



Luzhou Bank Co., Ltd. * 泸州银行股份有限公司 * (Formerly known as Luzhou City Commercial Bank Co., Ltd.) (A joint stock company incorporated in the People's Republic of China with limited liability) Stock Code: 1983

2018 Environmental, Social, and Governance (ESG) Report

1.	About the Report	1
2.	Brief Introduction of the Bank	2
3.	ESG Management	3
	ESG Concept and Strategy	3
	ESG Management Structure	3
	Communicate with Stakeholders and Materiality Analysis	4
4. Mai	Run the Bank in Compliance with Laws and Regulations and Strengthen Responsibility nagement	5
	Promote System Construction and Create an Integrity Culture	5
	Improve Management Level and Prevent Money Laundering Risks	7
	Standardise Supplier Management and Advocate Green Procurement	9
5.	Be Service-oriented and Safeguard Customer Rights and Interests	10
	Improve Service Quality and Optimise Customer Experience	10
	Strengthen Information Security Management to Protect Customer Privacy	16
	Value Brand Management and Protect Intellectual Property Rights	17
6.	Facilitate Staff Development as Talents Prosper the Bank	17
	Stick to the People-Oriented Principle to Protect the Rights and Interests of Employees	18
	Improve the Training System to Enable Staff Growth	19
	Focus on Employees' Health and Enrich Their leisure time	21
7.	Uphold Green Development and Advocate Low-carbon Operation	23
	Support Green Credit and Promote Environmental Protection Development	23
	Advocate Resource Conservation and Green Office	25
	Environmental Performance	26
8.	Support on People's Livelihood and Public Benefit	28
	Focus on Directional Poverty Alleviation, Support Targeted Poverty Alleviation	28
	Devote to Social Benefit by Engagement in Various Voluntary Activities	30
App	endix - Environmental, Social and Governance Reporting Guide	32

Contents

1. About the Report

This report is prepared to disclose the Environmental, Social and Governance ("ESG") management concept of Luzhou Bank Co., Ltd. (formerly Luzhou City Commercial Bank Co., Ltd., officially changed its name to Luzhou Bank Co., Ltd. on 4 June 2019) (hereinafter referred to as "the Bank", "Luzhou Bank" or "We") (Stock Code: 1983) and its 2018 ESG performance. The preparation of the report follows the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") to facilitate full understanding and communication between various stakeholders and the Bank. This report should be read in conjunction with the "Corporate Governance Report" section under 2018 Annual Report of Luzhou City Commercial Bank Co., Ltd. and the "Corporate Social Responsibility" column of the Bank's official website to help readers understand us more comprehensively. Institutes covered in this report include the head office and all branches and sub-branches of Luzhou Bank. Unless otherwise specified, this report covers the period from 1 January 2018 to 31 December 2018.

This report abides by the "comply or explain" provisions set out in the ESG Reporting Guide.



2. Brief Introduction of the Bank

The Bank was established as a joint-stock commercial bank under the name of "Luzhou City United Bank" on 15 September 1997. The Bank was jointly initiated by the local finance bureau, enterprise legal persons and individuals. It is one of the first city commercial banks established in Sichuan province. On 8 May 1998, the Bank changed its name to Luzhou City Commercial Bank Co., Ltd, and on 4 June 2019, the Bank officially changed its name to Luzhou Bank Co., Ltd. upon approval by the CBIRC Sichuan Bureau and the Luzhou Market Supervision and Administration Bureau.

Since its establishment, the Bank has always adhered to the business strategy of "Focus on the local, serve small and medium enterprises, concern for people's livelihood, and care for the citizens" and spared no effort to support the social and economic development of Luzhou. As of the end of 2018, the Bank is headquartered in Luzhou, Sichuan province, China, and has 7 primary sub-branches and 25

A city commercial bank headquartered in Luzhou, Sichuan province

•••

The largest commercial bank in Luzhou (based on the total assets in Luzhou as at 31 December 2018)

The only city commercial bank of local legal person in Luzhou



7 primary sub-branches and 25 secondary subbranches, with outlets covering 3 districts and 4 counties in Luzhou. Chengdu Branch was launched in February 2017

Listed in Hong Kong in December 2018

secondary sub-branches. On 18 February 2017, we took the first step of cross-regional operation and established the first branch in Chengdu, which let us become the sixth city commercial bank in Sichuan province to open in Chengdu. On 17 December 2018, we successfully landed in the international capital market in Hong Kong and raised nearly HKD 2 billion. The Bank thus became the second listed bank in Sichuan and the first listed bank in prefecture-level cities in West China, with capital strength and recognition enhanced significantly.

Honorary awards in 2018:

- "New Account Application Award" granted by Sichuan Branch of China UnionPay in January 2018.
- "2017 Creditworthy Enterprise" issued by Luzhou City Leadership Office of Credit System Development in July 2018.
- ✓ 4th ranking in "2017 Most Competitive City Commercial Bank with Total Assets less than RMB 100 billion" granted in the awards for Chinese most competitive commercial banks in 2017 sponsored by the Banker magazine in September 2018.
- Title of "Workers Vanguard of Sichuan" awarded in the Awards of "Workers Vanguard of Sichuan" co-organised by Sichuan General Labour Union and PBoC Chengdu Branch in October 2018.
- ✓ "2017 Best Green Finance Award" granted by Sichuan Banking Association in December 2018.

3. ESG Management ESG Concept and Strategy

By adhering to the business strategy of "Serve the local, serve small and medium enterprises", the Bank has established a special system for serving small and medium enterprise customers. We respect the values of labour, knowledge, talents and creation, and actively explore to establish a long-term mechanism that can help protect the legitimate rights and interests of shareholders. To enhance our corporate value and fulfil social responsibilities, we are striving to build a brand image that specializes in serving small and medium enterprise customers in Luzhou and concerns for people's livelihood.

ESG Management Structure

The Bank has established an ESG management system that functions at different levels where the Board of Directors takes charges, the management takes a leading role, and departments cooperate flexibly. The Board of Directors is responsible for developing the ESG strategy and objectives. The management is responsible for implementing the ESG strategy and objectives with ESG Working Team formed by various departments at the headquarters to carry out specific ESG work in their respective fields of work and branches and sub-branches carry out local ESG work under the guidance of the ESG Working Team. The establishment of the ESG management system ensures that the environmental and social risks related to each business are properly managed and that the ESG concept and strategy are effectively implemented.

Communicate with Stakeholders and Materiality Analysis

The Bank actively communicates with stakeholders to understand and respond to their needs in a timely manner. Based on the characteristics of our businesses, we have identified the following major stakeholders. The ESG subjects they concern about and the channels for communication with them are listed below.

Major stakeholders	Key ESG aspects	Communication and response
Regulators	Compliance with laws and regulations Transparent governance Taxation in accordance with law	Meetings of regulators, Disclosure of compliance reports Forums and seminars
Government and regulators	Operation compliance Market development Product innovation	Shareholders' meeting Regular announcement Temporary announcement
Customers	Customer service Personal privacy and security Customer complaints	Customer satisfaction survey Call centre Hall complaints
Employees	Employee rights & welfare Compensation system Labour standards Training & development;	Workers' representative conference Employee activities Internal training Symposium
Communities	Community development Social welfare Promotion of financial knowledge	Volunteer activities Public welfare activities Financial knowledge presentations and training
Suppliers	Transparent procurement Equal competition Business ethics	Supplier management Supplier inspection Supplier communication

Critical subjects for the year:

- Anti-corruption
- Product responsibility
- Employment
- Development& training

In 2018, through our investigation into the focus areas for stakeholders, combined with a consideration of our own strategic and operation plan, we conducted substantive analysis on the ESG subjects of 11 aspects listed in the ESG Reporting Guide in accordance with domestic laws and regulations as well as the disclosure requirements of the HKEX, which are "anti-corruption", "product responsibility", "employment" and "development &

training". Related subjects include "emissions", "use of resources", "the environment and natural resources", "health and safety", "labour standards", "supply chain management" and "community investment". The content of each subject will be discussed separately in this report.

4. Run the Bank in Compliance with Laws and Regulations and Strengthen Responsibility Management

Operation in compliance with laws and regulations is the basis for the stable operation of enterprises. The Bank aims to achieve sustainable development by putting into practice the construction of an integrity culture, pressing forward the anti-money laundering work, standardising supplier management and enhancing responsibility management.

Promote System Construction and Create an Integrity Culture

The Bank attaches great importance to the construction of an integrity culture. We comply with the Commercial Banking Law of the PRC, the Banking Supervision Law of the People's Republic of China, the Interim Provisions on Banning Commercial Bribery and other relevant laws and regulations, and has developed a series of regulations such as the Punitive Measures for Violations of Regulations and Disciplines by Employees, Interim Measures for Letters and Visits, Professional Code of Conduct for Practitioners and "Three Precautions and Three Cards" Early-warning Procedures for Practitioners to Work with Integrity in an effort to promote the construction of an anti-corruption system, strengthen the execution of disciplines and accountability and create an integrity culture.



Conducting warning education through SMS, Intranet reminder, integrity education, etc.



This year, the Bank formulated the Opinions on the Construction of the Party Conduct and of An Integrity Culture for 2018 under the leading of the Bank's party committee. The party committee secretary should red the responsibility of the first responsible person for the construction of an integrity culture, and held the whole bank's integrity culture construction work meeting at the beginning of the year to prematurely deploy and arrange the integrity culture construction work. Through the signing of the Letter of Responsibility for the Construction of the Party Conduct and of an Integrity Culture and the Construction of the Punishment System by the departments of the Bank at all levels, we have built up the responsibility system which was horizontally and vertically inclusive of all levels and aspects. The Bank has fulfilled its supervisory responsibilities practically, helped with the implementation of various measures for building an integrity culture, and urged all functional departments to implement the requirements of integrity culture construction throughout their work. The Bank always follows the Punitive Measures for Violations of Discipline by Employees to handle cases of internal violations of discipline. Violations of regulations and disciplines, including deliberate violations of regulations, poor management and failure to implement responsibilities, are investigated and punished resolutely. The violation punishment leading groups of all branches and sub-branches and departments have been given full play to extend their supervision coverage to the grassroots. The intensity of investigation and punishment is also raised up continuously. On occasions of employee on boarding, cadre promotion and major holidays, we carry out extensive preventive warning education. For instance, reminders of integrity are sent timely during cadres' wedding, funeral and other important family or personal events. Integrity education in the forms of pre-holiday warning via, SMS reminder and Intranet reminder is carried out during the New Year's Day, Chinese New Year, Dragon Boat Festival, Labour Day, National Day and other major holidays, and any violations during the festival will be strictly punished.

In 2018, the Bank carried out 11 inspections, in which more than 200 items were reviewed and more than 2,000 integrity reminders were sent via SMS. In addition, considering the characteristics of the financial industry, the Bank organised more than 60 new employees in various business lines recruited in 2018 to visit the Luzhou Detention Centre and more than 80



small and micro account managers received integrity warning education in the Luzhou City Law and Discipline Centre. The Bank did not have any major corruption cases in 2018.

Improve Management Level and Prevent Money Laundering Risks

The Bank strictly abides by the Anti-Money Laundering Law of the People's Republic of China, the Measures for the Administration of Financial Institutions' Reporting of High-Value Transactions and Suspicious Transactions, the Counterterrorism Law of the People's Republic of China, the Measures for the Administration of Classification and Rating of Legal Entities in Respect of Anti-Money Laundering, the Notice of the People's Bank of China on Strengthening the Client Identification for Anti-money Laundering and other relevant laws and regulations, and on this basis, actively carries out anti-money laundering ("AML") work. We have established a series of AML management systems, including the Anti-Money Laundering Regulations, the Measures for the Administration of Customer Identification and Customer Identity Data and Transaction Record Preservation, the Measures for the Administration of Reporting of High-Value Transactions and Suspicious Transactions, the Measures for the Administration of Classification and Rating of Customers in Respect of Anti-Money Laundering, the Measures for Assessment of Anti-Money Laundering Work, the Measures for the Administration of Anti-Money Laundering Confidentiality, etc., and have set up an AML Monitoring Centre to take on the responsibilities of making overall plans for the construction of the whole bank's AML system, organising AML supervision and inspections, establishing AML-related risk assessment standards, procedures and measures, and organising AML training and publicity reports.





In 2018, the Bank submitted an AML annual report, an AML risk self-assessment report and an AML risk classification and rating report to the People's Bank of China on time. We have also continuously optimised and upgraded the internal AML work system, and proposed 21 system optimisation needs. In order to raise public awareness of AML, we also launched campaigns on the prevention of Telecom fraud and AML knowledge promoting activities under the theme of "Anti-money laundering, our common responsibility" to spread knowledge to streets, communities and campuses.

AML Practical Training

On 26 June 2018, the staff of our Head Office's AML Monitoring Centre went to the Chengdu Branch to exchange ideas with the AML staff there about the problems occurring in their daily work, and carried out practical training and on-site testing on the problems existing in Chengdu Branch's AML work.

In this practice training, the staff of the AML Monitoring Centre provided analysis and explanations in five aspects: customer identification, customer money laundering risk rating, suspicious case screening, AML work requirements and recent AML regulatory punishments. This training deepened our employees' understanding in relation to the AML work supervision situation, further clarified the AML duties and work priorities, and promoted effective implementation of AML work.

AML Training (Order No. 3)

On the evening of 11 April 2018, people in charge of AML work of each branch and sub-branch, bank tellers and on-site business supervisors of the business outlets and relevant staff from the AML Monitoring Centre and the operation management department attended the training. The meeting focused on the requirements of Order No. 3 of the People's Bank of China - the Measures for the Administration of Financial Institutions' Reporting of High-Value Transactions and Suspicious Transactions, and stated the importance of AML work with vivid examples, which deepened our employees' understanding of the system, improved their ability to discharge AML duties and their risk prevention and control skills, and promoted the effective implementation of the Bank's AML work in accordance with laws and regulations. The training further regulated the reporting of large-value transactions and suspicious transactions, and enhanced the Bank's AML performance.

Standardise Supplier Management and Advocate Green Procurement

Supplier management is an indispensable part of business development. The Bank complies with the Bidding Law of the People's Republic of China, the Regulation on the Implementation of the Bidding Law of the People's Republic of China, the Measures for the Bid Invitation and Bid Tendering for Construction and Engineering Projects, the Interim Provisions on the Management of Centralised Purchasing of State-owned Financial Enterprises, etc., and has formulated the Implementation Measures for Centralised Purchasing Management, 2018-2019 Centralised Purchasing Catalogue and Limit Standards and other relevant regulations to strengthen the institutional building of the procurement system and further standardise the procurement process of the whole Bank.

The Bank's centralised procurement follows the principles of openness, fairness, justice, honesty and efficiency. Entry of suppliers mainly requires a written recommendation by relevant departments and branches & sub-branches. Then the procurement office will do an initial review of the suppliers'

information to form a supplier entry request and submit to the centralised procurement management committee for deliberation. Suppliers passing the deliberation will be incorporated into the supplier pool under the supervision of the Discipline Inspection and Supervision Office. The Bank has

Supervision on Procurements in 2018

On-site supervision on more than 200 procurement items

With a total amount of RMB 251 million

strictly regulated the procurement process management, with a focus on the supervision of the integrity culture construction in the field of procurement. The discipline inspection line reviews the integrity of procurement staff. In 2018, it carried out on-site supervision on more than 200 procurement items with a total amount of RMB 251 million, incorporating the integrity culture construction into the supplier management. Besides, the Bank implements a policy that gives priority to suppliers providing energy-saving and environmentally friendly products.

5. Be Service-oriented and Safeguard Customer Rights and Interests

The Bank follows the service-oriented principle to create benefits by offering high-quality services, expanding competitive advantages and resolutely protecting the legitimate rights and interests of customers, thereby establishing a brand image of "serving small and medium enterprises and concerning about people's livelihood".

Improve Service Quality and Optimise Customer Experience

(1) Serve Local Customers

The Bank complies with the Law of the People's Republic of China on Banks, the Commercial Banking Law of the PRC and other relevant laws and regulations, and sticks to the concept that services shall begin with customer needs and end with customer satisfaction. We adopt the peopleoriented concept, provide convenient network and efficient professional services to maximize the saving of time, money and other resources for customers, providing customers with more convenient, more effective and more approach able services. We strive to provide high-quality services to create value for customers, expand our competitive advantage, and improve customer loyalty. The Bank identifies SMEs, urban residents and local governments as its core customers, and focuses on serving the development of SMEs in Luzhou and bringing convenience to citizens' lives.



For **SME customers**, the Bank provides customised and efficient financing solutions according to their needs in different stages of development. By streamlining the loan issuance and evaluation procedures, the Bank launches a variety of specialised products to meet the diversified financing needs of enterprises.



For **small and micro businesses**, we have set up Huirongtong small micro loan centre to better meet their financing needs.

Provide customized products and services to small and micro businesses



Rong e Dai

We provide mortgage-free and voucher-free personal loans to assist small and micro businesses, individual industrial and commercial businesses with their production and capital turnover. We accept online application and provide on-site investigation by customer managers to simplify the procedures for clients.

Tian Tian Dai

To meet the regular financing needs of small and micro businesses, we have provided a revolving loan product "Tian Tian Dai" that allows clients to initiate withdrawal and repayment requests through SMS, effectively alleviating the "short-term, high-frequency and urgent" funding needs of small and micro businesses."



Zhi Rong Dai

In response to the "Made in China 2025", we have tailored a product— Zhi Rong Dai for intelligent terminal enterprises to channel more support to the transformation and upgrading of the manufacturing industry and promote the high-endoriented development of the manufacturing industry.

Chuang Ke Dai

For young entrepreneurs who are in an early stage of their business without sufficient Capital, We provided the Chuang Ke Dai.

Provide a wide range of innovative products and services to retailer customers

Jiu Cheng Debit Card

For the convenience of the daily life of the citizens of Luzhou, we have issued a "Jiu Cheng Debit Card" to retail customers who have deposit accounts with the Bank to provide such services as deposit and withdrawal, consumption, transfer and remittance, and wealth management.

Social Security Card

We have entered into a cooperation agreement with the Human Resources and Social Security Bureau of Luzhou City to jointly launch the "Social Security Card". In addition to the regular function of a debit card, the card enables our clients to register for medical insurance, collect insurance and pensions.

We not only provide our customers with a variety of innovative products, but also seeks to improve our service quality by continuously improving the professional skills of our employees. In 2018, we participated in the Sichuan Skills Competition – "The 13th Vocational Skills Competition - Banking System Business Skills Competition of Luzhou", in which 44 employees from 22 banking systems in the city competed against each other. The two contestants He Haiwei and Qiu Tao from the Bank fully demonstrated their professionalism by keeping cool while fighting hard in the competition. After fierce competition in five items, they achieved excellent results.

- Our team won the first prize with the highest total score and a landslide victory over our competitor.
- He Haiwei and Qiu Tao both won the first prize with the highest and second highest individual comprehensive results respectively, and were awarded the title of "Model of Technology in Luzhou City".

(2) Protect Customer Rights and Interests

The Bank is committed to safeguarding the legitimate rights and interests of its customers, and strictly abides by the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, the Guiding Opinions of the General Office of the State Council on Strengthening Protection of

Consumer Rights and Interests, the Guidelines for Protection of Consumer Rights and Interests in the Banking Industry, the Implementation Measures of the People's Bank of China for Protecting Financial Consumers' Rights and Interests and other relevant laws and regulations. We have formulated a series of regulations including the Measures for the Administration of Consumer Rights and Interests Protection, the Rules of Procedure for the Consumer Rights and Interests Protection Committee, the Implementation Measures for Internal Audit on Consumer Rights and Interests Protection, etc. By improving the design of our products and services and innovatively conducting financial knowledge popularization, we have reinforced our supervision and inspection responsibilities and ensured practical implementation of consumer rights and interests protection.

The Board of Directors of the Bank assumes the ultimate responsibility for consumer rights and interests protection. Under the Board of Directors, we have a Consumer Rights and Interests Protection Committee, which is responsible for assisting the Board of Directors in developing strategies, policies and objectives for consumer rights and interests protection, supervising the senior management to ensure effective implementation of related work, regularly listening to the senior management's theme reports about the performance and progress of related works. Relevant information gathered constitutes an important part of our future information disclosure. In addition, the Committee is also responsible for monitoring and evaluating the comprehensiveness, timeliness and effectiveness of the protection of consumer rights and related duty performance of the senior management.



The Internal Control and Compliance Department is the functional department for consumer rights and interests protection. It is responsible for formulating measures for the management, supervision and evaluation of consumer rights and interests protection work and takes a leading role in the organisation, coordination, supervision & urging and guiding of the consumer rights and interests protection work in other departments and branches of the Bank.

In order to further enhance financial consumers' ability to identify risks, effectively protect the legitimate rights and interests of consumers in the banking industry and build a harmonious financial consumption environment, the Bank continued to carry out publicity campaigns and public education activities regarding anti-money laundering, anti-counterfeiting and personal credit including campaigns under themes of "3.15 Consumer Rights Day", "Prevention of Illegal Fund Raising", "Telecom and Internet Fraud Prevention Campaign", "Promoting of Financial Knowledge to Households", and "Month for Financial Knowledge". During the "3.15" period in 2018, the Bank launched a series of publicity campaigns on financial consumer rights and interests protection, including internal publicity and external publicity. For internal publicity, we made a "Financial Consumer Rights Day" brochure and issued it to all business outlets. For external publicity, we carried out various activities through institutional outlets, media, plazas, communities and other means.

"Month for Financial Knowledge" Campaign

The Bank launched the "Month for Financial Knowledge Sharing" campaign covered one city, four counties and three districts, with a total of 25 consultation desks were installed, more than 10,000 person-times consulting services were provided, 30,000 copies of promotional materials were distributed and approximately 250,000 SMS messages were sent to our customers. The campaign proactively enhanced financial customers' understanding of financial knowledge and promoted the further promotion of financial knowledge. Meanwhile it improved the ability of financial customers to identify illegal financial advertisements, enhanced their awareness of risk responsibility and integrity, helped prevent blind investments, guided financial consumers to resolve financial consumption disputes through legal procedures, and played a positive role in maintaining financial stability.

(3) Handle Customer Complaints

In order to respond positively to customer complaints and feedback, the Bank has set up a complaints book in the lobby of each business hall, and established a specialised call centre in 2016, with a service hotline of 96830. On this basis, specific policies and rules, such as the Measures for Management of Call Centre Customer Service Personnel, the Service Specifications for Call Centre Customer Service Personnel and the Detailed

96830

Rules for the Implementation of Assessment on Call Centre Customer Service Personnel, were developed to make timely response to customer needs so as to enhance customer experience.



Complaints Handling Procedures

The customer service staff will respond to the customers' complaints as soon as possible. If the complaints cannot be resolved on line, a work order will be generated and transferred to the relevant department for processing. Then the customer service staff will call the work order handler in time for the follow-ups.

A result feedback will be provided to the customer service staff after the relevant department contacts the customer and solves the problem.

The customer service staff will call the customer back regarding issues on the work order upon receipt of the feedback. The call centre records the information about customer complaints in detail, and distributes the complaint report to the corresponding department every month, and each department is obliged for improvement.

The Bank pays attention to the opinions from customers and makes its greatest efforts to solve the problems for the customers. The call centre has set up a number of positions including supervisors, team leaders, internal trainers and QA/QC to ensure service quality. The call center performs spot check of telephone recordings and work orders are conducted on daily and weekly basis respectively, and all important businesses will be reviewed. In order to continuously improve service quality, the call centre will organise business training and examinations in the Bank for customer service team every month. They also conducts related discussions, provides business guidance, and sorts out various business knowledge, systems and processes to establish a sound knowledge base for guiding the customer service staff to provide better service. In 2018, the call centre was upgraded to include new functions like unified outbound calls, dual-hotline verification for important businesses, large-screen monitoring, on-line customer service for on-line banking and mobile banking to meet the new service needs of customers. In 2018, the Bank handled 45 complaints from customers, 37 of which were complaints directly sent to the Bank, and 8 of which were forwarded from the regulatory authorities, and there were no large-scale complaints. The Bank's customer complaints throughout the year were all handled promptly and properly; the complaints settlement rate and customer satisfaction were 100%.

Strengthen Information Security Management to Protect Customer Privacy

The Bank is well aware of the importance of information security. We have strictly abided by the laws and regulations including the Cybersecurity Law of the People's Republic of China, the Guidelines on the Information Technology Risk Management of Commercial Banks and the Administrative Measures for the Graded Protection of Information Security, and formulated a series of administrative measures to standardise the information security management of the Bank such as the Administrative Measures for Information Security and the Contingency Plan for Personal Financial Information Disclosure, in the aim of strengthening information security management and protecting customer privacy. Information security management is critical to the enterprises. Therefore, the Bank strictly requires all employees to observe professional ethics. All employees are required to sign a confidentiality undertaking before getting on board, and they are required to comply with national confidentiality laws, regulations and rules, as well as the Bank's confidentiality management regulations and work requirements to fulfil their confidentiality obligations. Employees shall not act against regulations to record, store, transmit and reproduce state secrets and commercial secrets of the Bank, or keep carriers of state secrets and commercial secrets of the Bank, or disclose any confidential information they have access to or have knowledge of in any way. We are devoted to the prevention of information security incidents and the promotion of all employees to participate in the daily management of information

information security awareness education and skills trainings. We also continue to improve our capacity of preventing and controlling risks arising from information technology, and strengthen the construction of information technology governance system and internal control. The Bank's network security protection system is intensified through the assessment on compliance with the Cybersecurity Law of the People's Republic of China. In

security through regular



addition, we engage third parties for information security assessment and information technology risk audit, and continue to promote the standardised management of information technology in order to effectively prevent technology risks.

Value Brand Management and Protect Intellectual Property Rights

The Bank strictly observes the Trademark Law of the People's Republic of China, the Advertising Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China and other laws and regulations in respect to publicity and brand use management. This year the Bank developed the Administrative Measures for External Publicity and revised the Administrative Measures for Reputation Risks, requiring relevant staff to carry out publicity in strict accordance with relevant regulations so as to prevent such misconducts as malicious speculation, exaggerated advertisement and one-sided guidance while properly guiding public opinions, thus, enhancing and standardizing Bank's external publicity work.

The Bank is committed to shaping a responsible corporate image by respecting others' intellectual property rights, strictly controlling the source of materials used in publicity activities, and acquiring the consent by signing contracts for the use of individual images in external publicity. The publicity-related content will be reviewed by legal department, and then by the person in charge of the demand department, the general manager of the general administrative department, and the leader in the publicity work before being released to the public. The Bank also seeks to strengthen its brand promotion through various campaigns and enhance its overall image. During the Spring Festival, the Bank planned and implemented the event themed "Free Movie for the 20th Anniversary", attracting many audiences; during the "Alcohol Drinks Expo", the image of the Bank was propagandised through outdoor advertisement on the overbridge and in the toll station, as well as mainstream media and intelligent robot "Lu Lu".

6. Facilitate Staff Development as Talents Prosper the Bank

We consistently adhere to our "Three Enduring Love" principle, namely enduring love for finance, enduring love for Luzhou Bank and enduring love for the Bank's employees. We firmly uphold the people-oriented development idea, respect the value of labour, knowledge and, build talent recruitment system, training system, and reward and punishment mechanism out of the consideration for being responsible for both the development of the Bank and its employee. We help employees with career planning, so as to maximise their personal value, and meanwhile promote the optimal allocation of human resources and increase management efficiency through employee growth.

Stick to the People-Oriented Principle to Protect the Rights and Interests of Employees

The Bank sticks to the people-oriented principle and strictly abides by the requirements of laws and regulations such as the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China on the Protection of Minors, the Provisions on the Prohibition of Using Child Labour, and the Trade Union Law of the People's Republic of China. Besides, we developed systems in accordance with the practical situation of the Bank, including the Administrative Measures for Labour Contract (Provisional), the Administrative Measures for Employee Recruitment (Trial), the Administrative Measures for Probation Employees (Provisional), the Operational Measures for Selection and Appointment of Middle Management and the Enterprise Annuity Programme (Revised), and revised the Notice on Further Clarifying the Relevant Issues Concerning the Use and Management of Labour Union Funds.

In the process of signing and renewing contracts, terminating and resolving labour relations, the Bank strictly follows the legal procedures to ensure all relevant procedures are fair, open and impartial, and resolutely prevent discrimination in gender, nationality, etc. On top of that, child labour and forced labour are strictly prohibited, thus, the legitimate rights and interests of employees are safeguarded in accordance with the law. In 2018, the average age of the Bank's workforce was 34.47, 0.94 years lower than that of 2017. The proportion of employees aged 30 and below increased from 33.68% in 2017 to 46.14%; the proportion of employees who had graduate degree or above increased from 9.64% in 2017 to 11.18%. Therefore the overall quality of the Bank's workforce is further improved, age and educational structure of our employees becomes more reasonable.

In strict observance of the state and local governmental systems on basic welfare, the Bank provides all employees with basic pensions, basic medical insurance, unemployment insurance, work injury insurance and maternity insurance, and offers supplementary employee benefits such as supplementary medical insurance and enterprise annuity to improve the welfare of employees. In addition, the Bank also provides employees with physical examination, transportation subsidies, annual leave, maternity leave, marriage leave and other benefits to realize humanized management.

The Bank strives to implement democratic management and achieve democratic decision-making by combining democratic management with employee care and annual performance. The Bank regularly visits branches to have a total of more than 2000 times discussions with employees and pays close attention to the needs of employees, so as to keep up with their updates, solve their problems. We also encourage them to actively provide ideas, and guide cadre employees to actively participate in management The Bank followed up the dynamics and needs of employees with regard to work, life and thought, responded to all the 70 opinions and suggestions collected at the beginning of the year and implemented the rectification on a timely basis.





Improve the Training System to Enable Staff Growth

We are fully aware that employees are the driving force for the sustainable and healthy development of the Bank. To this end, the Bank has endeavored to create a professional and diversified training system for the employees through the development of the Staff Training Management Measures, the "Superpower Team" Management Measures and the Employee Re-education Management Measures (Revised), and continued to enrich the forms and platforms of staff training. In 2018, the Bank revised the Staff Training Management Measures (Revised), specifying the roles and responsibilities for training and standardised the organisation and implementation processes of training, which further improved the training system.

We carry out trainings according to the actual needs at different stages of development, and makes adjustments based on business lines, geographic locations and staff levels. Each department/branch puts forward their training needs according to the development of each business line, and then the Bank organises training accordingly.

The training is organised in the forms of internal training and external training, centralised training and independent training. Internal training refers to the lectures given by internal trainers, business backbones within the bank or external experts and scholars hired by the bank; external training refers to

sending employees to attend training courses held by colleges and universities, professional training institutions, functional departments, etc., or to involve in investigate research and study exchanges. Centralised training refers to the general training throughout the Bank organised by various departments of the head office; independent training refers to the individualised training carried out by each department/branch for their respective training needs, within the scope of expenses authorised by the head office. The Bank's talent training is best characterised by the "Superpower Team" programme where a team of management associates, consisting of outstanding employees recommended by different departments of the Bank, is formed. The team members are cultivated and improved through centralised training, coaching, personal development and operational trainings.

Conducting Training Courses for International and Domestic Authoritative Certifications

In 2018, the Bank entered into a strategic cooperation agreement with Shanghai University of Finance and Economics to jointly establish a base in the Bank for conducting trainings on international and domestic authoritative financial qualification, and cultivating inter-disciplinary financial talents with an international perspective for the Bank. In 2018, more than 150 employees signed up for trainings and examinations for the International Certificate in Banking Risk and Regulation ("ICBRR"), the Chartered Financial Analyst ("CFA"), the Registered Financial Planner ("RFP") and other international authoritative certificates, among which the pass rate of ICBRR exam reached 79.12%, breaking the highest record of 78% of the Global Association of Risk Professionals ("GARP") previously achieved in China. The launch of the training courses for international and domestic authoritative certificates raised the level of all types of talents of the Bank.

Creating a new model for on-job postgraduate training

In 2018, for the purpose of building an innovative school-enterprise cooperation model, the Bank entered into a strategic agreement with the School of Finance of South western University of Finance and Economics to create a new model for on-job postgraduate training, and jointly set up a class for application for Master of Finance, which helped cultivate high-quality, professional interdisciplinary talents with professional financial theory and modern financial practice for the Bank. In 2018, a total of 35 employees enrolled in the on-job postgraduate courses to apply for Master of Finance.



Centralised closed leadership improvement training

In July and August 2018, the Bank cooperated with the well-known universities in China such as Central University of Finance and Economics, Sun Yat-sen University and Shanghai University of Finance and Economics, and organised more than 200 management personnel and management associates to attend a three-week centralised closed leadership training. The cooperation with well-known domestic universities has improved the comprehensive quality of the middle-level cadres of the Bank.

Focus on Employees' Health and Enrich Their leisure time

The Bank values the health and safety of the employees and is committed to providing a good working environment for them. The Bank strictly observes the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, the Fire Protection Law of the People's Republic of China, the Regulation on Work-Related Injury Insurances, and other relevant laws and regulations, and formulated the Measures for Caring for Employees and revised the administrative regulations such as the Safety Inspections Administrative Measures, the Implementing Rules for the Safety and Security Work for Statutory Holidays, and the Measures for the Construction and Management of Safety Protection Facilities in Business Places, effectively strengthening the humanistic care for employees.

The Measures for Caring for Employees is designed to solve the most concerned and practical problems and difficulties for employees. In terms of work and life of the employees, the Bank strives to optimise the working environment through appropriate design and layout of workplace based on their physical and mental needs, providing the employees with a comfortable working environment and pleasant working atmosphere. The Bank offers well-equipped ventilation, air conditioning, dustproof and radiation protection facilities to actively improve the workplace hygiene and protect the health of employees. For this reason, the Bank arranges employees to participate in physical examination in a timely manner, and adjusts, as appropriate, their work position and intensity according to their health condition and treatment needs, in case of obvious health problems; the Bank cares about the mental health of employees, and adopts regular psychological interviews and psychological tests to obtain a comprehensive understanding of the mental health of employees. Furthermore, the Bank provides allround guidance (both individually and collectively) for the employees to adjust their emotions and relieve stress, effectively maintaining their mental health, and have made efforts to prevent mental illness caused by emotions and stress. In terms of career development, to assist employees in career planning and evaluation, the Bank sets up development goals for the on-boarding stage, growth stage, development stage and lecturing stage according to the individual condition and career visions, and regularly evaluates the development status of the employees according to the goals set to help employees complete self-planning, self-improvement and self-motivation, boosting employees' career growth and development.

In order to ensure a safe working environment, the Bank organises fire drills in the headquarters building every year. All branch offices have formulated emergency response plans to enhance employees' awareness of fire safety and the ability to deal with emergencies.

Women's Day Activities

On March 8 and 10 2018, the Bank organised female employees to participate in the garden party for celebrating the Women's Day in Zhangba Longan Woods. A "Charming Women" themed lecture was

organised for female employees, and games such as two persons clamping the balloon, rope skipping and throwing rings for fun were launched during the party.

This activity not only relieved the fatigue and pressure of female employees caused by work, but also cultivated their temperament, increased knowledge and benefited their physical and mental health. What's more, it brings colleagues closer and enhanced cohesive force of



the Bank. The female employees fully felt the joy and happiness brought by the festival.

Fire Protection Training and Fire Emergency Drill

The Bank conducted fire training and office building fire emergency drills on 27 April 2018. A drillmaster from Chengdu Zhengan Firefighting Knowledge Promotion Centre was invited as a lecturer. More than 80 employees of the Bank participated in the on-site training, and more than 20

employees from the county branches and Chengdu branches participated in the training through the teleconference system. Apart from vivid cases about fire accidents, evacuation and escape, the drillmaster also alternately described the electrical fire prevention knowledge, early firefighting and escape guideline through the display of fire scene pictures and video in the training. All in all, detailed explanation on fire prevention, escape for self-rescue, fire alarm and firefighting was conveyed to the participants. After the training, the Bank organised the fire emergency evacuation drill specific to the office buildings. During the drill, a strong smoky environment caused by fire was simulated, and the fire alarm in the headquarters building was enabled.

The evacuation team members were quickly in place to organise the employees to evacuate to the designated locations through the firefighting access, while maintaining the evacuation order to prevent crowding and stampede.

After the drill, the drillmaster again emphasised the precautions of evacuation and escape for self-rescue. The above training and drill have popularised the common knowledge of fire safety prevention, and familiarized the employees with the types, locations and the usage of fire facilities in complex buildings, improving employees' safety awareness and emergency self-rescue ability.



7. Uphold Green Development and Advocate Low-carbon Operation

The Bank increases its support for the green economy, low-carbon economy and recycling economy to support the green environmental protection industry. In accordance with the principles of scientific and reasonable risk control, by taking comprehensive consideration of the market prospects, policy compensation, risk status and other factors of credit customers and projects, the Bank gives greater support to the key fields related to livelihood and people's demands such as strategic emerging industry, basic service industry, agriculture, rural areas and farmers, ecology, personal consumption, and promotes the development of green economy, recycling economy and low-carbon economy.

Support Green Credit and Promote Environmental Protection Development

The Bank puts into practice of the relevant regulations of the *Guiding Opinions on the Credit Work for* Energy Conservation and Emission Reduction, the Green Credit Guidelines, the Opinions on Green

2018 Environmental, Social and Governance Report

Credits, the Implementation Opinions of the Bank of Sichuan on Green Credits, and formulated the Basic Green Credit System, the Opinions on Green Credit Granting, and other basic guidance systems to better carry out green credit related granting.

The Bank strictly implements the access standards for green credit projects, through on-site investigations and consultations with local governments, environmental protection and safety production departments, and other appropriate methods to gain an in-depth understanding of the completion of energy conservation and emission reduction targets, environmental protection compliance and safe production of credit enterprises and projects before granting credit to them, as well as careful analysis of potential energy consumption, pollution and major safety issues, and risks arising from credit companies and projects. The "one-vote veto system" under the green credit policy is adopted in the credit granting, and all projects and enterprises that violate national industrial policies, environmental protection policies, and that may cast significant adverse effects on the environment and society will be refused. At the post-loan stage, the Bank conducts post-loan reviews regularly to identify and control the "greenwash" behavior of enterprises in a timely manner, laying a solid foundation for green finance and green development.



Case: Luzhou Yixin Metal Recycling Co., Ltd.

In 2018, the Bank granted credit funds amounting to RMB 10,000,000 to the local enterprise Luzhou Yixin Metal Recycling Co., Ltd. for recycling and disposal of scrap steel. The company has set up a number of stations in Sichuan, Chongqing, Yunnan, Anhui, Jiangsu, Zhejiang, etc. to purchase scrap steel and market such recycled steel after re-production. To support the company's undertaking of resource recycling, resource development and environmental protection by recycling scrap steel, the Bank granted credit to the company in the spirit of performing the social responsibility of granting green credit and driving the development of the real economy.

Case: Gulin Jinchi Water Supply and Sewerage Co., Ltd.

Gulin Jinchi Water Supply and Sewerage Co. Ltd. is the only company in Gulin County qualified for producing and supplying tap water as well as installing water pipes. It was given the honorary titles of "Advanced Unit" by the Building and Construction Bureau and the "Advanced Unit for Management" by the Quality and Technology Supervision Bureau of Gulin County in reward of its strong tap water production management capability and profound industry experience. The Bank granted a fixed asset loan of RMB 49,300,000 to the company for the reconstruction of the old pipe network in Gulin County. This project is to support the renovation project of the run-down areas in Gulin County. Once the project is completed, the urban water supply will become stable with both the basic water supply facilities in the urban area and urban functions of the ancient city of Gulin County greatly improved.

Advocate Resource Conservation and Green Office

In adherence to the concept of sustainable development underlining low-carbon environmental protection, energy conservation and emissions reduction and in compliance with *Environmental Protection Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China*, and other relevant laws and regulations, the Bank upholds the concept of green office, enhances the awareness of environmental protection of its staff and advocates low-carbon operation to support green development. In 2018, the Bank formulated the *Measures for the Management of Business Facilities at the Head Office* to regulate conservation of electricity, water, office paper and waste management. Staff at office should save electricity and keep doors and windows closed and indoor temperature above 26°C in summer when using air conditioners. Facilities (including lights, air

conditioners, computers, water dispensers, etc.) at the public area and the dining area in the dining hall shall be kept off between meals as well as during off hours to prevent energy waste and accident. Staff are required to turn off the tap and restore the flushing valve to avoid waste of water. Sensor faucets are installed in the toilet to avoid waste of water when users are using sanitizer. In 2018, the OA system was rolled out to cut down consumption of paper.

The Bank has also formulated the Measures for the Use and Management of Official Vehicles to regulate rights and responsibilities regarding management of vehicles, classification of office vehicles, personnel management, use of official vehicles, application for use of official vehicles, management of vehicle parking, management of vehicle costs, procurement of official vehicles, vehicle safety, etc. to strengthen the use and management of official vehicles, standardize replacement and configuration of official vehicles, drive the service efficiency of official vehicles and cut down the cost thereof.

In 2018, the Bank started to use the new computer room which has been built in a more energy-saving and environment-friendly way. The new computer room has been built by national A-level standards with measures taken for noise reduction and smoke exhaust. The prefabricated FM200 gas fire-extinguishing system, which causes no secondary pollution after gas release and merely has no ozone layer depletion, has been adopted as the firefighting system to meet the requirements of environmental protection. Environmentally-friendly precision air conditioners with energy-saving effect have been installed in the computer room. The high-efficiency and energy-saving EC-fans with low noise (for the reversing is subject to electronic control), in the sunken style, have been installed for the air conditioners in the main computer room to further improve the efficiency of energy saving.

Environmental Performance

Emissions

Indicator ^{1,2}	Summary of 2018
Emissions (in tonne) ³	0.0377
Nitrogen oxides (in tonne)	0.0361
Sulphur dioxide (in tonne)	0.0015
Total greenhouse gas emissions (scope 1 and scope 2) (in tonne) ⁴	4,686.85
Greenhouse gas emissions per capita (scope 1 and scope 2) (in tonne/person)	5.57
Direct emissions (scope 1) (in tonne)	304.01
Natural gas (in tonne)	81.76

Petrol (in tonne)	221.44
Diesel (in tonne)	0.81
Indirect emissions (scope 2) (in tonne)	4,382.84
Electricity purchased (in tonne)	4,382.84
Total hazardous waste (in tonne) ⁵	2.54
Hazardous waste per capita (in tonne/person)	0.003
Total non-hazardous waste (in tonne) ⁶	52.07
Non-hazardous waste per capita (in tonne/person)	0.097

Note:

1. Data on environmental performance covered the head office, 7 primary branches and 26 secondary subbranches.

2. The total headcount of employees of the Bank is used for calculating intensities of emissions, energy consumption and wastes.

3. In consideration of the business nature of the Bank, emissions mainly refer to emissions from company vehicles, comprising mostly nitrogen oxides and sulphur dioxide.

4. In consideration of the business nature of the Bank, greenhouse gas emissions arise mainly from consumption of electricity purchased and fossil fuel. Greenhouse gas inventories include carbon dioxide, methane and nitrous oxide. Greenhouse gas emissions are measured in carbon dioxide equivalents and calculated based on the 2017 Baseline Emission Factors for Regional Power Grids in China issued by the Ministry of Ecological Environment of the People's Republic of China and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by the Intergovernmental Panel on Climate Change (IPCC).

5. Hazardous wastes refer to toner cartridges and ink cartridges purchased by the Bank on this year, the weights of which are estimated based on numbers and types purchased.

6. Non-hazardous wastes include household wastes, kitchen wastes and office equipment wastes, etc. generated at the head office. Household wastes and kitchen wastes thereof are handled by the property management unit at the head office while office equipment wastes are recycled by recyclers.

Resources

Indicator	Summary of 2018
Energy consumption (in MWh) ¹	8,554.63
Energy consumption per capita (in MWh/person)	10.17
Direct energy consumption (in MWh) ²	1,325.79
Natural gas consumption (in MWh)	418.15
Petrol consumption (in MWh)	904.57
Diesel consumption (in MWh)	3.07
Indirect energy consumption (in MWh)	7,228.84
Electricity consumption (in MWh)	7,228.84
Tap water consumption (in tonne)	35,704.48

Tap water consumption per capita (in	42.45
tonne/person)	42.43
Paper consumption (in tonne)	48.62
Paper consumption per capita (in tonne/person)	0.058

Note:

1. Energy consumed by the Bank mainly refers to natural gas, diesel, petrol and electricity purchased.

2. Energy consumption is calculated based on the consumption of electricity and fuel, and the conversion factors provided in the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2008).

8. Support on People's Livelihood and Public Benefit

The Bank has always been concerned about people's livelihood, taken the initiative to help poor community, proactively promoted activities that benefit the public and made constant efforts therefor to make the society more harmonious.

Focus on Directional Poverty Alleviation, Support Targeted Poverty Alleviation

The Bank focus on directional poverty alleviation to proactively undertake its social responsibilities as a state-owned enterprise, sharpens its focus on providing financial support to the Certain Industries Poverty Alleviation, the Key Projects Poverty Alleviation, the Targeted Individual Poverty Alleviation , the Intellectual Poverty Alleviation and the Innovative Financial Poverty Alleviation in poverty-stricken areas to meet its financial needs so that drives the development of rural economy. As of the end of 2018, the balance of loans issued by the Bank to three targeted poverty alleviation counties of Gulin, Xuyong and Hejiang amounted to RMB 3.19 billion with RMB 1.732 billion loan originated in 2018.

(1) Targeted Poverty Alleviation Projects

As from July 2015, the Bank has targeted its efforts in poverty alleviation for Sanhe Village, Yuhua Town, Gulin County by sending the "Major Secretary" to live and work with local farmers in terms of initiating road construction project, supporting local ecological planting and breeding projects and providing consulting service in relation poverty. Besides, at the beginning of the poverty alleviation engagement, the Bank donated a recreational playground for the villagers, widened subgrade and paved cement road around the village committee for the convenience of the villagers.

Besides the Bank also attached importance to the Certain Industries Poverty Alleviation by issuing loans of RMB 470 million to 64 industrial projects with a wide range of impoverished people benefited. We donated RMB 4,450,000 for the construction of a modern pig farm equipped with special obstetric table, disinfection room and automatic water collection devices in Sanhe village. The estimated annual

production reaches up to 2,800 pigs and the operation of the pig farm features production cooperation, technical cooperation and sales cooperation. The Bank has made great contribution to driving rural revitalization, agricultural efficiency, farmers' income and rural development.



As for poverty alleviation for the Key Projects Poverty Alleviation in 2018, the majority of loans were granted to such livelihood projects as water conservancy projects and infrastructure construction projects, which greatly improved the living conditions and environment of people in poverty-stricken areas. Xuyong County, a national-level poverty-stricken county, is the main battlefield for Luzhou's poverty alleviation. In active response to the Municipal CPC Committee's and the Luzhou Municipal People's Government's call for the municipal state-owned enterprises to facilitate poverty alleviation, the Bank helped set up a poverty alleviation leading group, which attempts to make full use of the capital advantages, market resources and brand appeal of the state-owned enterprises, enabling them to play a more important role in poverty alleviation. The Bank will step up its efforts to alleviate poverty, including increasing credit supply, securing credit scale, broadening service channels, improving the financial environment, supporting agriculture-related entities, and facilitating key projects.

(2) Innovate Financial Poverty Alleviation Projects

Innovation is an inexhaustible driving force for enterprise development. The Bank has been actively implementing national policies and innovating financial poverty alleviation. Luxian County Sub-branch,

as a pilot unit, is actively promoting mortgage loans for farmers' housing property rights through organizing employees to the pilot townships and villages to promote this type of mortgage loans. By the end of 2018, Luxian County Sub-branch issued 36 mortgage loans for farmers' housing property rights, with a balance of RMB 8.28 million. This new type of financial product has been welcomed by farmers. Many farmers have lived a better life by putting their assets to good use, such as operating convenience stores and undertaking planting and breeding projects.

In order to realise the full coverage of rural finance services in poor townships, towns and villages, and actively implement the policy of inclusive finance, the Bank has set up service centres and installed self-help equipment in poor areas, which greatly facilitates rural residents in cash withdrawal, transfer and payment services.

By the end of 2018, the Bank has set up 35 service centres in remote towns and villages in Luzhou, and introduced payment terminals featuring such functions as cash remittance and transfer, time-demand deposits transfer, etc. to meet villagers' daily financial needs, such as opening accounts, and depositing, withdrawing and transferring money. Meanwhile, the Bank also recruited rural service personnel settled in the village to roll out the project.

The Bank also increased donations to improve infrastructure, production and transportation conditions, and strengthen the foundation for economic development in poor areas. By the end of 2018, the Bank has donated a total of RMB 28.14 million to the poverty-stricken areas, which has been used to cement roads to villages and communities in poor villages in Luzhou city, build and maintain bridges, expand the activity rooms and cultural rooms in villages, upgrade teaching facilities in primary schools and build houses for poor households, thus greatly improving the infrastructure of impoverished villages.

Devote to Social Benefit by Engagement in Various Voluntary Activities

The Bank attaches great importance on education and has carried out a wide range of education sponsorship programmes. Deeply rooted in Luzhou, the Bank not only seeks business expansion, but also offers substantial support for Luzhou's "Pillar Project" every year. On 2 July 2018, the Bank was awarded the tile of "Advanced Unit of Pillar Project for Educational Donation in 2017" at Luzhou's pillar project for poverty alleviation and education sponsorship conference, and donated another RMB 100,000 to the "Pillar Project". Apart from funding such academic projects as the "Pillar Project" and "School-bag Project", the Bank also made an exception to recruit students from three poor families, a move which greatly improved their family income and life.

The Bank has also dedicated itself to public welfare promotion. The Bank's two micro-films "Grief" and "Time Zone of Love" were awarded the second prize at the provincial level and the third prize at the city level respectively in the two public welfare micro-film competitions of "Sichuan's Contributions".

to A Peaceful China" and "Rejuvenate and Develop Our Beautiful Homeland". The Bank actively participated in the process of building a civilised Luzhou by encouraging employees to take part in voluntary activities, and organising relevant sub-branches to carry out voluntary service activities in the targeted communities every week to complete the benchmarking work by active communication and coordination. Specifically, every week, the Bank would carry out activities promoting civilised manners, clean up garbage, etc. to improve the community environment and raise the level of community civilisation.



Subject Area	Aspect	"Comply or explain" Provisions	Disclosure
Environmen	Al	General Disclosure	
tal	Emissions		
		Information on:	
		(a) the policies; and	
		(b) compliance with relevant laws and	"Uphold Green
		regulations that have a significant impact on the	Development and
		listed company	Advocate Low-
			carbon Operation"
		relating to air and greenhouse gas emissions,	
		discharges into water and land, and generation	
		of hazardous and non-hazardous waste.	
		A1.1 The types of emissions and respective	"Environmental
		emissions data.	Performance"
		A1.2 Greenhouse gas emissions in total (in	"Environmental
		tonnes) and, where appropriate, intensity (e.g.	Performance"
		per unit of production volume, per facility).	Performance
		A1.3 Total hazardous waste produced (in	"Environmental
		tonnes) and, where appropriate, intensity (e.g.	Performance"
		per unit of production volume, per facility).	renormance
		A1.4 Total non-hazardous waste produced (in	"Environmental
		tonnes) and, where appropriate, intensity (e.g.	Performance"
		per unit of production volume, per facility).	T erformance
			"Uphold Green
		A1.5 Description of measures to mitigate	Development and
		emissions and results achieved.	Advocate Low-
			carbon Operation"
		A1.6 Description of how hazardous and non-	"Uphold Green
		hazardous wastes are handled, reduction	Development and
		initiatives and results achieved.	Advocate Low-
		initiatives and results achieved.	carbon Operation"
	A2 Use of	General Disclosure	"Uphold Green
	Resources		Development and

Appendix - Environmental, Social and Governance Reporting Guide

	1		-
		Policies on the efficient use of resources,	Advocate Low-
		including energy, water and other raw materials.	carbon Operation"
		A2.1 Direct and/or indirect energy consumption	
		by type (e.g. Electricity, gas or oil) in total	"Environmental
		(kWh in '000s) and intensity (e.g. per unit of	Performance"
		production volume, per facility).	
		A2.2 Water consumption in total and intensity	"Environmental
		(e.g. per unit of production volume, per facility).	Performance"
			"Uphold Green
		A2.3 Description of energy use efficiency	Development and
		initiatives and results achieved.	Advocate Low-
			carbon Operation"
		A2.4 Description of whether there is any issue	"Uphold Green
			Development and
		in sourcing water that is fit for purpose, water	Advocate Low-
		efficiency initiatives and results achieved.	carbon Operation"
		A2.5 Total packaging material used for finished	
		products (in tonnes) and, if applicable, with	Not applicable
		reference to per unit produced.	
	A3 The	General Disclosure	"Uphold Green
	Environme		Development and
	nt and	Policies on minimising the listed company's	Advocate Low-
	Natural	significant impact on the environment and	
	Resources	natural resources.	carbon Operation"
		A2 1 Policies on minimizing the listed	"Uphold Green
		A3.1 Policies on minimising the listed company's significant impact on the	Development and
			Advocate Low-
		environment and natural resources.	carbon Operation"
Social	B1	General Disclosure	
	Employme		"Facilitate Staff
	nt	Information on:	Development as
		(a) the policies; and	_
		(b) compliance with relevant laws and	Talents Prosper the
		regulations that have a significant impact on the	Bank"
		regulations that have a significant impact on the	

		relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti- discrimination, and other benefits and welfare.	
		B1.1 Total workforce by gender, employment type, age group and geographical region.	"Facilitate Staff Development as Talents Prosper the Bank"
		B1.2 Employee turnover rate by gender, age group and geographical region.	"Facilitate Staff Development as Talents Prosper the Bank"
	B2 Health	General Disclosure	
	and Safety	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to providing a safe working	"Facilitate Staff Development as Talents Prosper the Bank"
		environment and protecting employees from occupational hazards. B2.1 Number and of rate work-related fatalities.	
		B2.2 Lost days due to work injury.	-
		B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	"Facilitate Staff Development as Talents Prosper the Bank"
-	В3	General Disclosure	"Facilitate Staff
	Developm	Policies on improving employees' knowledge	Development as

4 1		
ent and	and skills for discharging duties at work.	Talents Prosper the
Training	Description of training activities.	Bank"
	B3.1 The percentage of employees trained by	
	gender and employee category (e.g. senior	-
	management, middle management).	
	B3.2 The percentage of employees trained by	
	employee category and gender (e.g. senior	-
	management, middle management).	
B4 Labour	General Disclosure	
Standards		
	Information on:	
	(a) the policies; and	"Facilitate Staff
	(b) compliance with relevant laws and	Development as
	regulations that have a significant impact on the	Talents Prosper the
	listed company	Bank"
	relating to preventing child and forced labour.	
		"Facilitate Staff
	B4.1 Description of measures to review	Development as
	employment practices to avoid child and forced	Talents Prosper the
	labour.	Bank"
		"Facilitate Staff
	B4.2 Description of steps taken to eliminate	Development as
	such practices when discovered.	Talents Prosper the
	such practices when discovered.	-
D5 C	Compared Disalogues	Bank"
B5 Supply	General Disclosure	"Standardise Supplier
Chain		Management and
Manageme	Policies on managing environmental and social	Advocate Green
nt	risks of the supply chain.	Procurement"
	B5.1 Number of suppliers by geographical	_
	region.	
	B5.2 Description of practices relating to	"Standardise Supplier
	engaging suppliers, number of suppliers where	Management and
1	1	I

		the practices are being implemented, how they	Advocate Green
		are implemented and monitored.	Procurement"
B6 I	Product	General Disclosure	
Res	ponsibi		
lity	-	Information on:	
		(a) the policies; and	
		(b) compliance with relevant laws and	
		regulations that have a significant impact on the	"Be Service-oriented
		listed company	and Safeguard
			Customer Rights and
		relating to health and safety, advertising,	Interests"
		labelling and privacy matters relating to	
		products and services provided and methods of	
		redress.	
		B6.1 Percentage of total products sold or	
		shipped subject to recalls for safety and health	Not applicable
		reasons.	
			"Be Service-oriented
		B6.2 Number of products and service related	and Safeguard
		complaints received and how they are dealt	Customer Rights and
		with.	Interests"
		B6.3 Description of practices relating to	"Be Service-oriented
		observing and protecting intellectual property	and Safeguard
			Customer Rights and
		rights	Interests"
		B6.4 Description of quality assurance process	Not applicable
		and recall procedures.	
		B6.5 Description of consumer data protection	"Be Service-oriented
		and privacy policies, how they are implemented	and Safeguard
		and monitored.	Customer Rights and
		and monitored.	Interests"
B7 /	Anti-	General Disclosure	"Run the Bank in
corr	ruption		Compliance with
		Information on:	Laws and

		(a) the policies; and	Regulations and
		(b) compliance with relevant laws and	Strengthen
		regulations that have a significant impact on the	Responsibility
		listed company	Management"
		relating to bribery, extortion, fraud and money	
		laundering.	
		B7.1 Number of concluded legal cases	
		regarding corrupt practices brought against the	
		listed company or its employees during the	-
		reporting period and the outcomes of the cases.	
			"Run the Bank in
			Compliance with
		B7.2 Description of preventive measures and	Laws and
		whistle-blowing procedures, how they are	Regulations and
		implemented and monitored.	Strengthen
			Responsibility
			Management"
	B8	General Disclosure	
	Communit		
	у	Policies on community engagement to	"Support People's
	Investment	understand the needs of the communities where	Livelihood and
		the listed company operates and to ensure its	Public Benefit"
		activities take into consideration the	
		communities' interests.	
		B8.1 Focus areas of contribution (e.g.	"Support People's
		education, environmental concerns, labour	Livelihood and
		needs, health, culture, sport).	Public Benefit"
			"Support People's
		B8.2 Resources contributed (e.g. money or	Livelihood and
		time) to the focus area.	Public Benefit"