policy tools of the People's Bank of China to increase support for green and low-carbon development, especially for projects with carbon emission reduction benefits in key areas, in accordance with the requirements of the *Notice on Matters Concerning the Establishment of Carbon-Reduction Supporting Tool* (Y.F. [2021] No. 278). As of the end of 2023, SPD Bank has issued a total of 18.6 billion yuan of carbon emission reduction loans to 151 projects since it received the carbon-reduction supporting tool, with a weighted average interest rate of 3.47%, driving annual carbon emission reductions of five million tons of carbon dioxide equivalent.

Green credit balance

**524.6** billion yuan

As of the end of 2023, since obtaining the carbon-reduction supporting tool, a total of 151 projects have been granted carbon emission reduction loans totaling

**18.6** billion yuan

Promote annual carbon emission reductions of carbon dioxide equivalent

**5** million tons

Case

**Issue the first transition finance loan in Shanghai to promote the effective connection between green finance and transition finance**

SPD Bank, by giving full play to its home advantage and conducting forward-looking layout, researched and participated in the formulation of the transition finance catalog standards, formulated the operation guidelines of typical transition finance loan products-sustainability linked loans at the head office, locked the target customer group in advance, and thus finally, under the guidance of regulatory authorities, took the lead in completing the 310 million yuan transition loan business of Spring Airlines Co., Ltd., contributing to the green and low-carbon transition of the air transport industry, a traditional carbon-intensive industry. The implementation of this business is a specific action of SPD Bank to implement the national work deployment on green and low-carbon transition and "25 Articles of Financial Support for the Private Economy", and it is also a useful exploration to promote the effective connection between green finance and transition finance.





Case

**Green Beijing and its surrounding areas to help the low-carbon transition of the iron and steel industry**

As a long-term partner of HBIS Group, SPD Bank Shijiazhuang Branch continued providing comprehensive green finance services to help it achieve green development. In March 2023, Shijiazhuang Branch provided nearly four hundred million yuan of credit support for the construction of a number of green projects such as the coke oven gas desulfurization and denitrification system and the phenol-cyanogen wastewater treatment station of Hangang Huafeng Energy Co., Ltd., a subsidiary of HBIS Group. In June 2023, Shijiazhuang Branch supported Tangshan Jiahua Coal Chemical Co., Ltd., a subsidiary of HBIS Group, to carry out the construction of the coke dry quenching project, and provided more than 500 million yuan of financial support for the construction of carbon reduction and environmental protection links in its coking project, helping it to save energy, reduce emissions, and develop in a circular manner.



Case

**Serve the new green infrastructure**

When SPD Bank Shenzhen Branch learned that there was a financing demand for the Yifeng Science and Technology Guangming 5G Big Data Center project, it responded quickly, customized a comprehensive financial service plan for the enterprise, and provided more than 1.3 billion yuan of financial support to help the Project be completed on schedule. The Project uses the latest technology to greatly reduce the energy consumption of the data center, which not only strongly supports the construction of the digital economy in the Guangdong-Hong Kong-Macao Greater Bay Area, but also promotes green and sustainable development with scientific and technological innovation.

Case

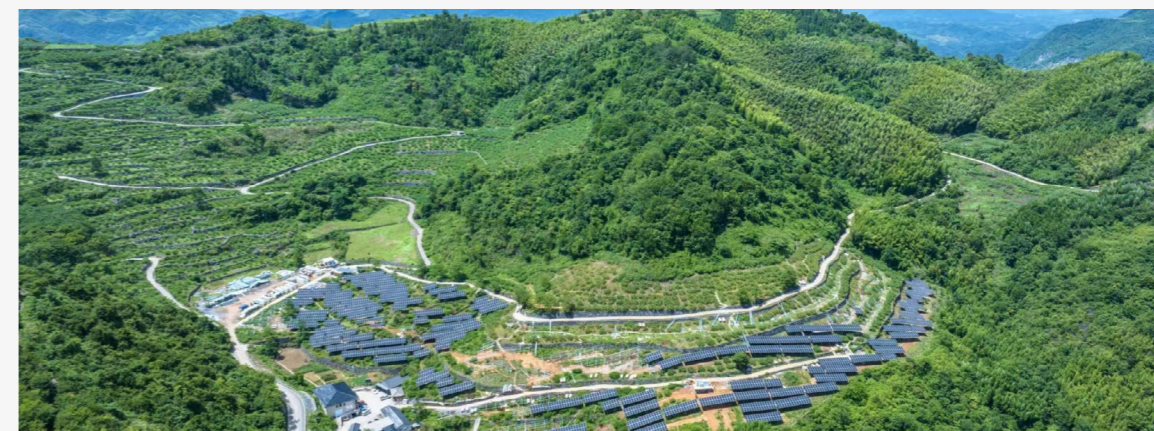
**Promote the green transition and upgrading of the automobile industry**

SPD Bank Shenzhen Branch focused on building a financing platform for green industries, and continuously introduced financial "living water" into key industries and fields such as new energy vehicles. Through the joint cooperation of the head office, branches, and subbranches, and close linkage between branches in different regions, the Branch solved the financial problem of project construction for a company in Shenzhen to build a new power battery production base in Nanchang, Jiangxi. After the project is completed, it will serve new energy vehicle enterprises in central China and effectively promote the green transition and upgrading of the automotive industry.

Case

**Photovoltaic green electricity and low-carbon development**

SPD Bank Hangzhou Branch took the initiative to meet the financing needs of the photovoltaic project in Wanshi Town, Fuyang District and issued loans to support the normal progress of the project construction. The project is the first centralized large-scale photovoltaic power station in Hangzhou, with high-efficiency green power above ground and increasing agricultural income at the lower level, forming a win-win situation of "new energy + rural vitalization," and promoting the harmonious coexistence and common development of the photovoltaic industry and agricultural and forestry resources. In June 2023, the first batch of the photovoltaic power station was completed and successfully connected to the grid. Before the opening of the Asian Games, it successfully supplied "green electricity" to the Games. After operation, the average annual power generation of the power station is about 54.55 million kilowatt hours, which is equivalent to saving about 16,637.67 tons of standard coal and reducing the emission of greenhouse gas carbon dioxide by about 44,400 tons per year compared with the thermal power with the same power generation.



On June 30, 2023, SPD Bank Shanghai Branch granted a loan for the "photovoltaic +" demonstration project in the transportation sector, playing a leading role in promoting the transition of energy structure and guiding green, low-carbon, and high-quality development in Shanghai. Meanwhile, it has successfully opened a new cooperation model of "photovoltaic + transportation" for SPD Bank, which will fully combine the actual needs of enterprises from the level of financial services to promote the integrated development of "photovoltaic +" and transportation.



The image is sourced from Shanghai Metro New Energy Co., Ltd.



Case

Support the construction of "waste heat heating" projects

In February 2023, the "Harbin Thermal Power Plant of Harbin Hatou Investment Co., Ltd. - Harbin Petrochemical Company Waste Heat Heating Project" supported by SPD Bank Harbin Branch was put into operation. The project uses the industrial waste heat from the circulating cooling water in the production process of Harbin Petrochemical Company to provide heat for the heat grid of the thermal power plant. After reaching its designed production capacity, it can add 2 million square meters of clean heating area to Harbin Thermal Power Plant of Harbin Hatou Investment Co., Ltd. in one heating season, which is equivalent to saving 37,100 tons of standard coal and reducing carbon dioxide emissions by 96,300 tons annually. The Branch innovatively links the loan interest rate with the carbon reduction amount of the project. When the enterprise reaches the target carbon reduction amount, it can enjoy lower preferential interest rates, guiding the enterprise to pay more attention to the energy conservation and emission reduction of the project.

Case

Support new energy storage projects

SPD Bank Hangzhou Branch conducted in-depth research on the development of the entire industrial chain of the energy storage industry and increased financial services for new energy storage production and application enterprises such as batteries, energy electronics, and "new energy + energy storage" power stations. The Branch provided over thirty-six million yuan of credit support to assist in the construction of Zhejiang Province's first "100-megawatt hour" lead carbon electrochemical energy storage power station project, achieving a new breakthrough in the field of green energy investment and financing. At present, the project has been completed, which can help enterprises charge and store electricity during off-peak periods and discharge it for users to use during peak periods, effectively reducing the pressure on production electricity consumption and improving the utilization rate of clean energy.



Case

Help the extension of the clean energy industry chain

SPD Bank Shenzhen Branch provided a corporate equipment mortgage loan of sixty million yuan to Shengshi Environmental Protection Energy Company, a "national level specialized and sophisticated little giant" firm, which provides precise support for its clean energy power generation projects. In addition, Shenzhen Branch, in collaboration with Taiyuan Branch, continued providing financial services for the firm to expand the scale of clean energy production, and provided a working capital loan of 10 million yuan for the firm's subsidiary Yangquan Liyu Coalbed Methane Utilization Company in Taiyuan, which is used for its daily operation.



Case

The "SPD Bank Speed" of offshore wind power

Cangnan No. 1 Offshore Wind Power Project is located in the eastern sea area of Cangnan County, Wenzhou City, Zhejiang Province, with a total of 49 wind turbines and a total installed capacity of 400,000 kilowatts. The center point of the site is approximately twenty-six kilometers offshore. It was put into operation in the year of construction, and it took two hundred days to complete the project, which is inseparable from the financial support of SPD Bank. When learning that there was a capital demand for Cangnan No. 1 Offshore Wind Power Project, SPD Bank Hangzhou Branch immediately set up an integration team. It took less than 60 days from door-to-door due diligence to on-site data collection and then to credit disbursement. The credit amount was approximately five hundred million yuan. The efficient implementation of the project reflects SPD Bank's ability to deepen innovation in green financial products and create a comprehensive clean energy financial service across the entire chain.



Case

Promote green and high-quality development with water-related services

Through comprehensive financial services such as green credit, green debt financing tools, and green economic development funds, SPD Bank Kunming Branch has contributed to Yunnan's efforts to accelerate the pace of green and high-quality development and build a clean energy base. Kunming Branch provided a comprehensive credit line of 1.5 billion yuan to the Longjiang Hydropower Station project in Dehong Dai and Jingpo Autonomous Prefecture in Yunnan Province to help the enterprise optimize its debt structure, and reduce its financing costs, contributing to Yunnan's green energy industry. The construction of Longjiang Hydropower Station not only supplements the development needs of Yunnan Province's new load, but also increases the scale of external power transmission of China's west-east power transmission program. Meanwhile, it has created favorable conditions for effective control of upstream floods, downstream flood control and irrigation, urban water supply and improvement of water environment.





Case

**Accompany the Yangtze River, and co-compose a green development movement**

With diversified green finance comprehensive services, SPD Bank Wuhan Branch continued accompanying and witnessing the development of the Three Gorges Group and helped the Three Gorges Group to implement clean energy development and ecological and environmental protection of the Yangtze River. In January 2023, Wuhan Branch, as the lead bank, issued the first syndicated loan for the waste-to-energy project of the Three Gorges Group, with a total syndicated loan of nearly six hundred million yuan. In March 2023, Wuhan Branch innovated its financing plan and provided renewable energy subsidy rights confirmation loans to the subsidiaries of the Three Gorges Group. With the confirmed rights to charge for outstanding financial subsidy funds receivables and electricity fees as credit enhancement measures, it provided nearly five hundred million yuan of loan funds for enterprises.



China Three Gorges Corporation



Gezhouba Hydropower Station

Case

**Complete the first RMB-backed buyout repo trading for green business in the market**

On October 17, 2023, SPD Bank completed the first RMB-backed buyout repo trading for green business in the interbank market, with an amount of 100 million yuan, and the interest rate was about 20 bp lower than that of state-owned bank certificates of deposit of the same maturity, which helps reduce the cost of interbank liabilities. The full amount of funds obtained in this business was used for green loans, which is another innovative measure of SPD Bank to serve the goals and tasks of carbon peak and carbon neutrality.

Case

**Issue the first series of 2023 green financial bonds**

From March 24 to 28, 2023, SPD Bank issued the first series of 2023 green financial bonds worth thirty billion yuan, with a term of three years and a coupon rate of 2.79%, receiving nearly 2.28 times oversubscription and subscription funds of nearly seventy billion yuan. There were over 130 investors, including state-owned banks, joint-stock commercial banks, urban commercial banks, and rural financial institutions. The funds raised were intended to be used for green industrial projects in areas related to carbon emission reduction and climate change mitigation, such as clean energy power generation, high-efficiency energy storage stations, and pumped storage power stations.

Case

**Start the renewal and upgrading of SPD Bank credit card green and low-carbon 3.0**

In April 2023, SPD Bank credit card upgraded the Green and Low-Carbon Zone, bringing consumers three "green incentives", including the Green and Low-Carbon Zone open to all cardholders, the unveiling of a new carbon emission reduction accumulation scenario, and the doubling of green consumption rewards on Earth Day. This project was awarded the "Top Ten Cases of Green Finance Development in Pudong New Area" by Shanghai Pudong Financial Work Bureau, and the "Nomination Prize of the Shanghai Financial Innovation Achievement Award" by the Shanghai Municipal People's Government.



Case

**The green asset support plan accelerates the development layout of carbon neutrality in enterprises**

SPD Bank Shanghai Branch assisted in the issuance of CPI Ronghe Financial Leasing Company Limited 2023 Green Asset Support Special Plan (for Carbon Neutrality) Series 1, with an issuance scale of over 1.5 billion yuan. All raised funds were invested in carbon neutrality projects. Shanghai Branch served as the custodian of the plan, and AXA SPDB Assets Management acted as the plan manager, fully demonstrating the collaborative advantages of SPD Bank Group. With a full range of financial services, SPD Bank is continuously injecting green financial power into CPI Ronghe Financial Leasing Company Limited to achieve its goal of becoming an "energy ecosystem integrator."



## Improve Quality and Efficiency in Green Operations

SPD Bank has integrated the concept of green development into its daily operations, continuously promoting green office, green procurement, green travel, etc., and relying on fin-tech to improve the quality and efficiency of operations, reduce carbon emissions, and polish the ecological background of "green." Moreover, reclaimed water recycling and utilization devices have been used in SPD Bank Tower and SPDB Center in 2023, and the measurement and statistics of reclaimed water application in SPDB Center will be further improved in the future; and water-saving renovation of hand washing faucets will be implemented or water-saving functional devices will be installed in information centers and office spaces in Zhangjiang.

### Green buildings

According to the requirements of the relevant documents on the development of green buildings in Shanghai, SPD Bank Tower and SPDB Center projects on the Shanghai Expo Site comprehensively adopted green building technologies such as centralized energy supply, roof garden, air purification system, exhaust heat recovery, solar energy recovery, rainwater recovery, building shading, pre mixed mortar, thermal insulation system curtain wall, low power consumption LED lighting, water-saving sanitary ware, and BIM from the aspects of water conservation, land conservation, material conservation, energy conservation, environmental protection, and pollution reduction throughout the projects' entire life cycle. The various special design achievements of SPD Bank Tower have been preliminarily evaluated by experts from the Shanghai Green Building Council and rigorously re-evaluated by experts from the Chinese Society for Urban Studies, and have obtained the highest level of green building design in China - three-star certification.

The special design achievements of Neighborhood A10A (Buildings B and G) and Neighborhood A03B (Buildings C and F) of the SPDB Center Project have been preliminarily evaluated by experts from the Shanghai Green Building Council and re-evaluated by experts from the Center of Science and Technology of Industrialization Development under the Ministry of Housing and Urban-Rural Development. On April 1, 2021, the project obtained the three-star green building design identification certificate. Neighborhood A10B (Building A and Expo Hotel) and Neighborhood A03A (Buildings D and E) of the SPDB Center Project were awarded the two-star green building design identification certificate.

The SPD Bank Tower Project and the SPDB Center Project were completed in August 2022 and May 2023, respectively, in accordance with the technical requirements of the three-star green building design application documents, and they have been fully put into operation after passing the comprehensive completion acceptance. SPD Bank will continue optimizing the parameter settings of equipment and facilities based on actual operation data, and integrate them into the building automation system to achieve the goal of operating three-star green buildings.



### The first international and domestic dual-certified "zero carbon" bank outlet opened in Anji, Huzhou

On July 20, 2023, SPD Bank Huzhou Anji Sub-branch officially opened. The Sub-branch laid about three hundred square meters of distributed photovoltaic panels on the roof of the building where it is located, and clay-colored photovoltaic modules were laid on the walls of the building. The combined annual power generation of the two can reach over 30,000 kilowatts, which can basically meet 70% of its electricity demand. In the office area of the Sub-branch, the prefabricated wall made of environmentally friendly raw materials has the characteristics of fast installation, recyclability, simple modification, etc., and has good fire and sound insulation performance. Energy recovery ventilators for outdoor air handling were installed to use the temperature difference and humidity difference between indoor and outdoor air to generate energy exchange while bidirectional displacement ventilation was conducted, saving energy consumption for fresh air pretreatment. Smart switches, smart air switches, and smart plastic shells were installed to control the power consumption of power distribution rooms and circuits, so as to achieve smart electricity consumption and reduce energy consumption. Besides, through the dual-carbon digital intelligence platform, the energy consumption of the bank outlet was managed, and its historical energy consumption data and energy parameters were analyzed to reduce energy loss.



Huzhou Anji Sub-branch has obtained the Carbon Offset Certificate issued by the United Nations Framework Convention on Climate Change and the Shanghai Environment and Energy Exchange, becoming the first branch outlet under the jurisdiction of Hangzhou Branch to achieve "carbon neutrality", and the first "zero-carbon" bank outlet with international and domestic double certification in the SPD Bank System.




### Empower green operations with the digital platform

To implement the concept of green and low-carbon operation throughout the bank, SPD Bank has independently developed the Puyun Carbon Control Intelligent Management Platform, an electronic control carbon visualization management platform. The Puyun Carbon Control Platform utilizes digital means to achieve centralized real-time monitoring, remote intelligent control, abnormal operation alarm and other functions of electrical equipment of bank outlets distributed in various locations, significantly saving electricity consumption at bank outlets, reducing carbon emissions at bank outlets, and improving the level of stable, safe, and green operation of bank outlets.

In October 2023, Puyun Carbon Control Energy Consumption Metering Remote Control Equipment obtained the Notification to Grant Patent Right for Utility Model issued by the China National Intellectual Property Administration.







## Society: Co-create Diverse Values

### "Strong measures" to Safeguard the Wealth of Financial Consumers

SPD Bank adheres to "the customer-centered principle", strengthens the protection of consumer rights and interests, improves the organizational structure and the institutional system, strengthens the management of business behavior, implements whole-process control, continues carrying out financial consumer education, solidly promotes the protection of consumer rights and interests and protects the "wallets" of financial consumers.

#### Establish and improve consumer protection mechanisms

In 2023, SPD Bank conscientiously implemented the management requirements of the regulators, focused on enhancing weak links, and promoted the construction of a consumer protection management system for branches, further improving the mechanisms for consumer protection review, internal assessment, and management of tripartite cooperative institutions, strengthening penetration management and continuously carrying out supervision and monitoring work such as special inspections and mystery customer checks, developing or revising multiple consumer protection related work systems such as audio and video recordings management, consumer protection review, and complaint management for wealth management sales, and further improving the consumer protection management system, continuously promoting digitalized consumer protection management around the goal of digitalization, conducting in-depth and detailed internal training on consumer protection in a multi-dimensional way, and continuously enhancing the consumer protection awareness of all employees in the bank.

SPD Bank earnestly fulfilled its main responsibility for complaint handling, removed barriers in channels for complaint, continuously strengthened the standardized management of complaints and the analysis and monitoring of complaint data, continued promoting the construction of multiple dispute resolution mechanisms, regularly reported relevant complaints to the Board of Directors and its professional committees, further strengthened the supervision and guidance of the Board of Directors and its professional committees on complaint management, and continuously improved the quality and efficiency of complaint handling and management.

In 2023, SPD Bank received a total of 389,588 consumer complaints on various matters, mainly concentrated in the businesses of credit cards, personal loans and debit cards, and distributed in the Yangtze River Delta region (accounting for 4.53%), the Bohai Rim region (3.37%), the central region (2.69%) and the western region (2.24%).

#### Popularize financial knowledge

We continuously carried out activities to popularize financial knowledge and educate financial consumers. In 2023, we carefully organized and carried out various activities, such as the "3.15" Consumer Rights Protection Education and Publicity Week, "Popularizing Financial Knowledge to the Public", "Protecting the 'Wallets'", and "Financial Consumer Rights Protection Education and Publicity Month". More than 1,700 bank outlets across China joined these education and publicity activities, with more than 50,000 employees participating. We conducted 39,835 online and offline education and publicity activities, with over 83.62 million views on our original promotional and educational copywriting. These activities attracted over 45.445 million public visits, covering the promotion of financial knowledge, prevention of illegal financial activities, and establishment of value investment concepts, which delivered financial knowledge to thousands of households.

We built a consumer finance knowledge promotion and education brand with SPD Bank characteristics. In 2023, we carried out offline theme education and publicity activities such as "Protecting the Silver Finance", "Growing with Financial Knowledge" and "Consumer Protection for New Citizens", continued expanding the brand influence of "SPDB Consumer Protection" online publicity, and continuously carried out "anti-fraud publicity" through our official WeChat Official Account, official website and official Weibo account to improve consumers' awareness of risk prevention. We actively gave full play to the "frontline" function of grass-roots bank outlets for financial knowledge popularization, and thirty-seven branches inside Mainland China have established "public education zones" in their bank outlets. Bank outlets in Beijing, Kunming, and Taiyuan have been established and awarded the title of "Financial Education Demonstration Base" at provincial level by the People's Bank of China.

#### Case

### Shenyang Branch: "Anti fraud Shop" for popularizing methods for identifying fraud

SPD Bank Shenyang Branch innovatively launched the "Anti-fraud Shop" activity, and set up three knowledge-based fun game challenges at the event site: "Critically Hit Financial Scam Bowling Ball," "Financial Knowledge Q&A" and "Fraud Cases Link Game." Bowling balls were covered with words such as "rights protection against illegal agency" and "illegal fundraising," and participants could easily KO frauds by bowling a strike. The competition in the "Financial Knowledge Q&A" was fierce, and participants gained financial knowledge through question and answer. Playing the Link Game with fraud cases was full of creativity, and participants carefully examined them for fear of making mistakes in identification. During the activity, groups of passers-by were attracted to participate in the anti-fraud games, and the anti-fraud knowledge was learned in an entertaining way.



#### Case

### Wuhan Branch: Carry out anti-fraud publicity during the summer vacation to popularize financial knowledge for teenagers

The staff of SPD Bank Wuhan Branch launched a variety of financial knowledge classes to help young people enhance their security awareness and improve their anti-fraud capabilities. In class, the staff of the Sub-branch explained in detail the tricks of "illegal trading of bank cards", "illegal fundraising", "illegal predatory lending", and "telecom and online fraud", guiding children to memorize the principle of "Four don'ts" and the "Eight WhatEVERS", making students wary of various scams and subtly improving their awareness of fraud prevention. Wuhan Branch also cooperated with local senior high schools to organize a two-day "Happy Summer Study Tour" financial practice activity, allowing students to immerse themselves in the "financial journey", taking the common scenes closely in daily life as the starting point, introducing anti-fraud knowledge to children in a simple and easy way, popularizing the importance of consumer rights protection, helping children to further improve their safety awareness and prevention capabilities, and protecting the healthy growth of teenagers.



SPD Bank Wuhan Donghu High Tech Sub-branch launched promotional activities on campus during the summer vacation



SPD Bank Wuhan Zhuankou Sub-branch and local schools jointly organized financial research activities

#### Case

### Xiamen Branch: Launch the financial consumer protection station and practice the concept of finance for the people

SPD Bank Xiamen Branch promoted implementing "party building + consumer protection" with concrete efforts, and joined hands with the Tapu Community Service Center and Xinglin Branch School of Jimei District University for the Elderly to jointly build a "Financial Consumer Protection Station", becoming one of the participating financial institutions to establish the 59<sup>th</sup> of the first "financial consumer protection stations" in Xiamen. The Financial Consumer Protection Station is home for protecting the rights and interests of financial consumers. The Branch strengthened cooperation with surrounding communities and schools to integrate financial knowledge into various public welfare activities held by these neighborhoods and communities, actively guiding citizens to establish correct wealth management views, improving their financial literacy, and boosting consumer confidence.





Protect the "wallets" of the masses

Employees of SPD Bank took actions to build a strong line of defense against fraud

Case

SPD Bank Shanghai Chongming Sub-branch

A citizen called Grandma Zhang came to the business department of SPD Bank Shanghai Chongming Sub-branch to check the account balance, and explained that she received a strange video call at home, and then she transferred 500,000 yuan to the account designated by the caller according to the prompt of the strange call. After learning the truth, the staff of Chongming Sub-branch immediately determined that Grandma Zhang had suffered from telecom fraud, and quickly assisted her in calling the police. They reported the loss and stopped payment of the bank card for the customer on the spot. The close cooperation between Chongming Sub-branch and the local public security resulted in successful intercept of the transfer and protected Grandma Zhang from the loss.



SPD Bank Jiaxing Nanhu Sub-branch

Ms. Zhang came to Jiaxing Nanhu Sub-branch to open a wage card. To protect the customer's account funds, the handling staff set a non-counter limit of 30,000 yuan for Ms. Zhang's bank card according to the rules for setting non-counter limits. After that, her daughter encountered telecom fraud when using QQ, and was prompted to exceed the limit when transferring funds from Ms. Zhang's account, and the transfer was restricted. When Ms. Zhang learned the situation, she immediately contacted the staff of the Sub-branch to report the loss of the bank card and reported it to the police station. Afterwards, Ms. Zhang specially dialed 95528 to praise the staff of Jiaxing Nanhu Sub-branch for setting the non-counter limit of the bank card in time when issuing the debit card to her, which prevented her from losing funds.

常州市公安局刑警支队

关于对浦发银行员工付琦的见义勇为行为开展表彰奖励的通知

浦发银行常州分行：2023年11月30日，常州市公安局刑警支队民警付琦同志在常州市公安局刑警支队办案区，发现一名男子持刀行凶，付琦同志挺身而出，与歹徒展开搏斗，成功将歹徒制服，并协助民警将歹徒押解回所。付琦同志在危急时刻挺身而出，见义勇为，保护了人民群众的生命财产安全，为维护社会治安做出了突出贡献。根据《常州市见义勇为奖励办法（试行）》规定，经研究，决定对付琦同志的见义勇为行为开展表彰奖励，望全行员工认真学习，弘扬正气，争做新时代好青年。



SPD Bank Changzhou Branch in collaboration with Shenzhen Fuqiang Sub-branch

Through the cross-branch collaboration of SPD Bank, a telecom and online fraud was successfully stopped. When Changzhou Branch received a notice from the local criminal police detachment to assist in checking the balance of the bank account involved in one case, the staff immediately confirmed that the opening institution of the account involved in the case was Shenzhen Fuqiang Sub-branch, took corresponding measures to control the account, and reported to the police without any delay. When it was found that the suspect involved in fraud was handling cash withdrawal business at the outlet, Shenzhen Fuqiang Sub-branch stalled the customer in time and immediately reported to the police. The Shenzhen Public Security Bureau acted quickly and arrested the suspect involved in fraud on the spot, successfully recovering a loss of 192,000 yuan for the victimized enterprise.

Service-oriented Operation for Better Customer Experience

In 2023, SPD Bank conscientiously implemented the management requirements of the regulators, continuously improved the construction of the customer service management system, standardized its business behaviors, strengthened the protection of consumer rights and interests, and made great efforts to improve the service quality, and was committed to becoming the "preferred bank trusted by customers".

Relying on fine-tech, SPD Bank continued promoting the construction of application scenario systems in key areas concerning people's livelihood to better serve the real economy. By broadening service channels, optimizing service processes, and paying attention to the financial needs of new citizens, the elderly, children, the disabled and other groups, we continuously improved the customers' experience to convey SPD Bank's humanistic care to the society.

Pension finance

Care for the lives of the elderly with pension finance

Case

SPD Bank actively implemented the work requirements of the state and regulatory authorities, continuously improved the strategic positioning of pension business, and promoted the accurate and rapid matchmaking between elderly care enterprises and financial institutions.

In terms of enterprise annuities, we continued promoting the digital transformation of annuity custody and built a digital custody operation system that is visible throughout the process, controllable across all domains, fully intelligent and provides comprehensive services. We strengthened investment supervision, improved the performance and automation level of investment supervision systems, and fully ensured the safe operation of pension funds. And we actively responded to the requirements of the Ministry of Human Resources and Social Security of the People's Republic of China for expanding the scope of pension services, and provided pension services to staff of government agencies and institutions in many places.

In terms of personal pension finance, we continuously improved the level of digital services and public service capabilities. We actively connected to various e-government platforms in various regions, and provided residents with one-stop elderly care services such as online opening and inquiry of personal pension accounts. We built a three-dimensional customer service channel covering online and offline, to implement national policies and benefit people's livelihood in the most simplified and fast way. We collaborated with strategic partners to comprehensively undertake the integration of tax deferred commercial pension insurance into personal pension, and assisted in the smooth transition of tax deferred pension insurance.

As of the end of 2023, SPD Bank has managed more than 420 billion yuan of various pension assets in the second pillar of pensions, serving more than 6,000 enterprises across China.

Join hands with the Suishenban App to serve the third pillar of personal pension in Shanghai at our best

Case

On September 28, 2023, SPD Bank joined hands with the Suishenban App of the Government Online-Offline Shanghai platform, a mobile government service platform, to launch SPD Bank's personal pension service. By relying on fin-tech, the services of SPD Bank were directly exported to the personal pension zone of the Suishenban App, providing citizens with one-stop services such as the opening and inquiry of personal pension fund accounts and personal pension contributions, so as to achieve "zero movement" and "all in one network" personal pension services for citizens. This is a key measure for SPD Bank to deeply implement the construction of a sound personal pension system by the CPC Shanghai Municipal Committee and the Shanghai Municipal Government, creating a new paradigm of government-bank cooperation for SPD Bank's personal pension.





## Senior-friendly services

SPD Bank relied on digital intelligence to continuously improve the convenience of services for the elderly. We set up cash service windows for the elderly in our bank outlets to provide services such as public payment. We launched the "elderly friendly edition" of smart terminals to provide thoughtful financial services for the elderly with visual and auditory accessibility and simplified operation. We launched the "care edition" in mobile banking, which, in addition to large font and simplified service processes, offers intelligent voice assistance to provide customers with convenient and accessibility services.

### Case

#### Rely on digitalization to provide senior-friendly services and deliver warm-hearted services to customers' homes

With the help of the "online operation service middle office" and intelligent machinery and equipment, SPD Bank delivered services and care to elderly customers in need.

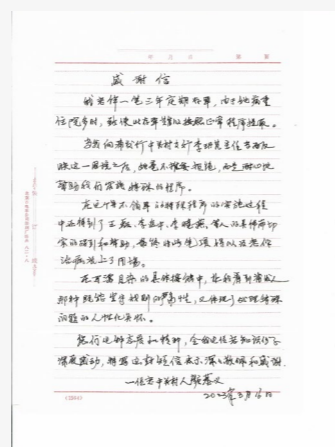
After receiving an urgent phone call, Xi'an Art Street Sub-branch of SPD Bank learned that one of its customers had been bedridden for a long time and could not log in to the mobile banking, so it immediately arranged for dedicated personnel to come to this customer's home, and the staff quickly improved the information for the customer through the "portable i-Counter" self-service device and helped the customer transfer the medical expenses. The customer, who was lying in the bed and called Grandma Zhang, gave a thumbs up to the staff of the Sub-branch and praised the warm service of the Sub-branch.



Qingdao Jinjialing Sub-branch of SPD Bank received a call for help, and the customer said that her mother-in-law was 89 years old and could not move her legs. Due to urgent need for money, it was necessary to activate the SPD Bank debit card. The Sub-branch sent two staff members to the home of the elderly immediately; and they connected to the "online operation service middle office" through the mobile PAD, remotely connected the "middle office teller" to complete the information review, and quickly completed the business for the elderly.



When SPD Bank Beijing Branch learned that Grandpa Yan, who is 84 years old, had lost his certificate of deposit and urgently needed to pay for his spouse's medical expenses, the Branch immediately activated the green channel. The staff of the Branch quickly rushed to the hospital in Langfang to verify the customer's situation in person, expedited the review of relevant supporting materials, and remitted the funds to the hospital through the account of the elderly to ensure that the funds were used exclusively. Grandpa Yan was so grateful to the efficient and considerate service that he wrote a thank-you letter.



## Services for new citizens

### Case

#### Comprehensive financial services "light up" the better life of new citizens

SPD Bank Changsha Branch has realized the whole process of online and automatic approval driven by big data. In the field of consumption, the Branch launched universal products such as "SPDB Flash Loans" to provide citizens with online pure credit consumption loan services. For small and micro businesses owners or individual industrial and commercial households starting their own businesses, they could experience Internet financing services by applying for "Benefit Flash Loans" online.

SPD Bank Guangzhou Branch provided new citizens with four "Full" financial services: "full cycle of enterprises, full journey of individuals, full time domain of services, and full link of the whole alliance." Through the issuance of exclusive credit loans for Guangdong Superior Talent Card holders to start enterprises, and customized financial service plans of "financing + integrated intelligence," new citizens were supported to start businesses and find employment in multiple dimensions.

SPD Bank Nanjing Branch released the Jiangsu New Citizen Card and launched the service plan for the new citizens of Jiangsu, providing "one-stop" exclusive account services, financial products and services for "living and working in peace and contentment", and a new service space of "Neighborhood Bank" for new citizens in Jiangsu, jointly building a new citizen service system and lighting up a better life for new citizens with attentive service.

### Case

#### Carry out special publicity activities to safeguard the new homes of "new citizens"

SPD Bank Kunming Branch reached out to the "new citizens" and actively popularized financial knowledge and anti fraud skills to them, enabling them to develop piercing eyes and enhance their proactive prevention awareness. The Branch, together with the communities and the urban management officers, carried out special promotional activities targeting the "new citizen" groups at the Yunnan Provincial Financial Education Demonstration Base, starting from the real-life scenes, "using individual cases for promoting better understanding of the law", cracking the fraud methods of criminals, and popularizing the knowledge of safe use of bank cards and protection of personal credit reporting.





Serve overseas personnel coming to China

Case

Optimize payment services and improve payment convenience

SPD Bank conscientiously implemented the work requirements of "credit card swiping services available for large payments, QR code scanning services available for micro payments, and cash services also available," gave full play to its location advantages, improved the acceptance environment, and enriched its service supply.

In terms of foreign card acceptance, SPD Bank "broadened its channels and deeply cultivated merchants", strengthened the expansion of important business districts, airports and other places, realized the coverage of "catering, accommodation, transportation, sightseeing, shopping and entertainment", and supported foreign card payments such as VISA, MasterCard, JCB, and Diners Club. Taking advantage of the location of the head office in Shanghai, we focused on key business districts in Shanghai, airports, high-speed rail and other transportation hubs to expand merchants using foreign cards. At present, the number of foreign card terminals deployed by SPD Bank ranks first among joint-stock banks in Shanghai.

In terms of cash payment, SPD Bank gave full play to the advantages of comprehensive services through self-service channels, and all ATMs supported foreign card withdrawals such as Visa and Master. More than eighty foreign currency exchange machines have been set up in key areas such as airports and foreign hotels at ports of entry in Shanghai and Guangzhou. Bank outlets set up "green channels" for cash exchange, and launched small-denomination RMB "coin purses." And those bank outlets in key areas set up special windows for foreigners, equipped with real-time voice translation, etc.

Neighborhood and home

Case

Establish a "Worker's Home" community comprehensive service station

The first "Worker's Home" community comprehensive service station within a financial network was established at the Haihu Sub-branch of SPD Bank in Chengxi District, Xining City, providing more comprehensive, professional, and convenient "finance+life+service" integrated services for enterprises, merchants, and residents. The community set up the mobile desk and the community errand post in the banking hall. Community workers were on duty regularly every week, and bank staff, in the form of running errands, collected information and provided assistance and agency services to the masses in the jurisdiction. This truly achieved the goal of "wherever the masses are, community service will extend there."

Case

Build the "neighborhood and home" and create a warm-hearted bank

Zhenjiang Branch under the jurisdiction of SPD Bank Nanjing Branch steadily promoted the construction of the "neighborhood and home," creating a warm-hearted station where people can have a rest when they are tired, drink water when they are thirsty, cool off when they feel hot, and warm themselves when they feel cold. On the basis of the conventional service configuration, warm services such as seasonal specialty tea drinks, heart umbrellas, and power banks were added, so that neighborhood residents and friends could feel the convenience and warmth of "home" from both visual and physical aspects when entering the outlet. Besides, its employees regularly visited the surrounding communities to carry out a series of activities, reflecting the service advantage of "benefiting the people's livelihood and accompanying the neighbors," making it a heartwarming bank for the neighbors.

Case

Set up services stations to provide "warm home" for sanitation workers

SPD Bank Hefei Branch set up a service station in the business department to create a warm and comfortable "Home for Sanitation Workers." Every time the sanitation workers entered the door, the staff of the Branch's business department would welcome them and provide hot water, so that they could temporarily stay away from the suffering of wind and sun and enjoy a moment of rest. Meanwhile, the staff actively promoted anti-fraud and anti-money laundering knowledge to the sanitation workers, helping them further improve their anti-fraud awareness and financial literacy.



Shanghai Minhang Sub-branch and Hangzhou Lin'an Sub-branch of SPD Bank were rated as the "Most Beautiful Outdoor Worker Service Stations" for the year 2023 by the All-China Federation of Trade Unions. Through the establishment of "outdoor worker service stations", we provided convenient and beneficial services for the majority of outdoor workers, and built a caring harbor where workers can warm up when they feel cold, cool down when they feel hot, rest when they feel tired, and drink water when they are thirsty, which not only silently contributed to solving the practical difficulties of drinking water supply, keeping cool in the heat and warm in winter, and food heating for outdoor workers in the region, but also protected the further promotion of the people's urban construction.



The Outdoor Worker Service Station of Shanghai Minhang Sub-branch of SPD Bank



The Outdoor Worker Service Station of Hangzhou Lin'an Sub-branch of SPD Bank

Case

SPD Bank Hulunbuir Branch builds a warm home for outdoor workers

As the first co-construction enterprise to actively interface with the Hulunbuir Federation of Trade Unions, SPD Bank Hulunbuir Branch and the Hailar District Federation of Trade Unions warmly built the "Trade Union Outdoor Worker Service Station" to provide sanitation workers with warm services such as hot water, hot meals, and heating pads in the severe cold of minus 30 °C, and expressed their understanding, care and support for the majority of outdoor workers with practical actions.



## Concerted Efforts to Help Employees Grow

Focusing on the strategic objectives of the Bank's development, SPD Bank continued improving the cadre talent system and mechanism, strove to build a high-quality staffteam, and continuously increased the training and selection of outstanding young cadres, so as to further consolidate the talent foundation for the realization of the strategic goal of "first-class in all respects". We cared for employees from the "heart," helped employees balance work and life, created a positive working atmosphere, and continuously enhanced the cohesion and combat effectiveness of the workforce.

### Assist employees in their career development

SPD Bank strengthened the training and cultivation of employees and did a good job in career planning for its employees. Through mechanisms such as training camps for new employees hired through campus recruitment and mentorships, we helped new employees quickly integrate into the corporate culture and adapt to job requirements. By interacting with major talent plans such as "Shanghai State-owned Assets Talent" and "Eastern Talent Plan" in Shanghai, we did a good job in talent selection, training, and assessment, so that outstanding talents could stand out. As of the end of 2023, a total of thirty people were selected into various talent plans such as Leading Financial Talents in Shanghai and Young Financial Talents. We established and improved the qualification standard system, clarified the requirements of the posts for professional qualification certificates, basically realized the professional post personnel holding certificates, further expanded the coverage of professional sequences, broadened the career development space of employees, and continuously improved the dual-channel development system of professionalism and management, so as to promote the common development of SPD Bank and its employees.

We strengthened the education and training of outstanding young cadres and built a multi-post training platform. In 2023, we successively organized digital teaching in the post-85s and post-90s young talents demonstration classes throughout the bank, and continued carrying out the training of talents serving temporary positions in the head office and branches, to further improve the Party spirit and ability of young cadres and outstanding talents.

To improve the professional skills of employees and strengthen the construction of the cadre team, a total of 2,036 training sessions were organized and implemented by the end of 2023. The head office designed, developed, organized and implemented 201 bank-wide training programs, and the average score of participants' satisfaction degree was 4.97 out of five. The total number of employees that have installed the online education platform reached 59,800, with a coverage rate of 98.58%. A total of 7,879 bank-wide shared courses had been launched, with 1,346 new courses being added, which were studied nearly 16.21 million times throughout the year. The learning channel of Let's Embrace the Future Together had a total learning time of 4.7581 million minutes and 291,100 viewers. We launched the "Online Library," a SPDB Training APP, to stimulate enthusiasm for reading and cultivate good habits of independent learning among employees. We organized 1,554 online examinations with a total of 1,392,500 examinees.

As of the end of 2023, the total number of training sessions organized and implemented

2,036

The number of bank-wide training programs designed, developed, organized, and implemented

201

The average score of participants' satisfaction degree was

4.97 (5-mark system)

### Case

#### Taiyuan Branch builds the "Employee Innovation Studio"

In November 2023, Ren Yongsheng Employee Innovation Studio created by SPD Bank Taiyuan Branch was named "Shanxi Province Employee Innovation Studio". Since its establishment, the Studio has focused on the economic and social transformation and development of Shanxi, actively promoted the Internet financial application level of the Branch, and realized the digital improvement and application of fin-tech and operation management. The Studio continued deepening financial innovation and undertook innovative research work on a total of seventy topics. Its main research directions included the construction of diversified scenarios, refined operation and management, and comprehensive digital service solutions, as well as the research on

frictionless payment scenarios, smart community platform creation, "specialized and sophisticated" enterprises in the fields of Internet, big data, and artificial intelligence, mass-related cases online registration and refunding solutions, cross-border e-commerce payment service solutions, and commercial leasing, with many good achievements. It will further play an exemplary and leading role, encourage and guide the majority of employees to improve their skills, study deeply, have the courage to create, and dare to be the first, enhance the ability of innovation and creativity, and promote the application of innovations.

### Care for employees

#### Employee care

SPD Bank carried out a variety of employee care activities: when employees fell ill, their families encountered major accidents, or their immediate family members passed away, we sent our care and condolences. When employees got married or had children, we offered congratulations; during major festivals such as New Year's Day and the Spring Festival, we sent condolences and blessings to employees in need; and during the "Seven Major Festivals" stipulated by the state and during heatwaves, the labor union sent condolences in kind. We participated in the employee mutual assistance security and member exclusive security program of the Shanghai Federation of Trade Unions system to offer financial aid to seriously ill employees. We carried out the Jinqui Education Assistance Program to offer financial aid to the children of employees from poor families who were admitted to high school and university that year. We applied for rewards for frontline employees who have obtained professional qualifications as technicians (senior technicians) and obtained innovative invention patents. We organized and carried out various business labor competitions and awarding activities to help the career development of employees.

#### Salary and benefits

The salary and benefits system of SPD Bank adheres to the principles of "supporting strategy, motivating talents, market-oriented, clear structure, performance-oriented, and balanced constraints," which is consistent with the Bank's development strategy, business plan, and corporate culture, as well as the requirements of corporate governance and industry supervision. It has established a welfare guarantee system for employees, including enterprise annuity, supplementary medical care, and health examinations.

SPD Bank has carried out the construction of staff homes, providing employees with warm places for fitness, reading and rest, such as book bars, coffee bars, and love mommy cabins, which are well received by employees. Employees of the head office moved into the new office building of the "SPDB Center" in batches, which provides them with modern office space. The Tour Exhibitions of Photo and Calligraphy and Painting were carried out in the new office building of the "SPDB Center" to celebrate the 30th anniversary of SPD Bank.

Employees are entitled to maternity leave and paternity leave. The trade union has set up a "Happy Home" psychological care and support platform. The trade union organized a variety of large, medium and small activities, such as sports meetings (fun sports games), anniversary celebration events, theatrical performances, ball games, and club activities (flower arrangement, yoga, brisk walking, reading, chorus, Tai Ji, photography, calligraphy and painting, swimming, youth dating, speeches, and e-sports), so that the majority of employees could alternate work with rest, and relax themselves. The trade union set up various activity platforms for employees to show their talents and communicate with each other, supporting employees to balance the relationship between life and work.

### Case

#### Beijing Branch's "six small platforms" help employees grow

SPD Bank Beijing Branch was continuously advancing the work of educating and nurturing talents. Through the six small platforms of "focusing on small groups", "solving small problems", "organizing small competitions", "focusing on small innovations", "establishing small models" and "creating a small environment", SPD Bank Beijing Branch strove to achieve the co-frequency resonance of young employees in the cultivation of innovative spirit, the promotion of the spirit of responsibility and the enhancement of practical problem-solving ability. The main measures included setting up nearly 200 "care" groups to earnestly help them solve their difficulties in work and life, organizing small competitions, setting up a display stage for excellent teams and employees to compete with each other, and so on, to inspire employees to have a passion for their work and a pragmatic and dedicated work style.



### Protect the rights and interests of employees

We adhered to the principle of fairness and justice in employment, without treating job seekers or employees differently due to differences in age, gender, marital status, race, nationality, etc. We were committed to building a harmonious and stable labor relationship.

The trade union gave full play to the functions and roles of the staff and workers' congress in participating in the democratic management of the enterprise, safeguarding the legitimate rights and interests of the staff and workers and building a harmonious labor relationship.

The fourth meeting of the third staff and workers' congress was held on November 13, 2023. At the meeting, the newly revised *Code of Conduct for Employees of SPD Bank* was heard and reviewed, and Comrade Zhao Wanbing was elected as an employee director. The fifth meeting of the third staff and workers' congress was held from November 27 to 28, 2023. At the meeting, the *Head Office's Management Work Report (President's Office) of SPD Bank (the First Three Quarters of 2023)*, the *Report on the Accountability of the Whole Bank in 2022*, the *Report on the Accountability and Punishment of Dismissal (Termination of Labor Contract) of the Bank in 2022*, the *Report on the Use of Employee Welfare Funds in 2022*, and the *Report on the Work and Integrity of Employee Supervisors in 2022* were heard and reviewed, and Zhang Yong was elected as an employee supervisor.

#### Case

### The employee representative of SPD Bank attended the 13th National Women's Congress

The 13th National Women's Congress opened on the morning of October 23, 2023 in Beijing at the Great Hall of the People. Comrade Cao Weiming, Secretary of the Communist Party Committee and General Manager of the First Business Department of SPD Bank, attended the congress as a member of the Shanghai delegation.

As a backbone financial enterprise in Shanghai, SPD Bank effectively protected and safeguarded the legitimate rights and interests of female employees, gathered the strength and wisdom of female employees, focused on stimulating the enthusiasm of female employees to strive for excellence and to be dedicated to their work, and promoted the spirit of self-esteem, self-confidence, self-reliance and self-improvement of female employees, forming a good atmosphere in which female employees competed for the leading role in all positions and became pioneers in all key work.



#### Case

### The "flowing water" of finance nurtures the flower of national unity

In September 2023, the CPC Xizang Autonomous Regional Committee and Xizang Autonomous Regional People's Government issued the *Decision on Naming the Second Batch of Model Cities, Counties (Districts and County-level Cities) and Units for Ethnic Unity and Progress in the Xizang Autonomous Region*, and SPD Bank Lhasa Branch was awarded the "Paragon for Ethnic Unity and Progress in the Autonomous Region". Lhasa Branch is a big family composed of Han, Tibetan, Hui, Dong, Manchu, Yi and other ethnic employees. Focusing on promoting unity and progress of all ethnic groups to achieve common prosperity and development, the Branch highlighted the theme of creation, grasped the direction of creation, deepened the connotation of creation, enriched the form of creation, vigorously created a strong atmosphere of the Chinese nation as a family, and presented a new atmosphere of unity and struggle.



### Empower the development of young employees

#### Case

### Organize theoretical and practical training courses for all the Communist Youth League cadres of SPD Bank

In order to thoroughly study and implement the spirit of the 20th National Congress of the Communist Party of China, further implement the requirements of strict management of the Communist Youth League, continuously strengthen the construction of the cadres of the Communist Youth League of the whole bank, and provide a solid talent foundation for the work of the Communist Youth League of SPD Bank to enter a new stage of development, build a new development pattern and demonstrate the new development vitality during the 14th Five-Year Plan period, SPD Bank held the "Studying and Implementing the Spirit of the 20th National Congress of the Communist Party of China, and Forging and Striving for a New Journey of SPD Bank" course, a 2023 theoretical and practical training course for all bank's Communist Youth League cadres, from October 8 to 10, 2023.



#### Case

### Young employees of SPD Bank are rallying call to make achievements in current positions

On August 3, 2023, SPD Bank held the "Learning from the 20th National Congress of the Communist Party of China, Pursuing Dreams for 30 Years, and Forging Ahead on a New Journey" activity, an educational and practical activity on the theme of SPD Bank's young employees learning and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the final of the Bank's Youth Task Group Position Achievement Action, to celebrate the 30th anniversary of the opening of SPD Bank. At the finals, 18 youth task groups used vivid cases to tell the vivid stories of SPD Bank's employees serving the national major strategies, and the real economy, and benefiting people's livelihoods, which expressed the confidence and determination of SPD Bank's young employees in adhering to the original mission of "serving the people with financial strength", being brave to shoulder responsibilities, excelling with expertise, and making achievements in their positions!





Create a safe working environment

Occupational health and safety management

SPD Bank solidly implemented various work arrangements, and carried out the 2023 special investigation and rectification of major accident hazards and the annual safety overhaul in the whole bank. We strengthened the grid construction of safety production, solidly promoted the investigation and rectification of potential safety hazards, standardized the configuration and management of security and fire protection facilities in key parts, and effectively protected the health and safety of employees at work. In 2023, the Bank carried out a total of 1,957 investigations of fire safety, technical defense facilities, special equipment and other hidden dangers of accident through on-site inspections and remote inspections by the head office and self-inspections of branches, and a total of 1,093 potential safety hazards were identified and all rectifications were completed. The safety production situation throughout the Bank was stable and controllable, creating a safe and stable working environment for employees.

The total number of accident hazard investigations conducted in the whole bank in 2023

1,957

Safety emergency management measures

SPD Bank continued improving the emergency management mechanism, strengthening emergency management, and improving the ability to guarantee safe production. In the event of emergencies, through scientific organization, coordination, command and control, we minimized casualties and property losses and ensured the safe and stable development of the whole bank. In 2023, a total of 4,271 emergency drills were organized for emergencies, natural disasters, fire safety, etc., and a total of 62,538 person-time participated in these drills, which effectively tested the feasibility of emergency plans and improved emergency response capabilities for emergencies.

Full Devotion to Social Public Welfare

SPD Bank was committed to becoming a respected corporate citizen, relying on its financial professional advantages, forming a responsible competitiveness with SPD Bank's characteristics, and continuously releasing the power of public welfare in the fields of rural revitalization, disaster relief, caring for children, and volunteer service.

With the gradual advancement of the SPDB Foundation projects, the reputation and social recognition of the public welfare brand of SPD Bank continuously improved, and SPD Bank continued contributing to the construction of a harmonious society. In 2023, SPD Bank donated a total of 14.21 million yuan in rural revitalization, children's health and education, and disaster relief.

In 2023, The cumulative amount of donations made by SPD Bank in areas such as rural revitalization, children's health and education, and disaster relief:

14.21 million yuan

Rural revitalization

SPD Bank thoroughly implemented the major strategic deployment of the CPC Central Committee to strengthen the collaboration and paired assistance between the eastern and western regions to comprehensively promote rural revitalization, strictly implemented the responsibility of assistance, and continued providing the pairing assistance. Since 2018, we have paired up to help Nanlin Village of Dongshan Township, Wusechong Village of Bozhu Town, and Yalachong Village of Dehou Town, in the city of Wenshan of Wenshan Autonomous Prefecture, Yunnan Province, in terms of industrial assistance and infrastructure transformation, helping Wenshan, Yunnan Province consolidate the achievements of poverty alleviation and promote rural revitalization.

Case

Carry out fire safety month activities

In November 2023, Taiyuan Branch launched the 2023 "Fire Safety Month" activity, further standardizing the responsibilities and disposal processes of emergency management positions, testing fire safety emergency management measures, and caring for the health and safety of its employees. By organizing various and colorful activities such as fire safety education and emergency drills, the Branch learned from recent major fire cases, summarized and exchanged experiences and lessons, enhanced the pertinence, practicality, and operability of emergency response processes, effectively improved the fire prevention safety awareness and self rescue and mutual rescue capabilities of all staff, and created a safety culture atmosphere of "everyone stresses safety and everyone knows how to respond to emergencies" for the high-quality development of the whole bank.



Case

Donate funds to Wenshan, Yunnan Province for building rooftop distributed photovoltaic power stations

On the basis of donating funds to build the 3,800-square-meter rooftop photovoltaic project in 2022, SPD Bank continued supporting three paired villages: Nanlin Village of Dongshan Township, Wusechong Village of Bozhu Town, and Yalachong Village of Dehou Town, in the city of Wenshan, Yunnan Province in 2023. By using the roofs of village committees and village activity rooms, approximately 2,100 square meters of rooftop distributed photovoltaic power stations were built, with a total installed capacity of about 400 kW and an average annual power generation of about 412,200 kWh after completion, which was able to bring sustainable and stable green benefits to the villages and promote the realization of green circular development and the revitalization of the villages.





Case

**Support the road lighting and community environment improvement and renovation in Sihong County to improve the living environment**

SPD Bank Nanjing Branch continued promoting the assistance work, and donated funds to the road lighting project of the concentrated residential areas of Xutai Village, Wangdun Village and Yanwei Village, Jieji Town, Sihong County, Jiangsu Province, and the overall environmental improvement and renovation project of Xiacaowan Community, Caowan Village, Shuanggou Town, Sihong County. The projects illuminated rural roads and decorated the living environment.



Case

**Donate funds to support rural education**

SPD Bank Changsha Branch donated funds to Sangzhi County, a key paired county for rural revitalization of Hunan Province, to help the construction of Sangzhi Rural Smart Education Project. The funds were used to help transform the basic education system network of primary and secondary schools in Sangzhi County to meet the needs of education informatization and modernization in the new era of the county.



**Environmental protection**

SPD Bank released the power of public welfare with love, shouldered the responsibility of state-owned financial institutions in protecting the ecological environment, transforming rural infrastructure, improving people's livelihood services, and assisting in responding to public events, and fulfilled its corporate social responsibility with practical actions.

Case

**Launch the 17th bank-wide volunteer activity of "Lighting up the Green Life"**

On January 9, 2024, SPD Bank launched the 17th Bank-wide Volunteer Day "Lighting Up the Green Life" to respond to the call of "encouraging simple, moderate, green, low-carbon, sound, and healthy lifestyles and consumption patterns" with practical actions to help build a beautiful China.

food. Besides, ifeng.com and SPD Bank jointly launched the online sharing activity of "Lighting Up the Green Life," launching an initiative of "practicing green and low-carbon lifestyles" to the whole society and creating a good social conduct.

At the launching ceremony, the volunteers of SPD Bank launched an initiative to the whole society: protecting the earth, the home of humanity, and advocating green lifestyle; building a beautiful China and being a disseminator of green and low-carbon concepts; and demonstrating financial responsibility and being a practitioner of green finance innovation. At noon on the same day, all units of the Bank carried out the "empty plate" campaign in the staff canteen to guide employees to buy appropriate food and cherish

SPD Bank's volunteers from all over the country not only took concrete actions by starting with small things around them, but also took the initiative to act as "advocators of green and low-carbon lifestyle", driving more people to achieve green transformation in their daily lives and injecting positive energy into the public's participation in achieving the "dual carbon" goals.



Case

**Participate in the "Yangtze River with Fish" project to protect biodiversity and improve the ecological environment of the Yangtze River**

In April 2023, SPD Bank Wuhan Branch cooperated with the Changjiang Conservation Foundation to support the public welfare project of "Yangtze River with Fish". This project is a fish science release project of the Great Protection of the Yangtze River. The Branch donated funds to purchase rare biological fish fry such as Chinese sturgeon, Chinese sucker, and long snouted catfish for breeding and releasing. Through the breeding and releasing model, the population of endangered fish in the Yangtze River Basin was maintained, the aquatic biological resources of the Yangtze River were further restored, the biodiversity of the Yangtze River Basin was protected, the ecological environment of the Yangtze River was improved, and green and sustainable development was promoted.





Case

**Roll out a volunteer activity to clean up marine debris under the theme of "Defending the Environment and Protecting the Ocean"**

On April 12, 2023, more than seventy volunteers from SPD Bank Singapore Branch gathered at Tanjong Beach, Sentosa to hold a volunteer activity to clean up marine debris under the theme of "Defending the Environment and Protecting the Ocean". On the day of the event, the volunteers of the Branch were divided into two groups: forty volunteers went out to sea by kayaking in one group to salvage plastic bottles, dead branches, and waste floating on the sea surface with cleaning tools such as fishing hooks and iron clips; and the rest of the volunteers in the other group stayed on the coast to pick up and sort the garbage left on the beach, such as soda cans, vegetable and fruit peels, plastic bags, and food wrappers.



Care for children's health

SPD Bank genuinely and sincerely continued contributing to promoting women to stand at the forefront of the times and children to grow strong, and effectively enhancing the rights and well-being of women and children.

Case

**"Dream-chasing Fireflies" public welfare plan**

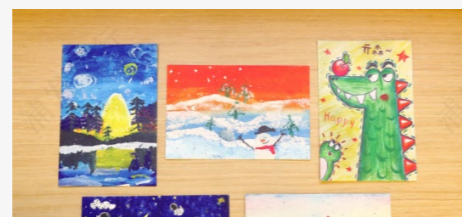
To help improve the medical strength and level of pediatrics in the central and western regions, SPD Bank launched the "Dream-chasing Fireflies" public welfare plan in 2016. By the end of 2023, it had donated a total of 30.937 million yuan to support 1,117 pediatric medical staff from 534 hospitals in 28 provinces, cities, and autonomous regions, including Yunnan, Sichuan, Inner Mongolia, Qinghai, Xinjiang, Guizhou, Gansu, and Shaanxi, to study at well-known Grade-III Class-A hospitals in Shanghai, Beijing, Chengdu, Hangzhou, Chongqing, Tianjin, and other places. The training courses covered twenty-one pediatric majors, infusing new vitality into improving the health and medical level of for the children of rural areas.



2023 was the final year of the "Dream-chasing Fireflies" project. Health Human Resources Development Center, National Health Commission, P.R.C. evaluated that the project was scientific and reasonable, and the training content is rich, which had a positive effect on the ability improvement of pediatricians. According to the survey, the trainees agreed that "the training is helpful for returning to the workplace to carry out pediatric work."



The "Dream-chasing Fireflies" project, aiming to bring hope to the medical care of impoverished children, broke through the tradition of directly donating to vulnerable groups, elevating the public welfare concept from "giving someone fish" to "teaching someone to fish." By training medical staff and enhancing their pediatric diagnosis and treatment capabilities, the beneficiary groups covered their departments and hospitals, driving the improvement of the overall medical level in their areas and enhancing the well-being of local residents.



Case

**Donate funds to build the "Treasure Hut" juvenile protection workstations in Xuhui District to solve the "last-mile" problems of juvenile protection**

To support the construction of a grassroots network for the protection of minors in Xuhui District, SPDB Financial Leasing joined hands with the Xuhui District Civil Affairs Bureau, Xujiahui Sub-district, Shanghai United Foundation and Shanghai Minghui Child Development Center to jointly build the first "Treasure Hut" juvenile protection workstation in Xuhui District in August 2022. Over the past year of operation, the Project has carried out forty-four interest activities for children, completed twenty-four case visits and 105 case filings, and conducted seven individual psychological counselings and six one-to-one family counselings, with a total service duration of 1,080 hours, benefiting children and parents in the Sub-district for more than 3,000 person-time. On the basis of significant achievements in the "Treasure Hut" project in Xujiahui Sub-district, SPDB Financial Leasing, in October 2023, donated funds to build the second "Treasure Hut" juvenile protection workstation in Longhua Sub-district, in which it was located, in Xuhui District, and held a launching ceremony to protect the growth of minors.



Case

Care for autistic children

On April 2, 2023, SPD Bank Qingdao Branch jointly organized a special event to care for children with autism with Qingdao Women and Children's Hospital on the 16th World Autism Awareness Day. Experts from major hospitals in Qingdao provided free diagnosis and treatment services for children with autism.

During the event, young volunteers interacted closely with autistic children at the free clinic, helping doctors and parents to calm their emotions; and they prepared rich and various gifts of love for children, bringing care and confidence to the children and their parents, which fully interpreted the spirit of understanding and accompanying children with autism, and overcoming difficulties with love.





Case

**Organize the charity sale to support the healthy growth of disadvantaged youths**

Employees of SPD Bank London Branch organized a charity sale of homemade pastries to raise funds for ReachOut, a UK charity foundation, to help local disadvantaged youth develop academic and social skills and confidence, and contribute to their better integration into society. All the pastries in the charity sale were hand-made by Chinese and foreign employees of London Branch, and everyone actively participated and cooperated with each other. And the rich and delicious pastries attracted the attention and participation of many employees from major financial institutions in the vicinity.



Disaster relief

Case

**Donate to Shulan City, Jilin Province for flood relief**

In August 2023, affected by Typhoon Doksuri, Shulan, a city in Jilin Province, experienced extreme weather. At the important moment of flood relief, SPD Bank cared for the disaster area and the compatriots there, quickly rushed to the rescue, donated funds, made positive contributions to alleviating the pressure on the supply of flood control and rescue materials in the disaster area, injected spiritual power into the local people's emergency rescue and disaster relief and post-flood reconstruction, and demonstrated its social feelings and responsibility with practical actions.

**Donate to the earthquake-stricken area of Jishishan County**

After the 6.2 magnitude earthquake in Jishishan County, Gansu Province, SPD Bank quickly activated its emergency plan, provided financial services for earthquake relief work, and donated funds to the earthquake-stricken areas to help the people in the affected areas rebuild their homes.



Volunteer services

SPD Bank continued improving the long-term mechanism of volunteer services, innovating the form of volunteer services, and carrying out various forms of volunteer service activities.

Case

**Serve the 19th Asian Games Hangzhou 2023 and the 4th Asian Para Games Hangzhou 2023**

With an unshakable sense of mission, a sense of responsibility of serving the people with financial strength and the spirit of youth and sunshine, the young employees of SPD Bank Hangzhou Branch were stationed in the front line of financial services, and carried forward SPD Bank's volunteer spirit of "I dedicate and I am happy" by providing foreign language and sign language services, distributing promotional materials, providing emergency cash services, etc., contributing to the successful holding of the "simple, safe and splendid" Hangzhou Asian Games and Hangzhou Asian Para Games, and showing the responsibility of "Little Qinghe" in the financial industry.





Case

**Hold the activity of "bringing comfort and care in West Kowloon to celebrate the Mid Autumn Festival"**

SPD Bank Hongkong Branch and the West Kowloon Service Center of the New Home Association jointly organized the visiting activity of "Bringing Comfort and Care in West Kowloon to Celebrate the Mid Autumn Festival." As volunteers, employees of Hongkong Branch visited twenty families living in subdivided flats in Cheung Sha Wan, Sham Shui Po District, and presented Mid-Autumn Festival gift packs to convey warm greetings and festive feelings to the grassroots residents to celebrate the Mid Autumn Festival together.

Hongkong Branch actively organized various volunteer activities, and was presented the Outstanding Corporate Award in the Hong Kong Volunteer Award 2022 by the Home and Youth Affairs Bureau of the Hong Kong Special Administrative Region Government in 2023 for its more than five hundred hours of volunteer service.



**Win the "Social Welfare Award for Caring for Children's Health" by Shanghai Children's Health Foundation**

SPD Bank continued deepening its efforts in promoting children's health and well-being, and releasing the power of public welfare in the field of children's health. In recent years, through public welfare projects such as the "Dream Chasing Fireflies Initiative" for Pediatric Staff Training, the "Eyes for the World" Program, the "Hope Well" under the "Hope Project", and the "SPDB Warmth" Scholarship Program in Kashgar, Xinjiang, we have further cared for the healthy growth of children, and won the "Social Welfare Award for Caring for Children's Health" issued by the Shanghai Children's Health Foundation.



Case

**Young volunteers of SPD Bank help the Shanghai Marathon to be held successfully**

On November 26, the 2023 Shanghai Marathon kicked off, and in all corners of Shanghai, along Nanjing West Road, South Xizang Road and Xuhui Binjiang Avenue, young volunteers of SPD Bank wore volunteer vests and stopped in the crowd of people on the streets, waving flags and cheering for the marathon runners. To better provide volunteer services, volunteers made solid preparations, did a meticulous division of labor, served attentively, and did their best to provide support for this Shanghai Marathon.



**Continue winning the "Annual Public Welfare Enterprise" Award at the China Annual Conference on Philanthropy**

After winning the "Social Welfare Award" at the 2018 and 2022 China Annual Conference on Philanthropy, SPD Bank won the "2023 Public Welfare Enterprise" Award at the 8th China Annual Conference on Philanthropy.

The China Annual Conference on Philanthropy was held by China's first national public welfare newspaper, *China Philanthropy Times*, which is headed by the Ministry of Civil Affairs. It has been held for eight times since 2016 and is an annual industry event in the field of public welfare and charity in China. The theme of the 8th China Annual Conference on Philanthropy was "Stay Passionate and Never Stop". At the meeting, SPD Bank and industrial peers focused on topics such as "industry development" and "public welfare innovation", reviewed the extraordinary course of China's public welfare in 2023 and explored the development trend of philanthropy in the new era.



Case

**Organize a "Together for Public Welfare Deliver Medical Resources to People in Need" free medical consultation activity in rural areas**

On September 7, 2023, SPD Bank and China Pacific Insurance Company jointly held the "Together for Public Welfare, Delivering Medical Resources to People in Need" free medical consultation activity in rural areas in Gulang County, Wuwei City, bringing high-quality medical resources to the local people. Experts patiently inquired about the medical history and other information of villagers who came to seek medical treatment, provided personalized suggestions and treatment plans, and received unanimous praise from the local people for their excellent medical technology and thoughtful services.



## Appendix

## Key Performance Indicators

Table 1. Contribution to Social and Economic Values

Indicators	Unit	2023	2022	2021
Total assets	billion yuan	9,007.2	8,704.7	8,136.8
Total loans	billion yuan	5,017.8	4,900.7	4,786
Operating income	billion yuan	173.4	188.6	191.0
Staff costs	billion yuan	28.5	28.9	28.4
Interest expense	billion yuan	179.2	165.9	164.7
Tax and dues	billion yuan	30.3	28.6	24.7
Total donations	million yuan	14.21	47.9548	29.0842
Value of social contribution per share (by weighted average number of shares)	yuan	9.18	9.17	9.04
Level 1 capital adequacy ratio	%	10.63	10.98	11.29
Provision coverage rate	%	173.51	159.04	143.96
Non-performing loan ratio	%	1.48	1.52	1.61

Note: ① The statistical coverage in Table 1 is based on group-wide data.

② The statistical coverage of total donation is based on the data of the parent company.

③ The statistical coverage in Table 2 - Table 22 is based on data of the parent company (including overseas branches).

Table 2. Statistics of Professional Ethics, Anti-corruption and Learning Education

Indicators	Unit	2023	2022	2021
Number of anti-money laundering training	sessions	505	539	539
Large-sum transaction report submitted	million	9	10	11
Suspicious transaction reports submitted	thousand	112.9	172.3	136.4

Table 3. Statistics of International Business Development

Indicators	Unit	2023	2022	2021
Overseas institutions		3	3	3
Total assets of overseas institutions	billion USD	28.43	30.13	30.98
Balance of cross-border RMB settlement business	billion Yuan	3,892.5	2,615.5	2,140.5
Cross-border RMB settlement business volume	transactions	301,545	201,294	170,127

Note: "Overseas institution" refers to overseas branches, excluding overseas affiliated companies.

Table 4. Statistics of Services for Small and Micro Enterprises

Indicators	Unit	2023	2022	2021
Inclusive loan balance for small and micro businesses	billion yuan	422.377	376.634	319.688
Number of customers of inclusive loan for small and micro businesses	thousand	312.9	293.5	231.8

Table 5. Statistics of Services for "Agriculture, Countryside and Farmers"

Indicators	Unit	2023	2022	2021
Total balance of agricultural loans	billion yuan	382.686	349.75	345.02
Proportion of agricultural loans to total loans	%	7.63	7.57	7.48

Table 6. Statistics on Green Credit (in billion Yuan)

Indicators	Green credit balance		
	2023	2022	2021
Green financing related to production, construction and operation			
Energy conservation and environmental protection industry	83.756	59.391	41.268
Clean production industry	17.052	13.238	13.407
Clean energy industry	124.128	112.29	73.49
Eco-environmental industry	27.128	24.712	24.484
Green upgrading of infrastructure	269.271	215.190	167.523
Green service	3.219	3.731	1.982
Green financing related to trade			
Green trade financing	0.31	0.418	0.408
Green financing related to consumption			
Green consumer financing	5.372	2.730	0.006
Total			
Subtotal of green production financing	80.446	54.570	29.718
Subtotal of financing for energy conservation and environmental protection projects and services	449.153	378.048	296.167
Financing within China to support the low-carbon economy	394.355	310.196	213.213
Financing within China to support the circular economy	29.052	22.696	19.841
Total green financing	530.270	431.700	322.568

Note: The statistical coverage in this table is based on the rules of the *Notice by the General Office of the China Banking and Insurance Regulatory Commission Regarding the Work Related to the Statistical System of Green Financing*. The amount of green credit of 524.6 billion yuan quoted in the body of the Report is based on the statistical coverage of the People's Bank of China.



Table 7. Statistics of Energy Consumption

Year	Office electricity consumption (thousand kWh)	Consumption of petrol for official vehicles (thousand liters)	Copy paper purchased (Packs)
2023	46,139.9	55.7	7,887
2022	46,066.7	42.7	7,698
2021	49,568.5	53.0	9,807

Year	Unit	Office water consumption
2023	thousand tons	101.5
2022	thousand tons	95.2
2021	thousand tons	141.0

Note: ① Office water consumption: Including the office water consumption of the Bund Headquarters Building, Dongyin Building, SPD Bank Information Center and Zhangjiang Operation Center.  
 ② Office power consumption: Including the office power consumption of the Bund Headquarters Building, Dongyin Building, SPD Bank Information Center and Zhangjiang Operation Center.  
 ③ Copy paper purchased: Including copy paper purchased by Bund Headquarters Building, Dongyin Building, SPD Bank Information Center, Yashi Building and Zhangjiang Operation Center.

Table 8. Statistics of Digital Meetings

Types of meetings	Unit	2023	2022	2021
Videophone conference (on premises)	Times	4,761	4,367	5,235
Important executive meetings	Times	63	52	67
Regular local meetings	Times	1,456	963	1,053
Online video invigilation	Times	98	47	57
System exercise and launch	Times	6	11	26
Total		6,384	5,440	6,438

Table 9. Proportion of Credit Card Electronic Bills

Year	Total annual bills (copies)	Electronic bills (copies)	Proportion of electronic bills (%)
2023	310,109,052	309,506,684	99.81%
2022	300,450,978	299,771,698	99.77%
2021	281,669,962	280,663,836	99.64%

Table 10. Credit Card Complaint Rate and Satisfaction Rate

Year	Customer Complaints	Customer Complaint Resolution Rate %	Credit Card Complaint Rate %	Credit Card Satisfaction Rate %
2023	389,588	100%	0.46%	83.79%
2022	369,837	100%	0.40%	92.53%
2021	208,207	100%	0.26%	96.20%

Table 11. Service Channel Construction

Indicators	Unit	2023	2022	2021
ATM, foreign currency exchange machine, VTM and other self-service facilities	numbers	8,276	8,686	8,977
Rural outlets	numbers	155	155	161
Community financial service outlets (Community sub-branches, small and micro sub-branches)	numbers	374	417	440

Note: Rural outlets refer to outlet established by SPD Bank in county regions (excluding rural banks).

Table 12. Information on Electronic Banking

Service channels	Transaction scale (million transactions)	Environmental benefits (approximately equal to)		
		Planted trees (thousand)	CO <sub>2</sub> Emission Reduction (Tons)	Quantity of paper reduced (Tons)
Online banking	263	22.9	411.83	1,372.76
Mobile banking	433			

Indicators	Unit	2023	2022	2021
Replacement rate of transaction volume in electronic channels	%	99.5	99.4	99.4

Note: 1) The number of transactions by online banking or mobile banking includes the number of transactions by individual customers and corporate customers;  
 2) Replacement rate of transaction volume in electronic channels: excluding the number of transactions completed in overseas branches, offshore businesses and the credit card center SPDB Credit Card app, and excluding the number of transactions completed by other banks on behalf of SPD Bank.



Table 13. Statistics of Customer Feedback from Customer Service Hotline

Indicators	Unit	2023	2022	2021
Cumulative numbers of customer service center staff	persons	724	736	750
Timely handling rate of customer complaints	%	99.84%	99.80%	99.06%

Note: ① On-time handling rate of customer complaints: According to the regulatory requirement on timeliness of complaint handling, it is supposed to adjust the original "On-time handling rate" to "Settlement rate of complaint handling within 15 days" coverage and update the data of 2021 and Year 2022 reports according to this coverage. ② Excluding complaints lodged through credit card centers, overseas branches and offshore businesses.

Indicators	Unit	2023	2022	2021
Customer Satisfaction Rate	%	85.7%	86.6%	83.8%

Table 14. Basic Information of Employees

Indicators	2023	2022	2021
Total number of employees	60,706	61,599	60,406
Labor contract signing rate	100%	100%	100%
Social insurance coverage rate	100%	100%	100%
Number of new employees	3,082	4,005	4,345
Number of female employees	32,515	32,397	31,370
Ratio of male to female employees	0.9:1	0.9:1	0.9:1
Number of employees of ethnic minorities	2,701	2,683	2,158
Bachelor degree or above	53,132	52,728	51,425
Junior college degree	7,574	8,871	8,981
Overseas employees	441	441	393
Employee medical examination coverage rate	100%	100%	100%
Staff turnover rate	5.1%	5.7%	5.8%
Employee satisfaction	97.4	96.8	96.6
Number of paid vacation days per employee	8.75	8.48	7.87

## Injuries and Deaths in the Line of Duty

Indicators	2023	2022	2021
Deaths in the line of duty	0	0	0
Death rates in the line of duty	0%	0%	0%
Injuries in the line of duty	83	52	48
Injury rate in the line of duty	0.14%	0.08%	0.08%

Table 15. Staff Training

Year	Number of training programs (sessions)	Number of training opportunities provided	Expenditure (million yuan)	Per capita expenditure (Yuan)	Duration of training per capita (days)
2023	2,036	16,208,005	57.7084	950.62	49
2022	2,136	29,357,063	86.0068	1,396.24	71
2021	1,926	35,648,689	117.7947	1,950.05	66

Note: ① Staff training expenditure: Staff education expenditure of head office and domestic branches.  
 ② Duration of training in days: 8 class hours/day.  
 ③ Training men times: In 2023, the course resources with similar contents are integrated in order to balance working and learning and improve the learning experience of employees, so the comprehensiveness and systematicness of a single training have been promoted. As a result, the number of trainees is reduced compared with that in 2022, but the learning efficiency of employees is improved.

## Environmental Protection Training Performance

Year	Training sessions	Trainees
2023	2	56,124
2022	2	43,287

## Safe Production Training Performance

Year	Training sessions	Total investment (10,000 Yuan)
2023	4,466	39,064.64
2022	3,262	31,257.88
2021	2,985	28,834.46

Table 16. Statistics of Staff Right and Interest Protection

Indicators	Unit	2023	2022	2021
Trade union coverage	%	100	100	100
Coverage of workers' congress	%	100	100	100
Amount of disaster relief	million yuan	22.279	23.2023	7.9778
Amount of medical assistance	million yuan	10.0314	8.2528	9.4076
Amount of living assistance	million yuan	17.5557	21.4256	8.3883

Note: The reduction in disaster relief in 2023 is due to the fact that there was less spending on epidemic prevention and control based on the real situation.



Table 17. Resources and Energy Consumption

Indicators	Unit	2023	2022	2021
Total natural gas consumption	m <sup>3</sup>	384,283	549,148	987,403
Total office paper consumption	t	17.64	15.84	22.58
Data center energy utilization rate	%	60.39	59.08	59.88

Note: (1) The total natural gas consumption (m<sup>3</sup>) refers to the total amount of natural gas consumed in the office area at the head-office level of SPD Bank in 2023. The office area at the head office-level includes the Bund 12 Headquarters Building, the Dongyin Building, the SPD Bank Building, and the SPD Bank Information Center.

(2) The total office paper consumption (tons) refers to the paper used in the office area at the head-office level of SPD Bank in 2023. Here, the office area at the head-office level includes the Bund 12 Headquarters Building, Dongyin Building, SPD Bank Building, SPD Bank Information Center, Yashi Building, and Zhangjiang Operations Center.

Table 18. Carbon Dioxide Emission

Indicators	Unit	2023	2022	2021
Total emission of greenhouse gas	thousand tons	20.3	20.6	41.3
Emission of direct greenhouse gas (Scope 1)	thousand tons	0.9	1.3	2.3
Emission of indirect greenhouse gas (Scope 2)	thousand tons	19.4	19.3	39.0

Note: The data calculation is based on the coefficient of last year's *Report on Energy Utilization of Key Energy-consuming Financial Organizations in Shanghai* published on the official website of National Development and Reform Commission.

Table 19. Waste discharge and disposal

Indicators	Unit	2023	2022	2021
Kitchen garbage	L	934,440	256,560	498,380

Note: 7 new staff canteens or temporary dining locations were provided in the headquarters in 2023 in a bid to improve services and management of employees and cooperative organizations, which resulted in an increase in kitchen garbage.

Table 20. Construction of Service Channels

Construction of service channel	2023	2022	2021
Number of e-banking users (million)	43.0668	40.9965	39.7646
Number of mobile banking service users (million)	80.7795	72.2012	62.0068
Number of WeChat banking service users (million)	300.479	26.4173	22.6946
Number of phone banking service users (million)	158.64	145.23	139.72

Note: The number of users of online banking, mobile banking, and WeChat banking includes the sum of both corporate customers and individual customers.

Table 21. Number of Employees (by Gender)

All employees	2023	2022	2021
Male	28,191	29,202	29,036
Female	32,515	32,397	31,370
<b>Management personnel</b>	<b>304</b>	<b>314</b>	<b>321</b>
Male	245	260	261
Female	59	54	60
<b>New employees</b>	<b>3,082</b>	<b>4,005</b>	<b>4,345</b>
Male	1,168	1,552	1,849
Female	1,914	2,453	2,496
<b>Employee structure (by age bracket)</b>	<b>60,706</b>	<b>61,599</b>	<b>60,406</b>
Aged 30 or below	20,208	22,441	23,386
Aged at 31-40	27,070	26,842	25,607
Aged at 41-50	9,644	8,886	8,405
Aged above 51	3,784	3,430	3,008

Table 22. Employee Turnover Rate

By gender	Unit	2023	2022	2021
Male	%	5.3	5.9	6.0
Female	%	4.9	5.4	5.7
By age bracket		2023	2022	2021
Aged 30 or below	%	7.4	8.3	7.8
Aged at 31-40	%	3.6	4.8	5.4
Aged at 41-50	%	2.0	1.8	2.4
Aged above 51	%	10.9	8.3	7.4

Table 23. Volunteer Service Performance

Volunteer service indicator	Unit	2023	2022	2021
Employee volunteers	persons	6,280	8,031	5,594
Volunteer service hours	hours	30,740	35,782	20,868



## Independent Limited Assurance Report

### Independent practitioner's assurance report

KPMG Huazhen No 2400106

To the Board of Directors of Shanghai Pudong Development Bank Co.,Ltd.

**Report on the selected key data of the 2023 SPD Bank Corporate Social Responsibility Report (Environmental, Social and Governance Report)**

We have engaged Shanghai Pudong Development Bank Co., Ltd. (the "Bank") to perform a limited assurance engagement on the selected "key data" as defined below in the *2023 SPD Bank Corporate Social Responsibility Report (Environmental, Social and Governance Report)* ("2023 CSR Report"). The criteria used by the Bank to prepare the selected key data in the 2023 CSR Report are set out in the definitions of the key data (the "basis of reporting") in Appendix I of this assurance report.

- Loan balance of small and micro enterprises (in RMB 100 million)
- Rate of customer complaints handled in a timely manner (%)
- Total expenditure on employee training (in RMB 10,000)
- External donations (inRMB10,000)
- Green credit balance (in RMB 100 million)
- Rate of digital trading volume over total trading volume (%)
- Use of digital conferencing
- Social contribution value per share (in RMB)
- Office water consumption (in10,000t)
- Office power consumption (in 10,000 kWh)
- Quantity of photocopier paper purchased (in bag)
- Use of natural gas (in m<sup>3</sup>)
- Use of paper (in ton)

Based on the implemented procedures and obtained evidence, we did not notice anything that would lead us to believe that the key data in the Appendix of the Corporate Social Responsibility Report 2023 of the Bank were not compiled according to the compilation basis in all major aspects.

### Independent practitioner's assurance report (Continued)

KPMG Huazhen No 2400106

Our conclusion about the key data does not cover other information that is included in or disclosed in the 2023 Corporate Social Responsibility Report (hereinafter referred to as "other information"). Other information is not a part of this assurance engagement, and we did not implement procedures on other information.

#### Basis of the Conclusion

We conducted our work in accordance with the *International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information"* issued by the Director of International Standards on Auditing and Assurance. The "Responsibilities of the Certified Public Accountants" section of the assurance report further elaborates our responsibilities under these principles.

We have complied with the independence and other ethical requirement of the International *Code of Ethics for Professional Accountants* (including the international independence principle) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm complies with the *International Quality Management Standard 1 The quality management of accounting firms in performing the audit or review of financial statements, other certification or related business* issued by the Director of International Standards on Auditing and Assurance, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to form the basis for our conclusions.

#### Restriction on Use

This report is provided only to the Board of Directors for compilation of the 2023 Corporate Social Responsibilities Report. This report shall not be used otherwise. We do not assume responsibility towards or accept liability to any other person for the content of this report. The content of this paragraph does not affect the conclusions that have been formed.



### Independent practitioner's assurance report (Continued)

KPMG Huazhen No 2400106

#### The Board of Directors' Responsibilities

The Board of Directors is responsible for preparing the selected key data in the 2023 CSR Report in accordance with the basis of reporting. This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation of the selected key data that is free from material misstatement, whether due to fraud or error;
- Select or develop appropriate standard for the compilation of key data and refer to or describe the standard used as appropriate.

#### Inherent limitations

We draw users' attention to the fact that there is no recognized evaluation and measurement standard system available for non-financial data, so a non-uniform measurement method was adopted, which would affect the comparability of inter-company data.

#### Practitioner's Responsibilities

Our work involves

- Planning and implementing assurance to obtain limited assurance that the key data that is free from material misstatement, whether due to fraud or error;
- Forming independent conclusion based on the implemented procedures and obtained evidence; and
- Reporting the conclusion to the Board of Directors of the Bank.

*We have carried out an overview of our work as the basis for forming the conclusion.*

In the course of our assurance work, we exercise professional judgment and maintain professional skepticism. We have designed and implemented procedures to obtain sufficient and appropriate evidence of the key data as a basis for forming the conclusion. The assurance process we choose depends on our understanding of the key data and other business circumstances, as well as our consideration of areas where misstatements may occur.

### Independent practitioner's assurance report (Continued)

KPMG Huazhen No 2400106

We have performed procedures on at the level of head office of the Bank solely, these procedures include:

- (1) Interview relevant departments of the Bank involved in providing information for the selected key data;
- (2) Analytical procedures;
- (3) Examine, on a test basis, of documentary evidence relating to the selected key data on which we report; and
- (4) Recalculate certain amount or indicator.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

KPMG Huazhen LLP

Beijing, China

26 April 2023



## Compilation Basis of key Data

### Appendix I: Preparation Basis of Key Data

Inclusive small and micro loan balance (in RMB 100 million): refers to the on- balance sheet loan balance of small and micro loans of Shanghai Pudong Development Bank Co., Ltd. as of 31 December 2023 classified under the statistical caliber of regulatory authority. They mainly refer to small and micro enterprise loans and inclusive loans for other organizations and personal business (non-agricultural households) with the total credit line of less than 10million (inclusive) for a single account. It does not include balances relating to overseas branches and offshore business. The classification standards for inclusive small and micro loans refer to the types of loans defined in the Notice of the General Office of the China Banking and Insurance Regulatory Commission on Promoting the "Incremental Expansion, Quality Improvement and Cost Reduction" of Financial Services for Small and Micro Enterprises in 2020 (Yin Bao Jian Ban Fa [2020] No.29).

Rate of complaints handled in a timely manner (%): refers to the total proportion of the completion and filing of complaints initiated in 2023 within a prescribed timeframe as well as the application for extended handling of complaints by Shanghai Pudong Development Bank in accordance with the Order from the China Banking and Insurance Regulatory Commission on the "Administrative Measures for the Handling of Consumer Complaints in the Insurance Industry" ([2020] No.3) and the Bank's related management measures. The above-mentioned complaints refer only to the online complaints received by SPDB's domestic branches and complaints received by designated customer service hotlines, but do not include complaints lodged through the Credit Card Center, overseas branches and offshore business.

Total expenditure on employee training (in RMB 10,000): refers to total expenses for internal training and web training organised in SPDB's domestic branches and approved by the Human Resources Department in 2023, excluding employee training expenditure related to overseas branches and offshore business.

External donations (in RMB 10,000): refers to the amount of donation to public welfare and social development undertakings in the name of SPDB in 2023. Such donations only refer to the Bank's administrative appropriations earmarked for donations, but do not include donations from employees.

Green credit balance (in RMB 100 million): refers to SPDB's on-balance sheet balance of green credit as at the end of 2023. Green credit balance is defined in the Notice of CBRC General Office on Work Related to Green Finance Statistical System (Yin Bao Jian Ban Letter [2020] No.739), but excludes the balance related to overseas branches and offshore business.

Rate of digital trading volume over total trading volume (%): refers to the percentage of the successful trading volume through digital channels other than counter trading (including personal phone, personal online banking, corporate mobile banking, corporate online banking, self-service banking, telephone banking and POS machine) in the total volume of counter trading and digital trading channel in 2023. It does not include the Bank's successful transactions conducted by overseas branches, offshore business, Credit Card Center's "Pudaxiben" software and the transactions completed by other banks on behalf of the Bank.

Use of digital conferencing (times): refers to the number of audio and video conferences initiated by the head office of SPDB and held in multimedia conference rooms using the bank-wide video teleconferencing system in 2023.

Social contribution value per share (in RMB): refers to incremental amount per share created for the society as a whole, which is the basic earnings per share created by the Bank for shareholders, plus tax revenues created by the Bank, wages paid to employees, loan interests paid to creditors and donations made by the Bank and other values created for other stakeholders in 2023. The calculation formula is: social contribution value per share = earnings per share + (taxes paid + employee expenses+ interest expenditure + total amount of public welfare input)/weighted average equity. In this formula, except that the total amount of public welfare input is the external donations made by the Bank, the remaining indicators are the financial indicators at consolidated level of the SPDB Group.

Office water consumption (in 10,000t): refers to annual tap water consumption at office areas of SPDB head office in 2023, including headquarters building in the Bund, SPDB Building, Dongyin Building, SPDB Information Center and Zhangjiang Working Center.

Office Power Consumption (in 10,000 kW·h): refers to annual power consumption at office areas of SPDB head office in 2023, including headquarters building in the Bund, SPDB Building, Dongyin Building, SPDB Information Center and Zhangjiang Working Center.

Quantity of photocopier paper purchased (in bag): refers to the quantity of photocopier paper purchased for office areas of SPDB head office in 2023, including headquarters building in the Bund, SPDB Building, Dongyin Building, SPDB Information Center, Yashi Building and Zhangjiang Working Center.

Use of natural gas (in m<sup>3</sup>): refers to the annual natural gas used in office areas of SPDB head office in 2023, including headquarters building in the Bund, SPDB Building Dongyin Building, and SPDB Information Center.

Use of paper (in ton): refers to the annual paper used in office areas of SPDB head office in 2023, including headquarters building in the Bund, SPDB Building, Dongyin Building, SPDB Information Center, Yashi Building and Zhangjiang Working Center.

GRI STANDAD Index

GRI Standard	Disclosure	Location	
GRI 2: General Disclosures 2021	2-1 Organizational details	See 2023 SPD Bank Corporate Social Responsibility Report	
	2-2 Entities included in the organization's sustainability reporting	Notes to the Report	
	2-3 Reporting period, frequency and contact point	Notes to the Report	
	2-4 Restatements of information	Notes to the Report	
	2-5 External assurance	Independent Assurance Report	
	2-6 Activities, value chain and other business relationships	A word from Chairman / senior management	
	2-7 Employees	Make Concerted Efforts to Help Employees Grow	
	2-8 Workers who are not employees	See Section "Practice"	
	2-9 Governance structure and composition	See 2023 SPD Bank Corporate Social Responsibility Report	
	2-11 Chair of the highest governance body	See 2023 SPD Bank Corporate Social Responsibility Report	
	2-12 Role of the highest governance body in overseeing the management of impacts	See 2023 SPD Bank Corporate Social Responsibility Report	
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance	
	2-15 Conflicts of interest	Antitrust and fair competition	
	2-16 Communication of critical concerns	Investor relations and information disclosure	
	2-17 Collective knowledge of the highest governance body	See 2023 SPD Bank Corporate Social Responsibility Report	
	2-18 Evaluation of the performance of the highest governance body	See 2023 SPD Bank Corporate Social Responsibility Report	
	GRI 2: General Disclosures 2021	2-19 Remuneration policies	See 2023 SPD Bank Corporate Social Responsibility Report
		2-20 Process to determine remuneration	See 2023 SPD Bank Corporate Social Responsibility Report
2-21 Annual total compensation ratio		See 2023 SPD Bank Corporate Social Responsibility Report	
2-22 Statement on sustainable development strategy		A word from Chairman / senior management	
2-27 Compliance with laws and regulations		Risk Compliance	

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Corporate Governance
	3-2 List of material topics	Contents
	3-3 Management of material topics	Corporate Governance
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Practice
	201-2 Financial implications and other risks and opportunities due to climate change	Environment: Green Action for a Better Future
	201-3 Defined benefit plan obligations and other retirement plans	See 2023 SPD Bank Corporate Social Responsibility Report
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Group-wide Collaboration to Serve the National and Regional Strategy and Major Tasks in Shanghai
	203-2 Significant indirect economic impacts	"Benefit People's Livelihood" with "Accelerated Development" of Inclusive Finance
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Key Performance Indicators
GRI 303: Water and Effluents 2018	303-5 Water consumption	Key Performance Indicators
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Green-oriented Development to Build a Green Bank
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Key Performance Indicators
	305-2 Energy indirect (Scope 2) GHG emissions	Key Performance Indicators
GRI 306: Waste 2020	306-3 Waste generated	Key Performance Indicators
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Risk Complacence
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Key Performance Indicators
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Make Concerted Efforts to Help Employees Grow



GRI Standard	Disclosure	Location
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Make Concerted Efforts to Help Employees Grow
	403-4 Worker participation, consultation, and communication on occupational health and safety	Make Concerted Efforts to Help Employees Grow
	403-5 Worker training on occupational health and safety	Make Concerted Efforts to Help Employees Grow
	403-6 Promotion of worker health	Make Concerted Efforts to Help Employees Grow
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Make Concerted Efforts to Help Employees Grow
	403-9 Injuries in the line of duty	Key Performance Indicators
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Key Performance Indicators
	404-2 Programs for upgrading employee skills and transition assistance programs	Make Concerted Efforts to Help Employees Grow
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Service Oriented Operation and Optimization of Customer Experience

### ESG Index

Environment	Indicator No.	Indicator Contents	Page
Level A1: Emission	General disclosure	Contents about waste gas and greenhouse gas emission, pollution discharge to water and land and generation of harmful and harmless wastes: (a) policy; and (b) data regarding compliance of relevant laws and regulations that affect issuer significantly	Improve Quality & Efficiency and Deepen Green Operations
	A1.1	Emission type and relevant emission data	Key Performance Indicators
	A1.2	Total emission (in tons) and density (if applicable) of greenhouse (e.g. calculated in output unit per facility)	Key Performance Indicators
	A1.4	Total quantity (in tons) and density (if applicable) of generated harmful wastes (e.g. calculated in output unit per facility)	Key Performance Indicators
	A1.5	Total quantity (in tons) and density (if applicable) of generated harmless wastes (e.g. calculated in output unit per facility)	Continuous Innovation in Carbon Creates Green Ecological Value
Level A2: Resources utilization	General disclosure	Policy on utilizing resources effectively (including energy, water and other raw material)	Improve Quality & Efficiency and Deepen Green Operations
	A2.1	Total consumption (in 1,000 kWh) and density (if applicable) of direct and/or indirect energies (e.g. power, gas or oil) divided by type (e.g. calculated in output unit per facility)	Key Performance Indicators
	A2.2	Total water consumption and density (e.g. calculated in output unit per facility)	Key Performance Indicators
Level A3: Environment and natural resources	General disclosure	Policy on reducing issuer's serious influence on environment and natural resources	Green-oriented Development to Build a Green Bank
	A3.1	Description on serious influence of business activities on environment and natural resources and actions adopted to management relevant influence	Green-oriented Development to Build a Green Bank
Level B1: Employment	General disclosure	Contents about remuneration and dismissal, recruitment and promotion, working hours, vacation, equal opportunity, diversification, anti-discrimination and other treatments and benefits: (a) policy; and (b) data regarding compliance of relevant laws and regulations that affect issuer significantly	Make Concerted Efforts to Help Employees Grow
	B1.1	Number of employees divided by gender, employment type, age bracket and region	Key Performance Indicators
	B1.2	Employee turnover rate divided by gender, age bracket and region	Key Performance Indicators
Level B2: Health and safety	General disclosure	Contents about providing safe working environment and keeping employees away from occupational hazard: (a) policy; and (b) data regarding compliance of relevant laws and regulations that affect issuer significantly	Make Concerted Efforts to Help Employees Grow
	B2.1	Number and ratio of employees who are dead owing to work reason	Key Performance Indicators
	B2.3	Description of occupational health and safety measures adopted and implementation and surveillance method concerned.	Make Concerted Efforts to Help Employees Grow

Index of Environmental, Social and Governance (ESG) Indicator System (Version 1.0) of Shanghai State-controlled Listed Companies

Environment	Indicator No.	Indicator Contents	Page
Level B3: Development and training	General disclosure	Policy on improving employees' knowledge and skills for performing work duties and training activity description	Make Concerted Efforts to Help Employees Grow
	B3.2	Average training hours completed by each employee (by gender and employee category)	Key Performance Indicators
Level B4: Labor standards	General disclosure	Contents about anti-child labor or compulsory labor: (a) policy; and (b) data regarding compliance of relevant laws and regulations that affect issuer significantly	Make Concerted Efforts to Help Employees Grow
Level B5: Supply chain management	General disclosure	Policy on managing supply chain's environmental and social risks	Risk Complacence
	General disclosure	Health and safety, advertising and label of relevant products and services provided, advertising, label, privacy and remedies: (a) policy; and (b) data regarding compliance of relevant laws and regulations that affect issuer significantly	Service Oriented Operation and Optimization of Customer Experience
Level B6: Product responsibility	B6.2	Number of accepted complaints about products and services and coping approach	"Strong measures" to Safeguard the Wealth of Financial Consumers
	B6.3	Conventions description on IPR maintaining and protection	Risk Complacence
	B6.5	Description on consumer data protection and privacy policy and relevant implementation and surveillance method.	"Strong measures" to Safeguard the Wealth of Financial Consumers
Level B7: Anti-corruption	General disclosure	Contents about bribery, extortion, fraud and money laundering: (a) policy; and (b) data regarding compliance of relevant laws and regulations that affect issuer significantly	Risk Complacence
	General disclosure	Policy on community at business place solving its own requirements and making sure community's benefits are considered in business activities	Full Devotion to Social Public Welfare
Level B8: Community investment	B8.1	Dedicated contribution category (e.g. education, environment, labor requirement, health, culture and sports)	Full Devotion to Social Public Welfare
	B8.2	Resources used within dedicated category (e.g. money or time)	Full Devotion to Social Public Welfare

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E Environment (six second level indicators)	E1 Environmental Management	E1. 1	Environmental management objectives and systems	P44
		E1. 3	Research and development of green products and use of environmental protection technologies	P44-55
		E1. 5	Environmental training performance	P83
	E2 Energy	E2. 1	Energy management goals and planning	P54-55
		E2. 2	Energy conservation measures	P54-55
		E2. 3	Development and application of renewable energy	P54-55
		E2. 4	Total energy consumption	P80
	E3 Resources	E3. 1	Resource management system and planning	P54-55
		E3. 2	Water resource goals and planning	P54
		E3. 3	Water conservation measures	P54
		E3. 4	Total annual water use	P80
		E3. 5	Management of other resource usage	P54-55
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		E4. 2	Measures to reduce wastewater discharge	P54
E4. 5		Waste gas management goals and planning	P54	
E4. 6		Measures to reduce exhaust emissions	P54	
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E4. 8		Solid waste management goals and plans	P54	
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		S1.3 Product research and development innovation	P17、 P41、 P34、 P35、 P47
		S1.4 Intellectual property protection	P19
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		S2.2 Employee turnover rate	P85
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## Feedback from readers

Thanks for reading the *2023 SPD Bank Corporate Social Responsibility Report (Environmental, Social and Governance Report)*. As the first commercial bank in China's banking industry to issue corporate social responsibility report, this is the 19<sup>th</sup> consecutive report issued by SPD Bank.

In order to provide valuable information to you and other interested parties in a better way, promote the supervision on our social responsibility work and increase the ability and level of performing social responsibility, SPD Bank sincerely invites you to offer valuable comments and suggestions with regard to the report.

1. Your overall evaluation on corporate social responsibility report of SPD Bank:

Good       Relatively good       Average       Relatively bad       Bad

2. Your overall evaluation on SPD Bank's performance of its economic, social and environmental responsibilities:

Economic:       Good       Relatively good       Average       Relatively bad       Bad

Social:       Good       Relatively good       Average       Relatively bad       Bad

Environmental:       Good       Relatively good       Average       Relatively bad       Bad

3. Do you think this report can reflect the influence of SPD Bank's practice of social responsibility on the economy, society and environment?

Absolutely       Very well       Average       Not very well       No

4. What do you think about the clarity, accuracy and completeness of the information, data and indicators disclosed in this report?

Clarity:       Good       Relatively good       Average       Relatively bad       Bad

Accuracy:       Good       Relatively good       Average       Relatively bad       Bad

Completeness:       Good       Relatively good       Average       Relatively bad       Bad

5. Do you think the content arrangement and format design of this report is reading-friendly?

Yes       Average       No

6. Other comments and suggestions to SPD Bank's social responsibility work and this report.

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