

# BQD 青島銀行

BANK OF QINGDAO CO., LTD.  
(A joint stock company incorporated in  
the People's Republic of China with limited liability)  
(H Shares Stock Code: 3866)  
(A Shares Stock Code: 002948)



## 2023

### 社會責任報告

CORPORATE SOCIAL RESPONSIBILITY REPORT

创·新金融

美·好銀行

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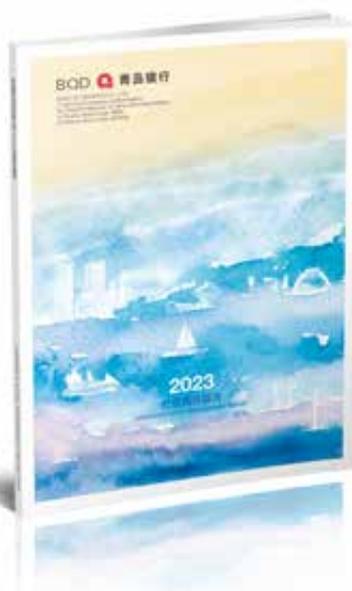
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# About this report



This report describes the efforts and achievements of Bank of Qingdao Co., Ltd. (hereinafter referred to as “Bank of Qingdao”, “the Bank”, and “we”) in respect of economic, social and environmental issues in 2023 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 2023 to 31 December 2023, 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 subsidiaries, 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 “Socially responsible 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 2023 financial statements independently audited by KPMG Huazhen LLP. Should there be any conflict between the financial data herein and the Bank’s 2023 annual report, the 2023 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 of 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.

## Preparer of the report

The General Office of Bank of Qingdao

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# Chairman's statement



In 2023, the country embarked on a new journey in its effort to build a modern socialist country, and diligently pursued critical reform and development tasks with Chinese characteristics amid a complex international landscape. During the year, the Bank seized development opportunities on this new journey, actively responded to risks and challenges, and focused on steadily promoting all tasks. As a result of these efforts, we were able to record remarkable achievements in high-quality development. In 2023, we closely followed the guidance of Party building, maintained a balance between “progress” and “stability” and between “establishment” and “breakthroughs”, and resolutely implemented the New Three-Year Strategic Plan. Moreover, we integrated our growth into the overall development of our local communities and achieved a “qualitative transition through reasonable quantitative growth”, with the goal of adhering to the philosophy of high-quality development. As at the end of 2023, our total assets exceeded RMB800 billion, which represents a new milestone in the Bank's development. While pursuing steady development, we actively fulfilled our economic, environmental and social responsibilities as a local incorporated bank, with a view to using finance to support high-quality economic development in the region.



**Bank of Qingdao Co., Ltd.**

**Chairman**

**JING Zailun**



**As part of our effort to fulfil our economic responsibilities, during the year, we firmly promoted high-quality development and were committed to serving the real economy.** In 2023, the Bank focused on implementing strategic policies in Shandong Province and Qingdao, and served the real economy in core regions by providing financing for the construction of major projects in key areas. During the year, as the first legal incorporated bank to gain a custody qualification in Shandong Province, we officially launched a custody service as part of our effort to expand our suite of services. Moreover, we set up a special service model that harnesses financial innovation so that we can offer greater support for the manufacturing, public utilities, green finance and health sectors; and as a result of our efforts, we won first prize in the “2023 Qingdao Financial Innovation Awards”. During the year, we also implemented an exclusive mechanism for inclusive finance in an orderly manner, launching 24 innovative products with a view to “Competitive Edge Action (鑄劍行動)”. We also devised a “big data + credit factory” business model to expand the coverage of our inclusive finance business. Furthermore, the Bank introduced 17 measures to optimise its business environment, and carried out various social initiatives, such as the “Bank President Visits Small and Micro Enterprises”, the “Spring Ploughing Initiative (春耕行動)” and the “Spring Rain Action (春雨行動)”, to improve the quality and efficiency of the Bank’s service offerings for private and small and micro enterprises.

**In respect of our responsibility to the environment, in 2023, we engaged in green-oriented development, and strived to realise our growth potential by “pursuing a green future”.** In line with the effort of the People’s Government of Shandong Province to accelerate green, low-carbon and high-quality development, the Bank is fully committed to using green finance to promote the development of the real economy. During the reporting period, the Bank established the Green Finance Committee, issued the *Implementation Plan for Green Finance Development* and initiated the development of a “Green Bank”, with the goal of strengthening the Bank’s green development capabilities. We actively pursued green financial innovation and became the only financial institution in Shandong Province that engages in all four types of innovative green finance in China. The Bank also successfully issued RMB8 billion in green financial bonds to attract national funds to support green, low-carbon and high-quality development in the region. Moreover, we adhered to green development concepts in our effort to transform into a blue finance bank; and we were successfully granted a blue syndicated loan of USD150 million by a consortium of international organisations that included the International Finance Corporation (IFC), a member of the World Bank Group. We also won the “Paulson Prize”, which is a renowned international award in the field of sustainable development. At the end of 2023, the

Bank’s green credit balance was RMB26.135 billion, representing an increase of RMB5.211 billion or 24.90% from the beginning of the year, higher than the Bank’s overall loan growth rate.

**To fulfil our social responsibility and strive for a brighter future, in 2023, we remained committed to our original intention of providing people with financial services.** During the reporting period, the Bank launched its extensive “Happy Neighbourhood” promotional campaigns and organised 718 “Party Building + Volunteer Service” activities in local communities, with a view to providing people with “unique” financial services and benefits. In addition, thanks to advances in our “Qingxin Services” and the care demonstrated through our “Silver-haired Services”, our “Qingxin Studio” was recognised as a “National Innovation Studio” by the Chinese Financial Workers’ Union. To digitally transform its services, the Bank harnessed various digital transformation solutions and digital applications, as well as enriched digital services and online products, to continuously improve the “intelligence” and “quality” of its service offerings. In 2023, under its consumer rights protection brand – “Qingcheng” – the Bank carried out more than 1,000 financial education activities to improve the public’s awareness of financial issues and financial safety. Meanwhile, the Qingyin Charity Foundation also actively carried out various public welfare activities, including funding education efforts, initiatives to support people facing health or financial problems, green public welfare services, and activities that promote rural revitalisation. In 2023, the Bank received the “Qingdao Red Cross Fraternity Gold Award”, as well as the title of “2023 Social Responsibility Enterprise” from Dazhong Daily, in recognition of its joint donation of RMB3.67 million alongside the Qingyin Charity Foundation.

2024 marks the 75th anniversary of the founding of the People’s Republic of China, and it is also a crucial year for achieving the goals of the 14th Five-Year Plan. For the Bank, 2024 is an important period for smoothly transitioning to the New Three-Year Strategic Plan. The Bank believes that its ambitions can be realised by taking practical actions with perseverance and determination. Under the Guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we will adhere to the philosophy of “pursuing progress while ensuring stability”. In addition, we will actively integrate new development concepts into services for the real economy, pursue feasible practices to prevent financial risks and improve people’s livelihoods, and strive to reach new milestones in the New Three-Year Strategic Plan. In the year ahead, we will work unceasingly to usher in a new era and navigate challenges and difficulties with determination in order to make a strong contribution to socialist modernisation with Chinese characteristics.



青島銀行大廈



# About Bank of Qingdao

## 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 "A-share" 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 Intesa Sanpaolo S.p.A, Qingdao Conson Industrial Co., Ltd., and Qingdao Haier Industrial Development Co., Ltd. We have two holding subsidiaries. We set up BQD Financial Leasing Co., Ltd. ("BQD Financial Leasing") in February 2017 to pursue diversified group development. We also established BQD Wealth Management Co., Ltd. ("BQD Wealth Management") in September 2020. We are the only legal entity in Shandong Province that has been qualified as Class B lead underwriter and securities investment fund custodian. We are a class-1 open market trader, capable of conducting a variety of businesses. We have 16 branches and more than 190 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.

The Bank ranks high in the "GYROSCOPE" evaluation of urban commercial banks by the China Banking Association. We have been recognised among the "Top 500 World Banks" for many consecutive years, and ranked No. 289 in 2023. In the same year, we were listed on the "China's 500 Most Valuable Brands" and "Top 500 Asian Brands" for the seventh consecutive year. We have been receiving the "Five-Star Diamond Award" – the top award in the service industry – for 8 consecutive years from 2016 to 2023, an unparalleled achievement among commercial banks in China. We have been proactively exploring a unique path for high-quality development, and improving our operations and management around governance, risk control, and IT capabilities, among other areas, which are helping to shape our unique strengths including "Good Governance, Warm Services, Strong Risk Control, and Advanced Technology".

## KPIs

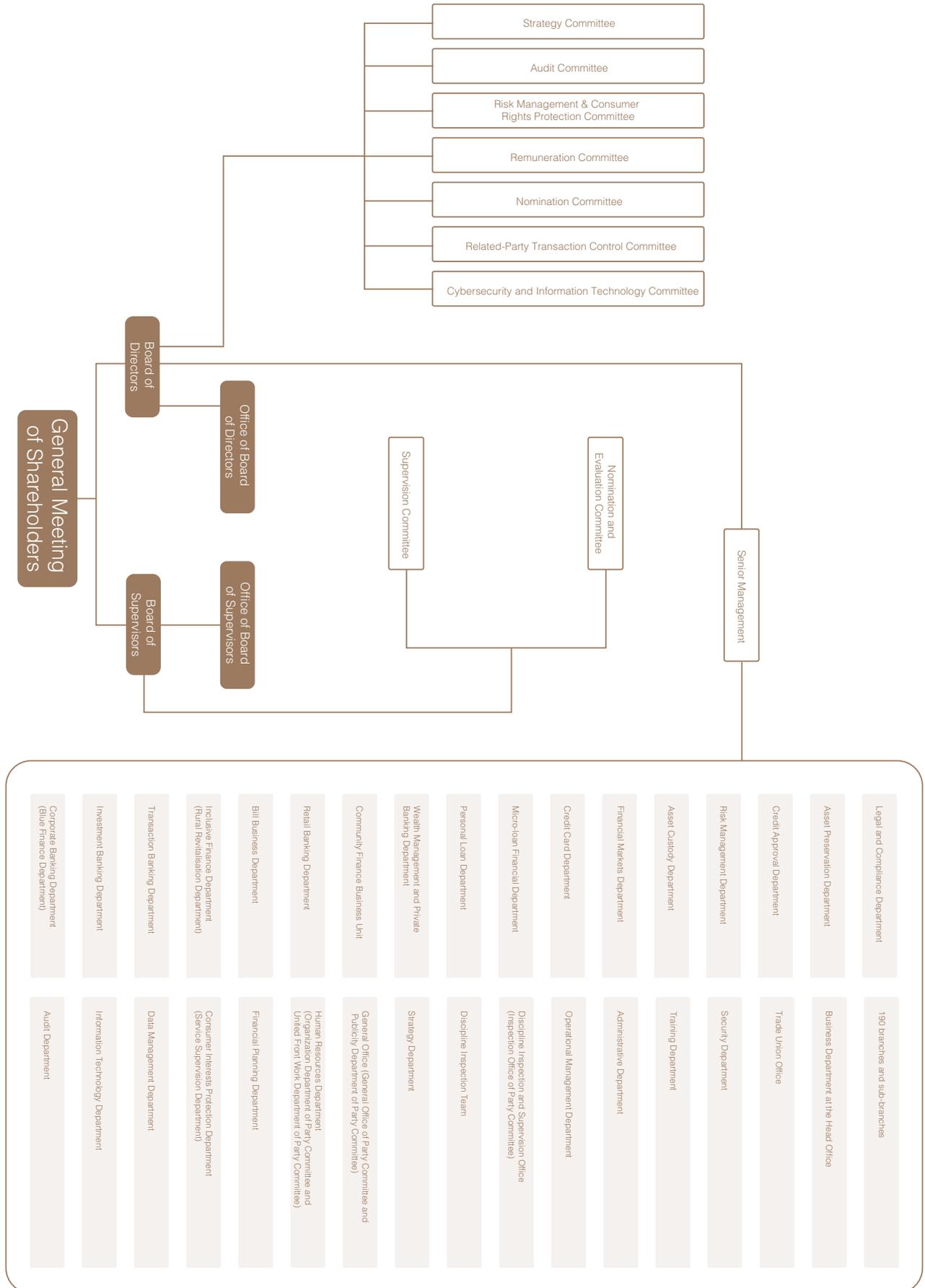
KPI Type	KPI Name	Unit	2023	2022
 Economic	Operating income <sup>1</sup>	RMB100 million	124.72	116.44
	Net profit	RMB100 million	36.71	31.68
	Basic earnings per share after adjustment <sup>2</sup>	RMB	0.57	0.45
	Total assets	RMB100 million	6,079.85	5,296.14
	Total loans <sup>3</sup>	RMB100 million	3,000.90	2,690.29
	Total deposits <sup>3</sup>	RMB100 million	3,860.62	3,413.47
	Return on average total assets	%	0.65	0.60
	Return on weighted average net assets <sup>2</sup>	%	10.71	8.95
	Non-performing loan ratio	%	1.18	1.21
	Provision coverage ratio	%	225.96	219.77
Capital adequacy ratio	%	12.79	13.56	
 Social	Total taxes paid	RMB100 million	26.90	15.57
	Charitable donations	RMB10,000	367.00	569.08
	Social contribution value per share <sup>4</sup>	RMB	3.45	3.04
	Total number of employees <sup>5</sup>	Persons	4,861	4,708
	Proportion of female employees <sup>5</sup>	%	55.19	55.52
 Environmental	Green credit balance	RMB100 million	261.35	209.24
	Head Office power consumption	10,000 kWh	414.72	375.93
	Head Office water consumption	Tonnes	25,623.00	23,898.00
	Head Office paper consumption	Million sheets	1.83	1.52
	Head Office oil consumption	Litres	64,922.72	43,646.55

- 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 Bank completed the rights issues of A shares and H shares in January and February 2022, respectively, and recalculated the earnings per share for the comparative period in accordance with the *Accounting Standards for Business Enterprises No. 34 – Earnings Per Share* and related application guidelines, taking into account the bonus shares in the rights issues. Before recalculation, the basic earnings per share, diluted earnings per share and basic earnings per share after deducting non-recurring gains and losses for 2021 were RMB0.54/share each. The basic earnings per share and return on weighted average net assets for the current period increased compared with the previous year, mainly due to the increase of net profit attributable to ordinary shareholders of the parent company. The Bank issued preferred shares overseas 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, preferred 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 number of capital shares + Basic earnings per share.
- These indicators include the data of the Bank but exclude the data of its subsidiaries.

## Honours and recognition

<b>Comprehensive:</b>	
The Banker	289th in the “Top 1000 World Banks 2023” ranking, two places higher than last year
China Enterprise Confederation and China Enterprise Directors Association	Ranked 253rd among the top 500 service enterprises in China in 2023
World Brand Lab	Ranked 423rd among the “Top 500 Asian Brands” Ranked 335th among “China’s 500 Most Valuable Brands” The only company in Shandong Province to win the “Five Star Diamond Brand” award
Qingdao Municipal Government	First prize in the “2022 Qingdao Financial Innovation Awards”
City Commercial Banks Clearing Co., Ltd.	2021 Outstanding Contribution Award
Financial Times	Award for Banks with the Strongest Competitiveness
<b>Governance:</b>	
China Association for Public Companies	2023 Best Practices of Board of Directors of Listed Companies
China Banking Association	Ranked first among urban commercial banks in terms of corporate governance ability for the third consecutive year in the 2023 “GYROSCOPE” evaluation
Shenzhen Stock Exchange	Rated “A” (the highest rating) in terms of information disclosure for three consecutive years
Qingdao Association for Public Companies	2023 Advanced Unit for Investor Protection
<b>Environment:</b>	
Xinhua News Agency	“Xinhua Credit Jinlan Cup” Best ESG Practice Award
China Association for Public Companies	Best ESG Practices of Listed Companies
Tsinghua University and the Paulson Institute	2023 “Paulson Prize – Green Innovation” Award
Qingdao SASAC	2022 Best Cases for the Social Responsibility Blue Book for State-owned Assets and Enterprises in Qingdao
<b>Society:</b>	
People’s Bank of China (PBOC)	Qualified as a class-1 open market trader for six consecutive years (the only local incorporated bank with this qualification in Shandong Province)
Qingdao Bureau of the National Financial Regulatory Administration	2022 Advanced Unit of Financial Services for Small and Micro Enterprises
Dazhong Daily	2023 Shandong Socially Responsible Enterprise
Qingdao Local Financial Supervision Bureau	2022 Advanced Unit for Loan Renewals Without Repayment of Principal for Small and Micro Enterprises
PBOC Qingdao Branch, Qingdao Local Financial Supervision Bureau, Qingdao Jinjialing Financial Cluster Management Committee	First prize in the “Qingdao Municipal Financial Innovation Awards” for three consecutive years

## 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	Support the real economy Pursue compliance operation Implement macro-economic policies Promote regional economic development Expand inclusive finance services	Policy documents and guidelines Work meetings Information distribution Special reports	Step up Party building Pursue compliance operations Support key projects Expand inclusive finance services Support small and micro enterprises Support regional development Facilitate rural revitalisation Support industrial transformation Enhance ESG management
 Regulators	Ensure compliance with regulatory requirements Maintain financial stability Assume social responsibilities	Regulatory policies Inspections and supervision Work reporting	Strengthen internal control Support real economy Guard against financial risks
 Shareholders	Ensure sustainable business operations Improve profitability Improve returns on equity Increase corporate value	General meetings of shareholders Information disclosure Performance roadshows Investor surveys and communications	Improve corporate governance Develop corporate development plans Improve information disclosure Enhance management of investor relations
 Customers	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	Marketing activities Customer hotline Surveys WeChat, online banking and other digital platforms	Accelerate digital transformation Enhance customer service Caring for people with special needs Protect consumers' legitimate rights and interests Increase service outlets Spread financial knowledge Enhance information security
 Employees	Improve employee benefits Protect employees' legitimate rights and interests Provide professional training and career development opportunities Enrich leisure activities	The trade union General meetings of employee representatives Seminars Feedback Discussions and visits	Protect employees' legitimate rights and interests Improve the compensation and welfare system Collect employees' suggestions from various channels Provide employee training and development opportunities Set up "Staff Houses" Help employees with difficulties Energise talents
 Suppliers	Fair procurement Win-win cooperation	Negotiations Conclusion of contracts and agreements Tender and bidding processes	Build a procurement management system Enhance business cooperation
 Partners	Mutually beneficial cooperation Communication and exchange of ideas	Meetings Joint projects	Strengthen external communication Enhance interbank cooperation
 Communities	Care for disadvantaged groups Organise public service activities	Visits Seminars	Engage in public service activities Financial aid for students Volunteer activities Explore community finance
 Environment	Low-carbon and environmentally friendly operations Sustainable development	Energy conservation and emission reduction policies Green public service activities	Develop green finance Promote green operation Manage climate risks Develop blue finance

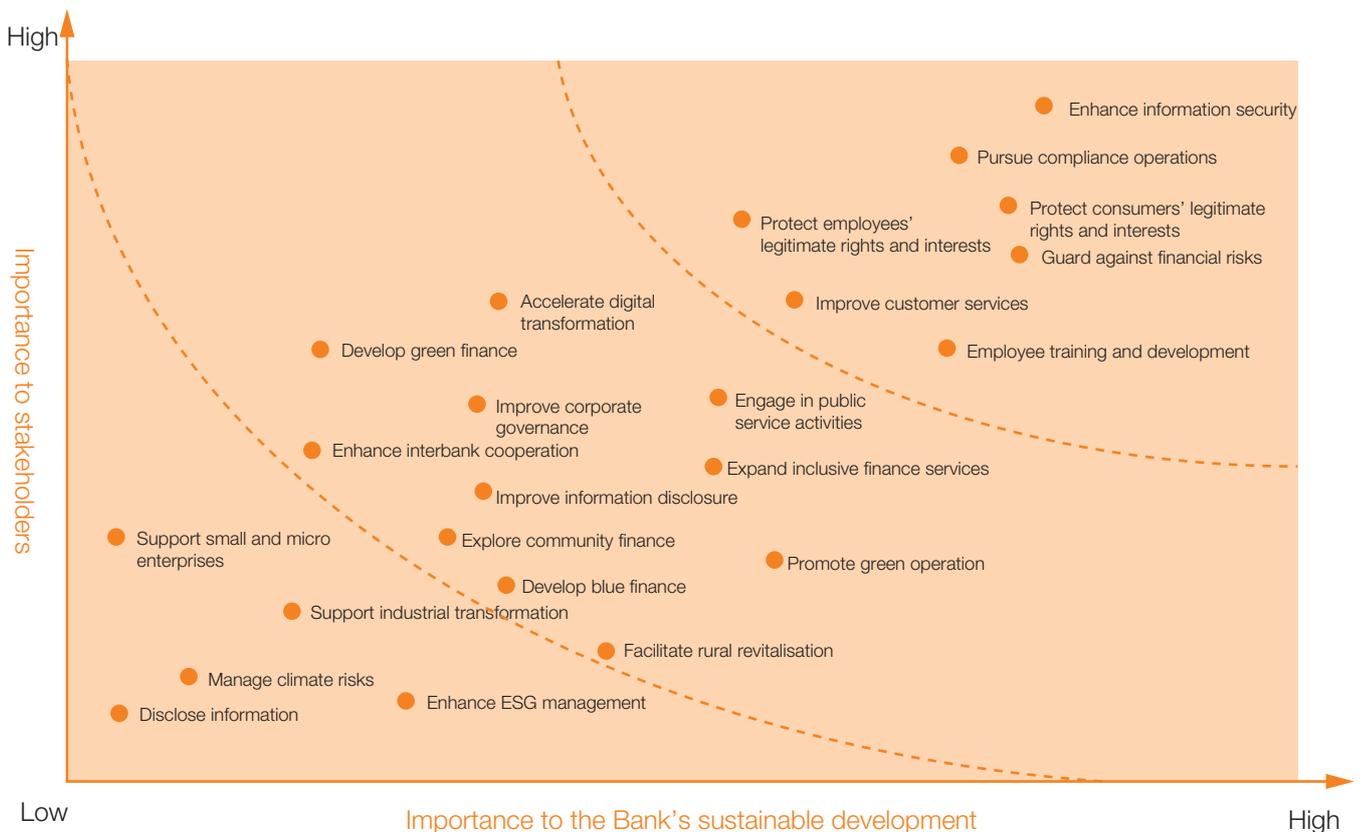
## Materiality analysis matrix

### 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.



### Materiality analysis matrix





## Developing blue finance as a featured business

Since 2020, the Bank, as the first pilot bank in China, has been working with the International Finance Corporation (IFC), a member of the World Bank Group, to promote the building of "blue finance" capacity, provide experience and knowledge for the promotion of sustainable blue finance worldwide, and support the sustainable ocean development. This innovative measure and its influence have been increasingly recognised by the industry.

We were accepted by the United Nations Environment Programme (UNEP) in November 2020 to become a member of the UN Sustainable Blue Economy Finance Initiative. We have also signed, and are committed to, the 14 sustainable blue finance principles within the initiative. In 2023, the Bank actively implemented these principles, focused on areas including climate change, clean water supply, marine biodiversity protection, marine pollution treatment, and ecological rehabilitation. We attempted a series of blue finance experiments and practices to continue driving a sustainable blue economy and support the UN's sustainable development goals (SDGs). In 2021, we worked with IFC to develop the world's first blue asset classification standard, which defined the activities in 37 industries under 7 major sectors qualified for blue finance and blue bonds, serving as a reference for blue finance businesses such as blue credit, blue bonds and blue investment. This initiative has become one of the best practices in the field learned by financial institutions at home and abroad. In June 2022, the Bank entered into partnership with the IFC, which enabled us to access a USD150 million loan from the consortium, the first ever blue finance investment of its members in China. The fund has been dedicated to marine-friendly projects as well as important clean water sources protection projects. As at the end of 2023, the Bank's outstanding blue finance loans totalled RMB13.24 billion, strongly supporting the development of the marine economy and real economy in Shandong Province.



**2020:**

Became a member of the UN Sustainable Blue Economy Finance Initiative One of the first banks to join the initiative



**2023:**

Registered a balance of blue finance loans exceeding RMB13 billion



**2021:**

Created the World's first blue asset classification standard



**2022:**

Received the first blue finance investment from an IFC-led international investment consortium

## Impact Assessment on Blue Finance Projects (Abstract)



During the reporting period, the Bank and IFC launched the impact assessment blue finance projects, which is summarised as follows:

### Analysis of key sectors

The Bank's blue finance customers are mainly operating in four sectors, including clean water supply and water treatment, water-friendly and marine-friendly products, circular economy and marine-friendly chemicals, as well as sustainable fishery and seafood value chain.

#### Clean water supply and water treatment:



Two thirds of the loans provided by the Bank to the sector have been used to support water supply, and the remaining have been used to support sewage treatment. A large proportion of loans from the Bank has been first used to build and expend production infrastructure for water supply and sewage treatment, and then provided to support enterprises' production and operation activities. From the perspective of purpose, the Bank expected most enterprises to use the funds to facilitate operation and implementation of relevant projects, and the other enterprises to facilitate related technological development and project research and design.

#### Sustainable fishery and seafood value chain:



More than 40% of the loans provided by the Bank to this sector has been used to support aquatic product processing and distribution, and nearly 30% of the loans has been used to support fishing and aquaculture.

#### Circular economy and marine-friendly chemicals:



Half of the Bank's loans to this sector has been used to support the production, sales and use of agricultural and forestry products such as fertilisers. For example, some enterprises have used the loans to pursue related technological development and operation. The other half has been used to support the recycling of plastics and other wastes. For example, some enterprises have used the loans to carry out related operations and to upgrade related equipment (such as production equipment).

#### Water-friendly and marine-friendly products:



The Bank mainly supported the industries in this sector that used biodegradable materials to replace traditional plastics. Specifically, we helped enterprises in the industries to carry out temporary seasonal production and operation, technological transformation of fixed assets, and equipment upgrading. In terms of improving production and sales of biodegradable materials, our loans have been provided to most of the enterprises to pursue relevant technological development and to a smaller number of enterprises to optimise operation.

### Evaluation by enterprises

Based on 50 questionnaires collected from enterprises, the project team reached the following conclusion:

#### Generally, corporate banking customers recognised the Bank's services

Of the responding enterprises, 87% believed that our services met their business needs, 74% believed that our credit support met their development needs, 66% believed that our diverse financial products met their different business needs, 66% believed that our fast loan application processing had reduced the difficulty of financing, 60% believed that our innovations in financial products, business processes and technologies met their growing business needs, and 47% believed that our preferential interest rates had helped them reduce their financing costs.

#### The Bank is a good choice for corporate banking customers because of our unique competitive edge

Of the responding enterprises, 77% believed that we were able to accurately identify their financing needs, 74% believed that we were able to process loan applications faster than other financial institutions, 50% believed that they were able to get cheaper funds from us than from other financial institutions, and about 40% believed that we offered diversified and flexible guarantees. In addition, one third of the enterprises chose to borrow from us because we were able to provide non-financial services.

#### Generally, corporate banking customers are unable to collect statistics on and evaluate environmental and social benefits

Considering the "carbon peaking and carbon neutrality" goals, if the Bank put in place a set of free computing tools to measure the carbon emissions of enterprise operations or the environmental and social benefits of enterprise operations to the blue economy, most of the enterprises (83%) said that they would consider using it provided that it could help them obtain lower-cost funds, and a small proportion of the enterprises (11%) said that they would consider using it to improve their social image provided that their cost of funds could reach the market average. A few enterprises (6%) said that they mainly focused on the cost of funds and the difficulty of obtaining them, and there for the tool would not affect their choice for financial institutions. This shows that most enterprises have established a preliminary understanding of the environmental and social benefits of enterprises, and believe that these have an impact on their development. However, the cost of funds and the difficulty of obtaining them remain the decisive factors of where they seek financing.



## Case

### A group in Shandong Province

**Main business:** A group in Shandong Province mainly engaged in water supply (drinking water), sewage treatment, trade and agriculture, and had an annual revenue of nearly RMB1 billion.

**Financing overview:** The group planned to connect and repair the main water supply pipelines in counties and towns, improve water supply in a large rural area (using tap water pipelines to replace wells in households), optimise the pipelines for urban and rural water supply, so as to improve the quality and safety of drinking water for urban and rural residents. The project was within the Bank's blue finance business scope and qualified for priority support. We provided a fixed asset project loan of RMB100 million to the enterprise. Currently, the project has been completed and put into operation.

**Achievements and benefits:** After the project was put into operation, the total daily water supply from the enterprise has increased from 70,000 tonnes to 100,000 tonnes, the total annual water supply has increased from 23.59 million tonnes to 36.5 million tonnes, the number of people covered by the water supply has increased from 580,000 to 680,000, and the water leakage ratio of water supply pipelines has decreased from 10% to 7%, which helps reduce the average of this ratio in Shandong Province.

### A new material technology company in Weifang

**Main business:** A new material technology company in Weifang mainly engaged in manufacturing degradable products such as degradable plastic films and degradable plastic bags, as well as in providing semi-finished products (degradable plastic particles). In recent years, as many policies were released to restrict or ban the use of plastic, the company's business grew significantly.

**Financing overview:** In January 2023, the company faced a funding gap when investing in fixed assets and purchasing raw materials, and therefore entered a cooperation agreement with the Bank. We provided the company with a pledged loan and a line of credit totalling RMB2 million, which was a short-term liquidity loan (1 year).

**Achievements and benefits:** The company's products are made of starch (bio-based) and contain no hazardous substances. Through normal composting, they can be fully biodegraded (supported by monitoring data; different from biodegradable) into carbon dioxide and water, which is conducive to plastic pollution control. After the project was put into operation, the company's production and sales volume of fully biodegradable materials increased from 2,000 tonnes to 2,500 tonnes. Its share in the local plastic market increased from 20% to 30%.

## Recognition in the market

The Bank's blue finance projects have been recognised by people from all walks of life:

– **Zhang Chenghui, former director of the Financial Research Institute, Development Research Centre of the State Council, and president of Sanya Economic Research Institute, 2023**



"At present, marine ecological environment protection, biodiversity protection and sustainable blue economy have become common concerns around the world. How to speed up marine pollution control, promote the coordinated development of the marine ecosystem and human civilisation, and develop the marine economy while protecting the ocean are huge challenges faced by countries all over the world, especially coastal countries. Actively developing blue finance is undoubtedly an important way to deal with these challenges. By actively developing its blue finance business, continuing to increase its blue assets, and engaging in public governance of blue finance, Bank of Qingdao has become a leader in the development of blue finance in China's banking industry. I hope that the Bank will continue to invest efforts in blue finance to find a way for other financial institutions to develop blue finance in line with China's national conditions. I also hope that the Bank will summarise development rules and expand business relationships to pass down the "Qingdao experience" to other coastal areas in China, so as to promote the better and faster development of China's blue finance undertakings. "

– **Yu Ping, Qingdao Oceanic Administration, 2023**



"Bank of Qingdao fully capitalises on regional economic characteristics, actively explores and practices blue finance, creates a blue asset standard, provides new ideas for the low-carbon transformation of the marine industry, and delivers strong support for the sustainable development of the marine industry."

– **Liu Dahai, The First Institute of Oceanography, State Oceanic Administration, 2023**



"The blue economy is a major direction of future development. The Chinese government attaches great importance to the development of the blue economy, which is of vital importance to the country as a maritime power. In the future, the blue economy will account for an increasing proportion in the Chinese economy. As the first pilot project in China supported by the International Finance Corporation under the World Bank Group, Bank of Qingdao's blue finance pilot project has resulted in a series of excellent achievements, created a huge social impact in China, and stimulated blue economy development at the current stage. I hope that the Bank will continue to actively promote the development of the blue economy and make contributions to sustainable marine development and global governance. "

# 01

## Continuously put into Practice

### Enhancing governance competence

During the reporting period, the bank has focused on the strategic core of “high-quality development with priority given to quality and efficiency”, and has steadily advanced high-quality development.

- 20 Pursuing development guided by Party building
- 22 Improving corporate governance
- 23 Devising strategies to navigate development
- 24 Social responsibility governance
- 25 Pursuing compliance



## Pursuing development guided by Party building

The Bank adheres to the overall leadership of the Party, to high-quality development, to professionalism and digitalisation, and to the principle of developing with and for the staff, striving for business prosperity guided by Party building. In 2023, the Bank has always taken guidance from Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 20th National Congress, actively engaged in the overall development of Shandong and Qingdao, and made every effort to achieve integrated advancement of Party building and business.

In 2023, with the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as guidance, the Bank developed a good understanding of the general requirements of Party building for the new era, resolutely implemented the plans and decisions of the Communist Party of China (CPC) Central Committee as well as the provincial and municipal CPC committees, took political construction of the Party as the guideline, consolidated the grassroots foundation, strengthened the work style, and improved the service capability. All these have resulted in an improving work style of Party members and cadres, and an improving political ecology within the Party. During the reporting period, we set up the Bank of Qingdao branch of the Party School of the Qingdao Municipal CPC Committee to enrich the education and training resources for Party members and cadres. We organised and carried out the “star rating” activity to recognise 15 five-star CPC branches, taking CPC branch standardization and regulation to a higher level. We also further nurtured the “Party-Masses e-Home (黨群e家)” and “Happy Neighbourhood” Party building brands, connected with 122 communities to jointly promote Party building, and arranged 718 “Party Building + Volunteer Service” activities, so as to provide caring financial services for community residents while driving business growth.



“Party Building + Volunteer Service” activities

718



The Qingdao Bank Branch of the CPC Qingdao Municipal Party School was inaugurated.

## Fighting corruption, strengthening Party conduct and cultivating integrity

During the reporting period, the Bank upheld the philosophy of strengthening Party conduct and cultivating integrity is part of risk management, by continuing to foster a culture of integrity. We stressed the importance of “education” for prevention. In this regard, we organised 2 special training sessions to deliver on-site courses on integrity; arranged watching of 3 educational videos and released 52 issues of *Weekly Case Sharing* to promote integrity and prevent corruption; carry out “four communications and four promotions” activities that cover all cadres at or above middle level and regularly issued the *Reminder on Integrity and Self-discipline* to raise the awareness of integrity. We continued to exercise pragmatism and focused on system construction, revised the rules of procedure of the Party committee meeting, the Board of Directors meeting, and the President’s office meeting, optimised policies and methods regarding centralized procurement, asset management, expense and other areas to comprehensively regulate the exercise of power. We underlined strict supervision by carrying out inspections on three Party organizations and conducting special audits on 15 key areas, so as to give full play to these supervision approaches. We also put in place proper feedback channels, formulated the *Management Measures of the Bank of Qingdao for Staff’s Non-Compliances Reporting*, and set up a public complaint mailbox and hotline. Additionally, we adopted multiple measures to optimise online petition handling and implemented the “13620” rapid response method to accelerate online petition handling and make sure that all petition documents were processed within the specified time limit. During the reporting period, the Bank was not found engaged in any corruption litigation cases.

During the reporting period, we strictly complied with regulatory requirements and provided favourable conditions for our directors to perform their duties. In 2023, we organised online and offline training sessions for directors, which covered proper performance of duties, improvement of ability to perform duties, enhancement of responsibility awareness, and compliance of transactions, so as to constantly help them more properly and efficiently perform their duties.



## Improving corporate governance

### Continuously improving corporate governance to consolidate the ground for high-quality development

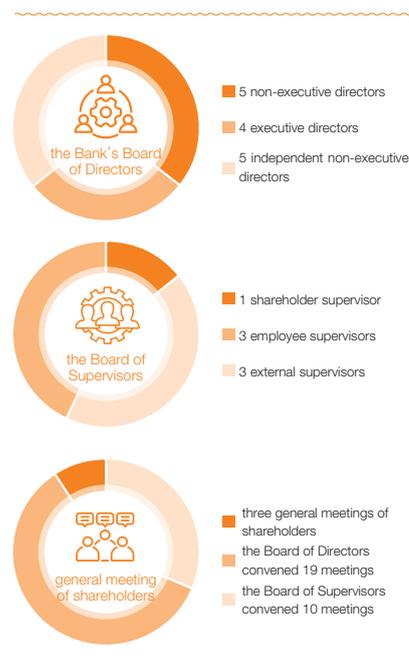
In 2023, the Bank closely followed the leadership of the Party, continued to embed the Party's leadership in corporate governance, make Party Committee discussions a prerequisite for handling major issues, so as to give full play to the critical role of the Party Committee in steering directions, managing the overall situation, and promoting implementation. We constantly improved the operational efficiency of the Board of Directors with the principle of compliance, comprehensively raised the quality and efficiency of operation and management, and optimised risk control, effectively enabling the Board of Directors to play a core role in "determining strategies, making decisions, and preventing risks". We continued to standardise the management of shareholders' equity, strictly controlled the acceptance of major shareholders, regularly carried out evaluation of major shareholders, and cultivated a shareholder compliance culture. We further ensured that directors, supervisors and senior management performed their duties, diversified their duty performing methods, extended their duties, and actively carried out surveys, so as to improve their duty performance result and efficiency. We also strengthened supervision by the Board of Supervisors on the Board of Directors and senior management in terms of duty performance, finance, and risk controls, ensuring stable development of the Bank.

As at the end of 2023, the Bank's Board of Directors comprised 14 directors, including 5 non-executive directors, 4 executive directors, and 5 independent non-executive directors. Our Board of Supervisors consisted of 7 supervisors, including 1 shareholder supervisor, 3 employee supervisors, and 3 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 2023, the Bank held three general meetings of shareholders to review and approve 16 proposals and hear 4 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 2023, the Board of Directors convened 19 meetings, including 6 offline meetings and 13 online meetings, at which 77 proposals were approved and 63 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 2023, the Board of Supervisors convened 10 meetings, including 2 offline meetings and 8 online meetings, at which 23 proposals were approved and 59 reports were reviewed or heard.



### Ensuring information disclosure compliance for a sound image in the capital market

The Bank strictly complied with the laws and regulations in the Chinese mainland and Hong Kong Special Administrative Region to fulfil information disclosure obligations, ensured the authenticity, accuracy, and integrity of the information disclosed, and proactively increased the depth and breadth of information disclosure. We have been rated "A" (the highest rating) by the SZSE during information disclosure evaluation for three consecutive years.

In 2023, the Bank made a total of 250 announcements of various types on the SZSE and SEHK, including 125 on the SZSE and 125 on the SEHK. There were no penalties imposed by regulators for information disclosure compliance issues. While ensuring the quality and transparency of information disclosure, we continued to add "Bank of Qingdao characteristics" to our information disclosure initiatives in line with overall business development and made full use of information disclosure platforms, helping attract investments.

### Stepping up investor relations management to better deliver value

The Bank has maintained proper communication channels with the capital market and proactively carried out various investor relations management activities. In 2023, we briefed investors at home and abroad on our business result simultaneously through "offline conference + teleconferencing + live broadcast" and online text interaction. The live broadcast received several ten thousand views. We also actively participated in the online reception day for investors in Qingdao, and answered 100% of their questions.

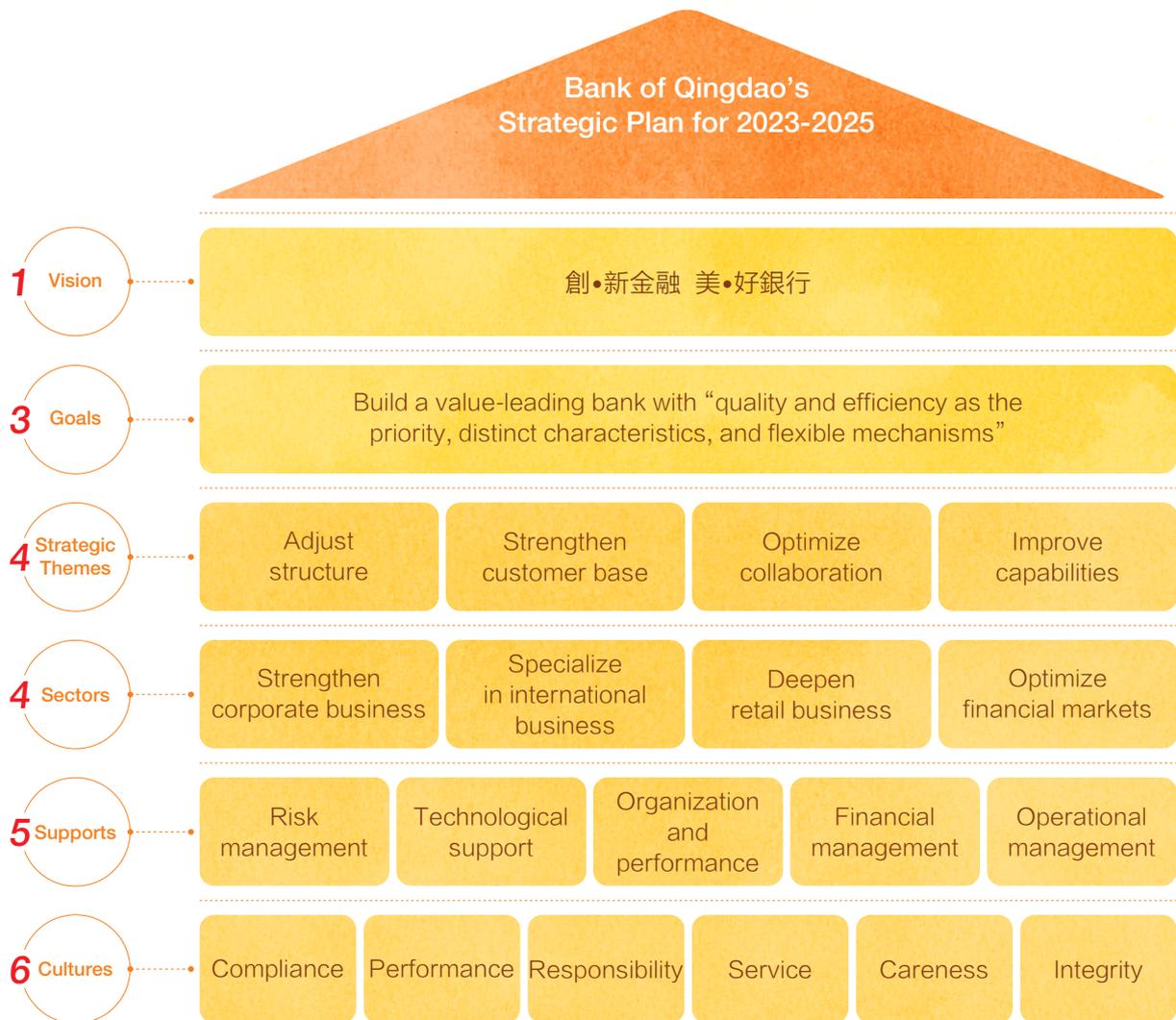


actively participated in the online reception day for investors in Qingdao, and answered

**100%** of their questions

## Devising strategies to navigate development

The Bank has formulated the *2023-2025 Strategic Plan of Bank of Qingdao* in line with the shift from the fast development stage to the high-quality development stage in the next three years, during which we will pursue “qualitative transition through reasonable quantitative growth”, clarify detailed development objectives in the new stage based on the requirement of “high-quality development, quality and efficiency first”, and promote high-quality, refined and professional development, constantly enhancing the cornerstone of sustainable development.



## Social responsibility governance

### Statement of the Board of Directors (the “Board”)

The Board of Directors is committed to the Bank strictly abiding by the disclosure requirements of the environmental, social and governance (ESG) reporting guidelines of any stock exchange where the Bank’s shares are traded.

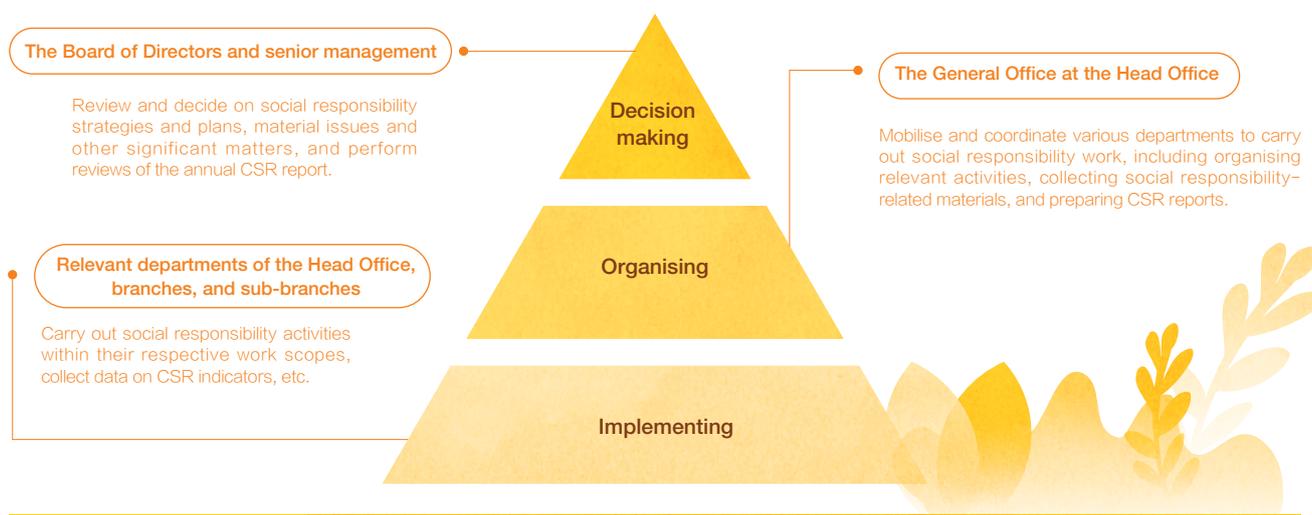
The Bank and the Board comply with the requirements of the *Code of Corporate Governance for Listed Companies* issued by the China Securities Regulatory Commission (CSRC) and the *Corporate Governance Code and Environmental, Social and Governance Reporting Guide* issued by the SEHK, continuously improve our governance system regarding ESG, strengthen supervision and engagement of the Board in the Bank’s ESG affairs, and proactively integrate ESG into our development strategy, major decisions, production and operation. The Board will further clarify its responsibilities in respect of ESG through meetings and routine training, optimise its workflow and enrich its working methods. Additionally, it will incorporate ESG into the Bank’s operations and long-term development goals, ensuring that ESG is truly integrated into our corporate culture.

In 2023, the Board proactively performed its strategic decision-making and supervisory functions, and comprehensively supervised ESG matters, focusing on green credit, consumer rights protection, and data governance. It has successively reviewed and approved the *2022 Corporate Social Responsibility Report of Bank of Qingdao Co., Ltd.*, *2022 Report of Bank of Qingdao Co., Ltd. on Green Credit Development*, *2022 Report of Bank of Qingdao Co., Ltd. on Protection of Financial Consumers’ Rights and Interests*, and *2022 Report of Bank of Qingdao Co., Ltd. on Data Governance*.

In 2024, 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 subbranches 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

## Internal control and compliance system

During the reporting period, the Bank initiated internal control reform, standardised processes and strengthened performance of duties. We established the Internal Control and Accountability Committee, released the plan for strengthening the construction of the internal control system, and started the formation of the “three lines of defence” for internal control. We strengthened the implementation of the “second line of defence”, and centralised bank-wide supervision and inspection, problem rectification, internal accountability and administrative punishment, and released a new version of the measures for handling employees’ violations to standardise the accountability process, clarify the punishment standards, and strictly prevent and control violations. We also fully assumed the supervision responsibility of the “third line of defence”, started audit structure reform, and carried out various audit projects in an orderly manner; improved the closed-loop management mechanism covering audit and rectification to ensure that the problems found in the audit are rectified properly; and incorporate the rectification result into performance appraisal to drive application of audit and rectification results.

## Comprehensive risk management

The Bank promoted comprehensive risk management, established a Comprehensive Risk Management Committee, and put in place a comprehensive risk regular monitoring mechanism. We strengthened credit risk management and developed a risk inspection mechanism regarding the suspension and resumption of trading of cluster businesses, developed new post-lending management measures, updated post-lending inspection templates, enhanced post-lending risk alert and identification, and carried out business re-inspection and dynamic risk monitoring, initially forming a comprehensive monitoring system. We successfully implemented the new rules on impairment, classification and capital, revised the policies and processes for the new classification rules, and completed system update for the new rules.

## Anti-money laundering management

During the reporting period, the Bank strengthened its policies and systems, refined and improved a number of internal control policies and guidelines on anti-money laundering, strengthened special anti-money laundering reviews, and reviewed the business risk prevention and control designs for more than 100 products, effectively integrating anti-money laundering requirements throughout the product business lifecycle. We stepped up internal guidance with real cases, clarified risky areas and critical prevention and control points, and issued 9 communications covering internal risk tips and priority action notices. We enhanced system monitoring by optimising and upgrading the design of more than 30 types of money laundering monitoring models and adjusting some key monitoring parameters for more intelligent monitoring. Meanwhile, we actively fulfilled our social obligations by carrying out online knowledge quizzes and real case analysis, which covered more than 100,000 participants, strongly promoting anti-money laundering in the society.



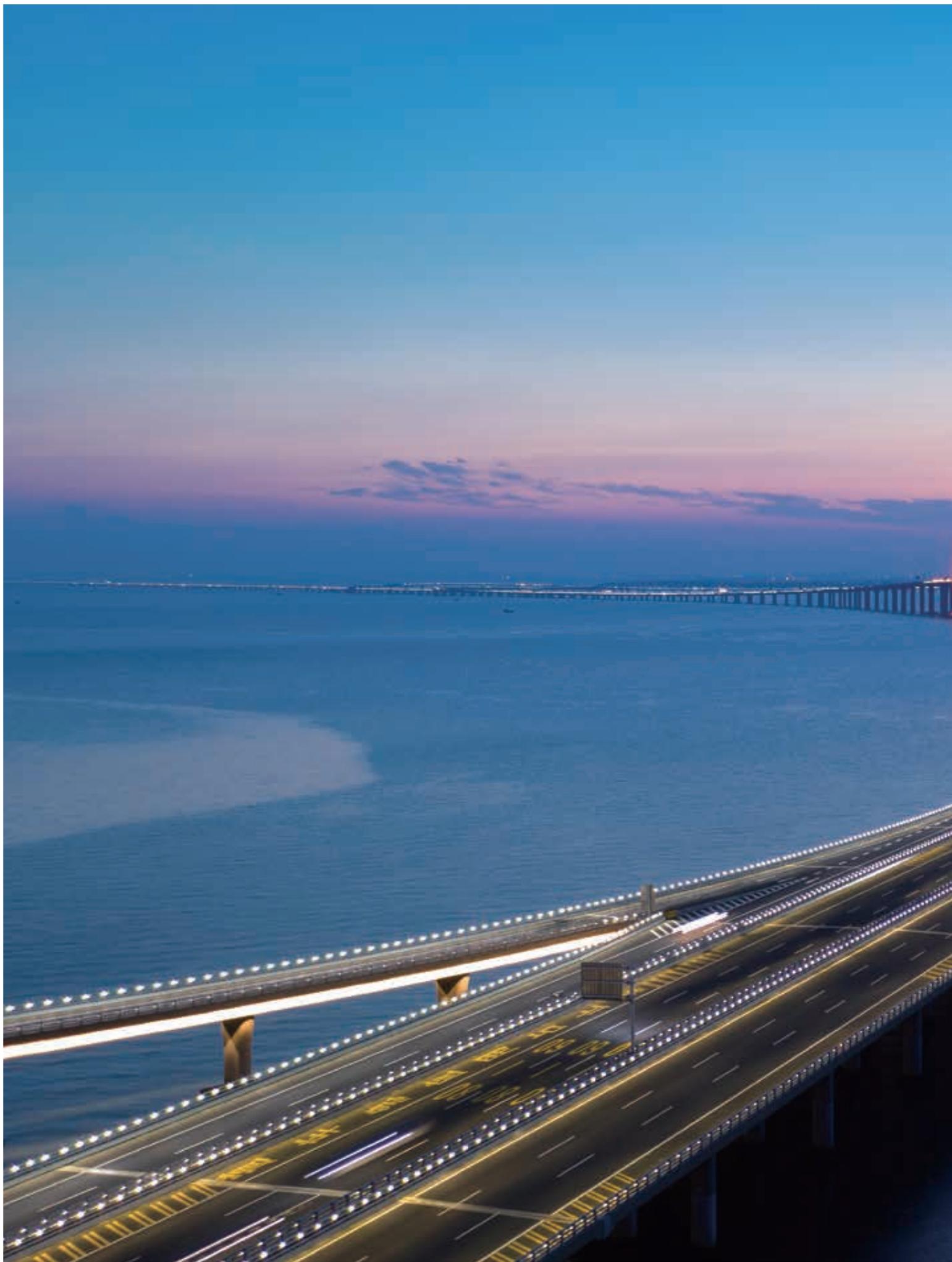
carrying out online knowledge quizzes and real case analysis, which covered more than

**100,000** participants

## 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*, raised the awareness of intellectual property rights protection, stay committed to creating a related distinctive image, and fully leverage intellectual property rights to support financial innovation and business growth.

At the end of 2023, the Bank has the exclusive rights of 220 registered trademarks in China, covering financial services and other fields. We continued to improve our existing trademark system by registering the new [青e惠農], [璀璨人生] and other trademarks to strengthen our soft business capabilities. We fully respect the legitimate rights of third parties, strictly prevent the risk of intellectual property infringement, and embed intellectual property protection in all aspects of operation and management.





# Work Diligently and Act Steadfastly

## Serving the real economy

The Bank actively fulfills its mission and responsibilities, firmly commits to serving the real economy as the foundation for consolidating sustainable development capacity and high-quality development, and resonates with national strategies and regional economic prosperity.

- 28 **Implementing national policies**
- 30 **Providing better and broader support for the real economy**
- 31 **Developing inclusive finance**
- 33 **Driving rural revitalisation**

## Implementing national policies

### Stepping up efforts to support key areas and emerging industries

In 2023, the Bank focused on key industries, identified eight research directions, carried out in-depth researches in more than 30 areas, selected modern agriculture, food processing, new energy batteries, high-end equipment, pharmaceutical manufacturing, automobile, petroleum refining, and special equipment as the key sectors based on Shandong's regional characteristics and industrial landscape, and tailored solutions to address the pain points of industry development, with an aim to promote high-quality economic development with excellent financial services. In 2023, our credit scale increased by RMB25.356 billion or 12.96%, a record high in terms of annual increase, offering strong financial support to the local real economy.



credit scale increased by

**RMB25.356** billion

or 12.96%, a record high in terms of annual increase, offering strong financial support to the local real economy



The bank conducted a research trip to enterprises.

## Supporting technology finance

The Bank proactively implemented the spirit of the Central Financial Work Conference and provided high-quality financial services in “five major areas”. Starting from the three dimensions of mechanism, model and product, we innovatively launched a business model for technology finance specialisation as well as more than 20 products in six series, so as to support the development of technology finance. In 2023, we granted more than RMB8.5 billion of loans to over 1,000 technology enterprises.



In 2023, we granted more than

RMB **8.5** billion

of loans to over 1,000 technology enterprises

### Establishing a technology finance specialisation mechanism

The Bank adopts a streamlined professional management system for product innovation and development targeting technology enterprises and for management of specialised organisations. In July 2014, the Bank set up Shandong’s first “sci-tech sub-branch” in Qingdao High tech zone, and then established a number of such specialised sub-branches in Jinan, Weihai, Yantai, Jining, and Dezhou, to build a technology finance specialisation mechanism with the Head Office as the core and the specialised and special sub-branches as supportive organisations.



The bank held the 8th “Bank of Qingdao Cup” Technology Finance Stock and Bond Dual-financing Roadshow Competition and the 10th “Blue Star” Innovative High-growth Enterprise Selection Activity.

### Launching featured products for enterprises at different lifecycle stages

The Bank launched more than 20 featured technology finance products in six series to fully meet the financial needs of technology enterprises in the starting, developing and mature stages.



### Innovating financial service models

First, the Bank deepened cooperation with platforms and delivered targeting services. We adhered to the strategy of acquiring target customers by batch and accurately addressed customer needs. Second, we stepped up support based on credit policies. We released the *Implementation Opinions on Building a Comprehensive Manufacturing Development System through Optimising Coordination, Strengthening Driving Forces and Focusing on industries to Serve the Real Economy*, paid great attention on the next generation of information technology, high-end equipment, new energy and materials, biomedicine and other strategic emerging industries, and prioritised support for high-tech enterprises, innovative enterprises and technologically advanced enterprises recognized by the government.

## Supporting pension finance

Putting in place an early plan on pension finance development. The Bank set up a professional health team at the Head Office to serve the customers across the province in need of elderly care and medical services and promote the pension finance business. In terms of corporate loans, we launched two exclusive products including “Yuan Yi Rong (院易融)” and “Zhen Yi Rong (诊易融)” to support elderly care at home and medical care and nursing integration. By the end of 2023, we had offered a total loan of RMB92.88 million for 12 elderly care institutions in Shandong Province through these two products. The total amount increased by RMB23.69 million in 2023. In 2023, the Bank registered a medium-term note of RMB2 billion for Shandong Yiyang Health Industry Development Group Co., Ltd., a leading enterprise in the health industry of Shandong Province. We created a series of long-term dividend-yielding wealth management products for the pension finance market and issued 101 offerings in total to raise about RMB6.9 billion from some 43,200 individual investors.



By the end of 2023, we had offered a total loan of

RMB **92.88** million

for 12 elderly care institutions in Shandong Province through these two products. The total amount increased by RMB23.69 million in 2023

## Providing better and broader support for the real economy

**Enriching financing products to meet diversified needs of enterprises.** In 2023, the Bank launched the “Competitive Edge Action (鑄劍行動)” to rapidly respond to needs for credit products, identified and optimised 24 key products through collaboration among multiple departments at the Head Office in eight asset business categories including listing/pre-listing, international business, supply chain finance, inclusive finance, science and technology finance, health, personal consumption, and agricultural loans.

**Strengthening bank-enterprise connection and improving service coverage.** In 2023, with focuses on “ten scenarios, one hundred industrial parks, one thousand projects, and ten thousand private enterprises”, the Bank conducted field surveys, visited enterprises, gained an understanding of actual situations, and solved difficult problems, so as to ensure more accessible, convenient and targeting financial services. Through the “Bank President Visits Small and Micro Enterprises” activities, we visited 331 small and micro enterprises in 2023 to facilitate the “last mile” of financial services.



Served more than 5,200 major small and medium-sized supply chain enterprises by granting loans of as much as

**RMB 8.091** billion

to drive the development of related local industries

**Developing supply chain finance and building an industrial cluster ecosystem.** In recent years, the Bank has introduced advanced information technology to efficiently deliver services such as rapidly approving and granting supply chain credits, and has continuously optimised service processes to offer better inclusive financial services to supply chain customers. By the end of 2023, the Bank has provided financial services to more than 200 core supply chain enterprises and served more than 5,200 major small and medium-sized supply chain enterprises by granting loans of as much as RMB8.091 billion to drive the development of related local industries.

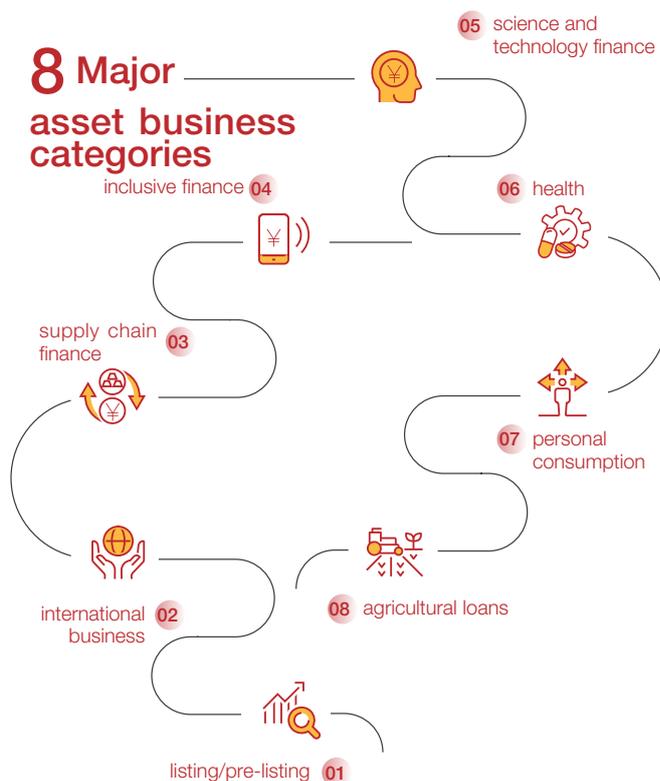
### Typical case

The Bank became qualified as an asset custodian, significantly improving its comprehensive ability to serve the real economy

In May 2023, the Bank successfully renewed its permit for securities and futures business. The new permit also covers the securities investment fund custody business, making it the ninth urban commercial bank with such qualification in China, and the first local incorporated bank with such qualification in Shandong Province. This qualification further enables us to pursue high-quality development as a group, and broadened our channels for serving the real economy. The new business will develop in a coordinated manner with the BQD Financial Leasing and BQD Wealth Management subsidiaries, as well as the group’s other businesses such as financial markets, investment banking, and wealth management, to drive high-quality development of the regional economy and the capital market of China.

On 2 June 2023, the Bank held the forum themed financial connectivity for high-quality economic development and the asset custody strategy press conference in Qingdao. At the forum, we revealed the “Seashell (海貝)” plan that aims to fully support financial connectivity, and signed a strategic cooperation agreement with more than 20 participating institutions on building financial connectivity to facilitate high-quality economic development of Qingdao. This represented the start of our journey to develop the asset custody business. During the reporting period, the Bank established business ties with nearly 50 funds, banks, securities firms, trusts and other asset management institutions, and launched more than 40 asset management products involving funds, separately managed accounts, trusts, and asset securitisation with a total amount of over RMB10 billion.

### 8 Major asset business categories



## Developing inclusive finance

2023 marked the first year of the Bank's inclusive financial reform. The Bank continued to improve its inclusive finance operation system, establish a professional inclusive finance business model, and promote specific development measures such as "building a specialisation mechanism, building a business platform, improving the product lines, and adhering to digital transformation". These efforts have resulted in the rapid sustainable development of the inclusive finance business. As at the end of 2023, the Bank had a balance of RMB33.846 million for inclusive loans, an increase of RMB6.721 million, or 24.78%, over the opening balance. The growth rate was higher than the Bank's other loans.



As at the end of 2023, the Bank had a balance of

RMB **33.846** million

for inclusive loans, an increase of RMB6.721 million, or 24.78%, over the opening balance

## Implementing national inclusive policies

Closely following decisions and plans of the Central Financial Work Conference, the Bank fully leveraged related national policies, including refinancing and re-discounting, on-lending and risk sharing mechanisms, to support the development of small and micro businesses. We launched the special action of "optimising work style, capabilities and business environment", and implemented the principle of "reducing costs as much as possible" to extend the preferential rates originally offered to small and micro enterprises and individual business owners to all corporate banking customers, so as to maximise their profits. By the end of 2023, the Bank had offered 112 free services, and took the initiative to inform customers through our official website, mobile banking service, WeChat official account, business outlets, and other channels, to protect their right to know.



## Building a specialised inclusive finance system

During the reporting period, the Bank established a bank-wide specialised inclusive finance system by setting up related specialised departments and teams in branches and sub-branches, dispatching personnel for approving inclusive loans, and putting in place an independent credit management system for small and micro enterprises. We promoted the “pilot bank” mechanism for inclusive finance by setting up specialised inclusive finance departments and teams in 7 branches and sub-branches that met pre-conditions, including the Jinan Branch, West Coast Branch, Zibo Branch, Linyi Branch, Weihai Branch, Shibe Sub-branch, Shinan Sub-branch, to improve the efficiency of inclusive finance services.



## Enriching inclusive finance products

At the beginning of 2023, the Bank set up a “Credit Product Quick Response Working Group” to carry out the “Competitive Edge Action (鑄劍行動)” regarding inclusive finance. We optimised and innovated more than 20 innovative flagship inclusive finance products, forming a complete system with online product lines covering advanced manufacturing enterprises, modern agricultural enterprises, technological innovation enterprises, export enterprises, supply chain enterprises.

## Empowering services through digitalisation

The Bank leveraged digitalisation to achieve high-quality development of inclusive finance, launched the “Inclusive e-Finance (普惠e融)” service featuring “one single product accessible via multiple channels in various scenarios”. It offers a unified application entrance for enterprises, and the system is able to automatically match applicants up with financing scenarios. We have also launched four online inclusive loan products, including “tax e-loan (enterprise version)”, “housing mortgage e-loan”, “technology enterprise e-loan” and “export e-loan”.

### Typical case

#### Successfully launched the “Inclusive e-Finance (普惠e融)” digital service platform

In November 2023, the Bank launched the “Inclusive e-Finance (普惠e融)” digital service platform. “Inclusive e-Finance (普惠e融)” analyses customer big data, such as tax, industry and commerce, justice and credit data, to accurately estimate customer credit ability. It is used mainly to build complete customer profiles of small and micro enterprises. It adopts an innovative service model of “one single product accessible via multiple channels in various scenarios”, and employs differentiated approval policies based on the different characteristics of applicants, to automatically match them up with financing services in different scenarios, and to approve credits and set interest rates according to the risk control model. This service is an important transformation measure to make the Bank’s corporate asset business accessible online, which brings more efficiency and convenience to small and micro enterprises. By the end of 2023, more than 1,600 enterprises had applied for the “Inclusive e-Finance (普惠e融)” service, the number of transactions increased by more than 50% after it was made accessible online, and around 50 enterprises had obtained a total line of credit amounting to about RMB40 million.



## Driving rural revitalisation

In 2023, the Bank set up a rural revitalisation steering team, optimised and innovated a series of agriculture-targeted products such as “Fast Preferential Agriculture Loan (惠農快貸)” and “Preferential Carbon Loan (碳惠貸)”, and carried out a special activity of “One Country One Priority Product (一縣一品)”. As at the end of 2023, the balance of agriculture loans reached RMB53.669 billion, an increase of RMB5.193 billion or 10.71% from the beginning of the year; the balance of inclusive agriculture loans stood at RMB 6.714 billion, an increase of RMB2.376 billion or 54.77% during the same period.



As at the end of 2023, the balance of agriculture loans reached

**RMB 53.669** billion  
an increase of RMB5.193 billion

## Establishing a rural revitalisation steering team

In 2023, the Bank established a steering team for serving rural revitalisation through financial services, formulated a work plan for rural revitalisation through financial services, clarified the division of responsibilities, and coordinated the Bank’s financial services for rural revitalization.

## Joining efforts to offer loans for rural revitalisation

On 19 July 2023, the Bank held the “Joint Efforts to Drive Rural Revitalisation” signing ceremony of strategic cooperation between the government, the Bank, and guarantors in the Bank of Qingdao Building, with an aim to work together to discuss the establishment of a financing service platform for them to facilitate rural revitalisation.



## Innovating and optimising agriculture loan products

During the reporting period, the Bank made every effort to build and optimise the agriculture-targeted product system, and has created a series of featured agriculture-targeted products such as “Fast Preferential Agriculture Loan (惠農快貸)”, “Loan Pledged by Forest Ownership (林權抵押)”, “Loan Pledged by the Right to the Contracted Management of Land (土地承包經營權抵押)”, “Preferential Carbon Loan (碳惠貸)”, “Breeding Treasure (養殖寶)”, “Planting Treasure (種植寶)” and “Pepper Loan (辣椒貸)” to meet customers’ diversified service needs.

### Typical case

### Funded cherry planting to enable rural revitalisation

Yunshan Town of Pingdu City is known as “No. 1 Big Cherry Town in Jiaodong” and “No. 1 Town of Greenhouse Cherry Planting in China”. Cherry planting has become the main source of income for local farmers. However, due to various factors, farmers faced many financing difficulties. In order to support the cherry growers, the Bank launched the “Cherry Planting Loan (櫻桃種植貸)” for Yunshan Town through efficient online credit approval and cooperation with professional agricultural financing guarantors to address cherry growers’ urgent needs. By the end of 2023, the Bank had granted a total of RMB24.7122 million of “Cherry Planting Loan (櫻桃種植貸)” to cherry growers in Yunshan Town.



BQD 青岛银行

你知道这些

# 生活中的碳足迹吗?

可减少约0.279kg  
二氧化碳

多吃蔬菜  
少吃一个肉盘

可减少约3.1kg  
二氧化碳

少用一双  
一次性筷子

可减少约2.06kg  
二氧化碳

使用节能灯  
10h

可减少约0.02kg  
二氧化碳

合理  
垃圾分类

可减少约0.18kg  
二氧化碳

低楼层走楼梯  
代替电梯

碳循美好

减塑行动

City





# Embrace Green and Move Forward

## Pursuing green finance

During the reporting period, the Bank insisted on prioritising ecology and seeking green development, and continued to innovate green finance products, strengthened cost reduction and efficiency increase approaches, with an aim to improve its “green bank” image, further drive green development, and achieve high-quality development.

- 36 Innovating green finance services
- 37 Promoting blue finance
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## Innovating green finance services

In 2023, the Bank established a Green Finance Committee at the Head Office to coordinate and promote the development of green finance throughout the Bank. In 2023, the Bank's green credit balance increase by RMB5.211 billion or 24.90% to RMB26.135 billion, faster than the average loan growth.



In 2023, the Bank's green credit balance increase by RMB5.211 billion or 24.90% to

RMB **26.135** billion

### Strengthening strategic guidance

We established the Green Finance Committee led by the President of the Head Office, issued the *Implementation Plan for Green Finance Development*, and put in place an inter-department green finance steering and coordination mechanism, to promote green finance across the Bank from a strategic perspective.

We leveraged the “Carbon Loan (碳贷通)”, Green Loan (绿贷通), Photovoltaic Loan (光贷通) and Environment Loan (环贷通) to build a “BQD Green Finance (绿金青银)” brand focusing on key industries and scenarios of the green credit business, established systematic and differentiated market development strategies, and promoted business implementation and expansion.

### Building a special brand

### Innovating green products

The Bank has innovated and granted the first loan for carbon emission disclosure and first carbon emission quota-backed loan for technological transformation in China, the first CCER (Chinese Certified Emission Reduction) future income rights pledge loan for a new energy project in Shandong Province; the first emissions rights pledge loan in Shandong Province, the first energy usage rights pledge financing by a incorporated bank in Shandong Province, and the first carbon emission reduction tool support loan of local incorporated bank in Shandong Province. This has made us the only financial institution in Shandong Province to have achieved the full implementation of the four types of innovative green finance businesses (environmental equity pledge loans, carbon asset pledge loans, energy income pledge loans, and sustainability-linked loans) promoted by the PBOC, and led the innovative development of green finance business.

The Bank implements national policies, constantly innovates green finance products and services, and actively carried out green finance bond issuance and investment, providing effective financing channels for supporting green industries such as energy conservation, environmental protection, clean production, and clean energy, and earnestly fulfilling its social responsibility of supporting regional green industry development and serving the local economy. In 2023, the Bank issued RMB8 billion of Bank of Qingdao green finance bonds, attracting funds from across the country to support Qingdao's green, low-carbon and high-quality development.

### Increasing green investment

### Typical case

#### Issued China's first loan for carbon emission disclosure

In May 2023, our Laiwu Branch granted China's first loan for carbon emission disclosure of RMB10 million to a power company. This loan links the interest rate with an enterprise's carbon performance in production and operation. We provide preferential interest rates for enterprises that pay attention to carbon disclosure and have strong emission reduction performance, so as to encourage enterprises to actively carry out carbon disclosure, and help drive the development of green finance.



our Laiwu Branch granted China's first loan for carbon emission disclosure of

RMB **10** million to a power company

## Promoting blue finance

During the reporting period, the Bank made full use of regional economic characteristics, actively explored and practised blue finance, and made every effort to promote sustainable marine development.

### Stepping up capacity building to promote the integrated development of blue finance and green finance

On 27 November 2023, the Bank and the World Bank Group's International Finance Corporation (IFC) held a signing ceremony for the second phase of the capacity building project for blue and green finance in Qingdao. The two parties signed the cooperation agreement on "green-blue finance capacity building", marking a new stage of the cooperation between the two parties in the field of blue and green finance. While deepening the cooperation in blue finance, the two sides will expand the cooperation to green finance innovation, to innovate blue and green finance solutions, so as to help drive green low-carbon transformation of the economy and society and effectively respond to climate change.



### Winning recognitions of blue finance efforts

On 26 September 2023, the Bank received the 2023 "Paulson Prize – Green Innovation" Award for its "Blue Finance" project. The Paulson Prize is one of the influential international awards regarding sustainable development jointly sponsored by Tsinghua University and the Paulson Institute. It aims to promote low-carbon transportation innovation, reconstruct new infrastructure in the new energy era, encourage solutions to address climate change, improve environmental quality, and promote zero-carbon transformation, and build a sustainable future for coexistence of the environment and economy.



#### Typical case

The Bank issued technological innovation bills to help drive the blue economy and won first prize in the "Qingdao Financial Innovation Awards"

The Bank helped Qingdao West Coast New Area Ocean Holdings issue RMB700 million of technological innovation bonds, which are the first such bonds in Shandong, and fund was mainly used for the technological innovation projects including the Qingdao BOE Production Base and Marine Biopharmaceuticals Industrial Park. These bonds for promoting the blue economy have played the role of providing financing services to technological innovation enterprises, broadening their financing channels, and reducing their financing costs. On the other hand, technological innovation bonds helped achieve an important breakthrough in investing in the equity of technological innovation enterprises through bonds. It helped steer funds for technological innovation such as high-end manufacturing, and set a good example of supporting high-end manufacturing in Shandong Province and driving innovation in the marine biopharmaceuticals industry. In May 2023, this initiative received the first prize in the "2022 Qingdao Financial Innovation Award".



## Starting the green bank initiative

During the reporting period, we launched the bank-wide “green bank” initiative and embedded the goal of “energy conservation, consumption reduction and green development” into our development philosophy, striving to build a low-carbon and environment-friendly green bank and achieve high-quality development through green bank development.

## Optimising the top-level design

During the reporting period, the Bank set up a “Green Bank” working group, issued the *Green Bank Working Plan of Bank of Qingdao*, defined the priorities and objectives of work, and coordinated and promoted the “Green Bank” initiative throughout the Bank, so as to facilitate the green and low-carbon transformation and development of the Bank.

## Advancing Green Operation

The Bank proactively practices green and low-carbon operation, and has implemented a series of internal green operation measures that cover many details.

Energy consumption by Bank of Qingdao in 2023:

Category	Unit	2023	2022
Head Office power consumption	10,000 kWh	414.72	375.93
Head Office water consumption*	Tonnes	25,623.00	23,898.00
Head Office paper consumption	Million sheets	1.83	1.52
Head Office oil consumption	Litres	64,922.72	43,646.55
Head Office natural gas consumption	Cubic metres	38,183.00	30,522.26
Head Office greenhouse gas emission	Tonnes carbon dioxide equivalent	4,674.23	4,499.19
– Direct greenhouse gas emission**	Tonnes carbon dioxide equivalent	146.76	99.72
– Indirect greenhouse gas emission***	Tonnes carbon dioxide equivalent	4,527.47	4,399.47

\* The Bank’s water consumption is chiefly 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 2023, the vehicles at Head Office generated a total of 517.57 tonnes of nitrogen oxide, 0.95 tonnes of sulphur dioxide and 49.59 tonnes of particulate matters.

In 2023, 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.

## Utilising green resources

We adhere to the resources conservation philosophy by saving 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 lamp and when not needed. We also encouraged 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 upgrade the smoke exhaust system, so as to improve the energy efficiency of the canteen. We have also increased the procurement of green food ingredients, improved the recycling and treatment of kitchen waste, and treated waste water before discharge.

Additionally, 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, and increased the total number of video conferences in 2023 to as many as 4,712.



increased the total number of video conferences in 2023 to as many as

# 4,712

## Adhering to green procurement

During the reporting period, the Bank further optimised the centralized procurement mode, and implemented priorities including introducing bidding agencies, centralising procurement, and publicly establishing a supplier base. We also revised the *Administrative Measures for Centralised Procurement Management of Bank of Qingdao and Centralised Procurement Operating Rules of Bank of Qingdao* based on the actual situation to further strengthened the compliance of procurement management. During procurement, we required suppliers to meet national environmental protection requirement, and excluded high pollution and high energy consumption suppliers and products, so as to guide suppliers to fulfil their social responsibilities.



Number of suppliers by region

Region	Number of suppliers
Yangtze River Delta region	105
Pearl River Delta region	37
Bohai Rim region	667
Central China	7
Northeast China	3
West China	11
Other regions	5

## Reducing emissions

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. The Bank has engaged a professional services provider for the reuse and harmless treatment of waste electronic equipment. The recycled components are reused as spare products or parts to extend the service life of such equipment, and to reduce their adverse effects on the environment.

Type	Item	Unit	Data (as at 31 December 2023)
Electronic equipment retired by Bank of Qingdao in 2023	Computer for business purpose	Pieces	266
	Printer	Pieces	62
	ATM/CRS	Pieces	78
	Self-service terminal	Pieces	12

## Developing green services

During the reporting period, the Bank provided a series of green services at outlets and promoted “paperless” services to help customers fulfill their energy conservation and emission reduction commitment and to continue driving “green bank” construction.

### Promote transformation toward streamlined outlets

In 2023, the Bank comprehensively promoted the transformation toward streamlined outlets and continued to optimise their resource allocation and service processes. We put in place an online platform to manage more than 170 materials in four categories including product marketing materials, office supplies, furniture and equipment of the outlets, achieved green publicity using multimedia broadcast, microprinting and other methods, and eliminated unnecessary paper materials. We continued to drive online and paperless transactions, and more than 90% of counter transactions have been conducted with paper forms. We also comprehensively sorted out and cancelled paper document disposal requirements during business implementation, so as to reduce the delivery of paper documents and implement the green and low-carbon philosophy.

### Building a new remote service model

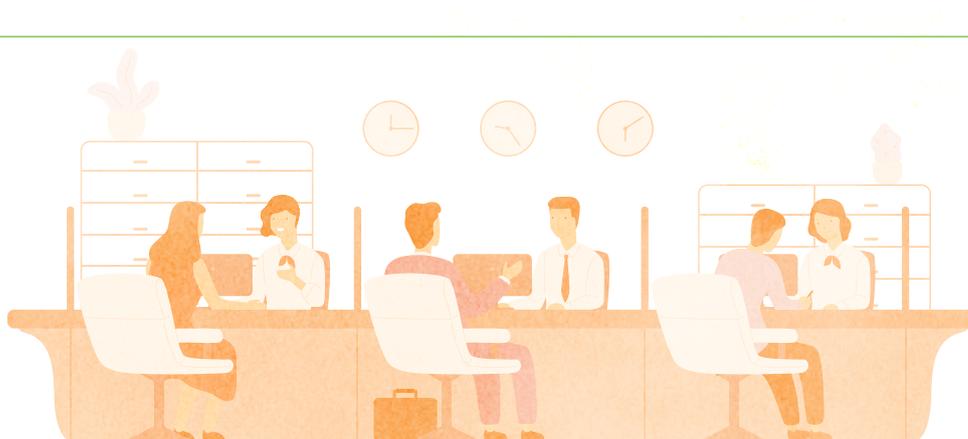
During the reporting period, the Bank introduced remote banking to make some services accessible online, so as to bring more convenience to customers by saving their trouble of visiting our outlets.

### Steadily rising e-banking replacement ratio

As at the end of 2023, we had 97 self-service banks and 415 self-service facilities, so that customers can access services online through self-service devices and smart PADs. This helped address 73% of counter service demands. As many as 83% of personal asset proofs were issued online.

### Developing green outlets

In order to become “green and smart”, the Bank will pilot the construction of “green outlets”. They will be low-carbon outlets that feature energy conservation and consumption reduction, digitalised outlets that are intelligent and convenient, user-friendly outlets with more caring services, and sustainable outlets that pursue prudent operations. We will promote these efforts across the Bank through different measures, from different dimensions, and at different levels.



# Carrying out green public service 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.



The Weihai Branch held a tree planting event themed "Plant Trees to Add New Greenery, Sow New Hopes".



The Weihai Branch held an environmental protection public welfare campaign.



The Dongying GuangRao Sub-branch, together with the County Basketball Association and Sports Bureau, held the first "Bank of Qingdao Cup" Beautiful Countryside Basketball Tournament in Guanglao County.



The Licang Sub-branch of Bank of Qingdao held an environmental protection public welfare event.



The Rizhao Branch held a public welfare environmental protection event.



The West Coast Branch held a public welfare event themed "Little Green Angels, Little Environmental Protection Pros".



The Zibo Branch participated in the public welfare event of "Beauty Lies in Civility" for civilized travel.

## Launching the carbon recycling and plastic reduction campaign

On 19 November 2023, in order to advocate green environmental protection, the Bank simultaneously launched the “2023 Bank of Qingdao Walking Activity” – a carbon recycling and plastic reduction campaign – in 16 cities across Shandong Province. A total of 1,800 customer and employee representatives were invited to the activity to exercise in the wonderful autumn and demonstrate a green and low-carbon lifestyle.



## Becoming the title sponsor of 2023 Qingdao Bay Bridge Marathon

On 15 October 2023, the 2023 Bay Bridge Marathon was held at Qingdao Jiaozhou Bay Bridge, and we were its title sponsor. With the theme of "health, joy, vitality and feature", the event consisted of three games, including the half marathon, experiential run (12km) and family run (5km), which attracted more than 30,000 participants.







# Journey Together with You

## Caring for customers

The “Qingxin” service brand outlines the distinct characteristics of our bank’s services. During the reporting period, our bank extensively carried out financial knowledge education activities, actively promoted service improvement, and strived to be a close financial steward for customers by providing zero-distance services and temperatured financial services.

- 46 Accelerating digital intelligence transformation
- 47 Protecting consumer rights
- 48 Spreading financial knowledge
- 50 Handling customer complaints
- 52 Managing information security
- 53 Building business outlets to enhance convenience

## Accelerating digital intelligence transformation

In order to comprehensively improve customer service quality and efficiency, the Bank established a Digital Strategic Transformation Committee, formulated a bank-wide digital transformation plan, and drove service improvement through digital intelligence transformation during the reporting period.



### Developing digital tools

We iteratively optimised the retail banking-oriented “Digital Assistant” function, and improved the intelligent marketing management platform for corporate banking. We also continued to optimise our online business hall for corporate banking, and 72.97% of corporate banking services were delivered online.



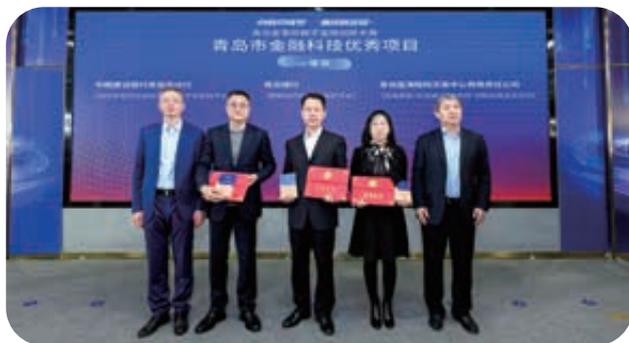
### Enriching digital services

We released mobile banking version 8.0 to provide targeted caring services. We launched micro-loan products such as “Didi Business Loan (滴滴經營貸)”, “Online Business Loan (網商經營貸)” and “Sunshine Insurance Business Loan (陽光保險經營貸)”, as well as online credit card products such as “Credit Insurance Loan (信保貸)” and “Jingyun Card (鯨運卡)”. We also introduced the “Inclusive e-Finance (普惠e融)” business, and it helped increase the average number of applications per month by more than 50% compared with the traditional offline channels and improve the efficiency of approval and post-lending management of inclusive loans.



### Providing intelligent customer services

In 2023, the number of users of our AI text chatbot exceeded 2.3 million, up by 3% year on year. We vigorously promoted the robot-assisted outbound call platform in multiple business areas, and the number of users exceeded 7.03 million, up 92% year on year.



The bank’s “HawkEye 360 Intelligent Risk Monitoring Platform” won the first prize at the “2022 Qingdao Jinjialing Digital Financial Innovation Competition”.



The bank’s “Group-level Intelligent Warning Platform” won the first prize in the “Second Qingdao Digital Financial Innovation Competition - Excellent Financial Technology Project”.

## Protecting consumer rights

Enhancing the system and mechanism. We further improved our consumer rights protection system and mechanism, formulated the *Administrative Measures of Bank of Qingdao for Consumer Rights Protection Information Disclosure* and the *Measures of Bank of Qingdao for Consumer Suitability Management*, and revised the *Administrative Measures of Bank of Qingdao for Consumer Rights Protection Training*, the *Measures of Bank of Qingdao for the Appraisal of Consumer Rights Protection Performance*, and the *Administrative Measures of Bank of Qingdao for Financial Disputes Resolution*, so as to ensure that consumer rights protection is conducted in accordance with regulations and to embed the requirements of consumer rights protection throughout the business process.

Implementing new regulations across the Bank. We arranged more than 100 training sessions across the Bank to study the *Measures for Consumer Rights Protection by Banking and Insurance Institutions*, with an aim to raise all employees' awareness of the consumer rights protection. We also organised "need-to-knows" test on financial consumer protection to assess employees' understanding of consumer rights protection. A total of 3,822 employees from across the Bank participated in the test. This approach of "driving learning through tests" has helped improve our service and business capabilities.

Optimising the consumer rights protection review mechanism. We formulated the *Bank of Qingdao Consumer Rights Protection Review Form*, clarified the key points of review, and added customer service standards compliance requirements for marketing review, so as to incorporate the "customer-centric" service concept into the consumer rights protection review. By the end of 2023, we had subjected a total of 389 documents to consumer rights protection review, and put forward 670 substantive review opinions regarding products and services. These opinions accurately pointed out consumer rights protection concerns and risk control measures needed, with an aim to prevent consumer rights violations as early as possible.



We arranged more than

**100** training sessions across the Bank to study the *Measures for Consumer Rights Protection by Banking and Insurance Institutions*

By the end of 2023, we had subjected a total of 389 documents to consumer rights protection review, and put forward **670** substantive review opinions regarding products and services



## Spreading financial knowledge

The Bank actively participated in large activities organised by regulators such as “315 Activity – Boosting Consumer Confidence”, “Ensuring the Safety of Funds”, “Special Tours to Spread Financial Knowledge”, and “Financial Consumer Rights Protection Education Month”, and organised branches and sub-branches to carry out various forms of financial education activities such as “Little Bankers”, “Financial Knowledge Courses”, “Promoting Financial Knowledge in Rural Areas”, and “Five Walk In”. In 2023, we held more than 1,000 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 general public, we helped people understand basic financial products and services, so as to proactively fulfil our social responsibility and comprehensively improve financial literacy of the general public.

“Five Entries” of Financial Knowledge. Organize a professional team to promote financial knowledge in communities, enterprises, rural areas, schools, and business districts.



“Micro-classroom on Financial Knowledge”. Create a “Micro-classroom on Financial Knowledge” through the official WeChat account.



“Protecting Students from Fraud through Anti-fraud Awareness”. Enter universities to carry out the “Seven-in-One” theme activities - forming an anti-fraud team, conducting an on-site promotion, holding an anti-fraud lecture, issuing an advocacy letter, providing a warm reminder, organizing a movie-watching activity, and holding a creativity competition.



**牵挂时刻放心上，细微之处暖人心**

王晓仪 济南自贸区分行 理财经理

年纪大了，难免会遇到各种困难。总是结伴到济南自贸区支行办理退休金业务的李叔叔和孙阿姨，是理财经理王晓仪的“老熟人”了。叔叔曾悄悄告诉晓仪，在孙阿姨出现了阿尔茨海默症后，自己不放心她独自外出。知道此事的晓仪，便将孙阿姨的情况放在了心上。没想到，某次办业务，竟然只有孙阿姨一个人来。经过阿姨断断续续的表达才知道，原来李叔叔生病住院了。

担心阿姨自己回家会出意外，细心的王晓仪便借口自己要到阿姨家附近拜访客户，将阿姨送回了家。阿姨的儿子在焦急之际，见到妈妈被青岛银行的员工平安送回了家，嘴里更是止不住的感谢。

**在意你在意的人，牵挂你牵挂的牵。  
有银人的细心，于无声处筑天。  
变成客户心里可以遮风挡雨的大树。**

“Financial Edition CityWalk”. Convey the concept of consumer rights protection through the “interesting and informative” check-in process.



## Handling customer complaints

In 2023, the Bank continued to adapt to 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*, and strictly implemented the closed-loop complaint management mechanism that included “omni-channel acceptance – process tracking – hierarchical processing at Head Office, branch and sub-branch levels – follow-up after completion – data submission – backtracking and improvement – complaint-related appraisal”. Our Head Office, branches, and sub-branches worked together to ensure that consumer complaints are received in time, transferred smoothly, handled efficiently and settled as scheduled. In 2023, we received a total of 10,866 customer complaints, and the complaint settlement rate was 100%.



In 2023, we received a total of

**10,866** customer complaints, and  
the complaint settlement rate was 100%

In order to further improve the central management of different consumer complaint channels and the digital management of the whole process, we established a customer feedback data system covering entire customer complaint handling process. This “Bank of Qingdao Customer Voice Management System” was launched on 6 January 2023 to cover 39 channels and enable the sharing of customer complaint information and data cross departments and organisations, creating new value through digital consumer rights protection management.



Complaints by business

SN	Type	Quantity
1	Bank card	7,327
2	Loan	1,407
3	Dunning	1,406
4	Banking agency	171
5	Self-run wealth management	141
6	Payment and settlement	126
7	Personal finance information	85
8	Savings deposit	29
9	Other intermediary business	8
10	Renminbi management	6
11	Foreign exchange	2
12	Precious metals	1
13	National treasury	0
14	Others	157
<b>Total</b>		<b>10,866</b>



Complaints by region

SN	Type	Quantity
1	Qingdao (including credit cards)	10,762
2	Yantai	22
3	Zibo	14
4	Weihai	10
5	Jinan	9
6	Linyi	9
7	Binzhou	7
8	Dezhou	7
9	Dongying	7
10	Zaozhuang	7
11	Weifang	5
12	Laiwu	4
13	Heze	1
14	Jining	1
15	Taian	1
<b>Total</b>		<b>10,866</b>

### Improving customer satisfaction

In 2023, 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 19,994 customers to gain insights into customer experience opportunities and drive product and service improvement. Our overall net promoter score (NPS) in the year of 2023 reached 80.49%, 3.79% higher than the previous year, meeting our product and service experience goals.



Our overall net promoter score (NPS) in the year of 2023 reached

# 80.49%

3.79% higher than the previous year, meeting our product and service experience goals

### Typical case

### “Qingxin Studio” was recognised as a national innovation studio

In 2023, the Bank’s “Qingxin Studio” was recognised by the Chinese Financial Workers’ Union as a “Innovation Studio of Model Worker and Craftsman in the National Financial System”. We have always been adhering to our service commitment, creating a brand image that promotes goodwill, cultivating a sound service culture, implementing scientific service management and supervision, and exploring service improvement through digitalisation. With this brand image, the Bank has been recognised as one of the “Top 500 Asian Brands” and “China’s 500 Most Valuable Brands” for seven times, and has won the “Five Star Diamond Brand” award, the top award in the service industry, for eight times.



## Managing information security

### Personal information protection

The Bank has always attached great importance to the protection of customers' personal information. During the reporting period, the Bank issued documents on strengthening the protection of customers' personal information, and improved the related comprehensive protection mechanism to effectively ensure the security of consumers' personal information. We carefully interpreted new laws and regulations such as the *Measures for Consumer Rights Protection by Banking and Insurance Institutions*, and promoted the implementation of these laws and regulations. We published six risk warning articles, performed in-depth analysis of typical punishment cases, lost cases and criminal cases related to personal information violations, and put forward legal compliance suggestions to strictly prevent infringement. We also carried out five personal information protection training sessions, standardised collection and processing of employees' personal information, and raised customers' awareness of information protection.

### Information system security

The Bank has set up the Network Security and Information Technology Management Committee, responsible for planning and steering the establishment of the cybersecurity, data security and IT systems. During the reporting period, we revised the *Detailed Rules for the Implementation of the Network Security Responsibility System of the Party Committee of Bank of Qingdao*, implemented the network security responsibility system of the Party Committee, formulated a three-year data security plan, and carried out a comprehensive screening of network security and data security risks. Additionally, we completed network security assurance during the major events such as the Universiade, the Asian Games and the NPC and CPPCC sessions.

### Data security management

During the reporting period, the Bank issued the *Data Processing Security Agreement of the Bank of Qingdao*, organised the data risk screening for third-party cooperation agreements, and formulated the privacy impact assessment (PIA) matrix to enhance business compliance and security. We completed compliance transformation to "remove direct connections" with external data, so as to strengthen the security of third-party data. We actively participated in the formulation of industry standards, and released two industry data asset standards. Based on data management practices, we also applied for one invention patent and one software copyright, and our data management capabilities has been recognised by the industry.

#### Typical case

#### 2023 cybersecurity awareness week

During the 2023 cybersecurity awareness week, the Bank actively participated in the cybersecurity activities organised by the Qingdao Cyber Police Division to help promote related cybersecurity knowledge to the public through a variety of methods and provide more targeting and effective cybersecurity publicity and education.



## Building business outlets to enhance convenience

### Self-service facilities

As at the end of 2023, the Bank had 97 self-service banks and 415 self-service facilities, which provided banking service functions such as withdrawal, deposit, transfer, query, payment, password change, and invoice printing. During the reporting period, 4.7094 million transactions with a total amount of RMB16.610 billion were made via the self-service facilities.



During the reporting period, **4.7094** million

transactions with a total amount of RMB16.610 billion were made via the self-service facilities

### New outlets

Name of indicator	2023	2022
Business outlets (including business department at the Head Office)	191	180
Business outlets set up during the year	11	14
Community sub-branches	37	31





## March Together with Joined Hands

Joining efforts to seek  
common growth

The bank adheres to the philosophy of “development relies on employees, and development is for employees”. It builds a growth platform for employees, practices a caring culture, and grows together with employees hand in hand.

- 56 Protecting employees' rights and interests
- 59 Establishing a personal development platform
- 61 Caring for employees' physical and mental health
- 62 Building a caring organisation through joint efforts





# 2023 青岛银行职工运动会

延安二路支行祝  
运动会圆满成功

青银金租  
祝运动会圆满成功

枣行动 枣提升  
枣发展 枣受益

坚定信心 转型发展  
努力拼搏 再创辉煌

威海分行祝总行  
运动会圆满成功

美

奋战在一线的全体青银人致敬

5

4

3

## Protecting employees' rights and interests

### Legitimate employment

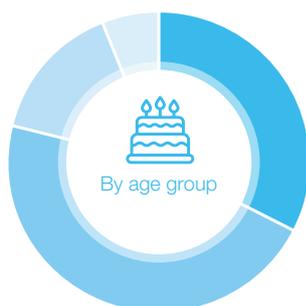
The Bank's employment and resignation procedures for all our positions comply with the relevant provisions of the Labour Law of the People's Republic of China, the Prohibition of Using Child Labour, as well as the terms of the labour contract. We have clearly stipulated working hours, rest time, leave,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

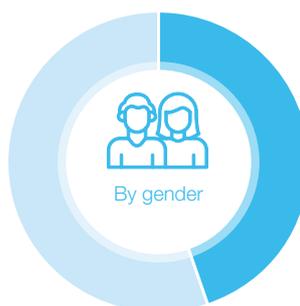
In order to further avoid the accidental use of child labour, the Bank has formulated a strict onboarding review process to carefully verify new recruits' ID cards. Should there be a case of accidental use, we will immediately terminate the labour contract in accordance with laws and regulations and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

In 2023, 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.

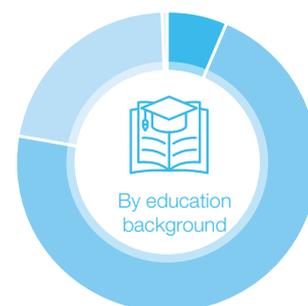
### Employee statistics



30 or under	32.61%
31 to 40	46.49%
41 to 50	14.98%
Over 50	5.92%



Male employees	44.81%
Female employees	55.19%



Junior college graduates	6.54%
Bachelors	71.38%
Masters	21.72%
PhDs	0.35%

Classification	Item	As at 31 December 2023		
		Number of employees	Proportion (%)	
Social indicators	Total number of employees	4,861	100.00	
	By gender	Male employees	2,178	44.81
		Female employees	2,683	55.19
	By employment type	Contract employees	4,861	100.00
		Secondment employees	–	–
		Temporary employees	–	–

Classification	Item		As at 31 December 2023	
			Number of employees	Proportion (%)
Social indicators	By age group	30 or under	1,585	32.61
		31 to 40	2,260	46.49
		41 to 50	728	14.98
		Over 50	288	5.92
	By geographical region	Employees from Shandong Province	4,861	100.00
		Employees not from Shandong Province	–	–
	By education background	Junior college graduates	318	6.54
		Bachelors	3,470	71.38
		Masters	1,056	21.72
		PhDs	17	0.35
	New employees		430	8.85
	Disabled employees		1	0.02
	Employees from ethnic minority groups		43	0.88
	Number of employees who contribute to social security		4,861	100.00
	Number of employees with regular medical check-ups		4,861	100.00
Number of labour arbitrations in the past year		–	–	

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 Republic of China for each position and abide by the relevant provisions in labour contracts. In 2023, we did not employ any child labour and no employees were injured or died due to their daily duties.

Classification	Item		Number of	Turnover rate (%)
			turnover employees	
Social indicators	By gender	Male employees	143	2.94
		Female employees	175	3.60
	By age group	30 or under	81	1.67
		31 to 40	157	3.23
		41 to 50	12	0.25
		Over 50	68	1.40
	By geographical region	Employees from Shandong Province	318	6.54
		Employees not from Shandong Province	–	–

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

Turnover rate = Number of turnover employees / (Total number of employees + Number of turnover employees)

Classification	Item	Number of new employees	Proportion (%)	
Social indicators	By gender	Male employees	237	4.88
		Female employees	193	3.97
	By age group	30 or under	285	5.86
		31 to 40	129	2.65
		41 to 50	14	0.29
		Over 50	2	0.04
	By region	Employees from Shandong Province	430	8.85
		Employees not from Shandong Province	-	-

## 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. During the reporting period, 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, to help employees understand that their work is meaningful, rewarding, and recognised, and develop a culture of "payment against contribution".

## 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.

## Democratic communication

During the reporting period, the Bank held the 6th general meeting of employee representatives and the 6th general meeting of trade union member representatives in accordance with the provisions of the Trade Union Law and the Trade Union Constitution, and elected members of the 6th Trade Union Committee and Expenditure Review Committee of Bank of Qingdao.



## Establishing a personal development platform

### Formulating policies and systems and building a scientific human resources management system

The Bank has been enhancing human resources management. During the reporting period, we issued more than 10 policies and measures, including the *Management Measures of Reserve Talents*, *Administrative Measures for Employee Grading* and *Administrative Measures for Positions*, to further enable the Head Office to perform overall, systematic and standardised management. We issued relevant work supporting notices, established standardised management processes, and clarified work requirements. Based on the opinions from across the Bank, we actively promoted the development, revision and improvement of more than 10 human resources management policies, covering risk deposit management, performance pay recovery and deduction, and performance appraisal management for graded banks and Head Office departments, so as to create a more scientific and standardised human resources system.

### Steadily promoting the adjustment of the organisational structure and the implementation of management staffing

During the reporting period, the Bank developed and issued 12 policies and measures on performance appraisal, compensation, and cadre selection and appointment, for selecting and managing personnel. We engaged consulting companies to learn from sound industrial experience and optimise the Head Office's management structure by reducing the number of management departments from 36 to 33, clarifying the department's responsibilities, and deciding on the number of positions and head counts, initially establishing a management structure aligned with our development strategy. We selected cadres and talents by various means including performance appraisal, performance evaluation, and democratic appraisal, properly completed the selection (competition) and appointment of management personnel of the Head Office departments, and established a talent selection and appointment mechanism concerning "promotion and demotion" and "person-post matching". We also consolidated 11 sub-branches directly under the Head Office in the urban area of Qingdao for greater overall competitiveness and more intensive management.



The bank held the first leadership training session for middle-level managers.

## Delivering multi-level training for career development

Following the three-year strategic plan and focusing on operation and management, business development and phased priorities, the Bank carried out various training courses in 2023. During the reporting period, the Bank issued the 2023 *Training Plan of Bank of Qingdao*, and formulated the *Provisional Administrative Measures of Bank of Qingdao for Training Credits*, the *Administrative Measures for Internal Trainers of Bank of Qingdao*, the *Training Project Acceptance Consultation Mechanism of Bank of Qingdao*, and the *Administrative Measures for the Implementation of the "Tutorial System" for Campus Recruits of Bank of Qingdao*. We also released the *Notice on Regulating the Use of External Training Suppliers*, the *Notice on Strengthening Training Evaluation*, and the *Notice on Strengthening the Management of External Qualification Certificates*. All these aimed to further improve the relevant training management measures and regulations. We focused on the implementation of the four major training plans of "commencement", "perseverance", "navigation" and "voyage", as well as the "Starlight Program". We arranged two leadership training courses for middle-level managers, and engaged selected professional institutions to provide knowledge and skill training regarding leadership, management, communication and teamwork, in order to build a team of managers who can deliver in terms "politics, professionalism, work style and integrity". In 2023, the Bank held a total of 3,473 training sessions, covering a total of 237,281 attendees.



In 2023, the Bank held a total of

**3,473** training sessions, covering  
a total of **237,281** attendees



"Preferred Program" Recruitment Training for 2023



2023 New Employee Orientation Training



The bank held a training session on "Entering Huawei's Digital Leadership".

# Caring for employees' physical and mental health

## Paying attention to the safety of outlets and employees

The Bank has adopted protective measures for its business outlets in line with national physical, technical, and fire protection requirements for anti-theft, anti-robbery, and fire prevention purposes. We have security guards at each branch that help quickly deal with emergencies.

During the reporting period, we held a 2023 safety work meeting, signed a safety commitment with the safety responsible persons of 48 units (including subsidiaries), and promoted the implementation of safety responsibilities. The Bank organised 12 major safety inspections as well as special safety inspections in summer and winter throughout the year. Concerning holidays, special periods (the NPC and CPPCC sessions), and work safety publicity month, we also carried out two special bank-wide training sessions on security work, two rounds of warning education with typical cases, and four rounds of drills on emergency plans, so as to build a solid line of defence to ensure security. We revised the *Administrative Measures for Access Control of Bank of Qingdao*, the *Measures of the Bank of Qingdao for Handling Security Cases and Major Safety Accidents*, and the *Vault Security Management Regulations of Bank of Qingdao*, so as to further improve our security management system.



In 2023, the Bank was recognised as an advanced unit in internal security among Shandong's institutions.

In the past three years, none of the Bank's employees died from discharging business duties.

## Offering care to employees' lives

The Bank's canteens provide employees with various nutritious meals. We proactively develop the "Staff Houses" by installing fitness facilities and shower rooms, allowing employees to enjoy exercise after work for both physical and mental health, increasing their satisfaction with, and attachment to, the Bank. In order to promote our culture of care, we formulated the *Measures for the Retirement of Cadres and Staff of Bank of Qingdao* in 2023, to carry forward the excellent tradition of respecting and caring for the retired employees who have made contributions to the Bank.



The bank held a retirement ceremony themed "A Long Journey with Bank of Qingdao, Looking Back with Glory" for retired employees.



The bank held the first "Zhixin e-Home" catering culture festival.

## Caring for female employees

The Bank strictly implemented the *Regulations on Labour Protection for Female Employees*, offered various benefits for female employees during pregnancy, maternity and lactation, provided breastfeeding leave for female employees, and set up "Nursery Rooms" to protect the legal rights and interests of female employees. We took responsive actions to help mediate family conflicts and address difficulties for female employees. In order to enrich the cultural life of female employees, during the reporting period, the Bank organised and encouraged female employees to participate in the "Dream of China and Admiration of Labour – Follow the Leadership of the Party and Work Together along the New Journey" employee speech contest, and held the reading activity of "Achieving Self-improvement and Broadening Vision through Reading". In 2023, we set up 47 reading clubs for female employees and arranged 55 reading activities.

## Building a caring organisation through joint efforts

### Helping employees with difficulties

During the reporting period, the Bank organised the “Spring Care” activity in the New Year’s Day and Spring Festival holidays in 2024 to visit and offer a total financial aid of RMB106,000 to 20 employees who were ill or faced difficult due to emergencies. In 2023, a total of 89 employees received a total claim payment of RMB105,000 from mutual support insurer with the help of the Trade Union Office.

### Enriching the leisure life

During the reporting period, the Bank held the “Qingyin Stars” talent contests, table tennis, badminton and basketball invitational games, and bank-wide sports events. We now have 15 employee clubs including the basketball club, shuttlecock club, hiking club, Qingyin reading club, with nearly 1,000 members, and are regularly arranging various fitness and entertainment activities via these clubs.



### Organising the first talent contests among employees

On 26 November 2023, the Bank held the final of its first talent contests among employees. At the final, 54 employees presented 30 wonderful shows to the online and offline audiences, demonstrating their passion and energy.



## Holding 2023 employee games

In order to enrich the cultural and sports life of employees and further enhance their solidarity and sense of belonging, the Bank held employee games on 3 June 2023, which was attended by 48 representative teams and more than 3,000 employees.



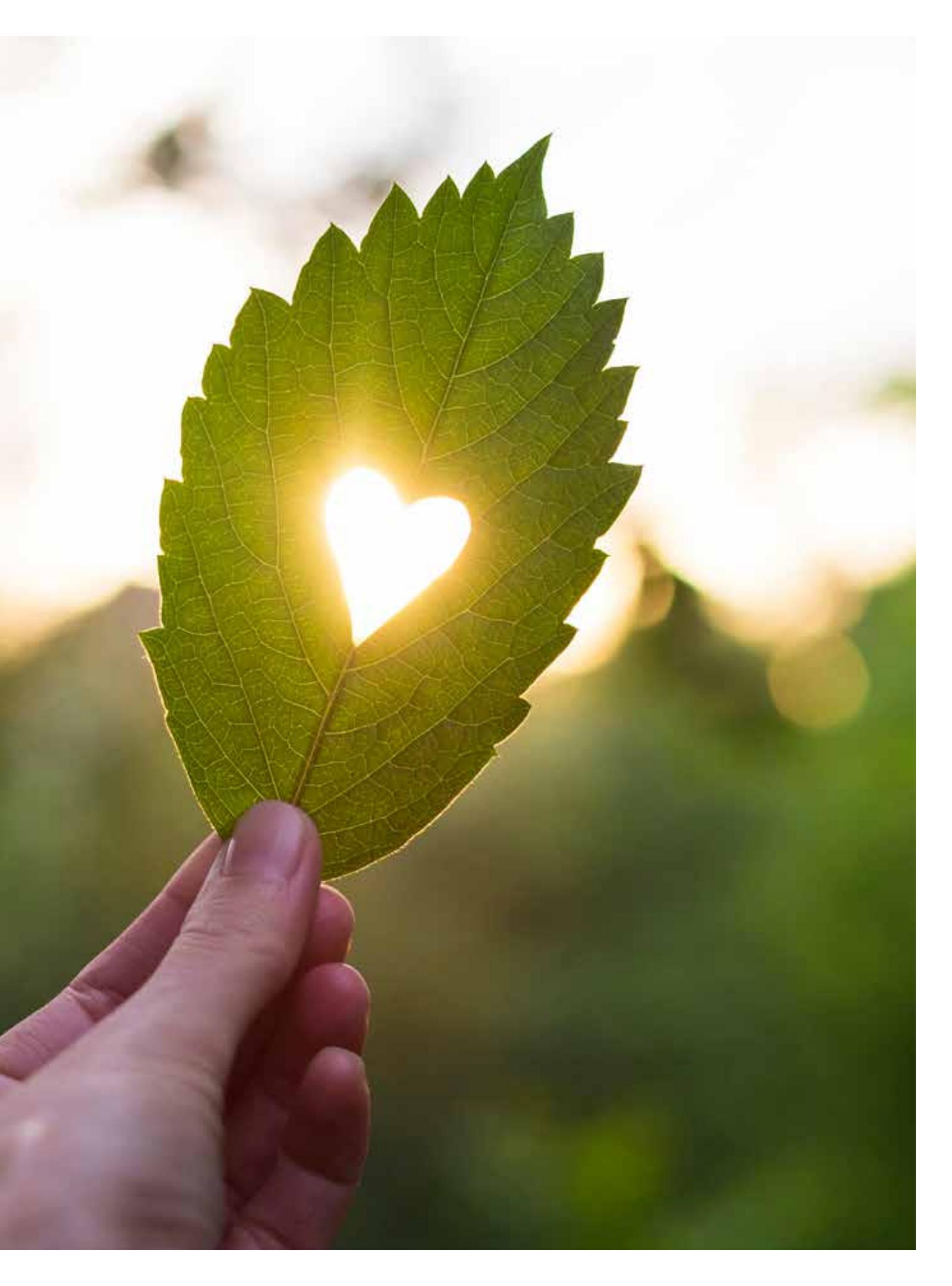


## Strive for Virtue in Our Actions

Engaging in public service activities

Over the years, the Bank has been actively engaging in public services for social welfare and focusing on building a charity system with its characteristics.

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- 68 Demonstrating care through charity



## Nurturing a happy neighbourhood

In order to allocate more social resources to communities to address the new trends of the new era, the Bank put forward the “One Body and Two Wings” retail banking development strategy, so as to extend financial services to rural areas and communities. We established the Community Finance Business Unit, proactively forged the “Happy Neighbourhood” Party building and community service brand, and fully implement the new “Party Building + Volunteer Service” model for community finance development. As at the end of 2023, we had 13 community sub-branches under the “Happy Neighbourhood” brand.

These sub-branches consistently provide nine volunteer services for senior customers in their outlets, including non-financial services, earning significant recognition from their neighbourhoods. They also engage in Party building, anti-fraud, social security consultation, environmental protection, and other activities with community workers including personnel from the community and Party service centres, building managers, Party members, and community volunteers, to jointly develop, manage, and share community services. The Bank pursues CPC-guided volunteer services. In 2023, the 13 “Happy Neighbourhood” volunteer service teams arranged a total of 718 “Party Building + Volunteer Service” activities, covering 52,300 audience members.



In 2023, the 13 “Happy Neighbourhood” volunteer service teams arranged a total of

**718** “Party Building + Volunteer Service” activities, covering 52,300 audience members.



## Exploring the new public service model of “Party building + Public Service + Brand” for social welfare

When extending the community finance service to cover more people in lower-tier areas, the Bank took the initiative to understand people’s feelings, listen to their voices and address their needs. We helped community residents create a sound physical exercise environment to help them stay healthy and live a happy life. In 2023, we explored the new public service model of “Party building + Public Service + Brand” for social welfare, under which we invested RMB180,000 to build happy neighbourhood sports parks, donated sports facilities, and set up build bulletin boards for the Zhengzhou Road and Jinzhong Road communities in Qingdao. By joining Party building efforts, we helped address the needs of community residents, and promoted the culture of integrity as well as green and low-carbon concepts among them. Together with communities, we promoted positive stories for a happy society.



### Typical case

#### Neighbourhood festival activities with the theme of “Shinan, a Happy Home to Tens of Thousands”

In August 2023, the Bank launched a series of neighbourhood festival activities with the theme of “Shinan, a Happy Home to Tens of Thousands” in Shinan District, Qingdao. Nine outlets under our Shinan sub-branch arranged more than 50 activities in their communities, and more than 2,000 community residents participated in the activities. These special activities, including music salons, calligraphy, painting and photography shows, Chinese culture forums, “Little Bankers” activities, and special handicrafts shows, helped bring our services closer to the residents there.



Nine outlets under our Shinan sub-branch arranged more than 50 activities in their communities, and more than

**2,000** community residents participated in the activities



## Caring for people with special needs

### Caring for the elderly

In 2023, on the basis of its original “Qingxin” elderly-friendly service model, the Bank launched the “Qingxin · One Step Forward” elderly-friendly service, which features one concept, two basic points, three measures, four main ideas, and five service items, to encourage employees to innovate and implement service communications, service processes, and service behaviours to improve the service experience of senior customers in a more flexible and diverse manner.

This service is to not only stand closer to customers, but also to think and act earlier throughout the customer reception and service process. It focuses on the four main ideas of “acting faster”, “showing more care”, “delivering more warmth” and “doing a better job” to provide caring financial services for senior customers.



### Caring for outdoor workers

In order to extend care for outdoor workers, the Bank proactively set up care booths for them, contributing to a more caring society. As at the end of 2023, the Bank had 20 booths for outdoor workers at the municipal level. During the reporting period, our Shinan sub-branch was ranked by the All-China Federation of Trade Unions as one of the “2023 Best Outdoor Worker Service Sites of Trade Unions”.



温馨加放心  
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## Demonstrating care through charity

### Caring for children in difficulties

During the eighth “Charity Day of China” on 4 September 2023, the Bank launched charity fundraising among employees, their families and our customers, to raise a total of RMB1,904,621 for charity, which demonstrative action to promote philanthropy. All donations were credited to the Qingyin Charity Foundation for public welfare. We appropriated RMB1 million from the fund to Qingdao’s “Charity Care for Children in Difficulty” program to help 1,000 orphans, children of poor families and left-behind children in rural areas to realise their “small wishes” and bring them joy and happiness.



## Becoming the title sponsor of the eighth “Weichen Public Welfare Star” role model election activity

During the reporting period, the Bank became the title sponsor of the 8th “Weichen Public Welfare Star” role model election activity jointly held by 11 departments, including the Publicity Department of Qingdao CPC Municipal Committee, the Qingdao Red Cross Society and the Qingdao Daily Newspaper Group. The Bank has been supporting this activity for many years in a row, with an aim to help the “Weichen” public welfare brand develop. During the activity, we received the “Qingdao Red Cross Fraternity Gold Award” from the organiser.



## Purchasing RMB190,000 of vegetables during agricultural produce promotion to help peasants increase income

The Bank actively responded to the Qingdao’s initiative of “Promoting Agricultural Produce and Helping Peasants Increase Income” by purchasing a total of RMB190,000 of vegetables in Pingdu and Laixi of Qingdao. Some of the vegetables were used in our employee canteens, and the rest were gifted to our customers and people with special needs to extend care and fulfil our social responsibility.



## Celebrating the opening of county sub-branches with public welfare actions

In order to drive economic development at county level, the Bank established the Zichuan sub-branch in Zibo and Yishui sub-branch in Linyi during the reporting period. To celebrate the opening of the sub-branches, the Bank donated RMB120,000 yuan of sports equipment to six schools, including Zichuan Middle School, Yize Kindergarten and Banyang Kindergarten. In addition, Yishui Charity Federation donated RMB200,000 as financial aid to schools and students.



## Delivering volunteer services

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



Rizhao Branch's "Financial Management Festival"  
Scissors and Knife Sharpening Public Welfare Activity



Qingdao Shinan Sub-branch participated in the "Chinese Good Person"  
Guardian of the "World's Most Beautiful Bay" event



Shantou Dama Volunteer Service Event  
Attended by Qingdao Shinan Sub-branch



Employees of the bank carry out volunteer services



Tai'an Branch gave away care vegetables to customers



Jinan Branch carried out children care activities



Qingdao Science and Technology Sub-branch held the theme promotional activities of "Qingdao Bank Goes into Classrooms, Little Bankers"



Zibo Branch organized Party building and public welfare activities



Yantai branch held free clinic activities



## Prospects for the future

2024 marks a crucial year for achieving the goals of the 14th Five-Year Plan. For the Bank, it is also an important period for smoothly transitioning to the New Three-Year Strategic Plan. With the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as guidance, the Bank will fully implemented the spirit of the Central Financial Work Conference, the Central Economic Work Conference, as well as Shandong's provincial and municipal economic work conferences, focus on the strategic goals featuring "quality and efficiency as priority, distinctive characteristics and flexible mechanisms", strongly promote high-quality development, and constantly stimulate new vitality, release new impetus, and undertake new responsibilities.

We will consolidate our ground of development and join efforts to seek high-quality development. In 2024, the Bank will adhere to the guidance of Party building, further explore the integrated development of Party building and business, and continue to convert Party building achievements into effective governance. We will promote the integration of the ESG concept into the bank-wide governance system to cultivate sustainability and ensure the implementation of strategic initiatives and the achievement of strategic objectives. We will also optimise our organizational structure and improve the construction of a talent pipeline and a layered and categorised training system, so as to work together with talents to drive organic development.

We will continue to undertake our responsibilities to contribute to regional economic take-off. In 2024, we will fully implement the work plans of the Central Economic Work Conference and the Central Financial Work Conference, continue to deepen the financial supply side structural reform, centre on our major business, and invest great efforts to excel in "five major areas". We will give full play to the advantages of our comprehensive operations as a group to serve the local economic development; and improve the comprehensive risk management system to prevent and resolve financial risks and facilitate the high-quality development of the real economy.

We will continue to pursue green development to contribute to a sound environment. In 2024, we will proactively seek green and low-carbon development, promote green finance from a strategic perspective, focus on the financing needs of the green industry, continue to optimise our comprehensive green finance service solutions, promote the "BQD Green Finance (綠金青銀)" brand, and step forward to become a "green bank". We will leverage our local advantages to develop blue finance into our feature service to support high-quality development of the marine economy.

We will step up digital empowerment for a tech-driven future. In 2024, we will continue reform and innovation, strongly promote the digital transformation strategy, build a fine IT management system, and steadily advance the construction of new core systems; deepen digitalisation and accelerate the innovation of digital products and services to constantly meet people's financial needs; and enhance data governance, explore the value of data, strengthen network protection, and improve information technology risk management, so as to ensure data and information security.

We will fulfill our social responsibilities to contribute to a better life. In 2024, we will actively ensure that our financial services are delivered in the interests of the country and its people, promote the "Happy Neighbourhood" community service, improve the "Qingxin" service brand, and constantly expand the breadth and depth of financial services; fully perform our responsibility of protecting consumers' rights and interests, and extensively promote financial knowledge to protect consumers' rights and interests; and actively participate in public welfare activities including funding education efforts, initiatives to support people facing health or financial problems, green public welfare services, and activities that promote rural revitalisation, so as to bring benefits to the society where we are operating.



# Appendix

## ESG Report Indicator Index

Content of ESG Report Indicator Index released by SEHK

Subject Areas and Aspects	General Disclosures	Corresponding page	KPIs	Corresponding page
<b>A. Environmental</b>				
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.	38-39	A1.1 The types of emissions and respective emissions data.	38
			A1.2 Direct and energy indirect greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	38
			A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	39
			A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	39
			A1.5 Description of emission target(s) set and steps taken to achieve them.	38-39
			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.	38-39
A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	10, 38-39	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).	10, 38
			A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	10, 38
			A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	38-39
			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.	38
			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.	38-43	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	38-43
A4 Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	38-43	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.	38-43

Subject Areas and Aspects	General Disclosures	Corresponding page	KPIs	Corresponding page
<b>B. Social</b>				
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.	56-57	B1.1 Total workforce by gender, employment type (such as full-time and part-time), age group and geographical region.	56-57
			B1.2 Employee turnover rate by gender, age group and geographical region.	56
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.	56-61	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	56
			B2.2 Lost days due to work injury.	56
			B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	56-61
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	47, 52, 60	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.
			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.
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.	56	B4.1 Description of measures to review employment practices to avoid child and forced labour.	56
			B4.2 Description of steps taken to eliminate such practices when discovered.	56
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	39	B5.1 Number of suppliers by geographical region.	39
			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.	39
			B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	39
			B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	39
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.	25, 50, 52	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.	50
			B6.3 Description of practices relating to observing and protecting intellectual property rights.	25
			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.	52
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.	21, 25	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.	21
			B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	25
			B7.3 Description of anti-corruption training provided to directors and staff.	21
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.	66-71	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	66-71
			B8.2 Resources contributed (e.g. money or time) to the focus area.	66-71

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<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	28-30
	203-2 Significant indirect economic impacts	33
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	/
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	21
	205-2 Communication and training about anti-corruption policies and procedures	21
	205-3 Confirmed incidents of corruption and actions taken	21
<b>GRI 206: Anti-competitive Behaviour 2016</b>	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)
<b>GRI 207: Tax 2019</b>	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)
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	38
	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)
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	38
	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 Standards	Disclosure Contents	Page
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	38
	303-2 Management of water discharge-related impacts	/
	303-3 Water withdrawal	38
	303-4 Water discharge	/
	303-5 Water consumption	/
<b>GRI 304: Biodiversity 2016</b>	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	15-17, 37
	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
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	38
	305-2 Energy indirect (Scope 2) GHG emissions	38
	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), sulphur oxides (SOx), and other significant air emissions	38
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	39
	306-2 Management of significant waste-related impacts	39
	306-3 Waste generated	39
	306-4 Waste diverted from disposal	39
	306-5 Waste diverted to disposal	39
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	39
	308-2 Negative environmental impacts in the supply chain and actions taken	39
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	58
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	58
	401-3 Parental leave	58
<b>GRI 402: Labour/ Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	N/A (The Bank strictly abides by relevant laws and regulations)
<b>GRI 403: Occupational health and safety 2018</b>	403-1 Occupational health and safety management system	61
	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	61
	403-4 Worker participation, consultation, and communication on occupational health and safety	/
	403-5 Worker training on occupational health and safety	61
	403-6 Promotion of worker health	61
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	61
	403-8 Worker covered by an occupational health and safety management system	61
	403-9 Work-related injuries	56, 61
	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
<b>GRI 404: Training and Education 2016</b>	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	59-60
	404-3 Percentage of employees receiving regular performance and career development reviews	/
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	22, 56
	405-2 Ratio of basic salary and remuneration of women to men	/
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	/
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
<b>GRI 408: Child Labour 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labour	N/A
<b>GRI 409: Forced or Compulsory Labour 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	N/A
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	N/A
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	N/A
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	66
	413-2 Operations with significant actual and potential negative impacts on local communities	N/A
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	/
	414-2 Negative social impacts in the supply chain and actions taken	/
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	N/A (The Bank only operates in China)
<b>GRI 416: Customer Health and Safety 2016</b>	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)
<b>GRI 417: Marketing and Labelling 2016</b>	417-1 Requirements for product and service information and labelling	25
	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)
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	52

## 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 2400051號

## Report on selected information in the 2023 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 2023 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 (RMB10,000)	for the year ended 31 December 2023
Social contribution value per share (RMB)	for the year ended 31 December 2023
Total number of employees	as of 31 December 2023
Proportion of female employees	as of 31 December 2023
Head Office power consumption (10,000 kWh)	for the year ended 31 December 2023
Head Office water consumption (tonnes)	for the year ended 31 December 2023
Total number of business outlets	as of 31 December 2023
Total number of "Party Building + Volunteer Service" activities	for the year ended 31 December 2023
Balance of inclusive loans (RMB100 million)	as of 31 December 2023
Balance of agriculture-related loans (RMB100 million)	as of 31 December 2023
Balance of green credit (RMB100 million)	as of 31 December 2023
Balance of blue finance loans (RMB100 million)	as of 31 December 2023
Number of customer complaints received	for the year ended 31 December 2023
Total number of training sessions	for the year ended 31 December 2023

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 2023 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 assurance report (hereafter referred to as "other information"). We have not performed any procedures as part of this engagement with respect to the other information.

### Basis for conclusion

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

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

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

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

## Restriction on use

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

## Responsibilities for the assured 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 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, we:

- Interviewing the staff of relevant departments involved in providing the selected sustainability information disclosed in the 2023 CSR Report;
- Implementing analysis procedures for the selected sustainability information in the 2023 CSR Report;
- Carrying out sampling inspection on the selected sustainability information in the 2023 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

28 March 2024

## Appendix: The criteria relevant to information subject to assurance

**Public welfare donation (RMB10,000):** 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 (10,000 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.

**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 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 2023, 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 *2023 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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Postal code: 266061

### 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?

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**Thank you for your feedback and support!**



青島銀行股份有限公司  
BANK OF QINGDAO CO., LTD.