UN environment programme | finance initiative

Principles for Responsible Banking

Responsible Banking Progress Statement for PRB Signatories

Summary template

[Shaanxi Qinnong Rural Commercial Bank Co., Ltd]2025

Principle 1: **Alignment**	Principle 2: **Impact & Target Setting**	Principle 3: **Clients & Customers**
Aligned with China's "Dual Carbon" goals, Qinnong Rural Commercial Bank embeds sustainability principles across all operational domains and management processes. We have institutionalized ESG (Environmental, Social, and Governance) frameworks, established green finance as a core lever for serving national/regional development while achieving high-quality growth. The low-carbon transition is advanced through corporate governance, policy architecture, product innovation, FinTech integration, and internal controls. Strategically, we have guided, encouraged, and actively explored various ways to fulfill social responsibility and establish a long-term mechanism for sustainable development..	The Bank formulates medium- and long-term strategic development plans every five years through comprehensive assessment of the macro/micro economic environment, market competition, regional development, industrial structure adjustment and other factors. The Board of Directors reviews institution-wide operation plans, sets annual priorities and work tasks for the whole year. Based on this, the management team determines the key tasks and objectives for the whole year, and carries out all the work of the bank accordingly. 1.Green Finance Acceleration, as a key lever for the Bank to practice PRB (Principles for Responsible Banking), Qinnong Bank's Green Finance Development Plan stipulates that the growth rate of green loan balance should outpace the average growth rate of all loans. 2. Delivering on inclusive finance is the aspiration and mission of the Bank as a rural commercial bank, we ensure that inclusive MSME (Micro, Small, and Medium Enterprises) loan growth outperforms average loan growth.	The Bank adheres to the customer-centric service philosophy, deeply advances digital transformation to upgrade business models and management models. Focusing on five priorities areas: technology finance, green finance, inclusive finance, pension finance, and digital finance, the Bank continues to optimize and upgrade the products and services. By leveraging channels such as "financial service stations", joint party-building activities, and volunteer services, the Bank actively responds to the public's demand for convenient services, and the service brand "Qinnong by your side, happiness far and wide" has been further deepened. The Bank has improved consumer rights protection system, actively carried out financial literacy campaigns, and prevented financial risks. By the end of 2025, the Bank's total assets reached ¥517.041 billion, the gross loan portfolio is amounted to ¥251.066 billion, which includes ¥18.430 billion in inclusive MSME financing, ¥36.557 billion in agriculture-related lending, ¥11.603 billion in green finance exposure, and ¥234.1 billion in real economy credit. The Bank achieved a net profit of ¥1.912 billion, and the foundation for sustainable development has been steadily consolidated.
Links & references [2025 Annual Report "Management Discussion and Analysis" “Environmental, Social, and Governance”]	Links & references [2025 Annual Report "Business Development " “Financial Statements & Audit Report” “Environmental, Social, and Governance”]	**Links & references** [2025 Annual Report "Business Development" “Financial Statements & Audit Report” “Environmental, Social, and Governance”]

Principle 4: **Stakeholders**	Principle 5: **Governance & Culture**	Principle 6: **Transparency & Accountability**
The Bank upholds the strategic positioning of " Deeply rooted in the local economy, focusing on supporting agriculture and small businesses, and benefiting urban and rural residents", sets the strategic framework of "Six Banks", and proactively addresses multi-stakeholder interests. Taking into account national strategies, central and provincial policies, regional development realities, and the Bank's own development direction, the Bank defines annual development priorities and business focus at the beginning of each year to guide operations throughout the year. In 2025, the Bank's priorities include enhancing corporate governance mechanisms, focusing on Five Priority Areas, elevating client satisfaction metrics, safeguarding employee rights, and practicing social responsibilities.	The Bank has strengthened internal governance by establishing an ESG governance framework, clearly defining the responsibilities of the Board of Directors, senior management, and relevant departments and branches, while continuously enhancing the strategic role of ESG. Through training programs and clear operational guidelines, the Bank integrates key initiatives with the strategic planning, steadily improving the quality and effectiveness of ESG management.	The relevant data and information in this report are sourced from 2025 Annual Report. The Annual Report has been audited by an accounting firm, which has issued a standard and unqualified auditor's report. The aforementioned report was reviewed and approved at the 4th meeting of the third board of directors of the Bank on April 20, 2026.
Links & references [Qinnong Bank's official website: Investor Relations, Corporate Announcements, and Qinnong News]	**Links & references** [2025Annual Report"Risk Management""Corporate Governance and Internal Controls","Environmental, Social and Governance (ESG)"]	**Links & references** [https://www.qinnongbank.com]

Supplements templates

Principle 1:
Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

Links & references

2025 Annual Report "Management Discussion and Analysis"

Response

Shaanxi Qinnong Rural Commercial Bank Co., Ltd (hereinafter referred to as the "Company," "the Bank," or "Qinnong Bank") was established in May 2015 and is headquartered in Xi'an, Shaanxi Province. Qinnong Bank actively integrates into the overall economic development of Shaanxi Province, with branches throughout Xi'an, making it a vital force in serving local agriculture, rural areas, and farmers, as well as small and micro enterprises..

In terms of corporate finance, the Bank has enhanced its ability to serve the high-quality development of the regional real economy. Focusing on the "five major tasks," the provincial "34+8+8" key industrial chains, and key provincial and municipal construction projects, the company has strengthened the implementation of asset reserves. By the end of 2025, the balance of medium- and long-term manufacturing loans reached ¥5.197 billion, and cumulative loan disbursements totaling ¥63.291 billion to over 500 enterprises along provincial key industrial chains.

In the field of personal financial services, the Bank fully implemented tiered and classified customer management, launched targeted marketing campaigns, accelerated the card replacement initiative and the rollout of the consignment sales system, and conducted in-depth and refined customer relationship management. As of the end of 2025, the personal deposit balance across the Bank reached ¥297.497 billion.

The Bank newly established the Retail Credit Department, put in place a comprehensive framework for retail credit business development, and launched retail credit products such as "Qinxiang Loan" and "Qinshang e Loan", further penetrated key consumption scenarios and strengthened financial services for new urban residents. As of the end of 2025, the outstanding balance of retail credit across the Bank stood at ¥62.541 billion.

In the area of inclusive finance services, the Bank solidly advanced the "Supporting Small and Micro Enterprises Financing Coordination Mechanism", continued to carry out the "Thousand Enterprises and Ten Thousand Households Visit" initiative, dynamically optimized the resources of the dedicated inclusive business approval team, and effectively improved the quality and efficiency of financial services for small and micro enterprises.

As of the end of 2025, the outstanding balance of inclusive loans extended to small and micro enterprises across the Bank reached ¥18.430 billion (under regulatory data specification), and the outstanding loan balance for technology enterprises reached ¥6.471 billion.

With regard to agriculture-related business, the Bank continued to deepen the coordinated linkage between the "Three Assets and Three Modernizations" management platform and the Xi'an urban-rural integration element trading platform, launched the "open competition" marketing campaign for leading agricultural industrialization enterprises, and introduced the "Huinong Photovoltaic Loan" product. As of the end of 2025, the outstanding balance of agriculture-related loans across the Bank reached ¥36.557 billion, and granted credit to clients of the Xi'an urban-rural integration element trading market exceeded ¥0.4 billion.

Strategy alignment

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF),
the United Nations Guiding Principles on Business and Human Right (UNGPs), the forthcoming instrument on plastic pollution etc.

Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

Links & references

2025 Annual Report "Environmental, Social, and Governance"

Response

Qinnong Bank fully implements the ESG concept, actively responds to the calls of the state and the government, deeply practices Xi Jinping's ecological civilization thought, fully implements the national "peak carbon and carbon neutrality" strategic deployment, focuses on green finance, and fully integrates corporate social responsibility into business management practices.

In terms of strategic planning, Qinnong Bank continuously guides and encourages the exploration of diverse approaches to fulfill its environmental and social responsibilities. The Bank has developed a deep understanding of the social and environmental responsibilities of commercial banks and has formally incorporated green finance into its corporate development strategy. Social responsibility is systematically integrated into the Bank's corporate culture and core values. In 2025, the Bank issued the "Qinnong Bank ESG Construction Action Plan", fully integrating the concept of sustainable development into the entire process of business management.

In terms of organizational structure, the Bank is actively establishing a comprehensive ESG governance framework, which includes the Board of Directors, the Board's Strategic Committee, Senior Management, the Green Finance Services Working Group, the PRB Working Group, as well as relevant departments and branches responsible for implementation. The Bank continues to strengthen the strategic leadership role of ESG in guiding its sustainable development. In 2025, the Bank incorporated the principle of actively practicing Environmental, Social, and Governance (ESG) considerations into its articles of association amendment.

In the area of risk management, Qinnong Bank has established a top-down framework to ensure the timely identification, monitoring, and management of ESG risks across its business operations. The Bank has also enhanced the identification and control of green finance-related risks throughout the lifecycle of financial products and services. To this end, the Bank has implemented full-process management of green credit, introduced a "one-vote veto" mechanism for projects that fail to meet environmental and social risk assessment criteria, and strengthened the access control process for green finance business, and incorporated ESG risks into its risk appetite framework for the first time.

In relation to stakeholder engagement, the Bank actively enhances its communication strategies with stakeholders across all aspects of its business operations. It systematically collects opinions and feedback

through diverse channels, including outreach activities conducted in communities, schools, and enterprises, thereby effectively safeguarding consumer rights and interests. Meanwhile, the Bank accelerated the pace of digital transformation and achieved paperless office operations across the Bank. Developed and launched the "Green Operations" OA process module, actively promoted green operations management, and significantly reduced resource consumption such as water, electricity, and paper.

Principle 2:
Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target- setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector, as part of its initial or ongoing impact analysis.

Links & references

2025 Annual Report, “Business Development” and “Financial Statements and Audit Report”

Response

Impact Analysis Scope: All financial assets of Qinnong Bank are located within Mainland China. All business operations are concentrated in Xi’an City, Shaanxi Province. The business scope covers the fundamental operations approved by regulators for banking and financial institutions. The Bank’s deposit business includes personal deposits and corporate deposits; its loan business includes personal loans and corporate loans.

As of the end of 2025, the Bank’s total assets reached ¥517.041billion, representing a year-on-year increase of 12.72%. Total deposits amounted to ¥381.048billion, an increase of 8.56%. Total loans stood at ¥251.066 billion, an increase of 7.71%. The Bank achieved a net profit of ¥1.912 billion. The non-performing loan (NPL) ratio was 1.7%, the provision coverage ratio was 190.66%, and the capital adequacy ratio was 14.45%, continuously strengthening the foundation for sustainable development.

Category	Xi’an Region	Qinnong Bank	
	Balance (billion)	Balance (billion)	Market share (%)
Deposit business	3951.658	381.048	9.6
Loan business	4117.321	251.066	6.1

Portfolio composition: According to the Bank’s 2025 annual financial report, its loans are distributed across client industries as follows, with the top ten being real estate; construction; leasing and business services; wholesale and retail; water conservancy, environment and public facilities management; manufacturing; culture, sports and entertainment; transport, warehousing and postal services; agriculture, forestry, animal husbandry and fishery; and mining.

Industry	As of end-December 2025	
	Amount (billion)	Share (%)

Real estate	32.585	12.98
Construction	30.577	12.18
Leasing and business services	30.079	11.98
Wholesale and retail	26.877	10.71
Water conservancy, environment and public facilities management	14.022	5.59
Manufacturing	8.124	3.24
Culture, sports and entertainment	5.016	2.00
Transport, warehousing and postal services	4.003	1.59
Agriculture, forestry, animal husbandry and fishery	3.782	1.51
Mining	2.826	1.13

Policy context: In September 2020, China announced the goal of "accelerating green and low-carbon transformation and achieving green recovery and development" and set the "30·60" Dual Carbon Goals, aiming to peak carbon emissions by 2030 and achieve carbon neutrality by 2060. The Central Financial Work Conference in October 2023 called on the financial sector to do a good job in the "five major articles" of finance: technology finance, green finance, inclusive finance, pension finance and digital finance. The Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development and the Guiding Opinions on Doing a Good Job in the "Five Major Articles" of Finance were subsequently issued, setting out the key areas and priorities for building China into a financial powerhouse.

Regulatory authorities have successively issued a series of policy documents to guide the development of green finance, including the Guiding Opinions on Further Strengthening Financial Support for Green and Low-Carbon Development, the Guiding Opinions on the Banking and Insurance Industries Effectively Implementing the "Five Major Articles" of Finance, the Implementation Plan for the High-Quality Development of Green Finance in the Banking and Insurance Industries, and the Green Finance Support Project Catalogue (2025 Edition). These policies provide a solid institutional foundation and directional guidance for the sustainable development of green finance.

A series of inclusive finance policies have been issued, including the Notice on Enhancing Financial Services for Small and Micro Enterprises in 2023, the Implementation Opinions on Promoting High-Quality Development of Inclusive Finance, the Notice on Strengthening Financial Support Measures to Facilitate the Growth of the Private Economy, the Notice on Doing a Good Job in Inclusive Credit Work in 2024, the Notice on Improving Loan Renewal Services to Enhance Financial Services for Small and Micro Enterprises, and the Notice on Financial Services for Small and Micro Enterprises in 2025. The National Financial Regulatory Administration has established a coordinated mechanism to support financing for small and micro enterprises, thereby advancing the high-quality development of inclusive finance.

Regional development: In recent years, Shaanxi Province has deepened the implementation of the three "Year" campaigns(the Year of High-Quality Project Promotion, the Year of Business Environment Breakthrough and the Year of Cadre Work-Style and Capacity Enhancement) and concentrated efforts on winning the "Eight Critical Battles," vigorously advancing the development of county-level economies, the private sector, the open

economy, and the digital economy and making solid progress in high-quality development and modernization. Meanwhile, Xi'an has continued to promote the construction of the "Two Centers" (the Comprehensive National Science Center and the National Science and Technology Innovation Center), opening wider to both domestic and international markets and expanding advanced manufacturing, technology, new energy, photovoltaic and other industries, with new strengths and drivers of high-quality development gathering pace. As a local bank rooted in Shaanxi, Qinnong Bank fully leverages regional development opportunities, monitors industrial trends, prioritizes agriculture-related sectors and inclusive financial services for small businesses, promotes green finance initiatives, and enhances product and service innovation.

According to the UNEP (United Nations Environment Programme) Financial Impact Radar, the Bank's positive impacts are reflected across key dimensions including financial availability, affordability, the quality of resources and services, and contributions to a resilient and inclusive economy. In alignment with the 17 United Nations Sustainable Development Goals (SDGs), the Bank's key areas of positive influence include poverty eradication, good health and well-being, sustainable cities and communities, as well as sustained, inclusive, and sustainable economic growth.

Figure 1: The Bank's Positive Impacts on 12 Impact Areas (Based on UNEP FI Impact Radar)

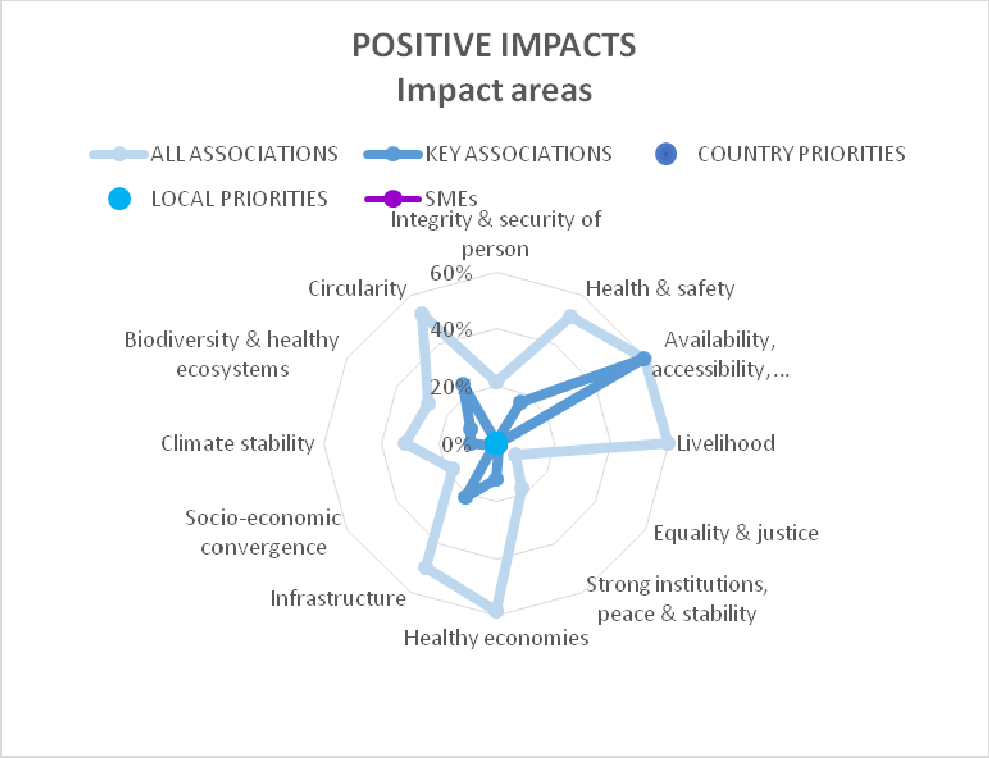
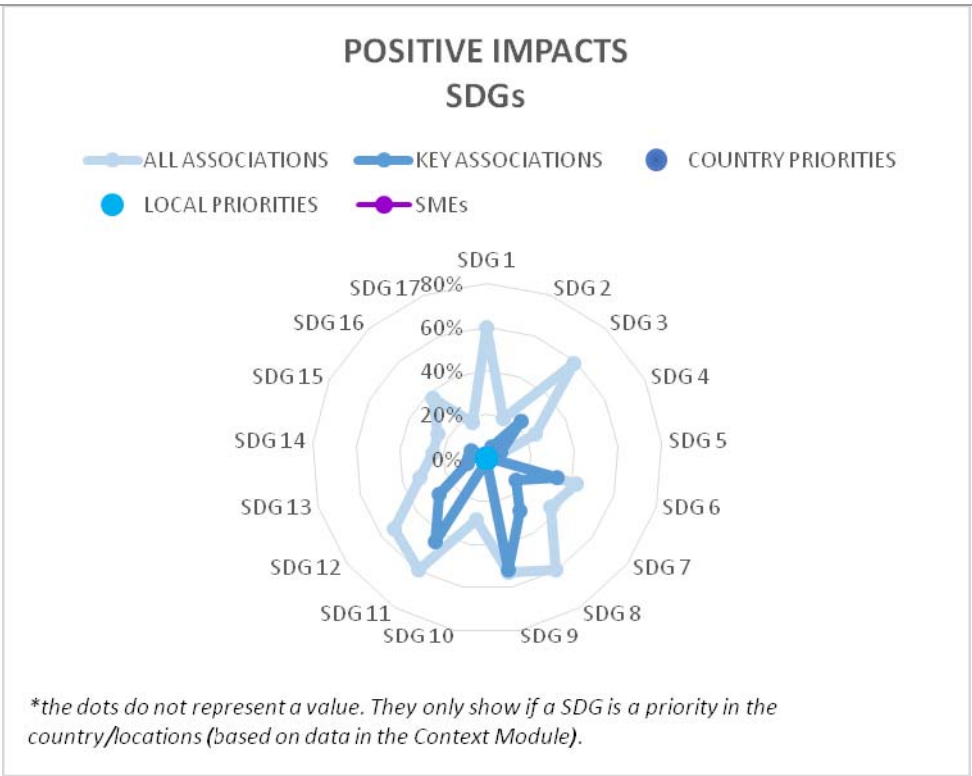


Figure 2: The Bank's Positive Impacts on 17 SDG Goals



Based on the above dimensions, the Bank will prioritize the focus areas of climate change and health and an inclusive economy when implementing its target-setting strategy.

For performance measurement: aligning with the National Financial Regulatory Administration's assessment of financial institutions in green finance and inclusive finance, the Bank will adopt relevant indicators from green finance and inclusive finance for evaluation.

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector (2024).

Links & references

2025 Annual Report, "Business Development" and "Environmental, Social and Governance (ESG)"

Response

Based on the impact analysis above, the Bank has identified two targets in two different areas, consistent with the previous year.

Advancing Green Finance constitutes a pivotal initiative for implementing the Principles for Responsible Banking. In 2023, the Bank formulated and issued the Qinnong Bank Green Finance Development Plan (2023–2025),

explicitly setting the target that the growth rate of its green loan portfolio shall be no lower than the average growth rate of its total loan portfolio.

Delivering solid inclusive finance is the aspiration and mission of the Bank as a local rural commercial bank. The Bank has determined that the growth rate of inclusive finance loans to micro and small enterprises shall be no lower than the average growth rate of its total loan portfolio.

Detailed work measures for achieving these two targets in 2025 are outlined in the Qinnong Bank 2025 Annual Report.

In green finance:

1. Internal governance: The Board of Directors reviews the Green Finance Work Report on a regular basis each year to keep abreast of the Bank's green finance development, set annual targets and tasks, and actively advance green finance. During the year, the Bank revised and issued the Green Credit Management Measures to strengthen internal management. The Green Finance Services Working Group under the management has formulated corresponding financial service plans and convened meetings as the work progresses to review achievements, identify and analyze problems, and arrange phased work.

2. Products and services: The Bank has deepened "Green+" product innovation to promote the deep integration of financial services with the green development of key industries. In the energy sector, the Bank innovatively launched "carbon-emission-reduction-linked loans", which dynamically link financing costs to corporate carbon reduction performance, incentivizing enterprises to pursue green transformation and upgrading. In green agriculture-related sectors, in alignment with the construction of residential distributed photovoltaic power stations in key villages under the "Ten Million Project" of the Xi'an Municipal Party Committee and the Xi'an Municipal Government, the Bank innovatively launched and implemented the "Farmer Supporting Photovoltaic Loan". In innovating environmental rights financing models, the Bank followed the regional green economy development trend and successfully implemented Xi'an's first "water withdrawal rights pledge loan".

Safeguard mechanisms: The Bank has revised the green credit management measures and operating procedures to enhance the standardization and accuracy of business handling. It organized learning sessions on the People's Bank of China's latest statistical standards to ensure the smooth alignment of green loan standards with new policies. Specialized green finance training programs have been carried out to build a professional green finance talent pool. The Bank has established an incentive and constraint mechanism for green credit, adopted a combination of "qualitative and quantitative" approaches to incorporate key ESG indicators into the assessment scope, and applied differentiated management measures to green credit businesses in loan pricing and economic capital allocation, positively incentivizing the Bank to continuously increase green credit supply. It has also developed a "list-based management + targeted marketing" model for green credit expansion, leveraging green finance advisory teams to conduct targeted marketing and services, ensuring the sustained and steady growth of green credit.

As of the end of 2025, the Bank's green loan balance exceeded ¥10 billion, reaching ¥ 11.603 billion, an increase of ¥ 3.275 billion from the beginning of the year, up 39.32%; the Bank held 11 green-related bonds totaling ¥ 1.731 billion.

In inclusive finance:

1.Strengthening Inclusive Financial Services: The Bank has solidly advanced the coordination mechanism for supporting financing for small and micro enterprises and continued door-to-door outreach and marketing, loan disbursement and regulatory reporting. The Bank has continued the "Visiting Thousands of Enterprises and Households" campaign, making good use of the government's "recommendation lists" and "application lists" to provide prioritized credit support to eligible small and micro enterprises. The Bank has dynamically optimized the

allocation of resources of dedicated credit approval teams for inclusive finance business and improved the coverage of services for small and micro enterprises in light of regional industrial characteristics and the needs of micro and small businesses.

The Bank has fully leveraged monetary policy, adhered to reducing fees and passing on benefits, actively applied to the People's Bank of China for relending facilities for agriculture and small businesses, and channeled funds to production and operation areas such as grain production, farmers' production and operations, and the procurement of goods and equipment upgrading by small and micro private enterprises, helping small and micro enterprises lower financing costs.

As of the end of 2025, the Bank's inclusive loan balance for micro and small enterprises reached ¥18.430 billion. During the year, the Bank cumulatively disbursed over ¥ 4 billion in loans to technology-based enterprises, and provided funding support to more than 1,600 micro and small business entities through the coordination mechanism.

2. Serving rural revitalization: The Bank has comprehensively upgraded its strategic cooperation with the Provincial Department of Agriculture and Rural Affairs, signed a strategic cooperation agreement with the Provincial Administration of Grain and Material Reserves, and made full use of the credit enhancement mechanisms of Shaanxi Agricultural Credit Guarantee and agricultural insurance. The Bank has carried out "open competition" marketing campaigns for leading agricultural industrialization enterprises, with financial services covering 172 leading enterprises across the city. The Bank has innovatively launched credit products such as the "Farmer Supporting Photovoltaic Loan".

The Bank has continued to deepen the coordination between the "Three transformations of state-owned resources, assets and funds" management platform and the urban-rural integrated factor trading platform to enhance the preservation and appreciation of collective assets. The "Three Assets Disclosure" mobile APP has served over 1.8 million users, achieving transparent operation of rural collective "three assets". The Bank has established the first "Agriculture, Rural Areas and Farmers" Financial Service Center, building an integrated "online + offline" rural financial service ecosystem.

3. Persisting in poverty alleviation through stationed village assistance: The Bank has coordinated the implementation of four special campaigns and provided designated village-based assistance to Anlingou Village, Xingzhou Subdistrict, Lueyang County, Hanzhong City. The Bank has set up dedicated funds for categorized assistance with targeted measures, implementeed policy-based safeguards and temporary medical and educational assistance for people in difficulty, provided psychological counseling and employment adaptation services for special groups, and offered technical guidance for industrial development. During the year, the Bank invested temporary relief funds, effectively supporting the local post-disaster production recovery.

Principle 3:
Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Client and Customer engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Links & references

2025 Annual Report "Environmental, Social, and Governance"

Response

In terms of service philosophy, the Bank adheres to the "customer-centric" service philosophy. Its "Qinnong Everlasting Affection" management philosophy system was selected as one of the "2025 Jinnuo Practice Cases of Financial Culture with Chinese Characteristics" by China Banking and Insurance News.

In terms of transformative development, the Bank accelerated the pace of digital transformation and continued to deepen its digital transformation strategy. All 70 application systems covered by the "Qinling Project" completed development and testing, with the first batch of 30 relocated systems successfully launch, achieving independent and controllable payment systems and channels.

In terms of financial education, the Bank actively conducted specialized outreach campaigns, including "World Consumer Rights Day (March 15)," the "National Financial Literacy Tour," and the "Senior Citizens Month" initiative. Through the promotional approach of "branch outlets + online platforms + external visiting," to broadcast financial knowledge to the public.

In business marketing, the Bank actively launched special campaigns such as "open competition" and "broadening service coverage and improving liabilities quality", and deepened its presence in key socio-economic sectors and serving customer groups in underserved areas. The Bank increased credit support for the manufacturing sector, key projects, and key industrial chains, and improved the quality and efficiency of corporate finance business. The Bank continued the "Thousand Enterprises and Ten Thousand Households Visit" initiative, conducted targeted business marketing and providing priority credit support to eligible small and micro enterprises.

Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

Links & references

2025 Annual Report "Environmental, Social, and Governance"

Response

Green Finance: In alignment with the national goals of carbon peaking and carbon neutrality, and the strategic deployment of the "Five Priority Areas" in finance, the Bank continued to improve its organizational structure, policies, systems, and business framework that meet the requirements of ecological civilization development, strengthened whole-process ESG risk management, and steadily enhanced its green finance service supply capacity and professional expertise.

—— Green Credit. The Bank deepened "Green+" product innovation, developed the operational efficiency of "road-to-rail" and "road-to-water" multimodal transport, supported energy-saving, water-saving, and carbon-reduction retrofitting of existing buildings and municipal infrastructure, and implemented the distributed photovoltaic power station construction project for key villages under the “Ten Million Project” directed by the Xi’an Municipal Government. The Bank successfully launched Xi'an's first "water intake right pledge loan." By the end of 2025, the outstanding balance of green loans reached ¥11.603 billion, growing 39.32% year on year. The outstanding balance of carbon reduction support facility funds stood at ¥48.43 million, driving an annual carbon emission reduction of 33,000 tonnes of carbon dioxide equivalent.

—— Green Bonds. The Bank actively expanded its capacity in capital markets to support low-carbon development, supported high-quality enterprises in issuing green bonds and accelerated the green transition of the socio-economic system. By the end of 2025, the Bank held 11 green-related bonds totaling ¥1.731 billion.

Inclusive Finance — rural revitalization: The Bank formulated and issued the Implementation Plan for Financial Services, treating financial services for rural revitalization as a major political task. The Bank established the first "Party Building + Rural Revitalization + Finance" themed financial service station in Shaanxi Province, leveraged digital transformation as a key lever to improve the quality and efficiency of services for agriculture, rural areas, and farmers.

The Bank continued to deepen the coordinated linkage between the "Three Assets and Three Modernizations" management platform and the Xi’an urban-rural integration element trading platform, established the first "Agriculture, Rural Areas, and Farmers Financial Service Center" at the Xi'an urban-rural integration element trading market, and built an integrated "online + offline" rural financial service system. The Bank promoted data interconnection and interflow of the "Three Assets and Three Modernizations" system, provided precise data support for rural collective "Assets、Capital、Resources" management. The Bank developed and launched the "Three Assets Disclosure" mobile APP, which has been promoted citywide, with cumulative registrations exceeding 1.8 million.

By the end of 2025, cumulative disbursement of agriculture-related loans across the Bank reached ¥17.124 billion. Deepening cooperation with Xi’an urban-rural integration element trading platform, granted credit to clients of the Xi’an urban-rural integration element trading market exceeded ¥0.4 billion. It was rated as "Excellent" in the provincial performance assessment of advancing the rural revitalization strategy and the "Excellent Tier" title in the evaluation and assessment of Shaanxi Province banking financial institutions' services for rural revitalization. The "Three Assets and Three Modernizations" management platform innovation studio was recognized as a "Model Worker and Craftsman Innovation Studio" receiving key support from the Shaanxi Finance, Trade, Banking, and Light Industry Trade Union.

Consumer Rights Protection: Qinnong Bank upholds the core principles of consumer rights protection and adheres to a “people-centered finance” service philosophy. The Bank’s comprehensive institutional framework ensures the safeguarding of consumer interests through end-to-end protection mechanisms that cover the entire lifecycle of its products and services.

By leveraging channels such as "financial service stations", joint party-building activities, and volunteer services, the Bank links diverse social resources and carries out educational publicity campaigns with distinctive themes, rich content, and varied formats. The Bank adheres to targeted and tailored publicity, gives priority attention to

key groups, establishes a talent pool of consumer protection lecturers, developed and shared various courseware, and actively responds to the public's demand for convenient services.

The Bank continuously strengthens key segments including pre-transaction review, in-transaction supervision, and post-transaction evaluation, embedding consumer rights protection into the entire process of business development. It adheres to resolve disputes on-site, deploy in advance for hot issues, regular conducts complaint analysis, and promotes the popularization and implementation of diversified dispute resolution mechanisms.

Principle 4:
Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Links & references

Qinnong Bank's official website: Investor Relations, Corporate Announcements, and Qinnong News.

Response

The Bank actively integrates into the overall economic and social development of Shaanxi Province, adhering to the strategic positioning of "Deeply rooted in the local economy, focusing on supporting agriculture and small businesses, and benefiting urban and rural residents." The Bank fulfills its social responsibility, supports the real economy, and is committed to serving customers, delivering returns to shareholders, and caring for its employees.

In terms of economic responsibility, the Bank takes it as its mission to serve Shaanxi's economic development, proactively integrates into regional economic development strategies, and allocates more financial resources to key provincial projects, key sectors, and weak links. By the end of 2025, the Bank has extended a total of RMB 63.291 billion in loans to 528 enterprises across the province's "34+8+8" key industrial chains, with an outstanding loan balance of RMB 27.941 billion.

In terms of social responsibility, centering on the "five major articles," the Bank continues to advance technology finance, inclusive finance, green finance, pension finance, and digital finance. It fulfills its responsibilities for village-based poverty alleviation and anti-money laundering, and continuously enhances its capacity to serve people's livelihood. By the end of 2025, the Bank's outstanding loans to the real economy has increased to RMB 234.1 billion, representing a growth of 12.02%.

In terms of shareholder responsibility, the Bank continues to improve its corporate governance mechanisms, establishes communication channels with directors and shareholders, and fulfills its information disclosure obligations in a compliant manner. It ensures that the investor hotline remains accessible, provides timely explanations and feedback on shareholders' equity-related inquiries and suggestions, and thereby enhances investor confidence.

In terms of customer responsibility, the Bank closely focuses on the eight statutory rights of financial consumers. By building "financial service stations," the Bank proactively responds to public demand for convenient services through Party-building partnerships, volunteer services, and other initiatives. The Bank has established a talent pool of lecturers on consumer rights protection, developed and shared courseware, and continuously carries out publicity activities such as "3·15 Financial Consumer Rights Protection Day" and "Financial Knowledge Popularization Tour" to raise public awareness of consumer rights protection.

In terms of employee responsibility, the Bank comprehensively safeguards employees' rights to information, participation, expression, and supervision by improving the workers' congress system, systematically advancing trade union work, and conducting grassroots research, seminars, visits and consolation activities.

In terms of environmental responsibility, the Bank comprehensively promotes paperless operations, develops and launches the "Green Operations" OA workflow module, and establishes bank-wide data ledgers for water, electricity, paper consumption and official vehicle fuel use, extending green operations management from the Head Office to the entire Bank. The Bank vigorously develops green finance by strengthening institutional framework development, innovating financial products and services, enhancing green business management, and improving service support mechanisms.

Principle 5:
Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Governance Structure for Implementation of the Principles

Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

Links & references

2025 Annual Report "Corporate Governance and Internal Control," "Environmental, Social and Governance (ESG)"

Response

In terms of governance structure, the Bank has established an ESG governance framework. A Strategy Committee has been set up at the Board level to guide the overall advancement of the Bank's green finance and ESG development. At the senior management level, a Green Finance Service Working Group has been established, chaired by the Bank's executive in charge, to coordinate and promote green finance work across the Bank. A green finance advisory team has also been formed to precisely identify the financial needs of enterprises in the green sector. The Board Office serves as the lead department for ESG work and the day-to-day liaison for the Principles for Responsible Banking (PRB).

The Board of Directors reviews the Green Finance Work Report on an annual basis. During the reporting year, the Bank revised and improved the Green Credit Management Measures to strengthen effective management of green finance. The Bank officially issued the Qinnong Bank ESG Development Action Plan, integrated sustainable development into the entire business management process. The Bank also officially released the first PRB progress report, comprehensively responding to the six Principles for Responsible Banking and proactively disclosing to investors the Bank's notable achievements and practical outcomes in advancing the "five major articles", corporate governance, social responsibility, and other areas.

The Bank actively participates in various initiatives of the UNEP FI (United Nations Environment Programme Finance Initiative). In light of China's context and its own operational realities, the Bank has joined working groups on inclusive finance and policy benchmarking, extensively studied and drawn on good practices from peers, and provided feedback and suggestions. In June 2025, the Bank was invited for the first time to attend the Asia-Pacific Regional Roundtable on Sustainable Finance, where it took part in thematic discussions and shared Qinnong's practical experience.

The Bank fully integrates green finance management and corporate social responsibility practices into its ESG framework, continuously improving the effectiveness of ESG management.

Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Links & references

2025 Annual Report "Environmental, Social and Governance (ESG)" "Corporate Governance and Internal Controls"

Response

In terms of cultural cultivation, the Bank thoroughly implements the "Six-Three-Three-Five" Qinnong Bank management philosophy system and fully refines its corporate social responsibility philosophy. The Bank produced the 10th anniversary themed promotional video Walking with You, launched the Youth under the Starry Sky series of personality interviews, and created the IP mascot "Jixiang Bao (Auspicious Leopard)", strategically positioning it as a "Financial Guardian".

In terms of employee training, the Bank aims to continuously improve the overall competence of all employees to empower business development. The Bank has innovated an "online + offline" blended learning model, launched the online "Qinzhi Academy", organized 712 training sessions with 30,000 attendances, and established a knowledge sharing and inheritance mechanism.

In terms of employee care, the Bank advances democratic management, giving full play to the role of the workers' congress in offering suggestions and recommendations. The Bank selects and commends outstanding performers and role models to foster a culture of striving for excellence. The Bank established its first Model Worker Innovation Studio and organizes various cultural and recreational activities to enhance employees' sense of belonging and team cohesion.

In terms of remuneration and assessment, the Bank follows the remuneration philosophy of "pay determined by position, reward tied to performance". The Bank reasonably sets remuneration levels according to different job responsibilities and performance contributions, adopts a remuneration strategy that favors grassroots staff, front-line employees, and key talent with outstanding contributions, and establishes a sound remuneration management system.

In terms of green operations, the Bank emphasizes green and energy-saving management in daily operations and actively builds a green office environment. The Bank steadily advances digital transformation, completing optimization of 17 business systems. The Bank issued a proposal letter, expanded deployment of video conferencing equipment, digitalized procurement processes, optimized vehicle procurement plans and official vehicle dispatch arrangements, established an electricity inspection system, and advocated the concept of green office practices in every detail.

Risk and due diligence processes and policies

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank’s portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

Links & references

2025 Annual Report "Risk Management" "Environmental, Social and Governance (ESG)"

Response

The Bank has established a comprehensive risk management system framework featuring "two levels of management and three levels of control". By applying quantitative risk indicators, optimizing risk limit controls, establishing a sound mechanism for preventing key risks, and strengthening risk assessment management, the Bank promotes the philosophy of capital conservation and risk-return balance across the Bank.

In terms of risk management, in 2025 the Bank systematically integrated ESG principles into its risk appetite framework for the first time and added special limits for risks such as money laundering. The Bank established a risk intelligence liaison mechanism and dual emergency communication channels, enhancing collaborative defense and proactive adaptation capabilities. The Bank deepened risk management across the entire product lifecycle, maintained a ledger for issue remediation, and achieved dynamic management. In conjunction with its digital transformation efforts, the Bank advanced the development of risk-weighted asset and market risk management systems.

In terms of green business management, the Bank revised the Green Credit Management Measures and operational procedures, formulated an implementation plan for green finance evaluation, and upgraded the credit system. The Bank implements relevant list-based management requirements. By issuing risk alert letters, the Bank strengthens dynamic ESG assessment and management of green credit business, effectively preventing and controlling ESG risks in the existing loan portfolio.

Principle 6:

Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report

The relevant data and information in this report are cited from the Bank's 2025 Annual Report. The financial statements therein have been audited by an accounting firm, and the Annual Report was reviewed and approved at the 4th Meeting of the 3rd Board of Directors on 20 April 2026.

The Bank strictly complies with relevant regulatory requirements, establishes and improves its Information Disclosure Management Measures, and ensures that all types of information are disclosed in a truthful, accurate, complete, timely and fair manner. In 2025, the Bank fulfilled its information disclosure obligations through its official website in accordance with applicable regulations.

The Bank will adhere to its market positioning. While achieving its own sustainable development, the Bank will actively deepen the development of its ESG governance system, promote green finance, proactively fulfill its corporate social responsibility, and play a greater role in serving local economic development.

If you need to learn more detailed information, please visit the official website of Qinnong Bank.

https://www.qinnongbank.com