



**LUCION**

**山東省國際信託股份有限公司**  
**Shandong International Trust Co., Ltd.**

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

Stock Code: 1697

**2021**

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

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# About This Report

## Reporting Scope

Unless otherwise stated, this Report covers Shandong International Trust Co., Ltd. (hereinafter referred to as “SITC,” the “Company” or “we”).

## Reporting Period

Unless otherwise specified, the period covered for this report is 1 January 2021 to 31 December 2021 (hereinafter referred to as the “Reporting Period”).

## Reporting Cycle

This Report is prepared annually.

## Basis of Preparation

This Report has been prepared by the Company in accordance with the *Environmental, Social and Governance Reporting Guide* (hereinafter referred to as “ESG Reporting Guide”) described in Appendix 27 of the *Rules Governing the Listing of Securities* (hereinafter referred to as the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”), for the purpose of disclosing the comprehensive performance of SITC in creating value for shareholders and customers and SITC’s proactive fulfilment of social responsibility. This Report should be read together with the “Corporate Governance Report” section from the *2021 Annual Report* of the Company and the “Corporate Social Responsibility” section of the Company’s official website for a more comprehensive understanding of the Company’s environmental, social and governance performance.

This Report complies with the “comply or explain” provisions set out in the *ESG Reporting Guide*.

## Source of Information

The financial data in this Report is extracted from the *2021 Annual Report* of SITC, while other information and data are sourced from the internal management documents and statistical information of the Company. Unless otherwise indicated, the currency denominated in this Report is Renminbi (hereinafter referred to as “RMB”).

## Access to this Report

This Report is issued in the form of printed version and electronic version. The printed version is available for inspection by the Company’s shareholders and stakeholders at the Company’s Office of the Board of Directors (Supervisors); the electronic version can be downloaded from the official website of the Company ([www.sitic.com.cn](http://www.sitic.com.cn)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).



A stylized, handwritten signature in black ink, consisting of fluid, connected strokes.

Wan Zhong  
Chairperson

## Chairperson's Statement

The year 2021 is the first year of the “14th Five-Year Plan” period (2021-2025), and also a crucial year for the comprehensive promoting of the market-oriented reform at SITC. In the face of COVID-19 flare-ups worldwide, the increasingly complex and volatile domestic and international economic situation, tightening regulation and the arduous task of reform and transformation, SITC duly fulfilled its social responsibilities, took its responsibility of enhancing financial supply and supporting high-quality development adhering to the general principle of seeking progress while maintaining stability and in line with its market positioning as the “trustee”, and coordinated epidemic control and corporate development efforts. Overall, SITC succeeded in maintaining the development trend of “orderly maintaining stability and making effective progress”, and constantly consolidated its foundation for high-quality development.

**In 2021, we persevered with the reform and enhanced our financial services.** SITC continued to implement the new development principles of “deepening reforms and innovating management”. We further improved the organisational structure, optimised the operation systems, set up three business divisions and six business centres to accelerate the marketing system rollout, and took new steps to scale up business operations nationwide. Being “customer-centric”, we will continued to step up consumer protection and investor education, and created a favorable financial consumption environment.

**In 2021, we supported the real economy leveraging our financial strengths.** Committed to returning to the original purposes of financial services and serving the real economy, SITC actively stimulated the investment of public funds in the real economy and supported the development of key national and regional industries. We adapted ourselves to the regional development strategies and established the Shandong Development and Construction Fund. By leveraging venture capital funds, we actively supported major initiatives driving the transition between the old and new growth drivers to assist ecological conservation and high-quality development of the Yellow River Basin.

**In 2021, we promoted green trusts and cultivated the ESG concept.** SITC has incorporated green trusts into its “14th Five-Year Plan”, infused the “green” concept into the Company's operating philosophy, and increased green finance supplies, and stepped up innovative research on ESG investment. As at the end of 2021, the existing green trust business amounted to RMB1.352 billion. We will incorporate ESG into our risk management and business processes, create a corporate culture of green development and embrace the “dual carbon” campaign.

**In 2021, we promoted charitable causes and the public's well-being, and fulfilled responsibilities as a state-owned enterprise.** SITC actively fulfilled its social responsibilities by focusing on charitable trusts and endeavored to contribute to rural revitalization and common prosperity. We spent more than RMB2 million on charitable trusts in the year, directly benefiting nearly 1,200 people. SITC also devoted itself to the fight against the COVID-19 epidemic as well as the “tough battle” of poverty alleviation and rural revitalization with the spirit of trust, attesting to its strategic vision as a “responsible and caring” state-owned enterprise.

**In 2021, we paid due attention to the personal development of employees adhering to the “people first” strategy.** SITC grows with its employees and creates a bright future through concerted efforts. We has reformed the professional manager system, improved the human resources system and made active efforts to attract qualified professionals through market-based channels. We continued to optimise our staff training system, cater to the needs of our employees, build a growth platform and created a heartwarming working environment for them.

Staying true to our mission and ambitions, SITC will continue to uphold the ESG development principles, optimise its governance capacities, and hold fast to its positioning as the “trustee”, leveraging the advantages of the trust system in 2022. The Company will devote all its energy and resources to promoting business development, overcome adversities through reforms. Through all the initiatives, SITC will work hand in hand with all stakeholders to contribute to a more prosperous, green and inclusive world!





## About SITC

Shandong International Trust Co., Ltd. was established as a non-bank financial institution in March 1987, with the approval of the People's Bank of China and the People's Government of Shandong Province, and is currently a director member of the China Trustee Association. The controlling shareholder of SITC, Shandong Lucion Investment Holdings Group Co., Ltd., is an important state-owned financial institution managed by the Shandong Provincial Party Committee, as well as an important investment and financing entity and asset management platform in Shandong Province. The actual controller of the Company is the Shandong Provincial Department of Finance, and the ultimate controller is the People's Government of Shandong Province. In December 2017, the Company was listed on the Hong Kong Stock Exchange (Stock Code: 1697.HK), becoming the first domestic trust company listed on the international capital market.

Since its establishment, SITC has remained committed to its positioning as trustee, adhered to the development strategy of "interconnection" of its trust business and inherent business, fully leveraged its advantages in trust business, and resolutely returned to the origins of trust. Further, we have continued to improve our capabilities in financial technology, comprehensively utilised loans, equity investment, industrial funds, asset securitization and other financial tools, and effectively bridged the money market, capital market and real economy, thereby contributing to high-quality economic development and better lives for people. At present, SITC has an all-around and multi-level trust product line covering industrial and commercial enterprises, infrastructure, real estate, capital markets, inclusive finance, family trusts and charitable trusts. The Company has three business divisions, namely capital markets, wealth management and family trust, and six business centres, with business and wealth management teams located in central cities across the country, reinforcing the development pattern of "taking root in Shandong, spreading to the whole country and establishing presence across the globe." The Company has held fast to the tenet of being "customer-centric," actively built an "allocation-oriented" wealth management system characterized by the concept of "one body two wings," and endeavoured to provide all-encompassing personalised and differentiated financial and life services to high-net worth customers, and professional and customized products to institutional customers. We have wealth management centres located in Beijing, Shanghai, Jinan, Qingdao, Dongguan, Dalian and Xi'an, forming our nationwide wealth management network spanning all corners of the country.

SITC actively fulfils its mission as a state-owned enterprise, shoulders its social responsibilities. The Company has taken the initiative in fighting the COVID-19 pandemic, promoting green development, assisting in poverty alleviation, and supporting public welfare and charitable activities. We have adhered to the mission of "gathering capital to revitalise Shandong," focusing our efforts on regional development strategies such as the construction of major projects on the replacement of old growth drivers with new ones and the three tough battles (preventing and defusing financial risks, targeted poverty alleviation and pollution control), effectively guaranteeing regional financial supply. The Company attaches great importance to the protection of consumers' rights and interests, regularly conducting investor education and financial literacy activities and continuously improving customer experience, so as to foster a harmonious and stable financial consumption environment. The Company's development has gained recognition and praise from all corners of society, having received numerous awards such as "Financial Innovation Award of Shandong Province," "Best Innovative Trust Company," "Integrity Trust – Excellent Company Award," "Most Valuable Financial Stock Company," "Best Corporate Governance Award," "Best Information Disclosure Award," "Shandong Socially Responsible Enterprise," "3·15 Integrity Financial Brand," and "Shandong Charitable Award – Most Influential Charity Program," and conferred the honorary title of "Advanced Company Contributing to Financial Development of Shandong Province" by the government of Shandong Province. We received a rating of "AAA" in the performance evaluation of financial enterprises in Shandong Province for eight consecutive years, and were awarded the highest industry rating of "A" in China's trust industry on multiple times.

SITC excels at seizing opportunities and audaciously meeting challenges. Guided by the 14th Five-Year Plan, we will actively comply with regulatory direction and market demands, stick to our role as trustee, resolutely return to the origins of trust, bravely undertake the mission of "supporting the real economy, serving people's livelihood and well-being, and fulfilling social responsibility," and remain committed to becoming a respected wealth management institution based on asset allocation, thereby creating greater value for shareholders, customers, employees and other stakeholders.

# 01

## Optimising Governance Effectiveness

- 08 Constantly Improving Corporate Governance
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NEGOTIATING  
SEARCHING  
DATA  
ANALYSIS  
CONNECTION

## Constantly Improving Corporate Governance

In 2021, the Company, in accordance with domestic and overseas regulatory requirements, continuously increased the transparency of corporate governance so as to safeguard the interests of shareholders and increase corporate value. In accordance with the Listing Rules and relevant laws and regulations such as the *Company Law of the People's Republic of China* (《中華人民共和國公司法》), *Guidelines for the Governance of Trust Companies* (《信託公司治理指引》) and *Interim Measures for the Equity Management of Trust Companies* (《信託公司股權管理暫行辦法》), the Company has established a more comprehensive corporate governance structure, clearly classified the responsibilities among the shareholders' general meeting, the Board of Directors of the Company (hereinafter referred to as the "Board of Directors"), the Board of Supervisors of the Company (hereinafter referred to as the "Board of Supervisors") and senior management.

In particular, the shareholders' general meeting acts as the highest authority of the Company; the Board of Directors is held accountable to shareholders; the Board of Supervisors is responsible for supervising the operation of the Company and the performance of duties of the Board of Directors and senior management; the senior management is responsible for the implementation of resolutions from the Board of Directors and the daily operation and management of the Company, as well as regular reporting to the Board of Directors and the Board of Supervisors.



In 2021, the Company convened two shareholders' general meetings, at which 16 resolutions were approved. The shareholders' general meetings were convened in line with applicable legal procedures. All shareholders properly exercised their shareholder rights at such meetings.

As of the end of 2021, the Board of Directors comprised of eight directors. The Board of Directors has established six special committees, namely the Business Decision Committee, the Strategies and Risk Management Committee, the Audit Committee, the Nomination and Remuneration Committee, the Trust Committee and the Related Party Transaction Control Committee, which are operated under the leadership of the Board of Directors and make recommendations in respect of decisions made by the Board of Directors. In 2021, the Company convened a total of 13 meetings of the Board of Directors, at which 72 resolutions were considered.

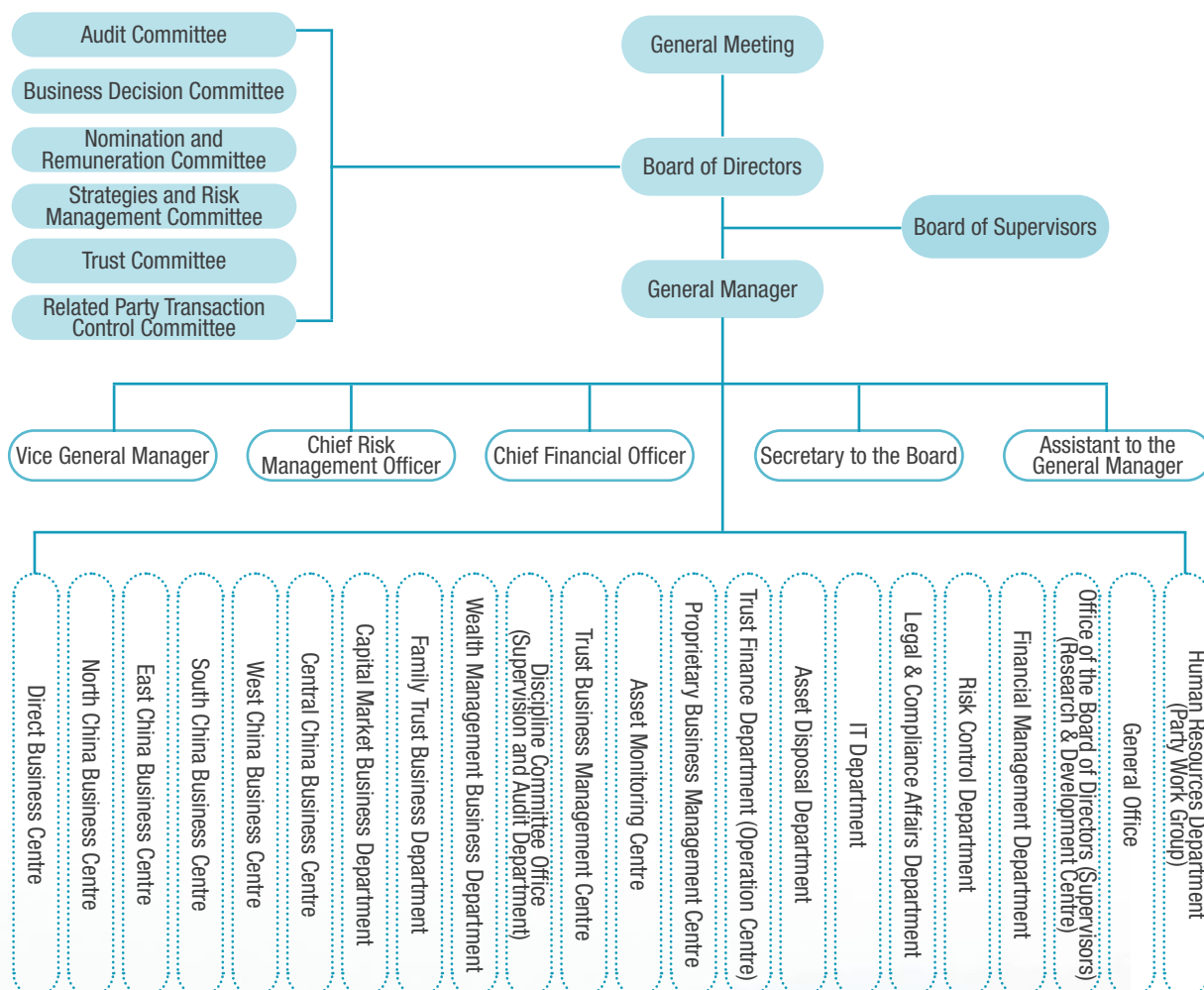
As of the end of 2021, the Board of Supervisors consisted of nine supervisors, among which there were three employee representatives, five shareholder representative supervisors and one external supervisor. In 2021, the Company convened six meetings of the Board of Supervisors, at which 19 resolutions were considered.

## Investor Relations Management

The Company attaches great importance to the management of investor relations. We continuously strengthened the communication, interaction and understanding between the "First Listed Trust Company" and the capital market and investors, holding us accountable for protecting the interests of investors, strictly fulfilling the obligations of a public company, and maintaining a good reputation and corporate image.

In September, the Company held the interim results announcement conference for 2021 via live video stream, releasing the Company's business results, transformation highlights and development plans to domestic and foreign reporters, analysts and other capital market participants, and answering questions of investors.

## Corporate Governance Structure



In September 2021, the 2021 Interim Results Announcement Conference of SITC was successfully held.



The Company focuses on strengthening its active voice in the capital market and financial media, serving as a positive role player in the trust sphere. In 2021, Hong Kong's *Headline Daily* column published a series on the views of the Company's management on the trust industry, with a total of six instalments, covering a variety of industry hot topics such as an overview of the trust industry in China, wealth management, family trusts, pension trusts and service trusts, further enhancing foreign investors' knowledge and understanding of Chinese trust companies.

## Media Column



In 2021, *Headline Daily* column featured articles from the Company's management.

The Company's high-quality development has earned it wide recognition among market players. We won the **"Best Financial Company"** award at the 5th Golden Hong Kong Stocks Awards, and the **"Best Corporate Governance"** and **"Best ESG"** awards at the 2021 China Finance Awards.



Best ESG



Best Corporate Governance



Best Financial Company



## Information Disclosure

The Company adhered to its practices of high-quality information disclosure. In 2021, we published 51 announcements on the website of the Hong Kong Stock Exchange and our official website, including 17 regular reports and 34 ad hoc reports, ensuring the timely and full performance of information disclosure obligations. We were rated as the "Best Information Disclosure Company" on the List of the Best Publicly Traded Companies in Greater China released by Gelonghui for three consecutive years.

Disclosure Announcements

**51** copies

Regular Reports

**17** copies

Ad Hoc Reports

**34** copies



Best Information Disclosure Award

## Insistence on Operations in Compliance with Laws and Regulations

### Firmly establishing the concept of compliance management

In strict compliance with the *Guidelines on Compliance Risk Management in Commercial Banks* (《商業銀行合規風險管理指引》), the Company earnestly fulfilled its responsibilities of compliance risk management, adhered to the concept of deepening compliance from the top down, and continued to carry out activities such as compliance talks with the CEO and compliance awareness events with senior leaders, constantly enhancing the awareness of all employees to operate in compliance with regulations and follow standardised operations.

In 2021, demarcating the “Year of Standardisation Enrichment” and the “Year of Internal Control and Compliance Management Construction”, the Company took the opportunity to continue deepening the compliance philosophy of “compliance as the priority, compliance by all, active compliance, and creating value through compliance”. As a result, we formulated and revised 52 systems covering key areas such as business, compliance, risk control, finance, employee management and consumer protection. In addition, we embedded compliance and risk control specialists into the three major business divisions of the capital market, wealth management and family trusts, to optimise and improve business system functions, develop the digital and intelligent capabilities of internal control compliance management, and further consolidate the foundation of compliance management work. In accordance with regulatory requirements, the Company performed several special, routine and ad hoc audits in key areas, proactively resolving the issues found and eliminating compliance loopholes and hidden risks.

Continuously improved risk management and control capabilities. In 2021, we formulated and revised several risk management-related systems such as the *Guidelines to Access Real Estate Collective Trust Business* (《房地產集合信託業務准入指引》), which strengthened the administration of project

access at the source; completed the first phase of construction of the intelligent risk control system, realising the quantitative management of business risks associated with real estate trusts; and implemented active on-site management to guarantee the legitimacy of primary repayment sources. Additionally, we monitored the dynamic public opinion of counterparties daily, created weekly schedules to closely track the progress of risk project disposal, and performed comprehensive risk screening, liquidity stress testing and asset quality classification every quarter. We have also instituted a system of bi-annual project oversight, during which we identify projects with potential risks and formulate early response plans, effectively improving our prospective risk response capabilities.

Carrying out regular compliance education and training. The Company attaches great importance to furthering education and training on regulatory policies and regulations. We actively promote an atmosphere of learning for all employees through holding monthly legal briefings and preparing the “Quarterly Regulatory Updates” newsletter, keeping everyone abreast of trends in regulatory policy, central issues in legal compliance and areas of difficulties through various articles and case studies. In addition, we organise employees to participate courses on basic trust knowledge and related laws and regulations developed by the China Trustee Association, invite outside experts to hold lectures on policy interpretation, strengthen compliance education training through publicizing the “One Session”, circulating case studies, business salons and informative WeChat posts, and test the proficiency of employees through case prevention practice tests and “trust culture knowledge” assessments, all in an effort to continue promoting employee knowledge and understanding of regulatory policy, strengthen awareness of case prevention and control, and pursue business development in compliance with laws and regulations.



Employees take the trust culture knowledge self-assessment

## Fulfilling Anti-money Laundering Obligations Through Strengthening the Construction of Institutional Anti-money Laundering Systems

In accordance with relevant laws and regulations including the *Anti-money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》), *Rules for Anti-money Laundering by Financial Institutions* (《金融機構反洗錢規定》), the Company developed and implemented the *Administrative Measures on Anti-money Laundering* (《反洗錢管理辦法》), which were regularly revised and updated based on the latest regulatory requirements. The measures standardise the practices of anti-money laundering management, ensuring that the Company performs its anti-money laundering obligations in accordance with applicable laws and regulations.

**Continuously strengthened anti-money laundering framework and system construction.** The Company established an Anti-money Laundering Steering Committee responsible for the oversight of anti-money laundering work, under which the Anti-money Laundering Office organises and performs anti-money laundering work. Each business division of the Company is responsible for its own day-to-day anti-money laundering work. We also perform a special anti-money laundering audit every year, and maintain issue records, formulate rectification plans and track rectification progress on a quarterly basis for issues found during these audits. In 2021, the Company revised the *Administrative Measures on Anti-money Laundering* to further define the functional departments and responsibilities of anti-money laundering work, add provisions for anti-money laundering positions, and clarify the basic requirements and job responsibilities of full-time anti-money laundering employees; and formulated systems such as the *Administrative Measures for Self-Assessment of Money Laundering and Terrorist Financing Risks* (《洗錢和恐怖融資風險自評估管理辦法》), *Administrative Measures for Customer Risk Classification* (《客戶風險等級劃分管理辦法》), *Administrative Measures for Customer Identification and Data Retention* (《客戶身份識別及資料保存管理辦法》) and *Administrative Measures for Anti-money Laundering Training and Advocacy* (《反洗錢培訓和宣傳管理辦法》), which fully incorporated anti-money laundering work into risk management, improved customer identification, customer risk classification, money laundering risk assessment and other supporting measures, and further consolidated the foundation of internal control of anti-money laundering management. We began the reconstruction and upgrade of our anti-money laundering system in September 2021, upgrading it from CS to BS architecture, which boasts improved data processing efficiency and optimised data collection logic, supports interaction with our business systems, and features abnormal transaction reporting, off-site supervision, and suspicious transaction management.





In 2021, the Company performed initial identification, ongoing identification, and re-identification of customer identities, and diligently maintained customer data and transaction records in strict accordance with relevant requirements of anti-money laundering systems. As of the end of 2021, the Company completed the initial identification of 4,878 customers, re-identification or ongoing identification of 294 customers, and terminated services for 15 customers. We coordinated manual identification and review in response to abnormal transaction early warnings prompted by anti-money laundering systems. No suspicious transactions were found in 2021.

**Actively conducting anti-money laundering advocacy and training.**

Relying on its wealth management branches, the Company utilised a combination of “online + offline” and “generalised + specialised” outreach methods to advocate for anti-money laundering awareness, holding events such as “3.15 Consumer Rights and Interests Protection Education and Advocacy Week”, “Spreading Financial Knowledge to Thousands of Households”, “All for One and One for All, Uniting to Combat Money Laundering” to spread awareness among communities, enterprises and business circles alike. In 2021, we held a total of 10 relevant advocacy events, produced 11 billboards, and distributed more than 4,000 advocacy leaflets, reaching an audience of over 25,000 persons.

The Company places great importance on strengthening anti-money laundering training for employees, and has made anti-money laundering courses compulsory for all employees. In 2021, we organised five trainings on topics involving anti-money laundering and international sanctions, anti-money laundering best practices and anti-money laundering risk management systems of financial institutions, interpretation and practical implementation of the new anti-money laundering law, interpretation of regulatory policies on anti-money laundering, and construction of anti-money laundering internal control mechanisms, effectively heightening awareness of anti-money laundering risk prevention and control among all employees.

2021

Organized **5** anti-money laundering trainings for employees

Held a total of **10** relevant advocacy events

Produced **11** billboards

Distributed more than **4,000** advocacy leaflets

Reaching an audience of over **25,000** persons



The Company actively conducted anti-money laundering advocacy and training.

## Standardisation of Intellectual Property Rights, Trademarks and Advertising Management

In compliance with the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》), *Patent Law of the People's Republic of China* (《中華人民共和國專利法》), *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》) and other laws and regulations, the Company is entitled to intellectual property rights such as trademarks and domain names through applying for registration or obtaining third-party authorisation, so as to protect the Company's rights and interests while avoiding infringing on the intellectual property rights of others.

The Company operates in strict accordance with the *Measures for the Administration of Trust Companies' Trust Plans of Assembled Funds* (《信託公司集合資金信託計劃管理辦法》), and commissions advertising agencies to publish advertisements in compliance with laws and regulations, without openly marketing or promoting the Company's trust products. The Company commissions the media to publish summaries of its annual reports, and appropriately publicises the Company's initiatives to fulfil its social responsibilities in combating the COVID-19 pandemic, carrying out public welfare and charitable activities, and supporting the development of the real economy.

## Comprehensively Promoting the Construction of the Financial Integrity Culture

The Company attaches great importance to developing the professional integrity of all employees, particularly those in leadership positions. We have strictly complied with institutional regulations such as the *Several Provisions on Clean Practices of Leaders of State-owned Enterprises* (《國有企業領導人員廉潔從業若干規定》) and *Opinions on Further Promoting the Implementation of the Decision-making System for Major Issues, Major Personnel Appointments and Dismissals, Investments in Major Projects and Use of Large Sums of Money by State-owned Enterprises* (《關於進一步推進國有企業貫徹落實「三重一大」決策制度的意見》), and revised the *Measures for the Administration of Reporting Violations of Discipline and Law* (《違紀違法行為舉報管理辦法》). The Discipline Inspection Committee of the Company (hereinafter referred to as the Discipline Inspection Committee) and the office thereunder are dedicated to work related to professional integrity and anti-corruption. The Company has effectively strengthened the supervision of professional integrity and intensified efforts to supervise, manage and control key points, key employees and key matters by conducting abnormal behaviour investigation, professional integrity talks and supervision of integrity in branch locations, so as to effectively prevent and control professional integrity risks. The Discipline Inspection Committee of the Company accepts reporting against the employees according to its duties, and those beyond its authority are handled by the Discipline Inspection Committee in accordance with procedures. Whistleblowers can, or entrust others to, report in official documents, letters (including e-mail), interviews, telephone and other ways. The reporting is consciously supervised by all staff and the relevant departments at higher levels.



The Company organized middle-level and above cadres to collectively watch the warning education video of "Righteous Trends and Anti-corruption at Your Side".



The Company organized party members and cadres to carry out warning education at the Anti-corruption Education Base in Shandong Province.

## Strengthening System Construction and Standardising Procurement Management

The Company has formulated relevant systems such as the *Interim Measures for the Administration of Bidding Procurement* (《招標採購管理暫行辦法》), *Interim Measures for the Administration of Non-bidding Procurement* (《非招標採購管理暫行辦法》), and *Measures for the Administration of Engaging Intermediaries* (《聘用中介機構管理辦法》) to continue to improve the magnitude, normalisation, standardisation and informatisation of procurement management, and improve the quality and efficiency of procurement work. As a non-bank financial institution, the Company's major suppliers include law firms, accounting firms, asset appraisal institutions and other intermediary service agencies, as well as suppliers of servers, office computers and office supplies. The Company attaches great importance to the management of environmental and social risks of suppliers and continuously improves the management system and workflow.

It strengthens the control of social risks by clearly requiring that all suppliers should comply with the regulatory laws and regulations of the industry in which they operate. Specifically, the suppliers must not have been subject to significant regulatory penalties, not be in the List of Enterprises with Unusual Operation on the National Enterprise Credit Information Publicity System and not be in the List of Enterprises with Serious Illegal and Dishonest Acts. In order to enhance the onboarding and assessment process of suppliers, the Company has persisted in reducing the use of high-polluting and high-energy-consuming products, continuously increased the proportion of the procurement of green, low-carbon and recycled products, and continuously guided suppliers to fulfil their necessary social responsibilities and environmental obligations by checking whether they meet the green certification, the environmental certification, the

energy and water conservation levels, etc. At the same time, the Company has incorporated business integrity practices into the procurement management process, aiming to resolutely prevent employees from seeking illegitimate benefits for themselves or others by taking advantage of their positions.

Due to the nature of the industry, the company size and other reasons, the Company's suppliers are dispersed and mainly located in Mainland China. Approximately 30 suppliers were located in Mainland China, and eight suppliers were located in Hong Kong, China in 2021. In 2021, the Company carried out procurement activities in strict compliance with relevant regulations, realising the optimal price/quality relationship and lowest cost in total life cycle and maintaining good cooperative relationships with suppliers, and did not receive any verbal or written complaints from suppliers.

In 2021, the Company further consolidated its obligations of professional integrity supervision and management through the following actions: organised employees at all levels of the Company to sign the Letter of Responsibility for Improving Party Conduct and Ensuring Clean Governance and the Undertaking of Professional Integrity; invited experts from the Discipline Inspection Commission of Shandong Province to give a special report on the prevention of job corruption, organised trips for employees to the Shandong Education Centre for Combating Corruption and Jinan Municipal Procuratorate Anti-corruption Education Base to engage in warning education, see the calligraphy and painting exhibition on clean financial culture, and participate in a lecture on clean financial culture; and organised two screenings of warning education films. Company leaders visited with teams at branches on four occasions to check in on their well-being while guiding them to work on professional integrity. The Company also visited with long-term cooperative financial institutions, exchanging experiences and best practices in building professional integrity.

There were not any corruption or bribery lawsuits against the Company or its employees in 2021.



Organizing screenings of warning education films

**2** times



Conducting off-site team inspections

**4** times



Cases related to corruption or bribery of the Company or its employees

**0** cases



The Company organized party members and cadres to go to the Provincial Integrity Education Center to carry out anti-corruption education.



## Promoting Information Construction and Ensuring Information Security

The Company attaches great importance to customers' information security and private protection, to put an end to the leakage of customer data and information. In strict compliance with the *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》) and *Announcement on Preventing and Cracking Down on Crimes of Telecommunication Network-related Fraud* (《關於防範和打擊電信網絡詐騙犯罪的通告》), the Company formulated and implemented the *Administrative Measures for the Security of Information Systems* (《信息系統安全管理辦法》), *Administrative Measures for Emergencies in Information Systems* (《信息系統突發事件應急管理辦法》) and *Administrative Measures for Users and Permissions of Information Systems* (《信息系統用戶及權限管理辦法》). Through taking technical preventive measures such as reinforcing the supervision and configuration management of information systems, checking the implementation of information security, controlling user permissions on information systems, standardising the security emergency and security response processes of information systems, improving the security and protection capabilities of information systems, and establishing a virtual private network, the Company has monitored and facilitated the implementation of security management work, increased employees' awareness of security, and reduced the potential for network security issues caused by human factors. We also formulated the *Interim Measures for the Protection and Management of Personal Customer Information* (《個人客戶信息保護管理暫行辦法》) to strengthen the standardisation and effectiveness of personal information management practices and prevent management risks associated with customer information.

## Improving Institutional Systems and Enhancing Safety Management

In strict compliance with the *Fire Control Law of the People's Republic of China* (《中華人民共和國消防法》), *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》) and *Regulations of Shandong Province on Work Safety* (《山東省安全生產條例》), the Company has always prioritized workplace safety, ensuring the implementation of workplace safety by firmly instilling the concept of "people-orientation and safe development" and insisting on the policy of "safety first, prevention above all and comprehensive control".

The Company has set up a Workplace Safety Committee, which is tasked with managing workplace safety. According to the requirements of the "three musts", those in charge of industries, business, and production and operations must be responsible for safety, thereby strengthening and implementing the main responsibility of production and operation entities. The Company continuously improved the accountability system on workplace safety of "party-state share responsibilities, one post with double responsibilities, and party-state should manage workplace safety together," making a concerted effort to build a long-term mechanism for workplace safety management. The Company has formulated 11 relevant systems including the *Principal Accountability System for Workplace Safety* (《安全生產主體責任制度》) and *Fire Safety Management System* (《消防安全管理制度》), required all employees to sign a workplace safety pledge, and strengthened the construction of workplace safety teams and education and training on occupational health, implementing responsibilities at all levels.

The Company has instituted a grid-style workplace safety management system, and displayed the grid-style management information publicly. Based on the actual situation of different floors, different workplaces and different departments, the Company identified 47 workplace safety concerns, for which it defined 28 main responsible departments and 30 main persons in charge, and assigned 34 safety officers to oversee the implementation of workplace safety systems. Further, the Company posted placards throughout the workplace which specify the workplace safety responsibilities of each area as well as the names and contact information of the main person in charge and safety officer, forming a "full coverage and seamless" workplace safety accountability system.

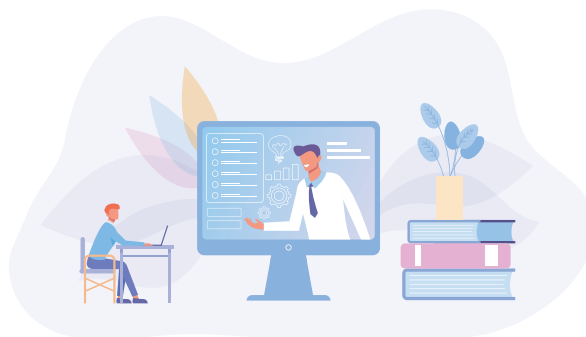
Identified **47** workplace safety concerns by the Company

Defining **28** main responsible departments and **30** main persons in charge

Assigning **34** safety officers to oversee the implementation of workplace safety systems



The Company continues to strengthen the construction of long-term network security mechanisms and improve its information security capabilities. The Company's major information systems have been constructed in accordance with the Level 3 requirements of the multi-level protection scheme of the Ministry of Public Security, meaning the overall security in terms of physical security, network security, server host security, and operation and management all meet the relevant requirements of Level 3 information security.



In 2021, the Company adhered to the principle of “to grasp both and not to miss any” in pandemic prevention and control and production and operation, and continued with business as usual while also practicing prudent pandemic prevention and control against COVID-19. The Company arranged for property management companies to perform daily disinfection of office spaces and daily temperature taking of employees, distributed pandemic prevention supplies like masks and disinfectant to all employees, strictly controlled the number of in-person meetings and activities, and endeavoured to adopt online methods such as video conferences and teleconferences to minimise the impact of the pandemic on the Company's daily operations through practical measures.

The Company conducted nine safety inspections throughout the year during “Production Safety Month” and other important events and holidays, held three training sessions on production safety law, occupational health and fire protection, and performed three fire emergency drills, with a total of 490 employees in attendance, all of which further improved the Company's emergency response plans and rescue capabilities. The Company spent RMB200,000 on workplace safety exercises and RMB600,000 on the maintenance of office buildings and employee dining facilities in 2021.

The Company maintained its solid track record of zero workplace accidents, ensuring the continuous stability of safe workplace operations.



The Company carried out fire emergency drills

## ESG Management

### Statement of the Board of Directors

The Board of Directors of the Company attaches great importance to environmental, social and governance (“ESG”) management, strictly implements the Hong Kong Stock Exchange’s ESG Reporting Guidelines and other relevant regulations, continuously improves the Company’s ESG management structure, workflow and information disclosure, thereby ensuring the establishment and continuous improvement of a compliant and effective ESG working mechanism. The Board is responsible for guiding and making decisions on ESG-related issues, and formulating the Company’s ESG strategy and work priorities, taking into account regulatory requirements, industry practices, the Company’s own reality and stakeholder requirements. The Board is also responsible for reviewing the content disclosed in the Company’s ESG report, which is published after consideration by the Board of Directors.

### ESG Concept

In the course of business development, SITC has always upheld the corporate culture of “professionalism, honesty, diligence and accomplishment” and stuck to its positioning as a trustee, fully leveraging the advantage of trust, vigorously carrying forward the trust culture and actively publicising the concept of trust. While actively creating value for shareholders, we also maintain close communication with stakeholders, responding to their demands in a timely manner, and contributing to the sustainable development of society and the environment through actively shouldering social responsibilities.

The Company continues to accelerate the transformation of wealth management services by constantly innovating products and services, and earnestly protected the legitimate rights and interests of consumers, so as to create a sound financial consumption environment; fully utilized trust instruments to support the development of the real economy, to satisfy people’s expectations for a better life; devoted to building a “family culture” to provide a broad development platform for employees to achieve their own values; focused on environmental protection and continuously improved employees’ awareness of environmental protection, adopting various measures to reduce energy and resources consumption in the course of operation to minimise impact on the environment, and jointly working with stakeholders to promote a sustainable development of the environment.

### ESG Management Structure

In combination with its business nature and development strategies, the Company integrates ESG concepts with operation and management. By identifying the main duties of each department, the Company has initially formed an ESG management organisational structure comprised of the decision-making body, management body and executive body.



#### Decision-making body

As the decision-making body of ESG work, the Board of Directors is responsible for providing guidance to and formulating the Company’s ESG development strategies, as well as making decisions on major issued related to ESG.



#### Management body

As the management body of ESG work, the senior management is responsible for organising and implementing the ESG development strategies formulated by the decision-making body, conducting the overall administration and coordination of ESG tasks of various departments, reporting to the decision-making body and offering recommendations on practical issues in work practices.



#### Executive body

As the executive body of ESG work, the Office of the Board of Directors (Supervisors), Human Resources Department, General Office, Wealth Management Business Division, Family Trust Business Division and IT Department are responsible for carrying out the specific work related to ESG in respective fields, and assisting and cooperating with the management body to finalize the implementation of ESG management work in each department.



## Stakeholder Engagement and Materiality Analysis

Based on the industry environment, nature of business, and characteristics of products and services of the Company, SITC has identified its major stakeholders such as shareholders, regulatory authorities, the government, customers, employees, partners, the community and the public. In the course of daily operations, the Company maintains close communication with these stakeholders through various channels to fully understand and earnestly evaluate their expectations and requests, and respond to them in a timely manner. The Company's communication channels with major stakeholders and their main topics of concern during the year were as follows:

Stakeholders	Communication mechanism	Topics of concern	Responses
Shareholders	General meetings, information disclosure, results roadshows, communication on investigations and studies	<ul style="list-style-type: none"> <li>✓ Operating results and financial performance</li> <li>✓ Disclosure of information</li> <li>✓ Corporate governance</li> <li>✓ Risk prevention and control</li> </ul>	<ul style="list-style-type: none"> <li>✓ Conducting prudent operations</li> <li>✓ Timely disclosure of information</li> <li>✓ Improving corporate governance structure</li> <li>✓ Strengthening the management of investor relations</li> </ul>
Regulatory Authorities	Regulatory policies, on-site inspections, off-site supervision, delivery and receipt of official documents, conferences on specific topics, disclosure of information, daily reporting	<ul style="list-style-type: none"> <li>✓ Compliant operations</li> <li>✓ Risk management</li> <li>✓ Internal control system</li> <li>✓ Corporate governance</li> <li>✓ Net capital and venture capital</li> </ul>	<ul style="list-style-type: none"> <li>✓ Improving internal control system</li> <li>✓ Perfecting comprehensive risk management and control systems</li> <li>✓ Improving the Company's capital strength</li> <li>✓ Developing green finance</li> </ul>
Government	Policy guidance, importance meetings, reporting on specific topics, daily communication	<ul style="list-style-type: none"> <li>✓ Observance of laws and disciplines</li> <li>✓ Timely payment of taxes</li> <li>✓ Implementation of national policies</li> <li>✓ Support for national strategies</li> </ul>	<ul style="list-style-type: none"> <li>✓ Prevention and control of COVID-19</li> <li>✓ Serving the real economy</li> <li>✓ Supporting the construction of infrastructure projects</li> <li>✓ Serving the ecological protection and high-quality development of the Yellow River Basin</li> <li>✓ Serving the construction of major projects on the replacement of old growth drivers with new ones</li> <li>✓ Supporting the development of micro, small and medium-sized enterprises</li> </ul>
Customers	Product promotion, publicity education, complaint hotline, satisfaction surveys, customer visits, WeChat official account, company website, due diligence	<ul style="list-style-type: none"> <li>✓ Communication channels</li> <li>✓ Service quality</li> <li>✓ Consumer rights protection</li> <li>✓ Spreading trust knowledge</li> <li>✓ Business processes</li> <li>✓ Product and service innovation</li> </ul>	<ul style="list-style-type: none"> <li>✓ Promoting use of the APP</li> <li>✓ Establishing wealth management branches</li> <li>✓ Protecting consumers' rights</li> <li>✓ Spreading financial literacy</li> <li>✓ Offering innovative products</li> <li>✓ Upgrading service experience</li> </ul>
Employees	Employee trainings, business salons, outward bound, labour unions, employee representative meetings, company internal journals	<ul style="list-style-type: none"> <li>✓ Employee benefits</li> <li>✓ Vocational training</li> <li>✓ Compensation and benefits</li> <li>✓ Promotion and professional development</li> <li>✓ Group activities</li> </ul>	<ul style="list-style-type: none"> <li>✓ Multi-level training systems</li> <li>✓ Sound compensation incentive system and welfare security system</li> <li>✓ Smooth promotion access</li> <li>✓ Outward development</li> </ul>
Partners	Strategic cooperation, intra-industry exchanges, procurement events	<ul style="list-style-type: none"> <li>✓ Equality and cooperation</li> <li>✓ Mutual benefit and win-win situations</li> <li>✓ Mutual sharing and joint establishment</li> <li>✓ Commercial ethics</li> <li>✓ Transparent procurement</li> </ul>	<ul style="list-style-type: none"> <li>✓ Developing an ecosystem for strategic clients</li> <li>✓ Increasing intra-industry exchange</li> <li>✓ Clean and transparent procurement management</li> </ul>
Community and Public	Public welfare activities, promotion of financial knowledge, WeChat official account, investor relations hotline, company website	<ul style="list-style-type: none"> <li>✓ Social responsibility</li> <li>✓ Community relationships</li> </ul>	<ul style="list-style-type: none"> <li>✓ Setting up a charitable trust</li> <li>✓ Making donations to schools</li> <li>✓ Setting up a consumer complaint reception day</li> <li>✓ Holding a variety of financial knowledge advocacy and education activities</li> <li>✓ Comprehensive pandemic prevention and control</li> </ul>

In 2021, through analysis of the general expectations and requests of stakeholders as well as the 11 ESG topics listed in the ESG Reporting Guide, the Company identified major ESG topics for this year, including the environment and natural resources, development and training, product responsibility and community investment. The other relevant ESG topics include emissions, use of resources, hiring practices, health and safety, labour standards, supply chain management and anti-corruption. The Company will discuss the content of each topic separately in this Report.

# 02



## Fulfilling Social Responsibilities

- 22 Leveraging Comprehensive Advantages to Serve the Real Economy
- 24 Innovating Financial Services to Enhance Customer Experience
- 29 Promoting All-around Development by Focusing on People
- 34 Dedication to Public Welfare to Build a Harmonious Society







As a state-owned financial institution, the Company has always adhered to the principle of serving local economic and social development and satisfying people's needs for a better life. The Company integrates pandemic prevention and control into daily operations, gives full play to the institutional advantages of trusts – covering the “real economy, capital market and money market,” utilises various financial instruments including equity investment, debt financing and industry funds to consistently diversify financial supply and boost support to local infrastructure and strategic and emerging industries supported by national strategies. Meanwhile, the Company has continuously innovated financial products, improved the quality of its services and sped up the transformation in wealth management to satisfy the ever-growing personalised and diversified demands of high-net worth customers for wealth preservation and appreciation.



## Leveraging Comprehensive Advantages to Serve the Real Economy

SITC adheres to the fundamental purpose of clinging to its roots and serving entities, focusing on major national and regional strategies such as supply-side structural reform, serving the construction of major projects on the replacement of old growth drivers with new ones in Shandong, and serving the ecological protection and high-quality development of the Yellow River Basin. The Company actively guides funds in the hands of the general public to invest in the real economy and supports the development of national and regional key industries, to provide higher quality, more efficient and more sustainable comprehensive financial services for the development of the real economy.

## Adhering to the Original Intentions of Finance to Serve the Real Economy

The Company dedicates itself to advancing national development strategies and satisfying the essential requirements of serving the real economy, giving full play to its advantages in resource coordination and making every effort to ensure regional financial supply. As of the end of 2021, the total size of trusts invested by the Company to Shandong Province reached RMB30.125 billion, representing an increase of RMB15.793 billion during the year. The existing scale of business supported by funds from outside the province reached RMB3.3 billion, representing an increase of RMB2.886 billion during the year.



Existing  
scale

Investing in trust business in  
Shandong Province

RMB **30.125** billion

Introducing funds from other provinces to  
support Shandong's economic development

RMB **3.3** billion



Increase  
during the year

RMB **15.793** billion

RMB **2.886** billion

### Case

#### Supporting the development of high-end manufacturing enterprises

Through Anhui Luxin Wanhe Technology Innovation and Entrepreneurship Equity Investment Fund (LP), the Company invested RMB20 million in a high-tech enterprise engaged in the research and development of optical inspection and defect detection technology and devices to help enhance its R&D capabilities and extend its industrial footprint.

## Case

### Serving the construction of major projects on the replacement of old growth drivers with new ones in Shandong Province

In 2021, the Company established the “Shandong Trust • Urban Development No. 94 Collective Fund Trust Plan,” raising RMB120 million to support the construction of the Qingdao International Academician Park in Shandong Province.



## Case

### Helping break through the bottleneck in innovation

As a limited partner (LP), the Company invested RMB60.06 million in a semiconductor company primarily engaged in the manufacture of silicon carbide (SiC) wafers through Shandong Luxin New and Old Kinetic Energy Conversion Venture Capital Fund Partnership (LP), helping break through the bottleneck in technology innovation.



## Improving Financial Technology Capabilities to Empower Transformation and Innovation

The Company deeply implemented the smart trust strategy and promoted the transformation of its operations and management with information technology to continuously enhance technology-enabled transformation and innovation.

In 2021, the Company completed the construction of the basic framework of its intelligent risk control system, and launched its real estate trust internal rating system to realize the quantitative management of risks in real estate trust business; upgraded and launched the SITC APP2.0, which has man-machine dual recording features and online demos; completed the construction of its financial planner APP (mobile CRM) system, which is linked to the Company's APP, realizing 24/7 financial planning services; and completed the construction of the AM4.0 standard product asset management platform, further improving investment transactions, risk control, external interfacing and day-end clearing of standard products, and improving information systems' support of standard product business.

The Company has established an inter-departmental work coordination mechanism for IT construction, and instituted an IT Management Committee directed by the General Manager and joined by the heads of relevant departments, to clarify the division of internal responsibilities and implement responsibility management. The Committee is responsible for reviewing IT strategic planning and promoting decision-making and implementation of major projects, while the IT Department manages day-to-day affairs.

The Company has consistently strengthened the operation and maintenance of information systems and enhanced information technology management systems. The security level of each information system is determined based on their respective business nature, degree of importance and level of exposure to non-public information. We have established use authorization systems for various levels of information, adopt corresponding technical measures to ensure the safe and orderly operation of information systems, and strictly implement relevant system requirements such as user management, access permissions management and password policies. The overall state of IT risk management this year was positive. The Company's business systems were rated as meeting the Level 3 requirements of the multi-level protection scheme of the Ministry of Public Security after completing the relevant assessments, while its information systems were operating stably, and information security capabilities were continuously improved.



## Innovating Financial Services to Enhance Customer Experience

The Company has continued making progress in innovating its products and services and continuously sped up the transformation of its wealth management services, with a view to create more reliable wealth for customers and the larger society. By adhering to the service concept of being "customer-oriented," the Company has continued to solidify system guarantees and enhance its financial service capabilities. We properly incorporate consumer rights and interests protection into each work stream so as to constantly improve consumers' awareness of financial products and services, raise awareness of consumption safety, and vigorously create a favourable financial consumption environment.

## Upgrading Management Structure to Accelerate Marketing System Presence

In order to improve operating efficiency and lean management, in May 2021, the Company upgraded the Wealth Management Centre to the Wealth Management Business Division, reorganising the Company's internal organisational structure. In addition, we accelerated the nationwide presence of our marketing system, setting up five new wealth management centres in Beijing, Shanghai, Dalian, Xi'an and Dongguan, extending the footprint of our wealth management network to the northern, eastern, northwest, northeast and southern regions of the country. We also further deepened our roots in the Shandong market, adding new issuance departments or wealth management centres in cities including Jinan, Qingdao and Jining, forming a service network that spans clear across the province. Through market-based approaches, we rapidly expanded our wealth management talent pool, adding 53 new financial planning professionals, and comprehensively improved our product issuance and customer service capabilities.





## Various Activities to Show Customers We Care

In 2021, the Company put on a variety of financial knowledge advocacy events and themed activities for customers, including 16 customer activities on topics such as investment strategy, quality of life, health and wellness and online demos and 30 advocacy events to spread awareness among communities, enterprises and business circles. We also held a number of live streams through our APP, which promoted various products and services in plain language, allowing customers the freedom and convenience to participate and obtain services on their own time, and greatly enhancing the customer interaction experience. These activities contributed to our increasing popularity in the wealth management service market, winning praise from customers and increasing our brand reputation.



The Company held various customer activities, which was well received by customers.

## Taking Steps to Protect the Rights and Interests of Financial Consumers

SITC attaches great importance to the protection of consumers' rights and interests. By adhering to the service concept of being "customer-oriented," we have persistently increased our efforts in protecting the rights and interests of consumers and reinforced our business processes and management to achieve that goal. We innovated our approach to financial advocacy, carrying out advocacy and education activities on consumer rights protection, and conducted regular employee trainings and enhanced compliance sales management to increase awareness among employees, thereby safeguarding the legitimate rights and interests of consumers.

### Improving Institutional Systems and Consolidating the Foundation of Consumer Protection

With reference to the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》), *Administrative Measures for the Protection of Financial Consumers' Rights and Interests (Trial)* (《金融消費權益保護工作管理辦法(試行)》) and *Implementation Measures of the People's Bank of China for Protecting Financial Consumers' Rights and Interests* (《中國人民銀行金融消費權益保護實施辦法》), the Company formulated the *Administrative Measures for the Protection of Consumers' Rights and Interests of Shandong International Trust Co., Ltd. (Trial)* (《山東省國際信託股份有限公司消費者權益保護管理辦法(試行)》) to clarify the principles, division of responsibilities, full-process management and control, assessment and evaluation, product information inquiry and other aspects of consumer protection work.

Meanwhile, the Company incorporated the responsibilities and decision-making procedures of the Board of Directors in relation to the protection of consumers' rights and interests into the *Rules of Procedure of the Trust Committee under the Board of Directors* (《董事會信託委員會議事規則》), and clarified the scope of special inspection on consumer protection in the *Internal Audit System of Shandong International Trust Co., Ltd.* (《山東省國際信託股份有限公司內部審計制度》), providing practical and effective systematic guarantees for the Company to carry out protection of the rights and interests of financial consumers. The Company also formulated a series of supporting systems such as the *Interim Measures for the Administration of Marketing and Publicity of Products and Trust Services* (《信託產品及信託服務營銷宣傳管理暫行辦法》), *Interim Measures for the Administration of Audio and Video Recordings for Wealth Management* (《理財專區錄音錄像管理暫行辦法》) and *Interim Measures for the Administration of Personal Customer Information Protection* (《個人客戶信息保護管理暫行辦法》), which strictly control and manage the collection, use and storage of customer information to fully protect the security of customer information.

### Vigorously Advocating for Consumer Protection to Promote a Favourable Financial Consumption Environment

In 2021, the Company used activities such as "3-15 Financial Consumers' Rights and Interests Day," "Spreading Financial Literacy to Keep Money in Your Pockets" and "Financial Literacy Month" as opportunities to promote financial literacy, designating March, June, September and December as consumer rights and interests protection advocacy months, making full use of online and offline channels to carry out a series of activities to protect the rights and interests of financial consumers, while wealth management branches held nearly 30 advocacy events to spread awareness among communities, enterprises and business circles, handing out more than 1,000 informational brochures on the 100 questions and answers on trusts knowledge and consumer protection to enhance interaction with customers, winning praise from customers and increasing our brand reputation.

The Company attaches great importance to the combination of investor education and consumer protection advocacy work. Through the use



### Offering “Meaningful Consumer Protection” to Improve the All-around Customer Experience

With the goal of offering the ultimate customer experience, the Company continuously optimizes and upgrades its customer APP, displaying products currently on sale by product type and product industry classification on the home page, and enabling customers to register, reserve, purchase and inquire into products right at their fingertips, and launched a customer self-service with intelligent dual-recording feature for online contract signing. The financial planner APP was developed and launched to improve the work efficiency and customer service capabilities of financial managers, enhancing customer experience.



The Company continued to strengthen its complaint handling information system, building out a consumer complaint platform supported by 400 customer service staff, which connects with the Company's customer relationship management (CRM) system to further improve the tracking, classification and storage of customer complaints.

In 2021, the Company received a total of 12 consumer complaint cases, which were all personal business cases and fell under the category of other loans.

The Company provides financial products and related services, which therefore are not subject to recall for safety and health reasons, as well as regulations related to product quality identification and product recall.

of both online and offline channels, we actively organised a series of activities to protect the rights and interests of financial consumers, and increased the financial literacy of investors through informative text and pictures, case studies, animations and financial management courses. In 2021, the Company published 212 articles on its WeChat official account, including 58 on products, 27 on market strategies, 46 on investor education, 43 on consumer protection, 13 on latest developments, 27 on activity reports, and 9 on holidays and festivals, and also produced 15 short videos and five infographics.



In order to continuously improve our employees' awareness of and capabilities in consumer rights and interests protection, the Company held special in-depth trainings on consumer protection for all employees in March, August and November, and organised special courses on topics such as “Financial Consumer Rights and Interests Protection.” In addition, we held regular trainings on consumer protection for wealth managers through weekly morning meetings, product demos, special lectures and work wrap-up sessions.



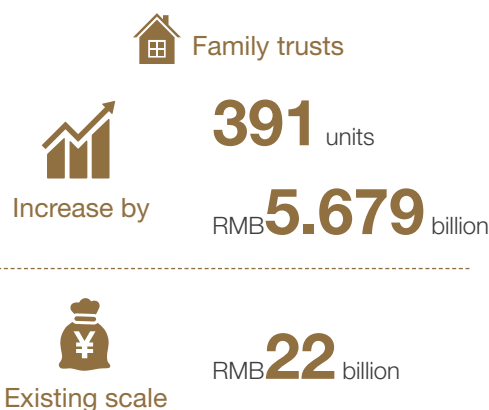


## Innovating Family Trusts to Bolster Financial Legacy

With the increasing wealth of the Chinese people, together with the huge rise in number of ultra-high-net worth individuals (“UHNWI”), family trusts have become widely recognised by UHNWIs due to their advantages in wealth inheritance and estate planning. As the epitome of wealth management, family trusts possess such functional advantages as asset management, risk isolation, estate planning and charitable giving, which are beneficial to the protection and inheritance of peoples’ legal property, enrichment of family harmony and stability, legacy of family traditions, and promotion of social good.

Family trust serves as one of the key priorities of transformation of SITC. As one of the earliest entrants into family trust business in China, the Company has always adhered to both business innovation and deep industry cultivation, and is committed to building the “De Shan Qi Jia” family trust brand, which has earned it wide recognition from customers, experts, authoritative organizations and partners alike.

In 2021, the Company upgraded the former Family Trust Business Department to the Family Trust Business Division, and set up family trust offices in Shenzhen, Beijing and Shanghai, completely overhauling the organizational framework, systems and processes and bringing in new talent to further improve process efficiency and system support capabilities of our family trust business. The Company’s family trust business continued to grow at a rapid pace, with new 391 new accounts opened in 2021 totalling RMB5.679 billion in assets. As of the end of 2021, the existing assets under management of the trust business neared RMB22.0 billion, upholding its leading status in the industry.



At the “Golden Award” ceremony of the 2021 China Asset Management & Wealth Management Industry Summit, SITC was selected for two major awards, “Trust Company with Superior Asset Management Capabilities” and “Outstanding Family Trust Products.” At the “2021 Wealth Evolution Forum – China Wealth Management Cloud Summit” hosted by *Fortune Today* magazine, in virtue of its leading business scale, innovative trust structure and professional service capabilities, the Company was recognized as a “Top 30 Chinese-style Family Office for 2021,” and its brand value and market influence have continued to rise.





## Promoting All-around Development by Focusing on People

Employees are the most valuable asset to the Company's survival and development. SITC attaches great importance to the coordinated development of the enterprise and its employees. The Company strictly complies with relevant laws and regulations to provide solid guarantees to employees in aspects such as recruitment, compensation and benefits, training and development and employee relationships. Moreover, by constantly improving employee-related systems and mechanisms, the Company has provided support to the personal and professional growth of its employees, joining hands to create brighter future for all.

### Adhering to Employment Laws and Standards to Safeguard Employee Welfare

SITC has always adhered to the concept of being "people-oriented." We conduct employee affairs in strict accordance with the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》), *Labour Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) and *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》), employing our staff in compliance with laws and regulations, managing labour relations in a standardised manner, and contributing to employees' social insurance and housing provident fund on time and in full. We strive to consistently improve salaries and benefits and have implemented a standardised annual leave system, effectively protecting the legitimate rights and interests of employees.

With reference to local remuneration policies, operating performance and market benchmarks, the Company established a series of systems such as the *Administrative Measures for Adjustment of Employee Positions* (《員工崗位級別調整管理辦法》), *Administrative Measures for Internal Accountability (Trial)* (《內部問責管理辦法(試行)》) and *Administrative Measures on the Claw-back Mechanism of Performance-based Remuneration (Trial)* (《績效薪酬追索扣回機制管理辦法(試行)》), resolutely eliminating any form of discrimination, child labour and forced labour caused by myriad factors such as religion, gender and age, and building amicable and stable labour relationships. The Company strictly verifies the identity of employees during the recruitment process, and if any violation of labour guidelines is found, the Company will immediately suspend the recruitment and find loopholes in the process, formulate solutions, and hold relevant personnel accountable. By clarifying the necessary qualifications and channels for promotion of employees, we have been able to effectively stimulate and incentivise employees while cultivating a fair, just and open growth platform for all. At the same time,

the Company has continued to strengthen the organisation of trade unions, attaching great importance and giving full play to their role of democratised management and supervision, and strives to continuously improve the work environment and employee satisfaction through various means such as strengthening labour protection, improving office conditions, and holding special activities.

### Enhancing Talent Reserves, Building a Platform for Development

As the fountainhead of business transformation, professional talent is a strategic resource for gaining initiative and advantages and creating a brighter future. SITC attaches great importance to building high-performing professional teams, continuing to expand channels for talent recruitment, and encouraging internal career advancement through building a platform for employee growth, laying a solid foundation for talent acquisition and intellectual support for the Company's development. Guided by various talent-oriented programs and strategies, the Company strives to cultivate first-rate financial professionals and build high-quality professional teams.

We recruit promising young professionals from prestigious universities through campus and social recruiting events. More than 70% of our employees hold various credentials such as international certified financial planners, chartered financial analysts, certified public accountants and qualified legal professionals. As of the end of 2021, nearly 120 employees of the Company successfully applied for high-end talents of Jinan, and two were recognised as 2021 Qilu Financial Stars. A total of 18 employees successfully applied for talent subsidies in 2021. The Company obtained subsidies or capital support in the amount of RMB900,000 for employees.

As of the end of 2021, the Company had a total of 350 employees, with an employee turnover rate of 4.86%.

More than **70%** of the Company's employees hold various credentials such as international certified financial planners, chartered financial analysts, certified public accountants and qualified legal professionals.

As of the end of 2021:

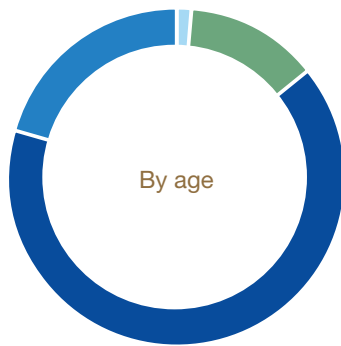
More than **120** employees of the Company successfully applied for high-end talents of Jinan

**2** employees were recognised as 2021 Qilu Financial Stars

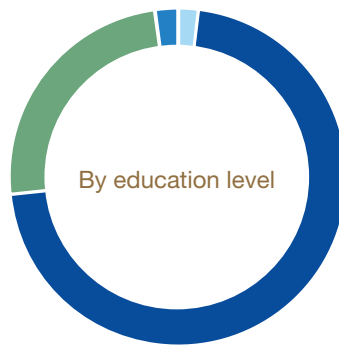
A total of **18** employees successfully applied for talent subsidies in 2021  
The Company obtained subsidies or capital support in the amount of

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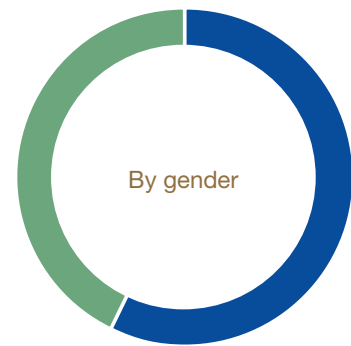
## Number of employees as of December 31, 2021:



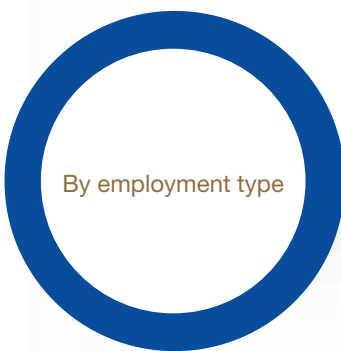
5 under 25 years old	1.43%
45 aged 25-29	12.86%
229 aged 30-39	65.43%
71 over 40 years old	20.28%



PhD 7	2%
Master 250	71.43%
Vocation 7	2%
Bachelor 86	24.57%

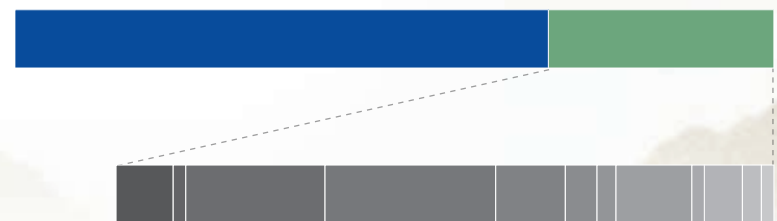


Male 201	59.15%
Female 149	40.85%



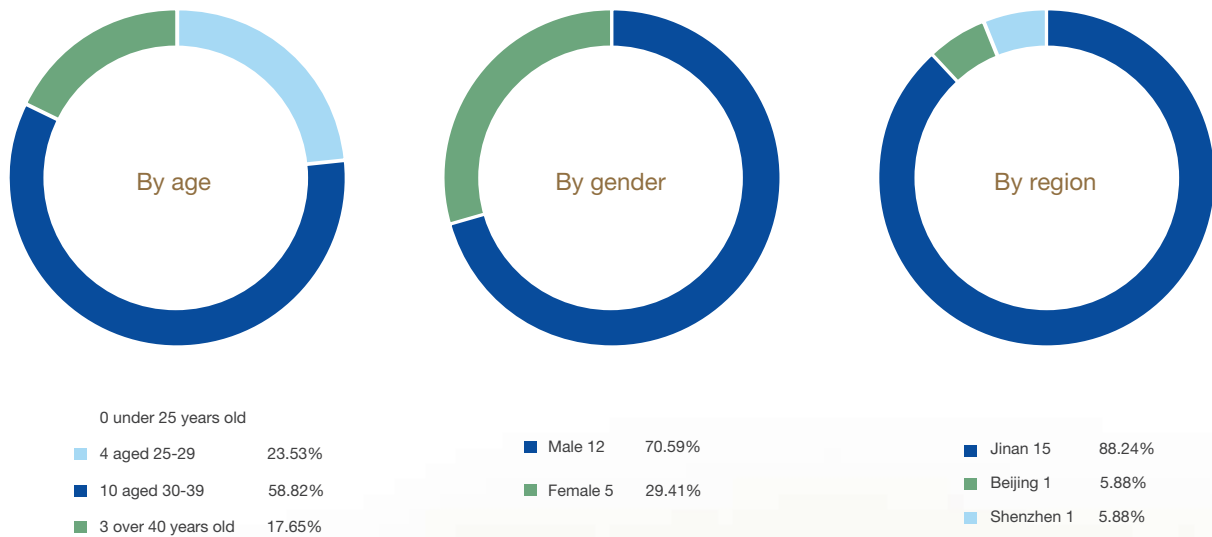
Full-time 350	100%
Part-time 0	0%

## By region



Jinan 246	70.29%	Other regions 104	29.71%				
Qingdao 9	2.57%	Jining 2	0.57%	Beijing 22	6.29%	Shanghai 27	7.71%
Shenzhen 11	3.14%	Dalian 5	1.43%	Dongguan 3	0.86%	Xi'an 12	3.43%
Tianjin 2	0.57%	Wuhan 6	1.71%	Zhengzhou 3	0.86%	Xiamen 2	0.57%

## Employee turnover in 2021:





## Safeguarding Employee Health and Well-being through Expanded Benefits Coverage

The Company greatly values the health and safety of its employees by providing comprehensive safety protection through the adoption of various measures. In strict accordance with the *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》) and *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases* (《中華人民共和國職業病防治法》), the Company formulated safety management policies such as the *Measures for Routine Inspection of Workplace Safety* (《安全生產例行檢查辦法》) and *Safety and Protection Management System* (《安全保衛管理制度》) to develop a healthy and safe work environment for employees in terms of system development, investment in capital and safety facilities, and physical security.

In 2021, the Company persisted in normalising pandemic prevention and control work, fully performing its obligation as a state-owned enterprise to resolutely combat the COVID-19 pandemic. Our prevention and control efforts include stringent management of visitors and attendance at major conferences and activities, active promotion of and access to the COVID-19 vaccine, and donation of materials to support the fight against COVID-19 in Xi'an and other areas. We also distributed masks, wet wipes, disinfectant and other personal protective equipment to employees to protect their health and well-being, while also strengthening the management of business travel and keeping detailed travel records. As a result of these actions, we achieved zero COVID-19 infections company-wide in 2021.



Special lecture on "Caring for Women's Health"

The Company performs fire drills on an annual basis, regularly conducts safety inspections of the office environment, provides employees with annual physical examinations and has a standardised annual leave system. By providing employees with subsidised childcare and wellness facilities such as lactation rooms, the Company comprehensively protects the health and well-being of all employees, further extending the coverage of employee benefits.

No work-related injuries or deaths among employees of the Company or loss of normal workdays resulting therefrom occurred in 2019 to 2021.

## Improving Training Systems and Enhancing Overall Excellence

Guided by its development strategy, the Company aims to enhance the business acumen, overall quality and work performance of its employees. Relying on internal and external lecturer resources, the Company integrates compulsory and elective courses which earn employees training credits in an effort to constantly improve in-house training systems, differentiate the requirements of different job levels, and provide effective, specialized and comprehensive training.

The Company provides multi-level and targeted training programs for employees, ranging from middle and senior management trainings, new employee orientation, company-wide trainings and special trainings to party-building and discipline inspection trainings and occupational safety trainings.



## Enriching Spare Time and Enhancing Sense of Belonging

In order to enrich the spare time of our employees, the Company encourages and provides financial support for employees to carry out recreational and team-building activities. Employees have set up badminton, table tennis and basketball clubs, and they participate in sports a lot, including occasionally organized cultural activities and sports competitions, reinforcing corporate cohesion and sense of belonging. In 2021, the Company celebrated the 100th anniversary of the founding of the CPC with a number of events such as the “We Are All in This Together” walk and “Building the Chinese Dream for a Century, Together for a Shared Future,” carrying forward the red tradition and passing down the red gene.



Carrying out patriotic movie-themed viewing events



Launching “Youth for our Party and Strive for our Responsibility” Youth Day events



Holding “We Are All in This Together” walk events

In 2021, the Company organized more than 40 internal and external training sessions with more than 2,000 participants.



**2,000** participants

More than  
**40** sessions

Employee training		2021			
		Number of employees	Number of employees who received training	Percentage of employees who received training	Average training duration (hours)
Gender	Male	201	201	100%	16.2
	Female	149	149	100%	16.2
Employee category	Company leaders	13	13	100%	18
	Middle management	58	58	100%	20
	General staff	279	279	100%	15.3



## Dedication to Public Welfare to Build a Harmonious Society

The Company fully leverages the advantages of trusts, innovatively adopting charitable trusts to perform its social responsibilities as a corporate citizen, supporting the development of charitable activities through action and contributing to building a harmonious society and ideal community with the power and wisdom of trusts.

### Shouldering State-owned Enterprise's Social Responsibility through Devotion to Charitable Activities

SITC has made giving back to the community an important component of fulfilling its social responsibility as a state-owned enterprise, shaping a culture of “giving thanks” and “dedication” through persevering in public welfare activities.

Donated goods:

RMB **100,000**

Volunteering on the front lines. Working together alongside volunteers from Luxin in the spirit of “getting things done,” the Company organised more than 10 volunteer service activities in communities, schools for children with special needs, nursing homes and Baobang village of Luxin’s “Major Secretary,” donating computers, daily necessities and pandemic prevention suppliers worth nearly RMB100,000.

Volunteer service activities:

more than **10** times



The Company organised a volunteer service activity with the theme of “Doing practical things for people”.

### Innovation to Help Farmers and Aid Rural Revitalisation

Relying on its “Major Secretary”, the Company created a “Major Secretary broadcasting studio” to help industries, creating video shorts to make achievements such as helping the industry expand channels of egg sales, doing its part to advance rural revitalisation.



The Company helped promote the sales of agricultural produces through short-video broadcasting.



## Developing Charitable Trusts in Support of Charitable Activities

Since the official implementation of the *Charity Law of the People's Republic of China* (《中華人民共和國慈善法》) in September 2016, SITC has used charitable trusts as an effective tool to support the development of philanthropic activities, promoting their application and popularisation in pursuit of common prosperity.

In 2021, SITC established two new charitable trust projects, combining to total RMB2,150,500. As a consultant of the Charitable Trust Committee of the China Charity Alliance, the Company has achieved great results in creatively utilizing charitable trusts in support of the development of charities, doing its part as an industry leader. As of the end of 2021, SITC established 11 standard charitable trusts worth a total of RMB74,687,200. Charitable trust spending in 2021 reached RMB2,222,300, reaching 1,176 direct beneficiaries, expanding the scope of charitable projects and effectively supporting charitable causes such as education, rural revitalisation and social welfare. The Company's charity work gained wide recognition in 2021, receiving honours such as the "Top Ten Social Responsibility Projects of the Year of the China Finance Brand Summit and Financial Corporate Social Responsibility Conference" and the 14th "Chengxintuo" Best Charitable Trust Product.



Total of standard charitable trusts:

**11**



Existing scale:

RMB **74,687,200**



Charitable trust spending in the year:

RMB **2,222,300**



Direct beneficiaries:

**1,176** persons





## Case

## Binbin Charitable Trust

In December 2021, SITC held “Binbin Charitable Trust” grant ceremonies in several primary schools in Jinzhai County, Anhui Province and Yongren Country, Yunnan Province, distributing scholarships, school uniforms, blankets, student quilts and other daily necessities to 806 students in need, totalling more than RMB155,500 in financial aid. This was the fourth consecutive year of providing financial aid to this charitable trust, providing support to 2,363 promising underserved students and financial aid totalling RMB380,000.



## Case

## Guozi Huinong Charitable Trust

On 28 December, the “Guozi Huinong Charitable Trust” jointly established by SITC and Shandong Luxin Philanthropic Foundation appropriated RMB1.5 million in aid to Juye County, Heze City to build infrastructure in eight local villages. The charitable trust has disbursed a total of RMB4.5 million in three times, which have been used for important areas such as rural industrial development, improvement of rural living environments, and rural infrastructure development. Targeted poverty alleviation and rural revitalisation is and always will be an integral part of SITC’s trust services.



## Case

## Datong No. 10 Charitable Trust

In December 2021, SITC’s Datong No. 10 Charitable Trust was formally established with funds of more than RMB100,000. The trust is a charitable trust actively managed by SITC, which, as the trustee, can decide on the selection, administration and execution of charitable projects, demonstrating SITC’s commitment the exploration and innovation of charitable trusts.

On 10 January 2022, the Datong No. 10 Charitable Trust donated fresh produce, rice noodles, cooking oil and other foodstuffs as well as N95 masks, medical gloves, sanitizer and other pandemic prevention supplies to Xi’an to support local pandemic prevention and control efforts.



# 03



## Adhering to Green Development

- 40 Actively Practicing Green Finance and Promoting Green and Low-carbon Development
- 41 Vigorously Advocating for Energy Conservation and Emissions Reduction and Implementing Green Operations
- 42 2021 Environmental Key Performance Indicators







The Company strictly complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), *Energy Conservation Law of the People's Republic of China* (《中華人民共和國節約能源法》) and *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* (《中華人民共和國固體廢物污染環境防治法》), adheres to the principles of green development, actively expands green financial business, continues to carry out green operations, vigorously advocates green office culture, and strives to take various measures to reduce resource use and energy consumption, reduce waste generation, and reduce the impact of the Company's operations on the environment.

Climate change is a common challenge for all mankind. China has proposed the strategic goals of “carbon peak by 2030 and carbon neutrality by 2060”, and has comprehensively incorporated the response to climate change and “carbon peak & carbon neutrality” into the “14th Five-Year Plan”. The “carbon peak & carbon neutrality” strategy fully demonstrates China's responsibility as a major power to take the initiative to address climate change. The Company actively responds to the national strategy, formulates emission reduction plans at the Company's operation level, actively responds to the challenges brought by extreme weather changes, and contributes to green and sustainable development. The Company has incorporated the response to weather disasters into its workplace safety management, formulated emergency plans and control measures for extreme weather such as heavy rain, snowstorm, typhoon and hail, and joined hands with property companies to enhance daily inspection and hidden risk management of drainage pipes, office building facades and main structures, so as to continuously improve the Company's ability to respond to the challenges of climate change.

### Actively Practicing Green Finance and Promoting Green and Low-carbon Development

The Company has always prioritized integrating the concept of green finance into business operations, using financial tools to dynamically support the growth of industries such as energy conservation, environmental protection and clean energy, thereby promoting sustainable and coordinated economic, social and environmental development.

#### Case

As a limited partner (LP), the Company invested RMB13 million in a company primarily engaged in pipeline energy conservation and waste heat recovery through Shandong Luxin New and Old Kinetic Energy Conversion Venture Capital Fund Partnership (LP), actively contributing to the growth of green and low-carbon enterprises.

#### Case

Through Anhui Luxin Wanhe Technology Innovation and Entrepreneurship Equity Investment Fund (LP), the Company invested RMB40 million in an environmental protection enterprise engaged in the treatment of leachate and industrial wastewater, helping it expand its business scope and enhance its technical strengths.



## Case

Through Anhui Luxin Wanhe Technology Innovation and Entrepreneurship Equity Investment Fund (LP), the Company invested RMB40.04 million in an enterprise engaged in the ecological restoration of mines, doing its part in protecting clear waters and lush mountains, and promoting the construction of ecological civilization.



## Vigorously Advocating for Energy Conservation and Emissions Reduction and Implementing Green Operations

As a financial institution, the Company's resource and energy consumption mainly includes water and electricity in offices, and fuel consumption of company vehicles. In the course of day-to-day business, the Company actively practices green operations, encourages green travel, green office and green procurement practices, and minimises unnecessary energy consumption in its offices. In order to raise employees' awareness of environmental issues and reinforce their sense of environmental responsibility, the Company calls on its employees to take action starting with themselves and from the details of work and life, saving every bit of electricity, water and paper wherever possible, and advocates a low-carbon lifestyle.

The Company enthusiastically advocates the culture of "green office," implementing various measures in support of energy conservation and emissions reduction. For example, we are constantly optimizing the collaborative office platform, and use a "mobile office" APP to manage business processes online, improve operational efficiency, and reduce consumption of office paper and toner and ink cartridges. We also utilize a virtual meeting platform to realize new meeting functions such as electronic whiteboard writing and remote meetings, which have not only made meetings more intelligent, convenient and efficient, but also increased the frequency of video and teleconferences, reducing energy consumption from lodging and transportation for employees traveling to meetings. Toner and ink cartridges, packaging, waste paper and other recyclables produced throughout the workday are recycled by the property management company, while decommissioned electronics such as computers and printers are handled by qualified electronics recyclers. In addition, we provide a green plant to each employee to create fresh office air, organise environmental advocacy activities for employees such as tree planting, walks through green spaces and community recycling and clean-up, so as to practice the concept of sustainable development through action.

Target areas	Emission reduction/ waste reduction target	Planned measures
Low carbon operation	Explore the reduction of per capita carbon emissions by about 5% every year	Fully implement online examination and signing, advocate paperless office, and reduce paper consumption; Increase the number of shared office seats; Full use of energy-saving and water-saving equipment; Increase the number of online meetings.
Energy consumption	Realize the gradual reduction of per capita energy consumption, and explore the formulation of quantitative indicators of energy consumption	Encourage employees to commute and travel by public transport, electric cars and bullet trains; Use energy-saving lamps and electrical appliances to reduce power consumption.
Water consumption	Realize the gradual reduction of per capita water resources consumption, and explore the formulation of quantitative indicators of water resources consumption	Fully use of water-saving equipment; Water-saving renovation of water facilities; Increase the frequency of maintenance and reduce leakage.
Non-hazardous waste	Realize the gradual reduction of per capita consumption of non-hazardous waste, and explore the formulation of quantitative indicators of consumption	Promote paperless office and reduce paper consumption; Encourage employees to use duplex printing, recycling envelopes and express packaging; Advocate the "Clear Your Plate" campaign (光盤行動) to save food.
Hazardous waste	Realize the gradual reduction of per capita consumption of hazardous waste, and explore the formulation of quantitative indicators of consumption	Promote paperless office and reduce the consumption of hazardous wastes such as toner cartridges and ink cartridges.



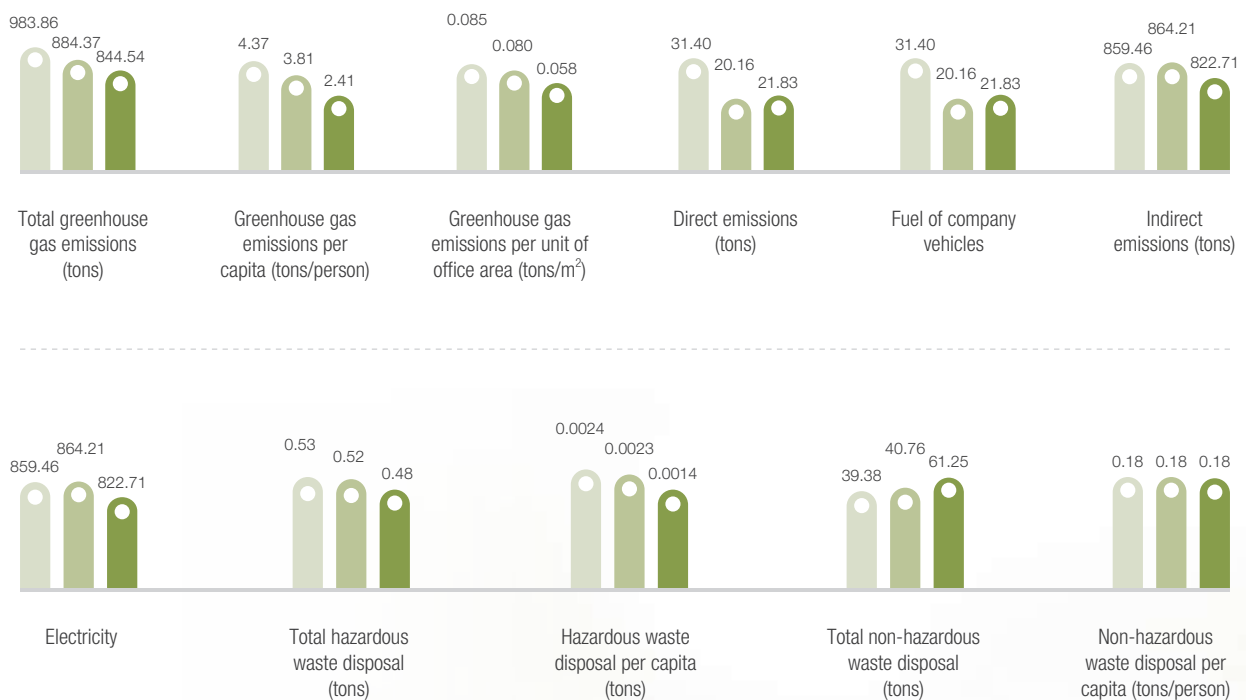


## 2021 Environmental Key Performance Indicators

The reporting scope of environmental key performance indicators in this Report refers to Shandong International Trust Co., Ltd.

### Emissions

2021 2020 2019

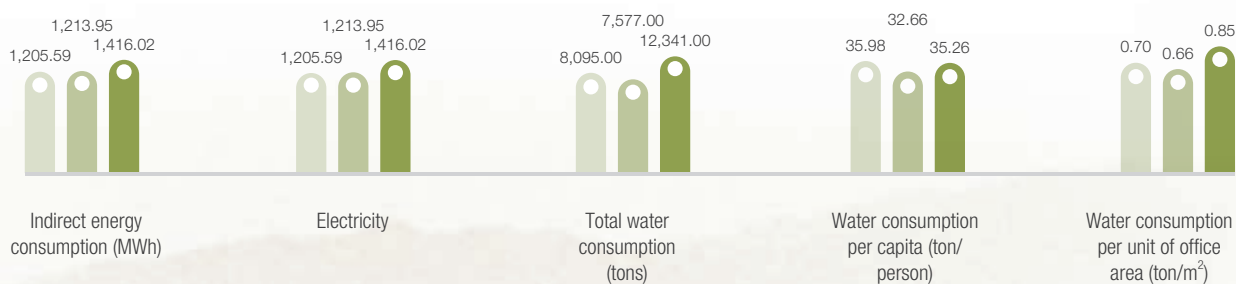
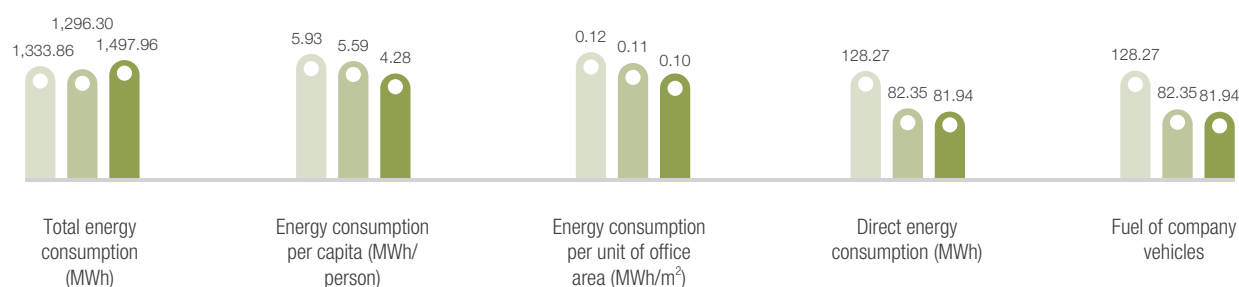


#### Notes:

1. Due to the nature of the Company's business, greenhouse gas emissions mainly derive from direct emissions from fuel consumption by company vehicles and indirect emissions from electricity used in offices.
2. Greenhouse gases include carbon dioxide, methane and nitrous oxide, which is presented by carbon dioxide equivalent in accordance with China's *Regional Grid Baseline Emission Factors For Emission Reduction Projects in 2019* (《2019年度減排項目中國區域電網線線排放因子》) issued by the Ministry of Ecology and Environment of the People's Republic of China and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision)* (《2006年IPCC國家溫室氣體清單指南(2019修訂版)》) issued by the Intergovernmental Panel on Climate Change.
3. The intensities of environmental performance indicators in this Report are calculated based on the annual average headcount of the Company. The annual average headcount of the Company is equivalent to the average of the headcount on 1 January 2021 and the headcount on 31 December 2021 of the Company.
4. Hazardous wastes produced during the operations of the Company mainly include waste toner cartridges and waste ink cartridges, which are turned over to professional recyclers for disposal by the property management company.
5. Non-hazardous wastes produced during the operations of the Company mainly include domestic waste, which is turned over to qualified third parties by the property management company for collection and hauling. As it cannot be measured separately, we have adopted the coefficient of per capita generation of 0.7 kg domestic waste per day as the basis for calculation according to the Class I standard of Zone I as set out in the *Coefficient Manual of the First National Census on Pollution Sources for the Pollutant Generation and Discharge from Urban Living* (《第一次全國污染源普查城鎮生活源產排污係數手冊》) issued by the State Council in 2008.

## Energy and Resource Consumption

2021 2020 2019



### Notes:

1. Total energy consumption is calculated according to consumption of electricity and fuel of the Company and the relevant conversion factors provided in the *General Principles for Calculation of Comprehensive Energy Consumption* (GB/T 2589-2008) 《综合能耗计算通则(GB/T 2589-2008)》 issued by the Standardisation Administration of the People's Republic of China, including the purchased electricity and fuel of company vehicles (gasoline) of the Company.
2. Office water consumption refers to the water used in office buildings of the Company, including tap water and reclaimed water.
3. Due to the nature of the Company's operation, packaging material usage is not applicable to our business.

## Key Performance Table

Category	Key Performance Indicator	2021	2020
Economic performance	Total assets (RMB100 million)	190.63	206.84
	Total equity (RMB100 million)	106.52	101.75
	Operating revenue (RMB100 million)	17.79	23.06
	Net profit attributable to shareholders of the Company (RMB100 million)	4.69	6.28
	Size of trust assets (RMB100 million)	1,564.50	2,486.97
	Size of actively managed trust assets (RMB100 million)	781.20	899.82
Social performance	Number of employees	350	235
	Male to female ratio	1.35:1	1.45:1

## Content Index of ESG Reporting Guide

Aspect	Content	Reference Page Number
A. Environmental		
A1 Emissions		
General Disclosure	Information on: (a) the policies and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NO <sub>x</sub> , SO <sub>x</sub> , and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	40
A1.1	The types of emissions and respective emissions data.	42
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	42
A1.3	Total hazardous waste produced (in weight or volume) and, where appropriate, intensity (e.g. per unit of production volume, per facility, per formal staff).	42
A1.4	Total non-hazardous waste produced (in weight or volume) and, where appropriate, intensity (e.g. per unit of production volume, per facility, per formal staff).	42
A1.5	Description of emissions target(s) set and steps taken to achieve them.	41
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of waste reduction target(s) set and steps taken to achieve them.	41

Aspect	Content	Reference Page Number
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	41
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	43
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	43
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	41
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	41
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A as the Company is non-manufacturing enterprise
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	40
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	40-41
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	40
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	40
B. Social		
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, work hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	29-33
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	30
B1.2	Employee turnover rate by gender, age group and geographical region.	31
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	16, 32
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	32
B2.2	Lost days due to work injury.	32
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	16-17, 32



Aspect	Content	Reference Page Number
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for performing duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	32-33
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	33
B3.2	The average training hours completed per employee by gender and employee category.	33
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	29
B4.1	Description of measures to review employment practices to avoid child and forced labour.	29
B4.2	Description of steps taken to eliminate such practices when discovered.	29
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	15
B5.1	Number of suppliers by geographical region.	15
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	15
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	15
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	15
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	14, 16, 26
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	27
B6.2	Number of products and service related complaints received and how they are dealt with.	27
B6.3	Description of practices relating to observing and protecting intellectual property rights.	14
B6.4	Description of quality assurance process and recall procedures.	27
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	26

Aspect	Content	Reference Page Number
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	14
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	15
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	14-15
B7.3	Description of anti-corruption training provided to directors and staff.	14-15
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	35
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	34-37
B8.2	Resources contributed (e.g. money or time) to the focus area.	34-35

# LUCION



Wechat Official  
Account of SITC



SITC APP