



泸州银行股份有限公司
LUZHOU BANK CO., LTD.

Luzhou Bank Co., Ltd.*

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 1983

2023

Environmental Social and
Governance Report



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1. About the Report

This report is the sixth Environmental, Social and Governance (“ESG”) Report published by Luzhou Bank Co., Ltd. (hereinafter referred to as “the Bank”, “Luzhou Bank” or “we”), which aims to report on our ESG management concept and performance. This report has been developed in accordance with the Environmental, Social and Governance Reporting Guide (“*ESG Reporting Guide*”) set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”) to address the ESG issues focused by the stakeholders of the Bank. This report should be read in conjunction with the “Corporate Governance Report” section under 2023 Annual Report of Luzhou City Commercial Bank Co., Ltd. to help readers understand us more comprehensively.

2. Reporting Boundary and Reporting Principles

This report covers the operating entities of Luzhou Bank, which includes its head office as well as all of its branches and sub-branch. Unless otherwise specified, this report covers the period from 1 January 2023 to 31 December 2023 (“the Reporting Period”).

This report reports substantive information in accordance with the principles of “materiality”, “quantitative”, and “consistency” in the *ESG Reporting Guide* and ensures that the quantitative data is consistent and comparable. This report abides by the “mandatory disclosure requirements” and “comply or explain” provisions set out in the *ESG Reporting Guide*, and make corresponding elaborations on the environmental and social impacts of our business and operating activities.

- **Materiality:** Identify and respond to important ESG issues affecting the Bank’s sustainable development through analysis. The identification of stakeholders as well as the processes and results of materiality assessment are detailed in the “Stakeholders Engagement” and “Materiality Assessment” sections.
- **Quantitative:** In order to comprehensively assess the Group’s ESG performance during the Reporting Period, the Group discloses related quantitative data in the environmental and social fields applicable to the *ESG Reporting Guide*, and set out the referencing basis for the standards, methods, assumptions and calculations adopted, including the source of major conversion factors.
- **Consistency:** Where possible, the data disclosed in this report adopts consistent statistic methods with previous years to allow stakeholders to conduct meaningful comparisons on the performance during the Reporting Period. If there are any changes in the methods, we will also make presentations and detailed explanations in the corresponding chapters.

3. **Brief Introduction of the Bank**

Founded in September 1997, Luzhou Bank Co., Ltd. is a municipal state-owned enterprise of Luzhou city. It was listed on the Main Board of The Stock Exchange of Hong Kong (HKEX) in December 2018 (stock code: 1983.HK), becoming the first listed bank in prefecture-level cities in West China.

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 been forging ahead on a business strategy on specialties to realize rapid and steady development. Luzhou Bank was rated as “Best Financial Inclusive Institution of the year” by Banking Association of Sichuan and as “Annual Pioneer Bank of Inclusive Finance” in 2023 at the China Financial Billboard in 2023.



The largest commercial bank in Luzhou City

The first listed bank in prefecture-level cities in West China

Rated as “Annual Pioneer Bank of Inclusive Finance”
in 2023

4. Board Statement

Oversight of ESG issues:

The Board of the Bank, which serves as the highest policy-making body, is in charge of identifying, assessing and prioritizing ESG issues that are related to the Bank, including ESG risks, and verify the results. In terms of the Bank's ESG efforts, it assumes final accountability.

ESG Management Approach and Strategy: The Board is in charge of conducting a materiality assessment of ESG issues annually, discussing and identifying the Bank's ESG-related risks and opportunities. It formulates and improves ESG-related strategies, policies and systems, and takes the management and promotion of key issues as the substantive works of sustainable development strategies. We employ a range of communication methods to interact with our stakeholders, and we include their input on ESG issues into our ESG decisions and targets. The Bank embeds the ESG management policies and strategies into its daily management system, continuously exploring and improving its performance in the field of ESG.

Review on ESG Targets: The management has formulated appropriate ESG targets in the light of the Bank's business operations. The Board hears reports from the management on the management of ESG expectations, understanding the achievement progress for emission reduction targets, non-hazardous wastes targets, hazardous wastes targets, water conservation targets and energy saving targets, and conducting reviews.

The Board of Directors has reviewed and approved this report on 22 March 2024.

Honorary awards in 2023

Month of award	Content of award	
March 2023	The Bank were awarded the "Enterprise Standard Forerunner" by Beijing National Financial Technology Certification Center Co., Ltd.	
July 2023	Rated as the "2021-2022 Best Financial Inclusive Institution" by Banking Association of Sichuan	
September 2023	Rated as "Love Donation Enterprise" by Luzhou Charity Federation on September 2023	

Month of award	Content of award	
October 2023	Awarded the "2023 Excellent Case of Banker's Financial Inclusive Service Innovation"	 <p>The certificate is titled "证书" (Certificate) and "泸州银行" (Luzhou Bank). It states that the bank's "多措并举深化普惠金融服务创新案例" (Multi-measure combined to deepen inclusive financial service innovation cases) has won the "2023年度银行家普惠金融服务创新优秀案例" (2023 Annual Banker's Inclusive Financial Service Innovation Excellent Case) award. It is signed and dated October 10, 2023.</p>
November 2023	Awarded the 14th Finance and Technology Innovation Award for Finance Electronization (Finance and Technology Empowerment Business Innovation Award)	 <p>The award is titled "金融电子化" (Financial Electrification) and "第十四届金融科技创新奖" (14th Finance and Technology Innovation Award). The award name is "金融科技赋能业务创新奖" (Finance and Technology Empowerment Business Innovation Award). The award item is "柜面系统信创改造" (Counter System Information Innovation Transformation). The awarding unit is "泸州银行" (Luzhou Bank). It is signed and dated November 1, 2023.</p>
December 2023	Rated as "Annual Pioneer Bank of Inclusive Finance" in 2023	 <p>The award is a crystal trophy titled "和讯" (Huxun) and "泸州银行" (Luzhou Bank). It is for the "2023年度普惠金融先锋银行" (2023 Annual Pioneer Bank of Inclusive Finance). It is signed and dated December 27, 2023.</p>
December 2023	Awarded the 3rd Finance and Technology Digital Intelligence Innovation and Application (Gold Technology Award)	 <p>The award is a blue and gold trophy titled "泸州银行" (Luzhou Bank) and "2023 金科奖" (2023 Gold Technology Award). It is signed and dated December 2023.</p>

5. ESG Management

5.1 ESG Concept and Strategy

In order to implement its business strategy of “Serving the local, serving small and medium enterprises,” the Bank is dedicated to creating a unique system for serving small and medium enterprise clients. To fulfill the growing demand for personal financial services, we want to grow in tandem with the complete expansion of the business market for small and medium-sized enterprise clients and the intermediate business for individual clients. At the same time, the Bank upholds its purpose of strongly supporting the construction of new socialist countryside and the balanced urban and rural development and has actively established new rural financial institutions, in order to fulfill its social responsibility as a financial institution by developing a reputation for itself as a company that specializes in serving small and medium-sized enterprise clients in Luzhou and cares about the livelihood of the populace, so as to create value for shareholders, provide quality services to clients and create well-beingness for employees.

5.2 ESG Governance Structure

The Board-led ESG management approach was designed by the Bank to meet its commitment to sustainable development. The Board is solely accountable for the Bank’s ESG strategies and objectives. In order to assure compliance with regulatory requirements, the Board is also in charge of certifying the annual ESG reports. The Development and Strategy Committee of the Board formulates ESG strategies and goals, supervises the implementation of the senior management, and reports to the Board. The management is responsible for the specific implementation of ESG strategies and goals. ESG Working Team is formed by various departments at the head office in order to carry out particular ESG work in their respective fields of expertise. Under the direction of the ESG Working Team, branches and sub-branches simultaneously conduct ESG activities in their local regions. In conclusion, the Bank’s approach to ESG management operates on several levels, with the Board exercising leadership, management taking the lead, and departments collaborating with flexibility. This effectively manages the social and environmental risks associated with each business domain and shows a shared commitment to upholding corporate social responsibility.

5.3 Board Diversity Policy

The Bank believes that diversity of the Board will contribute a lot to improving our performance. We regard the increasing diversity of the Board as a key to achieve sustainable development and support us to meet our strategic objectives and maintain good corporate governance. In designing the Board composition, we consider diversity from various aspects, including but not limited to gender, region and industry experience, skills, knowledge and educational background. All Board appointments are based on meritocracy, and candidates are considered with due regard for the benefits of Board diversity under objective conditions. As of the end of the Reporting Period, the Board of the Bank consisted of 2 females and 8 males, which include 4 independent non-executive directors.

5.4 Stakeholder Engagement

The Bank is well aware that attaining ESG development requires the support of stakeholders. We highly value each stakeholder's opinions and communicate with different stakeholders through various channels. Based on the characteristics which the business is based, the main stakeholders identified by the Bank included: governments and regulators, investors/shareholders, clients, 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.

Stakeholders	Key ESG concerns	Communication and response
Government and regulators	<ul style="list-style-type: none"> • Compliance with laws and regulations • Transparent governance • Taxation in accordance with law • Climate change 	<ul style="list-style-type: none"> • Meetings of regulators • Disclosure of compliance reports • Forums and seminars • Regulatory policies
Investors/Shareholders	<ul style="list-style-type: none"> • Operation compliance • Market development • Product innovation 	<ul style="list-style-type: none"> • Shareholders' meeting • Regular announcement • Temporary announcement
Clients	<ul style="list-style-type: none"> • Customer consulting • Customer visits 	<ul style="list-style-type: none"> • Customer consulting team • Daily operations/communications • Visits by the Customer Relations Manager • Customer satisfaction surveys (Satisfaction on complaints handling)
Employees	<ul style="list-style-type: none"> • Employee rights & welfare • Remuneration system • Labour standards • Training and development 	<ul style="list-style-type: none"> • Workers' representative • Employee activities • Internal training • Symposium
Communities	<ul style="list-style-type: none"> • Community development • Social welfare • Popularisation of financial knowledge 	<ul style="list-style-type: none"> • Volunteer activities • Public welfare activities • Financial knowledge presentations and training
Suppliers	<ul style="list-style-type: none"> • Transparent procurement • Equal competition • Business ethics 	<ul style="list-style-type: none"> • Supplier management • Supplier inspection • Supplier communication

5.5 Materiality Assessment

On a regular basis, we acquire an understanding of each stakeholder's desire through numerous channels, such as customized surveys and questionnaires, and undertake materiality evaluations to fully account for stakeholder viewpoints when creating and executing ESG strategies. We have been adhering to the spirit of communication and integration, and interact and engage with internal and external stakeholders through diversified communication channels.

Below is our detailed procedure for deciding on materiality assessment and preparing the content of the report:

Step one: Identify	Step two: Assess	Step three: Confirm
Enumerating a range of potential ESG-related issues, based on the socio-economic environment, the materiality of each issue to the banking industry and the view of various departments within the Bank.	Gathering the opinions of both internal and external stakeholders on the materiality to each issue, understanding the impact of which on the stakeholders themselves and the materiality of it to the Bank's sustainable development. The relevance and materiality of each issue is evaluated by considering the identification of material issues by the interbank and the current status of the Bank's management.	Comprehensively examining the results of the survey by various stakeholders and interbank analysis, identify material issues. Confirm through the Board that the assessment results are in line with the Bank's business characteristics and management status.

Since there were no substantial changes in the Bank's business during the Reporting Period, the Bank reviewed the results of past materiality assessments along with the actual situation of business development, and assessed that 4 material issues were identified in 2022, being "Employment", "Development and Training", "Product Responsibility" and "Anti-corruption", which were confirmed by the Board as the material issues of 2023. Key disclosures of these issues will be made in this report.

Key issues of the year	Related chapter
Development and Training	8.2 Employee Training and Development
Product Responsibility	7 Serving Wholeheartedly and Protecting the Rights and Interests of Clients
Employment	8.1 Employment Management and Employee Rights
Anti-corruption	6.2 Anti-Money Laundering and Counter-terrorism Financing

6. Stable Operations and Adherence to Compliance Principles

The Bank has been pressing forward system sorting and quality improvement projects and further strengthened the mechanisms of system initial review, re-examination, pre-review and assessment meetings. One-on-one communications, thematic discussions and other methods are carried out to point out the problems within the system and share experiences on system formulation, in order to improve system quality and further ensure that the internal control measures have covered each major risk points. Throughout 2023, there were 91 newly established and revised systems in total, including the *Measures for the Management of Employees' Continuous Education of Luzhou Bank (2023 Revised)*, the *Measures for the Management of Employees' Probation Period of Luzhou Bank (2023 Revised)* and the *Measures for the Management of Institutional Performance Appraisal of Luzhou Bank (2023 Revised)*.

6.1 Cultivate Awareness for Anti-Corruption and Promoting Integrity

The Bank strictly complies with the *Law of the People's Republic of China on Commercial Banks*, the *Law of the People's Republic of China on Supervision over the Banking Industry*, the *Interim Provisions on Prohibition of Commercial Bribery* and other relevant laws and regulations, and promoted the construction of an anti-corruption system, strengthened the execution of disciplines and accountability to cultivate awareness for anti-corruption and integrity.

The Bank strengthened the coordination between the Disciplinary inspection department, Internal control and compliance department, Internal audit department, Office of the Board of Supervisors and other departments, and formulated the joint meeting mechanism to clarify the functions and responsibilities and synergy works, creating a synergy of supervision. Meanwhile, the Bank also emphasizes on expanding complaint reporting channels, and actively communicated with the Municipal Commission for Discipline Inspection, public security, prosecute and other departments to improve the mechanisms of complaint reporting, case leads, public opinion communication, transfer and others. The Bank publishes its complaint reporting hotline through various methods, such as publishing on the official website, posting notices in the lobby, video and television broadcasts as well as other methods to provide direct means to reflect problems to the Disciplinary Inspection Department of the Bank

To enhance the awareness of anti-corruption and promoting integrity among all cadres of the Bank, the Bank continuously boosted the construction of integrity alert education. This year, the Bank subscribed the *Building Up Integrity of the Party's Practices* and other periodicals for all institutions of the whole Bank, mobilized them to follow the WeChat public accounts for incorruptibility and commenced regular education on ideals and beliefs, discipline, alert, advancements, tradition and other aspects. We pay close attention to crucial points and key links, sternly investigate any disciplinary breaches, and strengthen cadre supervision by stepping up coordination and communication and enriching supervision methods, as well as carrying out supervision and rectifications.



The Bank continuously strengthened the publicity of integrity during the Reporting Period

The Bank continued to strengthen the publicity of integrity, and constantly enriched the column contents of incorruptible commercial banks and published incorruptible laws and regulations and case articles in the internal publication – Fayuan Tiandi. This year, a total of 12 issues of Fayuan Tiandi have been printed and we insisted on publishing 1 issue of Fayuan Tiandi per month. Through the columns of “New Oversight Regulations”, “Legal Forum”, and “Explain Laws with Cases” that combi actual business needs, the Bank popularized legal knowledge to the employees of the whole bank, which guided them in their usual work, cultivated their legal thinking and improved their legal literacy.

During the Reporting Period, the Bank delivered the “Grassroot Brand of Incorruptible Finance Culture” of Luzhou Bank Chengdu Jinniu Branch to the National Administration of Financial Regulation Sichuan Regulation Bureau, and has been rated as the “Outstanding Grassroot Brand of Incorruptible Finance Culture of the Banking and Insurance Industry in Sichuan Province”. Through brand building, Luzhou Bank has launched a new incorruptible finance culture brand “Incorruptibility Cultivates Righteousness, Integrity Promotes Development”, which fully mobilized the grassroot branches to carry out construction activities in conjunction with the principles of practicality, location-based, point-based, and fully established the working layout of “Five Integrities as One”, being Party-led integrity, system-consolidated integrity, mindset-formed integrity, supervision-facilitated integrity and culture-fostered integrity. This has formed a vibrant atmosphere that functions at different levels, seizes opportunities to work together and create diverse outcomes, and embeds the culture of fairness, integrity, incorruptibility and righteousness in the minds of the people.

In 2023, the Bank provided anti-corruption training to the Board and its employees by watching educational videos. 10 directors and 1,400 employees participated in anti-corruption training during the Reporting Period. This year, we did not receive any legal cases regarding corrupt practices brought against the Bank or its employees.

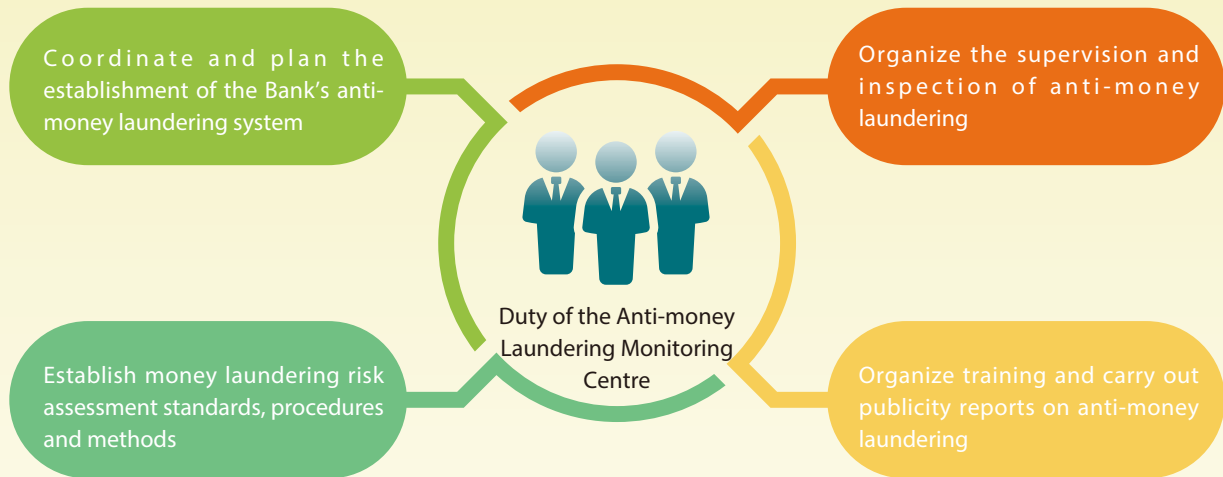
6.2 Anti-Money Laundering and Counter-terrorism Financing

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*, the *Measures for the Administration of Financial Institutions’ Reporting of High-Value Transactions and Suspicious Transactions* and other relevant laws and regulations, and on this basis, the Bank formulated and revised the *Basic Anti-Money Laundering System*, the *Measures for the Administration of Reporting of High-Value Transactions and Suspicious Transactions*, the *Measures for the Assessment and Classification Management of Customer Money Laundering and Terrorist Financing Risks* and relevant systems to strengthen the construction of the Bank’s anti-money laundering management system.

The Board of Directors, the Board of Supervisors, senior Management, each department and branches of the head office strictly comply with the division of labour as stipulated in our *Basic Anti-Money Laundering System* and impose responsibilities across all levels to earnestly fulfill the duty of anti-money laundering. Regarding the terms of reference, the Board of Directors of the Bank assumes ultimate responsibility for money laundering risk management; the Board of Supervisors assumes supervisory responsibility for money laundering risk management, and the senior management assumes the implementation responsibility for money laundering risk management.

Based on the development trend of anti-money laundering supervision and changes in the characteristics of money laundering crimes, we have commenced the construction of a new anti-money laundering system in April 2023, with the first phase of system functions put into operation in December. Regarding system usage, the new anti-money laundering system improved operating experience and optimized divisions of work and cooperation, which effectively monitors suspicious transactions and provides strong technological support for anti-money laundering efforts.

The head office has established an anti-money laundering leadership group as the organization for leading and coordinating the anti-money laundering efforts of the whole bank. The leadership group set up its office in the internal control and compliance department, assumes the leading group's daily works and responsible for leading the management of anti-money laundering works of the whole Bank. Anti-Money Laundering Monitoring Centre has been established under the internal control and compliance department, with specialized staff responsible for the specific works of anti-money laundering. Bank branches and first-tier branches have established their own anti-money laundering work leading groups and designated anti-money laundering personnel to handle the specific works of anti-money laundering of the Bank.



The Bank attaches great importance to anti-money laundering propaganda and combine both regular propaganda and focused propaganda. For regular publicity, we carried out publicity by putting anti-money laundering and anti-drug promotion leaflets, playing videos and LED scrolling slogans, posting posters in 39 business grids, pushing notifications on WeChat official account and official website, and conducting community visits and face-to-face publicity with shops. For focused propaganda, we actively participated in the anti-drug publicity in June, the anti-money laundering publicity in September and the publicity activity of Anti-Money Laundering in Campus organized by the regulatory institutions. Throughout the year, more than 90,000 copies of propaganda materials have been published and received promising feedback from society.



“Anti-Money Laundering” Knowledge in Campus publicity activity

During the Reporting Period, the Bank attached great importance to the training of anti-money laundering and organized 4 trainings related to anti-money laundering in total. In June, the Bank organized its directors, supervisors, senior management and anti-money laundering related personnel to participate in the “Anti-Money Laundering Online Charity Lecture”; in August, the Bank organized counter personnel to participate in the “Response and Practical Training of Customers with Medium to High Risks”; in December, the Bank organized anti-money laundering related personnel to participate in the “New Anti-Money Laundering System Online Training” and organized its directors, supervisors, senior management and employees of the whole Bank to participate in the “Anti-Money Laundering Knowledge Training”.

6.3 Sustainable Supplier Management

The Bank strictly abides by the *Law of the People's Republic of China on Bid Invitation and Bidding*, the *Regulation on the Implementation of the Bidding Law of the People's Republic of China*, the *Interim Provisions on Centralized Procurement Management of State-owned Financial Enterprises* and other relevant laws, regulations and regulatory requirements, the Bank has developed the *Implementation Measures for Centralised Purchasing Management*, the *Measures for Procurement Documents Management* and other management policies. This year, the Bank is formulating the new *Procurement Supplier Management Implementation Rules* to set strict requirements on the entry, review, evaluation and withdrawal of suppliers. These requirements specify that suppliers who committed counterfeiting and fraud, acquired bids by improper means and other non-compliances will be withdrawn from the supplier roster and not be recommended for roster entry permanently. The procurement system of the Bank specify that a priority shall be given to energy-efficient and environmental-friendly products and provides a regulatory framework for procurement management to ensure procurement compliance.

We have been practicing the principles of fairness, justice, openness, honesty, efficiency, etc and adheres to the concept of energy conservation and environmental protection. We formulate a strict screening process for suppliers from selection to warehousing, preliminarily identify the environmental and social risks of suppliers in the access link, and only the qualified suppliers will be selected in the supplier management library to ensure the selection quality, strictly control the entry of suppliers. In the procurement process, the Bank strictly complies with the procurement standards, with a focus on the supervision of the integrity culture construction in the field of procurement, supervises suppliers' illegal acts to prevent corruption from happening.

To promote suppliers to assume social responsibilities and promote the concept of environmental protection, the *Implementation Measures for Management of Centralised Procurement* stipulated that a priority shall be given to suppliers who can provide energy-saving and environmental protection labelling products and products with green product identification, actively incorporates the concept of sustainable development into the daily management of suppliers and stick to "green procurement". This year, the Bank put forward more requirements for the green energy-saving and low-carbon environmental protection performance of products. For example, the Bank requires employees' work clothes suppliers to provide certificates such as environmental management system certification and occupational health and safety management system certification. In 2023, the Bank had 175 product suppliers, all of which used environmental protection products.

The Bank has formulated the *Project Acceptance Form* to stipulate the evaluation standards of the Demand Department for suppliers and provide evidence support for the continuous management of suppliers. We attach great importance to the evaluation and management on suppliers. The Bank adopts a democratic evaluation method by Demand Department to evaluate the suppliers of the whole Bank, combines the records of the supplier response management account, conducts a comprehensive risk investigation and assessment for suppliers in the database on a regular basis and carries out unified liquidation for unqualified suppliers, so as to promote suppliers' compliance management and increase procurement efficiency. In 2023, the Bank carried out evaluations and assessments for all cooperating suppliers.

In the process of selecting suppliers, the Bank needs to require suppliers to provide relevant environmental protection qualifications, occupational and health qualifications and other certificates based on the specific actual conditions of the project to complete the whole selection process. Suppliers are also required to provide products to be in line with national environmental requirements and standards. Our bidding documents stipulate that suppliers are not allowed to provide false material in order to win the bid, or provide counterfeit and shoddy products. Therefore, if it is verified that false bidding materials have been provided or the products do not meet our requirements and relevant national industry standards, the qualification of winning the bid and cooperation shall be cancelled.

Number of suppliers by Region

Total number of suppliers in 2023	680
Luzhou	228
Regions outside Luzhou	452

7. Serving Wholeheartedly and Protecting the Rights and Interests of Customers

The Bank is dedicated to fully implementing the requirements of superior supervision and adhering to the principle that "service begins with customer needs and ends with customer satisfaction". With a humanized business philosophy, a convenient offline network, and efficient professional services, we focus on creating value for customers and expanding competitive advantages. We are committed to protecting customer privacy and safeguarding their legitimate rights and interests. In the future, we will continue to enhance our service quality through technology, to establish a brand image of "serving small and medium-sized enterprises and caring for people's livelihoods". Luzhou Bank is aiming to become an empathetic institution.

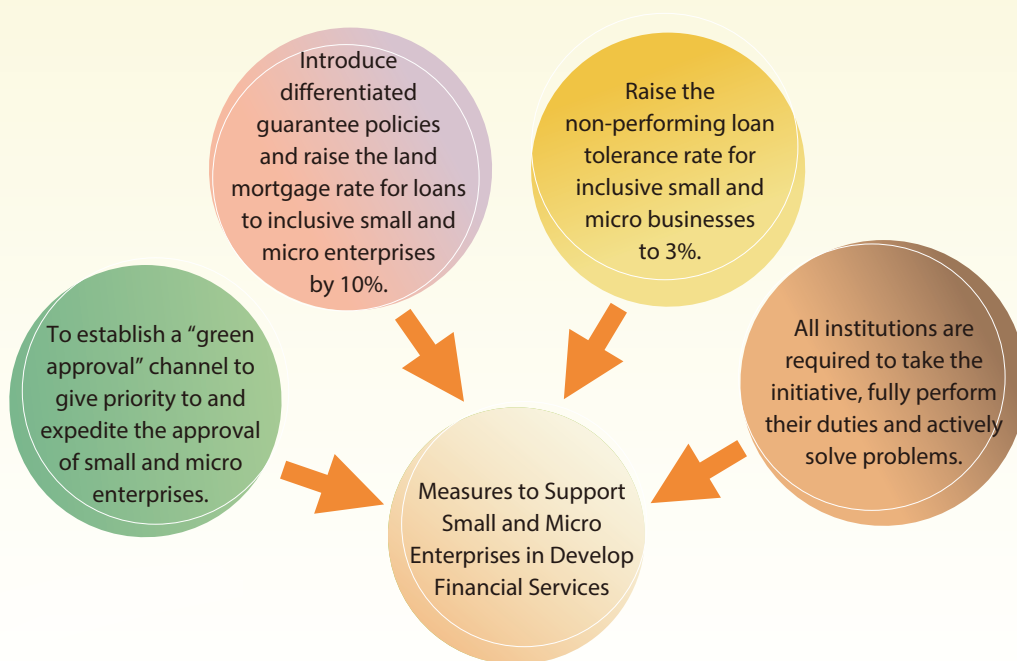
7.1 Improve Service Quality

(1) Serve Local Customers and Assist in the Development of Small and Micro Enterprises

The Bank strictly complies with the *Law of the People's Republic of China on Commercial Banks* and other laws and regulations. We actively participate in the arrangements of the CPC Central Committee and the State Council, implementing the requirements set forth by the CBIRC and the municipal governments regarding support for the development of small and micro enterprises. We are intensifying financial support for these enterprises and fulfilling our social responsibility to improve the quality of our inclusive financial services while managing risks. During the Reporting Period, the Bank published the *Notice of Strengthening the Financial Services for Small and Micro Enterprises for 2023*. In compliance with the "Two Increases, One Excellence, and One Stability" requirements, the Bank has specifically set a growth target for credit loans to inclusive small and micro enterprises. It prioritizes these businesses in allocating credit loans, with a focus on enterprises with total credit amounts under RMB10 million. The Bank also fortifies assistance for first-credit, credit-credit, renewable, and medium-to long-term loans, aiming to consistently promote the reduction of the overall cost of financing for small and micro enterprises. Meanwhile, in order to improve the effectiveness of financial services for private enterprises, the Bank issued *Luzhou Bank's Service Targets for Private Enterprises in 2023*, to further strengthen financial support for private small and micro enterprises.

The Bank has revised a total of 15 systems related to credit loans for small and micro enterprises during the Reporting Period. This mainly includes management measures for small and micro enterprises, including their due diligence exemption system and post-loan management measures. There are two new systems focusing on product systems and business management systems serving small and micro enterprises, namely the *Implementation Rules for Convenient Insurance Products* and the *Implementation Rules for Business Loans*.

The Bank attaches great importance to small and micro enterprises, and actively promotes the high-quality development of the local economy and society. This year, we have strongly implemented the "double small strategies". With a focus on industries essential to people's daily lives, such as clothing, food, housing, and transportation, the Bank has prioritized "small industries and small enterprises" as the core customer groups. We have formulated differentiated credit policies and enhanced assistance for inclusive small and micro credit loans, providing support for the development of local enterprises.



This year, the Bank has specifically set a target for the growth of credit loans to small and micro enterprises and implemented the management measures of credit due diligence exemption for small and micro enterprises and a service charge reduction policy. By the end of 2023, the balance of small and micro loans was RMB53.554 billion, accounting for 57.92% of all loans. The balance of inclusive small and micro loans was RMB11.551 billion, an increase of RMB1.279 billion compared to the beginning of the year, with a growth rate of 12.45%, 0.04 percentage points higher than the growth rate of all loans. The number of loan enterprises was 9,054, a net increase of 680 from the beginning of the year.

In 2023, the Bank introduced the “Five Specials and Three Priorities” supporting policy to actively assist in the development of the specialized new enterprises in the city. The policy includes a special loan quota, special guarantee measures, special expert counseling, a special service team, a special assessment mechanism, as well as priority acceptance, priority approval, and priority lending. As of the end of 2023, the balance of loans granted to 31 specialized new enterprises amounted to RMB323 million.

The Bank identifies SMEs, urban residents and local governments as its core customers, attaches great importance to small and micro businesses, and focuses on serving the development of SMEs in Luzhou and bringing convenience to citizens’ lives.



For SME customers, the Bank provides customized 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 specialized products to meet the diversified financing needs of enterprises.



For small and micro enterprises, the Bank is committed to offer customized services for them and set up “Hui Rongtong” loan centre for small and micro enterprises in 2018, focusing on serving small and micro enterprises and providing them with convenient, fast, flexible and professional financing services.

Provide customized products and services to small and micro businesses:

Fang Hao Dai

“Fang Hao Dai” is a full-process online registration loan provided to individual industrial and commercial enterprises and small and micro enterprises in Luzhou based on the “Internet + Real Estate Registration” model. It achieves “speeds and efficiency enhancement” from application to loan disbursement.



Fang Man Dai

“Fang Man Dai” is a collateralized and guaranteed credit product designed for individual industrial and commercial enterprises and small and micro enterprises. The product provides credit up to 100% of the value of the mortgaged assets. The repayment method of the product is flexible, adopting a one-time credit cycle with daily interest calculations. The process is simplified through a one-stop online application, providing more efficient and convenient financial services for individual industrial and commercial enterprises as well as small and micro enterprises.

Ke Rong Dai

“Ke Rong Dai” is a liquidity loan issued to a successful supplier of system integration projects, with the future receivables of the project as the primary source of repayment. The product does not require asset mortgage. The project order amount is the primary basis for credit assessment. It offers simple procedures and fast approval.



Ying Shang Dai

“Ying Shang Dai” is a credit-based personal business loan issued to individual industrial and commercial enterprises as well as small and micro enterprises. This is mainly based on the liquidity of acquiring business as the main credit basis. The product is a one-time credit facility that can be reused, providing flexible repayment methods. The application procedure is simple and easy with an online application and approval. The loan can be provided on the same day at the earliest.

Government Procurement Loan



“Government Procurement Loan” is a working capital loan issued to the enterprises that win the bid in government procurement to support the specified goods, raw materials and labor costs under the government procurement contract. The guarantee method adopts the pledge method of government procurement funds receivable in the future, and takes the procurement funds paid by the government as the first repayment source, which has the advantages of convenience and low financing cost.

Shui Jin Dai

“Shui Jin Dai” is a loan provided by the Bank to borrowers with regular production and operation, as well as continuous tax payment. The loan does not require any guarantees. The loan is determined based on the average annual total tax payment over the past two years. The key features of this product include its unsecured nature, utilization of tax payments as the loan amount basis, and a streamlined and expedited application process.

Tian Tian Dai C



To meet the regular financing needs of small and micro businesses, we have provided a revolving loan product “Tian Tian Dai C”. The main features of the product are: Clients can initiate withdrawal and repayment requests online; loan interest is calculated on a daily basis; loan repayment within seven days enjoys interest-free; one-time credit recycling.

Piao E Dai

“Piao E Dai” is a credit-only loan issued to small and micro enterprise owners based on the amount of value-added tax invoice of the operating enterprise. It is used for daily production and operation turnover of the enterprise. The main features of the product are: credit-only, pay interest first and principal after, with value-added tax invoice record as basis for granting credit.

Rong E Dai

“Rong E Dai” is a credit-only loan issued to individual small and micro enterprise owners. It is used for the pure credit loan of daily production and operation turnover of the enterprise. The main features of the product are: credit-only, equal loan payment, with operating cash flows of the enterprise as the main basis for granting credit.



Shui E Dai

“Shui E Dai” is a loan based on the tax data of small and micro enterprises as the main credit evidence and combines with anti-fraud data and risk scoring model. It is a loan issued to small and micro enterprise owners through the models of online application, automatic approval and self-lending. It is used for meeting the short-term production and operational capital needs of credit loan business. The main features of the product are: credit-only, pay interest first and principal after, with corporate tax amount as the main basis for granting credit.

Shangquan Dai

“Shangquan Dai” is a credit-only loan issued to individual commercial businesses and small and micro enterprise owners. It is used for the credit-only loan of its daily operation turnover. The main features of the product are: credit-only and pay-as-you-go.



Man E Dai

“Man E Dai” is a business that issues personal loans to individual commercial businesses and small and micro enterprise owners based on their operating conditions and repayment capabilities using real estate properties required by the Huirongtong Small Micro Loan Center as collateral. The main features of the product are: high credit limit and fast processing efficiency.

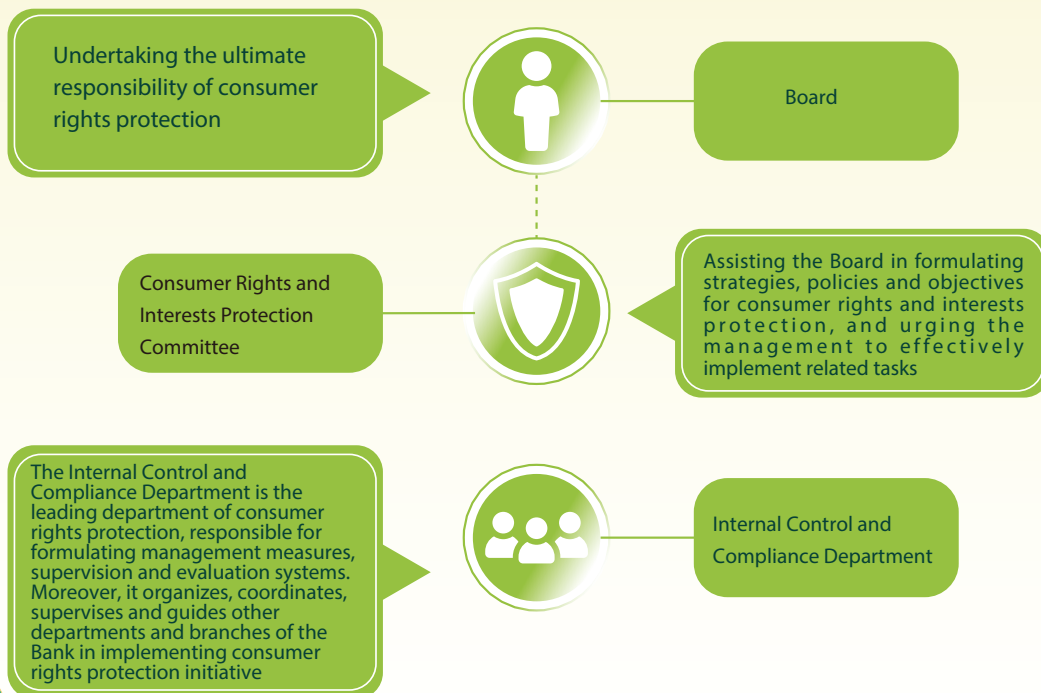
Integrating the “Omni-Channel Acquiring and Payment Platform”

In order to satisfy the “Internet + Online Business” service, during the Reporting Period, we integrated our payment channels by connecting with WeChat, Alipay, E-CNY, UnionPay, and other channels to provide payment products, including bank cards and barcodes. It also comprises multiple benefit systems, such as bonus points, vouchers, and red packets, which enrich our payment methods and improve customers’ experiences.

(2) Protect Customer Rights and Interests

The customer is the solid foundation for the development of the Bank’s business. The Bank strictly abides by the *Law of the People’s Republic of China on the Protection of Consumer Rights and Interests*, the *Implementation Measures of the People’s Bank of China for Protecting Financial Consumers’ Rights and Interests*, the *Guidelines of the China Banking and Insurance Regulatory Commission on the Protection of Consumers’ Rights and Interests in the Banking Industry* and other relevant laws, regulations and regulatory requirements. Based on the *Basic System of Financial Consumer Protection*, the Bank has formulated management policies such as the *Management Measures for the Protection of Personal Financial Information* and the *Management Measures for the Handling of Consumer Complaints*.

The Bank strictly adheres to the principle of customer-centricity. The Board of the Bank assumes the ultimate responsibility for safeguarding customer rights. The Consumer Rights and Interests Protection Committee, operating under the Board, is responsible for assisting the Board in formulating strategies, policies, and objectives for the protection of consumer rights and interests. It also oversees the effectiveness of the execution and implementation of the relevant policies. The Internal Control and Compliance Department, serving as the lead management department for consumer rights protection, is responsible for formulating the management measures and supervisory evaluation system for consumer rights protection. It organizes, coordinates, supervises, and guides other departments and branches of the Bank in conducting consumer rights protection work. These works aim to enhance the Bank’s service quality comprehensively, establishing a brand of high-quality service for Luzhou Bank.



In order to strengthen the publicity of financial knowledge, and help consumers to improve their financial literacy and ability to protect their own rights and interests, and create a better financial consumption and market environment, we have carried out a series of publicity and education activities such as “3.15 Consumer rights and interests protection publicity week”, “Publicize financial knowledge to keep your wallet publicity event” and “Financial consumer rights protection awareness month” in 2023, so as to promote the development of financial publicity and education to wider coverage and more financial fields by constantly enriching the form of publicity and innovating the content of publicity.

Publicity activities of “Financial Knowledge Popularization Month” series

The Bank launched the “Financial Consumer Rights Protection Publicity Month” campaign in 2023. The program focuses on basic financial information, common illegal financial activities, and the protection of personal financial information. It aims to raise awareness among target audiences, including university students, new citizens, middle-aged and elderly people, and rural residents. The campaign is organized in schools, villages, communities, business districts and enterprises. 39 reception counters were set up across 39 stores in Luzhou, Chengdu, Meishan and Suining. Over 30,000 copies of promotional materials were distributed, reaching an audience of more than 80,000 consumers. The public’s knowledge of engaging in lawful financial activities was raised by the campaign, which also provided guidance on how to appropriately safeguard their legal rights and interests.

Regular dissemination of financial information on WeChat official account

During the Reporting Period, we regularly disseminated financial information on our WeChat official account to raise the awareness of the general public to meet their daily needs.



(3) *Daily Customer Service Management*

The Bank puts the client as its top priority in daily operations to offer attentive services. We provide clients with exclusive and effective financial services. The Bank is revising the *Rules on Service Etiquette of Employees of Business Hall (Revised)*, *Implementation Rules for the Management of Services for Special Consumer Groups*, *Guidelines on Service Environment Management of Business Hall (Trial)*, *Guidelines on Service of Staff in Business Hall (Revised)*, *Service Specifications for Lobby Managers of Branches (Trial)*, *Implementation Rules for Service Specifications for Lobby Managers of Branches*, *Measures for Comprehensive Evaluation of Civilized and Standardized Service Quality*, *Measures for the Comprehensive Assessment of the Quality of Service in a Civilized and Regulated Manner (Revised)*, and *Measures for the Control of Quality of Service*. It aims to further develop a systematic and prescriptive service delivery system through systemic revisions. To further standardize the service procedure management, working order, and appearance of the branches, the Bank updated the *Regulations on the Service Etiquette of Luzhou Bank's Branches*, as well as the formulation and updating of *Regulations on the Management of Acquiring Business*, *Regulations on the Management of Outsourcing of Acquiring Business*, *Regulations on the Operation and Management of Call Centers*, *Regulations on the Implementation of the Management of 96830 Customer Service Hotline*, and *Regulations on the Implementation of the Management of Xiaoluyun Hall Video Bank* according to the service management requirements. It targets enhancing the overall quality and efficiency of the Bank, aiming to improve customers' satisfaction.

In terms of elderly customer services, during 2023, the Bank introduced automated features for identifying elderly customers. The system can automatically recognize elderly customers based on their phone numbers and ID numbers when they call in. Elderly customers who are over 60 years old will receive manual assistance automatically, removing the broadcasting of the voice function table, and improving the service experience for elderly customers. The Bank also provides convenient multi-channel services through Mobile Banking, Xiaoluyun Hall, and Bank to Home for mobile banking. These services aim to address the difficulties of distant and elderly customers, realizing dedicated service experiences of face-to-face consultation and remaining within homes.

The Bank has also established a hierarchical supervision and inspection mechanism for its services. The branches conduct monthly inspections on the quality and civilized services provided by tellers, the external image of the branches, the internal service facilities and equipment, and the management of on-site services. Moreover, the first level subbranches conduct quarterly inspections of their quality and civilized service. The Headquarters' Operation and Management Department conducts regular inspections of the management personnel's performance at all levels and assesses the service of branches in accordance with the requirements for inspection and operation management. The Bank also promotes a standardized service system and actively launches the standards certification for its branches. It coordinates and organizes lessons of service standards, self-assessment and service certification for all branches of the Bank. The Bank has successfully passed the standard certification assessment. One branch has been awarded the title of "National Standard 5-Star Branch", three branches have been awarded the title of "National Standard 4-Star Branch", and one branch has been awarded the title of "National Standard 3-Star Branch".

(4) *Seriously Handling Complaints*

The Bank places great importance to the complaints received during the Reporting Period. The *Administrative Measures for Handling Consumer Complaints* have been formulated in strict accordance with the regulatory requirements, including *Implementation Measures for the Protection of Financial Consumers' Rights* and *Regulations on the Management of Consumer Complaints in the Banking and Insurance Industry*. These measures aim to concretely implement the duties and requirements for the handling of complaints, strengthen the internal control processes, and improve the management system, operation mechanism, operation process, and product and service specifications.

The Bank has set up a special call centre with a hotline of 96830, along with designated reception areas for customer complaints at all branches. These services are dedicated to address customer inquiries and complaints promptly. The Bank attaches great importance to customer needs and concerns. We have established a standardized complaint process with clear roles and responsibilities to facilitate timely feedback from customers.

During the Reporting Period, the Bank's successfully relocated its call center to the Naxi Back Supporting Centre, and a showroom was established to enhance the office environment and brand image. The Bank has also introduced a call center customer service growth system and formulated the *Call Centre Customer Service Personnel Grading Scheme* and the *Call Centre Customer Service Personnel Position Performance Assessment Implementation Scheme*. It has formed a complete set of assessment and management mechanisms for customer service personnel.

The Bank are currently in the process of constructing a smart customer service system by building smart text customer service robots. The robots will provide 7x24-hour online customer services, allowing us to form a smart knowledge base across the Bank. It targets to develop a smart quality control function that ensures 100% coverage of customer service quality supervision. The project is still under construction and is planned to operate before June of next year.

The Bank's complaints management system for financial customers integrates complaints from all channels and maintains all records throughout the entire. It ensures the complaints are handled in an effective and standard manner.

The Bank provides training for relevant positions in consumer rights protection. It aims to continuously raise employee awareness of consumer rights protection and enhance their ability to handle related tasks. During the Reporting Period, the Bank's call center organized over 90 internal training sessions and invited external trainers to conduct on-site trainings. These trainings focus on improving service quality and complaint handling skills, including the identification of risk events such as Type 2 account-related incidents, fake e-receipts, and abnormal withdrawals from new accounts.

During the Reporting Period, the Bank received a total of 57 customer complaints. In terms of channels, 18 complaints were directly handled by the Bank, and 39 complaints were forwarded by regulatory authorities. In terms of distribution, all 57 complaints were from Sichuan Province. In terms of business types, 49 complaints were related to personal business complaints while 8 complaints were related to public business complaints. All customer complaints were handled promptly and properly. The complaint settlement rate and customer satisfaction rate were 100%. There were no large-scale complaints.

The process of handling customer complaints as follow:

1. Customer service staff will respond to customer complaints as soon as they received, and immediately transfer the cases to the internal control and compliance department in the financial consumer complaint management system after receiving customer complaints online.
 2. The internal control and compliance department shall handle the responsible organization, and the responsible organization will input the results into the financial consumer complaint management system upon completion of the process.
 3. The cases close after customer service staff having a return visit to the complainant.
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7.2 Information Security and Customer Privacy

The Bank strictly abides by the laws and regulations including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Guidelines on the Information Technology Risk Management of Commercial Banks* and with reference to the above laws and according to our own situation, formulates a series of management systems such as Policy for Management of Information Security, Measures for Management of Information Security, Network Security Emergency Plan and Measures for Management of Personal Financial Information Protection, which provides guidance, basis and an institutional guarantee for information security management and customer privacy protection. During the Reporting Period, the Bank has revised the Management Measures on Information Security to align with the new changes of information security management. These revisions further clarify the requirements of information security management across all security areas, which contained clearer structure and more information, to fully demonstrate the Bank's management requirements.

We are dedicated to the principle of "prevention first, security first" and guided by the ideology of "proactive defense and comprehensive prevention". We strengthen our information security framework through the construction of information security systems, norms, and standards. We also strive for systematic and standardized management of information technology. Meanwhile, we intensify information security inspections and trainings on information security awareness. Professional third-party organizations were engaged to perform information security assessments, ensuring timely detection of cybersecurity threats and vulnerabilities, to enhance our ability to safeguard information security and elevate our standards of information security management. In order to enhance information security awareness among the Bank's staff and bolster the protection of customer privacy, the Bank launched specialized training sessions on information security awareness during the Reporting Period. We also conducted investigations to identify hidden information security risks and supervised the rectification of any problems identified.

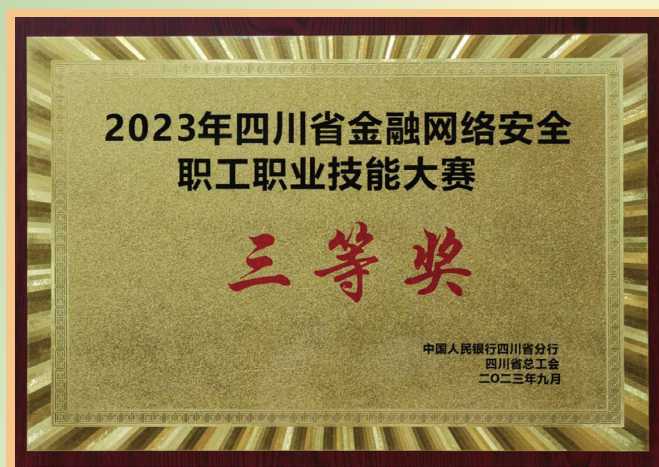
In terms of daily monitoring and management, based on the original network security protection measures, we have combined threat warnings, monitoring technology, traceability technology, protection technology and other fields, to establish a proactive defense network security system. We have developed a complete set of measures for monitoring and managing network security alerts, real-time monitoring, correlation analysis and swift response. With technical limitations, the outsourcing service provider is prohibited to access personal information. Additionally, the outsourcing service staff are prohibited from connecting the networks and drives of the Bank to their own computers and mobile storage devices. These measures reduce the risk of personal information being leaked by outsourcing service providers.

To address information leakage incidents, the Bank has formulated the *Emergency Response Plan for Personal Financial Information Leakage*. This plan clarifies the organizational structure for handling such incidents, the classification and grading for leaks, and the emergency handling schemes and measures for relevant scenarios. It aims to minimize the occurrence and impact of leaks.

In order to consistently enhance the awareness of personal financial information protection among all Bank staff and strengthen internal supervision and management, the Bank has initiated investigations on personal financial information security. All departments are required to conduct self-inspections of their performance of personal financial information security in accordance with the system, and supervising the rectification of any problems found, to further eliminate potential security risks. It is essential for all departments to diligently fulfill their responsibilities, strengthen control measures in critical areas, and protect personal financial information in a compliant and steady manner.

The Bank won the Third Prize of “Sichuan Financial Cybersecurity Employee Vocational Skills Competition”

The Bank attaches great importance to the development of its information security team. In September 2023, the Bank’s information security team participated in the “Sichuan Financial Cybersecurity Employee Vocational Skills Competition” and won the Third Prize of the highly competitive “Sichuan Financial Cybersecurity Employee Vocational Skills Competition”.



During the Reporting Period, the Bank has conducted a range of training sessions on information security, including information security awareness for new employees, skills for information security specialists, and reinforcing information security awareness for current staff. Different training contents are provided to different groups to strengthen their understanding and awareness of information security.

Conducting specialized training of “Personal Financial Information Protection”

During the Reporting Period, the Bank has conducted specialized training of “Personal Financial Information Protection,” delivered by an experienced tutor with over 20 years of experience in financial institutions. The training sessions aimed to ensure the Bank’s staff fully understood the importance of safeguarding personal financial information. Thus, our staff diligently adheres to the relevant confidentiality system, keeps the financial information appropriately, executes the responsibility of the information system operations, and standardizes the process of information extraction and assessment.

In terms of data quality, we have formulated the *Measures on Data Quality Management*” and established information quality control targets, set up information quality control mechanism. The Bank conducted on-going constructions of EAST and 1104 systems and achieved the information standardization system acquisition on EAST5.0 and others and the early monitoring of information quality at pre-delivery stage in accordance with regulatory requirements. We continuously follow up the entire life cycle for the generation, analysis and closure of information quality issues, and carry out regular quality inspections on basic information and supervisory statistical report information every year.

7.3 Protect Intellectual Property Rights

The Bank respects intellectual property rights and prioritizes brand management. In our daily publicity efforts, we strictly adhere to 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 related to the advertisement and labelling of products and services. The Bank has formulated the *Administration Measures for External Publicity*, the *Code of Conduct for External Press Releases and of Employees’ Response to Media*, and the *Employee Code of Conduct on Reputation Risk Management*, to effectively guard against legal risks relating to intellectual property rights in publicity and marketing activities, as well as to improve our brand management system. In accordance with the *Reputational Risk Management Measures (Trial)* of the China Banking and Insurance Regulatory Commission (“the CBIRC”), the Bank has formulated the *Administration Measures for Reputation Risks* and the *Emergency Response Plan for Reputation Risks* to further clarify the management norms of the Bank’s external publicity and response to public opinion risk.

In order to enhance the management of public opinion prevention and control, the Bank established the Reputational Risk Management Committee under the Comprehensive Risk Management Committee. The committee effectively promotes public opinion prevention and control in accordance with the public opinion prevention and control requirements of “Prevention First, Opinion Active”. In addition to enhancing daily monitoring, we improve expectations management, actively address sensitive information, and proactively conduct positive publicity campaigns, thereby strengthening the Bank’s reputation.

The Bank actively conducts and implements management measures related to intellectual property rights and brand management. The Bank also prepares well in advance for significant events and establishes strategies to handle special situations, including the following measures:

Continuous Monitoring on Public Opinion	Cooperating with public opinion monitoring companies and our in-house public opinion monitors to carry out 365x7x24-hour monitoring.
Convene an Analysis Meeting on Public Opinion	During special events such as the disclosure of annual reports and interim reports, the National People's Congress and the Chinese People's Political Consultative Conference, 315 Consumer Rights Day, and the National Day, the public opinion consultants and related business departments will convene an analysis meeting on public opinion to form standard response procedures.
Conduct Reputational Risk Stress Assessment for Branches	Through the stress tests, the Bank has identified various problems and improvement measures encountered in handling unexpected public opinion incidents. Regarding the problems revealed by the stress test, we conducted a concluding training session on the reputational risk stress test for the branches, in which we analyzed the identified problems and focused on enhancing our ability, so as to improve the branch's capacity to handle emergencies in public opinion.
Shooting Educational Videos	Shooting and distributing videos about positive and negative cases in response to media interviews, and popularize the relevant knowledge of reputational risks to employees in an understandable manner.
Carrying Out Annual Public Opinion Management Training and Field Exercises	Carrying out annual public opinion management training and field exercises to improve the ability and standard of employees from all departments in dealing with reputational risks.
Carrying Out Annual Reputational Risk Investigation	At the end of each year, the Bank organizes an annual reputation risk review involving all staff members. This review aims to strengthen the ability of identification, monitoring, control, and response to reputation risks. It involves analyzing the main driving factors and transmission channels of our reputation risks, as well as evaluating the current status of our reputation risk management.

The Bank attaches great importance to intellectual property rights and will guard against legal risks associated with such rights in its promotional activities. In 2023, the Bank continued to implement the *Basic System of Legal Affairs of Luzhou Bank* and the *Notice on Standardizing the Management of Intellectual Property Rights*, aiming to establish a unified management system for intellectual property rights across the Bank, while also standardising the division of responsibilities and management. Regarding advertising and general information dissemination, there is a review process. It requires approval from the branch leaders of advertising before dissemination. Meanwhile, we strive to strengthen the management of external advertisements, ensuring that external advertisements are standardized and unified, and boosting Luzhou Bank's reputation.

We ensure timely declarations and registrations of intellectual property rights in respect of trademarks and patents that are developed in the course of our operations and management. We also require the agreements in respect of information technology and publicity activities, which may involve the production of intellectual property outcomes, to include the protection of intellectual property rights. To prevent any infringement on the intellectual property rights of others and enhance the examination of external advertisements and information dissemination, the Bank focuses on evaluating whether unauthorized use of the intellectual property rights of others exists. It ensures that external information dissemination is conducted in a lawful and compliant manner.

7.4 Promote the Brands Actively

The Bank is committed to building itself as an innovative and influential brand. In 2023, the Bank has signed agreements with various types of external promotion channels, including outdoor advertising, cinema collaborations, broadcasting, and naming hall, proactively using its social media platforms to ensure the timely and widespread distribution of promotional content online and offline. During the year, the Bank released 57 external promotional posters to celebrate solar terms, holidays, and special events. These posters aimed to demonstrate positive corporate image to our customers. We launched intensive brand promotion activities during traditional festivals and special events, enhancing the loyalty and satisfaction of customers.

During the Reporting Period, the Bank conducted publicity campaigns for the fifth anniversary of its listing. The campaigns were carried out through various channels, including offline branches, online WeChat official accounts, and well-known supermarkets in Luzhou. The collaboration programme with Huitong Supermarket, where customers using bank cards of the Bank could enjoy price reduction on purchases exceeding specific amounts, thus delivering actual benefits to our customers. The promotional events spanned four days and attracted 4,712 visits, with the fastest quota depletion time being just 8 minutes after the opening of the Huitong Supermarket. A total of 24,193 participants took part in the online lottery game. 3,000 customized gifts for the fifth anniversary were distributed, and the number of links shared on Wechat Moments reached 10,000 times. It effectively enhanced the brand reputation and popularity, as well as fostering a sense of cohesion, centripetal force, and pride among the staff.

In the future, the Bank will explore a wider range of publicity channels to enhance the brand influence of Luzhou Bank. The Bank strives to become a local commercial bank with distinctive characteristics and strong brand influence, while increasing the opportunities for consumers to engage with our brand.

8. Caring for Employees and Cultivating Future Talents

Employees are the essential cornerstone that keeps the Bank's operations growing steadily. Thus, the Bank follows the principle of "Talents Refine the Bank", consistently maintains our corporate culture of "enduring love for finance, enduring love for Luzhou Bank, and enduring love for the Bank's employees," and steadfastly supports the idea of people-oriented development. It also has put into practice a more precise human resources policy of "selection, education, employment, and retention" and created a new kind of human resource management system that offers powerful incentives and useful restraints for the mutual growth of employees and enterprises. Through constant improvement of the talent acquisition and appointment process, competitive pay and benefits packages, a scientific and flawless training system and an equitable and seamless promotion pathway, the Bank offers enough support for the growth of employees' careers.

8.1 Employment Management and Employee Rights

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 Protection of Minors* and the *Provisions on the Prohibition of Using Child Labour*. Accordingly, the *Management Measures for Selection and Appointment of Managers (2021 Revision)*, the *Management Measures for Labor Contracts of Luzhou Bank (2022 Revision)*, the *Management Measures for Staff Recruitment of Luzhou Bank (2023 Revision)*, the *Management Measures for Assistant Staff of Luzhou Bank (2023 Revision)*, the *Management Measures for Employee Position Performance Appraisal of Luzhou Bank (2023 Revision)* have been formulated or revised to ensure and clarify the rights and obligations of both parties, and provide a system for talent selection and employment of the Bank.

In the process of recruitment, hiring, renewing, or terminating employee contracts, the Bank strictly abides by legal procedures, the principle of equal employment and equal pay for equal work, encourages and respects talent diversity, and treats employees of different gender, age, nationality, and cultural background fairly, and prevents any discrimination. We prohibit and resist any form of child labour or forced labour, and conduct internal supervision on the above situation. Each job seeker must provide information about the personal information, educational background, qualifications, and work experience for review by the human resources department, which enables us to hire appropriate candidates according to position and job requirements and avoid employing child labour. The Bank's employment and dismissal policies are formulated in strict compliance of laws and relevant regulations with focuses on making reasonable and legal decisions. We are dedicated to creating harmonious labour relations and strive to create better development opportunities for employees.

Carrying out school recruitment

We conducted school recruiting during the Reporting Period in an effort to bring in higher caliber personnel that better fits the Bank's development requirements. By increasing publicity channels and enhancing inspection aspects – including reshooting school recruitment promotional videos based on the younger and more diverse characteristics of its school recruitment efforts – the Bank continued to improve the caliber and effectiveness of its work in school recruitment. In order to maximize the interview screening process and enrich screening dimensions, the Bank simultaneously increased publicity coverage through a variety of methods or channels, matched business needs with job requirements, thereby further identifying exceptional talents that meet the development needs of the Bank.



The Bank strictly abides by the requirements of national laws and regulations, fully guarantees employees' right to leave, and arranges employees' working hours in strict accordance with national requirements. The Bank encourages employees to improve work efficiency and complete work within normal working hours as opposed to working overtime. For employees who work on national statutory holidays due to work needs, their overtime wages are calculated in accordance with relevant national regulations. Meanwhile, the Management Measures for Employees' Leave of Luzhou Bank are continuously improved, and the relevant approval processes and regulations are listed to fully protect employees' sick leave, personal leave, marriage leave, maternity leave, nursing leave, parental leave, bereavement leave, family leave, and paid annual leave. etc. The Bank also regularly follows up and collects statistics on the leave situation of each branch, and urges each branch to promptly carry out employee rest and vacation guarantee work.

Employment status of the Bank in 2023

Number and proportion of employees by gender

	Number of employees	Proportion (%)
Number of employees in the current year	1,445	
Male	629	43.5%
Female	816	56.5%
Number of employees by age		
Under 30 years old (exclusive)	386	26.7%
30 to 50 years old (inclusive)	951	65.8%
Above 50 years old (exclusive)	108	7.5%
Number of employees by region		
Luzhou	1,028	71.1%
Regions outside Luzhou	417	28.9%
Number of employees by employment type		
Formal contract employees	1,287	89.1%
Dispatched labour	158	10.9%

Employees' turnover of the Bank in 2023

Summary of employee turnover in the current year

Number of employees resigned	42
Turnover rate ¹	2.9%
Employee turnover rate by gender²	
Male	3.2%
Female	2.7%
Employee turnover rate by age²	
Under 30 years old (exclusive)	5.4%
30 to 50 years old (inclusive)	2.2%
Above 50 years old (exclusive)	0.0%
Employee turnover rate by region²	
Luzhou	2.8%
Regions outside Luzhou	3.1%

¹ Employee turnover rate= Number of employees leaving in the category/Total number of employees in the category.

² Employee turnover rate in each category=Number of employees leaving in the category/Total number of employees in the category at the end of the period.

Employee training in 2023

Total number of trainees in the current year	1,437	Total training time in the current year (hrs)	62,089.7 hrs
Number of Senior management trainees	13	Total time of senior management training	396.0 hrs
Number of Middle management trainees	203	Total time of middle management training	7,003.5 hrs
Number of Junior management trainees	234	Total time of junior management training	7,985.3 hrs
Number of Staff trainees	987	Total time of staff training	46,704.9 hrs
Number of Male trainees	624	Total time of Male training	26,507.0 hrs
Number of Female trainees	813	Total time of Female training	35,582.7 hrs
Percentage of Senior management trainees ³	0.9%	Average hours of senior management training ⁴	30.5 hrs
Percentage of Middle management trainees ³	14.1%	Average hours of middle management training ⁴	34.5 hrs
Percentage of junior management trainees ³	16.3%	Average hours of junior management training ⁴	34.1 hrs
Percentage of Staff trainees ³	68.7%	Average hours of staff training ⁴	47.3 hrs
Percentage of Male trainees ³	43.4%	Average hours of Male training ⁴	42.5 hrs
Percentage of Female trainees ³	56.6%	Average hours of Female training ⁴	43.8 hrs

Employees' injury and death from work in 2023

Employees' health and safety	2023	2022	2021
Number of employees who died at work	0	0	0
Mortality rate at work (%)	0	0	0
Number of employees who injured at work	0	1	2
Number of lost working hours due to work injury	0	10	30

³ Percentage of Employees Trained = Number of Employees Trained of This Category/Total Number of Employees Trained.

⁴ Average Training Hours of Employees = Total Hours of Training of Employees of This Category/Number of Employees of This Category.

The Bank firmly believes that a competitive employee remuneration and smooth promotion system is the key to attracting and retaining talents. As a result, we put in place a market-driven compensation structure that takes into account employees' performance and ability. The Bank upholds the tenets of "pay for position, pay for ability, and pay for performance," tightly ties performance-based compensation to employee performance, and provides reasonable compensation and incentives for employees' efforts. Regarding employee promotion, we have established a dual channel of employee salary promotion, expanded the salary promotion space of professional sequence employees, and built a communication link between management sequence and professional sequence salary, providing an institutional basis for employee promotion.

We formulated the *Implementation Rules for Deferred Payment and Recourse for Rebates of Performance Remuneration of Luzhou Bank (2023 Revision)*. Throughout the year, the system was revised based on the actual work situation of the Bank, including adjusting the scope of branches to which the adjustment measures are applicable based on the current situation of our organizational structure, and clarifying that the implementation details formulated by branches must be submitted to the head office for approval before implementation, as well as adjustments to the deferred payment ratio of certain personnel.

The Bank strictly abides by laws and regulations of the state and local governments on employee welfare, and establishes a welfare system based on basic pensions, basic medical insurance, unemployment insurance, work injury insurance and maternity insurance, government-type supplementary medical insurance as well as housing funds, and establish a reasonable supplementary welfare system covering enterprise annuity and supplementary medical insurance system, to improve employees' medical security and retirement benefits. We will continue to review the latest employment-related regulations and market conditions, and promptly optimize the construction of welfare security system to maintain the competitiveness of the Bank.

We believe that developing strong employment regulations requires employee input. As a result, the Bank has set up an easy way for staff members to provide opinions and suggestions. In order to comprehend employee thoughts and recommendations, hear their voices, and actively incorporate employees' rights and interests into our employment policies, every year, the Bank pays attention to employment dynamics and needs through one-on-one communication, daily visits, and surveys.

8.2 Employee Training and Development

The Bank aspires to expand the forms and platforms of employee training since it views career growth and training of employees as one of our primary responsibilities. To this end, we have formulated relevant systems such as the *Management Measures for Staff Training*, the *Management Measures for the Work of "Super Team" of Luzhou Bank (2022 Revision)*. During the year, we have revised the *Management Measures for Employee Continuing Education of Luzhou Bank (2023 Revision)* to further optimize the training system and mechanism so as to deepen the construction of the talent training system, and provide employees with diversified vocational training to improve the management members of managers and the business skills of employees.

In order to create a multi-level talent training framework, the Bank offers various training based on the real circumstances of various development stages, business lines, and employee ability and quality. To effectively give workers a variety of vocational trainings, we continuously expanded the training platform, innovated training content and training mode, enriched training resources and improved the talent training mechanism. We also take the organizational form of "online and offline, internal and external training, business and management, daily and special, head office and branches complementation", and continue to promote talent training projects such as induction training for new employees, training project for young reserve cadres, leadership training for middle-level managers, international and domestic high-end financial qualification certification training, education promotion class of Southwestern University of Finance and Economics, etc., which effectively improve employees' business capabilities and skill levels.

The Bank attaches great importance to the long-term career development of employees and adheres to the people-oriented principle. In order to further unblock the career development channel, we revised the *Management Measures for Cadres and Talents of Luzhou Bank*, the *Management Measures for the Selection and Appointment of Managers of Luzhou Bank* and other systems, dividing the career development channel of employees into "management channel" and "non-management channel", clarifying the promotion rules and requirements, and providing institutional guarantee for the promotion of employees, ensuring that talents can reach their full potential in the best positions. Meanwhile, by setting development goals in stages, regularly evaluating the growth condition of employees and guiding employees to self-planning, self-improvement and self-motivation to stimulate employee' intrinsic motivation, the Bank can enhance the capabilities of our employees and maintain our competitiveness in response to the ever-changing economic and business environment.

The Bank also conducts regular annual talent review to ensure that outstanding employees display their talents in appropriate positions. Through the talent review programme, the Bank realized a new reform of the Bank's cadre talent management from system and mechanism to implementation measures, systematically reshaping the cadre talent management system, building a new "non-management channel" outside the "management channel", realizing the parallel of such two channels, unblocking the employee promotion channel and improving the employee evaluation mechanism.

During the year, the Bank successfully completed its first human resources management coaching programme and continued to optimize the programme, effectively broadening the breadth, depth and precision of the coaching programme and making the training more focused, including:

- the addition of "professional counseling", which invites authoritative experts in professional fields such as "risk, technology, and data" to exchange and collide ideas with the Bank's institutions.
- the addition of "on-the-job coaching", which invites experts to go deep into the actual work scenarios of managers, and perform "one-on-one" follow ups, thereby conducting targeted analysis and putting forward management suggestions.
- the addition of "cultivation of key personnel" programme, such as cultivating members of the super pioneer training camp for high-potential talents, to effectively combine excellent counseling resources with strengthening reserve training and optimizing the cadre echelon.

Carrying out expansion activities for the Super Team

During the year, we further improved the quality and effectiveness of our expansion activities by subdividing activity groups, broadening activity themes, and innovating activity forms. In 2023, we have recruited new members for the Super Team, conducted the super pioneer training camp and team expansion activities with a total of 200 people participating, which further strengthened the team's cohesion and collaboration, and enhanced the team members' collective sense of honor, belonging and fighting spirit.



Conducting special training on “Practical Drills on High-Quality Service for Counters and Halls”

In order to continue to deepen the client-centered service concept and improve service efficiency, the sales department hired external professional lecturers to organize practical training on high-quality service for counters and halls on 25 September 2023. The training session was carried out from three aspects: standardized service, to surprise and touch, and practical exercises. By using realistic cases as a starting point to explain matters in a simple and in-depth manner, and based on specific service scenarios, practical scenario-based case exercises were carried out to enable employees to master customer service skills and proactively analyze client needs, and guide clients to quickly handle business through the most suitable channels and continuously improve the Bank's service efficiency.



Conducting special training on “Account Risk and Service Improvement”

In order to improve the quality of account services, the head office gathered front desk staff to hold account risk and service training on 16 and 17 November 2023. Through case analysis, sales talk explanations, experience exchanges, etc., the training focused on teaching how to identify and prevent telecommunications network fraud, money laundering and other illegal activities, and improved the risk prevention and control awareness and risk identification capabilities of employees across the Bank. Therefore, while effectively protecting the safety of consumers’ funds, we could also improve customer service quality and maintain the safe and stable operation of the financial market.



The addition of green credit-related content to the course of “Learning Experience Regarding the Spirit of the Latest 20th National Congress and Interpretation of Macroeconomic and Financial Situations”

During the Reporting Period, the Bank added green credit-related content to the course of *Learning Experience Regarding the Spirit of the Latest 20th National Congress and Interpretation of Macroeconomic and Financial Situations* to guide each business organization to “promote green development and steadily promote the Carbon Neutrality and Carbon Peak target”. At the same time, the Bank actively issued the latest regulatory policy requirements on green credit and relevant guidance documents on the identification and recognition of green credit to deepen the understanding of green credit by various marketing agencies. We also actively guided various marketing agencies to carry out green credit identification and marketing work, and continued to promote the development of green credit of the Bank.

8.3 Employee Health and Safety

The Bank cares for the safety and physical and mental health of its employees. Therefore, the Bank strictly abides by the *Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases*, *The Fire Control 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 *Basic Safety Management System*, the *Safety Inspections Administrative Measures* and the *Implementing Rules for the Safety and Security Work on Legal Holidays*, thereby promoting the establishment of a safe and comfortable working environment in an all-round way so that employees can concentrate on their work.

The Bank actively provides a safe working environment from multiple dimensions and actively improves office conditions. For example, we set up complete ventilation, air conditioning, dustproof and radiation protection facilities in the office to keep the working environment clean and hygienic.

We have signed the *Collective Contract on Labor Safety and Health Program* to further standardize the behavior of both enterprises and employees in production and business activities, strengthen the management and supervision of production safety, prevent and reduce the occurrence of production safety accidents, and safeguard the legitimate rights and interests of employees in safety and health, so as to promote the steady development of enterprises. We have also organized annual physical examinations for all employees of the Bank. Employees could choose appropriate physical examination items based on their age and health conditions. We have also taken out female employee critical illness insurance from Sichuan Mutual Aid Association for all female employees of the Bank to strengthen the health protection of female employees.

Regarding the terms of reference for employee safety, the entire bank’s security work is overseen by the security work leading group, which is constituted in the head office. To carry out management duties at all levels, we established security working groups in branches and first-class subbranches, as well as security officers in all departments and outlets.

During the Reporting Period, the Bank conducted safety education and learning initiatives to raise staff members' understanding of safety, drawing on the "Safety Production Month" and "Fire Protection Awareness Month" events. In order to look into and address any potential safety issues, we planned and executed six particular measures, including the "Safety Inspection During the New Year's Day and Spring Festival", "Safety Production to Welcome Great Fortune, Ensure Safety, and Concentrate on Rectification Special Actions", "Special Investigation and Rectification of Fire Safety Hazards", "Special Investigation and Rectification of Major Accident Hazards 2023", "Investigation and Rectification of Potential Safety Hazards of Falling Exterior Walls of Existing Urban Buildings" and "Inspection and Rectification of Potential Safety Hazards of Elevators", aiming to pay close attention to important risk areas such as business premises, business data bank, and self-service banks, as well as important risk factors such as the construction and operation of security facilities, fire protection, and security escorts, etc. We focused on hidden dangers such as facility and equipment failures, illegal violations, and safety management deficiencies to comprehensively understand and dynamically grasp the number of hidden dangers of major safety accidents, resolutely curb the occurrence of major safety accidents, and promote the continuous and stable improvement of the safety production.

Carrying out fire evacuation drills to strengthen emergency management

In order to increase staff fire safety quality and emergency avoidance skills, as well as to enhance fire safety management level, the Bank replaced training with realistic evacuation exercises simulating realistic evacuation environment from a piratical perspective.



Carrying out “Safety Production Month” activities

During the Reporting Period, the Bank carried out the “Safety Production Month” activities, which mainly aimed to organize safety learning and improvement-related training on the Company’s WeChat account, including organizing and carrying out training on required knowledge with the slogan of “Everyone talks about safety and everyone knows how to respond to emergencies”, carrying out knowledge training titled “Learning the risks of fire operation”, and watching the “Please take safety seriously” production safety story educational film, etc.



Carrying out “Sending Coolness in the Summer” campaign

During the Reporting Period, we provided each employee with cooling items to prevent heatstroke and over-the-counter medicines for home use to protect the health and safety of employees.

The Bank always pays attention to the physical and mental health of employees. We provided annual physical examinations for employees and contacted local public hospitals to provide customized physical examination plans for employees suitable for their age and health status. If there are obvious health hazards found in the physical examination, we will appropriately adjust the work post and intensity depending on the situation. During the year, we invited experts from the Affiliated Hospital of Southwest Medical University and the Affiliated Hospital of Traditional Chinese Medicine of Southwest Medical University to give health lectures and on-site consultations, and guide employees to regulate their emotions, relief pressure, prevent diseases and pay attention to their health through collective guidance and individual counselling.

The Bank continued to build a "Staff Home", cared for employees in different ways, and actively respond to the reasonable demands of employees. This year, we earnestly did a good job in the "Seven Must-visits" consolation work, and in case of employees' pregnancy, illness, marriage, funeral, etc., we sent employees union consolations and care in time. The Bank continued to carry out traditional festival greetings, "Sending Coolness in the Summer", "Golden Autumn Student Support" and other care activities to make employees feel the care of the union. We pay attention to and care for the physical and mental health of female employees, organize female workers' activities on March 8 Women's Day every year, and has successfully established "Sichuan Provincial Mommy and Baby House Demonstration Site" and other for female workers care positions. We continued to strive to provide employees with a variety of cultural and sports activities, such as the spring run-off with the title of "Welcome the New Year and the Future, Run with Joy and Wonderfulness", the "Gathering Strength and Pursuing Dream Together" staff sports meeting, the "Gathering Strength to Sustain Glory" micro-video collection and selection, the "Cultivating Literary and Intelligence in State-owned Enterprises, Reading to Realize the Original Aspiration" book donation and reading campaign.

During the Reporting Period, the Bank carried out more than 100 cultural and sports activities for employees, such as reading sharing sessions, movie watching, Children's Day theme activities, outdoor team building, go-kart competitions, etc., which received active participation and praise from employees. The Bank successfully hosted the "Luzhou Bank Cup" State-owned Assets System Basketball Game, Luzhou Financial System Light Volleyball Game and other large-scale events in the city and provided logistical service support for the Bank's participating teams. The light volleyball team formed by the Bank's employees stood out among the 31 financial system participating teams in the city and won third place with outstanding results. In order to showcase the vitality of our employees and to bring honors to our city and the Bank, we actively created teams to compete in the Luzhou City Staff Light Volleyball Tournament, the Xinglu Soccer Invitational Tournament, and several provincial and municipal badminton events.



The Spring Run-off



Basketball game activity



Women's Day activities

The Bank attaches great importance and actively responds to the marriage and love issues of single young employees. We cooperated with the Luzhou Municipal State-owned Assets Supervision and Administration Commission and the Luzhou Municipal Health and Health Commission to organize the “Destiny is You” single employee social gathering, and contacted local enterprises and institutions such as Guojiao, Luzhou Airport, Luzhou TV Station to carry out social activities for single employees, striving to build a high-quality dating platform for employees.

9. **Green Development and Promote Low-carbon Transformation**

As the Bank adheres to the concept of green development and respond to the national policy of “Carbon Neutrality and Carbon Peak” and the underlying economic work of “prioritize stability while pursuing progress”, we actively issue guidance documents on green credit and green operation, continued to develop green credit business, actively encourage various industries to put effort in environmental protection, and promote sustainable development of the society. Meanwhile, the Bank makes energy conservation and emission reduction an important work. In 2023, we set up an overall credit strategy of “compliance with the law, controllable risk; optimization of investment orientation, preferential support; innovation of services, and improvement of efficiency”, stipulated the relevant systems of green credit structure, and continuously promoted the development of green credit of the Bank. The Bank is committed to reducing the environmental impacts of its operations and actively advocating green office.

9.1 Environmental Targets

In 2021, based on its own situation and future development plan, the Bank has formulated appropriate environmental targets, including emission reduction targets, non-hazardous wastes reduction targets, hazardous wastes handling targets, water conservation targets and energy saving targets, and implemented a number of environmental protection actions. We will regularly check the realization of the targets. The progress of this year's targets are as follows:

Emission Reduction Target: Progress in 2023	Based on 2021, it is planned to reduce greenhouse gas emissions per capita by 5%. The Bank's per capita greenhouse gas emissions increased compared with 2021. In the future, the Bank will make efforts to implement carbon emission reduction plans and encourage staff to reduce emissions in daily operations, so as to successfully achieve the emission reduction target.
Non-hazardous Wastes reduction targets: Progress in 2023	Based on 2021, it is planned to reduce the per capita disposal of non-hazardous wastes by 5% by 2026. The Bank's non-hazardous waste disposal volume increased compared with 2021. The Bank will continue to maintain the management of non-hazardous waste and reduce its discharge.
Hazardous Wastes handling targets: Progress in 2023	100% of waste lead-acid batteries are treated by qualified suppliers every year. The Bank has engaged qualified subcontractors to deal with hazardous waste in compliance this year.
Water Conservation Target: Progress in 2023	Based on 2021, it is planned to reduce tap water consumption per capita by 5% by 2026. The Bank's per capita tap water consumption increased slightly compared with 2021. The Bank will strengthen water consumption management and raise employees' awareness of water conservation to help the Bank achieve its environmental targets.
Energy Saving Target: Progress in 2023	Based on 2021, it is planned to reduce per capita power consumption by 5% by 2031. The Bank's per capita electricity consumption increased compared with 2021. The Bank will strengthen power consumption control in the future, strengthen staff awareness of power saving to help the Bank achieve the energy-saving targets.

9.2 Green Finance and Credit

The Bank adheres to the concept of green development and is of the view that green credit is an important tool to address the challenges posed by climate change. As such, we actively develop green credit to promote investments in environmental protection from various industries. The Bank put into the practice of the *Notice by the China Banking and Insurance Regulatory Commission of Issuing the Guidelines on Green Finance for the Banking and Insurance Industries*, the *Guiding Opinions on the Credit Work for Energy Conservation and Emission Reduction*, the *Opinions on Green Credits* and relevant regulations, and modernized the *Strategy for Green Credit Development* during the Reporting Period. We have made revisions and improvements on green credit development targets, green credit financing support enhancements, green credit business process and other aspects, so as to actively respond to climate change and fulfil social responsibility.

In 2023, the Bank continued to support green environmental protection, clean energy, circular economy and other industries and corporate projects, focused its credit funds to related industries, and actively supported the addressing of climate change around the green credit development targets to fulfil social responsibility. The Bank has established a sophisticated organisational structure with the responsibilities of each department which clarified and set the access standards and system for green credit projects and implemented “one vote reject mechanism” to reject the projects and enterprises that violate national policies and may have a significant adverse impact on the environment and society. At the same time, we have comprehensively sorted out the working measures of green credit according to the loan management procedures and optimized relevant working measures. Also, we regularly organize internal audits on green credit. Accountability should be executed in accordance with regulations in case of any major issue and ensure the sustainable and effective development of green credit through corresponding incentive and restraint measures, fully demonstrating our determination to assist in promoting green finance.

We insist that credit access of green credit shall comply with national industries and environmental protection policies. We strictly limit the granting of credit to clients that has seriously violated the laws and regulations and possess major risks, as well as strengthen the assessment of environmental and social risk factors of loans when approving the grant of credit. It is required that the projects that were proposed to be credited shall comply with “six necessary conditions”, including industry policy, environmental protection, land use, resources utilization, urban planning, safety, and others.

In 2023, the Bank’s green credit funds were mainly used for the manufacturing of green building materials, comprehensive utilization of mineral resources, comprehensive utilization of urban and rural domestic wastes, construction and operation of solar energy utilization facilities, construction and operation of urban water supply pipe network zoning measurement and leakage control, promotion of organic food certification and others. As of 31 December 2023, the balance of green credit funds amounted to RMB468 million, representing an increase of RMB167 million and a growth rate of 55.48% as compared to the beginning of the year.

This year, the Bank has completed the revision of *Measures on the Management of Green Finance of Luzhou Bank*. The system has comprehensively sorted the management measures of green credit as formulated in accordance to the loan management process involving pre-loan investigation, mid-loan review and approval to post-loan management. The system also optimized work measures, including pre-loan investigation and review and approval highlights, loan entry, restricted entry, post-loan key management measures and other measures. We have also formulated the *2023 Credit Investment Guidelines of Luzhou Bank Co., Ltd.* to effectively serves as a guidance for the industry's credit direction and promote the optimization of credit structure.

Provision of Green Financing to Construction Materials Manufacturing Enterprises

During the Reporting Period, we provided financing of RMB4 million to Sichuan Shengzhong Energy Saving Technology Co., Ltd., which specializes in the production of ready-mixed mortar and dry-mixed mortar. It is a new construction materials manufacturing enterprise that integrates high technology, green environmental protection and energy saving. So far, it has obtained a total of 42 patents in mortar related fields. Based on our understanding, the prohibition of mixing dry-powder mortar on-site has become a policy trend in major cities. Our credit support will help promote the development of energy saving and environmental protection industries.

Provision of Green Financing to Food Enterprises

During the Reporting Period, we provided financing of RMB10 million to Luzhou Juwo Agricultural Development Co., Ltd, which is mainly engaged in the purchase and sales of food, and a certificate holder of organic product certification that provides raw materials for wine brewing, such as high-quality sorghum and organic wheat, to well-known liquor enterprises in Sichuan and Guizhou. It has been awarded the Excellent Private Food Enterprise by the Grain and Material Reserve Bureau of Hejiang County, and has been awarded the Excellent Supplier by Renhe Liquor Co., Ltd. in Maotai Town, Renhuai City, Guizhou Province and Guizhou Zhitai Liquor Co., Ltd.. Our credit funds have helped develop the green organic industry.

9.3 Green Office Measures

Abiding by 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 *Management Measures for the Computer Consumables*, the *Management Measures for the Business Facilities at the Head Office* and the *Management Measures for the Use of Official Vehicles of Luzhou Bank*. The Bank actively responds to the national policy of "Carbon Neutrality and Carbon Peak", promotes relevant measures for green operation based on its actual situations, and actively reduces resources consumption and pollutant emissions. In 2023, the Bank strived to reduce its own energy consumption and promoted low-carbon development by saving water and electricity and paper, implementing waste separation, and expanding green projects. At the same time, we purchase new energy vehicles as official vehicles, take multiple measures to further respond to the call of energy conservation and emission reduction, and endeavour to practice energy conservation and environmental protection in daily work.

(1) *Water and Electricity Conservation*

In order to achieve the environmental targets set by the Bank efficiently, we have taken a number of water and electricity conservation methods, including the following measures:

- We install sensor faucets to avoid wasting water resources, and post water conservation slogans in pantries and bathrooms;
- We also encourage all department offices not to turn on or turn on less lights when there is sufficient light and require all employees of the Bank to turn off the lighting, air conditioning and power supply, etc in a timely manner after work, and turn off the lighting in public areas. For stairs and corridors that are rarely used, voice-activated sensors were used to turn on the lightings. On each floor, lightings in the changing rooms and reception rooms, as well as television power in the meeting rooms are always turned off. The departments will turn on the power when in use, and turn off after use in a timely manner;
- We set the cooling temperature of the air conditioners in the office to no lower than 26 °C, and require that the computers, printers, air conditioners, water dispensers and other electrical appliances are to be turned off after work in a timely manner;
- We strictly implement the use of stairs to walk up and down (except for special circumstances) within three floors (including) to conserve electricity;
- We also examine the implementation of the above requirements. If departments were found not turning off the lightings and power of the facilities and equipment in public areas after work which the office was left idle, we will report the said occurrence.

During the Reporting Period, the Bank relocated the computer room of the Naxi Disaster Recovery Center to the Sichuan South Data Center of China Telecom. The computer room was designed and constructed according to the Class A standard of *Data Center Design Specification GB50174-2017* and with reference to the relevant requirements of international T3 standards. The new computer room covers an area of approximately 300m² with an accommodation capacity of 176 cabinets. Currently, 98 cabinets have been installed. Heat preservation materials were used in the new computer room for heat insulation, which effectively reduces the energy consumption of air conditioners. At the same time, it uses water cooling and natural cooling system and the comprehensive Power Usage Effectiveness (PUE) can reach 1.29. The new computer room will provide a better operating environment for the disaster recovery aspects of the Bank's generation and information system, such as power supply, heating and ventilation energy saving, monitoring and controlling, generally boosting the continuity of the Bank's business.

(2) *Saving Paper*

In terms of saving paper, we comprehensively promote paperless office and achieve paperless expenses reimbursement, which significantly reduces paper wastage in financial reimbursement caused by copying attachments one by one; fully utilizing Office Automation (OA) systems to carry out paperless operations such as circulation of official documents and procedure approval, which further facilitates the realization of paperless office in a more extensive and deeper level. At the same time, by posting slogans such as print on both sides and save paper in printing rooms, the Bank's employees are encouraged to develop the positive habit of conserving paper.

(3) *Official Vehicles Management*

During the Reporting Period, we encourage green travelling. We have formulated the *Management Measures for the Use of Official Vehicles*, which requires servicing staff to register fuel expenses batch-by-batch, or print out the refuel record from the corresponding vehicle's refuel card as the registration record of fuel expense. After registration, the unit consumption per kilometer will be calculated, and those with higher fuel consumption will be reminded and verified. This further strengthens the management of fuel saving. By printing and registering fuel records, vehicle management institutions would accurately verify and calculate the annual fuel consumption and strengthens the management of energy consumption, which contribute to the sustainable development of low-carbon and environmental protection, as well as energy saving and emissions reduction. During the Reporting Period, we have purchased 7 official vehicles in National Phase VI Motor Vehicle Pollutant Emission Standards to strictly control the emission of pollutants.

(4) *Waste Management*

In terms of waste management, the Bank actively responded to waste classification. Our office domestic waste and kitchen waste are professionally collected and disposed of. Office domestic waste were collected and handed over to environmental protection and transportation company for daily recycling. Kitchen garbage is being processed by filtering the swill and separating oil and dirt, which is handled by the staff of the catering department. The residue is handed over to environmental protection and transportation company for daily recycling and is standardly collected and managed strictly in accordance with the requirements of waste classification.

In addition, the Bank formulated the *Implementation Rules for Computer Consumables Management*. The information technology department handles the recycling of waste consumables generated by various departments of the headquarters and various branches throughout Luzhou region on a quarterly basis. The waste consumables are then handed over to a company which is professionally qualified to recycle and dispose of dangerous waste consumables for uniformed disposal. During the Reporting Period, the Bank carried out four recycling of waste computer consumables, including 1,066 waste computer consumables such as waste toner cartridges and cartridges, as well as 148 lead-acid batteries. Given the nature of the Bank, we do not have a significant impact on the environment of the area where we operate.

9.4 *Address Climate Change*

During the Reporting Period, the Bank continued to take relevant power supply protection measures in response to potential power outage risks to ensure the safety of power supply for business buildings. The Bank appointed professional maintenance organisations to carry out annual maintenance for the head office generator; the property service unit carried out daily maintenance and inspection test on the generator; furthermore, we signed a mobile power supply vehicle agreement with the mobile company, undertaking that its mobile power supply vehicle can provide emergency power supply for the Bank in case of power interruption, realizing multiple measures to ensure the safety of power supply of business buildings in case of power interruption.

At the same time, the Bank formulated a flood control emergency plan to protect the safety of business building production in response to extreme weathers such as heavy rain and flood. Our relevant departments have established a flood control emergency protection task force that is responsible for the management of flood control works of business buildings; In addition, we conduct on-site inspections of key flood control locations in business buildings and formulate flood control emergency procedures and work measures, regularly dredge the drainage systems at important points; we purchase flood control materials and place them in key locations to facilitate emergency response; property service units of business buildings are responsible for monitoring climate and rainfall conditions and be prepared for emergencies at any time. Moreover, a flood control drill has been conducted, which concerns a full-coverage drill of flood control emergency procedures and flood control layout at important locations, providing a solid foundation for the flood control works of business buildings.

Based on the analysis of the changes in policies, laws, technology and markets brought about by climate change and the Bank's own environmental and geographical location, it has identified potential risks from the perspective of physical risk and transition risk, and formulated relevant countermeasures.

Risk Identification		Potential Risk	Solution
Physical Risk	Investment Risk	<ul style="list-style-type: none"> Rainstorm, flood, drought and high temperature will affect local agriculture, forestry, animal husbandry and fishery, and then reduce the solvency of clients in corresponding industries. 	<ul style="list-style-type: none"> Take the impact of climate change as a reference factor for investigation, review, risk assessment and post-loan management in specific industries such as agriculture, forestry, animal husbandry and fishery, and analyze it according to specific business conditions.
	Self-owned Assets and Operating Activities Risk	<ul style="list-style-type: none"> The Bank's location, including the direct and long-term risks from its owned real estate and infrastructure facing climate change and natural disasters, which results in business interruption and asset loss. The scarcity of resources leads to business interruption and related risks. 	<ul style="list-style-type: none"> The business building is equipped with a drainage system and automatic alarm drainage pump. Rainwater ditches shall be set around the building and drainage ditches shall be set around the garage and cleaned regularly. The building is equipped with pump, generator and flood control materials.
Transition Risk	Policy Risk	<ul style="list-style-type: none"> The Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in full and Faithfull Implementation of the new development philosophy and Notice by the State Council of the Action Plan for Carbon Dioxide Peaking Before 2030 and other carbon peak and carbon neutralization documents issued by the state have affected the Bank's credit investment and access preference. 	<ul style="list-style-type: none"> The Bank has designated green environmental protection industries that improve the ecological environment and industries and projects that develop circular economy and the low-carbon economy as the credit investment direction of the Bank. By amending the <i>Strategy for Green Credit Development</i>, the Bank intensified the support for green credit financing, and revised and improved the standardization of processing procedure of green credit business. Comprehensively sort out the green credit management process, optimize and adjust work measures.

9.5 Environmental Performance

Emissions⁵ and Wastes

Indicator ^{6,7,8}	2022	2023
Emissions (in tonne)	0.0208 ⁹	0.0249 ⁹
Nitrogen oxides (in tonne)	0.0196	0.0204
Sulphur dioxide (in tonne)	0.0013	0.0014
Respirable suspended particles (in tonne)	/	0.0030
Total greenhouse gas emissions (scope 1 and scope 2) (in tonne per CO ₂ equivalent)	6,165.85	6,499.76
Greenhouse gas emissions per capita (scope 1 and scope 2) (in tonne per CO ₂ equivalent/person)	4.38	4.46
Direct emissions (scope 1) (in tonne per CO ₂ equivalent) ¹⁰	350.89	479.15
Natural gas (in tonne per CO ₂ equivalent)	162.50	214.28
Petrol (in tonne per CO ₂ equivalent)	176.89	262.30
Diesel (in tonne per CO ₂ equivalent)	11.50	2.57
Indirect emissions (scope 2) (in tonne per CO ₂ equivalent) ¹¹	5,814.96	5,970.61
Electricity purchased (in tonne per CO ₂ equivalent)	5,814.96	5,970.61
Total hazardous waste (in tonne) ¹²	4.33	8.80 ¹³
Hazardous waste per capita (in tonne/person)	0.0031	0.0061
Total non-hazardous waste (in tonne) ¹⁴	175.79	182.80
Non-hazardous waste per capita (in tonne/person)	0.1249	0.1265

⁵ In consideration of the business nature of the Bank, emissions arise mainly from the tail gas emissions of official vehicles, which mainly include nitrogen oxides, sulphur dioxides and respirable suspended particles. The calculation method and related emission coefficients of pollutants emissions are referenced from the *Technical Guidelines for the Preparation of Air Pollutant Emission Inventories for Road Motor Vehicles* issued by the Ministry of Ecology and Environment of the People's Republic of China.

⁶ Unless otherwise specified, data on environmental performance covered the head office departments, 3 branches and 39 operation grids.

⁷ The total headcount of employees of the Bank is used for calculating intensities of emissions, energy consumption and waste.

⁸ In consideration of the business nature of the Bank, the use of packaging materials related to the production of physical finished products is not involved, so the disclosure of packaging information is not applicable to the Bank.

⁹ As the data has been displayed after rounding, so the total emissions listed in the table do not equal to the sum of nitrogen dioxides, sulphur oxides and respirable suspended particles.

¹⁰ In consideration of the business nature of the Bank, direct emissions (scope 1) arise mainly from carbon dioxide, methane and nitrous oxide. The calculation method and related emission coefficients of direct emissions (scope 1) are referenced from and calculated based on the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* issued by the Intergovernmental Panel on Climate Change (IPCC), *Greenhouse Gas Protocol* and *ESG Reporting Guide*.

¹¹ The calculation method and related emission coefficients of indirect emissions (scope 2) are referenced from the Notice on the Work Concerning the *Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises in 2023–2025* issued by the Ministry of Ecology and Environment of the People's Republic of China.

¹² Hazardous wastes refer to toner cartridges, ink cartridges and lead-acid batteries purchased by the Bank on this year, the weights of which are estimated based on numbers and types purchased.

¹³ During the Reporting Period, due to the reasons of the number of our employees and replacement of old batteries, the total hazardous wastes increased as compared to last year.

¹⁴ Non-hazardous wastes include the Bank's office domestic wastes, kitchen wastes and office equipment waste, etc. office domestic wastes and kitchen wastes thereof are handled by the property management unit of the office building while office equipment wastes are recycled by recyclers.

Use of Resources¹⁵

Indicators	2022	2023
Energy consumption (in MWh) ¹⁶	11,762.52	12,432.52
Energy consumption per capita (in MWh/person)	8.35	8.60
Direct energy consumption (in MWh) ¹⁷	1,597.39	1,963.28
Natural gas consumption (in MWh)	831.04	1,061.02 ¹⁸
Petrol consumption (in MWh)	722.60	892.27 ¹⁹
Diesel consumption (in MWh)	43.75	9.99 ²⁰
Indirect energy consumption (in MWh) ¹⁷	10,165.12	10,469.24
Electricity consumption (in MWh)	10,165.12	10,469.24
Tap water consumption (in tonne) ²¹	42,577.24	52,765.03 ²²
Tap water consumption per capita (in tonne/person)	30.24	36.52
Paper consumption (in tonne)	67.49	50.45 ²³
Paper consumption per capita (in tonne/person)	0.048	0.035

¹⁵ Converted to MWh by using the conversion factors provided in the "Energy Statistics Manual" of the International Energy Agency.

¹⁶ Energy consumed by the Bank mainly refers to natural gas, diesel, petrol, and electricity purchased.

¹⁷ Data on 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 2589-2020)*.

¹⁸ During the Reporting Period, due to the Luyongjiang branch, call center offices and several community branches have been included into the statistical scope of the environmental performance data and other reasons, therefore nature gas consumption has been increased compared to last year.

¹⁹ During the Reporting Period, due to the Luyongjiang branch, call center offices and several community branches have been included into the statistical scope of the environmental performance data, as well as the addition of 4 official vehicles compared to last year, therefore nature gas consumption increased compared to last year.

²⁰ During the Reporting Period, as diesel was mainly used in generator rooms and the flood season in 2023 was not obvious, so the risk of power outage is minimal. Therefore, diesel consumption for short-term power supply decreased as compared to last year.

²¹ The water is mainly municipal water, so there is no difficulty in obtaining water source.

²² During the Reporting Period, due to the Luyongjiang branch, call center offices and several community branches have been included into the statistical scope of the environmental performance data, as well as the renovation of the new office building in the IT innovation center, therefore water consumption increased as compared to last year.

²³ During the Reporting Period, we have strengthened the supervision and management of paper conservation and further implemented online office methods to achieve paper conservation, therefore the amount of paper consumption decreased as compared to last year.

10. Benefit the Public and Serve to Revitalize Rural Areas

The Bank has always been concerned about people's livelihood, taken the initiative to help poor communities, proactively promoted activities that benefit the public, actively participated in social public welfare and charity activities, transmitted the spirit of volunteerism and contributed to creating a more harmonious society. During the Reporting Period, the Bank made external donations of RMB11.26 million.

We implemented the spirit of the Central Economic Working Conference and the Central Rural Work Conference, carefully studied the *Law of the People's Republic of China on the Promotion of Revitalization of Rural Areas* and its implementation measures, and updated the *Rules of Procedure of the Party Committee of Luzhou Bank (2023 revised)* and the *Rules of Procedure for the President's Office Meeting of Luzhou Bank Co., Ltd (2023 revised)* during the Reporting Period, in order to supervise the whole procedure of external donation.

10.1 Improve Services of Agriculture, Rural Areas and Farmers

Luzhou Bank actively engaged in social public welfare undertakings, continued to promote the standardized construction of public welfare management, formulated the *Working System for Party Members' Voluntary Service*, actively built a "Nine Haves" demonstration station for Party members' voluntary service and provided free door-to-door financial services, financial knowledge publicity and other voluntary service projects. The Bank concerns about governance of grassroot level society. We sent 2 volunteers to Wangshanping community in Longmatan District every week to participate in voluntary service activities, promoting financial knowledge and civilized persuasion to neighbouring stores and residents, so as to build, govern, and share with the community.

For the improvement of financial supply and demand in the fields of agriculture, rural areas and farmers, we have taken a number of measures to fully serve the entity economy, continuously consolidating the achievements of poverty alleviation, and fully stepping up rural revitalization to ensure that the agricultural-related financial investment will grow steadily. These measures include the continuous implementation of differentiated risk management and control strategies for our agricultural-related business, setting the non-performing rate of agricultural-related loans at a level not higher than or equal to the tolerance standard of 2.8%, setting the non-performing rate of inclusive agricultural-related loans at a level not higher than or equal to the tolerance standard of 3% and embedding the non-performing tolerance policy into the weighs of assessment to guide all bank branches to concentrate their credit resources to agricultural-related enterprises. We established the new *Rules for the Implementation of Due Diligence and Exemption of the Agricultural-related Credit Business of Luzhou Bank*, which has improved the incentive and control mechanism of our agricultural-related credit business and promoted its healthy development.

We have deepened the support for rural revitalization. The Bank promoted and publicized the Rural Revitalization Card through LED screen advertising and elevator advertising, and conducted marketing by leveraging the exclusive rights and benefits, such as card application fee exemption, annual card fee exemption, SMS service fee exemption and inter-bank cash withdrawal handling fee exemption, and utilizes the rights and benefits of agricultural-related accidental insurance and the dynamic rights and benefits of Xinxiang Youli entitled by UnionPay to the cardholders to actively promote the Rural Revitalization Card, continuously increase the number of Rural Revitalization Cards issued, enhance the service standard of rural inclusive finance services and deliver benefits to farmers. As of the end of December 2023, around 1,750 new Rural Revitalization Cards have been issued this year.

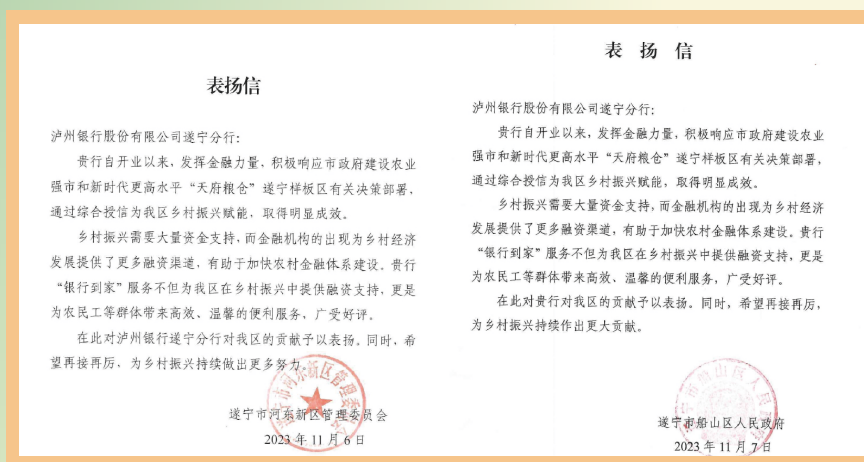
As of December 2023, our inclusive agricultural-related loans amounted to RMB3.015 billion representing an increase of RMB289 million as compared to the beginning of the year, with a growth rate of 10.59%; the balance of agricultural-related loans amounted RMB16.598 billion, representing an increase of RMB4.128 billion as compared to the beginning of the year, with a year-on-year growth rate of 33.10%, which was 13.82 percentage points higher than the weighted average growth rate of agricultural-related loan balances in the same region at the end of the previous year.

In terms of targeted assistance works during the Reporting Period, we have frequently organized and led teams to Longshan Town and Sanhe Village to investigate rural revitalization work since 2023. For example, we have conducted multiple surveys on the problem of drinking water difficulties in Sanhe Village starting from this year. On-site investigations on topography, site selection and others has been carried out in lower Sanhe Village. Multiple discussions with the Longshan Town Government and Sanhe Village Committee have been held to gain an in-depth understanding of the current situation of villagers' drinking water issues, and donated RMB0.986 million for the safe drinking water project, and joint hands to effectively resolve the issues of drinking water safety for the residents of Sanhe Village.

In order to meet the living and learning needs of the students of Sanhe Village Primary School, we also organized donation activities for all teachers and students of Sanhe Village Primary School, in which we purchased down jackets, cotton trousers and other clothing, schoolbags, pens, notebooks and other stationery, as well as basketballs, badmintons, table tennis, skipping ropes and other sports equipment, allowing them to truly feel the care and attention of the assistance units.

The Bank received numerous commendations from the municipal government during the Reporting Period

During the Reporting Period, multiple government institutions in Suining City have stated that we actively responded to the municipal government's decision-making and layout of building a strong agricultural city and the higher-level "Tianfu Granary" Suining Model District in the new era, and empowered Suining City's rural revitalization through comprehensive credit grant.



10.2 Student Care and Support

During the Reporting Period, we donated RMB2.88 million in student support to support the construction of youth sports clubs in campus and help students with excellent academic performance with grassroot family backgrounds to achieve their “university dream”, consolidate the results of poverty alleviation, implement targeted poverty alleviation through education, so as to assist rural revitalization.

In addition, we donated RMB3 million to the Luzhou Caring for the Next Generation Foundation during the Reporting Period, which was used to plan, organize and implement the “Sunrise Project”, “Special Relief and Assistance”, “Love Bookstore”, “Operation Spring Breeze”, “Operation Warm Winter”, “Factual Orphan Rescue”, “Curriculum of General Studies for Parents and Schools”, anti-drug education microfilm and other public welfare projects and activities to promote the healthy growth of adolescents and children.

We donated RMB720 thousand to the “Sichuan Model Students” Assistance Award Charity Program of Sichuan Provincial Quality Education Promotion Association to establish scholarships of four award categories, being self-improvement and self-reliance, scientific and technological innovation outstanding achievement, social service outstanding contribution, arts and sports outstanding achievement awards and others. The awards are designed to encourage and help outstanding students with solid academic foundation, outstanding innovation ability and development potential to focus on academic development and personal growth, enhance the social identity of outstanding young students, and help them to become academic or professional leaders and talents, so as to serve the country and the society.

We have also donated RMB2 million to Xuyong First Middle School for the construction of the academic lecture hall, promptly improving teaching functions, optimizing the layout, promoting the establishment of a provincial-level model ordinary high school, inheriting the culture of the Party, and providing better learning environment for the majority of students. We have also donated RMB2 million to Xuyong County to improve weak links in education and enhance capabilities, to assist the development of education career in Xuyong County, optimize the layout of compulsory education schools in the county, and further improve school operating conditions.

The Bank organized Luzhou Bank Teachers' Day activities in 2023

The Bank held Luzhou Bank Teachers' Day activities at Luxian Fourth Middle School and Luzhou Laojiao Tianfu Middle School in September 2023. We sent blessings to the hard-working teachers through activities such as giving flowers, refreshments, and others, as well as venue decoration to leave teachers with fond memories.



10.3 Assist Post-Disaster Reconstruction

As "Luzhou's own bank", in the face of sudden-onset disasters, the Bank has always taken serving the local region as its own responsibility and committed to sharing the worries of the local government in the face of sudden disasters, effectively carrying the social responsibility of state-owned enterprises on its shoulders.

As affected by the heavy rain in Gulin on 27 July, the infrastructure of the Yongle Subdistrict, Gulin County was seriously impacted. Water, electricity, municipal facilities and equipment were severely damaged, among which the drinking water pipelines for human and livestock in Xihua Village, Yangliu Village and Heping Village sustained heavy damage, making it difficult for the public to use water for production and living. To alleviate the water shortage in Xihua Village, Yangliu Village and Heping Village and fully protect the villagers' needs for domestic water, the Yongle Subdistrict Office planned to restore the water supply pipelines to assist the reconstruction work of water supply pipelines in Xihua Village, Yangliu Village and Heping Village in Yongle Subdistrict, fulfill the social responsibilities of local banks and consolidate the achievements of poverty alleviation. We donated RMB0.2 million to Xihua Village, Yangliu Village and Heping Village of Yongle Subdistrict.

The Bank provides support for the disaster of heavy rain in Gulin county

On 27 July, the Bank provided support for the disaster of heavy rain in Gulin county, in which the Gulin branch provided resting places for the volunteers, as well as bread, energy drinks, masks and other supplies for firefighters and medical staff.



Appendix: Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Guide Index

Indicators	Content of Indicators	Relevant Sections
Mandatory Disclosure Requirements		
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	4. Board Statement
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used (if any), or any other relevant factors affecting a meaningful comparison.</p>	2. Reporting Boundary and Reporting Principles
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	2. Reporting Boundary and Reporting Principles

Indicators	Content of Indicators	Relevant Sections
A. Environmental Area		
A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	9. Green Development and Promote Low-Carbon Transformation
A1.1	The types of emissions and respective emissions data.	9.5 Environmental Performance
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9.5 Environmental Performance
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9.5 Environmental Performance
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9.5 Environmental Performance
A1.5	Description of emissions target(s) set and steps taken to achieve them.	9. Green Development and Promote Low-Carbon Transformation
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	9. Green Development and Promote Low-Carbon Transformation
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	9. Green Development and Promote Low-Carbon Transformation
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).	9.5 Environmental Performance
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	9.5 Environmental Performance
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	9. Green Development and Promote Low-Carbon Transformation

Indicators	Content of Indicators	Relevant Sections
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	9. Green Development and Promote Low-Carbon Transformation
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	Policies on minimising the issuer's significant impacts on the environment and natural resources.	9. Green Development and Promote Low-Carbon Transformation
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	9. Green Development and Promote Low-Carbon Transformation
A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	9. Green Development and Promote Low-Carbon Transformation
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	9. Green Development and Promote Low-Carbon Transformation
B. Social Area		
B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	8. Caring for Employees and Cultivating Future Talents
B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	8. Caring for Employees and Cultivating Future Talents
B1.2	Employee turnover rate by gender, age group and geographical region.	8. Caring for Employees and Cultivating Future Talents

Indicators	Content of Indicators	Relevant Sections
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 issuer relating to providing a safe working environment and protecting employees from occupational hazards.	8. Caring for Employees and Cultivating Future Talents
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	8. Caring for Employees and Cultivating Future Talents
B2.2	Lost days due to work injury.	8. Caring for Employees and Cultivating Future Talents
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	8. Caring for Employees and Cultivating Future Talents
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	8. Caring for Employees and Cultivating Future Talents
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	8. Caring for Employees and Cultivating Future Talents
B3.2	The average training hours completed per employee by gender and employee category.	8. Caring for Employees and Cultivating Future Talents
B4: Labour Standards		
B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	8. Caring for Employees and Cultivating Future Talents
B4.1	Description of measures to review employment practices to avoid child and forced labour.	8. Caring for Employees and Cultivating Future Talents
B4.2	Description of steps taken to eliminate such practices when discovered.	8. Caring for Employees and Cultivating Future Talents

Indicators	Content of Indicators	Relevant Sections
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6. Stable Operations and Adherence to Compliance Principles
B5.1	Number of suppliers by geographical region.	6. Stable Operations and Adherence to Compliance Principles
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	6. Stable Operations and Adherence to Compliance Principles
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6. Stable Operations and Adherence to Compliance Principles
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6. Stable Operations and Adherence to Compliance Principles
B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	7. Serving Wholeheartedly and Protecting the Rights and Interests of Customers
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.	7. Serving Wholeheartedly and Protecting the Rights and Interests of Customers
B6.3	Description of practices relating to observing and protecting intellectual property rights.	7. Serving Wholeheartedly and Protecting the Rights and Interests of Customers
B6.4	Description of quality assurance process and recall procedures.	Not applicable

Indicators	Content of Indicators	Relevant Sections
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	7. Serving Wholeheartedly and Protecting the Rights and Interests of Customers
B7: Anticorruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	6. Stable Operations and Adherence to Compliance Principles
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	6. Stable Operations and Adherence to Compliance Principles
B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	6. Stable Operations and Adherence to Compliance Principles
B7.3	Description of anti-corruption training provided to directors and staff.	6. Stable Operations and Adherence to Compliance Principles
B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	10. Benefit the Public and Serve to Revitalize Rural Areas
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	10. Benefit the Public and Serve to Revitalize Rural Areas
B8.2	Resources contributed to the focus area.	10. Benefit the Public and Serve to Revitalize Rural Areas