



泸州银行股份有限公司
LUZHOU BANK CO., LTD.

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

2019 Environmental, Social, and Governance (ESG) Report

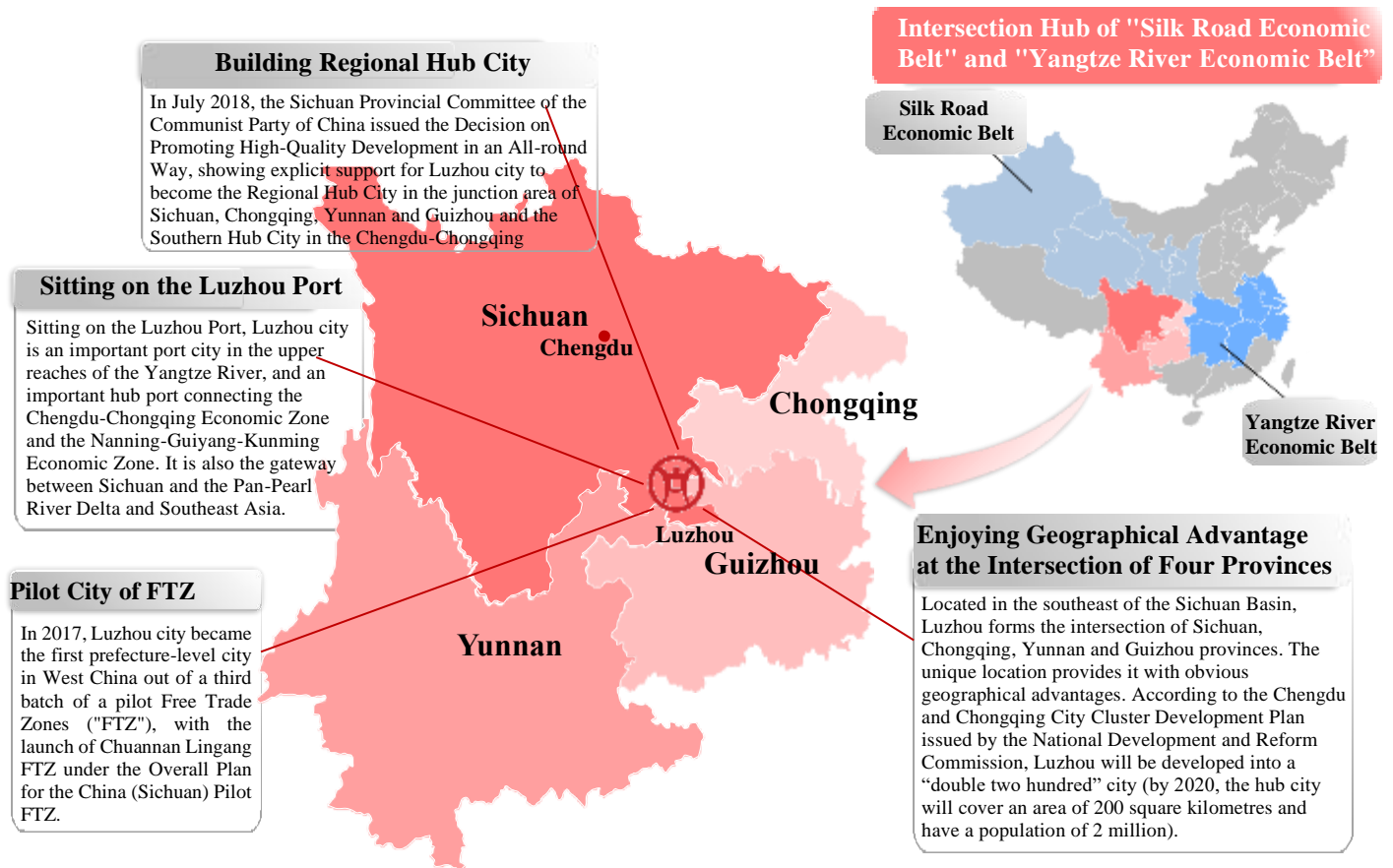
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1. About the Report

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”) and its 2019 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 2019 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. The operating entities 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 2019 to 31 December 2019.

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



2. Brief Introduction of the Bank

Founded in September 1997, Luzhou Bank is the second city commercial bank established in Sichuan Province. As a municipal state-owned enterprise of Luzhou city, it was listed on the Main Board of The Stock Exchange of Hong Kong Ltd. in December 2018 (stock code: 1983.HK), becoming Sichuan's first financial enterprise listed in Hong Kong and the first listed bank in prefecture-level cities in West China. On 4 June 2019, the Bank officially changed its name from Luzhou City Commercial Bank Co., Ltd. to Luzhou Bank Co., Ltd. upon approval by the Sichuan Bureau of China Banking and Insurance Regulatory Commission (the "CBIRC") and the Luzhou Market Supervision and Administration Bureau.

The Bank is headquartered in Luzhou, Sichuan province, China. As of the end of December 2019, it has Chengdu Branch, 7 primary sub-branches, and 28 secondary sub-branches, with 1,024 employees, serving more than 15,711 corporate customers and 774,400 retail customers. Adhering to the principle of serving the social economy, serving the real economy, and serving urban and rural residents, and giving full play to the advantages of a short decision-making chain and strong flexibility of first-grade corporation system, Luzhou Bank has developed a business strategy of serving the local and focusing on specialties. In 2019, Luzhou Bank ranked second in Most Competitive City Commercial Bank with Total Assets less than RMB 100 billion and won “Best Strategic Management Award for City Commercial Banks” sponsored by *the Banker magazine*.





Honorary awards in 2019

2018 System Access Bank Commendation

Jan.

In January 2019, Luzhou Bank was listed in the "2018 System Access Bank Commendation" list by the Clearing Centre for City Commercial Banks.

Feb.

Advanced Group in Industrial Targeted Poverty Alleviation

In February 2019, Luzhou Bank was granted the title of "Advanced Group in Industrial Targeted Poverty Alleviation" by Chengdu Branch of the People's Bank of China and Sichuan General Labour Union.

2018 Advanced Unit for Litigation Prevention and Security

Apr.

In April 2019, Luzhou Bank was granted the title of "2018 Advanced Unit for Litigation Prevention and Security" by the China Banking and Insurance Regulatory Commission Sichuan Bureau Luzhou Sub-Bureau.

2018 Advanced Unit in Anti-counterfeiting of RMB

In April 2019, Luzhou Bank was appraised the "2018 Advanced Unit in Anti-counterfeiting of RMB" by the People's Bank of China Luzhou Central Sub-Branch.

Outstanding Unit

May

In May 2019, Luzhou Bank was appraised as the "Outstanding Unit" by the Luzhou General Labour Union and Luzhou Emergency Management Bureau.

2018 Advanced Unit for Municipal Internal Security Work

In May 2019, Luzhou Bank was granted the title of "2018 Advanced Unit for Municipal Internal Security Work" by the Luzhou Municipal People's Government.

Advanced Party Organization

Jun.

In June 2019, Luzhou Bank was appraised as the "Advanced Party Organization of Luzhou City" by the Luzhou Municipal Party Committee.

Jul.

Best Inclusive Finance Award of the Year

In July 2019, Luzhou Bank was granted "Best Inclusive Finance Award of the Year" by the Sichuan Banking Association.

2018 Advanced Unit for Financial Poverty Alleviation

Aug

In August 2019, Luzhou Bank was appraised the "2018 Advanced Unit for Financial Poverty Alleviation" by the China Banking and Insurance Regulatory Commission Sichuan Bureau.

Nov.

Best Strategic Management Award for City Commercial Banks

In November 2019, Luzhou Bank won "Second Place in 2019 Most Competitive City Commercial Banks with Total Assets less than RMB 100 billion", and "Best Strategic Management Award for City Commercial Banks".

3. ESG Management

ESG Concept and Strategy

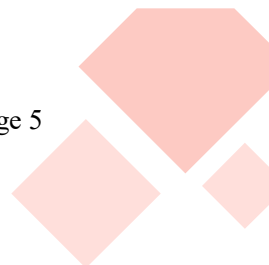
By adhering to the business strategy of “Serving the local, serving small and medium enterprises”, the Bank has established a special system for serving small and medium enterprise customers, comprehensively expanding the business market of small and medium enterprise customers. The Bank has been vigorously developing intermediate business and striving to meet the increasing demand for personal financial services. At the same time, the Bank has been supporting the construction of new socialist countryside and the balanced urban and rural development and has actively established new rural financial institutions. To fulfil social responsibilities and enhance our corporate value, the Bank is striving to build a brand image that specialises in serving small and medium enterprise customers in Luzhou and concerns for people's livelihood.

ESG Management Structure

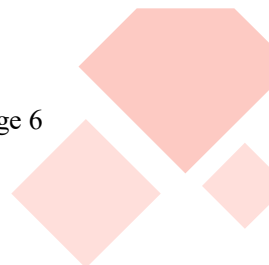
The Bank has established an ESG management system that functions at different levels where the Board of Directors takes charges, the management takes a leading role, and departments cooperate flexibly. The Board of Directors is responsible for developing the ESG strategy and objectives. The management 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.

Stakeholders Engagement and Materiality Analysis

The Bank actively conducts communication with stakeholders, timely understands and responds to the appeals of stakeholders. Based on the business characteristics, the main stakeholders identified by the Bank include: government and regulators, investors/shareholders, customers, employees, communities and suppliers. The ESG issues and communication channels that each stakeholder focused on are listed in the stakeholder identification table of Luzhou Bank.

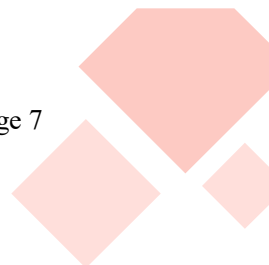


In 2019, through understanding the demands of stakeholders, the content and direction of management, combined with the overall strategy in the domestic regulations on relevant laws and regulations and the Hong Kong stock exchange disclosure requirements under the premise of ESG report guidelines listed 11 aspects of ESG issues, the Bank carried out a substantive analysis and identified the important issues of the year, namely "anti-corruption", "product responsibility", "employment" and "development and training". Relevant topics include "emissions", "use of resources ", "environment and natural resources", "employee health and safety", "labour standards", "supply chain management" and "community investment". The content of each topic will be discussed separately in this report.

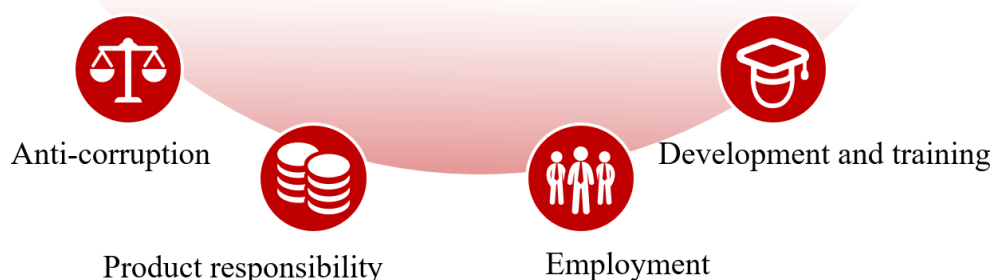


Luzhou Bank stakeholder identification list

Major stakeholders	Key ESG concerns	Communication and response
Government and regulators 	Compliance with laws and regulations Transparent governance Taxation in accordance with law	Meetings of regulators, Disclosure of compliance reports Forums and seminars
Investors/Shareholders 	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 Popularisation 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:



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

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 have developed a series of regulations such as *the Professional Code of Conduct for Practitioners, "Three Precautions and Three Cards" Early-warning Procedures for Practitioners to Work with Integrity and Punitive Measures for Violations of Regulations and Disciplines by Employees and Interim Measures for Letters and Visits* in an effort to promote the construction of an anti-corruption system, strengthen the execution of disciplines and accountability and create an integrity culture.

The Discipline Inspection and Supervision Office of the Bank earnestly fulfilled its supervisory responsibilities, implemented various work measures for the construction of clean government, and urged all functional departments to put the content of clean government construction in their work. All levels of the Bank have established an all-round responsibility system by signing *the Responsibility Letter for the Construction of Party Conduct and Clean Government and the Construction of Punishment System*. 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.

In 2019, the Bank continued to give full play to the functions of the leading group for handling violations of rules and disciplines at all levels. In order to strengthen the management of employees across the Bank and enhance their awareness of anti-corruption, the Bank carried out warning education for employees at the following important time:

- 1) For employees on-boarding, professional integrity education was carried out. Middle-level managers, account managers, and newly recruited employees received warning education at Luzhou Detention Centre and Luzhou City Law and Discipline Education Centre;
- 2) For employee promotion, pre-employment talks on integrity were conducted, and “integrity reminder cards” were issued to newly promoted general manager-level management;
- 3) During holidays, the requirements of the CPC Disciplinary Inspection Committee of Luzhou and Luzhou Supervision Commission to strictly investigate and deal with violations of discipline during festivals and "eight prohibitions" were communicated to every employee via SMS reminder and Intranet reminder to ensure integrity;
- 4) Reminders of integrity were sent timely during cadres’ wedding, funeral and other important family or personal events to prevent violation of rules and disciplines in personal matters.

At the same time, in strict accordance with the requirements of the Municipal Commission of Discipline Inspection of Luzhou, the Bank publicised social assessment of party integrity cultural construction at all outlets, and actively participated in social assessment sitcoms and micro-video exhibitions organised by the SASAC for party integrity cultural construction. Through WeChat groups, mobile phone text messages, office computer screen protector and large screens in business

halls, the Bank publicised information related to “micro-corruption” and social assessment related to the construction of a party integrity culture, strengthened social supervision, and promoted routinely construction of integrity culture. In addition, this year we added a section on integrity of commercial banks in the internal publication *Fayuan Tiandi* and published 12 issues of integrity laws and regulations and case articles, to strengthen the publicity of integrity in various ways.



Conference on integrity warning education



Lecture on party self-governance

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 Counterterrorism Law of the People's Republic of China, the Notice of the People's Bank of China on Strengthening the Client Identification for Anti-money Laundering, Measures for the Administration of Financial Institutions' Reporting of High-Value Transactions and Suspicious Transactions, and the Measures for the Administration of Classification and Rating of Legal Entities in Respect of Anti-Money Laundering* and other relevant laws and regulations, and on this basis, we have established a series of anti-money laundering 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.,

We have set up an anti-money laundering Monitoring Centre to take on the responsibilities of making overall plans for the construction of the whole bank's anti-money laundering system, organising anti-money laundering supervision and inspections, establishing anti-money laundering-related risk assessment standards, procedures and measures, and organising anti-money laundering training and publicity reports. To further promote anti-money laundering, the Bank has also established anti-money laundering working groups in the head office, branches & sub-branches. The anti-money laundering working groups of branches & sub-branches regularly report to the anti-money laundering working group of the head office. The Bank insisted on the systematic detection regarding anti-money laundering in its outlets, regularly reported suspicious transactions, and implemented "T + 1" post-event supervision. In addition, this year we also upgraded the monitoring system and launched online anti-money laundering monitoring for international business.



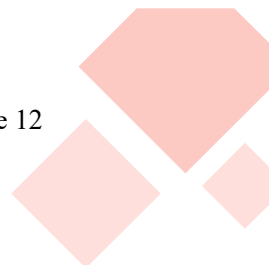
In order to promote the publicity of anti-money laundering, the Bank posted anti-money laundering posters throughout the year, played anti-money laundering animations in outlet halls, rolled the anti-money laundering slogans on the LED display over the door of each outlet, and explained the anti-money laundering related content to customers. In May 2019, the Bank organised employees to participate in the "Anti-money laundering Cup" 10,000-person walk activity organised by the People's Bank of China and set up counters in outlets and communities to publicise anti-money laundering, anti-cheating and anti-fraud.

In addition, we launched a series of activities to strengthen internal training of anti-money laundering. We timely tracked reports of suspicious transactions at every outlet and provided coaching to closely monitor the flow of funds:

- On 6 March, 2019, the head office conducted anti-money laundering training for newly recruited employees, with 73 participants.
- On 31 July, 2019, the head office conducted business training on “Second-generation Anti-Money Laundering System” for Chengdu Branch, the presidents of secondary sub-branches, the comprehensive inspection posts of primary sub-branches and front desk executives.
- On 23 October, 2019, the head office conducted business training regarding the latest financial regulations and anti-money laundering knowledge for the presidents, field directors, account managers, and anti-money laundering inspectors of the secondary sub-branches of the business department.
- From 2 to 15 December, 2019, the head office provided all employees with online business training on anti-money laundering concepts, current situation, block and suspicious trade concepts, customer identification, customer identity information, and transaction record retention.

Standardise Supplier Management and Advocate Green Procurement

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 Project And Measures for Procurement Documents Management* and other management regulations to improve the procurement system, optimise the Bank's procurement process, and strengthen the management of the procurement process, hence improving the procurement efficiency. 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, which will be submitted to the centralised procurement management committee for deliberation after the preliminary review of supplier access data by the procurement office. After passing the deliberation,



suppliers will be incorporated into the supplier pool under the supervision of the Discipline Inspection and Supervision Office. The Bank has strictly regulated the procurement process management, with a focus on the supervision of the integrity culture construction in the field of procurement. We review the integrity of procurement personnel, and integrate integrity culture construction into supplier management. In order to enhance the evaluation and supervision on suppliers, we adopt a democratic method to evaluate the Bank's suppliers, and make timely changes and clean-ups based on the supplier's qualifications and current management situation to further optimise the supplier environment. Besides, the Bank implements a policy that gives priority to suppliers providing energy-saving and environmentally-friendly products, and puts forward more requirements for products' green, energy-saving and low-carbon environmental performance during the project procurement. In 2019, the Bank's disciplinary inspection personnel carried out on-site supervision on more than 300 procurement items with a total amount of RMB 358 million to ensure openness and justice of procurement. The disciplinary inspection supervision made procurement cleaner and more transparent. The Bank incorporates the integrity culture construction into the supplier management.

Supervision on Procurements in 2019

On-site supervision on more than **300** procurement items, with a total amount of RMB **358 million**.

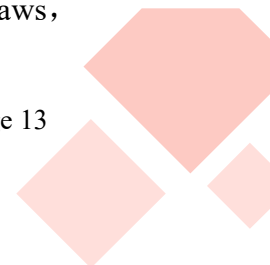
5. Be Service-oriented and Safeguard Customer Rights and Interests

The Bank adheres to the principle that services begin with customers' needs and end with their satisfaction and implements the conference spirit of the "Efficiency Year" to continuously improve service efficiency. We create value to customers by offering high-quality services, expand competitive advantages, resolutely protect the legitimate rights and interests of customers and privacy of customers, thereby establishing a brand image of "serving small and medium enterprises and concerning about people's livelihood".

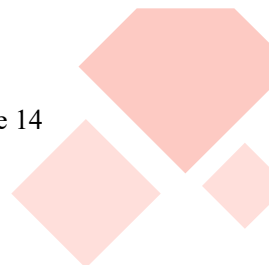
Improve Service Quality and Optimise Customer Experience

(1) Serve Local Customers

The Bank complies with the Commercial Banking Law of the PRC and other relevant laws,



regulations and relevant regulatory requirements. As a local financial institution, Luzhou Bank gives full play to the advantages of a short decision-making chain and strong flexibility of first-grade corporation system. We adopt the people-oriented concept, provide convenient network and efficient professional services to maximise the saving of time, money and other resources for customers, providing customers with more convenient, more effective and more approachable services, improving customer loyalty. Luzhou Bank always keeps in mind the original aspiration of “focusing on the local, serving small and medium enterprises” as a city commercial bank, wholeheartedly serves small and micro enterprises, and actively promotes high-quality local economic and social development.



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”. The main features of the product are: Clients can initiate withdrawal and repayment requests through SMS; loan interest is calculated on a daily basis; loan repayment within seven days enjoys interest-free; one-time credit recycling.

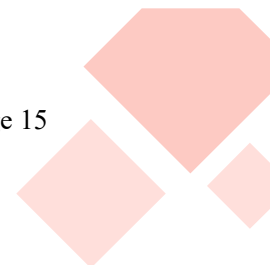


Zhi Rong Dai

“Zhi Rong Dai” refers to the liquidity loan issued by the Bank to intelligent manufacturing enterprises to meet the needs of its short-term production and operation and can be withdrawn. The main features of the product are: one-time credit and recycling; order application is convenient and fast; the government increases credit and the guarantee is flexible.

Chuang Ke Dai

“Chuang Ke Dai” is a personal business loan issued by the Bank to local entrepreneurial youths for their production and business activities. The main features of the product are: support entrepreneurship and innovation; quick and easy procedures; low loan interest rates.





An Xin Rong

“An Xin Rong” is a liquidity loan issued by the Bank to meet the quick and simple capital needs of small and micro enterprises, mainly based on the guarantee provided by customers to judge the solvency. The main features of the product are: simple procedures and simplified processes; it can provide efficient and fast financial services for small and micro enterprises with small scale and imperfect financial systems; flexible repayment methods, and one-time repayment / installment repayment.

Shui Jin Dai

"Shui Jin Dai" is a loan issued by the Bank to borrowers with normal production and operation and continuous and normal tax payment. There is no need to provide guarantees. The loan is based on the average annual total tax payment in the past two years. The main features of the product are: pure credit does not need to provide Guarantee; the tax amount is used as the basis for the loan amount; the procedures are simple and fast.

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

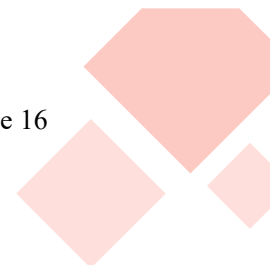


Jiu Cheng Debit Card

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.





Ren Cai Dai

“Ren Cai Dai” provides revolving credit loans to high-level talents in the Management List of Luzhou Talent Work Leading Office Team Management List for comprehensive consumption. The maximum credit limit is RMB 500,000 and the term is 5 years.

People's livelihood Loans

“People's livelihood Loan” refers to the loan granted to the city's unemployed people to expand reemployment. The object of application is unemployed people in this 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 Financial 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, regulations and regulatory requirements. The Bank also implements the *Notice of Addressing Banking and Insurance Institutions' Irregularities Against Consumer Rights and Interests* issued by the CBIRC on 10 October, 2019, and has 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.

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. The Internal Control and Compliance Department is the functional

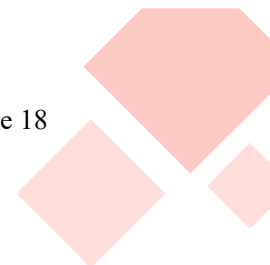
department for consumer rights and interests protection. It is responsible for formulating measures for the management, supervision and evaluation of consumer rights and interests protection work and takes a leading role in the organisation, coordination, supervision & urging and guiding of the consumer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

In order to enhance financial consumers' awareness of risk responsibilities, rights awareness and abilities to manage risks, to further reduce financial risks, and to build a harmonious financial consumption environment, in 2019, the Bank launched a series of targeted activities as required by regulations and regulatory authorities, such as “Thousands of Miles for Public Financial Knowledge” and “Financial Consumer Rights Day” to popularise financial knowledge, and publicity campaigns such as “Secure Your Wallet” to keep improving the long-term mechanism of financial education.

“Month for Financial Knowledge Sharing” Campaign

In order to actively guide consumers and investors to make rational choices and use financial products and services correctly, we launched the “Month for Financial Knowledge Sharing” campaign. We promoted financial consumer education and financial knowledge popularisation through slogans, public consultation, SMS, official website activity columns, and public welfare ads on local newspapers. The campaign covered one city, four counties, three districts and 27 outlets, with 27 consultation desks installed, SMS messages sent to more than 300,000 customers, 140,000 copies of promotional materials distributed and 12,000 person-times consulting services provided. The campaign enhanced consumers' awareness of risk responsibility and integrity, helped preventing blind investments, guided financial consumers to resolve financial consumption disputes through legal procedures, and played a positive role in maintaining financial stability.

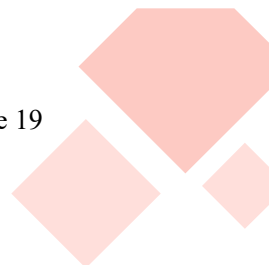
The Bank implements consumer protection in its services by enhancing awareness of front, middle and back services, and has formulated the *Administrative Measures for the Evaluation of Civilized and Standardized Service Quality of Outlets*, *Measures for the*



Implementation of Certification Standards for Outlets, Incentives for Enhancing the Efficiency of Operation Line Services in 2019, focusing on product and service design, and innovating by financial knowledge publicity and education to strengthen supervision and inspection responsibilities, so as to protect the rights and interests of consumers. We have also formulated the *Rules for the Implementation of Special Consumer Group Service Management* for special groups, which provide “one-to-one” guidance services to special consumers, and offer extensive services such as fee reductions, free delivery services, and escort based on their actual conditions, so that special consumer groups can truly feel socially cared.

In order to continuously improve the quality of service and marketing skills of employees, and adhering to the orientation of "Quality Service Promotes Business Development", the Bank held a number of skills trainings for service personnel, and invited experts experienced in banking service marketing transformation to provide professional guidance to effectively improve the professional capabilities of service personnel. In order to implement the work requirements of the People's Bank of China for the implementation of the national standards, we invited professional lecturers to conduct pre-certification training. The service awareness of front-desk personnel has been significantly improved. At present, all outlets of the Bank have completed the self-examination. In order to strengthen employees' awareness of anti-counterfeiting and business capabilities, we have strengthened the business knowledge training on counterfeit money collection procedures for front-desk personnel, and urged the person in charge of the outlet and the field directors to carry out in-depth research on the key aspects of the *Measures for the Management of Counterfeit Money Collection and Appraisal and Guidelines for Anti-Counterfeiting*. At the same time, we enhanced the follow-up supervision and inspection and increase accountability. In addition, we focus on the theme of improving service quality by carrying out solid content-rich employee activities through the form of debate contests, outlets competitions, and sketches, which have enriched the spiritual lives of employees and greatly promoted the improvement of service quality.

In order to improve work efficiency and strengthen management construction, we



conducted the “Efficiency Year” survey and found that there were problems such as insufficient awareness of proactive front-line service, poor communication and coordination between departments, and inefficiencies in terms of authority. The “Efficiency Year” activity promoted the rectification of such problems and has effectively cleared the crux that hindered the Bank's work efficiency. In order to improve the service quality, we further improved the unannounced visits processes this year. The unannounced inspection, feedback, outlet verification, problem confirmation and other processes would be under online operation instead of offline operation. The service attitude and quality of the front desk personnel of the Bank have improved overall. In addition, we have organised customer service personnel to communicate with other business departments to gain in-depth knowledge about new products and new businesses, further improve the service level of outlets, and continuously improve service quality.

First Operation Line Service Style Exhibition Competition

In 2019, the Bank held the First Operation Line Service Style Exhibition Competition. Branches and primary sub-branches teamed up to participate in on-site demonstrations of service etiquette, team service culture and specific service scenarios. Various competition forms and contents fully demonstrated the vigorous spirit of employees, publicised and demonstrated the quality and civilised service construction experience of the outlets and the personnel service style, and set off a wave of “learning etiquette, strengthening service, and displaying style” across the Bank.

(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, with a service hotline of 96830. The Bank strictly complies with the *Regulations on the Management of Consumer Complaints in the Banking and Insurance Industry (Consultation Draft)* issued by the CBIRC. Specific policies and rules, such as the *Measures for Management of Call Centre Customer Service Personnel, the Service*

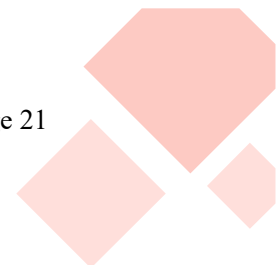
96830



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

The call centre has set up a standardised complaint process and clear responsibilities to comprehensively guarantee service quality. In order to ensure that customers' complaints are properly handled, we also carry out strict inspections, perform spot check of telephone recordings on daily basis and of work orders on weekly basis respectively, and review all important businesses. To guide customer service personnel to provide better service, we will organise business training and examinations in the Bank for customer service team every month. We also conduct related discussions, provide business guidance, and review various business knowledge, systems and processes to establish a sound knowledge base. This year, as required by the People's Bank of China, we comprehensively deepened the "Financial Service Complaint Management System", and all outlets and business departments of the Bank were included in the complaint processing end to optimise customer complaint handling process.。

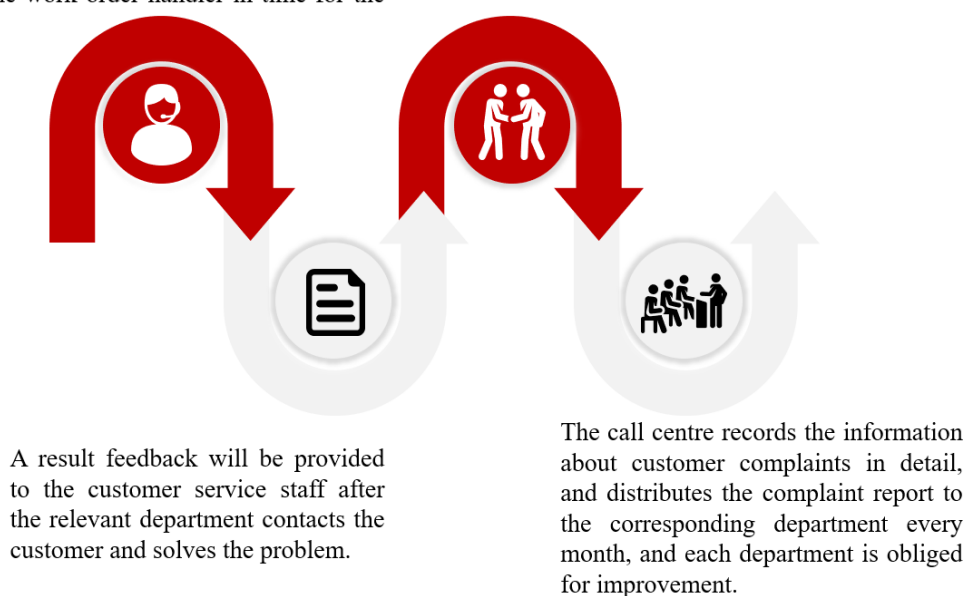
In 2019, the Bank handled 48 complaints from customers, 46 of which were complaints directly sent to the Bank, and 2 of which were forwarded from the regulatory authorities, and there were no large-scale complaints. The Bank's customer complaints throughout the year were all handled promptly and properly; the complaints settlement rate and customer satisfaction rate were 100%.



Complaints Handling Procedures

The customer service staff will respond to the customers' complaints as soon as possible. If the complaints cannot be resolved online, 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.

The customer service staff will call the customer back regarding issues on the work order upon receipt of the feedback.



Strengthen Information Security Management to Protect Customer Privacy

The Bank strictly abides 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 formulates a series of management system such as *the Administrative Measures for Information Security* and *the Contingency Plan for Personal Financial Information Disclosure*. In 2019, we revised *Information Security Management Policy*, *Regulations for Password Security Management*, *Regulations for Removable Storage Media Security Management* and other policies, continued to refine the operation process and improved the system management mechanism to standardise the information security management of the Bank and protect customer privacy.

We constantly intensify the system construction in terms of information security, strengthen the implementation and management of information security technology, and enhance the information security significantly through sensitive data desensitization processing, storage

media encryption protection, physical isolation of office network and office terminal security control.

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 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.

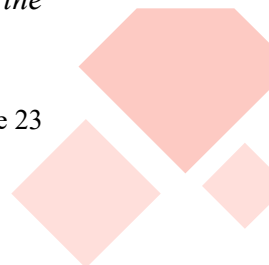
Our Bank strictly requires all employees to observe professional ethics. All employees are required to sign a confidentiality undertaking before getting on board, and they are required to comply with national confidentiality laws, regulations and rules, as well as the Bank's confidentiality management regulations and work requirements to fulfil their confidentiality obligations and strengthen customer privacy protection. 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 security through regular information security awareness education and skills trainings.

Information Security Awareness Trainings and Drills

The Bank actively deployed information security construction, regularly organized information security awareness training, strengthened employees' security prevention awareness, regularly conducted data recovery drills, network security drills and disaster recovery drills, etc., which effectively ensured the safety, reliability, and reliability of the Bank's information system. Stable operation situation.

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. The Bank has developed the *Administrative Measures for External Publicity* and *Code of Conduct of Employees' Response to Media and Networks*, requiring relevant staff to carry out publicity in strict accordance with relevant regulations so as to prevent such misconducts as malicious speculation, exaggerated advertisement, one-sided guidance while properly guiding public opinions, thus, enhancing and standardising the Bank's external publicity work.

We have set up a Comprehensive Risk Committee and a Reputation Risk Management Committee, which reports on reputation risk analysis quarterly. This year, in accordance with the public opinion controlling principle of “prevention first, intervention with active opinions”, we took the establishment of the public opinion prevention and control mechanism as a special activity that adheres to the spirit of “Efficiency Year” to further strengthen the monitoring and control of public opinions and gradually improve the Bank's emergency response capabilities.

We respect others' intellectual property rights, and we have a comprehensive review process for external publicity and information release and information issuance via the we-media platform, which shall be reviewed by the person in charge of the demand department and of the brand publicity department, lawyers (when necessary), and the leaders of the demand department and of the brand publicity branch before being released.

In order to protect trademarks and intellectual property rights, the Bank updated 26 trademarks such as “Lu Qianqian” and “Jin Man Lu” after the change of the Bank's name, and replaced all the signboards of the Bank. In 2019, the Bank also carried out brand publicity optimisation activities, VI optimisation design and system establishment and other special activities adhering to the principle of the “Efficiency Year”, in order to realise the actual integration of VI into outlets, promote the unification of outlets and establish a good brand image.

6. Facilitate Staff Development as Talents Prosper the Bank

The Bank adheres to the concept of “Talents Prosper the Bank” and consistently upholds 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, implement the "Efficiency Year" spirit, strengthen team building, build the talent recruitment system, training system, and reward and punishment mechanisms, and continuously strive to promote the overall quality of employees and the talent team to a new level.






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

The Bank 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*, *the 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*.

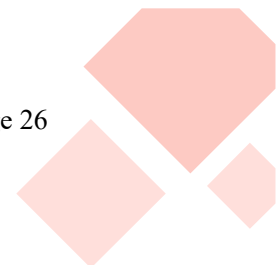
In the process of signing and renewing contracts, terminating and resolving labour relations, the Bank strictly follows the legal procedures to ensure all relevant procedures are fair, open and impartial, and resolutely prevent discrimination in gender, nationality, etc. On top of that, child labour and forced labour are strictly prohibited, thus, the legitimate rights and interests of employees are safeguarded in accordance with the law. This year, we took the "Efficiency Year" activity as an opportunity to improve the speed of on-boarding procedures and employee satisfaction through standardised and streamlined operation methods, to build a more effective workforce scientifically and efficiently. We stepped up our efforts to recruit talents, and introduced a number of high-quality talents from domestic 985/211 colleges and overseas universities with the same qualifications that meet the development trend and needs of the Bank, providing a strong and innovative talent support for the development of the industry and a new development driving force for the Bank. At

the end of 2019, the Bank had 435 employees under the age of 30, a year-on-year increase of 12%, indicating the proportion of young talents was on a steady rise.

Staff status of the Bank in 2019

	Number of employees by gender <ul style="list-style-type: none"> • Female: 571, accounting for 56% • Male: 453, accounting for 44%
	Number of employees by age <ul style="list-style-type: none"> • Under 30 years old: 435 • 30 to 40 years old (exclusive): 352 • 40 to 50 years old (exclusive): 165 • 50 years old or above: 72
	Number of employees by region: <ul style="list-style-type: none"> • Luzhou: 826 • Regions outside Luzhou: 198
	Number of employees by of employment type <ul style="list-style-type: none"> • Formal contract workers: 934 • Dispatched workers: 90
	There were 9 employees resigned this year, with a turnover rate of 0.97% <ul style="list-style-type: none"> • 3 male employees and 6 female employees resigned; • 5 employees under 30 years old, 3 employees between 30 to 40 years old (exclusive), 1 employee between 40 to 50 years old (exclusive) resigned; • There were 7 resigned employees in Luzhou, and 2 resigned employees in regions outside Luzhou.

In order to further strengthen the incentive and restraint mechanism and release the vitality of the team, the Bank formulated the *Remuneration Management Measures in 2019* and *Management Measures for Performance Assessment in 2019*, formulated a targeted performance incentive plan and clarified the impact of performance assessment on compensation, which effectively mobilised the employees' work motivation. Through



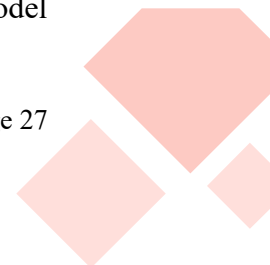
opening a human resource special issue named "Strivers", we demonstrated the outstanding performance and excellent achievements of the Bank's talents to the whole bank, and inspired the enthusiasm of all employees of the Bank.

In strict observance of the state and local governmental systems on basic welfare, we provide all employees with basic pensions, basic medical insurance, unemployment insurance, work injury insurance, maternity insurance and housing funds, and also offer supplementary employee benefits such as supplementary medical insurance and enterprise annuity. In addition, the Bank also provides employees with physical examination, annual leave, maternity leave and marriage leave and other benefits to realise humanised management. In order to better care for female employees, the Bank has set up a Female Employee Commission, which pays special examination fees for female employees during pregnancy every year, and purchases highest level of mutual medical insurance for all female employees, so as to safeguard the rights and interests of female employees.

Through regular discussions with employees in branches, we pay close attention to the needs of employees, so as to keep up with their updates, solve their problems. We also encourage employees to actively provide ideas to optimise the organisational management, and guide the management team to pay attention to the updates and needs of employees with regard to work, life and thoughts in order to effectively protect employees' rights and interests. In order to ensure the smooth transmission of information and the availability of communication channel, we have formulated *Luzhou Bank's Elective Measures for Workers' Representative Conference* in accordance with the law, and hold employee representative conference every year to collect employee proposals and suggestions. Employees' representatives are invited to participate in decision-making discussions on major issues and proposals. We also organise elections for the trade union every 3 years.

Improve the Training System to Enable Staff Growth

We respect the value of talents, attach great importance to employees' professional growth and training, strengthen team building and strive to enrich the forms and platforms of staff training. Through the development of the *Staff Training Management Measures*, the *Employee Re-education Management Measures (Revised)* and the "Superpower Team" *Management Measures*, we endeavour to discover and explore new talent cultivation model

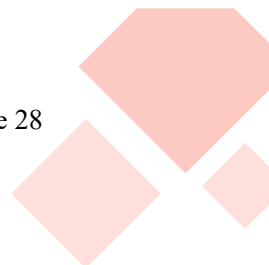


and continue to improve the overall quality of employees in order to promote the talent team to a new level.

The Bank carries out training according to the Bank's actual needs at different stages of development, and makes adjustments based on business lines, geographic locations and staff performance levels. We organise the training in the forms of internal training and external training, centralised training and independent training. We continue to improve talent training mechanism by integrating multi-agency cooperation from inside-to-outside and online-to-offline, covering the orientation to new comers, the build-up training for reserve talents, the leadership improvement training for mid-level management personnel, daily trainings for all business lines, online business trainings, international and domestic training courses for high-end financial qualification certifications, various business trainings and academic upgrading courses organised by the Association of City Commercial Banks, and other talent training programs.

Bridge the Cooperation Platform with Domestic Well-known Universities

In order to further expand the methods and channels of school-enterprise cooperation and achieve school-enterprise resource sharing and complementary advantages, the Bank and Shanghai Lixin University of Accounting and Finance jointly established a talent training (student internship) base; the Bank's leaders led a team to visit four universities including Xidian University to discuss the acquisition of professional talents; the Bank continued the in-depth cooperation with Shanghai University of Finance and Economics, Xiamen University, Central University of Finance and Economics and Southwestern University of Finance and Economics to improve the comprehensive quality of employees and expand the Bank's external communication and cooperation channels for talent introduction and training.



The “Superpower Team” Talent Training Programme

In 2019, the Bank continued to push forward the “Superpower Team” talent training programme, building a team of management associates through selecting outstanding personnel recommended by different departments/branches. The team members were cultivated and improved through centralised training, coaching, personal development and operational trainings. This year, the programme innovatively implemented the "Trans-training Project", centred around three major plans of "Superpower Thoughts Benchmarking", "Superpower Management Assistant" and "Superpower Efficiency Promotion", giving full play to the role of demonstration and leadership of senior team members and promoting team building across the entire bank; innovatively established a "Superpower Reserve Team" to realise a full-coverage targeted training model featuring "the senior guides the junior, one breeds many, massed learning", effectively optimising the Bank's reserve talent echelon and cementing the talent reserve base.

The Bank attaches great importance to the long-term career development of employees, setting development goals in stages based on different characteristics and visions of employees, carrying out regular review and evaluation on the development status of employees, so as to guide employees to conduct self-planning, self-improvement, self-motivation to propel their career growth and development.

In order to fully stimulate the innovation and creativity of the team, the Bank has set up a talent management assessment division. Based on the characteristics and performance of talents, the Bank sets up positions and provides ranks accordingly, makes exceptional promotion and enables flexible assignment. To strengthen talent flow and exchange, the Bank adopts the talent borrowing and secondment methods to organise talent exchanges between departments of the head office, branches and sub-branches, strengthening interactions among back-office departments and front-line outlets, achieving complementary advantages and overall enhancement of employees.

The Bank further improves the human resources management system, actively promotes the reform of employing more young cadres, strengthens the training of young cadres,

promotes the update of the management team, gives full play to the management ability of outstanding young cadres, and creates an excellent management team full of vitality to adapt to the Bank's strategic development needs.

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 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.

In order to ensure a safe working environment, the Bank offers well-equipped ventilation, air conditioning, dustproof and radiation protection facilities to actively improve the workplace conditions. To enhance employees' awareness of fire safety and their ability to deal with emergencies, we regularly organise fire drills and conduct "Three ones" safety training activities for employees, and have designed anti-hijacking drills, earthquake emergency evacuation drills, early firefighting drills and other emergency response plans at various outlets.



"119" fire awareness month outdoor experience activities

On 13 November 2019, the Bank organised the outdoor experience activity of "119" fire control publicity month in Luzhou's Emergency and Firefighting Special Service Bureau, with more than 50 participants including the presidents of primary sub-branches in charge of the safety, the presidents of secondary sub-branches and volunteer firefighters from each department of sub-branches. Through the corresponding description of modern fire equipment and accident cases, the special service instructor not only popularised the fire safety knowledge to employees, but also further enhanced employees' awareness of fire safety. Employees also strengthened their emergency self-rescue abilities through activities such as fire hoses practice and emergency evacuation and escape under fire smoke.

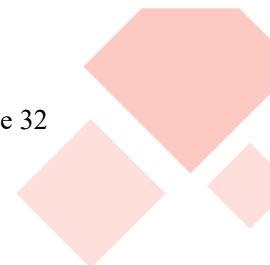


"119" fire awareness month outdoor experience activities

While ensuring a safe working environment, we are always concerning about the physical and mental health of our employees. We provide regular physical examinations for our employees and adjust, as appropriate, their work position and intensity according to their health condition and treatment needs, in case of obvious health problems diagnosed in the examination. We adopt regular psychological interviews and psychological tests to obtain a comprehensive understanding of the mental health of employees, provide all-round guidance (both individually and collectively) for the employees to adjust their emotions and relieve stress, effectively maintaining their mental health and preventing mental illness caused by emotions and stress.

In 2019, the Bank further implemented employee caring mechanism and carried out

activities showing care for its employees, such as golden autumn back-to-school subsidies and traditional festival care, and continued to build the “Employee Home”, setting up gyms, yoga rooms, and employees’ bookstores at the head office to enrich employees' leisure lives. To enable employees to relax and stretch their body and mind and relieve stress and pressure, we have set up more than 10 hobby groups, including basketball, football, table tennis, make-up, fishing, yoga, hiking, chess, badminton, photography, etc. Through hobby group activities, we provide a channel and platform for communication and enhancing friendship among employees. In addition, we have set up a mummy and baby house and a parent-child centre in the head office, provide higher education incentives for employees' children, helping employees to achieve work-life balance, and effectively solving the most concerned and practical problems and difficulties for employees.





Employees' bookstores



Employee parent-child baking activity



Spring tour

Photography and Essay Competition to Celebrate the 70th Anniversary of the Founding of the People's Republic of China

To celebrate the 70th anniversary of the founding of the People's Republic of China and express the patriotic feelings of employees, the Bank held a photography and essay competition with employees actively registered to participate. Through evaluation by the internal judges of the labour union of the head office and the expert judges from the Municipal Photography Association and the Municipal Writers Association, 32 pieces of work in the photography competition and 16 pieces of work in the essay competition were awarded and received unanimous compliments from the internal and external judges. We displayed the awarded works on the LED screen of the headquarters building, also presented them in booklets to give away to employees and associate units so as to show the good spirit and collective cohesion of our employees.



Mobile phone group's prize work



Camera group's prize work

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 actively satisfy relevant regulatory requirements, and is committed to establish an effective environmental and social risk management system, to prevent environmental and social risks and improve its own environmental and social performance, which in turn helps the Bank optimises the credit structure, improves service quality and establishes a

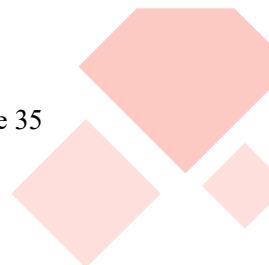
sustainable development model that is mutually beneficial to society.

Meanwhile, in adherence to the concept of sustainable development underlining low-carbon environmental protection, the Bank regards green office and energy conservation and emission reduction as important tasks, takes active measures to enhance the awareness of environmental protection of its staffs and further promotes its scientific, healthy and green development based on the concept of “devoting ourselves and starting from the basics around us”.

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 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 takes the promotion of environmental protection, resource conservation, pollution control and other factors as an important basis for credit approval. By optimising the allocation of credit resources in a reasonable and effective manner, it provides investment guidance to the industry and promotes the coordinated development of the society, resources and the environment while realising its own healthy development. 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

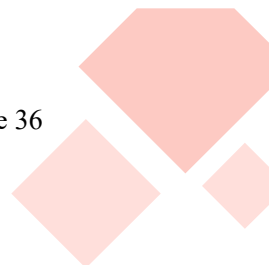


society will be refused. At the post-loan stage, the Bank conducts post-loan reviews regularly to identify and control the “greenwash” behavior of enterprises in a timely manner, laying a solid foundation for green finance and green development.

Case: Luzhou Lau Eco-agriculture Technology Co., Ltd.

Sichuan Luzhou Lau Eco-agriculture Technology Co., Ltd. is a company responsible for vegetable planting, procurement, management and distribution. The main business model is that the company collects the contiguously transferred lands from farmers, establishes a standardised farm base, then divides it into small areas of land and contracts the lands to the local farmers with economic capacity and technology, so as to realise unified varieties, unified seed supply, unified cultivation of ecological environment, unified cultivation of technology measures and unified product procurement.

The Bank provided a working capital loan of RMB 10 million for the company to purchase seeds and raw materials. The current planting area is about 5,000 acres, and is supported by modern technology, including automatic sprinklers, automatic pH testers, unmanned fertilisation helicopters and other high-tech supporting hardware. It is an agricultural enterprise integrating vegetable planting, management, sales and distribution.



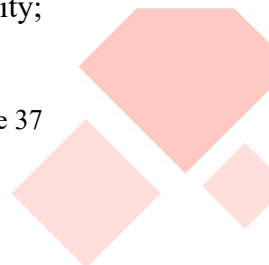
Topic: Xingxu Water Investment Co., Ltd.

The Bank has supported the Longdong Reservoir Construction Project of Xingxu Water Investment Co., Ltd. in Xuyong County with a loan of RMB 100 million. By the end of December 2019, the loan balance was RMB 94.5 million. Longdong Reservoir is located on the Longdong Gully, the second tributary of the Chishui River in the Yangtze River Basin, with its dam site situated in Fenshui Town of Xuyong County. It is a small water conservancy project with agricultural (tobacco) irrigation, rural water supply and other comprehensive utilisation features. After the completion of the project, it will play an important role in ensuring the safety production of tobacco and grain and the safety of water supply, promoting sustainable economic and social development.

Advocate Resource Conservation and Green Office

In compliance with the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China* and other relevant laws and regulations, the Bank has formulated the *Measures for the Management of Business Facilities at the Head Office* to promote the concept of green office, enhance the awareness of environmental protection of its staff and actively fulfil its responsibility of green development.

We strictly abide by the relevant provisions of the *Measures for the Management of Business Facilities at the Head Office*, actively strengthen the awareness of environmental protection of all staff, resolutely implement the supervision and inspection policies, and strictly inspect the water and electricity consumption in each office area; strengthen property management and oversee property administrators to ensure effective fulfilment of management responsibilities, supervise and inspect the lights, air conditioners and computer equipment to ensure they are turned off during non-office hours; actively advocate the no-leftover movement, cultivating employees' awareness of energy-saving and emission-reduction; respond to national calls to implement the new trends and calls for rubbish classification, adhere to the principle of separating kitchen waste from household waste and make new contributions to the development of the civilised and healthy city;



meanwhile continue to build OA paperless office systems to further promote paperless office processes, boosting the sustainable development of low-carbon environmental protection, energy saving and emission reduction.

In 2019, we adhered to the principle of improving vehicle efficiency and reducing vehicle costs, revised the *Measures for the Use and Management of Official Vehicles*, strictly regulating the use of official vehicles, and formulating a detailed management budget of vehicle costs to reduce vehicle costs and promote energy saving and emission reduction.

Environmental Performance

Emissions

Indicator ^{1,2}	Year 2018	Year 2019
Emissions (in tonne)³	0.0377	0.0267
Nitrogen oxides (in tonne)	0.0361	0.0257
Sulphur dioxide (in tonne)	0.0015	0.0010
Total greenhouse gas emissions (scope 1 and scope 2) (in tonne)⁴	4,686.85	4,150.96
Greenhouse gas emissions per capita (scope 1 and scope 2) (in tonne/person)	5.57	4.05
Direct emissions (scope 1) (in tonne)	304.01	224.52
Natural gas (in tonne)	81.76	75.13
Petrol (in tonne)	221.44	146.46
Diesel (in tonne)	0.81	2.93
Indirect emissions (scope 2) (in tonne)	4,382.84	3,926.44
Electricity purchased (in tonne)	4,382.84	3,926.44
Total hazardous waste (in tonne)⁵	2.54	3.68
Hazardous waste per capita (in tonne/person)	0.0030	0.0036
Total non-hazardous waste (in tonne)⁶	52.07	92.82
Non-hazardous waste per capita (in tonne/person)	0.0966	0.0906

Notes:

1. Data on environmental performance covered the head office, 1 branch, 7 primary branches and 28

secondary sub-branches.

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.

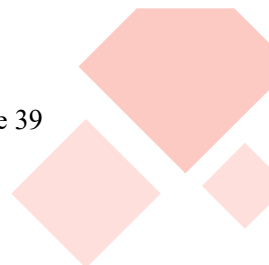
4. In consideration of the business nature of the Bank, greenhouse gas emissions arise mainly from consumption of electricity purchased and fossil fuel. Greenhouse gas inventories include carbon dioxide, methane and nitrous oxide. Greenhouse gas emissions are measured in carbon dioxide equivalents and 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 the Bank's household wastes, kitchen wastes and office equipment wastes, etc. Household wastes and kitchen wastes thereof are handled by the property management unit of the office building while office equipment wastes are recycled by recyclers.

Resources

Indicators	Year 2018	Year 2019
Energy consumption (in MWh)¹	8,554.63	7,469.75
Energy consumption per capita (in MWh/person)	10.17	7.29
Direct energy consumption (in MWh)²	1,325.79	993.68
Natural gas consumption (in MWh)	418.15	384.24
Petrol consumption (in MWh)	904.57	598.29
Diesel consumption (in MWh)	3.07	11.15
Indirect energy consumption (in MWh)	7,228.84	6,476.07
Electricity consumption (in MWh)	7,228.84	6,476.07
Tap water consumption (in tonne)	35,704.48	32,049.02
Tap water consumption per capita (in tonne/person)	42.45	31.30
Paper consumption (in tonne)	48.62	41.54



Paper consumption per capita (in tonne/person)	0.058	0.041
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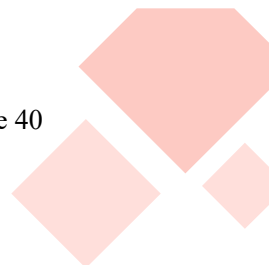
1. Energy consumed by the Bank mainly refers to natural gas, diesel, petrol and electricity purchased.
2. Energy consumption is calculated based on the consumption of electricity and fuel, and the conversion factors provided in the General Principles for Calculation of Total Production Energy Consumption (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 to make the society more harmonious.

Focus on Directional Poverty Alleviation, Support Targeted Poverty Alleviation

This year we formulated a series of management measures, including the *Special Credit Plans for Poverty-stricken Counties in 2019*, which includes the support to the overall planning of the rural revitalisation strategy as an important part of the Bank's operations and management. It 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 31 December 2019, the balance of agricultural-related loans was RMB 8.493 billion, an increase of RMB 1.501 billion or 21.47% over the beginning of the year, which effectively satisfied the credit demand of agricultural-related enterprises.



Poverty Alleviation Infrastructure Construction

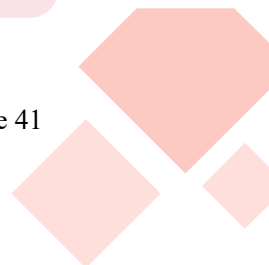
Based on the fragile ecological environment and outdated infrastructure in the contiguous poverty-stricken areas of the Wumeng Mountain, the Bank combines industrial poverty alleviation and project poverty alleviation to strive for improvement of regional infrastructure construction. As of 31 December 2019, the Bank's balance of project poverty alleviation loan was RMB 100.8 million, supporting the construction of water conservancy projects, country road facilities and education infrastructures in Gulin County and Xuyong County, and improving the production and living conditions of surrounding farmers.

Project-targeted Poverty Alleviation Loans

The Bank's targeted poverty alleviation villages in Guxian, Xuyong, and Hejiang counties were far from each other and the traffic was inconvenient. With the help of the Bank, all villages are now connected by roads, solar street lamps have been installed on both sides of the roads, and diversion channels have been built to drain water from the road. The Bank not only solved the actual living difficulties for the villagers, but also focused on enriching their spiritual life, establishing Party-masses Work Centres and Civic Squares and laying plastic playgrounds for primary schools.

Ecological Poverty Alleviation Construction

The pig farm donated by the Bank in Sanhe village, a targeted poverty alleviation area, was put into use in 2018. With current year's tight pork supply, the pig farm brought considerable economic benefits to the villagers. At present, a self-breeding and self-raising pig farm with an annual estimated production of 2,000 pigs has been built and put into use. The Bank will provide free high-quality piglets and technical guidance to poor households, and will purchase pig breeds to distribute to poor households for free. In addition, the planting of a large area of "crispy red plum" in Sanhe Village, together with the use of Sanhe pig farms providing high-quality organic fertilizer for plum tree planting, has really achieved "zero emission from breeding, zero fertilizer in planting" and realised the ecological cycle.



Devote to Social Benefit by Engagement in Various Voluntary Activities

The Bank actively carries out volunteer activities and builds the volunteer service team and network civilised communication volunteer service team. At present, the number of team members accounts for over 30% of the total members of the Bank. The Bank has established learning-from-Leifeng volunteer service posts at all outlets, providing convenience facilities such as convenience boxes, umbrellas, shoe polishers, counting machines, printers, and photocopiers, as well as free door-to-door services for special groups of customers during the business time, and offering green and caring channels for the elderly, minors, pregnant women and the disabled. At the same time, The Bank actively participated in the process of building a civilised Luzhou, and organised volunteers to provide community civilisation counselling, garbage cleaning, financial education and other volunteer services to districts and communities every week, to improve the community environment and raise the level of community civilisation.

Assume Social Responsibility and Actively Fight Against the Epidemic

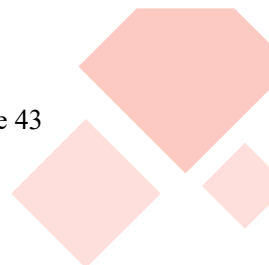
Since December 2019, the outbreak of COVID-19 has spread in mainland China. As a responsible bank, since the outbreak of the epidemic, the Bank has taken active actions to fight against the epidemic in emergency fund allocation, basic financial services, credit support and other aspects.

To prepare for emergency funds allocated, we set up the emergency fund security group, built the information feedback mechanism so as to timely understand the funds allocation arrangements for epidemic prevention and control of regional finance department of Luzhou, and opened a green channel for fund disbursement to ensure that the funds for epidemic prevention and control were disbursed in a timely, safe, and accurate manner, and efforts were made to ensure the funding of the financial departments and emergency-related enterprises.

In terms of customer service, the Bank informs the business hours of outlets and precautions during the epidemic by calling, sending WeChat messages, etc., guides customers to conduct online business through mobile banking, and provides online consulting service guarantee so as to provide relevant services on the basis of reducing customers' going out and ensuring their health and safety. The Bank strictly guarantees the

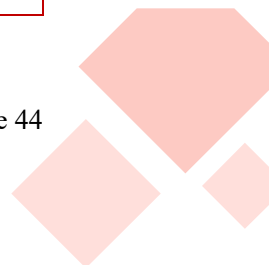
safety of cash. The cash returned from farmers' market, public transport enterprises, hospitals, suspected infected personnel isolation units shall be stored separately after being processed according to the requirements to ensure safety, hygiene and cleanliness of the RMB in circulation.

In addition, the Bank actively supports the financial services for affected enterprises and individuals. The Bank launched the "Angel Loan" loan products for front-line medical staff, and timely connected with government departments. For customers who face difficult in repayment due to the epidemic, we have taken countermeasures such as extension, renewal of loan, change of repayment plan and adjustment of delayed interest payment date. We have respectively provided Sichuan Xinglin Medical Device Co., Ltd. and Sichuan Jinghong Medical Device Co., Ltd. with credit support of 1 million RMB and 2 million RMB.

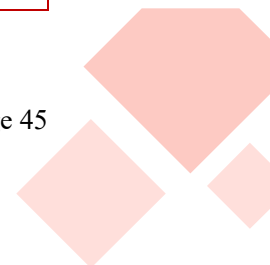


Appendix - Environmental, Social and Governance Reporting Guide

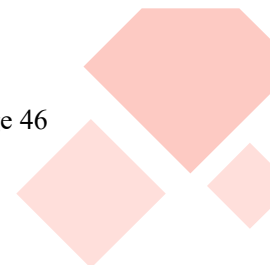
Subject Area	Aspect	“Comply or explain” Provisions	Disclosure
Environmental	A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to air and greenhouse gas emissions, discharges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



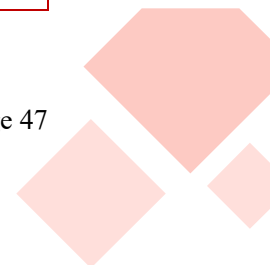
		Policies on the efficient use of resources, including energy, water and other raw materials.	Advocate Low-carbon Operation”
		A2.1 Direct and/or indirect energy consumption by type (e.g. Electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).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



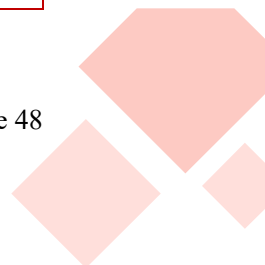
		relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
		B1.1 Total workforce by gender, employment type, age group and geographical region.	“Facilitate Staff Development as Talents 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 and Safety	General Disclosure 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 environment and protecting employees from occupational hazards.	“Facilitate Staff Development as Talents Prosper the Bank”
		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”
	B3 Developm	General Disclosure	“Facilitate Staff
		Policies on improving employees’ knowledge	Development as



	ent and Training	and skills for discharging duties at work. Description of training activities.	Talents Prosper the 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 Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to preventing child and forced labour.	“Facilitate Staff Development as Talents Prosper the Bank”
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	“Facilitate Staff Development as Talents Prosper the Bank”
		B4.2 Description of steps taken to eliminate such practices when discovered.	“Facilitate Staff Development as Talents Prosper the Bank”
	B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	“Standardise Supplier Management and Advocate Green Procurement”
		B5.1 Number of suppliers by geographical region.	-
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where	“Standardise Supplier Management and



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



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

