



晋商银行
Jinshang Bank

晋商银行股份有限公司*

JINSHANG BANK CO., LTD.*

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

Stock Code: 2558



2023 Environmental, Social and Governance Report

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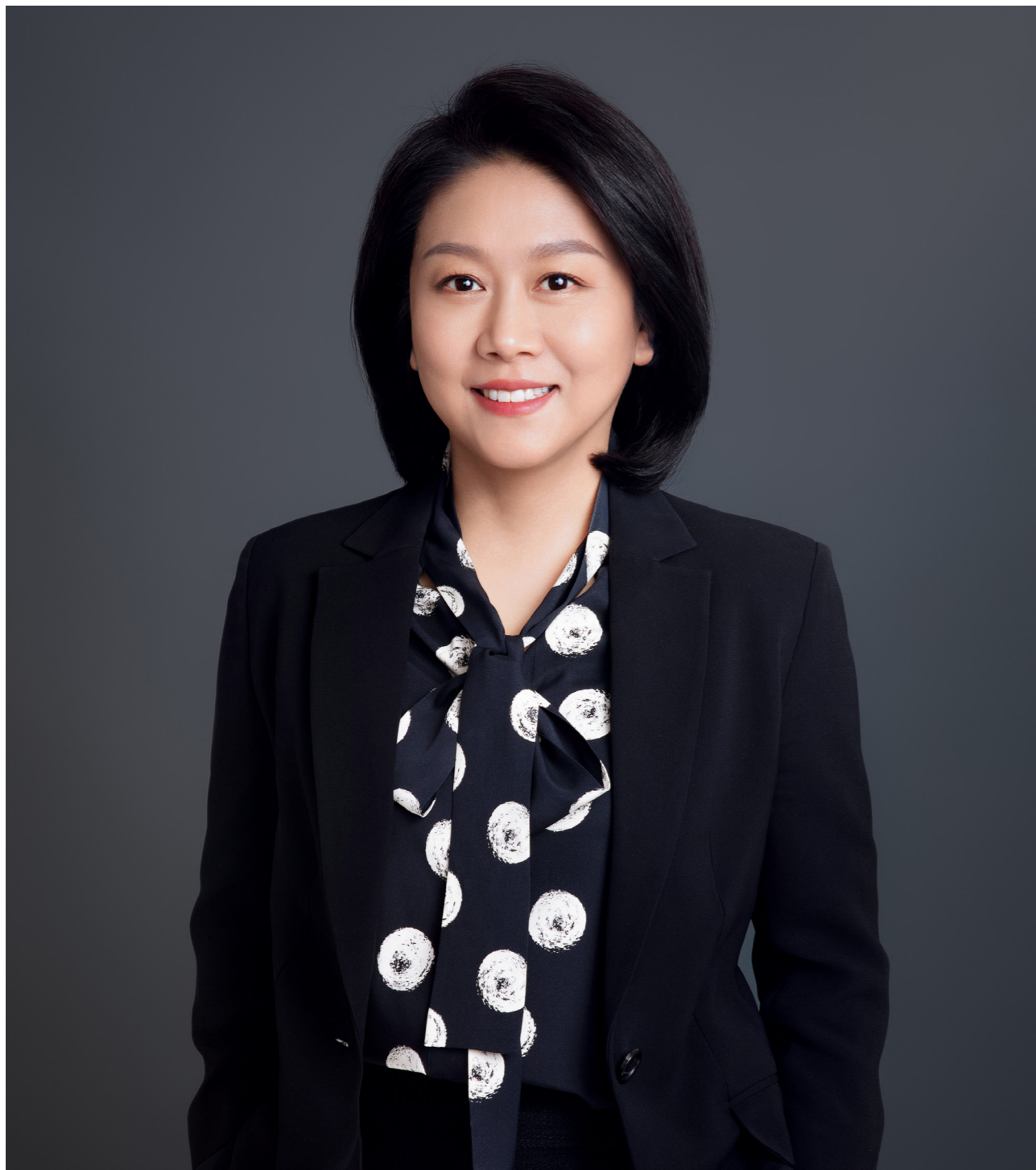
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*Jinshang Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.



Chairwoman's Statement



In 2023, while striving to boost steady growth in business performance and creating economic value actively, Jinshang Bank attached great importance to its social responsibilities, continuously improved its ESG management capability and level, and made constant efforts in facilitating corporate governance, green finance, high-quality economic development and social progress.

The corporate governance was improved to lay a solid foundation for business development.

Jinshang Bank continued to improve its corporate governance structure and corporate governance capability, and focused on anti-corruption, business ethics, compliant operation, risk management, intellectual property protection and other important issues, ensuring stable and compliant operation through effective corporate governance. In 2023, we held two shareholders general meetings, 5 Board meetings and 21 meetings of special committees, reviewed and approved 48 proposals, and listened to 50 reports.

The green finance was developed to facilitate low-carbon transformation in the society.

We actively shouldered the important responsibilities as a financial institution in supporting green and low-carbon fields, and kept trying to innovate green financial products and services. As a co-lead underwriter, we issued the 11th tranche of green medium-term notes (carbon neutrality bonds) for Jinneng Holding Power Group Co., Ltd. in 2023, contributing to the green transformation and sustainable economic development of the enterprise. We optimized the green finance management system, and opened the carbon emission data accounting function online. Besides, we incorporated the implementation of green finance policies into the scope of internal control and compliance inspection to continuously increase the quality and efficiency of the green finance work.

National strategies were implemented actively to boost sustainable economic development.

We had a profound understanding of the connotation of high-quality economic development, and issued a series of documents, including the Implementation Plan of Jinshang Bank on Supporting Energy Revolution and Transformation Development in Shanxi and the Action Plan of Jinshang Bank on Supporting Development of Private Enterprises in 2023, providing high-quality financial services to private enterprises, the real economy, green and low-carbon industries and other relevant parties in important fields. In 2023, we supported the construction of local key projects by subscribing 12 tranches of bonds issued by local governments in Shanxi Province worth totally 3.58 billion offered financing support to above 80% of Top 100 privately-owned enterprises, and to 9 of the Top 10 in Shanxi Province. The balance of green loan was 9.543 billion at the end of 2023.

The social responsibilities were fulfilled to promote the sustainable development of the society.

We attached importance to the rights, appeals and suggestions of our employees, and provided competitive welfare benefits. In 2023, we organized six meetings of the special group for the employee representative assembly and two meetings of the labor union committee. We optimized customer services, and protected customer's privacy, with ever-improving quality and efficiency in our services. Moreover, we provided more than 120 volunteer services, with a duration of 1,360 hours, guiding young people throughout the Bank to actively engage in volunteer activities that serve the community and people's livelihoods.

In the future, Jinshang Bank will continue to work hard and forge ahead with determination, and continuously enhance its economic, social and environmental performance, creating value for all stakeholders, including the government and regulators, shareholders and investors, employees, customers, suppliers and partners, as well as communities.

Secretary of Party Committee and chairwoman of Jinshang Bank Co., Ltd.

Hao Qiang

The Board's Statement

As the decision-making body, the Board of Directors of Jinshang Bank comprehensively supervises, and is responsible for, the review of major ESG-related matters of the Bank, including clarifying ESG development goals, formulating ESG strategic plans, reviewing major ESG issues, supervising the progress of ESG-related matters, and fulfilling ESG work requirements on the Board of Directors set by the listing regulators. The Directors of Jinshang Bank present a new list of achievements in performing ESG responsibilities to each stakeholder.

Improving ESG management structure.

The Board of Directors and the senior management of Jinshang Bank are responsible for formulating ESG-related strategies and supervising the progress of ESG matters throughout the Bank. The Office of the Board of Directors coordinates the specific work and regularly tracks the implementation of the proposals. All relevant departments of the head office and branches report ESG work to the Office of the Board of Directors regularly. In order to better lead and implement ESG management and supervision, Jinshang Bank incorporated ESG factors into its Articles of Association and daily assessment.

Clarifying ESG management strategies.

The Bank's Office of the Board of Directors conducts the stakeholder communication and survey, and clarifies major ESG issues and key tasks of the year through materiality analysis. In 2023, Jinshang Bank paid high attention to major issues, such as "real economy service", "financial consumer rights protection", "response to climate change" and "creation of excellent service", which were incorporated into the Bank's ESG strategies and plans as the highlights disclosed in 2023 ESG Report, and continued to follow up the implementation.

Progress review on ESG goals.

The Board of Directors and its special committee of the Bank are responsible for reviewing ESG-related proposals. In 2023, they reviewed and approved 2022 Environmental, Social and Governance Report of Jinshang Bank Co., Ltd., and Environment Information Report 2022 of Jinshang Bank put forward systematic opinions and requirements on the relevant measures taken by the Bank in the aspects of environment, society and governance.


Enhancing the construction of the capacity of ESG.

In 2023, the Bank organized directors to attend a lecture on enhanced continuing professional development given by corporate governance experts at the Hong Kong Chartered Governance Institute, and held a social responsibility training for suppliers, improving its own ESG capacity building while paying attention to enhancing the suppliers' responsibility capacity.

This report fully discloses the management and practice progress of Jinshang Bank on the above work and other ESG issues, which were reviewed and approved by the Board of Directors in March 2024.


Performance Data for 2023

Economic performance




Indicator	Unit	As of the end of 2023	As of the end of 2022	As of the end of 2021
Operating income	100 million	58.02	52.60	53.91
Loan balance	100 million	1,914.36	1,860.52	1,557.41
Deposit balance	100 million	2,810.82	2,484.34	1,992.07
Basic earnings per share	RMB	0.34	0.31	0.29
Average return on total assets	%	0.57	0.57	0.58
Return on average equity	%	8.31	8.07	7.77
Non-performing loan ratio	%	1.78	1.80	1.84
Provision coverage ratio	%	198.71	177.04	184.77

Social performance



Indicator	Unit	As of the end of 2023	As of the end of 2022	As of the end of 2021
Total employees	Person	4,429	4,402	4,424
Percentage of female employees	%	54.01	54.38	55.61
Number of new employees	Person	195	93	25
Balance of agriculture-related loans	100 million	628.02	588.13	537.87
Balance of inclusive loans to small and micro enterprises	100 million	98.32	75.33	57.46

Environmental performance



Indicator	Unit	2023	2022	2021
Total office electricity consumption	kWh	5,995,204.46	5,540,471.24	4,979,297.20
Total office water consumption	m ³	40,227.99	38,556.50	29,950.37
Gasoline consumption	L	36,446.89	48,972.22	46,537.99
Diesel consumption	L	124.68	1,714.79	2,626.87
Total greenhouse gas emissions (Scope 1 and Scope 2)	Ton	4,967.41	5,265.91	4,143.57
Balance of green loans	100 million	95.43	90.82	76.77



Awards and Honors

Honors and Wards	Award Presentation Unit
Jinshang Bank was awarded 2023 Jinyu Award for "City Commercial Bank with Excellent Wealth Management"	Pystandard
Jinshang Bank was awarded 2023 Jinyu Award for "Private Bank with Excellent Regional Services"	
Jinshang Bank was awarded 2023 Pystandard Jinyu Award for "City Commercial Bank with Excellent Wealth Management"	
Jinshang Bank Fengying Duoli Biweekly Fixed-Term Opening No.1 Wealth Management Product "2023 Pystandard Jinyu Award—Outstanding Fixed Income Wealth Management Product"	
Jinshang Bank was awarded 2023 "Outstanding Retail Banking Award"	www.caishiv.com
Jinshang Bank was awarded 2023 "Retail Banking Award for Excellent Data Analysis & Digging"	
Jinshang Bank was awarded the honorary title of "Outstanding Comprehensive Business institution"	Shanghai Commercial Paper Exchange Corporation Ltd.
Jinshang Bank was awarded 2023 Leading Development Partner	JDT
Jinshang Bank was awarded Best Partner of the Year	Ant Group
Jinshang Bank was awarded 2023 Excellent Digital Finance Competition—"Digital Intelligence Platform Silver Award"	Financial Digitization Development Alliance
Jinshang Bank 2023 Financial Digitization Golden List Award—Most Characteristic Credit Card Product Prize	
Jinshang Bank was awarded 2023 Jinzhenzi Award for Outstanding Operation and Management Capability	www.cls.cn
Jinshang Bank was awarded 2023 Jinchan Award—Wealth Management Income Pioneer Prize and Wealth Management Surprise Prize	Lianhezhiping (聯合智評)
Jinshang Bank Credit Card was awarded Excellent Credit Card Partner	Tencent Financial Technology
Jinshang Bank Credit Card was awarded 2023 Outstanding UnionPay Card Product Cooperation Award	China UnionPay
Jinshang Bank Credit Card was awarded 2023 Linkage Operation Award	
Mobile Banking 5.0 "Mobile Financial Service Platform Influence Award of the 8th Digital Transformation Strategy Conference for Commercial Banks"	Shanghai Yujian Business Consulting Co., Ltd.
Mobile Banking 5.0 was awarded "Mobile Banking Ingenuity Award"	China Financial Certification Authority (CFCA)
Mobile Banking 5.0 was awarded "Outstanding Case Award for Channel Construction Innovation"	City Commercial Banks Clearing Co., Ltd.

Honors and Wards	Award Presentation Unit
Mobile Banking 5.0 was awarded "Fintech Case Award of the Year"	China Financial Publishing House
Canghai Data Asset Management System was awarded "Golden Medal for Data Governance"	www.cebnet.com.cn
Canghai Data Asset Management System was awarded "2023 Successful Informatization Case in Financial industry"	The 7th FCS2023
Corporate Customer Visual and Marketing Management System of Jinshang Bank "Huaying Award—BDI Digitalization Index—Outstanding Practice Award for Digital Transformation"	Organizing Committee of the Asia Pacific Banking Union
Customer Behaviour Analysis System was awarded "Xingdou Award(星斗獎)"	Sensors Data
Customer Behaviour Analysis System was awarded "Xinzhi Award(鑫智獎) (Outstanding Marketing Innovation Case Prize)"	The 4th Appraisal for Outstanding Digital Intelligent Transformation Cases of Small and Medium-Sized Financial Institutions for 2023
Remote Banking was awarded "Second Prize of the Competition for Little Inventions, Creations, Innovations, Designs and Suggestions in Shanxi Province"	Shanxi Provincial Federation of Trade unions
Smart Campus was awarded "Outstanding Award of the Competition for Little Inventions, Creations, Innovations, Designs and Suggestions in Shanxi Province"	
Jin Salary Manager was awarded "Outstanding Award of the Competition for Little Inventions, Creations, Innovations, Designs and Suggestions in Shanxi Province"	
Sanjin Smart Community was awarded "Outstanding Award of the Competition for Little Inventions, Creations, Innovations, Designs and Suggestions in Shanxi Province"	
The team was awarded "Outstanding Organization Award of 2023 Shanxi Province Financial System Data Governance and Application Skills Competition"	
Jinshang Bank Co., Ltd. was awarded "Winning Unit of the Competition for Little Inventions, Creations, Innovations, Designs and Suggestions in Shanxi Province"	
"Jinyun Chain' Supply chain System Business Project" of Trade Finance Department "First Prize for Outstanding Achievement of the Competition for Little Inventions, Creations, Innovations, Designs and Suggestions in Shanxi Province"	
"Jinshang Bank Digital Product E-Housing Loan/ E-Credit Loan Project" of Personal Credit Asset Department "Second Prize for Outstanding Achievement of the Competition for Little Inventions, Creations, Innovations, Designs and Suggestions in Shanxi Province"	
"Jinshang Bank IT Integrated Maintenance and Management Platform Project" of Technology and Information Department "Third Prize for Outstanding Achievement of the Competition for Little Inventions, Creations, Innovations, Designs and Suggestions in Shanxi Province"	
Data Application Capability Demonstration Video Innovative Application Prize of the 3rd "Fintech Talent Competition for Short Video"	
The team was awarded "2023 Outstanding Information Technology Team of the Financial Industry"	The 7th FCS2023
The team was awarded "Jinshang Bank Innovative Digital Application Award of the Year"	Qianfan.tech
Fengying Duoli 184-Day Fixed-Term Wealth Management Product Golden Bull Wealth Management 5-Star Product in the First Quarter of 2023	China Securities Golden Bull
Fengying Duoli One-Year Fixed-Term Opening No.8 and No.8 Wealth Management Products Golden Bull Wealth Management 6-Star Product in the Second Quarter of 2023	
Jinshang Bank: Fengying Closed Wealth Management Products tranche No.21148, tranche No.22073, tranche No.22074, tranche No.22080, tranche No.22088, tranche No.22096, tranche No.22100, tranche No.22131, tranche No.22162-22165, tranche No.22172-22179, tranche No.22193, tranche No.22195; Fengying Doli One-Year Fixed-Term Opening No.7 Wealth Management Product, Fengying Hongli Jijihong Wealth Management Products No.1-2; Fengying Longevity Closed Wealth Management Product Selection No.4, No.5 In 2023, a total of 27 products were rated as "five-star products" in "2023 appraisal for Banking wealth management Products".	The Investment Association of China

Responsibility : Task Force on Climate-Related Financial Disclosure (TCFD)

Jinshang Bank gave active response to challenges and opportunities brought about by climate change, identified and evaluated climate risks and opportunities, and took effective measures to support green development and sustainable operation.



Governance

The Bank embedded the management of climate change issue into our green finance work, and established a three-level green governance framework system consisting of the board of directors, senior management, and executive management. The management functions are utilized to lead the entire bank's green finance work; The senior management establishes a "Green Finance Management Committee" to strategically control the entire bank's green finance business; Led by the Corporate Finance Department, responsible for coordinating and coordinating green finance business across the Bank; The Finance Department and Risk Management Department of the Head Office have established "Customer Management and Green Finance Center" and "Climate Risk Sensitivity Stress Testing Project Team" respectively. The Customer Management and Green Finance Center is mainly responsible for researching and developing the company's green finance products and operating the green finance system. The Climate Risk Sensitivity Stress Testing Project Team provides quantitative research and systematic support to improve the Bank's environmental risk management.

Strategy

In consideration of climate risks in the risk management work, Jinshang Bank identified and evaluated climate change risks and opportunities.

Risk management

The Bank established the climate risk sensitivity stress test project team under the Risk Management Department to provide quantitative research and systematic support for improving our environmental risk management. Based on the results of climate risk stress test, it continuously explored management mechanisms and innovative tools to improve climate risk management and control mechanisms.

In 2022, the Bank conducted the climate risk sensitivity stress test on credit assets in eight high-carbon industries and 10 industries, including coal and coking industries. According to the test results, under mild, moderate and severe stress scenarios, the credit risk of some high-carbon customers in the Bank will increase in the future. Therefore, in 2023, the Bank paid more attention to high-carbon customers, closely monitored their credit risk, and proactively prevented negative impacts from climate risks on our operation.

Risk type	Environmental and climate risk factors	Risk/opportunity description
Physical risk	Acute risk	Extreme weather (such as rainstorm, hail) or environmental pollution events This risk may bring disaster impacts to the Bank in some areas where are seriously affected by rainstorms, thereby increasing our operating costs.
	Chronic risk	Chronic climate change or environmental pollution issues This risk may arise during the process of investment, thereby impacting our revenue and bringing bad debt losses.
Transformation risk	Policy and legal risk	Policy and legal changes A series of rules and regulations for banks may be issued home and abroad. Institutions that fail to grasp policy orientation timely and make business transformation will face policy and regulatory risks.
	Technical risk	Technological innovation The failure to follow up the fintech development timely may lead to increase in our operating costs. On the other hand, the investee's failure in timely low-carbon technology transformation and closedown may bring bad debt losses to the Bank.
	Market risk	Market changes Changes in customer preferences, market prices (such as for water, electricity, carbon) or asset pricing may lead to increase in our operating costs.
	Reputation risk	Reputation changes Negative investors in the investment environment may bring reputational risk to the Bank.
Opportunity	Resource structure adjustment opportunity	Changes in resource efficiency and energy sources The use of recycling technology, the reduction of water usage and consumption or the investment in renewable energy projects in daily operations may reduce operating costs for the Bank.
	Policy development opportunity	Changes in policy development focus, and policy support strength and method This opportunity is manifested in a series of policies for ecological civilization construction, and green, circular and low-carbon economic development issued successively at national and regional levels.
	Market opportunity	Changes in products, services and markets Development and/or expansion of low-emission goods and services may diversify our income and demand sources.

Indicators and Goals

Jinshang Bank sets indicators and goals on the business and the operation to support green economic development, and help reduce carbon emissions, in an attempt to reduce extreme weather events.

The Bank actively assumed the responsibilities as a financial institution, and supported sustainable development by relying on its professional and financial advantages, proposing the overall goals of "increasing the green credit scale as an industrial transformation and upgrading booster; diversifying cooperation methods with the government as a new pacemaker for bank-government cooperation; and innovating product supply to polish the green bank's business card", with the purpose for green bank goals. Meanwhile, the Bank attached importance to our own low carbon operation, and lowered the impacts of our operation on the environment by means of saving resources and energy and regulating waste disposal methods, reducing our own carbon footprints.

About Jinshang Bank

Jinshang Bank Co., Ltd. (hereinafter referred to as “Jinshang Bank”), headquartered in Taiyuan, Shanxi, was renamed from Taiyuan Commercial Bank on December 30, 2008 with the approval of former China Banking Regulatory Commission (CBRC). It was officially established on February 28, 2009 and listed on the Hong Kong Stock Exchange (HKEX) on July 18, 2019.

Under the correct leadership of the Provincial Party Committee and the Provincial Government of Shanxi Province, and with the guidance and assistance of regulatory authorities, Jinshang Bank has achieved strategic breakthroughs such as introducing strategic investors and listing of H shares, and gradually embarked on a development path of a modern commercial bank featuring steady development. As at 31 December 2023, its total assets, deposit balance and loan balance reached 361.305 billion, 281.082 billion and 191.436 billion respectively, with a capital adequacy ratio of 13.17%, a core tier 1 capital adequacy ratio of 11.14%, and a provision coverage rate of 198.71%. The main regulatory indicators met regulatory requirements.

Since its establishment, by adhering to the “customer-centric” service concept, Jinshang Bank has expanded its outlet services into 11 prefecture-level cities in Shanxi Province. With 153 outlets under its supervision,



Total assets: **361.305** billion
 Deposit balance: **281.082** billion
 Loan balance: **191.436** billion
 Capital adequacy ratio: **13.17%**
 Core tier 1 capital adequacy ratio: **11.14%**
 Provision coverage rate: **198.71%**

the Bank established a small enterprises financial service center, invested in the establishment of Qingxu Jinshang Village Bank Co., Ltd., and initiated the establishment of the first consumer finance company in Shanxi Province – Jinshang Consumer Finance Co., Ltd.

In addition, electronic channels such as online banking, mobile banking, WeChat banking and direct banking have been steadily promoted, forming an “integrated online and offline” financial service pattern.

Jinshang Bank has been widely recognized by the Provincial Party Committee and the Provincial Government of Shanxi Province, and all sectors of society for its excellent business performance and quality financial services. It has been successively named the “Most Competitive National Brand among China’s City Commercial Banks(中國城商行最具競爭力民族品牌)”, “Most Competitive Small- and Medium-sized Bank in China(中國最具競爭力中小銀行)”, “Meritorious Enterprise in Shanxi Province(山西省功勳企業)” and “Most Popular Bank in Shanxi(山西老百姓最喜愛的銀行)”, and won the “May 1st Labor Award in Shanxi Province(山西省五一勞動獎狀)”.





Consolidating the Foundation for Governance & Development

- ★ Development under the
Guidance of Party Building
- ★ Corporate Governance
- ★ Compliance and Risk
Management
- ★ ESG Management

Development under the Guidance of Party Building

Political Building

The Bank formulated and issued the Key Work Points for Strict Party Governance of the CPC Jinshang Bank Committee in 2023, including a name list of members of the Party committee responsible for strict Party governance according to their work division. By taking advantage of the leadership of the Party, it improved the “first topic” system of the Party committee, held 34 meeting of the Party committee in 2023, and conducted preliminary research on all major issues to be decided by the Board of Directors, the Board of Supervisors and the management.

Ideological Building

The Bank formulated and issued the Annual Construction Engineering Work Plan for Study Specifications of the Party Committee Theory Study Center Group of Jinshang Bank, and the Theory Learning Plan for Party Committee Theory Study Center Group and Cadres of Jinshang Bank, which defined 14 key study areas and phased study arrangements, and gave play to the high-quality study leading and promotion roles of the center group, guiding Party members and cadres to better equip the whole Party with the latest achievements in its theoretical innovation and use the theories to guide its practice.

Organizational Building

The Bank held Party building and brand building activities to integrate the Party building work and its business development, focused on promoting the high-quality development goal throughout the Bank, and issued the Notice on Organizing the Third Batch of Party Building and Brand Building Activities and “Looking Back to” the First and Second Batch of Party Building and Brand Building Activities, and the Notice on Naming the Third Batch of Party Building and Brand Building Activities.

Discipline Building

The Bank formulated the Implementation Opinions on Building a “Great Supervision” System in Jinshang Bank for Boosting High-Quality Development to improve the supervision mechanism and form a joint supervision force. It developed the Code of Conduct for Clean and Honest Practice of Employees of Jinshang Bank to standardize clean and honest behaviors of employees, and established four basic disciplinary inspection rules and regulations, namely petition letter and reporting, interview and circularization, preliminary verification and disciplinary review, to make the disciplinary inspection work more standardized, legal and regular.

Party Conduct Building

The Bank conducted special rectifications on prominent problems relating to the “Four Malfeasances”, formulated the Work Plan for Creating a Clean and Honest Demonstration Unit of Jinshang Bank, and the Implementation Plan for Clean and Honest Culture Propaganda Month of Jinshang Bank in 2023, and held a series of activities, such as the youth contest for telling stories of clean and honest practice, the micro videos about clean and honest governance and the legal knowledge quiz show, so as to maintain the clean and honest political ecosystem and create a good atmosphere for clean and honest practice.

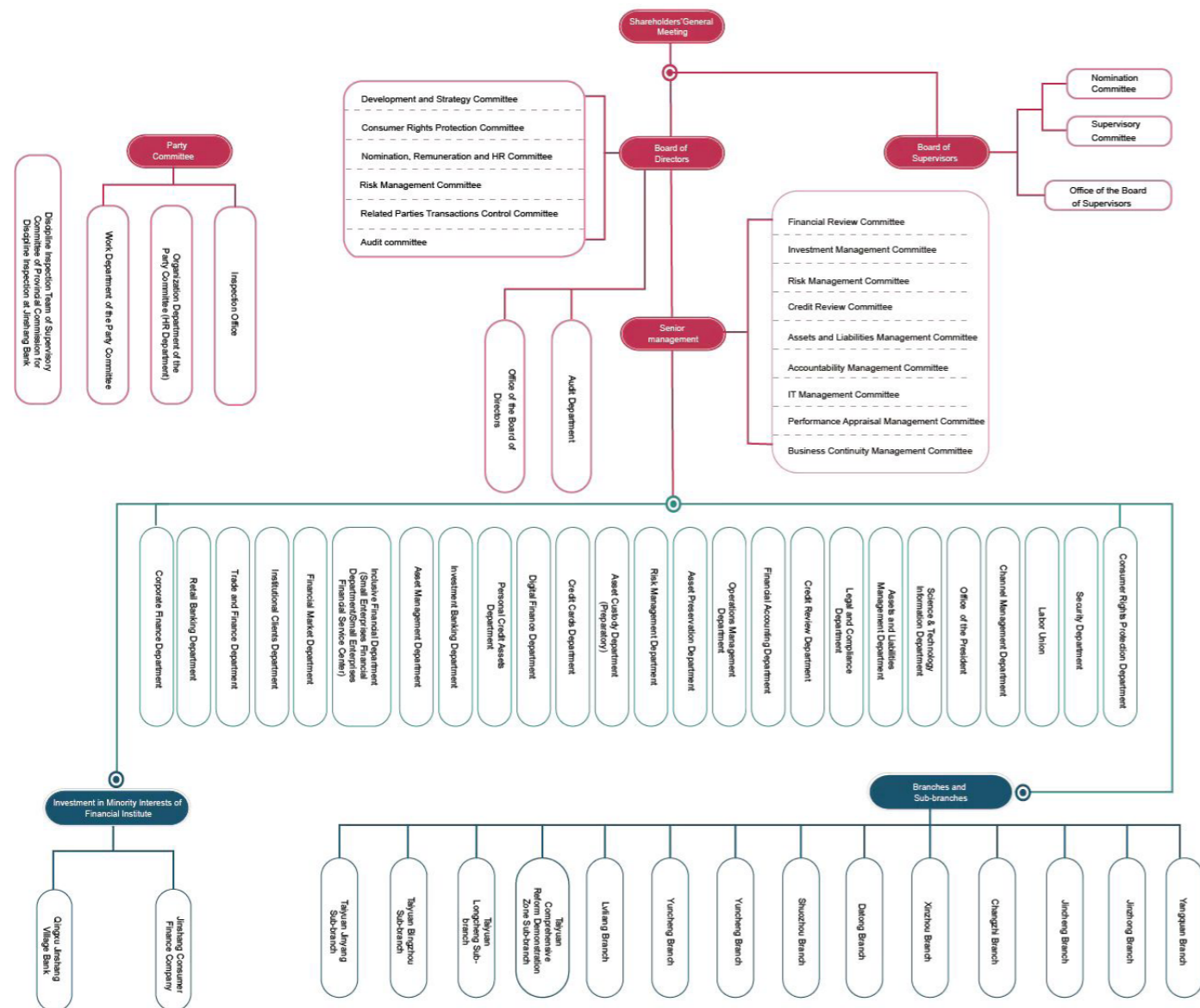
Party building performance indicators

Indicator	Unit	2023	2022	2021
Number of Party members of the Bank	Person	2,161	2,025	1,858
General Party branch of the Bank	Branch	10	10	10
Grassroots Party organization activities	Times	2,392	2,208	2,196
Party members developed in the year	Person	100	119	70
Average times of organizational life meetings held by each Party branch	Times	1	1	1
Party lecture	Times	920	803	732

Corporate Governance

Under the leadership of the Party Committee of the Bank and in accordance with the requirements of corporate governance of modern enterprises, the Bank has set up a corporate governance structure consisting of Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the senior management, and set up relevant special committees and internal organizations respectively, forming a relatively sound operation system.

Organizational Structure of Jinshang Bank Co., Ltd.



Governance of the Board of Directors

With the Articles of Association as the basic document, the Bank has developed a number of institutional documents to effectively support an efficient and stable operation of the corporate governance mechanism.

The Board of Directors is a decision-making body responsible to the Shareholders' General Meeting, and consists of the Development and Strategy Committee, the Nomination, Remuneration and HR Committee, the Audit Committee, the Risk Management Committee, the Related Parties Transactions Control Committee and the Consumer Rights Protection Committee. The Board of Supervisors is a supervisory body responsible to the Shareholders' General Meeting, and consists of the Nomination Committee and the Supervisory Committee.

The Bank continued to strengthen the effectiveness of the special committees of the Board of Directors in performing their duties. With reference to the Articles of Association and the working rules of special committees under the Board of Directors, the Bank has sorted out and standardized the duties of the secretarial bodies, working bodies and other relevant functional departments of the special committees. The Bank organized its directors to participate in the “Advanced Seminar on Improving Corporate Governance Capabilities of Commercial Banks” organized by China Banking and Insurance News, the Sixth New Bank Strategic Development Conference, and lectures on strengthening continuous and professional development for corporate governance professionals organized by the Hong Kong Chartered Governance Association, effectively improving the directors' ability to perform their duties, and carried out special research work, seminars and training according to the directors' professional expertise, thereby giving full play to the effectiveness of the performance of the special committees under the Board of Directors.

Based on the principle of meritocracy, we continued to enhance the diversity of the Board of Directors in order to strengthen the Bank's risk sensitivity and resilience. The selection of Board members is based on the skills and experience required for the overall proper functioning of the Board of Directors, and is considered on the basis of a number of indicators including, but not limited to, gender, age, cultural and educational backgrounds, ethnicity, industry experience, technical and professional skills and/or qualifications, knowledge, and length of service.

In 2023, the Bank organized a symposium between the chairwoman and the independent directors, during which the independent directors had in-depth discussions and exchanges with the chairwoman on the Bank's corporate governance, development strategy, risk management, and other aspects, and proposed opinions and suggestions to promote the improvement of corporate governance and the operation and development of the Bank.

Composition of the Board of Directors

The Board of Directors consists of 12 directors, including

- two executive directors, five non-executive directors and five independent non-executive directors
- two female directors

Responsibility Fulfillment of the Board of Directors

As at 31 December 2023, the Board of Directors

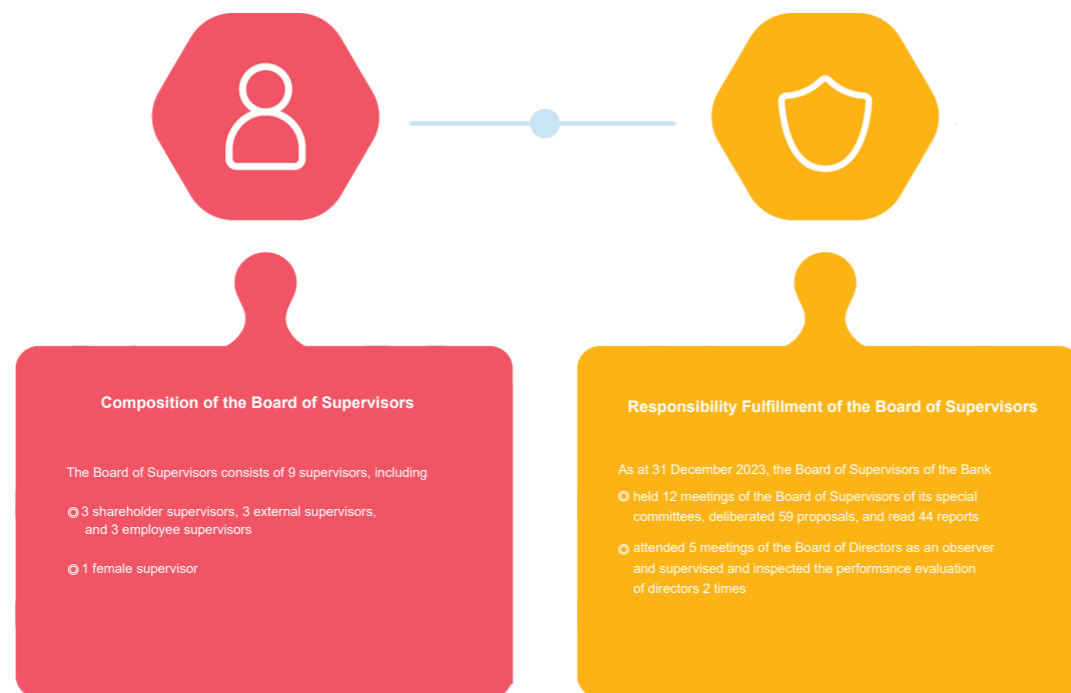
- held five Board meetings and 21 meetings of special committees
- reviewed and approved 48 proposals, and listened to 50 reports

Supervision by the Board of Supervisors

The Board of Supervisors focuses on regulatory policies and regulations, carries out solid supervision work, comprehensively fulfills its supervisory duties, and vigorously escorts the safe development of the entire bank.

Firmly adhering to the sense of procedure, we give full play to the supervisory advantages of the Board of Supervisors featured by "One Body and Two Wings". The Board of Supervisors made 38 inquiries on heads of relevant functional departments on important matters such as strategic implementation, financial management, and internal control risk construction of the entire bank, and put forward and fed back supervisory opinions on more than 120 cases, further strengthening the atmosphere of corporate governance with stringent supervision.

The Board of Supervisors focuses on innovation and breakthroughs and carries out special evaluation for supervision of responsibility fulfillment in key areas. At the same time, it integrates daily supervision, special evaluation and annual performance-based evaluation of directors, supervisors, and the senior management, so as to provide more accurate supervision of responsibility fulfillment. The Board of Supervisors effectively implements the daily supervision, using letter inquiry supervision, research supervision, and integration supervision as means, accurately focuses on key matters, optimizes supervision methods, accumulates supervision advantages, amplifies supervision efficiency, and effectively implements closed-loop management, so as to make the effectiveness of supervision service development more powerful. The Board of Supervisors pays attention to team building, improves the system and mechanism, strengthens policy research and study, effectively conducts out-of-office training, conscientiously works on peer exchange, and continues to explore and enrich supervision practice, thus making the ability to promote development through services more effective.



Strengthening Shareholder Equity Management

In accordance with regulatory requirements, the Bank conducted an annual assessment of the shareholders' qualifications of major shareholders, fulfillment of commitments, implementation of the Articles of Association or the terms of agreements, as well as compliance with laws, regulations, and regulatory requirements. We propelled the transfer of equities held by the Bank's ineligible corporate shareholders. We regularly check and sort out the changes in equities by shareholders and restrictions on the rights of shareholders, and other situation, and verify the shareholdings of corporate shareholders holding more than 20 million domestic shares, so as to continuously strengthen the shareholders' equity management.

Strengthening the Management of Holding Subsidiaries and Joint Stock Companies

The Bank actively fulfilled its responsibilities as the main sponsor bank and major shareholder, comprehensively revised the Management Measures for Holding Subsidiaries of Jinshang Bank Co., Ltd., in which key contents such as strategic synergy, business linkage, information reporting and decision-making supervision, have been added so as to further improve the management mechanism of the holding subsidiaries and joint stock companies. The Bank continued to strengthen the assessment and evaluation of the holding subsidiaries and joint stock companies, urged the implementation of the rectification of problems found in audits, supervisions and other inspections, and helped them strengthen corporate governance and internal management, and improve the efficiency of endogenous development. It has established and improved the communication and reporting mechanism of important information, promoted the normalization and standardization of daily classification guidance, research in key areas, and scientific decision-making support, and coordinated and promoted business linkage and strategic synergy with the holding subsidiaries and joint stock companies.

Protecting the Rights and Interests of Minority Shareholders

The Bank actively invited minority shareholders to participate in shareholders' meetings to increase the proportion of minority shareholders attending the meeting. At the extraordinary general meeting held in December 2023, the Bank invited minority shareholders to participate in the meeting and cast their votes to protect the rights and interests of minority shareholders.

Timely and Compliant Information Disclosure

The Bank strictly follows the regulatory requirements to make information disclosure accurately and efficiently. Actively coordinating with relevant organizations and departments, the Bank completed the preparation and release of information disclosure documents such as 2022 Annual Results Announcement of Jinshang Bank Co., Ltd., 2022 Annual Report of Jinshang Bank Co., Ltd., 2022 Environmental, Social and Governance Report of Jinshang Bank Co., Ltd., etc., with high efficiency and high quality within the prescribed time. As of December 31, 2023, the Bank simultaneously published 38 information disclosure documents on the Hong Kong Stock Exchange and its official website.

Compliance and Risk Management

Internal Control and Compliance System Building

Strictly strengthening institutional construction and building a compliance management system

In 2023, after conducting a comprehensive review and summary of activities held in the “year of institutional implementation”, the Bank analyzed and researched institutional management improvement measures, revised and improved the rules and regulations, carried out good practices and requirements throughout the lifecycle of institutional management, and enhanced the closed-loop management system for benchmarking supervision, institutional review and effectiveness evaluation in the whole process, providing a solid institutional guarantee for improving the case prevention management level in the Bank. In 2023, the Bank implemented 44 external regulations internally, established 70 new systems, revised 170 systems, and abolished 227 systems. During the Reporting Period, there were no major reputation events in terms of economy, society or environment.

Conducting strict inspection and supervision to prevent case risks and hidden dangers

The Bank focused on regulatory inspection in key risk areas, urged all business lines and branches to actively assume the main responsibility for compliance management, and organized inspections for all business lines, covering all aspects of its business. It conducted on-site joint inspections of branch offices, gave full play to the role in process supervision, and handled the problems and situations discovered during inspections by circulating notices of criticism for typical problems, interviewing with “leaders” and making a strict compliance assessment, in a bid to urge thorough rectification and prevention of the problems.

Giving strict compliance punishment and deepening the ideology of compliance

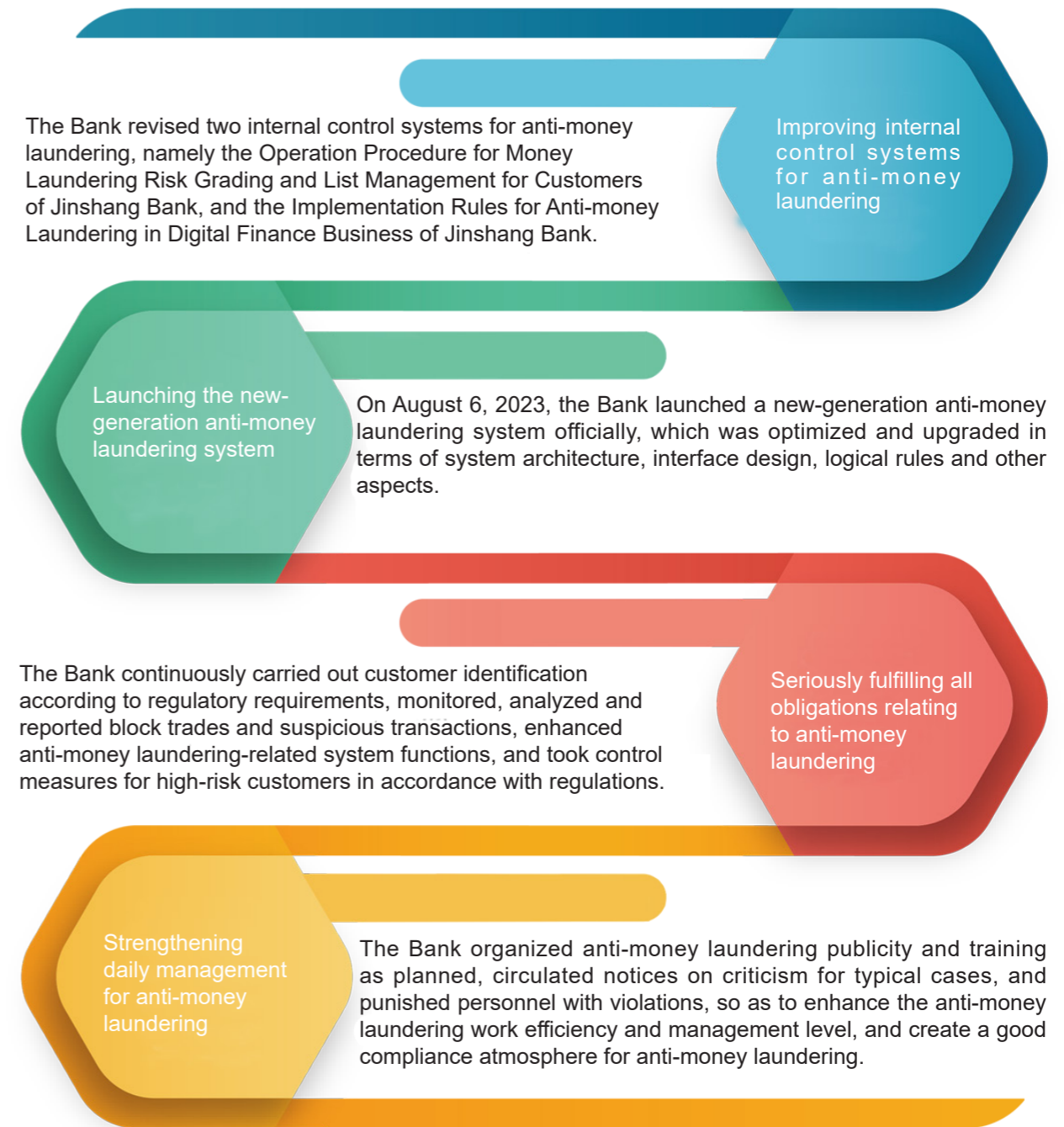
On the basis of the laws and regulations, regulatory requirements and internal systems, the Bank conducted investigations and verifications on various violations and non-performing loans to define violations, adverse consequences and losses reasonably and identify responsibilities in a scientific and accurate manner. By conducting accountability investigations, giving punishments, circulating notices of criticism and disclosing problems, it cleaned up a number of historical problems intensively, and organized careful accountability investigations for the problems discovered by regulators.

Standardizing employee behaviors and strengthening personnel behavior management

The Bank conducted in-depth investigations on employee attendance, abnormal investments and consumptions, criminal or illegal business-related enterprises, illegal storage of customers' items, credit card cashout, and fund intercourses with customers, and made rectification and assessment for newly discovered and preexisted personnel with abnormal behaviors. Through the assessment, it continuously urged relevant institutions to strengthen management and rectification, achieving good results.

Anti-Money Laundering

In 2023, in order to effectively fulfill the anti-money laundering and anti-terrorism financing obligations, the Bank conscientiously implemented anti-money laundering laws and regulations, and continuously identified, evaluated and controlled money laundering risks.



Anti-money laundering performance

Indicator	Unit	2023	2022	2021
Times of anti-money laundering trainings	Times	93	104	74
The number of people covered by anti-money laundering training	Person	5,355	3,879	2,583
The number of money laundering-related risk events that are dissuaded or intercepted successfully	Case	14	82	48

Anti-corruption

The Bank attached great importance to the anti-corruption work, continuously established and improved anti-corruption systems and mechanisms and reporting procedures, actively carries out anti-corruption education and trainings, in order to strengthen ideological construction for anti-corruption, and do a good job in anti-corruption. The bank complies with relevant laws and regulations, eliminates incidents of extortion and fraud, and actively formulates relevant policies.

Performance of anti-corruption

Indicator	Unit	2023	2022	2021
The number of anti-corruption trainings	Times	11	10	4
The number of people covered by anti-corruption trainings	Person	1,400	1,300	1,200



➤ Training on the Disciplinary Punishment Regulations of the CPC



➤ Leading cadres warning education conference

Compliance Culture Construction

In strict accordance with the legal compliance requirements throughout the year, the Bank provided warning education, focused on institutional study, and made constant innovations.

Carrying out warning education activities

The Bank selected three typical cases of branches, and made warning education videos. It organized all employees to watch the videos, and asked them to put themselves in the cases instead of just watching as "onlookers", improving their compliance performance and self-restraint abilities effectively. Meanwhile, the Bank organized various forms of characteristic compliance activities for branches and sub-branches, continuously strengthening ideological warning education and legal compliance education for employees.

Pushing compliance-themed information

The Bank pushed 195 compliance messages through its WeChat public account, covering regulatory policies and themed promotion for "business continuity", "investigations, freezing and seizure of competent authorities", "abnormal behavior warning", etc. Besides, it promoted compliance-themed wallpapers across the Bank, with a total of 18 issues produced and sent throughout the year.

A special competition for legal compliance

The Bank organized a special competition for legal compliance, upgraded competition events, candidate scope and awards, and combined job training and technical contests with daily work, enhancing professional skills of employees effectively.



➤ A special competition for the compliance line

Performance of compliance culture construction

Indicator	Unit	2023	2022	2021
The number of legal trainings	Times	67	62	73
The number of participants in legal trainings	Person	3,433	3,499	3,246
Economic losses avoided and recovered in legal work	10,000	36,428	37,500	21,432
Times of compliance education sessions	Session	326	537	297
The number of participants in compliance education	Person	9,354	14,961	6,104

Intellectual Property Protection

In accordance with the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Commercial Bank Law of the People's Republic of China, the Measures for the Registration of Computer Software Copyright and other national laws, regulations and regulatory rules, the Bank formulated and implemented the Measures for the Administration of Intellectual Property Rights of Jinshang Bank, continued to strengthen the protection of intellectual property rights, promoted the independent innovation throughout the Bank, and provided institutional safeguard for avoiding the intellectual property infringement and preventing infringement.

Improving the Risk Management System

The Bank formulated and implemented the Risk Management Measures of Jinshang Bank Group and Risk Management System and Basic Principles of Jinshang Bank to provide institutional guarantee for comprehensive risk management. It compiled the Management System for Holding Subsidiaries and Joint Stock Companies of Jinshang Bank Co., Ltd., requiring joint stock companies and holding subsidiaries to write and report risk management reports on a quarterly basis, and grasp and control the risks of joint stock companies and holding subsidiaries in a timely manner.

According to the principle of "verticality, independence and comprehensive coverage", the Bank gradually improved the risk control structure, assigned risk directors in major business lines, embedded resident risk managers in key business departments, and appointed a risk management department head in each branch, forming a risk management structure that intersected vertically and horizontally with comprehensive coverage. The Risk Management Department of the head office assessed the results of risk system building, comprehensive risk management and asset quality control in joint stock companies and holding subsidiaries.

As at 31 December 2023, the Bank carried out 10 risk investigation and self-inspection activities to strictly prevent risk hazards.

Risk Control Capability Building

The Bank attached great importance to enhancing the risk management awareness and level among employees, and conducted applicable online and offline risk management trainings for employees in all business lines, further improving the basic theory and practical skills of personnel in the risk line.

Enhancing the risk management capability of executives

The Bank held the exchange forum themed on "common progress with cohesiveness, development through learning" for branch presidents in charge of risk management to enhance the risk management level. Eight presidents gave special lectures and talked about current business situation. Through on-site demonstrations, exchanges and discussions, they further improved the risk management level, raising the risk management work of Jinshang Bank to a new level.

A special competition for the legal compliance line

The Risk Management Department of the head office held a special competition for the legal compliance line, which attracted risk line teams from 14 branches of the Bank. In the competition, the participants were encouraged to intensively learn, deepen and sort out comprehensive risk management, credit review, loan review, related parties transaction, asset preservation and other relevant knowledge. In "risk control practices", the participants analyzed cases through comprehensive application of business knowledge in risk, credit and preservation, and proposed solutions in risk prevention and control, safety operation and other aspects, deeply integrating professional knowledge with practice.

Note: Please refer to P45-59 of the 2023 Annual Report for more risk management efforts of the Bank

Performance of risk control capability building

Training content	The comprehensive risk management system of commercial banks, the background overview of new capital management measures and key implementation content of each module, the classification of financial asset risks, the explanation and Q&A of functions of high-amount risk exposure system, the training on the operation procedure of the collateral management system
Training objects	Resident risk managers, personnel in the risk line, credit-related personnel, all business lines, etc.
Training form	Special closed training, on-site training, videoconferencing, online Zhiniao app, face-to-face learning, etc.

Case Risk Management

The Bank took steps to further standardize information reporting of cases and case risk events, strengthening the case risk management capability and level.

Continuously strengthening case reporting

The Bank strictly prohibited concealment, delayed reporting, false reporting and omission, actively took effective measures, and strengthened the performance assessment while organizing more case prevention trainings. With an attitude of "zero tolerance" towards the cases, the Bank directly linked the case-related work with the performance assessment of relevant institutions and departments.

Actively advancing case investigations

By consulting archival data, interviewing with relevant personnel, and sorting out relevant systems and business processes, the Bank further verified and deeply analyzed the cases, carefully analyzed the reasons for the occurrence of the cases and the failure to confirm them according to regulations, and strictly identify responsibilities of relevant personnel.

Continuously accelerating case settlement

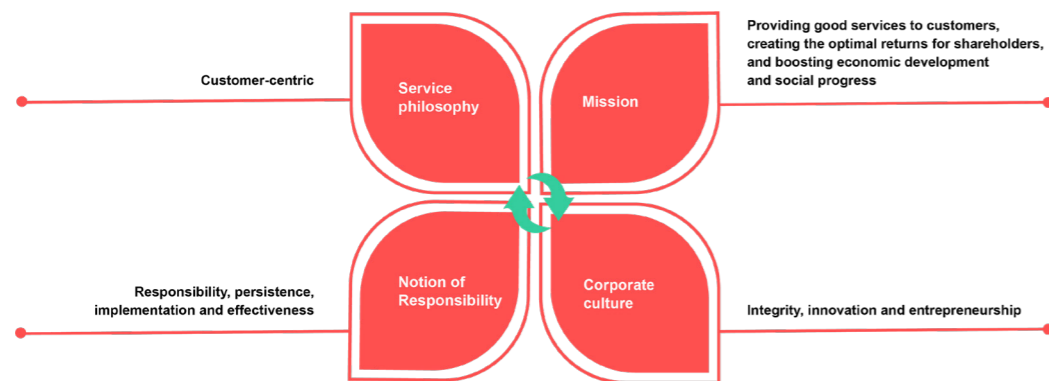
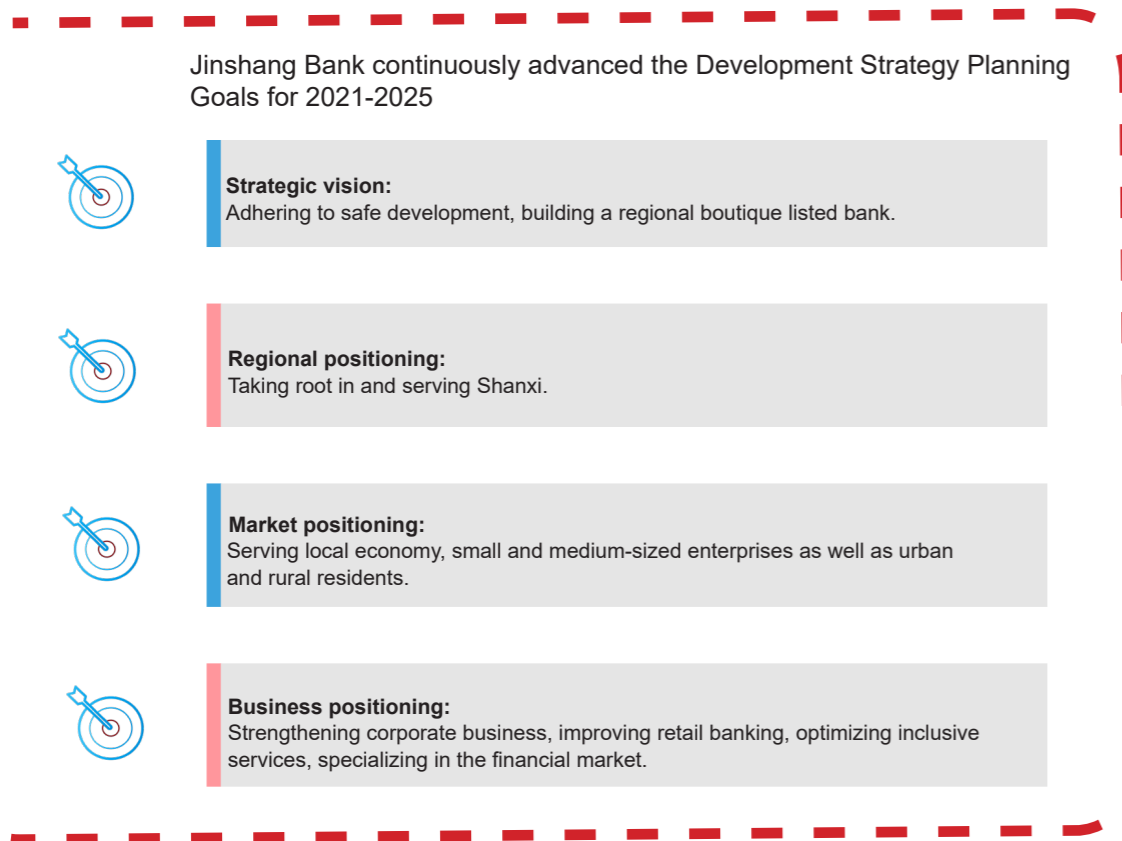
For the cases that had already been investigated, the Bank accelerated the case settlement and hold relevant personnel accountable in a strict and prompt manner. In response to loopholes and weak links in the case-involved business, it looked for and summarized the common problems reflected in the case, and strictly prevented repeated emergence of the case. In 2023, there was no corruption lawsuit raised against the Bank or any employees.



ESG Management

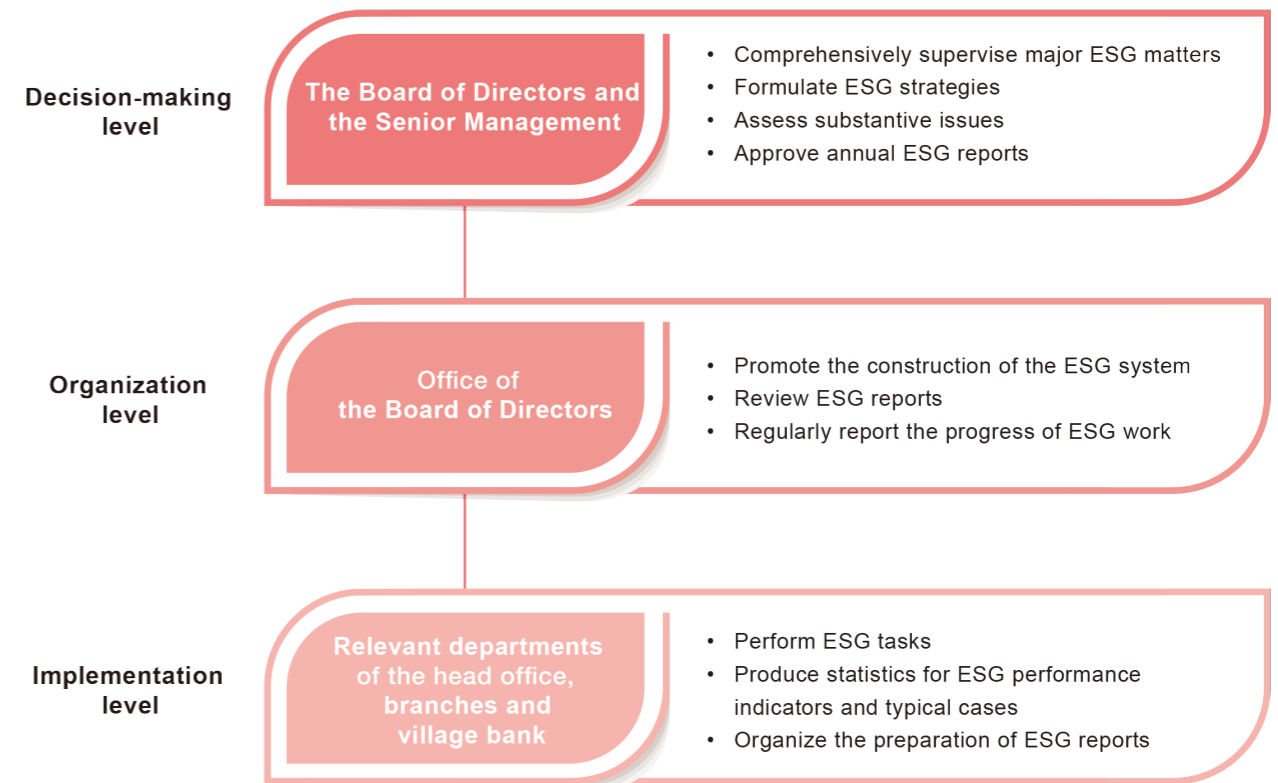
Integrating ESG into the strategic development and business philosophy

To follow the concept of sustainable development in its daily business activities, the Bank has integrated the ESG concept into its strategic development and expressed it in specific tasks.



ESG Management Structure

The Bank has established a sound ESG management structure in accordance with the requirements of the Hong Kong Stock Exchange. The Board of Directors and senior management formulate ESG-related strategies, the Office of the Board of Directors coordinates the specific work, and relevant departments of the head office, branches and village bank cooperate with each other in a coordinated way, and jointly promote relevant activities in daily operation.



ESG Capability Building

In 2023, the Board of Directors of the Bank conducted one ESG management improvement training, organized directors to attend a lecture on enhanced continuing professional development given by corporate governance experts at the Hong Kong Chartered Governance Institute, and learned updates and practices of ESG and climate information disclosure regulations for Hong Kong listed companies and other ESG policies and good ESG practices, improving the ESG management level of the Bank.

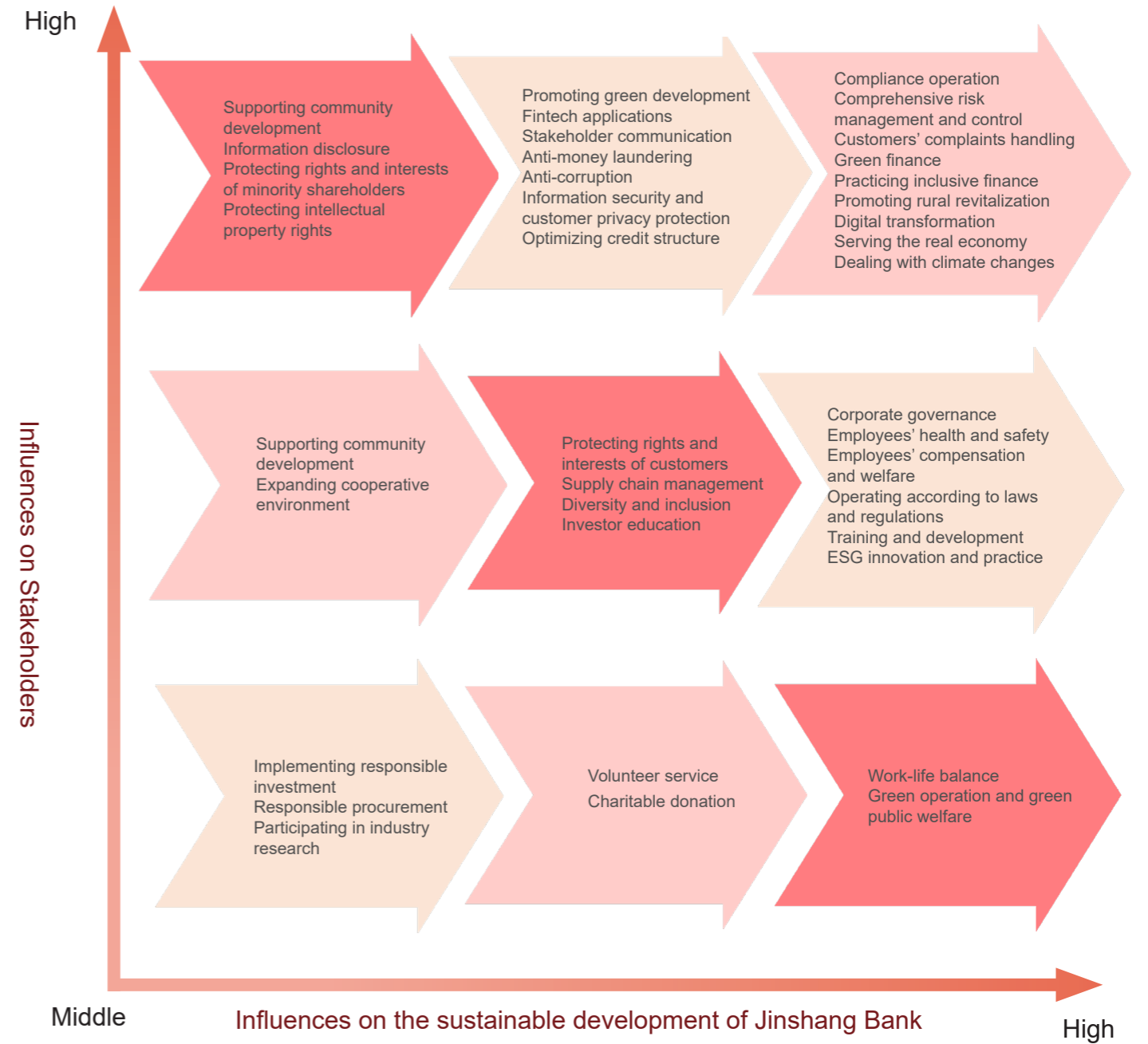


The Enhanced CPD Trainings for Corporate Governance Experts by the Hong Kong Chartered Governance

Evaluation of the Major Issues

The Bank carries out an analysis of major issues from the two dimensions of “influences on the stakeholders” and “influences on the sustainable development of Jinshang Bank” in accordance with the “materiality” principle of Hong Kong Stock Exchange. In 2023, it paid more attention to climate risks and opportunities, and adjusted the issue of “climate risk stress test” to “addressing climate change” based on eight topics 2022.

Major ESG issues of Jinshang Bank in 2023



Communication with Stakeholders

The Bank further improved stakeholder management method, carried out stakeholder management more scientifically and systematically, expanded communication channels, and enhanced the communication quality. The Bank referred to the global ESG standard guidelines, domestic regulatory guidelines, excellent practices in the industry, combined its own business and industry attributes to identify six categories of main stakeholders, namely government and regulatory bodies, shareholders and investors, employees, customers, suppliers and partners, and communities. It listened to the demands of stakeholders and carefully gave feedbacks to enable the stakeholders learn the practice and performance of the Bank in a timely and comprehensively manner.

Stakeholders' issues of concern and response measures of Jinshang Bank

Stakeholder	Issues of concern	Methods of communication	Response measures
Government	<ul style="list-style-type: none"> ·Serving the development of Shanxi ·Supporting the real economy ·Practicing inclusive finance ·Driving energy transformation ·Developing low-carbon economy 	<ul style="list-style-type: none"> ·Government papers and guidelines ·Reports on specific subjects ·Information distribution ·Working meetings 	<ul style="list-style-type: none"> ·Strengthening bank-government cooperation ·Serving the transformation and development of Shanxi ·Vigorously supporting key projects ·Supporting private and small and micro enterprises ·Assisting enterprises in transformation and upgrade ·Promoting green loan business
Regulatory Bodies	<ul style="list-style-type: none"> ·Corporate governance ·Compliant operation ·Comprehensive risk management ·Information disclosure ·Practicing corporate responsibility 	<ul style="list-style-type: none"> ·Regulatory policies ·Work reports ·Survey and inspection visits ·Announcement ·Data report 	<ul style="list-style-type: none"> ·Establishing a sound internal control system ·Improving the risk management system ·Disclosing information in a timely and high-quality manner ·Promoting rural revitalization
Shareholder and investors	<ul style="list-style-type: none"> ·Corporate strategic plans ·Protection of shareholders' rights and interests ·Industry competitiveness 	<ul style="list-style-type: none"> ·Shareholders' general meeting ·Investor communication ·Investor service hotline ·Information disclosure 	<ul style="list-style-type: none"> ·Improving corporate governance structure ·Enhancing investor relations management ·Implementing development strategies and accurately disclosing information
Customers	<ul style="list-style-type: none"> ·Protection of customer rights ·Customer privacy protection ·Data security ·Fintech applications ·Product innovation 	<ul style="list-style-type: none"> ·Questionnaire ·Customer service phone ·Online survey ·Digital platform ·Publicity campaign 	<ul style="list-style-type: none"> ·Improving consumer protection mechanism ·Improving customer service quality ·Optimizing business process ·Launching core system ·Innovating financial products

Stakeholder	Issues of concern	Methods of communication	Response measures
Employees	<ul style="list-style-type: none"> ·Compensation and welfare ·Protecting rights and interests ·Training and development ·Employee support and care 	<ul style="list-style-type: none"> ·Meeting of the labor union committee ·Labor Union ·Suggestion box ·Feedback 	<ul style="list-style-type: none"> ·Improving the salary incentive ·Developing welfare system ·Establishing a sound training system ·Organizing various activities
Suppliers and partners	<ul style="list-style-type: none"> ·Supply chain management ·Responsible procurement ·Managing supply chain ESG risks 	<ul style="list-style-type: none"> ·Tendering and bidding ·Cooperation agreement 	<ul style="list-style-type: none"> ·Improving procurement management system ·Strengthening communication
Communities	<ul style="list-style-type: none"> ·Charity ·Climate change 	<ul style="list-style-type: none"> ·Forums and sessions ·Charitable visits ·Energy conservation and emission reduction ·Donation of money and goods 	<ul style="list-style-type: none"> ·Volunteer service ·Donations to schools ·Green office



Supporting the Real
Economy in Shanxi

- ★ Supporting the High-Quality
Development in Shanxi
- ★ Boosting Industrial
Transformation and Development
- ★ Developing Inclusive Finance

Supporting High-Quality Development in Shanxi

The Bank has always supported the high-quality development of Shanxi Province. By combing the policy guidance and its business practice, it innovated the business system to boost corporate development in the province. In 2023, Jinshang Bank subscribed to 12 tranches of local government bonds in Shanxi Province totaling 3.58 billion to support the construction of local key projects.

Supporting Local Private Enterprises

During the Reporting Period, the Bank issued the Action Plan of Jinshang Bank for Supporting Development of Private Enterprises in 2023. By relying on upgraded financial supply, the Bank was committed to providing “warm” financial services to private enterprises, facilitating the development and growth of regional private enterprises, and serving the development of the private economy as one of its consistent key tasks.



Jinshang Bank and Xinzhou Municipal People's Government Signed a strategic cooperation agreement on private enterprise loans

In order to enhance its support capability for private enterprises, the Bank actively extended its credit card business to all chain merchants in the province, and included them in its preferential merchant system. Through cooperation, we launched various promotional activities to drive customer consumption, increased the business turnover. At present, its local equity system has covered 28 large shopping malls, involving a total of 64 brands and 1,912 stores, in 11 prefecture-level cities and 78 counties in the province.

Supporting the Real Economy in the Province

To serve the development of the real economy in Shanxi Province, the Bank adjusted its overall credit structure, paving the way for the sustained and sound development of its business, and contributing to the high-quality development of the local real economy.

Supporting the development of the equipment manufacturing industry

The equipment manufacturing industry is a top priority for the country and an important component of the real economy. A Taiyuan-based machinery company, as one of large heavy machine producers in China, has outstanding advantages in the fields of high-end equipment manufacturing and wind power equipment.

In 2023, Jinshang Bank actively invested 1.03 billion to support the development of strategic emerging industries of the company, providing sufficient funds to the company for purchasing materials of main engines and accessories, and auxiliary materials, and safeguarding the vigorous development of strategic emerging industries.

Changzhi Branch supports development of the manufacturing industry

Changzhi Branch realized that the manufacturing industry is an important component of the real economy, and has always supported the high-quality development of the manufacturing industry and taken it as the most significant mission of financial institutions. As at 31 December 2023, we recorded the loan balance of the manufacturing industry of 4.535 billion, and provided 3.431 billion of loan support to five key manufacturing customers.

Boosting Urban Construction in Shanxi Province

The Bank actively boosted urban structure optimization and quality improvement, and facilitated reasonable arrangements of production, living and ecological space, creating a good environment suitable for business, living, entertainment and tourism.

Jincheng Branch boosts the construction of Danhe New Town

Jincheng Danhe New Town is an important part of the efforts of the CPC Jincheng Committee and Jincheng Municipal Government in expanding urban space and accelerating urban construction. Jincun Startup Area is an important component of Danhe New Town. According to the arrangements of the CPC Jincheng Committee and Jincheng Municipal Government, Jincun Startup Area will be built into a new smart, ecological and livable town in Jincun, with integration of industrial, urban and cultural areas in two to three years. The construction of New Town Jincun Startup Area is a major move for Jincheng to expand its urban scale, improve its urban functions, and promote high-quality transformation and development.

In order to promote the construction of new urbanization, the Bank issued 500 million of loans to a construction company for the purpose of relocating Jincheng Institute of Technology and the construction of sharing projects.

Supporting urbanization construction projects in Taiyuan

A Taiyuan-based company won China Municipal Engineering Golden Cup Award and other honors for its construction projects for many times. Multiple construction methods compiled by the company were rated as Shanxi provincial construction methods, so the company received national utility model patent certificates, Shanxi Provincial Science and Technology Innovation Project Award and other honors.

In 2023, Jinshang Bank actively issued 730 million of loans to support the construction of the company's engineering projects, fully ensuring the progress of Taiyuan's urbanization construction projects on schedule.



Boosting Industrial Transformation and Development

As an important player in the financial field, the Bank was active in extensive business practices, injecting strong impetus into industrial transformation and development. It provided customized financial solutions for enterprises in different industries to promote their technological, product and management upgrades. Meanwhile, the Bank actively sought positive partnerships with the government, and worked together to contribute to industrial transformation and development continuously.

Developing Strategic Emerging Industries

In response to strategic goals of Shanxi Province, the Bank focused on key projects, industries and areas, made both efforts in increasing loans and optimizing investment orientations, actively supported the development of strategic emerging industries, becoming a new driving force for economic development.



Xinzhou Branch Supports the Development of A Magnesium Company

In December 2023, Xinzhou Branch established a partnership with a magnesium company, providing 150 million of financing support to the development of the company.

The company, as a leading producer of magnesium alloys, is a national level specialized and sophisticated "little giant" enterprise, a key program in the "two key zones" supported by Shanxi Province, as well as one of the first three enterprises in line with the requirements of the Norms of the Magnesium Industry announced by the Ministry of Industry and Information Technology in 2021.



Promoting Green and Low-Carbon Transformation of Enterprises

In response to industrial transformation and upgrading, the Bank strived to establish a top-down policy document management system, actively responded to national policies, and issued the Implementation Plan of Jinshang Bank for Supporting Energy Revolution and Transformation Development in Shanxi and other top-level design documents. According to regulatory regulations and actual business situations, we adjusted its future business development goals timely, and followed the industrial development trends of wind power, photovoltaic power, hydrogen energy and biomass energy, facilitating transformation and development, and boosting industrial structural transformation and upgrading in Shanxi Province.

Jinshang Bank Supports the Technological Transformation of A Cement Company

In 2023, Jinshang Bank issued 42.98 million of project loans the digital intelligent green factory technology transformation project of a cement company. Through the project, the company can supply 11 million kWh of power and 1,201.37 million GJ of heat with waste heat a year.

Bingzhou Branch Cooperates with An Energy Company

Bingzhou Branch provided 2.85 million of working capital loans to an energy company, which enhanced the Bank's comprehensive service capability for "new energy" enterprises and boosting the sound development of innovative "new energy" enterprises in the province.

Developing Inclusive Finance

The Bank made active innovations in management systems, created a multi-level business incentive system, and innovated products and services, boosting the effective implementation of inclusive finance.

Optimizing Business Management System

The Bank established the Inclusive Finance Department to make professional explorations for the development of inclusive finance. In 2023, it issued the Credit Policies Guidelines of Jinshang Bank for Inclusive and Small and Micro Enterprises for 2023 (JSYGZ [2023] No. 8), which clarified business marketing goals and requirements to guiding credit investment orientations effectively, and defined key industries and fields for business development to encourage branches to carry out marketing work actively. To continuously promote the “grid-based” business pattern for customers in the area, the Bank issued the Notice on Strengthening Marketing Based on Inclusive Finance List System, the List of Innovative Small and Medium sized Enterprises in Shanxi Province in 2023 and the Business List of “Cai Gou Yi Dai” Products to improve its abilities to acquire customers through mass marketing and provide precise services to customer groups.

The Bank implements the performance assessment competition incentive system. In accordance with the Jinshang Bank Labor Competition Plan of “Striving for A Successful Start in A New Era” for 2023, we fully mobilized the enthusiasm of branch employees to strive for excellence and stimulate their subjective initiative. It launched a special competition for the “You Shui Dai” product, during which its marketing personnel actively acquired customers with the “You Shui Dai” product, completing registration and real name authentication for 1,232 customers, and applying for loans and approving admission for 54 customers.

The Bank carried out the score-based assessment business incentive system. Specifically, it issued the Inclusive Finance Assessment Measures of Jinshang Bank for 2023 to assess the inclusive finance-related business of branches by eight indicators for operation and management. The Bank introduced the Small Enterprise Business Line Performance Assessment Measures of Jinshang Bank for 2023 to further improve the financial service quality and efficiency of its small enterprise business line. Furthermore, it added inclusive small and micro enterprises and rural revitalization indicators to the Party building assessment, deeply integrating the business with the Party building effort.

Key Business Performance Indicators for Small and Micro Enterprises in 2023

Indicator	Unit	Value
Loan balance for inclusive and small and micro enterprises	100 million	98.32
Increase in loan balance for inclusive and small and micro enterprises	100 million	22.98
Growth rate of loan balance for inclusive and small and micro enterprises	%	30.51
The number of inclusive and small and micro enterprises with loan balance	Enterprise	3,701
Increase in the number of inclusive and small and micro enterprises with loan balance	Enterprise	421

Note: Comparative indicators are based on the beginning values of 2023.

Innovating Inclusive Product Services

The Bank actively developed inclusive finance, and extended the dividends of financial services to a wider range of social groups. By innovating financial products and services, it strived to lower the threshold of financial services and provide more convenient and flexible financial solutions for groups that are difficult to reach in the conventional financial system. In addition, it provided financial support needed by rural residents, small and micro business owners and low-income families, helping them achieve financial goals and improve their lives, injecting new impetus into social and economic development.

Innovation of Inclusive Financial Products

- **“You Shui Dai”**—A revolving loan product provided by the Bank to small and micro customers based on their tax payment and other big date information;
- **“Fixed Asset Construction Loan for Small Enterprises”**—loans issued by the Bank to small and micro customers for the purpose of purchasing, expanding, renovating, decorating, and repairing their fixed assets.

Optimization of Inclusive Financial Services

- The Bank organized the activities for “boosting confidence and providing excellent services for more enterprises” to give targeted support to small and micro market entities in key fields, contact 1,566 enterprises, and issue 3.254 billion of loans to 153 enterprises.
- The Bank launched the 2023 individual business service month to actively contact individual businesses, interpret financial support policies, and promote relevant loan products, making its loans more targeted and convenient.
- The Bank strengthened interactions and cooperation with government departments, guarantee companies, insurance companies, core enterprises, industry associations and fintech companies to learn policies of governments and regulators at all levels on inclusive finance. By relying on industrial parks, service centers, information platforms and other channels, it established a supply-demand matching mechanism, and continuously promoted the list of small and micro enterprises and individual businesses without loans, in order to deepen “bank-tax interaction” and other financing patterns, and stimulating the market vitality.

Datong Branch Launches “Code-based Financing” to Boost Development of Inclusive Finance

In 2023, in order to achieve “code-based financing” for small and micro enterprises and individual businesses, promote inclusive finance, and enhance the financing accessibility, Datong Financial Office created the Sanjin loan code financing service platform under the guidance of Shanxi Provincial Financial Administration. After receiving the task of promoting the “Sanjin Loan Code” of Financial Office, Datong Branch transferred personnel from Inclusive Financial Department to work with Financial Office, formed the promotion plan immediately, divided the duties of all departments and branches in details and defined their tasks, sorted out and distributed the materials for the “Sanjin loan code”, and give the process guidance to branch customer managers.



Pingyang Road Branch Provides Support for Migrant Workers

In order to ensure that migrant workers receive their wages on time and in full, and solve their difficulty in applying for bank cards, Pingyang Road Branch assigned staff to a construction site of a company in Xiaodian District, Taiyuan, to go through bank card procedures for migrant workers.





03

Driving Low-Carbon Development through Green Finance

- ★ Boosting the Ability to Develop Green Finance
- ★ Innovating Green Financial Products and Services
- ★ Practicing Green Operation

Boosting the Ability to Develop Green Finance

We have always attached great importance to the national plans on green finance, and made the development of green finance a strategy at the Bank level. In our development strategy plan for 2021-2025, we defined green finance a major direction of our future operation.

Management Bodies

The Board of Directors of the Bank has attached great importance to the green finance business, formulated green finance strategies as a whole, and deliberated on relevant green finance risks and opportunities on a regular basis, ensuring and supervising the effective implementation of strategic plans on green finance. The senior management of the Bank is responsible for formulating green finance plans and goals, and promoting the implementation of the specific work throughout the Bank. The head office has set up Green Finance Management Committee to control the Bank's green finance business at the strategic level and regularly revise the Green Finance Action Plan of Jinshang Bank according to market situations and business development. Corporate Finance Department is responsible for coordinating the green finance business in the Bank, including green finance policy formulation, product R&D and green finance-related business management of various departments. The Office of the Board of Directors, Risk Management Department, Credit Review Department and other relevant departments have developed the green finance business in line with the strategic direction of the Bank within scope of their duties, and communicated with Corporate Finance Department on relevant important matters and information in a timely manner.

Technological Empowerment

The Bank continues to explore the path to the integrated development of green finance and technology finance, and helps reinforce the construction of green finance infrastructures. In 2023, the Bank further optimized the green finance management system, designing features and sections like accounting of carbon emissions in its own operation, accounting of carbon emissions in financed voluntary emission reduction projects and accounting of carbon emissions in the eight key carbon-emitting industries the Bank financed in accordance with the requirements specified in the Carbon Accounting Technical Guide for Financial Institutions (For Trial Implementation), to automatically calculate carbon emissions.

Green Procurement

In line with the legal compliance principle, the Bank carries out the procurement management work according to The Administrative Measures on Centralized Procurement of Jinshang Bank (《晉商銀行集中採購管理辦法》), the Working Procedures of Centralized Procurement Committee of Jinshang Bank (2023 Edition) (《晉商銀行集中採購委員會工作規程(2023年版)》), the Classification Table of Centralized Procurement Items of Jinshang Bank (2023-1 Edition) (《晉商銀行集中採購品目分類表(2023-1版)》) and other relevant regulations and rules, so as to put the responsible procurement into the mind and into practice. The Bank advocates the concept of green environmental protection and gives preference to suppliers with more environmental and sustainable development concepts, provided that they meet the same procurement requirements, quality and service standards. In the Reporting Period, the Bank held a social responsibility training for suppliers to actively convey the concept of sustainable

and high-quality development. While practicing responsible procurement, the Bank supported the development of local enterprises and contributed to the economic growth of Shanxi Province. In 2023, the supplier review coverage of the Bank was 100%.

Internal Audit

According to the provisions of Article 26 of the Green Finance Guidelines for the Banking and Insurance Industry (《銀行業保險業綠色金融指引》), "Banking and insurance institutions shall incorporate the implementation of green finance policies into the audit scope and regularly organize and implement the internal audits. For violations found through inspections, the accountability shall be applied according to relevant provisions." In 2023, the Bank incorporated the implementation of green finance policies into the contents of bank-wide internal control assessments. The results of assessments showed that by focusing on the important strategic deployment on promoting the high-quality development, the Bank vigorously supported the green finance, and continued to optimize the credit structure, and the development of green finance business kept improving.

Cultivating Talents

With respect to the green finance, the Bank attached great importance to the construction of professional talent teams and made the talent cultivation plan. Moreover, the Bank improved the staff's comprehensive quality by means of trainings and studies and strove to build a professional and refined talent team to lay a talent foundation for the growth of green finance.



Yangquan Branch took trainings on green finance

For the purpose of promoting its business line personnel to better know and understand the policies in relation to green finance and do a good job in developing green finance business, Yangquan Branch actively conveyed the spirit of the Guiding Opinions of Jinshang Bank on Green Finance (《晉商銀行綠色金融指導意見》) to company client managers to further make clear the contents such as the definition, inclusion criteria, marketing direction, target customer groups and supporting policies of green finance and so on.



Innovating Green Financial Products and Services

The Bank actively developed the innovation of green financial products, promoted the connection between the green finance project management system and the credit system, strengthened employees' awareness of green finance marketing, made green finance scale-up plans, and propelled the scale-up of green finance from the aspects of stock exploration, customer expansion, innovation of business and so on, to lay a solid foundation for the growth of green finance.

Extend Green Credit

The Bank set the overall goal of "increasing the green credit scale as an industrial transformation and upgrading booster; diversifying cooperation methods with the government as a new pacemaker for bank-government cooperation; and innovating product supply to polish the green bank's business card".

Strengthening customer review

By issuing the Notice on Adding "Environmental and Social Risk Analysis" to Credit Extension Business Investigation and Review Stages (《關於在授信業務調查、審查階段新增“環境和社會風險分析”的通知》), the Bank incorporated the environmental and social risk management and environmental protection requirements into customer survey and credit extension review business process.

Optimizing business process

With respect to green credit business, the Bank offered supportive supply mechanism, opened up green channels, enhanced the management on key links, developed a parallel operation mode which forward deployed credit risk guarding posts and combined investigation with review, realized priority acceptance, priority review, and priority approval, shortened the cycle chain, and achieved the close integration of front-end, mid-end and back-end, so as to further improve the loan handling efficiency.

Optimizing Green Service Channels

The Bank continuously optimized the online service channels to provide customers with more convenient online service and reduce the need for customers to handle business on site, and thus cut down on carbon emissions.

Mobile banking construction

In 2023, the Bank upgraded its mobile banking app and realized the front-end dynamic floor management and the service-end overall architecture upgrading. By reshaping 14 categories of mobile banking services, the Bank created eight special zones, upgraded more than 480 functions, designed and modified 296 interactive processes, and selected 88 key processes for deep experience remodeling,

all of which contributed to a more than 50% of increase in the response efficiency of core high-frequency transactions and the building-up of a same-origin and frequency omni-channel collaborative service system based on App + outlets + remote control. The Bank forged a digital mobile banking app featured with ecological genes and completed the transformation and upgrading in five aspects, including journey reconstruction, characteristic finance, scenario ecology, collaborative operation, and security protection.

E-banking construction

In 2023, in terms of personal e-banking, the Bank mainly upgraded the security performance and customer experience, including: upgrading the certificate algorithm, adding the verification mode of graphic verification code, changing data encryption logic, adding AES encryption to system configuration item, modifying confidentiality, etc. In addition, the Bank modified the functions of scanning login optimization and reissuing certificate after expiration, added privacy policy view and e-banking credit payment functions.

Underwriting Green Bonds

On September 13, 2023, as a co-lead underwriter, the Bank issued the 11th tranche of Green Medium-term Notes (Carbon-Neutral Bonds) for 2023 for Jinneng Holding Power Group, with an issuance scale of 500 million. This tranche of carbon-neutral bond investment project was the wind and PV power generation project, belonging to the "Clean Energy" category of green and low-carbon industrial project.



债券简称	债券代码	发行规模	发行期限	主体评级	票面利率
23晋能电力GN011(碳中和债)	132380067	5亿元	3年	AAA	3.29%

发行人: 晋能控股电力集团
 牵头主承销商及簿记管理人: 中国银行
 联席主承销商: 晋商银行, 兴业银行

 A poster of carbon-neutral bonds successfully issued

Disseminating Green Financial Knowledge

The Bank attached great importance to disseminating green financial literacy and conveyed the knowledge on green financial products and businesses, the concept of sustainable development, low-carbon lifestyle and so on to the customers through a variety of activities, so as to help them understand the meaning, products and services of green finance and boost the growth of green economy and green industry.

“Green Finance” Campaign by Yuncheng Branch

Yuncheng Branch Hejin Sub-branch actively developed the “Green Finance” promotion month campaign. By using the bulletin boards and LED screens of outlets, Hejin Sub-branch advocated the sustainable development concept and popularized green financial knowledge to customers; combined green finance publicity with business to promote green financial instruments to effectively serve the green, low-carbon and circular economy; and widely solicited the ideas of low-carbon lifestyle from employees and applied them for employees, and promoted “low-carbon dressing”, “low-carbon diet”, “low-carbon decoration”, “low-carbon travel” and “low-carbon office”.



Yuncheng Branch Hejin Sub-branch actively disseminated the “Green Finance”



Practicing Green Operation

The bank strictly abides by relevant laws and regulations such as the Environmental Protection Law of the People's Republic of China, practices the concept of green office in our operations, advocates new civilized trends, continuously improves energy and resource utilization efficiency, and strives to achieve green, low-carbon, and sustainable development in our own operations.

Practicing the green office concept

Continuous efforts were made to optimize the collaborative office system, launched the comprehensive electronic archive management system, and made office paperless and intelligent, practicing the low-carbon and environmental concept at the source. The requirements of the Party Committee of the head office for reducing costs and increasing efficiency were implemented to provide strict management for office supplies, in a bid to avoid repeated requisitions and wasted, and enhance office resource utilization efficiency. Energy conservation signs were posted in water and power supply positions in office areas and the staff restaurant to explore new measures for saving energy and reducing consumption, saving water and preventing waste resources. During the Reporting Period, There are no issues in sourcing water by the Bank and no administrative penalties have been imposed due to environmental pollution.

Leading a new trend of civilization

The appraisal for “a beautiful environment and green and energy-saving development” was carried out to inspect sanitation, energy conservation, clothing and other aspects, and ward the “Mobile Red Flag for Beautiful Environment and Energy-Saving Development”, so as to strengthen employees’ low-carbon and energy-saving awareness, and gather strengths for green development with personal actions. Environmental recycling bins were set up on each floor of the head office to sort out waste as required, and set up waste recycling points in office (business) premises, in an attempt to make full use of resources, improve economic value, reduce environmental pollution, and protect ecological environment. The Bank is committed to gradually reducing the generation of harmful and harmless waste, and through various measures such as conserving use, recycling discarded materials, and recycling, we help reduce carbon emissions. In the concept of “not a grain of rice left”, strict dining management was conducted to help develop good habits of civilized dining, and avoid food waste.





Promoting Digital-intelligent Transformation for Excellent Service

- ★ Digital Transformation and Upgrading
- ★ Innovating Service Experience
- ★ Protecting Customers' Rights and Interests
- ★ Protecting Information Security
- ★ Branding Management

Digital Transformation and Upgrading

Though continuously strengthening the top-level design and planning capabilities, in 2023, the Bank made the Information Technology Development Planning (2023-2025) (《信息科技發展規劃 (2023-2025)》), covering the construction objective and implementation path of scientific and technological strategies, middle platform construction, basic capability of science and technology, governance of science and technology system, and other aspects.

Improving business performance

The Bank sorted out the pain points and difficulties in business operation process and handed the laborious and well-defined repetitive manual operations over to the robots through RPA technology. As at 31 December 2023, the Bank has realized the dormant account-closing scenario, assisted the Risk Management Department in achieving the movable property registration scenario, coordinated with the credit card business department to realize the automatic processing of credit card customer whitelist importing scenario, and promoted the upgrading of business performance through industry-technology integration and science and technology empowerment.

Supporting decision making

Through the applied research on algorithms and models, the Bank strengthened the application of big data models and algorithms in marketing, investment consulting, risk control and other scenarios, and thus gained more insight into consumer behaviors, market trends and investment risks and provided real-time decision making with reliable support. Currently, based on time series prediction algorithm, the Bank the bank is actively promoting such projects as the analysis and early warning models on position sizing, fund intelligent investment & research, causes of retail customer loss, etc.

Digital transformation and upgrading performance table

Indicator	Unit	2023	2022	2021
Number of information system construction projects in production	Number	264	186	176
Number of technologies	Number	3	2	1

Innovating Service Experience

By making full use of FinTech means and through continually enriching financial service channels, improving the supply of financial products, and strengthening the networked financial service scenarios, the Bank continuously promoted the transformation and development from traditional outlet-based financial services to networked financial services, and constantly perfected and upgraded the contactless services and barrier-free interactive experience.

In the Reporting Period, the Bank developed and implemented a series of important new systems and new products through online channels, including the new-generation mobile banking app, integrated financial service system for small and micro-sized enterprises, mobile counter service system, Phase II remote video banking system, mobile credit management system, digital mortgage project, government procurement-based loan platform, smart education & training service platform, Jinyun Chain-based third-party platform docking project, cash management-oriented cloud ERP treasury management system docking project, online cashier platform project, intelligent e-confirmation project, intelligent device procurement project, and intelligent dual-recording system, to realize the constant enrichment of business products and the continuous optimization of functions; accelerated the digital progress of retail business by various IT-based means, optimized the business process, and improved customer service efficiency and user experience; changed the demands and optimized the version of the underwriting business system of existing debt financing instruments; launched the underwriting business system of non-financial enterprise debt financing instruments, realized the online application and approval of underwriting business, and avoided the reverse flow operations of projects.

Innovative service experience performance table

Indicator	Unit	2023	2022	2021
Outlet coverage of new intelligent devices	%	100	100	100
Total number of self-service facilities	Set	294	308	373
Number of e-banking transactions	10,000 transactions	1,234.73	958.18	820.20

Protecting Customers' Rights and Interests

Consumer Rights Protection Work

The Board of Directors has set up the Consumer Rights Protection Committee, whose duties are detailed in the Annual Report 2023 "Corporate Governance Report-Special Committee of the Board of Directors-Consumer Rights Protection Committee".

In 2023, the Bank accepted a total of 280 valid consumer complaints, a decrease of 68 cases or 19.54% year on year.

By area, there were 257 complaints in Taiyuan, accounting for 91.79%; 10 complaints were in Datong, taking up 3.57%; 3 complaints were in Linfen, accounting for 1.07%; 2 complaints were in Changzhi, Jinzhong and Lvliang, respectively, accounting for 0.71% in each area; 1 complaint was in Yangquan, Jincheng, Xinzhou and Yuncheng, respectively, accounting for 0.36% in each area.

By type of business, top three complaints were about the following businesses. A total of 189 complaints were about credit cards, accounting for 67.50%, decreased by 31 cases or 14.09% year on year; 24 complaints were about individual loans, taking up 8.57%, showed a year-on-year decrease of 8 cases or 25.00%; 20 complaints were about RMB deposits, occupying 7.14%, showed an increase of 3 cases or 17.65% year on year.

Ensuring the Privacy of Customer Information

The Bank attached great importance to the protection of customer information, secured the full life cycle of individual customer information and did a good job in collecting, transmitting, storing, using, deleting and destroying customer information according to laws and regulations; issued the Measures of Jinshang Bank for the Security Administration on Financial Information of Individual Customers (2023 Edition) (《晉商銀行個人客戶金融信息安全管理辦法(2023版)》) and the Emergency Response Plan for Individual Financial Information Events of Jinshang Bank (《晉商銀行個人金融信息事件應急預案》); regularly developed special inspections and risk warnings on the protection of customer information; made security management system and technical guarantee methods in line with ISO 27001 Information Security Management system; in accordance with the Security Management Specifications for Mobile Financial Client Application Software (《移動金融用戶端應用軟件安全管理規範》), conducted testing, certification and filing of mobile banking, direct banking and enterprise mobile banking, with a focus on personal information protection; and carried out mobile app privacy compliance testing according to the Provisions on the Scope of Necessary Personal Information Required for Common Types of Mobile Internet Applications (常見類型移動互聯網應用程序必要個人信息範圍規定).

In 2023, the Bank, according to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), developed network security level protection assessment on e-banking system, and the assessment result was "Excellent".

Preventing Internet Fraud

Through credit card WeChat public account and other channels and by means of micro comics, the Bank developed publicity and education on how to use credit card in a safe manner, published multiple popular science articles on how to use credit card in a safe manner and under the themes of "Cracking down on Money Laundering Crimes and Safeguarding Financial Security", "Cybersecurity for the People and by the People" and so on to improve the cardholders' security awareness and effectively prevent fraud risks. Meanwhile, the Bank intensified trainings of sub-branch employees responsible for credit card application materials and promoted the dissemination of fraud prevention awareness to customers through customer managers to train customers' awareness of fraud prevention.

Protecting Customer Privacy

The Bank has strictly implemented the requirements for protecting consumer rights and interests, and extended from institutional construction, system optimization, staff training, supervision and inspection to litigation management, financial education and publicity, product review, customer service hotline and "6S management", achieving the requirements for protecting consumer rights and interests in all fronts. Besides, it has continued to enhance the standards for protecting consumer rights and interests, always stood firmly on the people's side, and done a good job in realizing, maintaining and developing the people's fundamental interests. By safeguarding the most concerned, direct and realistic interests of the people, the Bank has protected the legitimate rights and interests of financial consumers effectively.

Caring for Special Groups of Customers

For the purpose of improving the financial service experience of the elderly and the disabled, the Bank continued to optimize system functions to develop the elderly-friendly Mobile Banking App and launch the "care version" of the Mobile Banking, which were featured by clear display, smooth operation, easy understanding, caring voice assistance and highlighted the important and frequently used functions

added the "magnifier" function to the smart device in banks to make the interface and font larger and clearer and make it convenient for the elderly to view the transaction menu and conduct the operation; and developed multiple functions on remote video banking terminal, including "password reset, professional version of mobile banking contract signing, version upgrade from standard to professional, so as to satisfy the new service needs of customers to handle banking business without leaving home and solve the problem that some elderly people cannot handle business at the outlets due to special circumstances.

Customer complaint mechanism

In 2023, Jinshang Bank established mechanisms for rapid response to complaints, identification of unreasonable complaints, initiative services by branch leaders, weekly reporting on complaints of branches, accountability for complaint punishment, traceability and rectification. Besides, the Bank organized a bank-wide complaint reduction mobilization meeting and five monthly special complaint reduction meetings to target weaknesses and risks, and improve indicator setting, product development, sales management, customer services, operation process, incentive mechanism and other aspects, with much fewer customer complaints than the previous year.

Ensuring Customers' Capital Security

The Bank established several measures and detailed rules, including the Measures of Jinshang Bank for the Administration of Anti-money Laundering (《晉商銀行反洗錢管理辦法》), the Detailed Rules of Jinshang Bank for the Implementation of Anti-money Laundering Customer Identification (《晉商銀行反洗錢客戶身份識別實施細則》), the Procedures of Jinshang Bank for the Counter Business Operation of Settlement Account Opening/Changing/Closing in Unit Banks (《晉商銀行組織銀行結算帳戶開立/變更/銷戶櫃面業務操作規程》), to offer institutional support to ensure customers' capital security.

The Bank has collaborated with the public security and the police bank to actively crack down on telecom frauds. In 2023, the Bank successfully assisted the public security organs in arresting a total of 129 suspects according to the clew of "Card Breaking Action", dissuaded 17 telecom fraud-related financial transactions, successfully intercepted 2.9953 million of funds involved in financial frauds, taken temporary protective measures against 42,115 potential victims, protected altogether 18,938 accounts, and actively prevented above 900 suspicious risk events, effectively promoted the implementation of financial risk prevention and control, ensured customers' capital and property security to the utmost, and built a solid financial security line to prevent telecom frauds.

Measures to ensure customers' capital security

- Conducting retroactive investigations on financial fraud cases and drawing inferences, so as to check and fix the weak links in risk prevention and control and the loopholes in management;
- Carrying out real-time monitoring on transaction fraud detection system to automatically identify fraudulent transactions and generate alarm information;
- Conducting real-time monitoring on credit card transactions to effectively prevent fraudulent transactions;
- Realizing 7*24h monitoring and outbound call system to deal with risk transactions in time;
- Updating rule configuration based on the trend of industrial risk changes to avoid the risk of frauds;
- Setting the "Security Lock" function on WeChat public account to guarantee the card security of customers;
- Developing a campaign of publicity and dissemination of the Anti-Telecom and Online Fraud Law of the People's Republic of China (《中華人民共和國反電信網絡詐騙法》) and publicity activity themed on "Card Breaking Action" to enhance people's awareness and ability to protect the capital security.

Protecting Information Security

Upgrading Information Security Protection Capabilities

The Bank strictly hold the bottom line of safe production, ensured the coordinated development of security and innovation, gradually built a comprehensive network security defense system from all aspects of office security, production security, business channel security, etc., implemented information security management responsibilities, and upgrade the information security protection level.

Developing system security inspection regularly

The Bank strengthened the early warning, and proactive defense capabilities, comprehensively promoted the optimization and improvement of terminal security management policies and the installation of security management software, regularly reported terminal information security situations, regularly conducted special inspections on IT risks and investigations on regulatory warning risks on a bank-wide basis, and optimized security policies and monitoring indicators.

Upgrading security vulnerability handling capabilities

The Bank strengthened the capabilities of security device log analysis and realized the closed-loop asset security risk management of the Bank, complemented with the existing security protection capabilities. In 2023, the Bank participated in two cyber security offensive and defensive drills at which the Bank successfully defended against all kinds of attacks and accomplished the network security defense and guarantee tasks.

Conducting assessments and inspections on data security

The Bank did a good job in identifying the implementation of protective measures for data security in the links of demand, development, testing, production, monitoring, etc. The Bank reinforced customer information protection and management as well as continuously monitored the potential risks on customers' sensitive information and privacy protection, at time of completing the filing of mobile apps and new media accounts in accordance with the requirements of regulatory authorities.

Enhancing IT outsourcing risk management

The Bank amended the Measures of Jinshang Bank for the Administration of Information Technology Outsourcing Risks (《晉商銀行信息科技外包風險管理辦法》) to clarify the risk review process for IT outsourcing activities, amended the Detailed Rules of Jinshang Bank for the Administration and Implementation of Human Resource Outsourcing of Scientific and Technological Projects (《晉商銀行科技項目人力外包管理實施細則》) and the Work Regulations of Jinshang Bank for Agile Development (《晉商銀行敏捷開發工作規程》), developed the procurement proposals in relation to the implementation of agile mechanism, realized an effective and flexible selection mechanism of outsourcing service providers, revised the emergency response plan for important outsourcing service providers, and improved the emergency planning scenarios and measures for outsourcing service providers. Through organizing key outsourcing service providers to carry out drills for different scenarios, the Bank has solidified the emergency handling procedure of outsourcing service providers and effectively improved the emergent handling capability for IT outsourcing risk.

Paying attention to preventing the risks of using open-source software

In 2023, the Bank developed and issued the Measures of Jinshang Bank for the Administration of Open-source Technology and Source Code of Information System (《晉商銀行信息系統開源技術和源代碼管理辦法》) to define and control the introduce, use and administration of open-source technologies involved in project construction; developed and revised the emergency response plan for open-source technologies and organized the emergency response drills.

Gaining recognition for information technology work

The Jinshang Bank Online Banking Service Standards (Q/JSHBANK 002-2022) (《晉商銀行網上銀行服務標準》(Q/JSHBANK 002-2022)) and the Jinshang Bank Mobile Financial Security Management Standard (Q/JSHBANK 003-2021) (《晉商銀行移動金融安全管理規範》(Q/JSHBANK 003-2021)) made by the Bank were listed in the "Enterprise Standard Forerunner" list. In terms of mobile financial app management, the Bank obtained the certificate of "National Unified Recommended FinTech Product Certification Winning Institution" issued by Beijing National Financial Technology Certification Center.



Carrying out IT Dissemination Activities

For the purpose of improving the enhance employees' awareness of network security, the Bank took the opportunity of China Cybersecurity Week, National Quality Month, and National Science and Technology Week to disseminate the laws, regulations and related standards in respect of the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), the Regulations on the Security Protection of Key Information Infrastructure (《關鍵信息基礎設施保護條例》), the Cryptography Law of the People's Republic of China (《中華人民共和國密碼法》), the Anti-Telecom and Online Fraud Law of the People's Republic of China (《中華人民共和國反電信網絡詐騙法》), the Regulations on the Administration of Commercial Cipher Codes (《商用密碼管理條例》), the Law of the People's Republic of China on the Promotion of the Transformation of Scientific and Technological Achievements (《中華人民共和國科技成果轉化法》) and the Administrative Measures for the Graded Protection of Information Security (《信息安全等級保護管理辦法》) and nurture a strong atmosphere for the all-of-society participation in building a network security defensive line in an all-round manner.

Activities of large-scale inspections on IT risks

In 2023, a team consisting of the technical experts from the Organization and Management Center, R&D Center, and Operation and Maintenance Center of the IT Department of the head office and led by the leaders from the three centers carried out the technical inspections in 14 branches (including the directly-controlled banks and 69 outlets, with a 100% branch coverage and 46% outlet coverage of the total outlet number of the Bank.

IT dissemination performance table

Indicator	Unit	2023	2022	2021
Trainings on IT security	Number	5	5	4
Drills on information system, network and infrastructure security	Number	121	125	104

Branding Management

The Bank actively carried out brand planning and publicity work. With the goal of building a warm bank and taking the publicity of key business products of the business sector as a breakthrough, we have formulated the 2023 Media Publicity Planning of Jinshang Bank to strengthen its business publicity. The Bank actively optimized the media matrix, effectively publicized the highlights of the Bank's operation and development, and enhanced the Bank's brand exposure and visibility, with the number of press releases in various types of media for the whole year being more than 900 articles, and with a cumulative readership of 35 million. The Bank continued to outstandingly complete the management and publicity of news propaganda and new media operation, released the Detailed Rules for New Media Management Rules of Jinshang Bank to institutionally optimize the process of the new media management system, and added a variety of styles of themes in the operation of the new media, which empowered the promotion of products and business. In 2023, the Bank ranked second in the top 10 list of "China Banking and Insurance Newspaper - Communication Power of Urban Commercial Banks" launched by TikTok.

In 2023, the Bank further enriched its brand publicity activities. It planned and carried out a series of publicity activities such as credit card processing rights and benefits, warm-hearted services, a day in the life of a banker, rights and benefits on the Goddess Day, a series of stories of lobby managers, Mother's Day, Taiyuan Marathon Booth Activity Publicity, 520 Festival, Mobile Banking 5.0, June 1st, 718 Wealth Management Season, the 6th anniversary of the credit card activity, Consumer Protection Publicity, Credit Collection Publicity, Father's Day, Dragon Boat Festival, Anti-fraud Publicity, Cyber Security Publicity Week, and so on. The Bank also actively participated in the Sixth Annual Financial Industry Brand Case Competition organized by China Finance Publishing House and won the Financial Technology Annual Case Award, which further enhanced the brand image of the entire bank.



the Bank won the Financial Technology Annual Case Award



the Bank ranked second in the top 10 list of "China Banking and Insurance Newspaper - Communication Power of Urban Commercial Banks" launched by TikTok



05

Putting People First and Working with Employees for Common Growth

- ★ Protecting Rights and Interests
- ★ Career Development
- ★ Health and Safety
- ★ Employee Support and Care

Protecting Rights and Interests

The Bank strictly complied with the requirements of the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Union Law of the People's Republic of China (《中華人民共和國工會法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), and other laws and regulations, formulated policies on remuneration and dismissal, recruitment and promotion, working hours, leaves, equal opportunity, diversity, anti-discrimination and other treatments and benefits, to safeguard the legitimate rights and interests of the employees, attach importance to employee training and vocational development, and pay close attention to the physical and mental health of employees. In 2023, the Bank had 4,429 employees, and 100% of them were full-time employees, with no part-time employees.

The recruitment of the Bank has always been strictly in accordance with the relevant provisions of the Administrative Measures for Staff Employment of Jinshang Bank (《晉商銀行員工招聘管理辦法》), and there was no circumstance of personnel and gender discrimination. The Bank conducted the background survey on the personnel employed and published corresponding results, always accepted the supervision and management, and there was no employment of child labour or forced labour. In case of violation of labour codes, the Bank required to make rectifications immediately, and carried them out, ensuring compliance with relevant laws and regulations. We also signed labour contracts with all employees in service and completed the revision of labor contract in accordance with the latest laws and regulations; paid wages in full and on time; rationally arranged the work schedule; implemented paid leave; established enterprise annuity and other measures to secure the legitimate rights and interests of employees; actively listened to the suggestions and opinions of employees; organized six panel meetings of employee representative congress and two meetings of trade union committee in 2023.

Paying wages in full and on time

The Bank established and implemented a scientific and standard remuneration management system to pay wages in full and on time. In 2023, the Bank continuously optimized the remuneration system of "value distribution based on value creation", revised the Administrative Measures for Customer Managers of Jinshang Bank (《晉商銀行客戶經理管理辦法》), at time of combining with the key emphasis in business expansion of the Bank and the practical problems that need to be solved in the development of sub-branches, adjusted and clarified the assessment indicators and scoring rules for 2023 ranking bank of branches and sub-branches, and issued the Notice on Clarifying 2023 Assessment Indicators and Scoring Rules for Ranking Bank (《關於明確 2023 年度等級行評定名額及計分規則的通知》).

Arranging work schedule rationally

The Bank actively maintained the normal working order and protected the legitimate rights and interests of employees. The working hours of the employees complied with the provisions of the Labour Law of the People's Republic of China (《中華人民共和國勞動法》) and other relevant regulations. The Bank formulated relevant leave management measures for employees, stipulating that the employees' annual leave was paid leave; for employees who were unable to take annual leave at the end of the year due to work needs or who had a balance of annual leave, they should be paid for their unused leave based on the number of unused leave days.

Establishing enterprise annuity

The Bank has always put people first and established a relatively complete welfare mechanism by strengthening communication with employees and understanding the needs of employees through multiple channels. In 2023, the Bank continuously optimized the enterprise annuity plan and established a green channel for enterprise annuity to speed up the payment of benefits for retired employees.

Providing supplementary medical insurance

In order to effectively improve the level of employee security and enhance employees' sense of belonging and gain, the Bank began to pay for supplementary medical insurance for employees in 2019 and further optimized the supplementary medical insurance plan on the original basis to effectively upgrade the level of medical security for employees and do practical work for employees.

Signing collective contract

The Bank signed the Collective Contract of Jinshang Bank (《晉商銀行集體合同》) with the Labor Union of Jinshang Bank to secure the rights and interests of employees, including labor remuneration, working hours, rest and vacations, labour safety and hygiene, vocational training, insurance and welfare, etc.

Career Development

In 2023, the labour and HR panel of the Employee Representative Congress of Jinshang Bank organized meetings to discuss the issues concerning expanding the connotation and denotation of talent pool, re-shaping the assessment mode of talent pool, optimizing the arrangement for unqualified personnel from the pool, and other contents, so as to provide system security for employees' vocational development.

To build a learning bank, the Bank made arrangements based on its strategic decisions and key tasks, and held targeted training sessions on demand to cultivate management experts, professionals, and business backbones, boosting the high-quality development of the Bank.



Training session for sub-branch presidents



Training session for middle and senior management



Training session for internal trainers



Training session for new employees



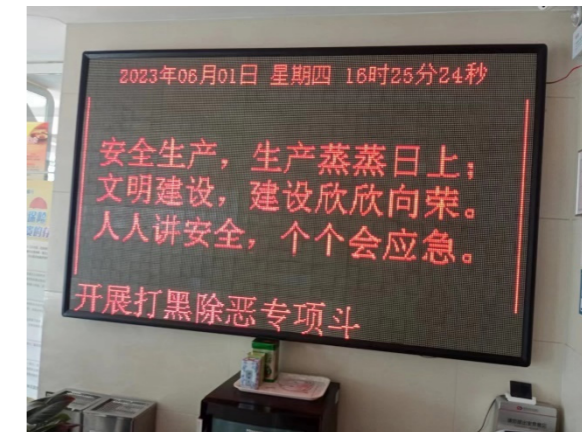
➤ Various multi-level staff trainings organized by Jinshang Bank

Health and Safety

The Bank attaches great importance to the health and safety of employees, carries out regular health examinations for them and pays attention to their psychological health, provides a good working environment, and conducts regular environmental health and safety inspections, avoiding occupational health hazards. Since 2020, the Labor Union of Jinshang Bank has launched the Employee Assistance Program (EAP), developed a series of psychological health surveys as well as psychological guidance and counseling services, and was awarded the plaque of "Employee Psychological Health Consulting Base" by the General Labor Union of Shanxi Province. In 2023, relying on thematic educational work, the Bank combined the employee psychological care with the research activities.

The "Safety Production Month" activities

Qingxu Jinshang Village Bank took the "Safety Production Month" activities into the focus of work and set up a steering group on the "Safety Production Month" activities; carried out the "Safety Production Month" activities and made the 2023 Activity Plan of Qingxu Jinshang Village Bank on Safety Production Month (《清徐晋商村镇银行关于2023年安全生产月活动方案》); promoted safety production contents through online and offline channels; conducted a series of comprehensive inspections on the provision and use of the security facilities and firefighting equipment of the business premises; and organized all staff to participate in fire safety knowledge training and escape drills.



Employee Support and Care

The Bank organized recreational and sports activities for both in-service and retired employees to enrich their lives; and attached much importance to the rights and interests of special staff groups such as female employees and employees with difficulties. In 2023, the life welfare panel of employee representative congress of Jinshang Bank organized meetings to discuss the employee welfare arrangements for the Dragon Boat Festival, the Mid-Autumn Festival, and other holidays and festivals and the implementation of caring policies for employees.

Employee caring performance

Indicator	Unit	2023	2022	2021
Labor union formation rate	%	100	100	100
Medical assistance amount	10 thousand	3	3	10
Assistance to employees with difficulties	Person	53	55	78
Caring activities for retired employees	Times	2	1	1
Total investment in caring activities for retired employees	10 thousand	6.7	1.0	-



Activities of International Women's Day



The Third Badminton Match



Photo of the Activity Center for Retired Employees



Psychological care service for the grassroots



The opening ceremony of the "Never too Old to Study, Enjoy Life as a Senior" series of lectures



Visits to employees with difficulties



Parent-child study tours during summer vacation



Joining Hands with Partners from
All Walks of Life and Sincerely
Feeding Back to Society

- ☆ Industrial Development
- ☆ Rural Revitalization
- ☆ Volunteer Services

Industrial Development

Promoting Industrial Development

The Bank actively promoted industrial development and paid close attention to the latest policy requirements and relevant developments of the government and regulatory authorities to learn about the latest industrial developments and forward-looking views. In addition, the Bank actively participated in the activities organized by peers, research institutions, associations, government departments, universities, and other related parties, and established benign partnerships with them to contribute to industrial development.

Responsible Procurement

Centralized Procurement

The purchasing management of the Bank follows the principle of legal compliance and is carried out in accordance with The Administrative Measures on Centralized Procurement of Jinshang Bank (《晉商銀行集中採購管理辦法》), the Working Procedures of Centralized Procurement Committee of Jinshang Bank (2023 Edition) (《晉商銀行集中採購委員會工作規程(2023年版)》) and the Classification Table of Centralized Procurement Items of Jinshang Bank (2023-1 Edition) (《晉商銀行集中採購品目分類錶(2023-1版)》), so as to put the responsible procurement into the mind and into practice.

Responsible Procurement

The Bank advocates the concept of green environmental protection to constantly identified potential environmental and social risks of suppliers and gives preference to suppliers with more environmental and sustainable development concepts, provided that they meet the same procurement requirements, quality and service standards, so as to promote suppliers to improve ESG awareness.

Responsible procurement performance				
Indicator	Unit	2023	2022	2021
Number of social responsibility training for suppliers	Times	1	1	1
Coverage of supplier review	%	100	100	100
Number of suppliers by region	Number	163	151	228
In Shanxi Province	Number	54	62	65
Out of Shanxi Province	Number	109	89	163

Rural Revitalization

The Bank actively supported rural revitalization and established a financial service leadership group for rural revitalization of Jinshang Bank, incorporating financial services for rural revitalization into the performance evaluation system of relevant departments of the head office and branches and organized meeting to promote inclusive finance and rural revitalization. We introduced the Service Implementation Plan of Jinshang Bank on Rural Revitalization (《晉商銀行服務鄉村振興實施方案》), 2023 Work Plan of Jinshang Bank on Stationing Officials in Villages to Boost Poverty Alleviation (Revised Edition) (《晉商銀行2023年駐村幫扶工作計劃(修訂版)》), 2023 Work Focus of Jinshang Bank on Stationing Officials in Villages to Boost Poverty Alleviation (《晉商銀行2023年駐村幫扶工作要點》), Measures for the Supervision and Administration of Poverty Alleviation Program Procurement of Jinshang Bank (《晉商銀行扶貧項目採購監督管理辦法》), and Administrative Measures of Jinshang Bank for the Assessment of Working Teams Stationed in Villages (《晉商銀行駐村工作隊考核管理辦法》). The Bank implemented the poverty alleviation work in strict accordance with the system and provided basic guarantee and action guidance for the high-quality poverty alleviation work of stationing officials in villages throughout the year.

The Bank supported the development of characteristic industries. In addition to previous support for Yunzhou District in Datong, we developed a special authorization plan for Huanghua loan business, and issued the first Huanghua loan before the end of June, 2023. So far, it has offered a total of 2.55 million of loans.

The Bank empowered rural revitalization technologically. We provided unique digital identification codes for cows with active smart ear tags, Bluetooth gateways and other Internet of Things devices. By establishing holographic digital archives for live animal assets, we actively contacted technology companies, created digital archives for cow assets of the enterprise, and provided 1 million of credit support.

Since 2023, Jinshang Bank's working team stationed in Yunzhou District, Datong City, according to the unified arrangement and deployment of the Party committees and governments at provincial, municipal, Yunzhou District and the township levels, has set up a regular working mechanism for stationing officials in villages to boost poverty alleviation and strengthened the villagers' internal momentum for development. The working team stationed in Shuitou Village has been rated as a Shanxi provincial model collective for stationing officials in villages to boost poverty alleviation by the Department of Human Resources and Social Security of Shanxi Province, and Shanxi Provincial Rural Revitalization Bureau.

Rural revitalization performance				
Indicator	Unit	2023	2022	2021
Number of one-on-one mentorship villages for rural revitalization	Number	5	5	5
Number of stationing officials in villages for rural revitalization	Person	16	15	15
Number of poverty alleviation programs on rural revitalization	Number	4	5	3
Amount of funds for poverty alleviation programs	10 thousand	68.40	63.50	22.40

Adhering to the guidance of party building and building working resultant force to constantly consolidate the responsibility of poverty alleviation

The working team has always given top priority to consolidating the construction of grass-roots organizations, improving the grass-roots governance structure, and upgrading the grass-roots governance capacity, at time of strengthening the education on ideals and beliefs and standardizing the life of grass-roots organizations.

Continuously reinforcing management and strengthening team building to achieve effective work connection

According to the requirements of Rural Revitalization Bureau of Shanxi Province and the Party Committee of the head office, some first secretaries and team members stationed in villages were rotated, and the newly rotated team members were intensively trained; various kinds of ledgers such as team members stationed in villages, expenses, and poverty alleviation assets supervision were established, so as to ensure the accounts and expenses were clear and the assets account agreed with physical inventory.

Strengthening policy training and improving business skills to upgrade the abilities of stationing officials in villages to perform their duties

The team members actively participated in the business training at provincial, municipal, district and county (township) levels as well as the night school training organized by the district governments, to upgrade the ability of stationing officials in villages to perform their duties; and the regular meetings of the village-stationed working teams were held from time to time. The working teams participated in four regular meetings of the county brigade and held six regular meetings on the work of village-stationed working teams throughout the year.

Carrying out door-to-door visits and making accurate investigations and rectifications to firmly hold the bottom line of preventing the return to poverty

The working teams carried out the “100-day Efforts to Combat Poverty” spring campaigns for thorough and centralized investigations on a dynamic monitoring and support mechanism to prevent the once poor population from falling back into poverty. Each working team conducted no less than three door-to-door investigations on households being monitored, no less than two door-to-door investigations on general households lifted out of poverty, and no less than one time of door-to-door investigation on general rural households.

Carefully selecting the poverty alleviation programs and strengthening the poverty alleviation measures to improve the “economic development” capacity

The working teams carefully selected the poverty alleviation programs and offered funds and materials by making poverty alleviation plans to help Shuitou Village, Shanzizao Village, and Chenzhuang Village to realize economic income and practically consolidate the achievements in rural revitalization. Three administrative villages, including Chenzhuang Village, Shanzizao Village and Jijia Village, have realized the economic income after the Bank’s poverty alleviation efforts.



Jinzhong Branch issued small loans to people lifted out of poverty to boost rural revitalization

Jinzhong Branch actively implemented the spirit of the Opinions of the Central Committee of the Communist Party of China and the State Council on Comprehensively Promoting the Key Work of Rural Revitalization in 2023 (《中共中央國務院關於做好 2023 年全面推進鄉村振興重點工作的意見》) and did a good job in the effective connection between the poverty alleviation achievement consolidation and rural revitalization. Based on the principle that “Loans should be issued to the debtors that meet the lending standards, and poor households that apply for loans should use the loans for them”, Jinzhong Branch made investigations on Mahe Village in Lingshi County that contracted with Jinzhong Branch and issued loans to the village to support rural revitalization. In 2023, the Bank issued a total of 31 small loans to people lifted out of poverty, amounting to 1.55 million.

At time of offering loans, Jinzhong Branch promoted financial knowledge among villagers in plain language to explain the knowledge on preventing telecom and pension frauds as well as the knowledge on credit investigation and inclusive financial policy, and remind villagers to be alert to “a free pie to fall from the sky” and “high returns”, so as to avoid blind and impulsive investment and protect their “hard-won income”.

Volunteer Services

The Bank deeply studied and implemented General Secretary Xi’s important discourses on the spirit of Lei Feng, actively practiced Lei Feng’s voluntary service spirit, guided more than 3,000 young volunteers in the Bank to register on the volunteer website, and set up the youth volunteer service teams in the Youth League committees of 14 branches; promoted the institutionalized and regular study of Lei Feng Spirit, carried out “Learning from Lei Feng” theme month activities for four years in a row, organized 116 outlets of the Bank to develop volunteer service activities to show love and offer help during periods of the entrance examinations for senior high schools and universities, held the compulsory tree-planting activities themed on “Beautiful Shanxi, Youth Action” before and after Tree-planting Day, and organized the volunteer service activities with different themes, including caring for disabled children, condoling with the lonely elderly, building a civilized city, etc., to call on the staff of the Bank to actively participate in social donation activities to offer warmth and love, from which a total of 170 thousand was collected. The 9th Shanxi Province Moral Model and Bravery Model, the 6th Provincial Organ Moral Model, and excellent volunteer service teams sprung up successively from the Bank, telling a story of Lei Feng in a new era with the actual actions of Jinshang Bank’s employees and providing powerful mental impetus for Shanxi Province to further accelerate transformation and development and advance to the “Two Largely Achieved Goals”. In 2023, the total volunteer service time was approximately 1,360 hours.



Longcheng Branch “Showing Love to Adolescent Examinees” Volunteer Services

The Youth League Committee of Longcheng Branch positively responded to the call of the Youth League Committee of the head office on the “Showing Love to Adolescent Examinees” Volunteer Services and organized 17 Youth League Committees in Longcheng to form the youth volunteer service teams to provide psychological counseling and consultation services for examinees and their parents, and assisted in the traffic relief work around the examination venues.

At the time when the parents waited for the examinees of the senior high school entrance examinations, the employees of the Bank introduced in detail the Bank’s financial products to them, promoted financial literacy, publicized the knowledge on the prevention of Campus Loan, Credit Repair, and telecom & network frauds, the identification of counterfeit currency, and the protection of personal credit security and property security, and provided customers with credit card application, deposit and loan consultation and other financial services on site.



“One-on-One Mentorship Poverty Alleviation” Volunteer Activities in Older Residential Communities

The directly-controlled social security branch deeply understood the Provincial Civilization Office’s work employment on “making active efforts to solve the most pressing difficulties of high concern to the people and do a good job in delivering real benefits and warmth to the people and winning their approval”, enhanced the sense of responsibility and mission, and acted bravely and proactively; the Party members and cadres played a pioneering role and led sub-branch staff to form the volunteer service groups, to carry out the “One-on-One Mentorship Poverty Alleviation” volunteer activities in the old residential communities near the sub-branch.



Appendixes

About this Report

This report is the fifth annual Environmental, Social and Governance Report (hereinafter referred to as “this report” or “ESG Report”) issued by Jinshang Bank Co.,Ltd. (hereinafter referred to as “Jinshang Bank” or “the Bank” or “we”) after listing. This report truly and objectively describes the corporate social responsibility fulfillment activities of the head office, branches, directly-controlled branches and village bank of Jinshang Bank in 2023, and focuses on disclosing the Bank’s environmental, social and governance information.

Reporting Period

This report is an annual report covering the period from January 1, 2023, to December 31, 2023 (the “Reporting Period”), with some information exceeding the Reporting Period.

Reporting Scope

This report is primarily about Jinshang Bank and covers the head office, branches, directly-controlled branches and village bank, unless otherwise specified.

Reporting Language

This report is available in both traditional Chinese and English versions. For any inconsistency in this report, the traditional Chinese version shall prevail.

Reporting Guidelines

- Appendix C2 – Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by the Hong Kong Stock Exchange
- The former Guidelines on Green Finance for the Banking and Insurance Industries issued by CBIRC
- Sustainable Development Reporting Guidelines (G4.0) issued by Global Reporting Initiative (GRI)

Basis of Data

The financial data in this report comes from the annual report 2023 the Bank after audit. In case of any inconsistency between the data contained in this report and that in the annual report, the annual report shall prevail. Other statistical data cover the head office, branches, directly-controlled branches and village bank of the Bank, unless otherwise specified.

Unless otherwise stated, amounts referred to in this report are in RMB.

Reporting Principles

- **Materiality:** The threshold at which ESG issues determined by the Board will have a significant impact on investors and other stakeholders that they should be reported.
- **Quantitative:** Key performance indicators in respect of historical data need to be measurable. The Issuers should set targets (which be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative explaining its purpose, impacts, and giving comparative data where appropriate.
- **Balance:** The ESG report should provide an unbiased picture of the issuer’s performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgement by the report reader.
- **Consistency:** The issuers should use consistent methodologies to allow for meaningful comparisons of ESG data over time.

Independent Assurance of the Third Party

To ensure the authenticity and reliability of this report, KPMG Huazhen LLP is engaged to provide limited assurance on the selected key data as disclosed in this report and produce an independent assurance report of the third party.

Issuance

This report is available in electronic version. The electronic version of this report can be downloaded from the official website of Jinshang Bank (<https://www.jshbank.com>) and the website of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>).

ESG Performance Table

Economic performance

Indicator	Unit	As of the end of 2023	As of the end of 2022	As of the end of 2021
Operating income	100 million	58.02	52.60	53.91
Net profits	100 million	20.01	18.35	16.79
Total assets	100 million	3,613.05	3,364.20	3,032.92
Deposit balance	100 million	2,810.82	2,484.34	1,992.07
Loan balance	100 million	1,914.36	1,860.52	1,557.41
Basic earnings per share	RMB	0.34	0.31	0.29
Average return on total assets	%	0.57	0.57	0.58
Return on average equity	%	8.31	8.07	7.77
Non-performing loan ratio	%	1.78	1.80	1.84
Provision coverage rate	%	198.71	177.04	184.77
Capital Adequacy Ratio (CAR)	%	13.17	12.40	12.02

Social performance

Customer service performance

Indicator	Unit	2023	2022	2021
Customers' complaints accepted	case	280	348	333
Customer handling rate	%	100	100	100

Workforce composition

Indicator	Unit	2023	2022	2021	
Total employees¹	person	4,429	4,402	4,424	
By gender	Male	2,037	2,008	1,964	
	Female	2,392	2,394	2,460	
	Percentage of male employees	%	45.99	45.62	44.39
	Percentage of female employees	%	54.01	54.38	55.61
By age	>50	443	464	338	
	40 to 50	532	412	627	
	30 to 40	2,536	2,299	2,066	
	20 to 30	918	1,227	1,393	
By education	Master and above	912	873	409	
	Bachelor	3,013	3,016	3,410	
	Others	504	513	605	
By region	Taiyuan	2,686	2,731	2,743	
	Lvliang	176	179	181	
	Yuncheng	162	152	154	
	Linfen	201	188	193	
	Shuozhou	193	191	191	
	Datong	191	189	193	
	Xinzhou	187	178	180	
	Changzhi	164	160	161	
	Jinzhong	149	145	146	
	Jincheng	174	152	154	
	Yangquan	105	91	90	
	Qingxu	41	46	38	

Note 1: The statistical basis for the total number of employees is the total number of formal employees and dispatched workers who have signed labor contracts with the main branch of Jinshang Bank and 1 village bank.

Employee trainings

Indicator	Unit	2023	2022	2021
Coverage of employee training ¹	Person	600,347	1,145,004	67,090
The training coverage of employees ²	%	95	94	93
Total length of training of employees	Hour	259,366	438,815	67,970
Number of anti-money laundering training	Time	93	104	74
Total training investment	10 thousand	1,325.83	568.07	854.60

Note:
1. The statistics are based on the head office, branches and 1 village bank of Jinshang Bank.
2. According to How to Prepare an ESG Report Appendix III: Reporting Guidance on Social KPIs issued by SEHK, the training coverage of various types of employees = the number of employees trained by the category/the total number of employees trained.

Employee employment

Indicator	Unit	2023	2022	2021
Employee turnover rate	%	2.33	2.81	3.26
By gender	Male	0.86	1.45	1.54
	Female	1.47	1.36	1.72
By age	>50	0.05	0.02	0.11
	40 to 50	0.11	0.20	0.09
	30 to 40	1.33	1.53	1.45
	20 to 30	0.84	1.07	1.61
By region	Employees of the head office	0.23	0.20	0.41
	Employees of branch offices within Taiyuan	0.93	1.29	1.38
	Employees of branch offices outside Taiyuan	1.17	1.32	1.45
Number of new employees	Person	195	93	25
Number of disabled employees	Person	13	12	11

Employees' rights & benefits

Indicator	Unit	2023	2022	2021
Coverage of labor contracts	%	100	100	100
Social security coverage ratio	%	100	100	100
Number of work-related fatalities	person	0	1	0
Lost days due to work injury	day	24	30	0

Note: The above statistics are based on the head office, 4 directly-controlled branches, 10 tier-one branches and 1 village bank of Jinshang Bank.

Supplier performance

Indicator	Unit	2023	2022	2021
Total suppliers¹	number	163	151	228
Number of suppliers in Shanxi Province	number	54	62	65

Note 1: The total suppliers refer to the number of the cooperative suppliers in the Reporting Period.

Social contribution performance

Indicator	Unit	As of the end of 2023	As of the end of 2022	As of the end of 2021
Balance of agriculture-related loans	100 million	628.02	588.13	537.87
Balance of loans to small and micro enterprises	100 million	521.18	628.90	475.11
Balance of inclusive loans to small and micro enterprises	100 million	98.32	75.33	57.46
Balance of green loans	100 million	95.43	90.82	76.77
The number of outlets	number	153	154	162
Substitution rate of e-banking transactions	%	88.90	89.16	91.45
Number of mobile banking transactions	10,000 transactions	1,082.13	1,470.50	632.29
Number of internet banking transactions during the Reporting Period	10,000 transactions	374.98	375.95	519.40
Charity and other donations	10 thousand	18.27	9.90	66.47
Duration of volunteer activities	hour	1,360.00	245.50	320.00

Environmental performance

Indicator	Unit	2023	2022	2021
Total office electricity consumption ¹	kWh	5,995,204.46	5,540,471.24	4,979,297.20
Total office water consumption ²	m ³	40,227.99	38,556.50	29,950.37
Water consumption per person	m ³	9.08	8.76	6.77
Natural gas	m ³	45,760.22	48,955.32	50,143.23
Diesel	L	124.68	1,714.79	2,626.87
Gasoline	L	36,446.89	48,972.22	46,537.99
Total energy consumption ³	kWh	8,393,062.79	6,512,620.92	5,995,206.33
Energy consumption per square meter of office area	kWh/m ²	72.03	51.92	47.80
—Total direct energy consumption	kWh	2,077,874.86	972,149.67	1,015,909.13
—Total indirect energy consumption	kWh	6,315,187.93	5,540,471.56	4,979,297.20
Total greenhouse gas ⁴ emissions (Scope 1 and Scope 2)	ton	4,967.41	5,265.91	4,143.57
Greenhouse gas emission per square meter of office area (Scope 1 and Scope 2)	ton/m ²	0.04	0.04	0.03
—Direct emissions ⁵ (Scope 1)	ton	742.79	1,193.97	339.33
—Indirect emissions ⁶ (Scope 2)	ton	4,224.61	4,071.94	3,804.24
Greenhouse gas emissions per square meter of office space (range 1)	ton/square meter	0.01	0.01	0.00
Greenhouse gas emissions per square meter of office space (range 2)	ton/square meter	0.04	0.03	0.03
NOx emissions	kg	28.17	593.06	655.82
Sulfur dioxide emissions	kg	1.49	0.72	26.65
Carbon monoxide emissions	kg	430.29	1,427.68	273.12
Particulate matter emissions	kg	2.37	4.93	2.41
Total hazardous wastes ⁷	pc.	555	588	7,090
Total non-hazardous electronic wastes ⁸	pc.	1,412	194	501
Total non-hazardous wastes ⁹	t	635.01	570.20	479.41
Paper consumption	pkg	17,572	17,515	-
Per capita consumption of hazardous waste	piece/person	0.13	0.13	1.60
Per capita consumption of non-hazardous electronic waste	piece/person	0.32	0.04	0.11
Per capita consumption of non-hazardous waste	ton/person	0.14	0.13	0.11
Office waste	t	519.50	566.55	411.71
Kitchen wastes	L	267,726.00	154,244.00	-
Office consumable wastes	t	5.56	3.65	67.70

Note:
 1. The scope of data on total office electricity consumption for 2023 includes the head office, 4 directly-controlled branches, 10 tier-one branches and 1 village bank.
 2. The scope of data on total office water consumption for 2023 includes the head office, 4 directly-controlled branches, 10 tier-one branches and 1 village bank.
 3. The data on energy consumption was calculated according to relevant conversion factors provided in the national standards of the People's Republic of China, *General Rules for Calculation of Comprehensive Energy Consumption* (GB/T2589-2020), which includes purchased electricity, natural gas, diesel consumption of facilities, coal and fuel consumption of official vehicles.
 4. Greenhouse gas emissions data is presented as carbon dioxide equivalent and calculated based on the *IPCC 2006 Guidelines for National Greenhouse Gas Inventories (Revised in 2019)* published by the United Nations Intergovernmental Panel on Climate Change (IPCC) and the *Guidelines for Accounting and Reporting of Corporate Greenhouse Gas Emissions: Power Generation Facilities (Revised in 2021)* issued by the Ministry of Ecology and Environment of China. Based on the Bank's business scope, greenhouse gas includes carbon dioxide, methane, and nitrous oxide.
 5. Direct greenhouse gas emissions mainly came from the consumption of natural gas, diesel fuel for facilities, coal, and fuel for official vehicles.
 6. Indirect greenhouse gas emissions mainly came from the consumption of purchased electricity.
 7. The hazardous wastes involved in the Bank's operations in 2023 were mainly waste lead-acid batteries and waste fluorescent tubes, which were handed over to qualified professional companies for disposal.
 8. The non-hazardous electronic wastes involved in the Bank's operations were mainly microcomputer mainframes, monitors, laptops, printers, servers and other wasted electronic information products.
 9. The non-hazardous wastes involved in the Bank's operations in 2022 and 2023, including paper consumption, domestic waste, kitchen waste, and discarded office supplies, were all disposed by the third party in accordance with relevant laws and regulations.
 The non-hazardous wastes in 2021 only included office garbage and office consumable waste.

Independence Assurance Report



Independent Practitioner's Limited Assurance Report

To the Board of Directors of Jinshang Bank Company Limited:

Report on selected information in Jinshang Bank Company Limited (hereafter referred to as the "Jinshang Bank")'s 2023 Environmental, Social and Governance ("ESG") Report (hereafter referred to as the "ESG Report") as of and for the year ended 31 December 2023. This English version is a translation, should there be inconsistency between the English edition and the Simplified Chinese edition, the Simplified Chinese edition shall prevail.

Conclusion

We have performed a limited assurance engagement on the following selected key performance information in Jinshang Bank's ESG Report as of and for the year ended 31 December 2023 (hereafter referred to as "the assured performance information"):

The assured performance information	Point in time or period subject to assurance
Total office electricity consumption (kWh)	For the year ended 31 December 2023
Total office water consumption (m ³)	For the year ended 31 December 2023
Total employees (person)	As of 31 December 2023
Percentage of female employees (%)	As of 31 December 2023
Total training investment (RMB10 thousand)	For the year ended 31 December 2023
The number of outlets (number)	As of 31 December 2023
Number of Internet banking transactions during the Reporting Period (10,000 transactions)	For the year ended 31 December 2023
Resolution rate of customer complaints (%)	For the year ended 31 December 2023
Times of compliance education sessions (session)	For the year ended 31 December 2023
Balance of green loans (RMB100 million)	As of 31 December 2023
Balance of agriculture-related loans (RMB100 million)	As of 31 December 2023

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that Jinshang Bank's assured performance information as of and for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the basis of preparation for the key performance information (the "Basis of Preparation") set out in the appendix to this report.

Our conclusion on the assured performance information does not extend to any other information that accompanies or contains the assured performance information and our assurance report (hereafter referred to as "other information"). We have not performed any procedures as part of this engagement with respect to the other information.



Basis for conclusion

We conducted our engagement in accordance with the *International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under *this standard* are further described in the “Our responsibilities” section of our report.

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

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Restriction on use

This report is made solely to you, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Our conclusion is not modified in respect of this matter.

Responsibilities for the assured performance information

The directors of Jinshang Bank are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the assured performance information that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the assured performance information and appropriately referring to or describing the criteria used; and
- preparing the assured performance information in accordance with the Basis of Preparation.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.



Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the assured performance information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the directors of Jinshang Bank .

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the assured performance information that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the assured performance information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. We do not conduct our work to express an opinion on the effectiveness of Jinshang Bank’s internal controls. Within our work scope, the assurance procedures were implemented at the head office of Jinshang Bank. In carrying out our engagement, we:

- 1) Interviewing the departments of Jinshang Bank engaged to provide the selected key performance information for the ESG Report;
- 2) Implementing analytical procedures on the selected key performance information in the ESG Report;
- 3) Carrying out sampling inspection on the selected key performance information in the ESG Report; and
- 4) Performing recalculation.



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



KPMG Huazhen LLP

Beijing, China

29 April 2024

Appendix: Basis of Preparation for the Key Performance Information

Total office electricity consumption (kWh): The total office electricity consumption disclosed in the ESG Report refers to the total electricity consumption of Jinshang Bank and village bank in 2023, and the data only includes the head office of Jinshang Bank, 4 directly-controlled branches, 10 tier-one branches, and 1 village bank.

Total office water consumption (m³): The total office water consumption disclosed in the ESG Report refers to the total water consumption of Jinshang Bank and village bank in 2023, and the data only includes the head office of Jinshang Bank, 4 directly-controlled branches, 10 tier-one branches, and 1 village bank.

Total employees (person): The total employees disclosed in the ESG Report refers to the total number of official employees who have signed labor contracts with the head office and branches of Jinshang Bank and 1 village bank, as well as labor dispatch workers as of December 31, 2023.

Percentage of female employees (%): The percentage of female employees disclosed in the ESG Report = the number of female employees / the number of employees, who have signed labor contracts with the head office and branches of Jinshang Bank and 1 village bank, as well as labor dispatch workers as of December 31, 2023.

Total training investment (RMB10 thousand): The total training investment disclosed in ESG Report refers to all expenses related to the training project of the head office and branches of Jinshang Bank and 1 village bank in 2023, including training fees, rent for online training platforms, purchase of course fees, lecture fees for offline external teachers, meals, accommodation, transportation fees for trainees to participate in the training.

The number of outlets (number): The number of outlets disclosed in the ESG Report refers to all branches of Jinshang Bank that have obtained financial licenses, including those that have already obtained licenses but have not yet started operating as of December 31, 2023.

Number of Internet banking transactions during the Reporting Period (10,000 transactions): The number of Internet banking transactions during the Reporting Period disclosed in the ESG Report refers to the successful transactions of Jinshang Bank and 1 village bank on personal and corporate internet bank at the Personal Computer in 2023.

Resolution rate of customer complaints (%): The resolution rate of customer complaints disclosed in the ESG Report refers to the ratio of complaints handled by Jinshang Bank to the total number of complaints in 2023. The total number of complaints mentioned above includes complaints received within the bank, as well as complaints transferred by the Shanxi Regulatory Bureau of National Financial Regulatory Administration, the People's Bank of China and government hotline.

Times of compliance education sessions (session): The times of compliance education sessions disclosed in the ESG Report refers to the cumulative value of compliance education and training sessions held by Jinshang Bank for employees in 2023. The data includes the number of online and offline compliance education.

Balance of green loans (RMB100 million): The balance of green loan disclosed in ESG Report refers to the balance on the green loan balance sheet of Jinshang Bank as of December 31, 2023.

Contributions to SDG Goals

The green loans issued by Jinshang Bank refer to loans that can serve as borrowers according to national regulations, in order to support economic activities such as environmental improvement, climate change response, and resource conservation and efficient utilization. These loans are used to invest in areas such as energy conservation and environmental protection, clean production, clean energy, ecological environment, infrastructure green upgrading, and green services. Please refer to the "Green Industry Guidance Catalogue (2019 Edition)" for specific scope.

Balance of agriculture-related loans (RMB100 million): The balance of agriculture-related loans disclosed in the ESG Report refers to the total amount of all agricultural loans from Jinshang Bank and 1 village bank as of December 31, 2023. The data includes loans to rural enterprises and organizations, loans to urban enterprises and organizations for agriculture-related purposes, loans to farmers, and loans to individuals other than farmers for agriculture, forestry, stockbreeding, and fishery-related purposes.

Goal	Index	Goal	Index
	Rural Revitalization		Rural Revitalization
	Health and Safety		Career Development
	Protecting Rights and Interests		Boosting the Ability to Develop Green Finance
	Protecting Rights and Interests Career Development Health and Safety Employee Support and Care		Supporting High-Quality Development in Shanxi
	Protecting Rights and Interests		Supporting High-Quality Development in Shanxi
	ESG Management		Responsibility: Task Force on Climate-Related Financial Disclosure
	Corporate Governance		Industrial Development

HKEX ESG Reporting Guide Index

Aspect, general disclosure and KPIs	Description	Disclosure chapter
Aspect A1: Emissions		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas ² emissions, discharges into water and land, and generation of hazardous and non-hazardous waste ³	Pricing Green Operation Appendix II: ESG Performance Table
KPI A1.1	The types of emissions and respective emissions data	Appendix II: ESG Performance Table
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (calculated as per unit produced or facility)	Appendix II: ESG Performance Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (calculated as per unit produced or facility)	Appendix II: ESG Performance Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (calculated as per unit produced or facility)	Appendix II: ESG Performance Table
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	Responsibility : Task Force on Climate-Related Financial Disclosure (TCFD)
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Practicing Green Operation Responsibility : Task Force on Climate-Related Financial Disclosure (TCFD)
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources ⁴ , including energy, water and other raw materials	Practicing Green Operation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity (calculated as per unit produced or facility)	Appendix II: ESG Performance Table
KPI A2.2	Water consumption in total and intensity (calculated as per unit produced or facility)	Appendix II: ESG Performance Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Responsibility : Task Force on Climate-Related Financial Disclosure (TCFD)
KPI 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	Practicing Green Operation
KPI A2.5	Total packaging material (in tonnes) used for finished products and, where appropriate, with reference to per unit produced	As the Bank is in the financial industry, its main products and services do not involve packaging materials, so this content is not disclosed
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources	Boosting the Ability to Develop Green Finance Practicing Green Operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Boosting the Ability to Develop Green Finance Practicing Green Operation
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Responsibility: Task Force on Climate-Related Financial Disclosure
KPI 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	Responsibility: Task Force on Climate-Related Financial Disclosure
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Protecting Rights and Interests Career Development
KPI B1.1	Total workforce by gender, employment type (full-time or part-time), age group and geographical region	Protecting Rights and Interests Appendix II: ESG Performance Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Appendix II: ESG Performance Table
Aspect B2: Health and Safety		
General Disclosure	Information on the policies; and 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	Protecting Rights and Interests Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Appendix II: ESG Performance Table
KPI B2.2	Lost days due to work injury	Appendix II: ESG Performance Table
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities ⁵	Career Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Appendix II: ESG Performance Table The Bank has difficulties in making statistics, and plans to disclose detailed information in the future.
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix II: ESG Performance Table The Bank has difficulties in making statistics, and plans to disclose detailed information in the future.

Aspect, general disclosure and KPIs	Description	Disclosure chapter
Aspect B4: Labour Standards		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Protecting Rights and Interests
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Protecting Rights and Interests
KPI B4.2	Description of steps taken to eliminate such practices when discovered	Protecting Rights and Interests
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Boosting the Ability to Develop Green Finance
KPI B5.1	Number of suppliers by geographical region	Industrial Development
KPI 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	Industrial Development
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Industrial Development
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Industrial Development
Aspect B6: Product Responsibility		
General Disclosure	Information on the policies; and 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	Digital Transformation and Upgrading Innovative Service Experience Protecting Customers' Rights and Interests
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	The Bank is in the financial industry and this indicator is not applicable
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	Protecting Customers' Rights and Interests Appendix II: ESG Performance Table
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Compliance and Risk Management
KPI B6.4	Description of quality assurance process and recall procedures	The Bank is in the financial industry and this indicator is not applicable
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Protecting Customers' Rights and Interests
Aspect B7: Anti-corruption		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Compliance and Risk Management Protecting Customers' Rights and Interests
KPI 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	Compliance and Risk Management
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored	Compliance and Risk Management
KPI B7.3	Description of anti-corruption training provided to directors and staff	Compliance and Risk Management
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Rural Revitalization Volunteer Services
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Rural Revitalization Volunteer Services
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	Rural Revitalization Volunteer Services

Note:
 1: Exhaust gas includes nitrogen oxide, sulfur oxide and other pollutants stipulated by national laws and regulations.
 2: Greenhouse gas includes carbon dioxide, methane, nitrous oxide, fluorhydrocarbon, perfluorocarbon and sulfur hexafluoride.
 3: Hazardous wastes refer to substances defined by national regulations.
 4: Resources can be used for production, storage, transportation, buildings, electronic equipment, etc.
 5: Training refers to vocational training, including internal and external courses paid by the employer.

Reader Feedback

Thank you for reading the 2023 Environmental, Social and Governance Report of Jinshang Bank Co., Ltd. For the purpose of improving our ESG management, we hope that you can share with us your valuable comments and suggestions by completing the feedback form and sending it to us via any of the following ways.

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Address: No. 59 Changfeng Street, Xiaodian District, Taiyuan, Shanxi Province

Post code: 030000

Tel: (86)0351-7812583

1. Which kind of stakeholder are you:
<input type="checkbox"/> Government <input type="checkbox"/> Regulator <input type="checkbox"/> Shareholders and investors <input type="checkbox"/> Customer <input type="checkbox"/> Employee <input type="checkbox"/> Vendor <input type="checkbox"/> Partner <input type="checkbox"/> Community <input type="checkbox"/> Others
2. Your general evaluation on this report:
<input type="checkbox"/> Poor <input type="checkbox"/> Average <input type="checkbox"/> Good <input type="checkbox"/> Excellent
3. Your evaluation on Jinshang Bank in performing responsibilities for economic development:
<input type="checkbox"/> Poor <input type="checkbox"/> Average <input type="checkbox"/> Good <input type="checkbox"/> Excellent
4. Your evaluation on Jinshang Bank in performing responsibilities for the environment:
<input type="checkbox"/> Poor <input type="checkbox"/> Average <input type="checkbox"/> Good <input type="checkbox"/> Excellent
5. Your evaluation on Jinshang Bank in performing responsibilities for social progress:
<input type="checkbox"/> Poor <input type="checkbox"/> Average <input type="checkbox"/> Good <input type="checkbox"/> Excellent
6. Do you think the information disclosed in this report is complete:
<input type="checkbox"/> No <input type="checkbox"/> Average <input type="checkbox"/> Yes
7. Do you think this report is clearly stated and easy to understand:
<input type="checkbox"/> No <input type="checkbox"/> Average <input type="checkbox"/> Yes
8. Do you have any other comments or suggestions on the improvement and development of Jinshang Bank for performing social responsibilities and on this report:



晋商银行
Jinshang Bank