





The picture shows the 'Universe Garden' created by the internationally renowned digital artist Bu Hua. In the work, flowers and light are intertwined, representing the sublimation of life and energy flow, reflecting the interconnection between sustainability and life. The cover symbolizes the harmonious coexistence of human spirit and nature, implying the firm belief of BQD in future harmony and sustainability.

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About this report



This report describes the efforts and achievements of Bank of Qingdao Co., Ltd. (hereinafter referred to as “Bank of Qingdao”, “BQD”, “the Bank”, and “we”) in respect of economic, social and environmental issues in 2024 and documents Bank of Qingdao’s assumption of social responsibility and commitment to sustainable development on the basis of providing financial services.



Reporting period

The reporting period is from 1 January 2024 to 31 December 2024, with the exception of some matters that extend beyond this period.



Reporting cycle

This report is prepared annually.



Reporting scope

This report focuses on Bank of Qingdao Co., Ltd. as its main reporting entity and covers its head office, branches, sub-branches and affiliates, unless otherwise specified.



Basis of preparation

This report is prepared in accordance with the *Self-regulatory Guidelines of the Shenzhen Stock Exchange for Listed Companies No. 1 – Standardised Operation of Companies Listed on the Main Board* and The Stock Exchange of Hong Kong Limited’s disclosure recommendations in its *Environmental, Social and Governance Reporting Guide*, with reference to:

The Sustainability Reporting Standards of the Global Reporting Initiative (“GRI Standards”)

Opinions of the General Office of the Former China Banking Regulatory Commission on Strengthening the Social Responsibility of Banking Financial Institutions

Self-regulatory Guidelines of the Shanghai Stock Exchange for Listed Companies No. 1 – Standardised Operation

Guidelines of the China Banking Association on the Corporate Social Responsibility of Banking Institutions of China



Reporting principles

This report has been prepared in accordance with the reporting principles of “materiality”, “quantification”, “balance”, and “consistency” as described below:

Materiality: The Bank has identified key environmental, social, and governance issues through stakeholder engagement and materiality assessments. The process, results of communication with stakeholders, and the materiality assessment are set out in the “Social responsibility governance” section.

Quantitative: The criteria and methodology used to quantify key performance indicators (KPIs), and the sources of the emission factors used are disclosed in detail in this report.

Balance: This report presents the Bank’s performance in the reporting period in an unbiased manner, avoiding selections, omissions, or presentation formats that might unduly influence the decisions or judgements of readers of the report.

Consistency: Unless otherwise specified, the statistical methods and foundations used in this report are consistent with those used in previous years.



Explanation of information

The financial information in this report is based on 2024 financial statements independently audited by KPMG Huazhen LLP. Should there be any conflict between the financial data herein and the Bank’s 2024 annual report, the 2024 annual report shall prevail. Other information is sourced from statistical data generated by the Bank’s internal systems, subsidiaries, branches, and sub-branches. All cases cited are real cases in the Bank’s operations. Unless otherwise stated, the renminbi is the functional currency throughout the report.



Assurance approach of the report

The board (the “Board” or “Board of Directors”) of directors (the “Directors”) of the Bank and all Directors undertake that the information in this report contains no false records, misleading statements, or material omissions, and they assume individual and joint liability for the authenticity, accuracy, and completeness of the information in this report.

KPMG Huazhen LLP was appointed to perform independent limited assurance on the report in accordance with the *International Standards on Assurance Engagements (ISAE) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, and KPMG Huazhen LLP issued an assurance report in this regard.



Issuance form

This report has been issued in print and published on the website of the Bank at <http://www.qdccb.com>.

This report has been prepared in simplified Chinese, with English and traditional Chinese versions also available. If there is any conflict between the different versions, the simplified Chinese version shall prevail.



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Chairman's statement



In 2024, the Third Plenary Session of the 20th Central Committee of the Communist Party of China (CPC) was successfully held, where a grand blueprint was drawn to further reform and drive modernisation with Chinese characteristics. This important meeting reflected our country's strong development pulse and reaffirmed our high-quality development goals. With Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era as guidance, Bank of Qingdao closely followed the pace of national development, thoroughly implemented the spirit of the Third Plenary Session of the 20th CPC Central Committee, earnestly carried out the decisions and work arrangements of the CPC Central Committee and the work requirements of the provincial and municipal Party committees, and coordinated and performed various tasks related to Party building, operations and management, with the aim of driving our country's Chinese-characteristics financial development. In the past year, with the goal of achieving high-quality development, the Bank maintained steady growth in major operating indicators and effectively improved the development quality and efficiency of the real economy. We have been ranked among Top 300 World Banks for consecutive years and in 2024, we secured this ranking once again. We were selected as one of the "China's 500 Most Valuable Brands" and have been in the "Top 500 Asian Brands" for eight consecutive years, and listed among the Top 100 Comprehensive Enterprises in Shandong Province for the first time. These honours are not only witness to our steady progress and firm commitment, but also a new starting point for us to forge ahead towards a higher goal.

Bank of Qingdao Co., Ltd
Chairman

JING Zailun

We pursued steady progress and prioritised quality and efficiency to consolidate the foundation for high-quality development. 2024 was an important year in the Bank's smooth transition to the next Three-Year Strategic Plan. By maintaining a relentless focus on our strategic goals and the strategic plan for "adjusting structure, strengthening the customer base, optimising coordination, and improving capabilities", we continued to carry out various operational- and management-related tasks, improve management efficiency, promote reform and development, control risks, and enhance benefits. Our aim was to achieve a balanced development between scale, benefits and quality to empower high-quality development. During the reporting period, the Bank continuously improved corporate governance, strengthened operational compliance and enhanced governance effectiveness, and won the "Best Practice Case" in the China Association for Public Companies' Best Practice of Board of Directors of Public Companies 2024. In addition, through the optimisation and iteration of our comprehensive risk management system, the upgrade of the internal control system, and the continuous improvement of our management capabilities, we have laid a solid foundation for the Bank's high-quality development.

We provided financial support to facilitate the development of the real economy. As a local bank corporation, we have always actively responded to the national strategy and pursued prosperity alongside the local economy. In 2024, by leveraging our strength in group operations and our comprehensive business scope, we provided strong financial support for the development of the real economy in the fields of technology finance, green finance, inclusive finance, pension finance, and digital finance. As innovation drove the development of financial technology, we developed a technological innovation product system with full company life cycle coverage. The balance of technology finance loans amounted to RMB18.73 billion, an increase of 46.73%; we established a featured brand, "green, gold and blue silver" (綠金青銀), and launched featured products such as "new quality carbon loan" (新質碳益貸) and "green water and clean resource loan" (綠水清源貸). The balance of green loans amounted to RMB37.349 billion, an increase of 42.91%; coverage of our inclusive product franchise was expanding, with inclusive products further diversified, enabling small and micro enterprises to obtain timely and targeted financial support. The balance of inclusive loans amounted to RMB45.089 billion, with a growth rate of 33.22%; we also explored pension finance by formulating a pension finance development plan, and continued to improve the prospective study and professional level of pension finance; we relentlessly promoted digital transformation across the Bank, deepened the construction of digital channels, and improved and optimised digital services and products to provide solid digital support for business development.

We upheld the green development philosophy for building a greener environment, a green bank, and low-carbon lives. In 2024, the Bank carried out various location-specific low-carbon environmental protection measures, around the pivots of green operations, green

offices, green buildings, and green procurement, establishing ourselves as a green bank in our green development journey. We launched the transformation and upgrading of our outlets, optimised the resources in our service halls, and deepened the centralised construction model to improve corporate clients' account-opening experience. Under the green banking operating concept, we optimised the remote service process, improving the remote business processing efficiency by 28.6% over the end of last year and reducing the operating costs of outlets. We explored the operations of green outlets and were awarded the EDGE Green Building Certification (Excellence in Design for Greater Efficiencies), which demonstrated the Bank's active exploration in building green and low-carbon transformation. We organised and carried out a series of green and low-carbon public welfare activities to advocate a green and healthy life. We worked together with all sectors of society to improve our ecosystem and to promote green and low-carbon lifestyles.

We remain committed to making people's lives better by providing people-oriented services. With a relentless commitment to improving people's lives, we care for our people and treasure talent as they are the core driving-force for high-quality development. We have built an intellectual engine to support business development by constructing a reserve cadre pool, improving people's competence in performing their duties, optimising the staff hierarchy, and developing a reasonable salary system. We duly perform our responsibilities to society by focusing on improving our services. Customer satisfaction continued to rise and we have won the highest prize in the service industry, the "Five-Star Diamond Award", for nine consecutive years. We carried out over 3,000 consumer protection activities in the year to improve the public's financial literacy. We were committed to serving our communities by organising 814 "Party building+volunteering" events. We devoted ourselves to public welfare undertakings by donating money to schools, helping the weak and the poor, and contributing to rural revitalisation projects. In 2024, the Bank's donations amounted to RMB5.7371 million.

Looking ahead, a new journey has begun. In order to achieve the country's grand blueprint for high-quality development, the Bank of Qingdao will continue to duly perform our duties, follow the national strategic guidance, and constantly innovate financial product and service models to provide more targeted and efficient financial services for the development of the real economy. We will unswervingly forge ahead along the path of high-quality development by deepening financial reform, enhancing our defences against risks, fulfilling our environmental, social and governance (ESG) responsibilities, and driving the strategic goal of building a value-leading bank with "quality and efficiency as the priority, distinct characteristics, and flexible mechanisms" at full throttle, so as to contribute to China's modernisation development.

About Bank of Qingdao



296th in the “Top 1000 World Banks 2024” ranking

Finalized as “China’s 500 Most Valuable Brands”

“Top 500 Asian Brands 2024”

Won the highest honor in service industry for nine times

“Five-Star Diamond Award”

First time shortlisted in the top 100 enterprises in Shandong Province in 2024

Company profile




The Bank was founded in November 1996. Our H shares and A shares were listed on The Stock Exchange of Hong Kong Limited (“SEHK”) on 3 December 2015 and on the Shenzhen Stock Exchange (“SZSE”) on 16 January 2019, making us Shandong’s first listed bank and China’s second “A+H-share” listed commercial bank.

We have adopted a diversified shareholding structure, with the top three shareholders being Haier Group Co., Ltd, Intesa Sanpaolo S.p.A, and Qingdao Conson Development (Group) Co., Ltd. We have two subsidiaries. We set up BQD Financial Leasing Co., Ltd. (“BQD Financial Leasing”) in February 2017 to pursue diversified group development. In May 2024, the Bank’s shareholding ratio reached 60% after the completion of the capital increase of BQD Financial Leasing. In September 2020 we also established BQD Wealth Management Co., Ltd. (“BQD Wealth Management”) which is a wholly owned subsidiary of the Bank. We are the only legal entity in Shandong Province that has been qualified as non-financial corporate debt financing instruments lead underwriter and securities investment fund custodian, capable of conducting a variety of businesses. We have 16 branches and 200 business outlets across Shandong Province, including several special sub-branches such as the province’s first sci-tech sub-branch, cultural innovation sub-branch, and port sub-branch.

We have been recognised among the “Top 500 World Banks” for consecutive years, and ranked the 296th in 2024. In the same year, we were listed on the “China’s 500 Most Valuable Brands” and “Top 500 Asian Brands” for the eighth consecutive year. We have been receiving the “Five-Star Diamond Award” – the top award in the service industry – for nine consecutive years from 2016 to 2024. In 2024, the Bank was listed among the Top 100 Comprehensive Enterprises in Shandong Province for the first time.

Under the theme of “high-quality development”, the Bank will focus on “qualitative transition through reasonable quantitative growth” to build ourselves into a value-leading bank with “quality and efficiency as the priority, distinct characteristics, and flexible mechanisms”.

KPIs

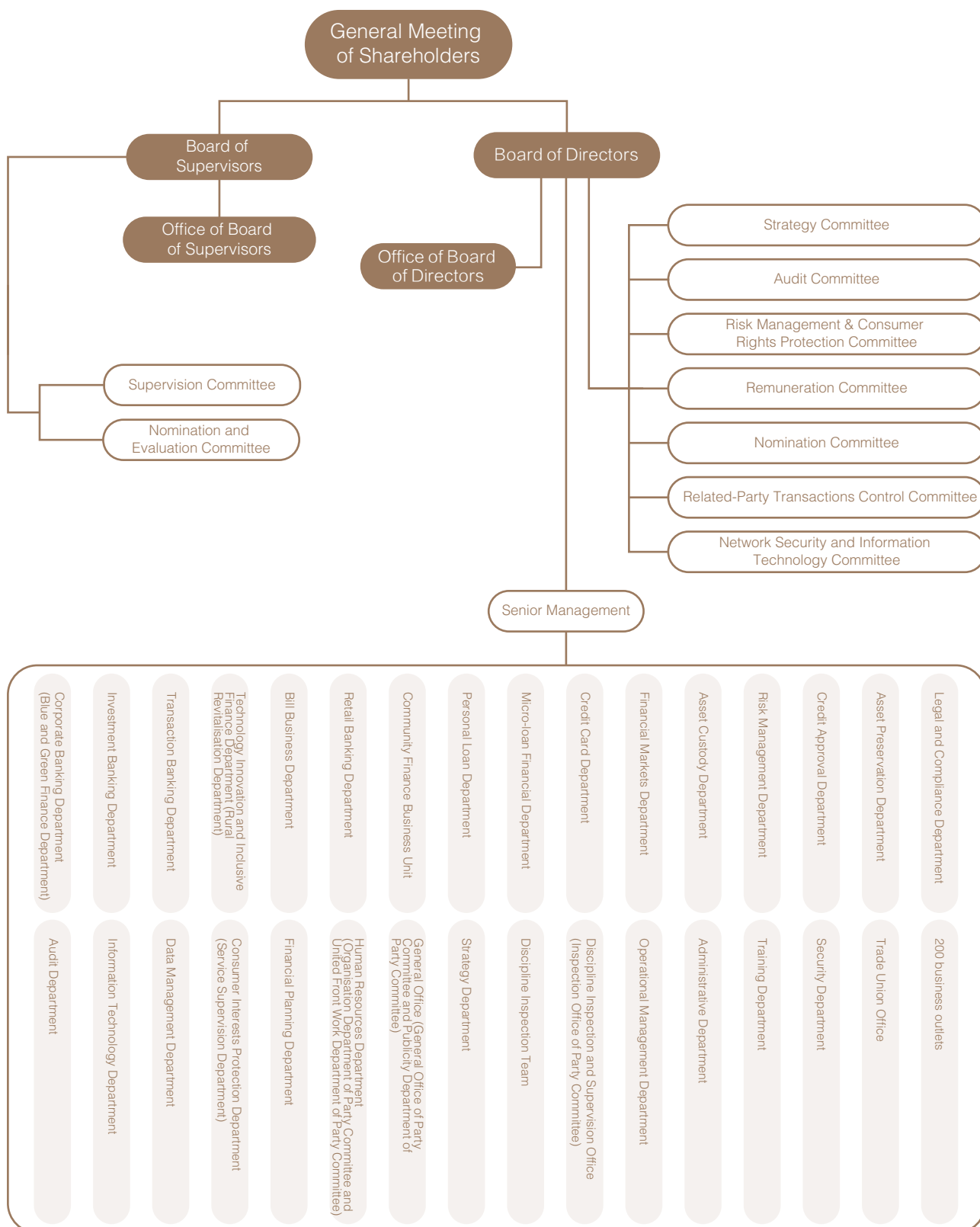
KPI Type	KPI Name	Unit	2024	2023
 Economic	Operating income ¹	RMB100 million	134.98	124.72
	Net profit	RMB100 million	44.05	36.71
	Basic earnings per share after adjustment ²	RMB	0.69	0.57
	Total assets	RMB100 million	6,899.63	6,079.85
	Total loans ³	RMB100 million	3,406.90	3,000.90
	Total deposits ³	RMB100 million	4,320.24	3,860.62
	Return on average total assets	%	0.69	0.65
	Return on weighted average net assets ²	%	11.51	10.71
	Non-performing loan ratio	%	1.14	1.18
	Provision coverage ratio	%	241.32	225.96
	Capital adequacy ratio	%	13.80	12.79
 Social	Total taxes paid	RMB100 million	24.41	26.90
	Charitable donations	RMB10,000	573.71	367.00
	Social contribution value per share ⁴	RMB	3.70	3.45
	Total number of employees ⁵	Persons	5,109	4,861
 Environmental	Proportion of female employees ⁵	%	55.12	55.19
	Green credit balance	RMB100 million	373.49	261.35
	Head office power consumption	10,000 kWh	429.31	414.72
	Head office water consumption	Tonnes	30,955.00	25,623.00
	Head office paper consumption	Million sheets	1.89	1.83
	Head office oil consumption	Litres	69,897.11	64,922.72

- These indicators are calculated based on the requirements of the Accounting Standards for Business Enterprises.
- Basic earnings per share and return on weighted average net assets are calculated based on the *Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Computation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision)*. The basic earnings per share and return on weighted average net assets for the current period increased as compared with the previous year, mainly due to the increase of net profit attributable to ordinary shareholders of the parent company. The Bank issued overseas preference shares in 2017, which were redeemed in September 2022 and dividends were paid. The Bank issued perpetual bonds in July and August 2022, which were classified as other equity instruments. In calculating earnings per share and return on weighted average net assets, preference share dividends and perpetual bond interests were deducted from the net profit attributable to ordinary shareholders of the parent company, and impacts of preferred shares and perpetual bonds on the weighted average net assets were eliminated.
- Accrued interest is excluded from total loans and total deposits.
- Social contribution value per share = (Total taxes paid + Wages paid to employees + Interest paid to creditors + Total amount of donations – Other social costs incurred due to factors such as environmental pollution) ÷ Total share capital + Basic earnings per share.
- These indicators include the data of the Bank but exclude the data of its subsidiaries.

Honours and recognition

Comprehensive 	
The Banker	296th in the "Top 1000 World Banks 2024" ranking
China Enterprise Confederation and China Enterprise Directors Association	Ranked 253rd among the top 500 service enterprises in China in 2024
World Brand Lab	Ranked 415th among "Top 500 Asian Brands 2024" Ranked 326th among "China's 500 Most Valuable Brands" The only company in Shandong Province to win the "Five-Star Diamond Award"
21st Century Economic Report	Outstanding Urban Commercial Bank in 2024
Industry and Information Technology Department of Shandong Province, Shandong Enterprise Confederation	Ranked 98th among the top 100 enterprises in Shandong Province in 2024
Qingdao Municipal Government	2023 Model Enterprise in Qingdao
Governance 	
League of American Communications Professionals (LACP)	The 2023 Corporate Social Responsibility Report of Bank of Qingdao won the Golden Award in LACP's ESG Report Competition
China Association for Public Companies	2024 Best Practices of Office of Board of Directors of Listed Companies 2024 Best Practices of Board of Directors of Listed Companies Best Practices in Investor Relations Management Best Practices in Cultural Construction of Listed Companies
Shenzhen Stock Exchange	Rated "A" (the highest rating) in terms of information disclosure for four consecutive years
Environment 	
International Finance Corporation (IFC), a member of the World Bank Group	Qingdao Laoshan Second Sub-branch won the "EDGE Green Building Certificate"
People's Bank of China ("PBOC") Qingdao Branch, Qingdao Local Financial Supervision Bureau, Qingdao Jinjialing Financial Cluster Management Committee	The Bank's "Green Finance Business Management System" won the First prize in the "Financial Innovation Awards" in the third Qingdao Digital Finance Innovation Competition
Society 	
China Association for Public Companies	Best Practices in Digital Transformation of Listed Companies
PBOC	The self-developed "Qingyin Zhiling (青銀智聆) - Mobile customer experience optimisation system" won the Third prize in the "2023 Financial Technology Development Awards"
Securities Times	The Gamma Award for Best Banking Research Team 2024
City Commercial Banks Clearing Co., Ltd.	The "Smart Classified and Hierarchical Account Management System" won the "Top Ten Outstanding Cases for City Financial Services"
Financial Office of the CPC Shandong Provincial Committee, PBOC Shandong Branch, Shandong Branch of National Financial Regulatory Administration	Typical Cases of Financial Partnership 2023 in Shandong Province and Listed in the "Excellent Financial Offerings" list
Dazhong Daily	2024 Shandong Social Responsibility Enterprise
Qingdao Municipal Government	Second prize for the "2023 Financial Innovation Awards"
Qingdao Municipal Public Security Bureau, PBOC Qingdao Branch	2024 Qingdao Anti-fraud Advanced Collective

Organisational chart of the Bank



Communication with stakeholders

In order to understand the expectations and requirements of stakeholders, the Bank has set up various communication channels for its daily operations and created a communication mechanism that enhances regular communication with stakeholders through such means as meetings, reports, and seminars. In doing so, we aim to improve the capability and adequacy of our social responsibility governance.

Stakeholder	Expectations and requirements	Means of communication	Responses and measures	
 Government	<ul style="list-style-type: none"> Support the real economy Pursue compliance operation Implement macro-economic policies Promote regional economic development Expand inclusive finance services 	<ul style="list-style-type: none"> Policy documents and guidelines Work meetings Information distribution Special reports 	<ul style="list-style-type: none"> Step up Party building Pursue compliance operations Support key projects Expand inclusive finance services Support small and micro enterprises 	<ul style="list-style-type: none"> Support regional development Facilitate rural revitalisation Support industrial transformation Enhance ESG management
 Regulators	<ul style="list-style-type: none"> Ensure compliance with regulatory requirements Maintain financial stability Assume social responsibilities 	<ul style="list-style-type: none"> Regulatory policies Inspections and supervision Work reporting 	<ul style="list-style-type: none"> Strengthen internal control Support real economy 	<ul style="list-style-type: none"> Guard against financial risks
 Shareholders	<ul style="list-style-type: none"> Ensure sustainable business operations Improve profitability Improve returns on equity Increase corporate value 	<ul style="list-style-type: none"> General meetings of shareholders Information disclosure Performance roadshows Investor surveys and communications 	<ul style="list-style-type: none"> Improve corporate governance Develop corporate development plans 	<ul style="list-style-type: none"> Improve information disclosure Enhance management of investor relations
 Customers	<ul style="list-style-type: none"> Improve service quality and efficiency Provide a greater variety of financial products Ensure information and fund security Expand service channels Protect consumers' legitimate rights and interests 	<ul style="list-style-type: none"> Marketing activities Customer hotline Surveys WeChat, online banking and other digital platforms 	<ul style="list-style-type: none"> Accelerate digital transformation Enhance customer service Caring for people with special needs Protect consumers' legitimate rights and interests 	<ul style="list-style-type: none"> Increase service outlets Spread financial knowledge Enhance information security
 Employees	<ul style="list-style-type: none"> Improve employee salaries and benefits Protect employees' legitimate rights and interests Provide professional training and career development opportunities Enrich leisure activities 	<ul style="list-style-type: none"> The trade union General meetings of employee representatives Seminars Feedback Discussions and visits 	<ul style="list-style-type: none"> Protect employees' legitimate rights and interests Improve the compensation and welfare system Collect employees' suggestions from various channels Provide employee training and development opportunities 	<ul style="list-style-type: none"> Set up "Staff Houses" Help employees with difficulties Energise talents
 Suppliers	<ul style="list-style-type: none"> Fair procurement Win-win cooperation 	<ul style="list-style-type: none"> Negotiations Conclusion of contracts and agreements Tender and bidding processes 	<ul style="list-style-type: none"> Build a procurement management system 	<ul style="list-style-type: none"> Enhance business cooperation
 Partners	<ul style="list-style-type: none"> Mutually beneficial cooperation Communication and exchange of ideas 	<ul style="list-style-type: none"> Meetings Joint projects 	<ul style="list-style-type: none"> Strengthen external communication 	<ul style="list-style-type: none"> Enhance interbank cooperation
 Communities	<ul style="list-style-type: none"> Care for disadvantaged groups Organise public service activities 	<ul style="list-style-type: none"> Visits Seminars 	<ul style="list-style-type: none"> Engage in public service activities Financial aid for students 	<ul style="list-style-type: none"> Volunteer activities Explore community finance
 Environment	<ul style="list-style-type: none"> Low-carbon and environmentally friendly operations Sustainable development 	<ul style="list-style-type: none"> Energy conservation and emission reduction policies Green public service activities 	<ul style="list-style-type: none"> Develop green finance Promote green operation 	<ul style="list-style-type: none"> Manage climate risks Develop blue finance

Materiality analysis matrix

Analysis of material issues

The Bank selects relevant issues by examining the requirements of various stakeholders as well as China's macro-economic policies, the Bank's corporate strategies, hot social issues, and other factors. A materiality assessment is then performed based on stakeholder surveys, and the material issues to be disclosed in the report are chosen.



Identification

Identify issues that are material to the Bank's economic, environmental, and social responsibilities by considering the requirements of various stakeholders, China's macroeconomic policies, the Bank's corporate strategies, hot social issues, industry practices, and other factors.



Evaluation

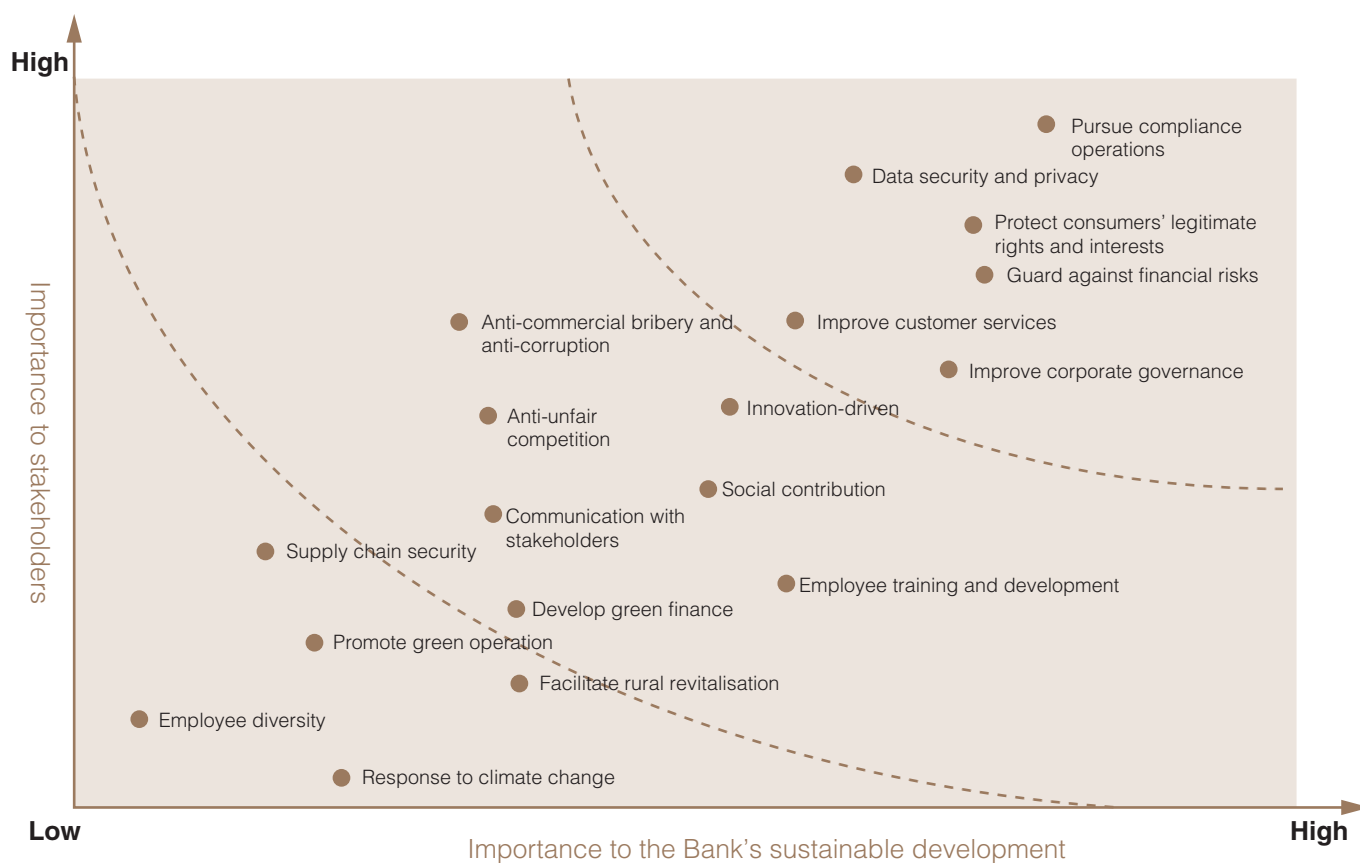
Distribute questionnaires to stakeholders and invite shareholders, customers, employees, and other stakeholders to rate the materiality of selected issues (747 valid questionnaires were received).



Selection

Build a materiality analysis matrix based on both the survey results and the management's judgement of the materiality of the issues, comprehensively assess the materiality of the issues using the matrix, and determine the material issues that need to be disclosed.

Materiality analysis matrix



01

Solidifying the foundation of development guided by Party building

In 2024, the Bank maintained its strategic focus on high-quality development. We comprehensively implemented the decisions and work arrangements of the CPC Central Committee and the State Council, as well as the spirit of the Central Government's and provincial and municipal governments' economic and financial work conferences. With the aim of serving the real economy, we prioritised management and efficiency improvements, deepened reform to promote development, controlled risks, and enhanced benefits for achieving the balanced development of the business scale, benefits and quality.

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Pursuing development guided by Party building

In 2024, With Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era as guidance, the Party Committee of the Bank thoroughly learned and implemented the spirit of the Third Plenary Session of the 20th CPC Central Committee and the key statements and instructions of General Secretary Xi Jinping on financial work, earnestly carried out the decisions of the CPC Central Committee and the work requirements of the provincial and municipal Party committees, and coordinated and performed various tasks related to Party building, operations and management, with the aim of driving the country's Chinese-characteristics financial development.



Strengthening our will and capabilities through theoretical learning

Effectively organising activities such as the "First Agenda" and theoretical centre group learning, subject matter research, and discussion and on-site research. Over the year, the Bank's Party Committee organised 46 sessions of "First Agenda" study and 12 sessions of Party Committee theoretical centre group study and discussion. The Bank issued the *Implementation Plan on "Vigorously Cultivating and Promoting the Financial Culture with Chinese Characteristics"* across the Bank to promote the integration of financial culture with Chinese characteristics into our daily work.



Enhancing political construction and Party leadership

By adhering to the Party leadership, the Bank conscientiously implemented General Secretary Xi Jinping's important statements on financial work by enhancing our awareness of serving the real economy and preventing financial risks. We firmly support the "Two Establishes" (两个确立) with practical actions, and rigorously fulfil the "Two Upholds" (两个维护). We bore the main responsibilities for comprehensive and rigorous Party governance, developing 34 annual key tasks to enhance the supervision of our Party governance that provides a strong safeguard for the Bank's high-quality development.



Strengthening the construction of basic-level Party organisations

We formulated the *Guidelines on Standardised Construction of Basic-level Party Organisations* and the *Assessment Measures of Bank of Qingdao on Basic-level Party Building* to further improve the level of standardised construction of basic-level Party organisations. We issued the *Work Approaches for the Bank of Qingdao Branch of the Municipal Party School* and the *2024 Training Schedule of the Bank of Qingdao Branch of the Municipal Party School* to strengthen the cooperation between the main Party school and the Bank of Qingdao branch. To reinforce the education and management of Party members, we provided two training sessions for secretaries of basic-level party organisations and two sessions of special seminars for young and middle-aged cadres to improve their competence.

Enhancing Party discipline and clean operations

Improving the corruption risk prevention and control system. The Bank issued the *Opinions of Bank of Qingdao on Further Strengthening the Construction of Corruption Risk Prevention and Control System*, and formulated the *Five Dimensions of Corruption Risk Prevention and Control List and the Corruption Risk Prevention and Control Workbook*. We also completed a test on two business areas, i.e. support for farmers and centralised procurement, which identified 158 corruption risk points, 159 corruption risk prevention and control regulations, 73 related processes, and over 50 post and authority controls. Our goal is to fully integrate the corruption risk prevention and control system into all business processes.

We provided Party discipline education by organising the “1+1+N” series activities, which formed a matrix-style long-term disciplinary education mechanism. We issued bank-wide corruption alerts and provided one round of “Clean Bank of Qingdao” anti-corruption lectures comprising six sessions. Integrity education was provided across 12 business units in key fields with 20,055 persons receiving the trainings. To enhance deterrence of disciplinary actions to different staff, we carried out the warning education month featuring activities with the title of “strengthening discipline and knowing the bottom line to promote development through integrity and compliance.” The Bank organised 24 party members and cadres in key business fields to visit the warning education base, and organised 200 managers and young employees in key posts to watch 9 warning education films. The Bank also compiled and distributed to all staff “Lessons Learnt from the Fallen Ones (清風鏡鑑) – A Collection of Typical Cases of Violation of Discipline and Laws in the Financial Field” to ensure that warning education reached every member of our staff. We adopted all-round measures and made good use of the various forms of warning education. First, we prioritised the use of online education by leveraging the “Clean Bank of Qingdao” integrity education bulletin board on the Intranet, on which we posted 249 articles under the Clean Activities Update column, and published 189 issues of Weekly Cases; second, we developed in-person education routines for all our staff, providing 198 clean Party courses and 294 lessons of cases of violations of discipline and laws. We organised 78 Party members and cadres to Jinggangshan and Zunyi for two sessions of “Red and Integrity Education”, promoting the necessity of compliance with rules and disciplines.

The Bank strictly complies with regulatory requirements and provides favourable conditions for our Directors to perform their duties. Within the reporting period, we organised online and offline training sessions for Directors, including “Lecture on listed companies’ risk prevention and dispute resolution under the new Company Law” and “Capabilities building for independent directors (Phase 2)”, which covered proper performance of duties, improvement of ability to perform duties, enhancement of responsibility awareness, and risk prevention, so as to constantly help Directors more properly and efficiently perform their duties.

Completed a test on **two** business areas, i.e. support for farmers and centralised procurement

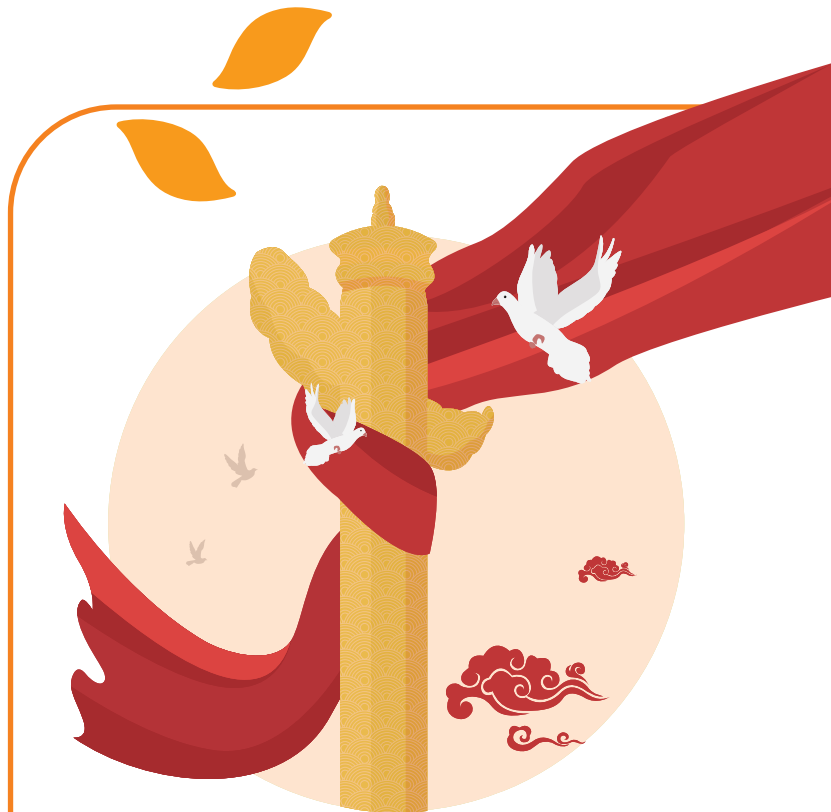


Identified **158** corruption risk points

159 corruption risk prevention and control regulations

73 related processes

Over **50** post and authority controls



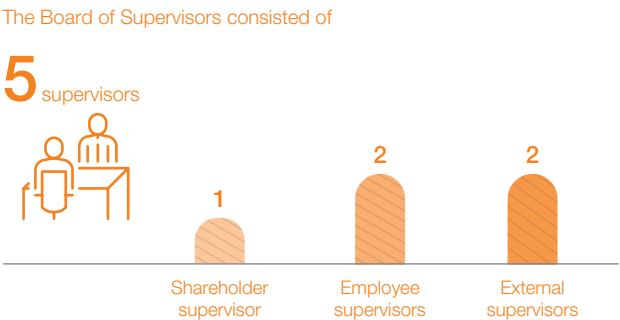
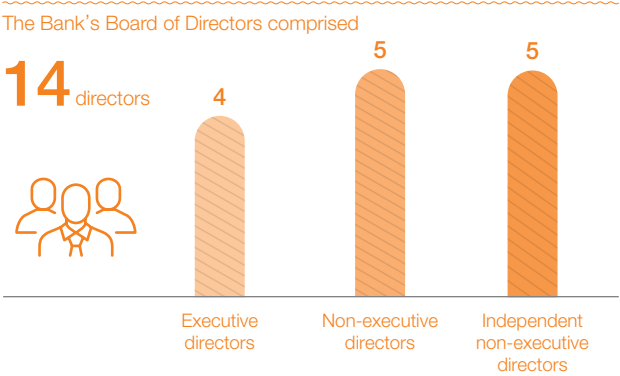
Improving corporate governance

Enhancing operations to improve corporate governance efficiency

In 2024, the Bank strictly abided by the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and other relevant laws and regulations, and actively improved governance through Party guidance. To continuously drive the Bank's governance construction, we actively pursued independent operations, effective checks and balances, and efficient functioning of the Bank's general meetings of shareholders, Board of Directors, board of supervisors (the "Board of Supervisors"), and senior management, enabling the Bank's governance entities to fulfil their responsibilities in decision-making, supervision, and execution of works. The Bank formulated the *Efficiency Improvement Plan for the Board of Directors and its Special Committees* to constantly improve the quality and efficiency of the Board's operations. With this plan as a guidance, the Bank maintained prudence across its operations, continued to enhance internal control and compliance, and strengthened risk management to ensure the Bank's high-quality development and to create sustainable value. The Board of Supervisors performed its duty in supervision in an orderly manner, focusing on improving the effectiveness of supervision, and actively safeguarded the legitimate rights and interests of shareholders, employees and other stakeholders.

In 2024, the Bank won once again the "Best Practice Case" in the China Association for Public Companies' Best Practice of Board of Directors of Public Companies 2024 selection.

As at the end of 2024, the Bank's Board of Directors comprised 14 directors, including 4 executive Directors, 5 non-executive Directors, and 5 independent non-executive Directors. Our Board of Supervisors consisted of 5 supervisors, including 1 shareholder supervisor, 2 employee supervisors, and 2 external supervisors.



The general meeting of shareholders, composed of all the Bank's shareholders, is the highest authority of the Bank and exercises authority over the Bank in accordance with the law. In 2024, the Bank held 2 general meetings of shareholders to review and approve 16 proposals and hear 5 reports.



The Board of Directors serves as the Bank's decision-making body and is responsible for reporting to, and implementing the resolutions of, the general meeting of shareholders. In 2024, the Board of Directors convened 16 meetings, including 5 offline meetings and 11 online meetings, at which 125 proposals were approved and 52 reports were reviewed or heard.



The Board of Supervisors serves as the Bank's supervisory body, is responsible for reporting to the general meeting of shareholders, and exercises supervision over the Bank in accordance with the law. In 2024, the Board of Supervisors convened 7 meetings, including 3 offline meetings and 4 online meetings, at which 20 proposals were approved and 46 reports were reviewed or heard.

Delivering value through multiple channels to improve capital market recognition

In order to protect investors' right to know, the Bank continuously enhanced communication and exchange with investors through compliant and effective information disclosure and diversified investor relationship management activities. As an A+H share listed bank, the Bank adhered to the principle of "truthfulness, accuracy, completeness, timeliness and fairness" in information disclosure, and strictly complied with domestic and Hong Kong SAR laws and regulations to perform its information disclosure obligations. In 2024, the Bank received a Grade A rating result in information disclosure in the evaluation of 2023-2024 annual information disclosure of companies listed on the main board of Shenzhen Stock Exchange, which was the highest rating that the Bank has received for four consecutive years.

The Bank continued to improve its information disclosure system by issuing a revised and improved *Information Disclosure Management System of BANK OF QINGDAO CO., LTD. (A+H shares)* during the reporting period, further solidifying the basis for information disclosure. In 2024, the Bank made a total of 195 announcements of various types on the SZSE and SEHK, including 125 on the SZSE and 70 on the SEHK. There were no penalties imposed by regulators for information disclosure compliance issues. While ensuring the quality and transparency in information disclosure, the Bank actively provided broader and deeper information disclosure based on the needs of investors, and continued to carry out information disclosure with Bank of Qingdao's characteristics. Our goal is to build public trust by comprehensive and targeted value delivery, and maintain and improve the Bank's brand image in the capital market.

The Bank made a total of **195**
announcements of various types on the SZSE
and SEHK



125 on the SZSE **70** on the SEHK

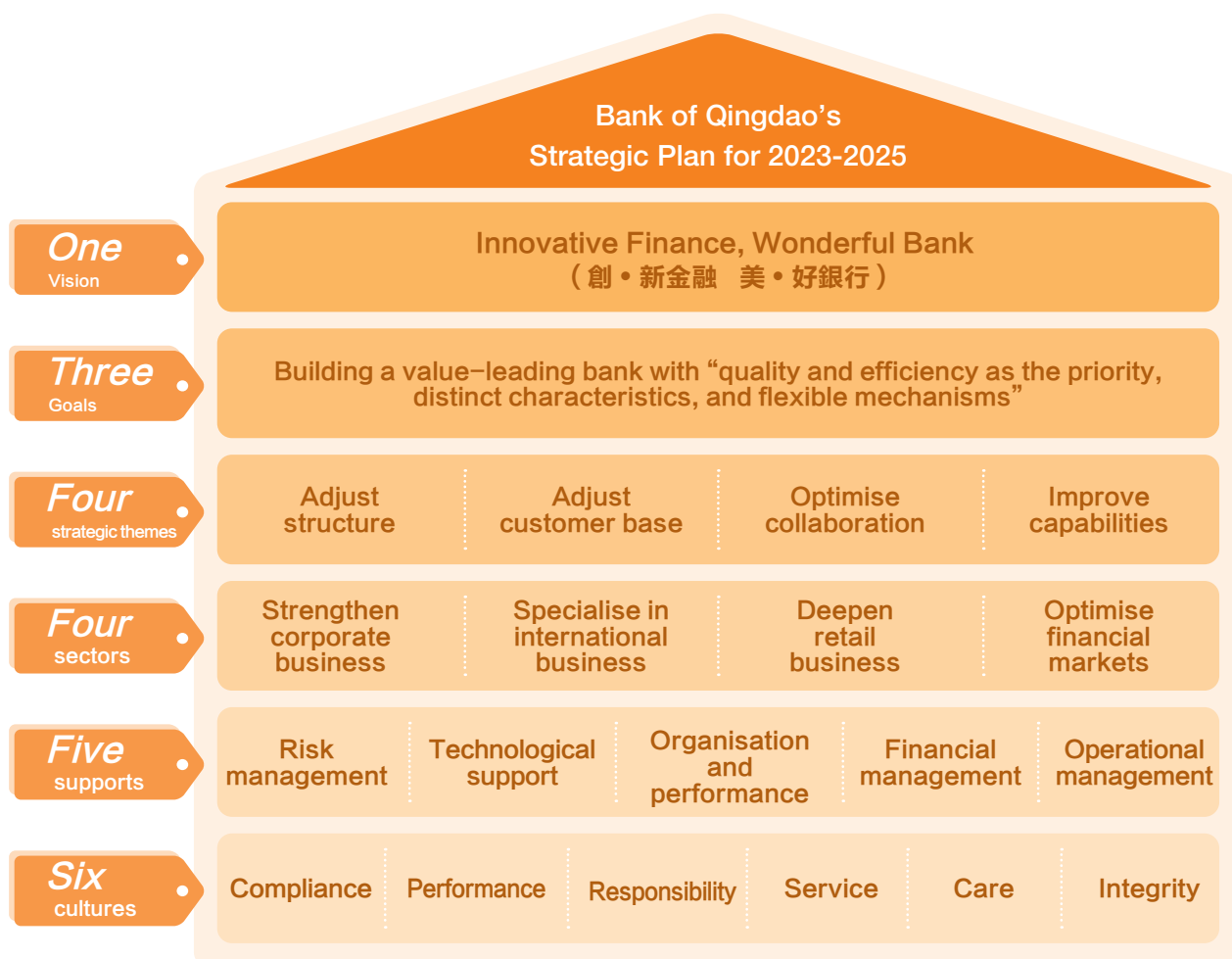
In terms of investor relations management, the Bank has maintained proper communication channels with the capital market and proactively carried out various investor relations management activities. The Bank carried out performance road show in Hong Kong SAR and successfully held business performance presentations. Through these activities, we not only promoted our operating strategies and highlights, but also received opinions and suggestions from the capital market on the Bank. In 2024, we briefed investors at home and abroad on our annual business result simultaneously through "offline conference + teleconferencing + live broadcast". The live broadcast received tens of thousands of views. We also actively participated in the online reception day for investors in Qingdao, and answered 100% of their questions. By virtue of the Bank's good practices in investor relations management, the Bank won honorary awards such as "Best Practice in Investor Relations Management" and "Excellent Practice Case in 2023 Annual Performance Presentation of Listed Companies" awarded by the China Association for Public Companies, and the "Tianma Award in Investor Relations Management of Listed Companies" awarded by the Securities Times, as well as the honorary title of "Advanced Unit for Investor Protection in Qingdao in 2024".



Devising strategies to navigate development

2024 is a key year for the implementation and realisation of the 2023-2025 Strategic Plan of the Bank of Qingdao. The Bank will continue to comprehensively, accurately and thoroughly implement the spirit of the 20th CPC National Congress and the requirements of the 14th Five Year Plan at the state, province and municipal levels, focus on the strategic goal of "high-quality development", firmly promote the implementation of the strategic plan, and steadily move towards the strategic goal of achieving "quality and efficiency first, distinctive characteristics, flexible mechanism".

In 2024, the Bank optimised the asset allocation, strengthened cost control, and continuously improved its operational efficiency, with return on equity continuously improved. The Bank is committed to building four major features, including comprehensive operation, retail banking, light banking and blue finance, fully leveraging the advantages of multiple licenses, building an integrated marketing model, upgrading the customer base business model of "acquisition, activation, increment and efficiency improvement", exploring customer wealth management service scenarios, enriching the income sources of low capital consumption such as trading banks, investment banks, bill business and financial management, and driving business outlets' light and intelligent transformation, continuing to explore the development path of blue finance, thereby comprehensively improving the comprehensiveness and efficiency of customer services. Focusing on the strategic objective of building flexible mechanisms, the Bank continuously strengthened the coordinated operation between functions and between head office and branches, effectively integrated all profit centres, unified planning, scheduling and resource allocation from the customers' perspective, so as to ensure the effective implementation of business solutions.



Social responsibility governance

Statement of the Board of Directors

The Board of Directors commits that the Bank strictly abides by the disclosure requirements of the environmental, social and governance (ESG) reporting guidelines of any stock exchange where the Bank's shares are traded.

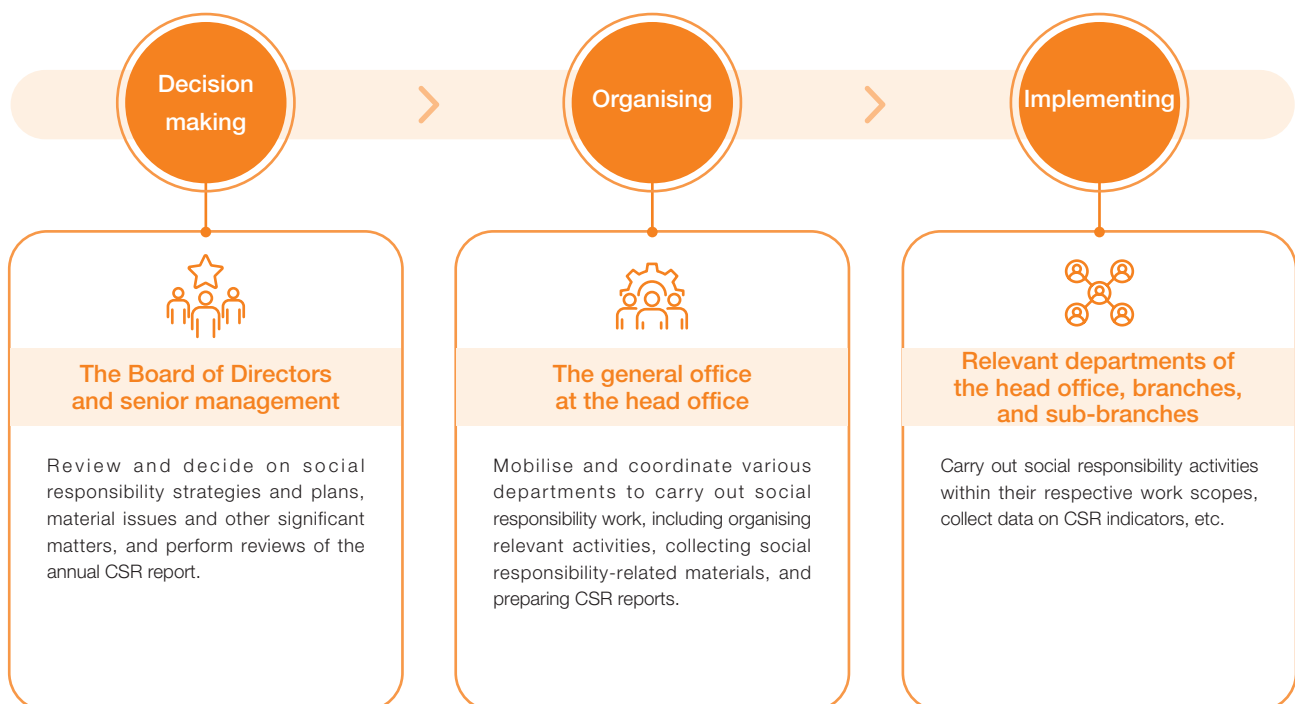
The Bank and the Board comply with the requirements of the *Code of Corporate Governance for Listed Companies* issued by the China Securities Regulatory Commission (CSRC) and the *Corporate Governance Code and Environmental, Social and Governance Reporting Guide* issued by the SEHK, continuously improve our governance system regarding ESG, strengthen supervision and engagement of the Board in the ESG affairs, and proactively integrate ESG into our development strategy, major decisions, production and operation. The Board of Directors attached great importance to ESG work, and guided and supervised the management to carry out ESG related work and continuously improve the quality of ESG disclosure by regularly discussing, reviewing and listening to relevant agendas and discussing ESG matters.

In 2024, the Board proactively performed its strategic decision-making and supervisory functions, and supervised the implementation of ESG matters, focusing on green credit, consumer rights protection, and data governance. It has successively reviewed and approved the *2023 Corporate Social Responsibility Report of Bank of Qingdao Co., Ltd.*, *2023 Report of Bank of Qingdao Co., Ltd. on Green Credit Development*, *2023 Report of Bank of Qingdao Co., Ltd. on Protection of Financial Consumers' Rights and Interests*, and *2023 Report of Bank of Qingdao Co., Ltd. on Data Governance*.

In 2025, the Board will further improve the Bank's risk management, information collection, and reporting systems in respect of ESG, constantly refine its ESG governance structure, and further enhance its ESG governance.

Responsibility governance system

The head office's general office, which is guided by the Board of Directors and led by senior management, is responsible for organising and implementing social responsibility work. This work is carried out by various departments at the head office, branches, and sub-branches through coordination and collaboration and in accordance with the *Measures for the Regulation of Annual CSR Report Preparation and Disclosure for Bank of Qingdao Co., Ltd.* The Bank has committed itself to a development concept that gives equal emphasis to social and economic responsibilities, and to achieving its CSR goals through various undertakings, such as formulating credit policies, selecting customers, and designing financial products.



Pursuing compliance operation



Comprehensive risk management

In 2024, the Bank maintained a sound operation and continued to optimise the overall risk management system. The Bank formulated the Statement of Risk Appetite of BANK OF QINGDAO CO., LTD. in 2024 to unify the risk appetite of the Bank, adding early warning value for risk appetite indicators to improve the foresight and sensitivity of risk management; in 2024, the Bank strengthened risk identification by revising the Comprehensive Risk Management Measures of Bank of Qingdao to formally incorporate country-by-country risk, environmental and social risk into the comprehensive risk management system, integrate ESG risk management and control into the whole process of credit business, establish a differentiated credit approval mechanism, and allocate exclusive approval resources to effectively improve the efficiency of green credit approval; in order to implement comprehensive risk monitoring, the Bank selected 33 key risk indicators for 13 types of risks to build a comprehensive risk key risks indicator (KRI) monitoring system and establish a monthly comprehensive risk KRI monitoring mechanism, thereby improving the effectiveness of comprehensive risk management; in 2024, the Bank also actively accelerated the construction of the "Smart Credit System", "Market Risk Management System" and other projects to improve the digital and intelligent risk control level.



Internal control and compliance system

In 2024, the Bank rolled out bank-wide reform and management improvement for internal control system construction through clarifying each function's internal control responsibilities, comprehensively optimising existing policies and systems, improving the compliance management system related to internal control, and centralising bank-wide supervision and inspection, problem rectification, internal accountability, and administrative punishment. Our goal is to establish the "three lines of defence" for internal control with reasonable and clear division of work and responsibilities and clear reporting lines. By establishing a steering group for internal supervision and coordination, the Bank assembled all available supervisory functions and resources using a joint meeting mechanism to build the "Greater Supervision" management system. The Bank also convened a head office internal control review meeting to constantly improve the level of internal control compliance management. The Bank formulated the *Management Measures of Bank of Qingdao on Internal Control Compliance Inspection* to comprehensively standardise the Bank's internal control compliance inspection, define inspection procedures, and improve the quality and efficiency of inspections. We continued to promote internal control and compliance culture by building an online platform for promoting compliance culture and regularly releasing various compliance guidelines, risk alerts, training, and guidance. These efforts aim to improve compliance awareness of all staff, establish the concept of compliance creating value across the Bank, and achieve the resonance and synchronous improvement between internal control compliance management and business development.





Anti-money laundering management

In 2024, the Bank strengthened its policies and systems, refined and improved a number of internal control policies and guidelines on anti-money laundering. With the standardisation of systems and clarification of measures, the Bank enhanced the special anti-money laundering reviews on product business systems and processes, and reviewed more than 100 product business risk prevention and control designs, effectively integrating anti-money laundering requirements throughout the product business life cycle. To improve system monitoring, the Bank applied cutting-edge technologies such as big data processing, machine learning and knowledge mapping to build a smart anti-money laundering monitoring system, with an aim to successfully complete the comprehensive iteration and upgrade of anti-money laundering monitoring models and rules. To fulfil our social obligations, we regularly released promotional articles on WeChat regarding money laundering risk alerts and actively participated in and carried out anti-money laundering publicity activities. By normalising and continuously carrying out the anti-money laundering publicity work, we effectively improved the public's anti-money laundering awareness and built a strong atmosphere for the whole society to fight money laundering behaviours.



Intellectual property management

The Bank has always attached great importance to the protection of intellectual property rights. We fully implement the relevant laws and regulations including the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*, raise the awareness of intellectual property rights protection, stay committed to creating a unique brand image, and elevate the protection for intellectual property rights covering our brand and proprietary products and services to provide robust supports to our financial innovation and business growth.

As at the end of 2024, the Bank has the exclusive rights of 225 registered trademarks in China, covering financial services and other fields. We continued to improve our existing trademark system by registering new trademarks such as "Taipingxin 泰青馨" and "The Happy Company of Bank of Qingdao 青島銀行幸福陪伴" to strengthen our soft power in business operation. While actively expanding the coverage for the Bank's intellectual property rights protection, we fully respected the legitimate rights of third parties and incorporated the intellectual property rights protection mindset into all aspects of our business management.



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Duly perform our responsibilities to facilitate the development of the real economy

As a local bank corporation, we have always actively responded to the national strategies and pursued prosperity alongside the local economy. In 2024, by leveraging our strength in group operations and our comprehensive business scope, we contributed to the high-quality development goals through the provision of high-quality financial offerings and financial support for the development of the real economy in the fields of technology finance, green finance, inclusive finance, pension finance, and digital finance.

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- 30 Developing inclusive finance
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Providing stronger support to technology finance

As at the end of 2024, the balance of technology finance loans reached RMB18.73 billion, an increase of RMB5.965 billion, or 46.73%, from the beginning of the year.

The bank's balance of technology finance loans

reached RMB **18.73** billion



An increase of RMB **5.965** billion over the beginning of the year

Increased by **46.73**%



Establishing a bank-wide technology finance support mechanism

In 2024, the Bank formulated the *Technology Finance Development Plan of Bank of Qingdao*, which defined the business development direction and the department responsible for technology finance. The issuance of the plan was to coordinate the development of technology finance across the Bank and establish and improve the Bank's technology finance support mechanism. To build a technology finance specialisation centre in Jinan, the Bank pushed forward the construction of five sub-branches with featured technology finance services. Through comprehensively upgrading and iterating the technology finance service model and establishing a sound and more efficient business collaboration mechanism, the Bank was able to quickly respond to customer and market needs, and provide customers with full lifecycle and diversified financial services.

Innovating financial service models

We deepened cooperation with competent government authorities such as the Shandong Provincial Department of Science and Technology, the Industry and Information Technology Department of Shandong Province, and the Shandong Gazelle Enterprises Development Association to carry out a series of activities including Party building, product promotion, cluster research and scenario innovation. We reached a fund custody arrangement of "allocation, investment and loan" (撥投資) and became the vice chairman unit of the Shandong Gazelle Enterprises Development Association. Five special lectures on financial services for Gazelle Enterprises were held in collaboration with government departments.

Improving full lifecycle technology finance product system

In 2024, the Bank continued to carry out the Sword Casting 2.0 product creation activity, innovated and optimized six scientific and technological financial products such as "Science and Finance Credit", the "Start Easy Loan" and the "Pilot Easy Loan", and gradually built a whole lifecycle scientific and technological innovation product system covering the start-up, growth, and maturity stages of scientific and technological enterprises. The Bank issued the first loan through the Shandong Technology Finance Credit Service Platform (山東省科融信綜合服務平台), the first of its kind in Shandong Province. The accumulated government technology risk compensation loans issued by the Bank throughout the year exceeded RMB2 billion.



Stock and Bond Dual-financing Roadshow Competition

On 29 May 2024, during the Qingdao Venture Capital Conference, the Bank's stock and bond dual-financing roadshow competition opened an exciting chapter in supporting technology finance. The "Bank of Qingdao Cup" Stock and Bond Dual-financing Roadshow Competition is an innovative service event jointly launched by the Bank and partners based on the roadshow scenario, aiming to help excellent technological innovation projects tap into the extensive financial resources and promote the bank-enterprise-investment win-win cooperation. Since 2019, 9 consecutive events have been held for this competition, serving 101 technology enterprises in total, of which 16 enterprises have obtained equity financing, with a financing amount of more than RMB330 million; more than 50 enterprises received loan support from the Bank, with loan amount over RMB390 million, of which first loans and credit loans accounted for more than 50%.



The competition has been held for

9 consecutive times

Serving **101** technology enterprises in total

More than **50** enterprises received loan support from the Bank

Empowering green finance

During the reporting period, the Bank continued to strengthen strategic leadership by establishing a cross-functional green finance leadership and coordination mechanism, with an aim to promote the development of green finance from a strategic perspective. As at the end of December 2024, the Bank's green loan balance was RMB37.349 billion, with a net increase of RMB11.214 billion, or 42.91%; the net increase in deposits amounted to RMB1.885 billion, a growth rate of 22.89%. The cumulative issuance of green loans amounted to RMB31.437 billion, far exceeding the average growth rate of corporate loans, providing continuous financial momentum for the high-quality development of Shandong Province in the green and low-carbon field.



On 10 May 2024, the "BQD Green Finance (绿金青银)" brand made its debut on the Shanghai National Brand Day

Focusing on improving the green performance

During the reporting period, the Bank provided multiple bank-wide green finance performance improvement trainings, with an on-the-spot teaching approach to improve the staff's professionalism in green finance. To actively innovate green products, the Bank launched the "New Quality Carbon Loan (新质碳益贷)" products for carbon intensive enterprises in Shandong Province, helping them complete the low carbon transformation and develop new quality productive forces. The Bank launched a standardised product "Green Water Clean Source Loan (绿水清源贷)" to target the need for upgrading and transformation of the sewage treatment industry.



Bank-wide green finance performance improvement trainings

In order to standardise green credit management and achieve rapid statistics and accurate submission of green credit information, a green financial business management system has been built and successfully launched in accordance with the requirements of "Interface Specification for Shandong Green Credit Data Quality Improvement Project" issued by the People's Bank of China, making the Bank the first financial institution to launch a green finance system among legal person institutions in the banking industry in Shandong Province. On 12 December 2024, the Bank's "Green Finance Management System" won the first prize in the Third Qingdao Digital Financial Innovation Competition jointly held by the People's Bank of China, Qingdao Branch, the Financial Committee Office of the CPC Qingdao Municipal Committee and the Qingdao Jinjialing Financial Cluster Management Committee.



In September 2024, at the launching ceremony of the "Financial Education Promotion Month" held by Qingdao Financial Regulatory Administration, the Bank's "Green finance for enterprises and people to build a green community with a shared future for banks and enterprises" initiative was selected as one of the Top Ten typical cases of "Serving the People" in the financial industry. The Bank also shared its case experience on the event as the sole representative of green finance institutions.

Enhancing the promotion of dual carbon instruments

In response to the national call for green and low-carbon development, the Bank actively enhanced the promotion of dual carbon instruments. As at the end of December 2024, 271 carbon emission reduction policy instruments had been issued, with a total amount of RMB1.363 billion; three carbon emission reduction support instruments were granted, with a total amount of RMB198 million, facilitating an annual carbon emission reduction of 87,208.81 tons of carbon dioxide equivalent and providing support for the low-carbon and high-quality development of Shandong Province.

Coordinated development of blue and green finance

By leveraging regional economic characteristics and the Bank's own resources, the Bank actively explored in the field of blue finance featured services with the goal of building a unique service system. The Bank were accepted by the United Nations Environment Programme (UNEP) in November 2020 to become a member of the UN Sustainable Blue Economy Finance Initiative. The Bank has also signed, and are committed to, the 14 sustainable blue finance principles within the initiative. The Bank actively implemented these principles, focused on areas including climate change, clean water supply, marine biodiversity protection, marine pollution treatment, and ecological rehabilitation by attempting a series of blue finance experiments and practices. In November 2023, the Bank and International Finance Corporation (IFC), a member of the World Bank Group, signed the agreement on the second phase of capacity building for blue and green finance. Since then, the two parties have continued to support marine ecological environment protection and the sustainable development of marine economy. At the Global Marine Cooperation Forum held on 24 October 2024, the Bank officially launched its "The Pupil Outdoes the Master 青出於藍" blue finance brand, which was a product matrix comprising 14 blue finance products under five categories related to credit, settlement, wealth management and other fields, with the marine primary, secondary and tertiary industries as the boundaries. As at the end of December 2024, the Bank's blue finance loan balance totalled RMB16.782 billion, an increase of 26.75% or RMB3.542 billion compared with the end of last year, which strongly supported the development of the marine economy in Shandong Province.



Typical case

Green and Rural Revitalization

The successful issuance of the country's first loan for the live pig business, i.e. "Preferential Carbon Loan (碳惠貸)"

The Bank successfully issued the country's first loan for the live pig business, i.e. "Preferential Carbon Loan (碳惠貸)", representing a solid step forward in the green finance field. The Bank and Qingdao Agricultural Financing Guarantee Co., Ltd. (青島市農業融資擔保有限責任公司) helped an enterprise obtain credit of RMB500,000 based on its business conditions and carbon emission standards, with an aim to addressing the pain points and difficulties in the field of carbon emission reduction. This enterprise adopts a self-breeding and self-raising mode, and owns 600 sows and 4,800 fattening pigs. Its efficient breeding management and good practices in ecological environment protection meet the green credit criteria of the Preferential Carbon Loan. The Preferential Carbon Loan for the live pig business issued by the Bank is a financial product tailored to the green and low-carbon development needs of the pig breeding industry, breaking new ground for the development of green finance.



Typical case

Green bonds

In September 2024, the Bank cooperated with Guiyang GY Financial Leasing Co., Ltd. (貴陽貴銀金融租賃有限責任公司) in completing the first ESG sustainable development linked interbank syndicated loan in Shandong Province (the first of its kind for the initiator bank) and Guizhou Province (the first of its kind for the lending institution). The syndicate loan amounted to RMB600 million, with the loan term of one year. The loan will be mainly used for major industries related to national and local development strategies, including renewable energy transportation, green scenic spots, clean energy, and compute leasing. With ESG goals set for enterprises, the concept of sustainable development will be deeply integrated into the daily operation and business development of enterprises, thereby driving their green and low-carbon transformation and promoting sustainable development.

Developing inclusive finance

As at the end of 2024, the number of the Bank's inclusive loan accounts totalled 54,700, an increase of 1,311 accounts compared with the beginning of the year; the inclusive loan balance amounted to RMB45.089 billion, an increase of RMB11.243 billion or 33.22%, higher than the average growth rate of the Bank's loans. While the Bank's inclusive loans grew at a high speed for two consecutive years, the non-performing ratio was controlled at 0.83%, representing the improvement of both quality and efficiency. The Bank has been awarded the "Advanced Unit Providing Small and Micro Financial Services" by regulators for many consecutive years, with the regulatory evaluation in respect of small and micro financial services elevated to "2A" level.



The number of the Bank's
inclusive loan accounts totalled

54,700

An increase of **1,311**
accounts compared with the
beginning of the year

An increase of
RMB **11.243** billion

The inclusive loan balance
amounted to RMB

45.089 billion

Increased by
33.22%

The non-performing
ratio was controlled at
0.83%

Optimising the specialisation mechanism to improve service capability

In 2024, the Bank set up new inclusive finance departments in several branches such as Zaozhuang Branch, Technology Sub-branch, Weifang Branch, Yantai Branch and Dongying Branch. The number of branches with an inclusive finance department has amounted to 12, which further improved the capabilities of our inclusive finance services. The Bank has built a dedicated team for delivering small and micro finance services, and expanded the inclusive customer manager team and small and micro finance specialist team, with a total headcount of more than 300; We also provided several special training sessions, such as "Young Eagle Flying (雏鹰启航)" customer manager onboard training and Tailong Bank's "Wings-Adding Plan 添翼计划" seasoned customer manager special trainings, with an aim to improve the service and business capabilities of customer managers.

Strengthen product innovation and enrich service approaches

Through the "Sword Casting Action 2.0", the Bank optimised and innovated 23 inclusive finance products such as "Preferential Fast Loan (优享快贷)", "Import Easy Loan (进口易贷)" and "Commercial Easy Loan (商易贷)"; the Bank also launched three online and new scenario-based "Inclusive e-Finance (普惠e融)" products highlighting credit inclusion and public-private integration, which formed a comprehensive product system covering advanced manufacturing, modern agriculture, technological innovation enterprises, export enterprises, supply chain enterprises and online inclusive finance. The cumulative loan issued throughout the year under the Sword Casting initiative exceeded RMB11 billion.

Accelerating digital transformation to empower service improvement

In 2024, the Bank continued to empower the high-quality development of inclusive finance through digitalisation, thereby optimising and upgrading the "Inclusive e-Finance" products. Under the "Inclusive e-Finance" product segment, the Bank's system will adopt differentiated review and approval strategies according to applicants' characteristics using big data technology based on the information extracted from the small and micro enterprises, such as tax, industry and commerce, judiciary, invoice, intellectual property, and credit investigation systems of small and micro enterprises, and automatically provide the applicants with suitable financing services applicable to different scenarios. As at the end of 2024, the number of sub-products under the "Inclusive e-Finance" segment has reached 7, and its customer base covered manufacturing enterprises, technology-based enterprises, export enterprises, supply chain upstream and downstream enterprises and other customer groups. Throughout the year, more than 4,000 enterprises had applied for the "Inclusive e-Finance" service by scanning a QR code. The increase of the transactions was 50% higher than that of traditional counter business. Around 400 enterprises had officially obtained the line of credit amounting to over RMB600 million under this product segment. With digital, intelligent and scenario-based innovative financial technology solutions, the "Inclusive e-Finance" products have won multiple national, provincial and municipal financial innovation awards, including the "Innovation Achievement Award" in the 6th China Digital Inclusive Finance Conference hosted by the Ministry of Industry and Information Technology, the "Hao Pin Finance (好品金融)" Award of Shandong Province, and the "Second Prize in the Qingdao Financial Innovation Competition 2023".

Developing agriculture-related finance to support rural revitalisation

In 2024, the Bank deepened agriculture-related financial cooperation with various agricultural associations and government agencies. We launched six featured products such as "credit guarantee loan for farmers (惠农信保贷)" and "grain planting loan (粮食规模种植贷)", as well as the online agricultural guarantee product "Ludan Cloud Loan (鲁擔云贷)"; we continued to carry out the "One Country One Priority Product (一县一品)" activity, issuing loans amounting to RMB1.178 billion to 23 featured agricultural industry clusters, including Linyi Yishui food industry and Pingdu cherry planting industry.



As at the end of 2024, the balance of agriculture loans reached RMB36.573 billion¹, an increase of RMB11.040 billion or 43.24% from the beginning of the year.

Implementing the rural revitalisation strategy and building a "Happy Village" farmers benefiting brand. With the innovative model of "Party building + volunteering + N", the Bank created a new development concept for new finance and new retail. With our service stations as bases, we provided door-to-door service for upgrading or replacing social security cards for village residents, and actively carried out financial knowledge promotion, anti-counterfeiting, anti-telecommunication fraud, anti-money laundering, and treasury bond sale in the countryside. As at the end of 2024, the Bank had set up a total of 1,405 service stations, directly serving 283,800 rural households, and delivered 8,065 sessions of financial knowledge presentation, benefiting more than 400,000 villagers.



Supply chain finance

In 2024, the Bank actively implements "five major areas", promotes the development of inclusive finance through the supply chain, assists local economic growth, and supports the steady growth of small and medium-sized enterprises ("SMEs"). As of the end of 2024, more than 5,500 small and medium-sized enterprise customers were served through supply chain financing, directly driving inclusive loans of RMB10.748 billion, an increase of RMB4.937 billion, an increase of 84.95% year on year.

In the process of serving the industrial chain customers, the Bank adopted intelligent technologies to achieve the rapid review and approval and loan issuance in the supply chain finance business, effectively optimising the service process and improving the service quality for SMEs. At the same time, the Bank launched special service plans for companies in various industries to precisely meet their needs, reduce financing costs and drive the coordinated development of upstream and downstream enterprises along the industrial chain.



Typical case

Won the title of "Typical Cases of Financial Partners in 2023" in Shandong Province

In July 2024, the lists of "Typical Cases of Financial Partners (金融夥伴典型案例)" and "Haopin Finance (好品金融)" of Shandong Province in 2023 was officially released. The "Empowering '100 million' financial service industrial park with Bank of Qingdao's resources and strength" project submitted by the Bank was selected in the list of "Typical Cases of Financial Partners". In order to actively respond to the country's policies to support SMEs and the real economy, the Bank innovated the financial park service model by providing "park loans (園區貸)", "mortgage loans (按揭貸)", "incremental loans (增額貸)", "replacement loans (置換貸)", "operating loans (經營貸)" and other products to meet the needs of the enterprises, so as to improve the financial support to industrial parks and facilitate the development of SMEs.



¹ Calculated according to the revised caliber of special statistics on agricultural loans in the Notice of the Investigation and Statistics Department of the People's Bank of China on Printing and Distributing the Revised Contents of Financial Statistics of Financial Institutions in 2024 (YTF [2024] No. 2).

Exploring pension finance

In 2024, the Bank formulated the Opinions of Bank of Qingdao on the Implementation of Pension Finance, which defined the three-year development plan for pension finance and constituted a special task statement for the development of pension finance, thereby enriching the financial product system for pension services and expanding the financial customer base in the pension industry.



Clarifying development plan

The Bank formulated the Opinions of Bank of Qingdao on the Implementation of Pension Finance and established a cross-functional collaborative mechanism. With the Special Task Statement for Pension Finance Development as the guidance, the Bank coordinated all relevant functions to drive the development of its pension finance business.



Developing financial customer base in the pension industry

Based on the business model of pension enterprises, the Bank created an “easy loan for pension enterprises (养老企易贷)” to meet the needs of pension institutions for new construction, daily operation, upgrading and improvement, and the purchase of facilities. The Bank has allocated exclusive credit lines and issued credit funds to certain pension enterprises. Take a large medical and health care enterprise in Qingdao as an example. The Bank has established a cooperative relationship with several subordinate institutions under this medical group. In addition to providing the “Zhen Yi Rong (诊易融)” product to help the group develop its medical care segment, the Bank also provided “easy loan for pension enterprises (养老企易贷)” for its pension segment, thereby providing financial support for the development of the group’s medical care segment and pension segment, and assisting the group in coordinating and balancing the development of the two segments, which has achieved great results.



Improving the forward-looking research capability and professional level in pension finance

The Bank continued to strengthen our research on pension finance, analysed industries related to the pension industry chain, and sorted out the industry characteristics and financial needs to compile a list of key medical and nursing institutions in Shandong Province. In 2024, the Bank conducted special research on the listed institutions and issued the Pension Finance Industry Research Report.



Building the “Happiness in Old Age” financial service brand

The Bank aims to build the “Happiness in Old Age” financial service sub brand under the retail banking’s “Happy Companion” umbrella brand, thereby establishing a brand-oriented, characteristic, professional and personalised pension financial service system, enriching product lines, clarifying service scenarios, standardising service models, and forming the Bank’s comprehensive financial service plans for pension services. In 2024, the Bank achieved a breakthrough in the commercial pension products, and launched the “pension calculator” function in the Bank’s mobile banking App. This helps the Bank deepen its pension service scenarios and expand the scope of pension customer services.



Connecting customer groups with community immersion services

By adopting the successful service model and experience in the “Happy Neighbourhood (幸福邻里)” brand activities held by the Community Finance Business Unit, the Bank provided small classes to promote the “Happiness in Old Age” brand in communities, as well as community volunteer services inside and outside business outlets, thereby expanding pension scenarios and connecting different customer groups, and constantly improving the pension service capabilities.

Prioritising digital transformation

The Bank maintained a focus on the strategic goal and implementation of digital transformation. During the reporting period, the Bank set up a Financial Technology Ethics Committee under the Digital Strategic Transformation Committee and established a bank wide Product Management Committee. With the flexibility of the corporate banking mechanism, the Bank was able to rapidly integrate business data and technology data and improve the quality and efficiency of digital finance services, thereby providing solid digital capability support for our four major pillars, i.e. technology finance, green finance, inclusive finance, and pension finance.

In respect of digital channels and marketing, we successfully upgraded the mobile banking App to version 8.11 and independently developed the “Qingyin Zhiling (青銀智聆)” customer experience monitoring system to continuously optimise the user experience; the “Happy Train (幸福列車)” wealth management fast selling applet and online marketing management system were launched to enable the independent configuration of marketing activities; we continuously upgraded the online business outlet for corporate customers and the “Smart Marketing (慧營銷)” system to enable full-process access management and create a differentiated customer manager evaluation system.

In respect of digital services and products, we launched “Bill Chain e-Loan (票鏈e貸)”, “Smart Manufacturing e-Loan (智造e貸)”, “Confidence Boosting Loan (信心提振貸)”, “Receivable Easy Loan (應收易貸)” and other products, effectively expanding the inclusive finance customer base; the green financial system and commercial pension system have been put into operation, enriching the green finance and pension financial services; multiple new online loan products have been provided, including the issuance of “Xin Yi (心意)” certificates of deposit, and the issuance of “Qing Yi Rong (青易融)” self-operated loans, which further enriched the loan product portfolio.

In the field of digital scenario ecology, the Bank integrated financial services into the diversified scenarios of BCGF end customers by building a partnership ecosystem. With a focus on the construction of supply chain financial service platforms, the Bank launched a number of online supply chain financial products such as Yun Zhu Wang (雲築網), Jian Dan Hui (簡單匯), Gold Net, and CCCC e-Credit (中交E信), which realised the integration of project fund management and supply chain financing for key industries such as construction, cross-border trade, aviation, and transportation construction.

In the field of digital finance infrastructure construction, in order to improve the convenience of financial services, the Bank accelerated business diversification by formulating a construction plan for large language models, and actively developed the implementation solutions for application scenarios such as smart credit, remote banking services, and smart retail marketing strategies. The Bank built the “digital customer” and “digital product” systems by using tag and customer profiling technologies. The Bank improved the coverage and accuracy of smart identification through the deep integration of the smart identification platform with remote banking services, light outlet transformation and other bank wide strategic priorities.

In the field of digital risk control construction, the Bank was newly connected to the fund early warning and joint prevention platform of the Provincial Public Security Department and the PBOC’s financial anti-fraud integrated platform. We also commenced the account classification and categorisation project, related party transaction project and expected credit loss measurement project to comprehensively improve our risk control capabilities.



Won the first prize in the “Qingdao Municipal Financial Innovation Awards” for four consecutive years



The self-developed “Qingyin Zhiling (青銀智聆) – Mobile customer experience optimisation system” won the third prize in the “2023 Financial Technology Development Awards” granted by the People’s Bank of China.



On 14 July 2024, more than 60 trainees from the “Digital Intelligence Bankers (數智銀行家)” training program visited the Bank for discussion and exchange. The two sides had in-depth exchanges under the theme of “Difficulties and Breakthroughs in Digital Intelligence Transformation of Regional Banks” and shared outstanding transformation practices in the industry.

03

Adhering to green development

In 2024, the Bank continued to enhance its branding as a green bank and implemented a range of low-carbon initiatives that factored in local conditions, with a focus on green operations, green office, green building and green procurement. A series of green initiatives were planned and carried out to engage with local communities as part of our efforts to contribute to the country's ecosystem and carbon goals.

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Building a green bank



Green office

We adhere to the resources conservation philosophy by striving to save every drop of water, every piece of paper, every pen, and every kilowatt hour of electricity. We have installed automatic controls and shunt switches for lighting lamps in public corridors and stairs to ensure that lamps are turned off during daytime and when they are not needed. We also encourage people on lower floors not to take elevators, so as to reduce the use of elevators.

We have built a “green canteen” to use more energy- and water-saving facilities and equipment, such as energy-saving stoves, and we upgraded the smoke exhaust system, so as to improve the energy efficiency of the canteen. We have also increased the procurement of green food ingredients and improved the recycling and treatment of kitchen waste, and we treat wastewater before discharge.

We have improved the “garbage classification + resource recovery” system to effectively meet related requirements.

By making full use of teleconferencing and video conferencing systems, we have reduced meeting-related business trips.

Green outlets

During the reporting period, the Bank's Laoshan Second Sub-branch was awarded the EDGE Green Building Certification, which demonstrated the Bank's active exploration for promoting green and low-carbon transformation of buildings. EDGE, which is short for Excellence in Design for Greater Efficiency, is a green building certification system established by IFC, a member of the World Bank Group, to promote global sustainability. EDGE has been recognised by the Technology and Industrial Development Centre of the Ministry of Housing and Urban-Rural Development of China as a tool for evaluating green building projects in China, and it has been widely recognised by global financial institutions.

Green procurement

During the reporting period, for maintaining market-oriented operations, the Bank steadily promoted open procurement, continued to perform system building, process optimisation, supplier solicitation and other key work, and revised the Measures of the Bank of Qingdao on Centralised Procurement Management and the Operating Procedures of the Bank of Qingdao on Centralised Procurement based on the actual situation to further strengthen the compliance of procurement management by enhancing systems. During our procurement, we constantly improved our procurement requirements, comprehensively considered product materials, quality standards compliance and other aspects, rejected suppliers and products with high pollution and energy consumption, guided suppliers to practice social responsibilities such as environmental protection, energy conservation and emission reduction, with an aim to building a green supply chain.



Number of suppliers by region

Region	Number of suppliers
Yangtze River Delta region	122
Pearl River Delta region	48
Bohai Rim region	833
Central China	9
Northeast China	1
West China	12
Other regions	4

Energy consumption by the head office

Energy consumption by Bank of Qingdao in 2024:

Type	Unit	2024	2023
Head office power consumption	10,000 kWh	429.31	414.72
Head office water consumption*	Tonnes	30,955.00	25,623.00
Head office paper consumption	Million sheets	1.89	1.83
Head office oil consumption	Litres	69,897.11	64,922.72
Head office natural gas consumption	Cubic metres	42,413.00	38,183.00
Head office greenhouse gas emission	Tonnes carbon dioxide equivalent	5,231.39	4,674.23
– Direct greenhouse gas emission**	Tonnes carbon dioxide equivalent	158.29	146.76
– Indirect greenhouse gas emission***	Tonnes carbon dioxide equivalent	5,073.10	4,527.47

* The Bank's water consumption is mainly composed of domestic water supplied by the municipal water supply, so the water source is secured

** Including greenhouse gas emission resulting from natural gas consumption and oil consumption

*** Including greenhouse gas emissions resulting from power consumption and the municipal heating supply

**** Greenhouse gas emissions are presented in terms of carbon dioxide equivalent and accounted for in accordance with the Guidance on Accounting Methods and Reporting of Greenhouse Gas Emissions by Public Building Operators issued by the National Development and Reform Commission

The Bank drastically improved its efficiency of vehicle use by exerting a centrally managed, unified arrangement policy. In addition, we strengthened management of vehicle gasoline usage, implemented "one gas card for one vehicle" and "special-purpose car only for special purposes" rules, while setting limits on gasoline quality, the amount to be used, and gas stations to be used for different vehicles. We improved vehicle fuel management with special checks on high gas-consuming vehicles. In 2024, the vehicles at head office generated a total of 0.568 tonnes of nitrogen oxide, 0.001 tonnes of sulphur dioxide and 0.054 tonnes of particulate matters.

In 2024, the Bank earnestly studied and implemented the relevant policy documents of the regulatory authorities on climate risk and coordinated a bank-wide climate risk stress test. All relevant indicators met the regulatory requirements. No major climate-related issues that have or may have an impact on the Bank's operations have been identified.

In 2024, the vehicles at head office of the Bank

generated a total of **0.568** tonnes of

nitrogen oxide, **0.001** tonnes of sulphur

dioxide and **0.054** tonnes of particulate matters



Waste disposal

The Bank is very conscious of the negative impacts of electronic equipment on the environment. Environmental protection indicators are one of the top considerations in selecting equipment and suppliers. In terms of disposal of waste electronic equipment, components from waste electronic equipment and damaged equipment are reused and reassembled to extend the service life of such equipment. Low-end devices that can no longer meet business needs are donated. The Bank has engaged a professional services provider for the reuse and harmless treatment of waste electronic equipment that is not worth recycling, to ensure that such equipment is properly disposed of, and to avoid any adverse effects on the environment.

Type	Item	Data (2024)
Electronic equipment retired by Bank of Qingdao in 2024	Computer for business purpose	379 Pieces
	Printer	77 Pieces
	ATM/CRS	4 Pieces
	Self-service terminal	50 Pieces

New approach to asset disposal

Donation to schools to empower education

In November 2024, the Bank donated 43 all-in-one PCs that had been used for five years and had been fully depreciated, to Sunshou Secondary School in Guhe, Laixi City. This alleviate the school's shortage of information devices. For the Bank, this is an effort not only to empower education but also make rational use of its resources.



Expanding green services

Adopting an iterative approach to outlet transformation. Firstly, the Bank implemented new standards for outlets, optimised the allocation of resources in outlets, made more than 110 location legends for eight functional areas, upgraded signs for window services across 11 types, moved more than 170 items online, and continued to further implement the paperless outlet concept to drive savings and efficiencies. Secondly, the Bank promoted customer-centric process optimisation, strengthened online-offline collaboration and digital applications, launched functionalities such as Pay with QR Code in outlets and automatic ACS reconciliation, and optimised annual corporate account inspection and corporate due diligence, and online issuance of corporate deposit balance certificates, to improve operational efficiency and user experience. Thirdly, the Bank deepened centralisation by promoting a real-time seal database, which has sped up related processes by 2 working days. The Bank also acted to optimise corporate user experience in account opening and launched an electronic banking confirmation system which enables the Bank to include customer information in a single response. This has helped to optimise the local business climate.

Optimising remote services. The Bank increased the efficiency of remote business by 28.6% as compared with the end of last year. The service desk was available all year round, effectively removing the time and space limitations in the case of physical outlets. A total of more than 130,000 issues were effectively resolved for customers, which saved significant amounts of time for them and resulted in more than 20,000 favourable ratings. The Bank enhanced the use of smart PAD remote identity checks, which encouraged customers to use the functionality for identification purposes. This helped the Bank strengthen risk control and also helped outlets engage in more than 1,700 external business development activities. While reducing operating costs for outlets, the Bank took effective actions in line with the green banking and low carbon concept.

The Bank increased the efficiency of remote

business by **28.6%** as compared with the end of last year



A total of more than **130,000** issues were effectively resolved for customers

Resulted in more than

20,000 favourable ratings

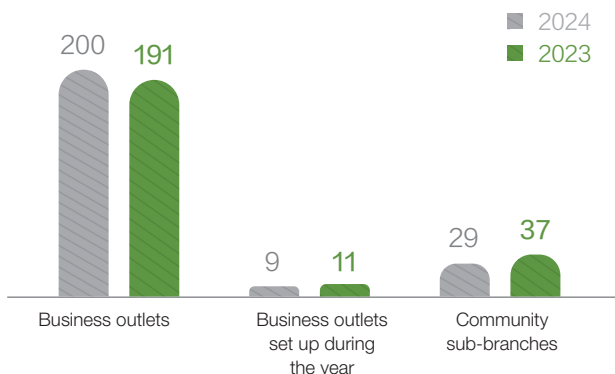
Strengthened risk control and also helped outlets engage in more than

1,700 external business development activities



Remote service personnel of BQD

Setting up business outlets for greater convenience



During the reporting period, the Bank had 427 self-service facilities, including 6 ATMs, 271 integrated cash recycling machines, 112 self-service terminals, and 38 cash teller machines, which provided banking service functions such as withdrawal, deposit, transfer, query and payment. During the year, 6.3685 million transactions with a total amount of RMB21.869 billion were made via the self-service facilities.

During the reporting period, the Bank actively practiced the concept of green and low-carbon, implanted the goal of "energy conservation, consumption reduction and green development" into the development concept, continued to implement green banking initiatives within the Bank, and strive to build a low-carbon and environmentally friendly green bank.

Advocating green activities

During the reporting period, the Bank carried out a series of green and low-carbon public service activities. We will continue to increase such efforts to advocate a green and healthy lifestyle and contribute to the building of a beautiful China.

In order to promote green and fitness, in 2024, the Bank's outlets in Qingdao held **45** community sports games in conjunction with local communities. More than **7,000** customers participated.



Green activities of branches



In November 2024, the Bank organised
carbon recycling and plastic reduction-themed
city-walks in Qingdao, Jinan and Yantai to
promote environmental awareness, with more
than **3,000** participants.



04

Staying true to our mission of serving the people's aspiration for a better life

We steadfastly adhere to our mission of serving the people's aspiration for a better life, create a caring culture for employees, and build a platform where they can develop and grow. We endeavour to be a responsible corporate citizen. In helping disadvantaged students, supporting the poor, and contributing towards rural revitalisation, we actively fulfil our corporate responsibilities. With our actions, we spread a message of love.

Caring for employees

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- 46 Establishing a personal development platform
- 48 Building a caring organisation through joint efforts

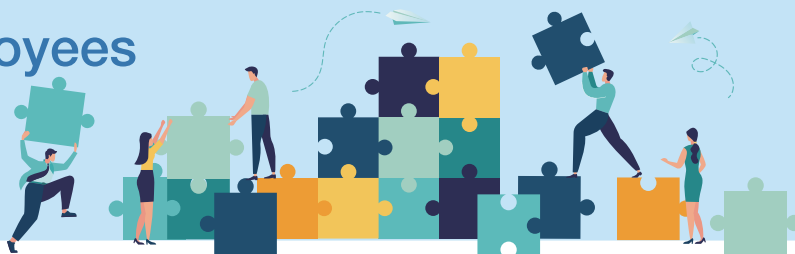
Giving back to society

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Caring for employees



Employee statistics

Number of employees: person (Data as at 31 December 2024)

Total number of employees	5,109
Total number of male employees	2,293
Total number of female employees	2,816
Total number of employees aged under 30 (inclusive)	1,609
Total number of employees aged 31-40	2,419
Total number of employees aged 41-50 (inclusive)	775
Total number of employees aged over 50	306
Employees from Shandong Province	5,109
Employees not from Shandong Province	—
Junior college graduates	311
Bachelors	3,612
Masters	1,170
PhDs	16
Contract employees	—
Secondment employees	—
Temporary employees	—
Senior Management	8
Mid-level managers	279
Grass-roots employees	4,822

Total number of new employees	413
Total number of new male employees	223
Total number of new female employees	190
Total number of new employees aged under 30 (inclusive)	260
Total number of new employees aged 31-40	135
Total number of new employees aged 41-50 (inclusive)	17
Total number of new employees aged over 50	1
Employees from Shandong Province	413
Employees not from Shandong Province	—

Total number of resigned employees	224
Total number of resigned male employees	104
Total number of resigned female employees	120
Total number of resigned employees aged under 30 (inclusive)	75
Total number of resigned employees aged 31-40	88
Total number of resigned employees aged 41-50 (inclusive)	9
Total number of resigned employees aged over 50	52
Employees from Shandong Province	224
Employees not from Shandong Province	—

The numbers above exclude the employees of affiliates of the Bank.

In accordance with China's relevant secondment regulations, we have further enhanced the management of secondees and gradually lowered the proportion of such personnel. We comply with the Labour Law of the People's of China for each position and abide by the relevant provisions in labour contracts. In 2024, we did not employ any child labour and no employees were injured or died due to their daily duties.

Percentage of employees with whom an employment contract has been signed

100%

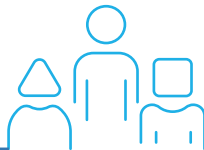


Percentage of employees who contribute to social security

100%

Number of disabled employees

1 Person



Percentage of disabled employees

0.02%

Number of employees with regular medical check-ups

5,109 Persons



Number of employees from ethnic minority groups

51 Persons

Number of foreign employees

2 Persons



Number of labour arbitrations in the past year

1 Time



Percentage of employees receiving regular performance and career development reviews

100%



Male

100%



Senior management officers

100%



Female

100%

Grass-roots employees

100%

Mid-level managers

100%

Legitimate employment

The Bank's employment and resignation procedures for all our positions comply with the relevant provisions of the Labour Law of the People's Republic of China, the Prohibition of Using Child Labour, as well as the terms of the labour contract. The Bank has clearly stipulated working hours, rest time, leave, labour protection, and work conditions in our labour contract, and signed it with all employees.

We are attracting talent through experienced personnel recruitment, campus recruitment, and internal referrals. Following the *Administrative Measures of Bank of Qingdao for Recruitment*, we have been adhering to a fairness principle during recruitment and have never discriminated against candidates for their ethnicity, race, gender, or religious belief. We have also been providing equal job opportunities and a good work environment for all.

In order to further avoid the accidental use of child labour, the Bank has formulated a strict onboarding review process to carefully verify new recruits' ID cards. Should there be a case of accidental use, we will immediately terminate the labour contract in accordance with laws and regulations and escort the child back to their parents or other guardians at their place of residence.

In 2024, the Bank complied with relevant laws and regulations concerning employee health and safety and the working environment, and was not involved in child labour or forced overtime.

Employee benefits

The Bank's employee benefits consist of a fixed salary, a variable salary, and welfare income. We make contributions to the basic social insurance system covering the basic pension, basic medical insurance, unemployment insurance, work-related injury insurance and maternity insurance for employees in accordance with laws. We also pay housing provident funds, corporate annuities, and supplementary medical insurance to better prepare employees for their retirement and medical needs. In addition to the basic social insurance coverage and housing provident funds, the Bank also provides commercial insurance for comprehensive employee benefits.

Working hours and holidays

The Bank formulated the *Attendance and Holiday Management System of Bank of Qingdao* in accordance with relevant laws to protect employees' rights to work and rest, and implemented a proper working hours policy. We also provide employees with annual leave, marriage leave, maternity leave, and welfare leave (breastfeeding leave, parent meeting leave, maternity check-up leave, medical check-up leave). Meanwhile, we allow employees to take paid vacation in accordance with the *Regulations on Paid Annual Vacations for Employees*. Applicants for vacations should go through the approval procedure as required.

Establishing a personal development platform

Talent incentives

Consolidating the talent pipeline. The Bank took actions to build a talent pipeline for mid-level management officers across the Bank to establish a personal development platform for talents and to optimize the employee grading system. In doing so, the Bank prioritised quality and standards and attached importance to professional capabilities and practical experience. We have taken solid actions to put in place a grading system that ensures promotion opportunities for our employees. The relevant rules on the new grading and compensation management system have been implemented starting from September 2024. The Bank optimised the employee grading system and compensation system. By clarifying qualification standards and establishing a management mechanism, we put in place the employee grading system covering all employees, which includes a clear promotion and demotion mechanism to identify outperforming and underperforming employees at all levels. The Bank has established a sound salary system. A grade-based, pay-for-performance compensation system has been established to ensure competitive and fair pay for employees, optimise compensation and the distribution of resources, offer reasonable incentives for employees, and create a pay-for-performance culture, while keeping the total cost of compensation under control.



Talent training

In 2024, the Bank organized 3,798 trainings, with a total of 240,000 people trained. We further implemented the four major training plans of “commencement”, “perseverance”, “navigation” and “voyage”. Under the “commencement” plan which focuses on the on-boarding of new employees, one on-boarding session was held for experienced hires and graduates respectively. Under the “perseverance” plan which focuses on management trainees, an e-learning program including compulsory and optional content was delivered for management trainees who had been working for the Bank for about three years. Under the “navigation” plan which focuses on mid-level deputy managers, three training programs were delivered at Zhejiang University, Shanghai University of Finance and Economics and Southwestern University of Finance and Economics respectively. Under the “voyage” plan which focuses on newly appointed department heads and high-performing deputies, the third Digital Leadership at Huawei program was conducted. Participants visited the Huawei headquarters to learn from Huawei’s management experience and digital leadership. At the same time, focusing on employees from different sectors and lines, the bank organized various training courses such as business marketing, risk management, and skill improvement.

During the reporting period, the first Learn in Joy activity was held. Four module courses on party building, pool of experts, business elites and comprehensive qualities were launched on the Bank of Qingdao E-learning Room platform to provide diverse learning resources for employees.



Building a caring organisation through joint efforts

Bank of Qingdao cares about employees' well-being

For the first time, the Bank organised two recuperation retreats for 57 outstanding employees who acknowledged the heart-warming gesture from the Bank. For the first time, the Bank held after-school centres for more than 200 kids of employees in the summer. For the first time, a monthly lecture was organised for employees, which covered topics related to personal growth and lifestyle. For the first time, the Bank provided drinks for first-line employees to help them cope with the summer heat. For the first time, a team building activity where nearly 300 employees participated was organised to build more cohesive teams. On the Bank's 28th anniversary, performances were organised across the Bank, and clubs formed by employees held various activities to celebrate the Bank's anniversary.

The Bank continues to take solid actions to care for employees. In 2024, 58 visits were paid to employees in need who received a total of RMB249,000 in aid from the Bank. More than 20 recreational and sports activities were organised across the Bank, including the 2nd talent contest, the 3rd football match, a badminton match, a photography match, with the aims of promoting fitness among employees and creating an uplifting and harmonious atmosphere.





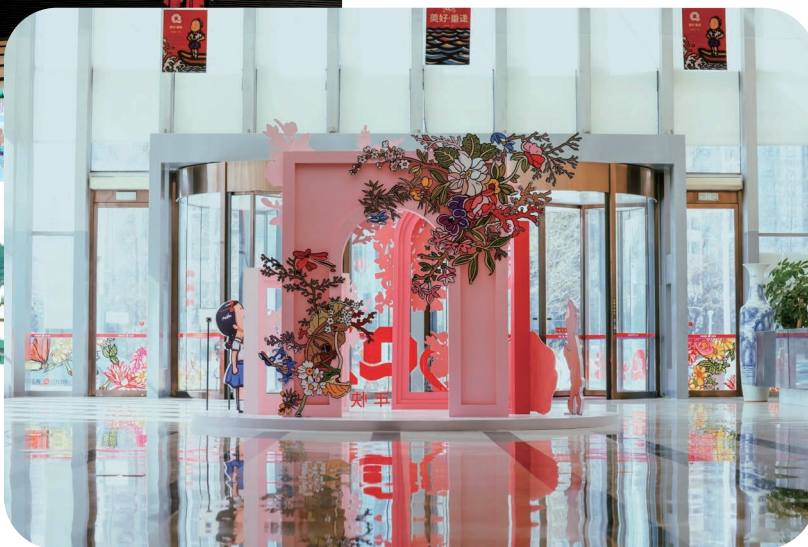
Caring for female employees

The Bank strictly implements the Provisions on the Scope of Prohibited Work for Female Employees to ensure the safety and health of female employees during work. We attach great importance to providing various benefits for female employees during pregnancy, childbirth and lactation. During the reporting period, lectures on motivation for female employees and Women's Day celebrations were held to enrich the cultural life of female employees. The Beautiful Life column on the Bank of Qingdao e-learning platform offers courses on how to protect the rights and interests of female employees.



Paying attention to the safety of outlets and employees

The Bank adopts a comprehensive approach to safety and security, which covers the human, physical, technical, emergency, team building aspects. There has been no safety-related incident across the Bank for years. In 2024, the Bank organised 12 large-scale safety checks on holidays, during sensitive periods, in the safe production month and on the national fire-fighting day, and conducted special safety inspections in the summer and winter. More than 6,000 employees and outsourced service employees at more than 190 outlets across 36 branches participated in safety training sessions and emergency drills to enhance safety awareness. During the reporting period, the Bank installed cybersecurity access control terminals in 16 branches, 5 county-level sub-branches and 4 central sub-branches in accordance with the new provisions of the Measures for Security Assessment of Banking Financial Institutions to identify and forestall illegal acts in a timely manner and comprehensively improve the Bank's security capabilities and efficiency in responding to emergencies in order to provide strong technical support for the Bank's operational robustness. In 2024, the Bank was awarded by Shandong Provincial Public Security Department the title of "Outstanding Collective in Internal Security Work of Provincial Units".



Giving back to society



Improving customer services

Enhancing employees' service capabilities

In 2024, the Bank organised a series of trainings on service quality, complaint handling and other matters, with a total of 141 training hours. Approximately 3,000 employees participated. During the reporting period, on-site training sessions were delivered at 143 outlets where significant quality issues had been identified. A total of approximately 280.5 hours were spent on coaching sessions in which 1,173 employees participated. The focus was on improving service processes, employees' professional skills, communication with customers, among others, to help outlets improve their services.

During the reporting period, on-site training sessions were delivered at

143 outlets where significant quality issues had been identified.

A total of approximately **280.5** hours were spent on

coaching sessions in which **1,173** employees participated

Enriching brand value

The Bank received quarterly reports on service highlights from outlets and prepare cases illustrating the Bank's services and about customers who have been touched by their services, with a focus on outlets with outstanding service problems to be addressed. The Bank called on outlets four times in the year to submit reports service highlights, and issued three newsletters featuring cases that illustrate the Bank's services and a total of 216 cases about customers who were touched by front-line employees. This was a vivid illustration of the Bank's customer-centric approach and contributed towards positive attitudes and professionalism among front-line employees.

On 18 December 2024, the Bank won the 18th Five-Star Diamond Brand award which is considered the highest honour in the global service sector. The Bank was the only city commercial bank in China that had been short-listed for nine consecutive years, and was the only short-listed enterprise from Shangdong.



On 18 December 2024, the Bank won the 18th "Five-Star Diamond Brand award" which is considered the highest honour in the global service sector

Making payment services accessible for foreign nationals in China

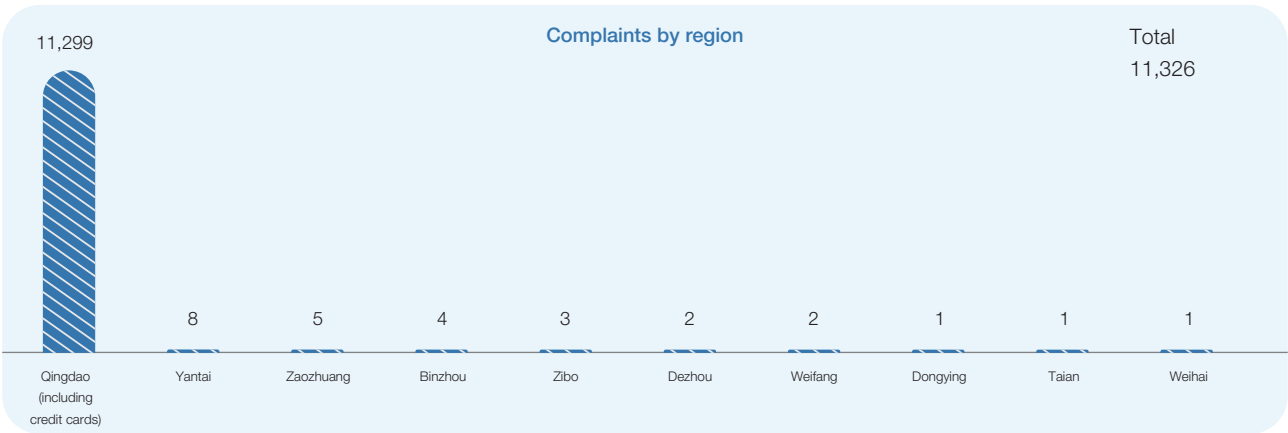
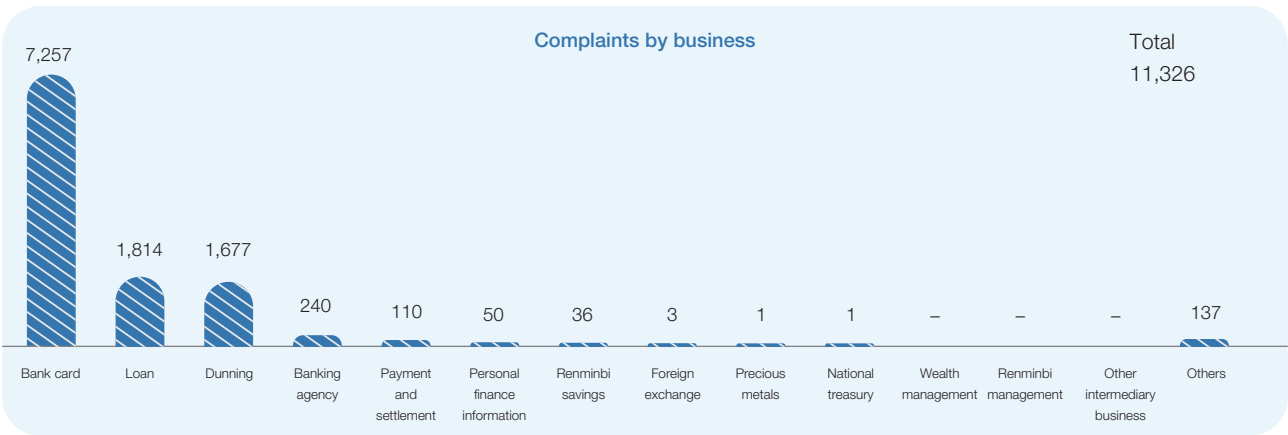
In line with the spirit of the CPC Central Committee and the State Council, the Bank took actions to make payment more convenient for foreign nationals in China and optimise the use of overseas bank cards for withdrawal and permanent residence permits. Five outlets were selected to focus on account-related services, and electronic wallets were opened with a completion rate of 110%. The Bank reactivated nearly 20,000 accounts worth more than more than RMB67 million, demonstrating what a bank committed to serving the people should be like.

Handling customer complaints

In 2024, the Bank continued to establish diverse resolution mechanisms for consumer complaints and improve the capacity of internal parties complained of to resolve differences and disputes, in line with the *Administrative Measures for the Handling of Consumer Complaints in the Banking and Insurance Sectors* and the *Implementation Regulations of Qingdao for the Handling of Consumer Complaints in the Banking and Insurance Sectors*. In 2024, we received a total of 11,326 customer complaints, and the complaint settlement rate was 100%.



In 2024, we received a total of **11,326** customer complaints,
and the complaint settlement rate was **100%**



Improving customer satisfaction

In 2024, the Bank continued to engage noted global market monitoring and data analysis companies to conduct online quantitative surveys and on-site interviews, so as to include user feedback in our product and service experience monitoring system. Throughout the year, we interacted with a total of more than 200,000 customers to gain insights into customer experience opportunities and drive product and service improvement. Our overall net promoter score (NPS) in the year of 2024 reached 80.57%, 0.08% higher than that of the previous year, meeting our product and service experience goals.

Our overall net promoter score (NPS)

in the year of 2024 reached **80.57%**,

0.08% higher than that of the previous year

Protecting consumers' legitimate rights and interests

Requiring all employees to act in accordance with consumer protection requirements

The Bank actively implemented the requirements on financial consumer protection. During the reporting period, experts in financial consumer protection were invited to deliver on-site training sessions on current regulatory developments on consumer protection, methods and basis for handling consumer complaints, and analysis of typical cases. More than 130 department heads and employees responsible for consumer protection from the head office, wealth management subsidiaries and branches participated in order to more effectively perform their duties in protecting the rights and interests of financial consumers. In order to improve their consumer protection and business capabilities, bank-wide employees attended e-learning courses on consumer protection, which covered financial marketing management, suitability management mechanisms and the implementation regulations for the consumer protection law, with a total of 18 sessions.

Constructing diverse resolution mechanisms for financial disputes

The Bank continued to promote the construction of diverse resolution mechanisms for financial disputes. The proportion of mediations in the number of complaints has been included into regular consumer insurance assessments so as to provide guidance for employees to effectively implement diverse resolution mechanisms for financial disputes. In 2024, the Bank was involved in 526 mediations, with a success rate of 72.81%. The Bank was recognised as an Advanced Mediation Unit by the Banking and Insurance Dispute Mediation Centre of Qingdao.



In 2024, the Bank was involved in **526** mediations, with a success rate of **72.81%**.



Improving the public's financial literacy

The Bank actively participated in large activities designed to promote financial literacy, such as "March 15 Education Programme on Financial Consumer Rights Protection", "Banking Industry's Long March for Popularising Financial Knowledge", "Month for Education on Financial Consumer Rights Protection", and organised branches and sub-branches to carry out various forms of financial education activities such as "Financial Knowledge Market", "Movie Tickets for the People", "Financial Knowledge Fair", "Loudspeakers in Villages". In 2024, we held more than 3,100 publicity activities to raise people's awareness of illegal fund-raising and telecoms fraud and encourage rational investment and credit overspending. By promoting basic financial knowledge urgently needed by the public, we helped people understand basic financial products and services, so as to proactively fulfil our social responsibility and comprehensively improve the financial literacy of the public.



Personal information protection

The Bank has always attached great importance to the protection of customers' personal information. During the reporting period, the Bank revised the Bank of Qingdao's Management Measures for Personal Information Protection, issued the Bank of Qingdao's Plan on Strengthening Personal Information Protection Management, and required employees to optimise work procedures and strengthen system controls, supervision and assessment in order to ensure that personal information is used legally and appropriately. The Bank issued the Notice on Investigation and Rectification of Cases Related to Infringement of Customers' Personal Information Rights and Interests to ensure that such cases are thoroughly investigated and remedied. Employees were required to participate in online and offline training sessions and tests on personal information protection in order to standardise collection and processing of personal information. The Bank participated in activities including the May 15 publicity campaign to combat and prevent economic crimes organised by the Qingdao Municipal Public Security Bureau, the Finance Meets Beer festival organised by the Laoshan District Finance Office of Qingdao, the Protect Campuses against Fraud day hosted by the People's Bank of China Qingdao Branch, to promote financial knowledge about personal information protection among the public, and contribute towards the public's information security and financial security.

Safeguarding financial security

The Bank deepened the approach to capital chain governance, promoted the application of the account classification and grading system, and carried out automated and dynamic evaluations and ratings on more than 26,000 new corporate accounts and 243,000 new individual accounts; the Bank upgraded the Eagle's Eye 360 smart risk monitoring platform, controlled 3,333 accounts, and recovered a total of RMB58.52 million for customers. At the same time, the Bank connected to the Provincial Public Security Department's financial early warning and joint defence platform and the People's Bank of China's integrated anti-fraud platform. Assessment procedures were carried out on accounts. This comprehensively improved the Bank's risk control capabilities and put the Bank in a good position to safeguard the people's money, as evidenced by the Bank's lowest rate of fraud-related accounts among peers.



Ensuring cybersecurity

The Bank attached great importance to cybersecurity education and carefully planned cybersecurity publicity week activities to popularise knowledge on cybersecurity, data security and account security using a multi-level platform integrating online and offline channels, and to improve customers' security awareness. During the 2024 publicity week, the Bank held 80 events which reached an audience of more than 6,000 and released more than 10 reports for publicity purposes. On the financial theme day and the rule of law theme day, the Bank successfully held two on-site activities, including the Cybersecurity, Anti-fraud and Anti-gambling – Protecting Campuses event and the publicity activity on the rule of law, to improve the public's security awareness and ability to protect themselves, through keynote speeches, lecturing to a centralised audience, interactions and check-in, innovative experience platform, etc.



Nurturing a happy neighbourhood

In order to allocate more social resources to communities to address the new trends of the new era and make financial services accessible in the Last Mile, the Bank established the Community Finance Business Unit in 2020 and proactively forged the "Happy Neighbourhood" Party building and community service brand. As at the end of 2024, the Bank's "Happy Neighbourhood" volunteer service teams established party building partnerships with 157 communities. A total of 814 "Party Building Leading + Volunteer Service First" activities were organised in the year, reaching an audience of 51,110. The 13 volunteer teams under the Bank worked closely with community-level party-masses service centres in community census, making of anti-fraud sitcoms, delivery of benefits during the Spring Festival, visiting families in financial difficulties, joint party building and other volunteer activities. The Bank's Happy Neighbourhood brand has gained momentum and is increasingly highly spoken of among local communities. In March 2024, the Bank's community finance business unit was recognised as a Demonstration Site for Learning from Lei Feng in the Financial Sector.



Engaging in public service activities

The Bank actively engages in public welfare activities such as donating money to schools, helping the weak and the poor, and supporting rural revitalisation. In 2024, the Bank (including Bank of Qingdao Charity Foundation) donated RMB5.7371 million.

The Bank (including Bank of Qingdao Charity Foundation)

donated RMB **5.7371** million



Encouraging employees to make a donation to charity

On 5 September 2024 which was the 9th Charity Day of China, the Bank encouraged employees to make donations. A total of RMB1.8215 million was raised for public welfare. By doing so, the Bank sent out a message of love and helped promote charity.

A total of RMB **1.8215** million
was raised for public welfare



Caring for children in difficulties

On 5 September 2024 which was the 9th Charity Day of China, the Bank donated another RMB1 million to support the Care for Children in Need programme in Qingdao which aims to help orphans, children from disadvantaged families, and left-behind children in rural areas realise "a little wish" to enhance their sense of gain and happiness. The Bank has donated a total of RMB2 million in two consecutive years to support the Care for Children in Need programme.



Caring for children in difficulties

Providing support for public welfare trips to Tibet

In June 2024, as a public welfare partner, the Bank participated in the Qingdao's Love for Tibet action hosted by the Propaganda Department of the CPC Qingdao Municipal Committee and Qingdao Radio and Television Station and co-organised by Qingdao's 10th batch of cadres group for Tibet assistance. During this activity, living materials were donated to Tibetan people, and mobile clinics provided services for free in rural areas. The Bank established the Bank of Qingdao Dream Fund and organised the Bank of Qingdao for Tibet action to help local children realise their little wishes.



Qingdao's Love for Tibet action

Making donations to universities

The Bank has made donations to universities for years in a row, including RMB1.5 million donated to Ocean University of China and Shandong University of Finance and Economics in 2024.



The Bank donated scholarships to Ocean University of China

Delivering volunteer services

During the reporting period, various units across the Bank conducted a range of public welfare activities.





1. Rizhao Branch held charity sale
2. The head office labor union expressed condolences to the children's welfare home
3. Qingdao Shibei Sub branch fixedly helps Sichuan Mountain Primary School
4. Qingdao Laixi Sub-branch, together with "Laixi Together with You" Public Welfare Service Center and other caring units, organized Colorful Holiday and Dream Setting Summer Camp
5. The head office business department held the "Home of Peers" public welfare activity
6. Qingdao Shinan Fuzhou Road Sub-branch held Parent Child Flea Market Activity
7. Linyi Branch helped with college entrance examination activities
8. Cabbage delivery activities of Tai'an Branch
9. Dezhou Branch donated clothes to Xinjiang Kashi Hope Primary School
10. Weihai Branch held free medical service "Far Away from Cancer"



Prospects for the future

2025 marks the last year of the 14th Five-Year Plan. For the Bank, it is also the year for achieving its strategic goals. With the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as guidance, the Bank will fully implement the decisions by the CPC Central Committee and the provincial and municipal governments and focus on the strategic goals featuring "quality and efficiency as priority, distinctive characteristics and flexible mechanisms", strongly promote high-quality development, and play our part in Chinese-style modernisation.

We will adhere to high-quality development and build the foundation for sustainability. In 2025, BQD will adhere to party building as a driving force to build consensus, motivate employees and empower business development. We will continue to steadily promote the implementation of our strategies and plans to bring them to fruition. We will continuously improve corporate governance to enhance efficiency. We will take actions to comprehensively optimise risk management, strengthen research, do a good job of managing ESG risks, and constantly improve the Bank's ability to foresee and respond to risks. We will build a sound, standardised, comprehensive, robust and efficient internal control and compliance management system as a strong foundation for us to make steady progress.

We will continue to serve the real economy and empower regional economic development. We will focus on major strategies, key areas and weak links, diversify financial products and services, and help promote economic transformation. We will play an active role in the forefront of technological and industrial innovation, assist in the construction of modern industrial systems, and help accelerate the rise of new-quality productive forces. We will continue to iterate and optimise our product system, adopt a group-based, integrated approach to operations, shift away from our focus on loans to provide comprehensive financial services for customers, differentiate business scenarios across industries, comprehensively improve the Bank's strengths in financial services to meet the diverse financial needs of enterprises engaged in the real economy.

We will adhere to green growth to protect the environment. We will strategically develop green finance, prioritise green industries such as energy conservation and environmental protection, clean energy, and ecological environment in the allocation of credit resources, and build the Bank's advantages in blue finance to promote the transition to green and low-carbon economic development. We will continue to establish the Bank as a green bank, promote green office, green operation, green procurement in line with green and low-carbon practices, and take concrete actions to fulfil the Bank's commitments to green development.

We will stick to a people-centric approach to finance and serve the people's aspiration for a better life. We will actively expand financial services and enrich business scenarios to meet the people's need for financial services. We will explore to build a featured service model for pension finance and introduce a pension finance product for each county to empower rural revitalisation. We will carry out extensive financial publicity and education activities and create a distinctive matrix of channels for communication about consumer protection to protect consumers' legitimate rights and interests. We will continue to deepen our public welfare efforts in areas such as low-carbon initiatives, helping the weak and the poor, donating money to schools, and rural revitalisation under our Bank of Qingdao for Charity brand to fulfil our social responsibilities and give back to the society.



Appendix

ESG Report Indicator Index

Content of ESG Report Indicator Index released by SEHK

Subject Areas and Aspects	General Disclosures	Page	KPIs	Page
A. Environmental				
A1 Emissions	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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	37-38	A1.1 The types of emissions and respective emissions data	37
			A1.2 Direct and energy indirect greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	37
			A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	38
			A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	38
			A1.5 Description of emission target(s) set and steps taken to achieve them	37-38
			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	37-38
A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	9,37-38	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	9, 37
			A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)	9, 37
			A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them	37-38
			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	37
			A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	N/A
A3 Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	36-41	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	36-41
A4 Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	36-41	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	36-41

Subject Areas and Aspects	General Disclosures	Page	KPIs	Page
B. Social				
B1 Employment	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.	44-46	B1.1 Total workforce by gender, employment type (such as full-time and part-time), age group and geographical region	44-46
			B1.2 Employee turnover rate by gender, age group and geographical region	44
B2 Health and Safety	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.	44-47	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	44
			B2.2 Lost days due to work injury	44
			B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored	44-47
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	46-47	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	The Bank plans to disclose information in this regard step by step in the future.
			B3.2 The average training hours completed per employee by gender and employee category	The Bank plans to disclose information in this regard step by step in the future.
B4 Labour Standards	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.	46	B4.1 Description of measures to review employment practices to avoid child and forced labor	46
			B4.2 Description of steps taken to eliminate such practices when discovered	46
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	36	B5.1 Number of suppliers by geographical region	36
			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	36
			B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	36
			B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	36
B6 Product Responsibility	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.	23,52,55	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A
			B6.2 Number of products and service related complaints received and how they are dealt with	52
			B6.3 Description of practices relating to observing and protecting intellectual property rights	23
			B6.4 Description of quality assurance process and recall procedures	N/A
			B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	55
B7 Anti-corruption	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.	17,23	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	17
			B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	23
			B7.3 Description of anti-corruption training provided to directors and staff	17
B8 Community Investment	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.	56-59	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	56-59
			B8.2 Resources contributed (e.g. money or time) to the focus area	56-59

GRI Index Table

GRI Standards	Disclosure Contents	Page
GRI 2: General Disclosure 2021	The organisation and its reporting practices	
	2-1 Organisational details	8
	2-2 Entities included in the organisation's sustainability reporting	6
	2-3 Reporting period, frequency and contact point	6-7
	2-4 Restatements of information	No significant changes
	2-5 External assurance	67-69
	Activities and workers	
	2-6 Activities, value chain and other business relationship	8
	2-7 Employees	44
	2-8 Workers who are not employees	46
	Governance	
	2-9 Governance structure and composition	11
	2-10 Nomination and selection of the highest governance body	Refer to Annual Report
	2-11 Chair of the highest governance body	8
	2-12 Role of the highest governance body in overseeing the management of impacts	18-21
	2-13 Delegation of responsibility for managing impacts	18-21
	2-14 Role of the highest governance body in sustainability reporting	21
	2-15 Conflicts of interest	Refer to Annual Report
	2-16 Communication of critical concerns	12
	2-17 Collective knowledge of the highest governance body	21
	2-18 Evaluation of the performance of the highest governance body	/
	2-19 Remuneration policies	Refer to Annual Report
	2-20 Process to determine remuneration	Refer to Annual Report
	2-21 Annual total compensation ratio	/
	Strategy, policies and practices	
	2-22 Statement on sustainable development strategy	21
	2-23 Policy commitments	22-23
	2-24 Embedding policy commitments	22
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	2-27 Compliance with laws and regulations	22
	2-28 Membership associations	29
	Stakeholder engagement	
	2-29 Approach to stakeholder engagement	12-13
	2-30 Collective bargaining agreements	/

GRI Standards	Disclosure Contents	Page
GRI 3: Material Topics 2021	3-1 Process to determine materials topics	12
	3-2 List of material topics	12
	3-3 Management of material topics	12
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	9
	201-2 Financial implications and other risks and opportunities due to climate change	28-29
	201-3 Defined benefit plan obligations and other retirement plans	46-48
	201-4 Financial assistance received from government	/
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2 Proportion of senior management hired from the local community	/
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	26
	203-2 Significant indirect economic impacts	30
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	/
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	17
	205-2 Communication and training about anti-corruption policies and procedures	17
	205-3 Confirmed incidents of corruption and actions taken	17
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	N/A (The Bank was not involved in any litigation during the reporting period)
GRI 207: Tax 2019	207-1 Approach to tax	Refer to Annual Report
	207-2 Tax governance, control and risk management	Refer to Annual Report
	207-3 Stakeholder engagement and management of concerns related to tax	Refer to Annual Report
	207-4 Country-by-country reporting	N/A (The Bank only operates in China)
GRI 301: Materials 2016	301-1 Materials used by weight or volume	/
	301-2 Recycled input materials used	N/A (The Bank does not manufacture any products)
	301-3 Reclaimed products and their packaging materials	N/A (The Bank's operations do not involve the use of packaging materials)
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	37
	302-2 Energy consumption outside of the organisation	/
	302-3 Energy intensity	/
	302-4 Reduction of energy consumption	/
	302-5 Reductions in energy requirements of products and services	/
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	37
	303-2 Management of water discharge-related impacts	/
	303-3 Water withdrawal	37
	303-4 Water discharge	/
	303-5 Water consumption	/

GRI Standards	Disclosure Contents	Page
GRI 304: Biodiversity 2016	304–1 Operational sites owned, leased, managed in or adjacent to, protected areas of high biodiversity value outside protected areas	N/A
	304–2 Significant impact of activities, products and services on biodiversity	29
	304–3 Habitats protected or restored	N/A
	304–4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305: Emissions 2016	305–1 Direct (Scope 1) GHG emissions	37
	305–2 Energy indirect (Scope 2) GHG emissions	37
	305–3 Other indirect (Scope 3) GHG emissions	/
	305–4 Total GHG emissions intensity	/
	305–5 Reduction of GHG emissions	/
	305–6 Emissions of ozone-depleting substances (ODS)	N/A (The Bank's operations do not involve ODS emissions)
	305–7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	37
GRI 306: Waste 2020	306–1 Waste generation and significant waste-related impacts	38
	306–2 Management of significant waste-related impacts	38
	306–3 Waste generated	38
	306–4 Waste diverted from disposal	38
	306–5 Waste diverted to disposal	38
GRI 308: Supplier Environmental Assessment 2016	308–1 New suppliers that were screened using environmental criteria	38
	308–2 Negative environmental impacts in the supply chain and actions taken	38
GRI 401: Employment 2016	401–1 New employee hires and employee turnover	44
	401–2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	46
	401–3 Parental leave	46
GRI 402: Labour/ Management Relations 2016	402–1 Minimum notice periods regarding operational changes	N/A (The Bank strictly abides by relevant laws and regulations)
GRI 403: Occupational health and safety 2018	403–1 Occupational health and safety management system	48-50
	403–2 Hazard identification, risk assessment, and incident investigation	N/A (The Bank mainly provides financial services and is not subject to any serious occupational health and safety factors)
	403–3 Occupational health services	48-50
	403–4 Worker participation, consultation, and communication on occupational health and safety	/
	403–5 Worker training on occupational health and safety	48-50
	403–6 Promotion of worker health	48-50
	403–7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	48-50
	403–8 Worker covered by an occupational health and safety management system	48-50
	403–9 Work-related injuries	44, 46, 50
	403–10 Work-related ill health	N/A (The Bank mainly provides financial services and is not subject to any serious occupational health and safety factors)

GRI Standards	Disclosure Contents	Page
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	The Bank plans to disclose information in this regard step by step.
	404-2 Programs for upgrading employee skills and transition assistance programs	45-47
	404-3 Percentage of employees receiving regular performance and career development reviews	/
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	18, 44
	405-2 Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	/
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	N/A
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	N/A
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	N/A
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	N/A
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	56
	413-2 Operations with significant actual and potential negative impacts on local communities	N/A
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	/
	414-2 Negative social impacts in the supply chain and actions taken	/
GRI 415: Public Policy 2016	415-1 Political contributions	N/A (The Bank only operates in China)
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	N/A (The Bank's operations are not subject to this requirement)
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	N/A (The Bank's operations are not subject to this requirement)
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	23
	417-2 Incidents of non-compliance concerning product and service information and labelling	N/A (There were no incidents of non-compliance identified during the reporting period)
	417-3 Incidents of non-compliance concerning marketing Communications	N/A (There were no incidents of non-compliance identified during the reporting period)
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	55

Third-Party Assurance Report

Independent Practitioner's Limited Assurance Report

To the Board of Directors of Bank of Qingdao Co., Ltd.

畢馬威華振通字第2500087號

Report on selected information in the 2024 Corporate Social Responsibility (Environmental, Social and Governance) Report of Bank of Qingdao Co., Ltd.

Conclusion

We have performed a limited assurance engagement on the following information in the 2024 Corporate Social Responsibility (Environmental, Social and Governance) Report ("the CSR Report") of Bank of Qingdao Co., Ltd. ("the Bank") (hereafter referred to as "the assured sustainability information"):

Information subject to assurance	Point in time or period subject to assurance
Public welfare donation (RMB10 thousand)	for the year ended 31 December 2024
Social contribution value per share (RMB)	for the year ended 31 December 2024
Total number of employees	as of 31 December 2024
Proportion of female employees	as of 31 December 2024
Head office power consumption (10 thousand kWh)	for the year ended 31 December 2024
Head office water consumption (tonnes)	for the year ended 31 December 2024
Total number of business outlets	as of 31 December 2024
Total number of "Party Building + Volunteer Service" activities	for the year ended 31 December 2024
Balance of inclusive loans (RMB100 million)	as of 31 December 2024
Balance of agriculture-related loans (RMB100 million)	as of 31 December 2024
Balance of green credit (RMB100 million)	as of 31 December 2024
Balance of blue finance loans (RMB100 million)	as of 31 December 2024
Number of customer complaints received	for the year ended 31 December 2024
Total number of training sessions	for the year ended 31 December 2024

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Bank's assured sustainability information as of and for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the Criteria set out in the appendix to this report.

Our conclusion on the assured sustainability information does not extend to any other information that accompanies or contains the assured sustainability information and our 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 *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 the conclusion.

Restriction on use/Intended use of purpose

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 sustainability information

The directors of the Bank are responsible for:

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

Inherent limitations

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

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the assured sustainability 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 you.

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 sustainability information that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the assured sustainability information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- Interviewing the staff of relevant departments involved in providing the selected sustainability information disclosed in the 2024 CSR Report;
- Implementing analysis procedures for the selected sustainability information in the 2024 CSR Report;
- Carrying out sampling inspection on the selected sustainability information in the 2024 CSR Report;
- Performing recalculating.

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
26 March, 2025

Appendix: The criteria relevant to information subject to assurance

Public welfare donation (RMB10 thousand): The public welfare donation disclosed in the CSR report refers to the total external donations made by Bank of Qingdao and Qingyin Charity Foundation.

Social contribution value per share (RMB): The social contribution value per share disclosed in the CSR report refers to the basic earnings per share created by Bank of Qingdao as at the end of the reporting period for shareholders, plus the tax income created by the Bank for the nation, the wage paid to employees, the loan interest paid to creditors and public welfare donation of the Bank and other amount of values created for other interested parties during the reporting period.

Total number of employees: The total number of employees disclosed in the CSR report refers to the sum of employees with whom Bank of Qingdao (excluding the subsidiaries it controls) has signed an employment contract.

Proportion of female employees: The proportion of female employees disclosed in the CSR report refers to the percentage of female employees with whom Bank of Qingdao (excluding the subsidiaries it controls) has signed an employment contract in its total number of employees.

Head office power consumption (10 thousand kWh): The head office power consumption disclosed in the CSR report refers to the power consumption of the head office of Bank of Qingdao, which is the power purposed and consumed by the Bank of Qingdao Building at No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province, PRC.

Head office water consumption (tonnes): The head office water consumption disclosed in the CSR report refers to the water consumption of the head office of the Bank of Qingdao, which is the daily water consumed by the Bank of Qingdao Building at No. 6 Qinling Road, Laoshan District, Qingdao, Shandong Province, PRC.

Total number of business outlets: The total number of business outlets disclosed in the CSR report refers to the total number of business outlets of Bank of Qingdao, which includes all the organisations providing services externally but excludes the branches and sub-branches that have received business licenses but have not been opened.

Total number of “Party Building + Volunteer Service” activities: The total number of “Party Building + Volunteer Service” activities disclosed in the CSR report refers to the total number of Party building and volunteer service activities held by the Community Finance Business Unit of Bank of Qingdao.

Balance of inclusive loans (RMB100 million): The balance of inclusive loans disclosed in the CSR report refers to the sum of outstanding loans to small and micro enterprises as well as loans to owners of individually-owned businesses and small and micro businesses, each of which has a credit line of equal to or less than RMB10 million. Classification of small and micro enterprises was performed according to the Classification Criterion for Medium and Small Enterprises published by the Ministry of Industry and Information Technology of the People’s Republic of China.

Balance of agriculture-related loans (RMB100 million): The balance of agriculture-related loans disclosed in the CSR report is calculated according to the requirements of the People’s Bank of China’s agriculture-related loan calculation system. Agriculture-related loans to individuals include all loans to peasants, and loans to non-peasant individuals to fund agricultural, forestry, animal husbandry or fishery activities. Corporate loans include all loans to non-financial enterprises and government agencies registered in rural areas, and loans to non-financial enterprises and government agencies registered in urban areas for funding agricultural, forestry, animal husbandry, or fishery activities or for supporting agricultural and rural infrastructure construction. Inclusive agriculture-related loans refer to business loans granted to peasants and corporate loans granted to agriculture-related small and micro enterprises (including loans to rural collective economic organizations and farmers’ specialized cooperatives) in line with national inclusive financial policies.

Balance of green credit (RMB100 million): The balance of green credit disclosed in the CSR report refers to the balance of green credit calculated according to the Green Credit Guidelines issued by the former China Banking Regulatory Commission.

Balance of blue finance loans (RMB100 million): The balance of blue finance loans disclosed in the CSR report refers to the loans that are in line with the Blue Finance Guidance Framework issued by the International Finance Corporation (IFC), comply with the Green Loan Principles, and are granted for financing or refinancing marine protection and/or water management improvement.

Number of customer complaints received: The number of consumer complaints received disclosed in the CSR report refers to the customer complaints received by Bank of Qingdao in 2024, including complaints received through internal channels (such as the 96588 hotline, outlets, complaint hotline, complaint mailbox, comment register, and public complaint e-mailbox), as well as complaints forwarded by regulators (such as Qingdao Bureau of National Financial Regulatory Administration, PBOC Qingdao Branch, and “Jinhong” municipal administration website). The number is calculated according to the Administrative Measures for the Handling of Consumer Complaints in the Banking and Insurance Sectors (China Banking and Insurance Regulatory Commission Order [2020] No. 3). That is, repeated complaints from the same customer about the same issue during the same natural year are counted only once.

Total number of training sessions: The total number of bank-wide training sessions disclosed in the CSR report refers to the total number of training sessions for contracted employees organised by relevant head office departments and branches.

Feedback from readers

Thank you for reading the 2024 Corporate Social Responsibility Report of Bank of Qingdao. For the purpose of enhancing information communication, better understanding and meeting your expectations and demands, providing more valuable information for you and other stakeholders and improving the Bank's ability to perform its corporate social responsibilities, we hope that you can share with us your valuable comments and suggestions on this report. Please fill out the feedback form below. You may send us your feedback using any of the following methods.

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1. Which kind of stakeholder are you?

☐ Customer ☐ Employee ☐ Government ☐ Regulator ☐ Shareholder ☐ Vendor ☐ Partner ☐ Community ☐ Environment ☐ Others

2. Your general evaluation of this report:

☐ Poor ☐ Average ☐ Good ☐ Excellent

3. Your evaluation of Bank of Qingdao in performing social responsibilities for economic development:

☐ Poor ☐ Average ☐ Good ☐ Excellent

4. Your evaluation of Bank of Qingdao in performing social responsibilities for environment:

☐ Poor ☐ Average ☐ Good ☐ Excellent

5. Your evaluation of Bank of Qingdao in performing social responsibilities for social progress:

☐ Poor ☐ Average ☐ Good ☐ Excellent

6. Do you think Bank of Qingdao meets your expectations and demands?

☐ No ☐ Average ☐ Yes

7. Do you think this report gives a true and fair picture of how Bank of Qingdao performs its corporate social responsibility for promoting economic, environmental and social progress?

☐ No ☐ Average ☐ Yes

8. Do you think this report is clearly stated and easy to understand?

☐ No ☐ Average ☐ Yes

9. Do you think the content and typography is suitable for reading?

☐ No ☐ Average ☐ Yes

10. Do you have any other comments or suggestions on the report and on the improvement and development of Bank of Qingdao for performing social responsibilities?

Thank you for your feedback and support!

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青島銀行股份有限公司
BANK OF QINGDAO CO., LTD.

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