Sustainability Policy
(Effective on 22 April 2026)

Shanghai Commercial Bank Limited (the "Bank") recognizes the significance in contributing to a sustainable community and incorporates Environmental, Social and Governance ("ESG") and Green and Sustainable Banking ("GSB") concerns into our businesses and operations, capturing both opportunities and risks arising from climate-related change, to meet the expectations of the Bank's key stakeholders including customers, regulators, shareholders and employees, and to help shaping a greener and better banking landscape.

The Bank is committed to promoting a sound corporate culture and achieving sustainable development, and has promulgated four core values, namely Accountability, Integrity, Innovation and Teamwork. Proper behavioral standards related to these core values should be considered, reflected and incorporated in this document where appropriate. Relevant staff at all levels are expected to observe and adhere to the rules and requirements set forth in this document when carrying out day-to-day responsibilities, which would then lead to positive customer and market outcomes under prudent risk management.

The Bank will adhere to the following principles for promoting ESG and GSB, and the governance process through which ESG and GSB concerns are identified, assessed and managed.

Sustainability Governance and Strategy Framework

- The Bank has established a three-tier sustainability governance structure: 1) the Board of Directors ("the Board"), 2) the Risk Committee and Sustainability Committee, Board-level committees, and 3) the Sustainability Working Group, a management-level task force comprising of six Pillars, viz., "Environmental", "Social", "Governance", "Strategy", "Customers" and "Climate Risk Management", to oversee and execute the ESG and GSB related matters.
- The Board, considering the objectives and overall strategy of the Bank as well as recommendations of the Sustainability Committee, is ultimately responsible for overseeing the development and implementation of sustainability, GSB, and climate-related risk management and strategy.
- The Board has assigned the Risk Committee, a Board-level committee, to oversee, review and assess various aspects of risk management and exposure, including but not limited to climate-related risks, as well as recommending on risk management

frameworks and strategies for the Board, to underpin the Bank's long-term sustainability and resilience.

- The Sustainability Committee, under the authority delegated by the Board, reviews and approves the Bank's sustainability strategy, priorities and goals in line with vision of the Bank.
- The Sustainability Working Group ("SWG") is responsible for developing and implementing sustainability strategy and related policies including the ESG and GSB related matters.
- The Sustainability Department, acts as the facilitator and secretary to SWG and being the second line of defense, is responsible for monitoring the key performance indicators of the sustainability strategy, introducing Green financial technologies ("Fintech"), and provision of advisory on sustainability-related and GSB-related matters in accordance with prevailing megatrend and the regulatory requirements and expectations.
- The Bank integrates principles and measures to address relevant sustainability, GSB and climate-related risks and opportunities into its businesses, strategy and financial planning from strategic assessment to action plan development over the short, medium and long term.
- The principles and measures build upon the sustainability strategy framework that comprises of three themes: "Sustainable Operations", "Culture", and "Business", each builds in the most material topics the Bank will focus on, which are detailed below.

Sustainable Operations" reflects the importance the Bank places on the environmental and social impact of its operations.

<u>Greenhouse Gases Emissions & Sustainable Resource Usage</u>

- ◆ The Bank strives to achieve net zero in its own operations and financed emissions based on the climate goals of each jurisdiction. The Bank shall establish its decarbonization plan with quantitative emission reduction targets for a net-zero transition, improving energy efficiency, and reducing waste and use of natural resources.
- ◆ The Bank leverages on its digital transformation initiatives in pursuit of its sustainability strategy, for example, by encouraging more customers and staff to adopt electronic communication and reporting channels instead of through paper forms and documents.
- ◆ The Bank dedicate resources to promote awareness, motivation and participation in environmentally friendly initiatives among its staff as well as the wider society it serves.

Sustainable Supply Chain

- The Bank endeavors to influence businesses in the supply chain by sharing its approach and expectation on sustainable development and encouraging its suppliers to adhere to its policies and procedures on supply chain management such as the Bank's Supplier Code of Conduct and Guideline for Modern Slavery Act.
- The Bank complies with the Modern Slavery Act and prohibits any forms of modern slavery, human trafficking, child and forced labor, and requires all contractors, vendors and suppliers to share the same commitment.

"***C***ulture" is instilled for the Bank to uphold the values of integrity, to safeguard our customers and stakeholders, to comply with regulatory and internal requirements, and to build a collegial working environment.

Corporate Governance and Reporting

- The Bank strictly complies with the laws and regulations stipulated in the jurisdictions of business operations, and the requirements of regulatory authorities. The Bank regularly reviews corporate governance standards and procedures and strives to measure up to the international and local best practices.

Risk Management and Compliance

- Risk management is integral to all aspects of the Bank's activities and is considered the responsibility of all staff. The Bank lays out the risk management strategy for aligning risk, capital, and performance goals, taking into consideration the regulatory requirements, market circumstances, industry best practices, and the Bank's unique strengths and preferences. The Bank seeks to instill a strong risk culture in its organization, and management of risks is further guided by its risk appetite and adoption of "three lines of defense".

Business Ethics

- Adherence to the highest ethical standards, discipline and righteous behavior is expected to be abided by all staff as one of the four core values of the Bank. To ensure expectations on business ethics are upheld, all employees are required to undergo onboarding and regular refresher training on relevant legal, regulatory and internal control requirements.
- The Bank strives to engage its employees and promotes open

communication through a variety of channels. The Whistleblowing Policy is in place to enable employees of the Bank to report any concern or misconduct in good faith.

Data Privacy and Cybersecurity

- The Bank established a suite of relevant policies and procedures in cybersecurity, applicable to all employees across all levels, with clearly defined roles and responsibilities, to ensure robust, effective and efficient controls over the Bank's data security and confidentiality.
- The Bank strives to deliver quality service to all customers and protect the security of their personal information in accordance with the Personal Data (Privacy) Ordinance or any applicable laws and regulations.

Customer Relationship Management

- Treating customers in the best manner and supporting their needs are regarded as foremost important, where such aspiration is deeply rooted in the Bank's motto "For Personalized Service", or "處處為您着想" ever since its establishment.
- The Bank is committed to serving customers with fairness and integrity during the provision of banking services and strictly adheres to the Code of Banking Practice.
- Complaints are regarded as drivers to improve. The Bank puts in place an effective mechanism to receive and proactively handle customer complaints professionally and in a timely manner through a designated unit.

Talent Management and Development

- The Bank places high importance on managing and developing talents, to uphold the competitiveness in the market by unleashing employees' full potential at work as well as managing turnover. The Bank aspires to attract and retain high-quality talents through offering a set of competitive remuneration, additional benefits, upskilling training, reskilling programs, subsidized courses, succession planning, etc.

Diversity, Equity and Inclusion

- The Bank recognizes the value of team diversity and provides equal opportunities to all job applicants and employees in every aspect of employment, training and career development regardless of age,

gender, race, religion, family and marital status, sexual orientation, and / or physical ability.

Health, Safety and Well-being

- The Bank is committed to support the physical and mental wellbeing of the staff, by providing a safe and caring working environment for its employees and promoting healthy work-life balance. Crisis Management Team comprised of members from management would be activated and mobilized readily during exceptional incidents of emergency or crisis, to continuously make plans and decisions towards staff and bank premises protection and risks mitigation as the incidents developed.

Human Rights

- The Bank upholds the inherent dignity and equity of all individuals, a principle that underpins its commitment to safeguard human rights protection and freedom from slavery and torture, freedom of opinion and expression, as well as the right to work and education.

Community Investment

- The Bank endeavors to take opportunities to share its success and give back to the community, so as to support community development and show gratitude. The Bank invests in the future of the communities and encourages its employees to actively contribute to the communities through volunteering services. Our community investment focus through volunteerism and philanthropy including monetary and in-kind donations is set out in the Bank's Guideline on Community Investment.

"***B***usiness" embodies how the Bank embeds sustainability into the business practices, such as promoting green and sustainable finance and building resilience against climate change, without losing sight of our Sustainable Operations and Culture.

Green and Sustainable Banking

- Located in globally important financial hubs, the Bank has a role to play in enabling companies to participate in the transition to a low-carbon economy while building its own climate resilience at the same time. The Bank thus endeavors to take ESG and GSB issues into account in its decision-making process to the extent possible. This includes regularly assessing and monitoring counterparty ESG risk to

minimize the impact of its business activities on the environment and society.

- The Bank shall provide banking services / products and invest responsibly, aligning its banking businesses with its corporate values, and engaging in green / sustainable investment and product offering that are consistent with the regulatory requirements and expectations, overall strategy and risk appetite of the Bank.

Inclusive Finance

- The Bank is committed to financial inclusion and accessibility of banking services such as to the physically and socio-economically challenged populations, and supporting the growth of Small-and-Medium sized Enterprises.

Innovation and Digitalization

- Dedicated efforts are being made at the Bank to leverage Fintech to continue digitizing and introducing service innovation that would improve customer experience, increase operation efficiency, and facilitate personalized banking.

Climate Change Response and Decarbonization

- The Bank has established a three-tier sustainability governance structure to oversee climate-related matters.
- The Bank further continues to enhance appropriate framework for managing climate-related risks, and to embed climate-related risk considerations in its risk management framework and relevant policies, in particular to include risk metrics as well as the impact to the Bank due to climate change.
- Regarding climate risk management framework, the Bank adopts a low climate risk appetite and establishes risk management processes to identify, measure, monitor, report, and mitigate climate-related risks that are commensurate with the strategy and business activities of the Bank that are relevant to GSB. The climate risk exposures are monitored regularly, and the climate risk is primarily measured through stress testing and scenario analysis, which are conducted regularly, to assess the vulnerability and resilience to potential climate impact.
- Regarding decarbonization plan, the Bank has adopted a scientific carbon reduction pathway aligned with the regulatory expectations and requirements. The decarbonization plan shall be reviewed at least

annually to commensurate with the strategy and business activities of the Bank to achieve net zero.

- The Bank closely engages with the regulatory authorities, external consultants, and industry organizations to stay up to date on trends impacting the industry and to identify appropriate measures.

Disclosure and Stakeholder Engagement

- The Bank is closely engaging with its stakeholders, including the communities it serves, employees, shareholders, customers, business partners, regulators and relevant industry organizations, to understand their concerns and expectations, to stay up to date on trends impacting the industry, and to identify appropriate measures on sustainability matters.
- Considering the growing public awareness towards sustainability issues, the Bank aspires to disclose on how it implements material issues relating to the operations and activities by stating the approach and performance during a reporting year.
- The annual Sustainability Report is developed with reference to the provisions of the ESG Reporting Code issued by the Hong Kong Exchanges and Clearing Limited, the recommendations of the Task Force on Climate-related Financial Disclosures established by the Financial Stability Board, the requirements of the International Financial Reporting Standards S2 Climate-related Disclosures issued by the International Sustainability Standards Board and the relevant international standards as well as local regulatory expectations and requirements.

This Policy will be reviewed annually by the Bank to ensure its relevancy and effectiveness.