



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

2024

Environmental Social and  
Governance Report



# Table of Contents

<b>1.</b>	<b>Sustainability Performance in 2024</b>	<b>2</b>
<b>2.</b>	<b>About the Report</b>	<b>3</b>
<b>3.</b>	<b>Reporting Boundary and Reporting Principles</b>	<b>3</b>
<b>4.</b>	<b>Brief Introduction of the Bank</b>	<b>4</b>
<b>5.</b>	<b>Board Statement</b>	<b>5</b>
<b>6.</b>	<b>ESG management</b>	<b>6</b>
6.1	ESG Concept and Strategy	6
6.2	ESG Governance Structure	6
6.3	Board Diversity Policy	6
6.4	Stakeholder Engagement	7
6.5	Materiality Assessment	8
<b>7.</b>	<b>Adhere to Compliance Principles and Strengthen Internal Controls</b>	<b>9</b>
7.1	Promote System Development and Foster a Culture of Integrity	9
7.2	Enhance Management Standards and Mitigate Money Laundering Risks	11
7.3	Standardize Supplier Management and Advocate for Green Procurement	12
<b>8.</b>	<b>Protect Customer Rights and Interests and Deliver Quality Services</b>	<b>14</b>
8.1	Enhance Service Quality and Optimize Customer Experience	14
8.2	Ensure Information Security and Protect Customer Privacy	28
8.3	Emphasize Brand Management and Safeguard Intellectual Property Rights	30
8.4	Strengthen Brand Promotion and Build a Warm Brand Image	31
<b>9.</b>	<b>Uphold Talent Excellence and Support Employee Development</b>	<b>32</b>
9.1	Adhere to a People-Centric Approach and Protect Employee Rights	32
9.2	Improve Training Systems to Foster Employee Growth	35
9.3	Focus on Employee Health and Enrich Leisure Activities	39
<b>10.</b>	<b>Promote Green Development and Support Low-Carbon Transformation</b>	<b>42</b>
10.1	Fulfill Corporate Responsibilities and Achieve Environmental Goals	42
10.2	Enhance Green Finance to Drive Industry Development	43
10.3	Practice Green Office Initiatives and Cherish Earth's Resources	45
10.4	Align with National Strategies to Address Climate Change	47
10.5	Environmental Performance	50
<b>11.</b>	<b>Support Rural Revitalization and Fulfill Social Responsibilities</b>	<b>52</b>
11.1	Enhance Services for Agriculture, Rural Areas, and Farmers to Aid Poverty Alleviation	52
11.2	Undertake Social Responsibilities and Strengthen Educational Development	53
11.3	Contribute to the Development of Gulin and Improve Infrastructure	54
	<b>Appendix: Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Guide Index</b>	<b>55</b>



## 1. Sustainability Performance in 2024

Environment	
	Greenhouse gas intensity : 4.07 tCO <sub>2</sub> e/person
	Intensity of hazardous waste : 0.0066 tons/person
	Intensity of non-hazardous waste : 0.0990 tons/person
	Energy intensity : 8.25 MWh/person
	Water consumption intensity : 35.79 tons/person
Green loan	
	The balance of green loan facilities was RMB503 million, representing an increase of RMB35 million and a growth rate of 7.48% compared with the beginning of the year
Employees	
	Total training hours for the year: 69,900.7 hours
Anti-corruption	
	10 directors participated in anti-corruption training
	1,450 employees participated in anti-corruption training
Community investment	
	Total donation of RMB6.52 million was made

## 2. About the Report

This report is the seventh 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 2024 Annual Report of Luzhou City Commercial Bank Co., Ltd. to help readers understand us more comprehensively.

## 3. 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 2024 to 31 December 2024 (“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:** Through a materiality assessment, the Bank identifies and responds to important ESG issues affecting the Bank’s sustainable development through analysis. These issues will be disclosed in this report. 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:** The Bank 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, thereby ensuring a thorough evaluation of the Bank’s ESG performance during the Reporting Period.
- **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.



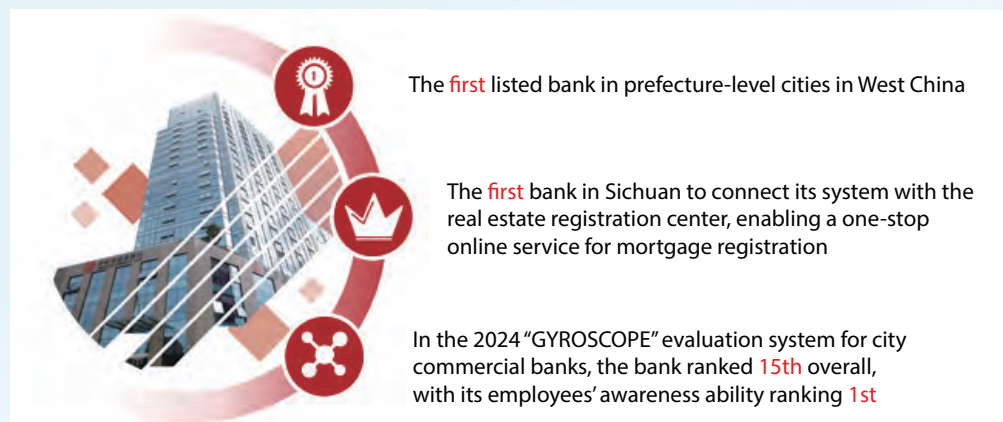
#### 4. Brief Introduction of the Bank

Founded in September 1997, Luzhou Bank Co., Ltd. is a municipal state-owned enterprise of Luzhou City. Its substantial shareholders include Luzhou Laojiao Group, Sichuan Jiale Enterprise Group, and the Luzhou Municipal Finance Bureau, with state-owned shares accounting for 51.35% of the total. 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 western China. It operates branches in Chengdu, Meishan, and Suining, with a total of 41 business outlets.

The Bank remains steadfast in its mission to serve the real economy, actively integrating its operations into the broader context of local development. It closely aligns with the strategic plans of both the province and the city, leveraging the advantages of a local bank, efficiency and flexibility, to play an active role in financing major projects, key industries, and critical sectors. For seven consecutive years, the Bank has been the largest lender and the top taxpayer in the financial sector in Luzhou City. In line with national strategies, the Bank has established a branch in the Luzhou-Yongchuan-Jiangjin Integrated Development Demonstration Zone, deeply engaging in the construction of the Chengdu-Chongqing economic circle.

Our sound development has been fully recognized and widely acclaimed by the community from all walks of life, and our brand image has continued to improve. The Bank has been awarded numerous honors, including “Most Competitive Regional City Commercial Bank” and “Top Ten Innovative Financial Services Award for Inclusive Finance”. It has been recognized by the Sichuan Provincial Party Committee and Provincial Government as an “Outstanding Service Industry Enterprise in Sichuan Province”. In the competitiveness evaluations conducted by The Banker magazine, the Bank has consistently ranked among the top city commercial banks of similar size nationwide. It has also achieved high rankings in the Luzhou Municipal Party Committee’s target performance assessments and the Sichuan Provincial Department of Finance’s “Financial Enterprise Performance Evaluation”. In the 2024 “GYROSCOPE” evaluation system of the China Banking Association, the Bank ranked 15th overall in the city commercial bank category, with its employee awareness and capability ranking first.

In the future, the Bank will actively seize opportunities and make every effort to promote high-quality development with more practical and precise measures and a more ambitious attitude, striving to become a top-tier “small but excellent” bank in the southwestern region.



## 5. Board Statement

The Board of Directors of the Bank assumes ultimate responsibility for the Bank's ESG efforts. As the highest decision-making body for the Bank's ESG initiatives, the Board is responsible for identifying, assessing, and prioritizing ESG issues relevant to the Bank, including ESG risks, and validating the results.

**ESG Management Approach and Strategy:** The Board formulates and enhances ESG-related strategies, policies, and systems, treating the management and advancement of key issues as integral components of the Bank's sustainable development strategy. It discusses and identifies ESG-related risks and opportunities and is responsible for conducting an annual materiality assessment of ESG issues, confirming the results. We engage with stakeholders through various channels, incorporating their ESG concerns into the Bank's ESG decision-making and planning processes. Additionally, we integrate ESG management policies and strategies into our daily management systems, continuously improving our performance in the ESG domain.

**Review of ESG Targets:** The Bank is committed to proactively fulfilling its environmental and social responsibilities while developing its business. Therefore, the management assists the Board in setting the Bank's ESG-related targets and periodically reports to the Board on the progress of achieving these targets. This includes progress on emission reduction targets, non-hazardous waste targets, hazardous waste targets, water conservation targets, and energy-saving targets. The Board regularly reviews these environmental targets.

The Board of Directors has reviewed and approved this report on 26 March 2025.

### Content of award

Ranked 15th overall and 1st in Employee Awareness & Capability in the 2024 "GYROSCOPE" Evaluation System for City Commercial Banks by the China Banking Association

Shortlisted in The Banker magazine's "Top 1,000 World Banks 2024" ranking

Honored as "Top 20 in ESG Comprehensive Performance Among City Commercial Banks" in a selection by China Financial Media

Won the "Best Technology Innovation Award" at the 2024 Financial Sector Competition of the "Grand Challenge in IT Application Innovation" (co-hosted by the China Electronics Standardization Association and others) for its next generation e-banking platform

Awarded the "2024 Outstanding Financial Innovation Case" by The Banker magazine

Awarded "2024 Outstanding Mobile Banking Brand of the Year" at the Hexun Financial China Annual Conference and the 22nd Financial Summit

Awarded the title of "Caring Unit" by the Luzhou City Red Cross Society



# • ESG Management

## 6. ESG Management

### 6.1 ESG Concept and Strategy

We uphold the mission of “Serving the Local Community and Small-to-Medium Enterprises”, committed to building a dedicated system for SME clients. While comprehensively expanding our SME business market, we aim to develop individual client services in parallel to meet the growing demand for personalized financial solutions. The Bank actively supports the development of a modern socialist countryside and balanced urban-rural growth. By establishing new rural financial institutions in Luzhou, we have cultivated a corporate image centered on serving SMEs and addressing public welfare. In tandem with business growth, we rigorously fulfill our environmental and social responsibilities, continuously delivering high-quality services to clients, fostering employee well-being, and creating sustainable value for shareholders.

### 6.2 ESG Governance Structure

We fully integrate the concept of sustainable development into our corporate governance framework, establishing an ESG governance system led by the Board of Directors to fulfill our sustainability commitments. The Board assumes full responsibility for the Bank’s ESG strategies and objectives and is also responsible for approving the annual ESG report to ensure compliance with regulatory requirements. The Development and Strategy Committee of the Board formulates ESG policies, strategies, and goals, supervises the implementation by senior management, reports to the Board, and assists in overseeing climate-related risks. The management is responsible for implementing ESG strategies and goals. An ESG Working Team, composed of multiple departments at the head office, carries out specific ESG initiatives within their respective areas of expertise. At the same time, all branches conduct ESG activities in their local regions under the guidance of the ESG Working Team. In summary, the Bank’s ESG governance system operates through a coordinated, multi-tiered structure: Board oversight, management leadership, and cross-departmental collaboration. While driving business growth, this framework reflects our commitment to corporate social responsibility and contributes to the sustainable development of society.

### 6.3 Board Diversity Policy

The Bank has established a Board diversity policy to ensure an appropriate balance of skills, experience, and diverse viewpoints and perspectives within the Board, as the Bank regards Board diversity as a key factor in achieving sustainable development and good corporate governance. In determining the composition of the Board, the Bank considers diversity across multiple dimensions, including but not limited to gender, geographical and industry experience, skills, knowledge, and educational background. All Board appointments are based on merit, with a commitment to embracing directors from diverse backgrounds, cultures, and genders. Candidates are evaluated under objective criteria, with due consideration given to the benefits of Board diversity. As of the end of the Reporting Period, the Board of the Bank comprised 2 female and 8 male directors, including 4 independent non-executive directors.



## 6.4 Stakeholder Engagement

The Bank considers communication with stakeholders to be of paramount importance for achieving corporate sustainable development. We highly value stakeholders' opinions and their concerns, and communicate with different stakeholders through various channels to understand their suggestions and expectations. This enables us to refine our sustainable development policies and performance. The main stakeholders identified by the Bank include governments and regulators, investors/shareholders, clients, employees, communities, and suppliers. The ESG issues and communication channels that each stakeholder focuses on are listed in Luzhou Bank's stakeholder identification table.

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

## 6.5 Materiality Assessment

To identify and prioritize ESG issues, the Bank regularly acquires an understanding of each stakeholder's concerns through channels such as customized surveys and questionnaires, and conducts materiality assessments. This enables us to develop and implement ESG strategies that address stakeholders' requirements. We remain committed to the spirit of communication and integration, engaging with both internal and external stakeholders through diverse 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
Based on the socio-economic environment, the importance of various issues to the banking industry, and the opinions of various departments within the Bank, we list a series of potential ESG-related issues.	Gathering opinions from both internal and external stakeholders on the importance of each issue, understanding the impact of these issues on the stakeholders themselves, and assessing their importance to the Bank's sustainable development. The relevance and importance of each issue are evaluated by considering how peer institutions identify important issues and the current management status of the Bank.	By comprehensively considering the survey results from various stakeholders and the analysis results from the industry, the Bank identifies material issues. These issues are then confirmed by the Board to ensure that the assessment results align with the Bank's business characteristics and current management status.

During the Reporting Period, there were no significant changes in the Bank's business operations. As such, the Bank revisited previous materiality assessment results, aligned them with actual business developments, and identified four key materiality topics: "Employee Employment", "Development and Training", "Product Responsibility", and "Anti-Corruption". These were confirmed by the Board of Directors as the 2024 Material Issues. This report will provide focused disclosures on these topics.

Key issues of the year	Related chapter
Employment	9.1 Adhere to a People-Centric Approach and Protect Employee Rights
Development and Training	9.2 Improve Training Systems to Foster Employee Growth
Product Responsibility	8. Protect Customer Rights and Interests and Deliver Quality Services
Anti-corruption	7.2 Enhance Management Standards and Mitigate Money Laundering Risks



# Adhere to Compliance Principles and Strengthen Internal Controls

## 7. Adhere to Compliance Principles and Strengthen Internal Controls

The Bank has been continuously advancing its policy review and quality enhancement initiatives, further strengthening the mechanisms for initial review, re-examination, preliminary review, and assessment meetings of policies. Through one-on-one consultations, specialized discussions, and other methods, we identify issues within the policies, share experiences in policy development, enhance policy quality, and ensure that internal control measures cover all major risk points. Throughout 2024, a total of 137 new and revised policies were established.

### 7.1 Promote System Development and Foster a Culture of Integrity

The Bank has deeply studied and implemented Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, as well as the important speeches, instructions, and directives of General Secretary Xi Jinping. It has also studied newly revised regulations such as the Regulations on Disciplinary Actions of the Communist Party of China and the Regulations on Disciplinary Actions for Managers of State-Owned Enterprises. The Bank strictly adheres to relevant laws and regulations, including the Commercial Bank Law of the People's Republic of China, the Banking Supervision Law of the People's Republic of China, and the Interim Provisions on Prohibiting Commercial Bribery. It continues to advance the construction of Party style and clean governance, as well as anti-corruption efforts, strengthens supervision, discipline enforcement, and accountability, and fosters an atmosphere of integrity.

The Bank has established a "Shared + Coordinated" Joint Supervision Meeting Mechanism to enhance collaborative consultations among its supervisory departments, build seamless information channels, and drive the integration of diverse oversight functions. To broaden avenues for public engagement, the Bank actively collaborates with the Municipal Discipline Inspection Commission, Public Security Bureau, and Procuratorate to refine mechanisms for handling complaints, case leads, public opinion communication, and case transfers. Complaint hotlines are publicly accessible via the Bank's official website, notices in branch lobbies, and video displays. Stakeholders may also report issues directly to the Bank's Disciplinary Committee. By comprehensively applying the "Four Forms" of Supervision and Discipline Enforcement, the Bank strengthens oversight and inspection in key sectors and critical processes, persistently upholds ethical practices and rigorous discipline, resolutely opposes the "Four Undesirable Work Styles", and prioritizes early intervention, proactive resolution of minor issues, and consistent oversight.



Leveraging Party discipline education as an opportunity, Luzhou Bank organized various activities, including special lectures, centralized training, knowledge competitions, and warning education, to integrate Party discipline education with practical work. This approach guides all cadres and employees across the Bank to consciously adhere to Party discipline, strengthen their awareness of anti-corruption and integrity, and strictly implement all rules and regulations. This year, the Bank subscribed to journals such as Party Style and Clean Governance Construction for all its institutions, distributed the book Twelve Lectures on Integrity Reminders to Party members and cadres, and encouraged the entire bank to follow integrity-focused WeChat public accounts. Additionally, the Bank conducted regular education on ideals and beliefs, discipline, warnings, and exemplary role models. Through this learning and education, the Bank carried out case-based discussions on morality, discipline, law, responsibility, and analysis to instill a sense of reverence for laws and regulations. Special emphasis was placed on tightening political discipline, organizational discipline, integrity discipline, mass discipline, work discipline, and life discipline. The Bank sent a strong message to Party members and cadres that violations will be prosecuted and discipline will be strictly enforced, creating a high-pressure stance that truly transforms legal and disciplinary iron rules into a charged “high-voltage line”.

The Bank continuously strengthens its integrity promotion efforts, consistently enriching the “Clean Commerce” column in its internal publication Legal Garden by featuring articles on integrity, legal regulations, and case studies related to discipline. Additionally, during the Reporting Period, the Bank organized all Party members and cadres to watch the warning education film Family Values, visit the “Luzhou Confidentiality Education Base”, and distribute the warning education reader Key ‘Minority’ Warning Record. The Bank also launched the “Clear Breeze Family Harmony • Integrity Enriches Luzhou Bank” family values education campaign. Furthermore, anti-corruption and anti-bribery education was conducted through various methods, including Party lessons delivered by the Party Secretary.



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

During the Reporting Period, the Bank participated in the “Grassroots Brand Building for an Incorruptible Financial Culture” event, hosted by the Sichuan Banking Association under the guidance of the Sichuan Regulatory Bureau of the National Financial Regulatory Administration. The Bank’s Meishan Branch, Chengdu Free Trade Zone Sub-branch, and Longmatan Sub-branch were all awarded the title of “Sichuan Banking and Insurance Industry’s Excellent Grassroots Brand for an Incorruptible Financial Culture”. By establishing grassroots platforms for an incorruptible financial culture, the Bank enabled its staff to personally experience and comprehend this culture in a relaxed and pleasant atmosphere, truly allowing the culture of integrity to permeate subtly and silently, like “moistening things without sound”.

In 2024, the Bank conducted anti-corruption training for its directors and employees through the viewing of cautionary educational videos. During the reporting period, 10 directors and 1,450 employees participated in this training. Throughout the year, no corruption-related lawsuits were filed against the Bank or its employees.

## 7.2 Enhance Management Standards and Mitigate Money Laundering Risks

The Bank strictly complies with the Anti-Money Laundering Law of the People's Republic of China, the Anti-Terrorism Law of the People's Republic of China, the Notice of the People's Bank of China on Strengthening 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. On this basis, the Bank has formulated and revised the Basic Anti-Money Laundering System, the Measures for the Administration of Reporting of High-Value Transactions and Suspicious Transactions, the Implementation Rules for Anti-Money Laundering Inspections of Luzhou Bank (2024 Revision), the Management Measures for the Assessment of Anti-Money Laundering Work of Luzhou Bank (2024 Revision), and other relevant systems to strengthen its anti-money laundering management system.

The Board of Directors, Board of Supervisors, senior management, and all departments and branches of the head office strictly adhere to the roles defined in the Bank's Basic Anti-Money Laundering System, ensuring responsibilities are implemented at every level and anti-money laundering duties are diligently performed. The Board of Directors holds ultimate responsibility for money laundering risk management, the Board of Supervisors is responsible for its supervision, and senior management is responsible for its implementation.

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 department of security and protection, 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 department of security and protection, 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.



During the Reporting Period, the Bank rigorously verified the authenticity, completeness, and legality of customer identities and submitted documents, ensuring that customer identity checks were embedded throughout the entire business process. Additionally, the Bank tailored risk control measures to customers' risk levels, adjusting these levels and measures as necessary based on individual circumstances. For high-risk customers, the Bank intensified monitoring and control through telephone verifications, on-site inspections, and public information queries. Suspicious transactions were identified through a combination of system monitoring, manual reviews, and analysis of basic customer data such as occupation, age, and address, followed by in-depth investigations. To combat the growing threat of telecom fraud, the Bank established an Anti-Telecom Fraud Task Force and swiftly implemented standardized anti-fraud protocols to adapt to the changing environment. Furthermore, the Bank upgraded its online anti-money laundering system, enhancing the effectiveness and efficiency of its monitoring efforts while significantly reducing the burden of manual oversight.

The Bank places great emphasis on anti-money laundering awareness campaigns, integrating both ongoing and targeted initiatives. For ongoing efforts, we conducted awareness activities by distributing anti-money laundering and anti-drug leaflets, playing educational videos, displaying LED scrolling messages, and posting posters across 41 branches. Additionally, we shared notifications on our official WeChat account and website and engaged in community outreach through visits and direct interactions with local businesses. For targeted campaigns, we actively participated in events organized by regulatory authorities, including the June anti-drug awareness campaign, the September anti-money laundering initiative, and community-based anti-money laundering awareness activities. Throughout the year, we distributed over 120,000 awareness materials, which received positive feedback from the public.



"Anti-Money Laundering" Knowledge in Campus publicity activity

During the Reporting Period, the Bank placed great emphasis on anti-money laundering training and organized a total of three anti-money laundering-related training sessions, covering anti-money laundering management practices for commercial banks, a summary and analysis of anti-money laundering penalties in 2023, training on beneficial owner information management measures, and training on the new Anti-Money Laundering Law.

### 7.3 Standardize Supplier Management and Advocate for Green Procurement

The Bank strictly complies with 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. In accordance with these, the Bank has revised and established management policies, including the Measures for Centralized Procurement Management (2024 Revision), Implementation Rules for Centralized Procurement Work (2024 Edition), Supplier Management Implementation Rules (2024 Edition), and Measures for Procurement Document Management (2024 Revision). These policies establish strict requirements for supplier qualification, review, evaluation, and exit mechanisms. Specifically, suppliers found engaging in fraudulent practices, obtaining bids through improper means, or committing other violations will be removed from the supplier roster and permanently barred from re-entry. Additionally, through a combination of daily and annual evaluations, the Bank periodically conducts comprehensive risk screenings and assessments of suppliers, uniformly implementing removal procedures for unqualified suppliers to enhance procurement efficiency.



The Bank adheres to the principles of fairness, justice, openness, honesty, and efficiency, while actively promoting energy conservation and environmental protection. It implements a rigorous supplier screening and management process, from selection to inclusion in the supplier database. During the initial evaluation phase, the Bank identifies and assesses environmental and social risks associated with suppliers, selecting only those with sound management practices for inclusion in the supplier database to ensure quality and strict control over supplier eligibility. Throughout the procurement process, the Bank's disciplinary inspection and supervision personnel oversee all procurement projects, ensuring that procurement activities are conducted with full openness and transparency, thereby fostering a clean and ethical procurement environment.

To align with energy conservation and environmental protection principles and to encourage suppliers to take on social responsibilities, the Bank prioritizes suppliers offering energy-efficient and environmentally friendly products, as well as those with green product certifications. This year, the Bank introduced stricter requirements for the environmental sustainability, energy efficiency, and low-carbon impact of its procured products. Specifically, suppliers of employee uniforms were required to provide certifications such as environmental management system and occupational health and safety management system certifications. In 2024, all 232 of the Bank's product suppliers used environmentally friendly products.

The Bank has established the Project Acceptance Form to standardize the evaluation criteria used by demand departments for suppliers, providing a basis for ongoing supplier management. We place significant emphasis on supplier evaluation and oversight, utilizing a democratic evaluation process conducted by demand departments to assess all Bank-wide suppliers. This process is combined with records from the supplier response management ledger to conduct regular comprehensive risk assessments of all suppliers in the database. Unqualified suppliers are uniformly removed to enhance procurement efficiency and optimize the supplier environment. In 2024, the Bank conducted evaluation and assessment activities for all its cooperating suppliers.

In the process of selecting suppliers, the Bank requires them to provide relevant environmental protection and occupational health certifications, among other qualifications, based on the specific requirements of the project to complete the selection process. Additionally, suppliers must ensure their products comply with national environmental standards, aiming to minimize environmental and social risks within the supply chain. Our bidding documents explicitly state that suppliers must not provide false materials to win the bid or supply counterfeit or substandard products. Consequently, if it is verified that a supplier has submitted false bidding materials or provided products that do not meet our requirements or relevant national industry standards, their bid qualification and cooperation with the Bank will be terminated.

#### Number of suppliers by Region

Total number of suppliers in 2024	611
Luzhou	156
Regions outside Luzhou	455

# • Protect Customer Rights and Interests and Deliver Quality Services

## 8. Protect Customer Rights and Interests and Deliver Quality Services

We implement the requirements of the financial regulatory authorities and the municipal government regarding supporting the development of small and micro enterprises, enhancing financial support for small, medium, and micro enterprises. We actively fulfil our social responsibilities and, under the premise of controllable risks, continuously improve the quality and efficiency of inclusive financial services. Adhering to the principle of “service begins with customer needs and ends with customer satisfaction”, we focus on creating value for customers and expanding competitive advantages through a humanized business philosophy, a convenient offline network, and efficient professional services. The Bank is committed to protecting customer privacy and safeguarding the legitimate rights and interests of customers. We continuously provide customers with quality services and products, so as to establish the brand image of “serving small and medium-sized enterprises and caring for people’s livelihood”. Luzhou Bank is aiming to become an empathetic institution.

### 8.1 Enhance Service Quality and Optimize Customer Experience

#### (I) *Serving Local Customers and Supporting the Development of Small and Micro Enterprises*

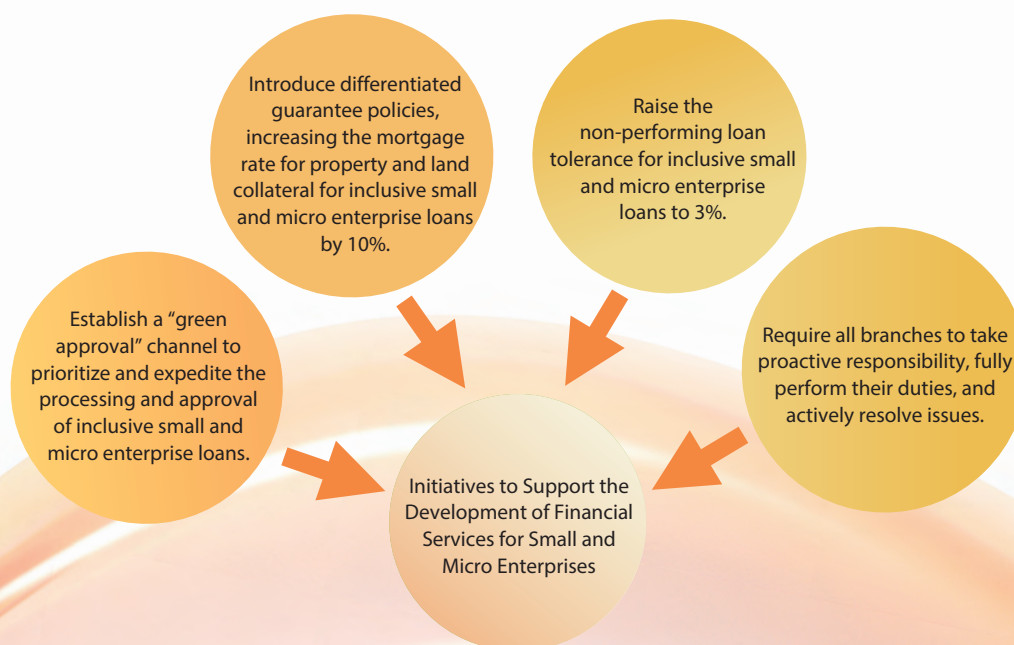
The Bank strictly complies with the Law of the People’s Republic of China on Commercial Banks and other laws and regulations. We actively participate in the arrangements of the CPC Central Committee and the State Council, implementing the requirements set forth by the CBIRC and the municipal governments 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 2024. 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 2024, to further strengthen financial support for private small and micro enterprises.

During the Reporting Period, the Bank revised the Management Measures for Loan Renewal Business for Small and Micro Enterprises to standardize the management of loan renewal services for these enterprises. Additionally, the Bank formulated the Luzhou Bank Science and Technology Finance Loan Management Measures to supervise its science and technology finance loan operations and promote the requirements for optimizing science and technology financial services.

During the year, we continued to root ourselves locally and continued to deepen the implementation of the “Double Small Strategy”. Focusing on industries related to people’s daily needs such as clothing, food, housing, and transportation, we have designated “small industries and small enterprises” as our core customer base. We have formulated differentiated credit policies and increased support for inclusive small and micro loans.

In terms of the loan assessment mechanism and process, the Bank has established a green channel specifically for inclusive small and micro loan services, which requires business institutions to prioritize processing and expedite approvals, effectively enhancing the quality and efficiency of service handling. We have delegated the approval authority for new small and micro loans below RMB10 million to our branches, enhancing loan approval efficiency and enabling same-day loan approval and disbursement at the fastest.

In terms of reducing and waiving service fees, the Bank adheres to its mission of “finance for the people” and earnestly implements various fee reduction policies. It embodies the “political and people-oriented nature” of financial work in high-quality development. The Bank is a national pioneer in achieving “zero fees” for account services and payment settlements, proactively waiving 74 service fees for customers, including corporate account management fees, account opening fees, and transfer and remittance fees. The Bank also voluntarily covers credit-related expenses such as mortgage registration fees, appraisal fees, notarization fees, and insurance fees. By actively utilizing tools like small business re-lending, interest subsidy policies for small and micro loans, and inclusive small and micro loan support mechanisms, the Bank offers loans at preferential interest rates, further reducing customers’ comprehensive financing costs. It continues to intensify fee reductions and profit-sharing, taking concrete actions to alleviate the financial burden on consumers, optimize the development environment for the real economy, and deliver genuine benefits to businesses and individuals. The Bank has cumulatively waived various fees for small and micro enterprises totaling RMB38.854 million.





This year, we have 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.

#### As of the end of 2024



The balance of small and micro loans amounted to RMB58,434 million, representing 56.58% of all loans.



Among these, the balance of inclusive small and micro loans reached RMB12,971 million, representing an increase of RMB1.42 billion compared with the beginning of the year, with a growth rate of 12.29%, which is 0.48 percentage points higher than the growth rate of all loans.

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

#### Tian Tian Dai C



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

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.

#### Jiu Hao Dai

#### Ying Shang Dai



"Jiu Hao Dai" is a revolving credit facility for working capital that we provide to enterprises distributing Luzhou Laojiao liquor, specifically for purchasing liquor goods under contract. This product automatically integrates with the Luzhou Laojiao Yirong Supermarket platform via our system, using the distributors' operational data as the primary basis for credit assessment. The online application process is highly efficient, with fast disbursement.

"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

#### Shui Jin Dai



"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" 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.

#### **To support the high-quality development of the Chinese liquor industry**

During the Reporting Period, the Bank aligned with Luzhou City's strategy for the high-quality development of the Chinese liquor industry. Leveraging our "Chinese liquor Specialized Branch", we collaborated with the Municipal Liquor Development Bureau to establish a dedicated financial service team. We enhanced supply chain product innovation through offerings like "Jiu Hao Dai" and "e-Lu Dai", and utilized the Chinese liquor industry cluster incentive and subsidy policies to reduce financing costs. Through these measures, we continuously optimized credit policies, improved the quality of financial services, and actively supported the high-quality development of the Chinese liquor industry.

Since its establishment, up to the end of the Reporting Period, the "Chinese liquor Specialized Branch" has provided loans totaling RMB1.353 billion to 131 liquor enterprises, representing a year-on-year increase of 53.17%, while the loan interest rate has decreased by 101 basis points compared to the same period last year.



#### **(II) Protect Customer Rights and Interests**

The Bank strictly abides by the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, the Implementing Measures of the People's Bank of China for Protection of the Rights and Interests of Financial Consumers, the Measures for the Administration of Consumer Rights Protection in Banking and Insurance Institutions, 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, the Management Measures for the Handling of Consumer Complaints and the Measures for the Administration of Financial Consumer Rights Protection Review.

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.





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 the “3.15 Financial Consumer Rights Protection Education and Awareness Campaign”, “Publicize financial knowledge Event”, “Financial Education Popularization Month Event”, “Financial Standards for the Benefit of the People and Enterprises”, the Fair Competition Policy Awareness Week, and activities to prevent illegal fundraising in 2024, 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

During the Reporting Period, the Bank launched the “Financial Education Popularization Month” event. The event focused on basic financial information, common illegal financial activities, financial integrity culture, financial education in rural counties, and the protection of personal financial information. It aims to raise awareness among target audiences, including university students, citizens, middle-aged and elderly people, and rural residents. The campaign is organized in schools, villages, communities, business districts and enterprises. 41 reception counters were set up across 41 stores in Luzhou, Chengdu, Meishan and Suining. Over 80,000 copies of promotional materials were distributed, reaching an audience of more than 90,000 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 and guide consumers in developing a rational investment mindset.



To actively fulfil our anti-fraud responsibilities and strengthen employees' awareness of fraud prevention, the Bank organized specialized training on combating telecommunications and online fraud. The training was conducted through a combination of fraud prevention knowledge explained by officers from the Municipal Anti-Fraud Center and practical anti-fraud experience shared by internal business experts. Adopting an approach of "case studies + skill-sharing + system refinement", the session further strengthened the practical anti-fraud skills of frontline staff. It laid a solid foundation for the Bank to effectively collaborate with law enforcement in the future and jointly combat telecommunications and online fraud. The Bank will adhere to a development approach that balances the efficiency of anti-fraud efforts with the quality of customer service. We will innovate training formats, enrich training content, and focus on reinforcing employees' anti-fraud awareness and skills, fully committed to safeguarding the property security of the public.



Carrying out "Anti-Fraud Specialized" training



### (III) Daily Customer Service Management

To further standardize the service procedure management, working order, and appearance of the branches, the Bank updated the Basic Regulations on the Service of Luzhou Bank's Branches, as well as the Regulations on the Management of Acquiring Business, Regulations on the Management of Outsourcing of Acquiring Business, 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 our daily business operations, we consistently prioritize our customers, wholeheartedly providing them with services while striving to deliver higher-quality and more efficient financial solutions.

In promoting the construction of a standardized service system at our branches, the Bank compiled the "Xiaolu Fuwu Riji", which includes text, images, and videos. This guide outlines standards for service environment facilities, personal appearance and etiquette, and daily manners. Through standardized and detailed service requirements, it provides employees with clear references and guidance.



"Xiaolu Fuwu Riji"



In terms of enhancing service levels for elderly customers, the Bank has appointed dedicated elderly service specialists who wear “Senior-Friendly Service Specialist” badges and provide companionship-style assistance to elderly clients. We have also introduced “Communication Card” to facilitate communication with elderly customers who have hearing difficulties or impairments, ensuring smooth interactions and normal transaction processing. Additionally, we provide “Respect for the Elderly Reminder Card”, which, with the voluntary consent of elderly clients, allow branches to retain family contact information for timely outreach to relatives when needed. Furthermore, we offer “Tip Card” for elderly customers with large cash withdrawals or other sensitive transactions; they can fill out specific service requests to complete transactions without verbal communication, preventing information leaks and improving their overall service experience.



“Senior-Friendly Service Specialist” badges and “Communication Card”



“Respect for the Elderly Reminder Card”



“Tip Card”

To further improve the financial service experience for elderly customers, standardize employees' service behavior, and enhance service awareness, the Bank organized training on senior-friendly services in lobbies across all branches. The instructors focused on explaining different scenarios, emphasizing the need to monitor elderly customers' queue status to prevent delays due to hearing impairments or slow mobility that might cause them to miss their turn. They also highlighted the importance of attentively addressing elderly customers' transaction needs and monitoring their movements within the lobby, proactively offering guidance, instructions, and reminders. Special attention was given to high-risk transactions such as transfers and withdrawals, where staff were instructed to remind customers to double-check details to focus on the counter service experience for elderly customers. Counter service personnel were trained to incorporate caring gestures when serving elderly clients—actively inquiring about their needs, providing reminders, and appropriately extending call times as needed. This approach ensures that, while maintaining thorough risk warnings, elderly customers can smoothly complete their payment transactions. Through training, employees gained a deeper understanding of senior-friendly services. They will apply what they have learned, felt, and realized to their practical work, delivering more professional, enthusiastic, and considerate services to enhance the experience and satisfaction of elderly customers.

---

#### **To assist elderly customers in identifying and avoiding pension investment scams**

On 20 March 2024, an elderly customer visited one of our branches without an appointment, requesting a large cash withdrawal of RMB250,000 from a current account and RMB500,000 from a fixed-term deposit, claiming it was for their daughter's investment. The counter staff, citing insufficient cash on hand, tactfully declined the withdrawal request, while the lobby manager stepped in to provide reassurance before the customer left the branch.

Afterwards, the elderly customer returned to the branch again and demanded to transfer the fixed-term deposit into the bank card. This raised the suspicions of the on-site supervisor. After investigation, it was discovered that the purpose mentioned by the elderly customer was related to a scam. After three hours of coordinated efforts involving our Bank staff, police from the Anti-Fraud Center, and community workers to persuade the customer, the elderly individual abandoned the withdrawal attempt finally. Through this intervention, we successfully helped the elderly customer avoid a loss of RMB750,000 finally.





To further advance the Bank's service initiatives, elevate service management standards, and establish an industry image of quality, efficiency, standardization, and professionalism, while deeply embedding the concept of premium service, the Bank's operation department launched the "100-Day Service Quality Enhancement" skills competition. The competition was structured around three key metrics, including customer satisfaction (covering complaints, suggestions, compliments, premium service inspections, and error issues), employee competency improvement (including on-site training and written exams), and service case studies. The branches seized this competition as an opportunity. We aimed to optimize the customer experience as a foundation, explore more efficient and high-quality service methods, encourage innovative service approaches, develop distinctive service features, and highlight exemplary models. Employees were organized to refine service details in their work, delivering a more "professional and standardized" image to serve customers and enhance overall service quality and effectiveness.



"100-Day Service Quality Enhancement" skills competition

To enhance employees' proactive service awareness, help them master service techniques, and elevate the overall service level at our branches, the Bank organized specialized training for lobby managers. The training covered lobby service standards, prohibited actions, and key considerations, while also explaining common business knowledge, authorization essentials for self-service machines, the current severe anti-fraud landscape along with corresponding countermeasures. Drawing on typical complaint cases, the session included practical drills, followed by critiques and analyze the reasons for customer complaints and response techniques. Through this training, employees enhance their proactive service awareness and help employees master flexible service skills. This elevates the service standards of branch managers.



Carrying out specialized training on "Lobby Manager Services"



#### Carrying out training on “High-Quality Service Case Studies”

The Bank’s business department conducted training on high-quality service. We incorporate sharing of high-quality service cases from the branches and analysis of typical complaints. Through practical simulations of various scenarios, participants discussed solutions and analyzed examples of excellent service from other branches. Employees from all branches dedicated themselves to learning, continuously improving their service awareness, skills, and standards. They strive to enhance the customer experience.



#### Conducting training on “Workplace Etiquette”

To enhance the Bank’s service quality and drive long-term business development, the Bank has engaged a professional instructor to organize and conduct workplace etiquette training for employees. The instructor integrated real-world marketing examples and conducted role-playing and scenario-based exercises to help employees master the rules and nuances of etiquette. Through observing and analyzing marketing case studies, employees discovered the charm and the harm caused by a lack of etiquette. This allowed them to fully recognize the significance and necessity of etiquette. Additionally, by learning about etiquette culture, employees were reminded that etiquette is not just a workplace skill but a reflection of personal cultivation, respect for others, and self-confidence. Only by respecting others and maintaining self-assurance can the essence of etiquette shine naturally from within.



#### (IV) Improving Online Banking

Since 2013, the Bank has progressively developed electronic banking systems, including personal/corporate online banking, personal/corporate mobile banking, and WeChat banking, gradually completing the construction of an omnichannel layout that serves both “corporate + individual” customers. To effectively support the development of the Bank’s electronic banking business, the Bank initiated the construction of a next-generation electronic banking platform in April 2023. This involves rebuilding personal/corporate online banking, personal/corporate mobile banking, and WeChat banking to ensure the platform can support the processing capacity required for business growth over the next 8 to 10 years.

The corporate channel was launched in December 2023 and became publicly available in April 2024, including corporate online banking and corporate mobile banking. The personal channel was launched in July 2024, comprising personal online banking, personal mobile banking, and WeChat banking, and became publicly available in November 2024. This has established a unified user and business system, breaking down channel barriers and significantly enhancing the user experience. Key updates include the addition of over 40 new features, such as large-amount transfers via mobile banking, cross-border financial services, and electronic deposit certificates, as well as the optimization of more than 30 features, including account inquiries, transfers, remittances, and deposit wealth management. Additionally, the integration of online banking and mobile banking enables interconnected data and mobile financial services, providing more convenient mobile financial solutions for both corporate and individual users of the Bank.

##### **Conduct training on corporate electronic banking and personal electronic banking services**

In response to the Bank’s development of a new generation of electronic banking platform, training sessions on corporate electronic banking and personal electronic banking services were conducted in April 2024 and November 2024, respectively. These sessions aimed to help staff across all branches familiarize themselves with the new system’s key features and enhance the user experience.





#### (V) *Handling Customer Complaints*

The Administrative Measures for Handling Consumer Complaints have been formulated in strict accordance with the regulatory requirements, including Implementing Measures of the People's Bank of China for Protection of the Rights and Interests of Financial Consumers and Regulations on the Management of Consumer Complaints in the Banking and Insurance Industry, which clarify the duties and requirements for the handling of complaints, strengthen the internal control processes.

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 call center launched an English customer service hotline to provide a more convenient financial service experience for foreign clients in China. Additionally, we introduced a new feature that automatically routes calls from elderly customers to human agents for personalized assistance. Additionally, outbound call-back services were conducted for online lending, merchant acquiring, and select branch customers to listen to their feedback, gather suggestions on the Bank's services, and relay this information to the relevant business departments. This initiative aims to enhance overall customer satisfaction across the Bank. As of the end of the Reporting Period, the call center has provided personalized assistance to 5,020 elderly customers.

#### During the Reporting Period



The Bank received a total of 46 customer complaints, of which 12 complaints were directly handled by the Bank, and 34 complaints were forwarded by regulatory authorities.

In terms of distribution, all 46 complaints were from Sichuan Province.

In terms of business types, 43 complaints were related to personal business complaints while 3 complaints were related to public business complaints.

All customer complaints were handled promptly and properly, with 100% complaint settlement rate. There were no large-scale complaints.

#### The process of handling customer complaints is as follows:

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.



## 8.2 Ensure Information Security and Protect 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 of 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 regulations 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, Measures for Management of Personal Financial Information Protection and the Cybersecurity Emergency Response Plan, which provide guidance, basis, and institutional safeguards for information security management and customer privacy protection.

The Bank has established an information security organizational structure that includes decision-making by the Information Technology Management Committee, oversight by the Chief Information Officer, management by the Information Technology Department, and active participation from other functional departments. The Information Technology Department, as the primary authority overseeing information security at the Bank, is responsible for developing and refining information security regulations and standards. It plans, builds, implements, and optimizes our cybersecurity protection system, organizes information security-related training, and addresses cybersecurity threats and information security vulnerabilities. The Bank consistently adheres to the working philosophy of "prevention first, security first" and is guided by the ideology of "proactive defense and comprehensive prevention". We continuously improve our information security system, intensify routine efforts such as information security inspections and awareness training, and effectively enhance the level of information security management. Furthermore, the Bank engages professional third-party organizations to conduct information security assessments, continuously promoting standardized and normalized management of information technology, thereby effectively enhancing our information security assurance capabilities.

In accordance with the "Measures for the Protection of Financial Consumer Rights" by the People's Bank of China and the "Technical Specifications for Personal Financial Information Protection", the Bank has formulated the "Personal Financial Information Protection Management Measures". This policy standardizes the division of departmental responsibilities, the management requirements for the lifecycle of personal financial information, and outsourcing and personnel security management. To strengthen our employees' awareness of personal financial information protection and enhance customer information management, the Bank invited external experts in 2024 to conduct an online specialized training session on personal financial information protection. Additionally, we organized an inspection to identify potential security risks related to personal financial information, notifying relevant parties of any issues found and urging their rectification.

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 a semi-annual investigation 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. At the same time, in accordance with the "Notice from the Sichuan Financial Regulatory Bureau Office on Conducting Special Governance Work for Network and Data Security Risks", the Bank conducted an inspection in July focusing on network and data security risks related to personal financial information protection. We reviewed our implementation of key requirements based on the latest regulatory standards and rectified any identified deficiencies within the stipulated timeframe. It is essential for all departments to diligently fulfil their responsibilities, strengthen control measures in critical areas, and protect personal financial information in a compliant and steady manner.

---

**The Bank assisted Luzhou City in achieving an Outstanding Award at the “2024 Sichuan-Chongqing-Yunnan-Guizhou-Guangxi Cybersecurity Practical Offense and Defense and Emergency Drill”**

During the Reporting Period, the Bank dispatched professional personnel to serve as the team leader, guiding the Luzhou City attack team in the “2024 Sichuan-Chongqing-Yunnan-Guizhou-Guangxi Cybersecurity Practical Offense and Defense and Emergency Drill”. The team engaged in offensive and defensive confrontations with over 460 participating entities and secured an Outstanding Award.

Through this drill, the Bank significantly enhanced its ability to analyze attack incidents and respond to cybersecurity emergencies. At the same time, we will actively explore and continuously optimize solutions and approaches to address the issues exposed during the exercise, comprehensively strengthening our cybersecurity defenses and fortifying our network security frontline.

---

During the Reporting Period, Luzhou Bank conducted a variety of information security training programs, customizing the content to suit different employee groups, including information security awareness for new employees, advanced professional knowledge for information security specialists, information security awareness for current employees, secure development practices, and protection of personal financial information. In September 2024, the Bank invited external experts to deliver information security awareness training to all employees, focusing on job-specific information security knowledge and information security threats encountered in the workplace, with the goal of fostering a strong sense of information security protection. Through these training efforts, the Bank aims to ensure that employees fully recognize the importance of information security, strictly adhere to relevant regulations, properly store financial information, take responsibility for operating information systems, standardize the processes for information extraction and use, and build a robust ideological foundation for protecting personal information.

---

**Conducting specialized training on “Personal Financial Information Protection”**

On 14 November 2024, the Bank organized a specialized training session on “Personal Financial Information Protection”. The session featured an instructor with over 40 years of experience in the financial sector, and more than 180 participants attended both in person and online. Through this training, all employees of the Bank gained a comprehensive understanding of the importance of personal information security and personal financial information protection. The session significantly enhanced their sense of responsibility toward safeguarding personal financial information, deepened their awareness of the pathways and risks of information leakage, and equipped them with effective methods and techniques for information protection. This has strengthened the ideological foundation for protecting personal financial information across the Bank.





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.

### 8.3 Emphasize Brand Management and Safeguard Intellectual Property Rights

The Bank places great emphasis on brand management and intellectual property protection. In terms of external publicity and brand usage management, it strictly complies with laws and regulations such as 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, and the Copyright Law of the People’s Republic of China. The Bank has also established the Administration Measures for External Publicity, and the Promotional Materials Management Measures. In accordance with the Reputational Risk Management Measures (Trial) of the National Financial Regulatory Administration (formerly the “CBIRC”), the Bank has formulated the Administration Measures for Reputation Risks, the Emergency Response Plan for Reputation Risks, and the Reputational Risk Handbook for Employees to further clarify the Bank’s management standards for external publicity and addressing public opinion risks.

The Bank established the Reputational Risk Management Committee under the Comprehensive Risk Management Committee. The committee steadily 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.

The Bank places great importance on public opinion management and strictly implements relevant management measures. It prepares in advance for critical moments, formulating and executing response plans to ensure effective handling of potential issues.

Continuously Monitoring Internet Public Opinion	Employing a combined approach of “public opinion monitoring company + in-house public opinion monitors” to carry out 365x7x24-hour monitoring of public opinion.
Convening 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 corresponding response procedures.
Issuing a Reputation Risk Employee Handbook	In September 2024, the Bank updated and issued the “Reputation Risk Employee Handbook”, significantly enhancing the reputation risk management capabilities of all employees across the Bank.
Carrying Out Annual Reputational Risk Management Training	On 12 July 2024, a reputational risk management expert was invited to conduct annual reputation risk management training and an on-site drill. Employees from various branches and key departments at the head office involved in reputation risk management, totaling over 100 participants, were organized to attend. This initiative effectively enhanced the ability and proficiency of employees across all institutions in managing reputational risks.



Carrying Out Reputational Risk Investigation	<p>First, starting from the first quarter of 2024, the Bank established a normalized reputation risk screening mechanism. We organized all branches to conduct monthly reputational risk screening, enabling us to promptly identify potential triggers that could escalate into reputation risk incidents and intervene proactively.</p> <p>Second, at the end of each year, the Bank organizes a bank-wide annual reputation risk assessment. This strengthens the identification, monitoring, control, and response to reputation risks, analyzing the primary drivers and transmission pathways of reputation risks while gaining a clear understanding of the current state of reputation risk management within the Bank.</p>
--	---

The Bank places great importance on protecting its own intellectual property, ensuring that trademarks, patents, and other achievements derived from its operations and management are properly declared and registered as intellectual property rights, while simultaneously respecting the intellectual property rights of others and prioritizing the prevention of infringement risks. For activities that may generate intellectual property, such as information technology and advertising, the Bank mandates that contracts include provisions for intellectual property protection. In 2024, the Bank continued to implement the Basic System for Legal Affairs Work of Luzhou Bank and the Notice on Standardizing Intellectual Property Management, establishing a unified and standardized framework for intellectual property management responsibilities across the entire institution. In accordance with the Management Measures for External Publicity Work, the Bank conducts pre-release reviews of all external publicity and information dissemination content, examining aspects such as the presence of ambiguities or improper expressions, the existence of misleading information, respect for third-party intellectual property rights, the inclusion of sensitive topics, and compliance with the Bank's advertising standards, with content only published following approval by the responsible bank leadership. Additionally, the Bank has enhanced its management of external advertising and promotion to ensure that all communications are standardized, consistent, and clearly identifiable as representing Luzhou Bank.

#### 8.4 Strengthen Brand Promotion and Build a Warm Brand Image

The Bank is dedicated to building a warm and approachable brand image. This year, we formulated the Promotional Materials Management Measures to enhance standardized management of our promotional items. We also revised the External Publicity Work Management Measures and issued the Work Guidelines on Advertising Placement Verification and Promotional Materials Acceptance, standardizing the release process for external publicity content and outlining requirements for contract fulfilment and verification of external promotions.

In 2024, Luzhou Bank contracted nearly 30 external publicity channels, encompassing a diverse range of platforms such as outdoor advertising, sponsored high-speed trains, radio, cinema partnerships, airport advertising, and VIP lounges at high-speed rail stations. The Bank maintained positive interactions and communication with both local and national media, ensuring the timeliness and extensive reach of its promotional content across online and offline channels. Throughout the year, the Bank released 53 corporate posters aligned with the 24 solar terms, traditional festivals, and significant milestones, presenting a positive and forward-looking corporate image to its customers. By leveraging these traditional festivals and key milestones, the Bank conducted intensive brand promotion activities, effectively enhancing its brand reputation and recognition while strengthening employee cohesion, unity, and pride. Moving forward, the Bank plans to explore a broader array of publicity channels to elevate Luzhou Bank's brand influence, with the goal of establishing itself as a local commercial bank distinguished by its unique characteristics and strong brand recognition.



# Uphold Talent Excellence and Support Employee Development

## 9. Uphold Talent Excellence and Support Employee Development

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.

### 9.1 Adhere to a People-Centric Approach and Protect 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 (2022 Revision), the Management Measures for Staff Recruitment (2023 Revision), the Management Measures for Assistant Staff (2023 Revision), the Management Measures for Employee Position Performance Appraisal (2023 Revision) have been formulated or revised to provide a system for talent selection and employment of the Bank.

In the process of recruitment, hiring, renewing, or terminating employment, 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. We are dedicated to creating harmonious labour relations and strive to create better development opportunities for employees. During the year, there were no incidents of child labour and forced labour.

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. We provide overtime pay to employees who, due to work necessities, perform duties on statutory public holidays. Overtime wages for statutory public holidays are calculated in accordance with relevant national regulations. The Bank continuously improved the Management Measures for Employees' Leave 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 promptly urges each branch to promptly carry out employee rest and vacation guarantee work.

#### Employment status of the Bank in 2024

	Number of employees	Proportion (%)
<b>Number of employees during the year</b>	1,598	
<b>Number and proportion of employees by gender</b>		
Male	691	43.2%
Female	907	56.8%
<b>Number of employees by age</b>		
Under 30 years old (exclusive)	518	32.4%
30 to 50 years old (inclusive)	981	61.4%
Above 50 years old (exclusive)	99	6.2%
<b>Number of employees by region</b>		
Luzhou	1,119	70.0%
Regions outside Luzhou	479	30.0%
<b>Number of employees by employment type</b>		
Formal contract employees	1,433	89.7%
Dispatched labour	165	10.3%
<b>Employees' turnover of the Bank in 2024</b>		
Summary of employee turnover in the current year <sup>1</sup>		
Number of employees resigned	34	
Turnover rate <sup>2</sup>	2.1%	
<b>Employee turnover rate by gender</b>		
Male	0.7%	
Female	1.4%	
<b>Employee turnover rate by age</b>		
Under 30 years old (exclusive)	1.2%	
30 to 50 years old (inclusive)	0.9%	
Above 50 years old (exclusive)	0.0%	
<b>Employee turnover rate by region</b>		
Luzhou	1.4%	
Regions outside Luzhou	0.7%	

<sup>1</sup> Employee turnover rate = number of employees leaving in the category/total number of employees in the category at the end of the period.

<sup>2</sup> 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 2024

Total number of trainees in the current year	1,593	Total training time in the current year (hours)	69,900.7 hours
Number of senior management trainees	14	Total time of senior management training	436.0 hours
Number of middle management trainees	206	Total time of middle management training	6,956.5 hours
Number of junior management trainees	253	Total time of junior management training	8,693.3 hours
Number of staff trainees	1,120	Total time of staff training	53,814.9 hours
Number of male trainees	688	Total training hours for male	29,389.4 hours
Number of female trainees	905	Total training hours for female	40,511.3 hours
Percentage of senior management trainees <sup>3</sup>	0.9%	Average hours of senior management training <sup>4</sup>	31.1 hours
Percentage of middle management trainees <sup>3</sup>	12.9%	Average hours of middle management training <sup>4</sup>	33.8 hours
Percentage of junior management trainees <sup>3</sup>	15.9%	Average hours of junior management training <sup>4</sup>	34.4 hours
Percentage of staff trainees <sup>3</sup>	70.3%	Average hours of staff training <sup>4</sup>	48.0 hours
Percentage of male trainees <sup>3</sup>	43.2%	Average hours of male training <sup>4</sup>	42.7 hours
Percentage of female trainees <sup>3</sup>	56.8%	Average hours of female training <sup>4</sup>	44.8 hours

### Employees' injury and death from work

Employees' health and safety	Data of 2024	Data of 2023	Data of 2022
Number of employees who died at work	0	0	0
Mortality rate at work (%)	0	0	0
Number of employees who injured at work	2	0	1
Number of lost working hours due to work injury	55	0	10

<sup>3</sup> Percentage of employees trained = number of employees trained of this category/total number of employees trained at the end of the period.

<sup>4</sup> Average training hours of employees = total hours of training of employees of this category/number of employees of this category.

The Bank continuously refines its compensation management mechanism, aiming to promote high-quality enterprise development. We have implemented a market-oriented salary system based on position-based wages, with performance-based compensation that allows for flexibility in both upward and downward adjustments. The Bank has established a dual-channel salary progression system for employees, expanding the salary advancement opportunities for professional-track staff and creating a bridge for salary interactions between management and professional tracks. The Bank upholds the philosophy of “pay for the position, pay for ability, and pay for performance”. In line with this principle, it closely ties employees’ performance-based compensation to their business performance outcomes, ensuring that rewards reflect individual and organizational achievements. During the Reporting Period, the Bank revised the Compensation Management Measures (2024 Revision) and the Implementation Rules for Compensation Determination and Disbursement (2024 Revision) to further enhance employee motivation, support the Bank’s stable operations, and promote sustainable development.

The Bank places great emphasis on employee health and safety management, strictly adhering to the basic welfare systems mandated by national and local governments. We legally contribute to employees’ basic social insurance, including basic pension, basic medical, unemployment, work-related injury, and maternity insurance, as well as government-supplemented medical insurance and housing provident funds. To enhance employees’ sense of belonging and strengthen corporate cohesion, the Bank continuously improves its welfare protection system. Based on our specific circumstances, we have established a reasonable supplementary benefits framework, including an enterprise annuity and supplementary medical insurance, to elevate employees’ retirement benefits and healthcare coverage, effectively alleviating their medical burdens.

Taking into account employee feedback and the practical management needs of our leadership talent, we revised the Management Measures for Cadres and Talents (2024 revision) during the year. By further refining the promotion and demotion mechanisms, we provide outstanding employees with a more comprehensive and broader advancement pathway, laying a solid talent foundation for the Bank’s long-term development.

The Bank has established open and accessible channels for employees to provide feedback and suggestions. Each year, the Bank engages in one-on-one discussions and routine visits to understand employees’ needs, gather their opinions, and listen to their concerns, actively safeguarding their rights and interests. During the reporting period, the Bank revised the Employee Care Management Measures (2024 Revision), comprehensively upgrading its employee care management framework. The revised measures outline care initiatives across six dimensions: ideological care, physical and mental health support, work environment improvements, career development opportunities, family life assistance, and spiritual encouragement. These initiatives are implemented through coordinated efforts among the head office, line management departments, and operational units, ensuring a holistic approach to employee care that enhances employees’ sense of fulfillment and belonging.

## **9.2 Improve Training Systems to Foster Employee Growth**

The Bank places significant emphasis on fostering employees’ career growth and development, striving to broaden the forms and platforms for employee cultivation. To this end, we have established and revised relevant policies, including the Management Measures for the Work of the “Super Team” (2022 Revision). Additionally, this year, we revised the Management Measures for Staff Training (2024 Revision), which clarified the requirements for training plans and implementation management, and improved the evaluation and application of training outcomes. We also updated the Implementation Rules for Age-Based Position Transitions (2024 Revision), further refining the career path and compensation management for employees after they reach the specified age.

The Bank has adopted a tiered and diversified talent training framework tailored to the diverse needs of its business and the varying characteristics of its employees. Training programs are designed based on employees' different development stages, business line distinctions, and competency levels, with a focus on continuously expanding training platforms, innovating training models and content, and integrating high-quality internal and external resources. This approach refines a comprehensive, end-to-end talent development mechanism. The Bank employs a hybrid training model that combines online and offline, internal and external training, business and management skills, routine and specialized programs, and collaboration between headquarters and branches. It actively promotes talent development initiatives such as new employee onboarding training, young reserve cadre development programs, leadership training for middle-level managers, international and domestic high-end financial certification programs, and degree advancement courses at Southwestern University of Finance and Economics. These efforts have elevated the overall quality of the Bank's talent pool to new heights.

The Bank upholds a people-oriented principle, placing significant emphasis on the long-term career development of its employees. To further facilitate career advancement, it has delineated employees' career development paths into a dual-channel framework consisting of a "management channel" and a "non-management channel", with established promotion rules and requirements to provide institutional support for employee progression. This is reinforced through rigorous capability assessments and performance evaluations, ensuring the promotion mechanism operates with fairness, transparency, and efficiency. At the same time, the Bank sets phased development goals for employees, precisely assessing their competency levels to guide them in self-planning, self-improvement, and self-motivation, thereby igniting their intrinsic motivation and unlocking the innovative potential of both the organization and its workforce in a profound manner.

The Bank has established an annual, routine talent assessment mechanism to ensure that outstanding employees can fully utilize their talents in suitable positions. Through the talent assessment program, the Bank has achieved a comprehensive reform in cadre and talent management, transitioning from institutional frameworks to practical implementation measures. This has systematically reshaped the cadre and talent management system by introducing a new "non-management channel" alongside the existing "management channel". Operating in parallel, these dual channels facilitate employee promotion pathways and enhance the employee evaluation mechanism.

During the year, the Bank has effectively implemented and continuously optimized its human resources management coaching program, significantly expanding its breadth, depth, and precision. This ensures that employee development efforts are more focused and targeted. First, the coaching program is deeply integrated with the daily operations of the Bank's branches. Based on institutional needs, authoritative experts in fields such as risk management, technology, and data are invited to provide "professional coaching", facilitating knowledge exchange and idea collision with the Bank's teams. Second, the Bank has carried out "on-the-job coaching" and "centralized training and seminars", experts are invited to immerse themselves in the actual work scenarios of managers, providing "one-on-one" full-process tracking, targeted analysis, and actionable recommendations. Third, the program emphasizes the cultivation of key personnel, 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. During the Reporting Period, the Bank invested RMB10,795,249.8 in training initiatives.



### Conducting training on “Enhancing Bank Employees’ Service Capabilities”

To effectively standardize service behaviors and strive to make standardized service a habit, the Bank engaged a professional external instructor to organize and conduct training on enhancing service capabilities. This training was conducted in two main areas. On one hand, it emphasized counter service standards, explaining techniques for coordinating lobby and counter services, and analyzed the reasons behind typical counter-related customer complaints from this year along with response strategies. On the other hand, it reviewed key points of collaborative management across branch roles, explored existing issues in branch management, and assisted managers in strengthening lobby service operations.



### Continuously selecting top universities for the joint training of key talents

The Bank has successively established cooperative relationships with renowned institutions such as Central University of Finance and Economics, Sun Yat-sen University, Xiamen University, and Zhejiang University, implementing leadership training for mid-level managers and potential enhancement training for reserve cadres. This year, the Bank continued this initiative by collaborating with Renmin University of China to conduct key talent training. Over 160 young reserve cadres and mid-level managers were organized to participate in centralized off-site training at Renmin University. Through comprehensive surveys of trainees’ needs, courses were carefully selected to enhance their business capabilities, management skills, and overall competencies, further improving the capabilities and qualities of the participants.



### Induction Training for New Employees

Regarding the training program for new employees, the Bank conducted an in-depth analysis of common issues exhibited by recent hires over the past few years, as well as the desired qualities we hope outstanding employees will demonstrate. With a goal-oriented approach, we comprehensively optimized the training curriculum, further enriching the dimensions of instruction, enhancing the depth of content, and expanding the forms of delivery, while designing targeted courses for new employees. Additionally, the Bank organizes activities such as military training, team-building exercises, debates, and cultural performances to further improve the quality and effectiveness of the training, strengthen team cohesion and sense of belonging, and help new employees quickly integrate into the Bank.



### Carrying out competency development activity for the Super Team

During the year, by dividing participant groups and broadening activity themes, we enhanced the quality and effectiveness of the events. We conducted activities for new Super Team members, the super pioneer training camp, and sub-team development initiatives. These efforts further strengthened team cohesion and collaboration, while boosting the participants' sense of collective honor, belonging, and drive to excel.





### 9.3 Focus on Employee Health and Enrich Leisure Activities

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. During the year, the Bank reviewed and revised several management regulations, including the Public Security Management Measures, the Security Service Outsourcing Management Measures, the Implementation Rules for Security Management Platform Operations, the Security Emergency Management Measures, and the Security Work Assessment Management Measures. These revisions comprehensively promote the orderly and effective implementation of various safety management measures, creating a healthy and secure working environment for employees.

The Bank strives to provide a safe working environment from multiple dimensions and actively improves office conditions by equipping workplaces with complete ventilation, air conditioning, dustproof facilities in the office to create a comfortable, high-quality, and friendly working environment for employees.

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 Bank established a safety production work leading group, with its office located in the security department. The members of the leading group's office include the internal control and compliance department, the general management department, and the information technology department. Management responsibilities are implemented layer by layer across the sub-branches, first-tier branches, and operational outlets. In 2024, the Bank organized and conducted a series of specialized safety hazard inspection and remediation campaigns, including "Workplace Safety Production, Cracking Down on Illegal Activities and Rectifying Violations, Centralized Rectification", "Safety Inspections During the Spring Festival and Two Sessions", "Safety Hazard Inspections and Remediation for Renovations of Business Premises", "Concentrated Fire Safety Hazard Elimination and Major Remediation", "Compliance Inspection of Safety Production Tasks During the Main Flood Season", and "Self-Inspection During Fire Safety Awareness Month". By doing so, the Bank closely monitored key risk areas such as business premises, vaults, self-service equipment, and self-service banking zones, as well as critical risk aspects like the construction and operation of security and fire protection facilities and armed escort services. We focused on identifying hidden dangers such as equipment failures, illegal or irregular activities, and safety management deficiencies. Through a comprehensive assessment and dynamic tracking, we established a clear baseline of major safety accident risks, systematically addressed significant hazards, and resolutely prevented serious accidents and criminal cases. These efforts have contributed to a sustained and positive improvement in our safety production environment.



### Conducting fire safety training

During the Reporting Period, the Bank conducted “Fire Safety Mini-Classrooms” by engaging professional fire safety training organizations to provide on-site guidance. Tailored to the specific conditions of our premises, we organized fire safety skills training, initial fire suppression exercises, and emergency evacuation drills. These activities strengthened employees’ safety awareness and the emergency response capabilities of staff across various roles, while also testing the condition of emergency equipment and the practicality of our emergency plans.



The Bank continued to build a “Staff Home”, actively responding to the reasonable demands of employees and leveraging this platform to organize a variety of cultural and sports activities. 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. In response to the physical and mental health of female employees, the Bank organized female workers’ activities on March 8 Women’s Day every year and has successfully established “Sichuan Provincial Mommy and Baby House Demonstration Site” to care for female staff. During the “Sichuan Province Trade Union System Female Employee Work Conference and Female Employee Brand Work Exchange Event”, the project served as a showcase, hosting a provincial female employee system research delegation and receiving unanimous praise. The Bank also meticulously planned bank-wide cultural and sports activities, including the “Delivering Blessings to Ten Thousand Homes” calligraphy charity event, the “Million Employees Touring Bashu” movie ticket giveaway, the 105th Anniversary of the May Fourth Movement Cultural Performance and the “Destined to Be You” Young Employees’ Social Event, as well as a series of activities celebrating International Labor Day and the Model Workers and Craftsmen Promotion Month. We actively supported the Bank’s union and employee interest groups in organizing activities such as poetry, calligraphy, painting, photography, badminton, basketball, football, tennis, and yoga. Additionally, we encouraged employees to enthusiastically participate in city-wide worker cultural events, continuously enhancing their spiritual and cultural enrichment while nurturing their character and sentiments. During the Reporting Period, the Bank carried out more than 100 cultural and sports activities for employees, including image and aesthetics management training, reading sharing sessions and movie screenings, Children’s Day parent-child activities, outdoor team-building events, autumn garden fairs, and e-sports friendly competitions. These events received active participation and positive feedback from employees.

During the Reporting Period, the Luzhou Women's Federation awarded the Bank's Chengbei Branch the honorary title of "Sichuan Provincial Women's Civilization Post". Additionally, the Bank formed a team to participate in the 9th Luzhou City Sports Games, where its employees achieved outstanding results, including first place in women's doubles badminton, second place in mixed doubles badminton, and third place overall in the team standings. The Bank's employee basketball and soccer teams also achieved excellent results. The Bank participated in the 2024 Luzhou State-Owned Assets System Employee Fitness Dance Competition, winning second prize. Additionally, it took part in the Luzhou State-Owned Assets System Celebration of the 75th Anniversary of the Founding of the People's Republic of China and the 20th Anniversary of the Luzhou State-Owned Assets Commission, where its performance titled "When the Mountain Flowers Bloom" received unanimous praise.



Women's Day activities



Excellent results for the Bank's staff football teams during the Reporting Period



Our staff attending tree planting public welfare activities



Team building activities for our staff



# • Promote Green Development and Support Low-Carbon Transformation

## 10. Promote Green Development and Support Low-Carbon Transformation

In response to the national “Carbon Peaking and Carbon Neutrality” policy and the economic principle of “prioritizing stability while seeking progress”, the Group adheres to important measures to advance green development. To this end, we actively issue guidance documents on green credit and green operations, continuously develop green credit business, and support enterprises in achieving green and low-carbon transformation to promote their sustainable development. During the Reporting Period, we issued the “Strategy for Green Credit Development of Luzhou Bank Co., Ltd. (2024–2026)”, outlining our commitment to align with national policies and implement the concept of new green development over the next three years. The Bank will strengthen its green focus across organizational structure, products and services, risk management, and information systems. We will refine our credit portfolio, increase support for green, low-carbon, and circular economies, and promote the growth of green credit while ensuring that substantive risks remain under control.

### 10.1 Fulfil Corporate Responsibility and Achieve Environmental Goals

In 2021, the Bank established applicable environmental targets based on its actual conditions and future development plans. These targets include emission reduction, non-hazardous waste reduction, hazardous waste disposal, water conservation, and energy conservation. Additionally, the Bank implemented a series of proactive environmental conservation measures. We regularly review the achievement of the targets, and the progress of the targets for the year is as follows:

Emission Reduction Target:	Based on 2021, it is planned to reduce greenhouse gas emissions per capita by 5% by 2031.
Progress in 2024	Although per capita greenhouse gas emissions in 2024 increased compared to 2021, they decreased by 8.80% compared to 2023. This demonstrates the notable effectiveness of the series of energy-saving and emission-reduction measures implemented by the Bank in 2024. Moving forward, the Bank will continue to diligently execute its emission reduction plans and encourage employees to reduce emissions in daily operations to ensure the smooth achievement of its emission reduction targets.
Non-hazardous wastes reduction targets:	Based on 2021 levels, the Bank plans to reduce per capita disposal of non-hazardous waste by 5% by 2026.



Progress in 2024	The per capita non-hazardous waste disposal volume in 2024 was 0.0990 tons, compared to 0.1122 tons in 2021, representing an 11.76% decrease from 2021. This target was achieved ahead of schedule, and the Bank will continue to manage non-hazardous waste to further reduce its disposal volume.
Hazardous wastes handling targets:	100% of waste lead-acid batteries are treated by qualified suppliers every year.
Progress in 2024	The Bank has engaged qualified third-party subcontractors to deal with hazardous waste in compliance.
Water conservation target:	Based on 2021, it is planned to reduce tap water consumption per capita by 5% by 2026.
Progress in 2024	Although per capita tap water consumption in 2024 increased compared to 2021, it decreased by 1.99% compared to 2023. This reflects the notable effectiveness of the water-saving measures implemented by the Bank in 2024. The Bank will continue to strengthen water consumption management and enhance employees' water conservation awareness to support the achievement of its environmental goals.
Energy saving target:	Based on 2021, it is planned to reduce per capita power consumption by 5% by 2031.
Progress in 2024	Although per capita electricity consumption in 2024 slightly increased compared to 2021, it decreased by 2.89% compared to 2023. This highlights the notable effectiveness of the energy-saving measures introduced by the Bank in 2024. In the future, the Bank will continue to enhance electricity consumption management and promote employee awareness of energy conservation to assist in meeting its energy-saving targets.

## 10.2 Enhancing Green Finance to Support Industry Development

The Bank adheres to the national industrial and environmental protection policies, and actively supports the development of a green, circular, and low-carbon economy. The Bank has implemented relevant regulations, including the Guidelines on Green Finance for the Banking and Insurance Industries, the Green Credit Guidelines, the Guiding Opinions on Credit Work for Energy Conservation and Emission Reduction and the Opinions of the General Office of the China Banking Regulatory Commission on Green Credit Work. Additionally, the Bank has formulated the "Green Credit Development Strategy of Luzhou Bank Co., Ltd". and standardized the green credit business process and related practices.

During the Reporting Period, we prioritized green credit business as a key focus of our investments in accordance with the 2024 Credit Investment Guidelines of Luzhou Bank Co., Ltd. Green credit was classified under the "support category" of credit investments. We actively supported green development projects across various industries, including technology upgrades, equipment upgrades, production line transformations, and new construction projects, all aimed at achieving green development goals in energy conservation and environmental protection, cleaner production, clean energy, and ecological environment improvement.

During the year, the Bank continued to prioritize credit fund investments in the green environmental protection sector, as well as industries and projects related to the development of the recycling economy and low-carbon economy. In alignment with the objectives of green credit development, the Bank consistently strengthened its support for green credit facilities. The Bank has established a comprehensive organizational and management structure, clearly defined the responsibilities of each department, and set admission criteria and protocols for green credit systems. It strictly limits credit granting to customers with serious violations of laws and regulations or significant risks in environmental, social, and governance aspects. Meanwhile, in accordance with the loan management process, the Bank conducted a comprehensive review of green credit and optimized its operational measures. We regularly perform internal audits of green credit, holding accountable those responsible for addressing significant issues identified. Through appropriate incentives and controls, we ensure the sustained and effective development of our green credit business.

We insist that credit access for green credit must comply with national industrial and environmental protection policies. We strictly limit credit granting to clients who have seriously violated laws and regulations or pose significant risks. Additionally, we strengthen the assessment of environmental and social risk factors during the credit approval process. The Bank requires that projects proposed for credit must comply with the “six necessary conditions”, including industry policy, environmental protection, land use, resource utilization, urban planning, and safety, among others.

In 2024, the Bank’s green credit funds were primarily allocated to the manufacturing of green building materials, comprehensive utilization of mineral resources, comprehensive management of urban and rural domestic waste, construction and operation of solar energy facilities, construction and operation of zoned metering and leakage control for urban water supply networks, and the promotion of organic food certification, among other initiatives. As of 31 December 2024, the balance of green credit funds amounted to RMB503 million, representing an increase of RMB35 million and a growth rate of 7.48% as compared to the beginning of the year.

During the year, the Bank revised its Luzhou Bank Co., Ltd. Green Credit Development Strategy (2024–2026) based on a comprehensive evaluation of its current business structure and in alignment with the Guidelines on Green Finance for the Banking and Insurance Sectors (Yin Bao Jian Fa [2022] No. 15), establishing development objectives for the next three years. The Bank is committed to steadfastly implementing new development principles, strengthening its green credit frameworks, cultivating a green credit culture. The Bank will continue to optimize its credit portfolio, increase investments in green credit, improve information disclosure transparency, and provide comprehensive green credit products and services to support the low-carbon transformation of the economy and society. Under the premise of ensuring effective risk management, it aims to promote operational objectives and a series of development initiatives to sustainably expand the scale of green credit. These efforts will further guide the Bank in effectively advancing its green credit practices.

---

#### **Conducting the special training of “Green Credit Identification Standards and Case Analysis”**

During the Reporting Period, the Bank invited external speakers to give a special training on “Green Credit Identification Standards and Case Analysis”. The training began by covering topics such as the background of green finance policies, green credit identification standards and case analysis, and development trends in green finance within the banking industry. It aims to enhance the ability of the Bank’s credit staff in identifying and authorizing green credit.

---



---

**Provision of green financing of RMB50 million to construction material companies**

The Bank provided a financing of RMB50 million to Luxian Longcheng Shangli Co., Ltd. for supporting the manufacture of green building materials. The principal business of the enterprise is the production and sale of various types of concrete products. The company has invested in the construction of two concrete production lines. The enterprise places great emphasis on safety and environmental protection, equipping itself with comprehensive environmental protection facilities. The factory is equipped with a rainwater collection tank, a four-stage filtration system, a ground dust collection system, and a sprinkler system, and has acquired equipment such as a fog cannon, an industrial wheel washer, a sewage filter press, and a sand and gravel separator, among others, to achieve zero pollution and zero emissions. The loan funds were primarily used to purchase raw materials such as sand, gravel, and fly ash. The Bank actively supports green building materials manufacturers to promote sustainable social and economic development.

---

---

**Provision of green financing of RMB10 million to environmental protection enterprises in oil and gas fields**

The Bank provided a facility of RMB10 million to Sichuan Anrui Environmental Governance Co., Ltd. for supporting the development of the cleaner production industry. The customer, a high-tech enterprise specializing in environmental protection services for the oil and gas industry, focuses on the reduction, harmless treatment, and recycling of oil-containing waste from the petroleum and petrochemical sectors, such as oil-based drilling cuttings, oil-based mud, and oily sludge, as well as the resource recovery of pollutants like water-based mud and fracturing flowback fluid generated during oil and gas field extraction. The Company has four production lines, two of which are currently in operation. Oil-based chips are produced after extraction of shale gas. The substance is a pollutant and cannot be biodegraded automatically. It requires transportation and disposal. The enterprise collects and transports the oil-based chips generated, conducting relevant treatments such as quantitative analysis and laboratory tests, thereby enhancing the environmental protection service capacity of oil and gas fields.

---

### **10.3 Practice Green Office Initiatives and Cherish Earth's Resources**

In compliance with the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, and other relevant laws and regulations, the Bank has established the Management Measures for Computer Consumables and the Management Measures for Official Vehicle Use and has revised the Management Measures for Head Office Business Facilities. The Bank actively responds to the national policy of "Carbon Neutrality and Carbon Peak" by promoting relevant measures for green operations and reducing resource consumption and pollutant emissions. In 2024, the Bank strived to reduce its own energy consumption and promoted low-carbon development by saving water, electricity and paper, implementing waste separation, and enhancing energy consumption management. Simultaneously, the Bank procures new energy vehicles for official use, implements various measures to further address the call for energy conservation and emission reduction, and continuously enhances the performance of its operational environment.

#### **(1) Water and Electricity Conservation**

During the Reporting Period, the Bank revised the Management Measures for the Business Facilities at the Head Office, further clarifying that each department should oversee its employees to ensure compliance with office energy conservation and environmental protection regulations. Additionally, departments are encouraged to provide relevant opinions and suggestions based on their practical work experience. We conduct annual inspections to ensure that each department complies with the business building management requirements. If any instances of resource wastage are identified, we strictly enforce rectification measures. By clarifying the relevant regulations on energy conservation and environmental protection in the measures and strengthening inspections, the Bank has further encouraged employees across all departments to strictly comply with energy conservation and environmental protection regulations.



To more effectively achieve the environmental goals established by the Bank, we have implemented a variety of water and electricity conservation measures. The Bank has installed sensor faucets to prevent water wastage and displays water conservation slogans in pantries and bathrooms. It encourages all departments to avoid using or minimize the use of lights in offices with sufficient natural light and mandates that all employees turn off lights, air conditioning, and power supplies promptly after work, including lighting in public areas. For rarely used stairwells and corridors, voice-activated sensors control the lights. On each floor, lights in changing rooms and reception areas, as well as television power in meeting rooms, remain off by default, with departments activating them only when needed and shutting them off immediately after use. Property management staff conduct regular inspections of each floor, and if they find any unoccupied areas with lights or air conditioning left on unnecessarily, they will turn them off and report the incident. The Bank sets office air conditioning cooling temperatures to no lower than 26° C and requires that computers, printers, air conditioners, water dispensers, and other electrical appliances be turned off promptly after work. The Bank strictly enforces the use of stairs for traveling up and down within three floors (inclusive), except under special circumstances, to conserve electricity. It also examines the implementation of the above requirements. If any department is found failing to turn off the lighting and power of facilities and equipment in public areas after work when the office is unoccupied, the Bank will report and address the issue. To strengthen the maintenance and management of the building's greenery, we have implemented time-zoned watering to reduce water wastage. Additionally, we have enhanced training on the maintenance of different plant species to improve greenery survival rates and minimize waste. The Bank's water use is mainly municipal water, so there is no difficulty in obtaining water source.

**(2) *Saving paper***

In terms of paper conservation, we have comprehensively advanced paperless operations at the Bank. Expense reimbursements are now fully digitized, with relevant attachments scanned and uploaded via the system to eliminate paper use. The Bank leverages its Office Automation (OA) system for paperless workflows, including document circulation and process approvals, further promoting a broader and deeper adoption of paperless practices. Additionally, by displaying slogans such as "Print Double-Sided" and "Save Paper" in printing rooms, the Bank encourages all employees to cultivate paper-saving habits.

**(3) *Official Vehicles Management***

During the Reporting Period, we encourage green travelling. We have formulated the Management Measures for the Use of Official Vehicles (December 2022 Revision), which clearly 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 of expenses, the unit consumption of fuel per kilometer will be calculated, and those with higher fuel consumption will be verified and reminded. This further strengthens the management of fuel saving. All vehicle management units across the Bank strictly adhere to the aforementioned regulations by recording fuel expenses to statistically track fuel usage.

**(4) *Waste Management***

The Bank actively implements Luzhou City's waste classification policy, strictly adhering to the regulations outlined in Luzhou City's Domestic Waste Classification and Management Regulation for the classification and disposal of domestic waste. Recyclable materials, such as paper, are repulped and reused by specialized recycling companies. Canteen staff filter food waste to separate oil from swill, and the remaining residue is collected daily by waste management companies for treatment. Additionally, other office domestic waste is gathered by property cleaning staff and handed over to waste management companies for daily collection and treatment.

We have established clear guidelines for building occupants to dine in compliance with regulations, actively participate in the “Clean Plate Campaign”, take meals according to their needs, and cultivate habits of food conservation, civilized dining etiquette, and healthy eating practices. In addition, the Bank has formulated the Implementation Rules for Computer Consumables Management. Under these measures, the information technology department collects waste consumables from all departments at the headquarters and branches across the Luzhou region on a quarterly basis. These waste consumables are then handed over to a company certified to recycle and dispose of hazardous waste consumables for centralized disposal. During the Reporting Period, the Bank carried out four recycling of waste computer consumables, including 2.32 tonnes waste computer consumables such as waste toner cartridges and cartridges, as well as 68 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.

The Bank has established a maintenance log for equipment, with a focus on the monthly maintenance of air conditioners and elevators to ensure their operational efficiency, extend their service life, and reduce maintenance material consumption. Daily night inspections are conducted to check whether office electricity in each department has been switched off, and a log is maintained to record these inspections. Departments that fail to turn off the power after work hours are reminded, fostering good habits of electricity conservation among all staff. The Bank has implemented an engineering maintenance spare parts management mechanism that strictly controls the elimination and replacement of worn parts to prevent waste. Reusable spare parts are categorized and recycled. Additionally, certain non-reusable parts are collected and repurposed through secondary transformation to reduce engineering material costs. Examples include reassembling discarded lighting strips and modifying old faucets.

#### **10.4 Align with National Strategies to Address Climate Change**

During the Reporting Period, the Bank continued to implement relevant power supply protection measures in response to potential power outage risks during the flood season, to ensure power supply security for its business buildings. The Bank engaged professional maintenance organizations to conduct annual maintenance for the head office generator. Additionally, the property service unit performed daily maintenance and inspection tests on the generator. In addition, the Bank signed an agreement for power-generating vehicles and implemented measures, such as regularly clearing sewage and drainage pipelines, to enhance power supply security and address flood season risks.

At the same time, the Bank formulated a flood control emergency plan to ensure the safety of business building operations during extreme weather events such as heavy rain and flooding. The Bank’s relevant departments have established a flood emergency response team responsible for managing flood prevention tasks for business buildings. Additionally, the Bank conducts on-site inspections of critical flood-prone areas in business buildings, formulates flood emergency procedures and measures, and regularly maintains and clears the drainage systems at key points. The Bank also procures flood prevention supplies and positions them in strategic locations to facilitate rapid emergency response. Furthermore, the property management teams of business buildings are responsible for monitoring weather and rainfall conditions and remaining prepared for emergencies at all times. Moreover, a flood control drill was conducted, covering emergency procedures and flood control arrangements at key locations. This comprehensive drill provides a solid foundation for the flood control efforts 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 Implications	Solution(s)
Physical risks	Investment risk	<ul style="list-style-type: none"> <li>Rainstorms, floods, droughts, and high temperatures can adversely affect local agriculture, forestry, animal husbandry, and fishery, thereby reducing the solvency of clients in these industries.</li> </ul>	<ul style="list-style-type: none"> <li>Take the impact of climate change as a reference factor in the investigation, review, risk assessment, and post-loan management for specific industries such as agriculture, forestry, animal husbandry, and fishery, and apply this factor in a manner tailored to the specific business conditions.</li> </ul>
	Self-owned assets and operating activities risk	<ul style="list-style-type: none"> <li>The Bank's location, including its owned real estate and infrastructure, faces direct and long-term risks from climate change and natural disasters, which may lead to business interruptions and asset losses.</li> <li>The scarcity of resources leads to business interruption and related risks.</li> </ul>	<ul style="list-style-type: none"> <li>The business building is equipped with a drainage system and automatic alarm-equipped drainage pumps.</li> <li>Rainwater ditches are to be installed around the building, and drainage ditches are to be installed around the garage and maintained with regular clearing.</li> <li>The building is equipped with pump, generator and flood control materials.</li> </ul>



Risk Identification		Potential Implications	Solution(s)
Transition risks	Policy risks	<ul style="list-style-type: none"> <li>National policies such as the Guidelines on Fully and Accurately Implementing the New Development Philosophy to Achieve Carbon Peaking and Carbon Neutrality and the State Council Action Plan for Carbon Peaking Before 2030 have influenced the Bank's credit investment strategies and client eligibility criteria.</li> </ul>	<ul style="list-style-type: none"> <li>The Green Credit Development Strategy of Luzhou Bank Co., Ltd. (2024–2026) was formulated to guide the Bank in excelling at green credit practices and to effectively implement national macro-control policies.</li> <li>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.</li> <li>Comprehensively review and streamline the green credit management process, and optimize and adjust work measures.</li> </ul>

## 10.5 Environmental Performance Sheet

### Emissions<sup>5</sup>

Indicators <sup>6,7,8</sup>	2023	2024 <sup>9</sup>
Emissions (in tonne)	0.0249 <sup>10</sup>	0.0226
Nitrogen oxides (in tonne)	0.0204	0.0183
Sulphur dioxide (in tonne)	0.0014	0.0015
Respirable suspended particles (in tonne)	0.0030	0.0028
Total greenhouse gas emissions (scope 1 and scope 2) (in tonne per CO <sub>2</sub> equivalent)	6,499.76	6,504.74
Greenhouse gas emissions per capita (scope 1 and scope 2) (in tonne per CO <sub>2</sub> equivalent/person)	4.46	4.07
Direct emissions (scope 1) (in tonne per CO <sub>2</sub> equivalent) <sup>11</sup>	479.15	471.61
Natural gas (in tonne per CO <sub>2</sub> equivalent)	214.28	207.38
Petrol (in tonne per CO <sub>2</sub> equivalent)	262.30	262.14
Diesel (in tonne per CO <sub>2</sub> equivalent)	2.57	2.09
Indirect emissions (scope 2) (in tonne per CO <sub>2</sub> equivalent) <sup>12</sup>	5,970.61	6,033.13
Electricity purchased (in tonne per CO <sub>2</sub> equivalent)	5,970.61	6,033.13
Total hazardous waste (in tonne) <sup>13</sup>	8.80	10.56
Hazardous waste per capita (in tonne/person)	0.0061	0.0066
Total non-hazardous waste (in tonne) <sup>14</sup>	182.80	158.20
Non-hazardous waste per capita (in tonne/person)	0.1265	0.0990

<sup>5</sup> 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 and the Energy Statistics Manual issued by the Organization for Economic Cooperation and Development.

<sup>6</sup> Unless otherwise specified, data on environmental performance covered the head office departments, 3 branches and 41 branches.

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

<sup>8</sup> 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.

<sup>9</sup> Due to the expanded scope of data collection this year compared to the previous year, certain metrics have increased accordingly.

<sup>10</sup> 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.

<sup>11</sup> 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.

<sup>12</sup> The calculation method and related emission coefficients of indirect emissions (scope 2) are referenced from the Announcement on the Release of the 2022 Power Sector CO<sub>2</sub> Emission Factor issued by the Ministry of Ecology and Environment of the People's Republic of China issued on 26 December 2024.

<sup>13</sup> 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.

<sup>14</sup> Non-hazardous wastes include the Bank's office domestic wastes, kitchen wastes and office equipment waste, etc., office domestic wastes and kitchen.

## Use of Resources<sup>15</sup>

Indicators	2023	2024
Energy consumption (in MWh) <sup>16</sup>	12,432.52	13,183.14
Energy consumption per capita (in MWh/person)	8.60	8.25
Direct energy consumption (in MWh) <sup>17</sup>	1,963.28	1,939.90
Natural gas consumption (in MWh)	1,061.02	1,026.84
Petrol consumption (in MWh)	892.27	904.93
Diesel consumption (in MWh)	9.99	8.12
Indirect energy consumption (in MWh) <sup>17</sup>	10,469.24	11,243.24
Electricity consumption (in MWh)	10,469.24	11,243.24
Electricity consumption per capita (MWh/person)	7.25	7.04
Tap water consumption (in tonne)	52,765.03	57,189.30
Tap water consumption per capita (in tonne/person)	36.52	35.79
Paper consumption (in tonne)	50.45	56.80
Paper consumption per capita (in tonne/person)	0.035	0.036

<sup>15</sup> Converted to MWh by using the conversion factors provided in the Energy Statistics Manual of the International Energy Agency.

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

<sup>17</sup> 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).



# Support Rural Revitalization and Fulfill Social Responsibilities

## 11. Support Rural Revitalization and Fulfill Social Responsibilities

The Bank is committed to addressing livelihood issues, actively supporting underprivileged communities and empowering the development of charitable and public welfare initiatives. We actively participate in social welfare and charity activities, promoting the spirit of volunteerism and contributing to a more harmonious society. During the Reporting Period, the Bank donated RMB6.52 million externally, with cumulative donations exceeding RMB80 million over the years.

### 11.1 Enhance three rural and rural services to help poverty alleviation

Luzhou Bank actively implemented the requirements of the Notice of the Office of the Luzhou Supervision Branch of the State Financial Supervision Administration <Notice by the General Office of the State Financial Supervision Administration on the Work of Inclusive Credit in 2024> (Lu Jin Jian Ban Fa [2024] No.18) by actively maintaining credit support, optimizing resource allocation and improving the quality and efficiency of financial services. The Bank has established the Rural Revitalization Division within the Three Agriculture Business Division at the head office. This division takes the lead in advancing financial services for rural revitalization within the Bank, ensuring the smooth and organized development of the Bank's initiatives in this area. The Group developed a work plan for financial services for agricultural entities. It outlined the operational requirements for each marketing institution's agricultural loan plan and monitored and managed the distribution process for these loans, all aimed at facilitating a steady and organized distribution of agricultural loans.

In accordance with the Notice by the General Office of the China Banking and Insurance Regulatory Commission on High-Quality Services for Rural Revitalization in 2021 (Yin Bao Jian Ban Fa [2021] No. 44), the Bank has set the assessment weight for rural revitalization-related indicators at no less than 10%. The Bank has implemented a differentiated risk control strategy for its agricultural business, establishing tolerance thresholds for non-performing loan (NPL) ratios of no more than 2.8% (inclusive) for agricultural loans and no more than 3% (inclusive) for inclusive agricultural loans. These tolerance thresholds are embedded into the assessment framework, guiding all branches to prioritize credit resources for agricultural enterprises. Additionally, the Bank has established a due diligence exemption system for agricultural credit business, clarifying the identification criteria and exemption conditions to promote the healthy development of agricultural loan services.

During the Reporting Period, we actively promoted the Rural Revitalization Card through various channels, including leaflets, direct mail advertisements, and LED screen displays. The Bank leveraged its exclusive benefits, such as waived card application fees, annual card fees, SMS service fees, and inter-bank withdrawal fees, to market the card. Additionally, the Bank utilized UnionPay's dynamic benefits program, to further promote the Rural Revitalization Card. These efforts have significantly increased the number of cards issued, enhanced the quality of rural inclusive financial services, and delivered tangible benefits to farmers.

During the Reporting Period, we actively responded to the national rural revitalization strategy by thoroughly implementing the Administrative Measures for the First Secretaries in Rural Areas and Task Forces of Sichuan Province (Chuan Nong Fa [2024] No. 17), the Schedule for Contact and Support for Village Assistance from Municipal Departments (Units) (Lu Zhi Gong Wei [2024] No. 81), and the Notice on Further Carrying Out the 'Four Ones' Actions to Strengthen Support Work in Rural Areas (Lu Zu Tong [2024] No. 74). In line with these directives, we carried out targeted assistance and village support initiatives, including the following measures:

1. The Bank added 3 new village support personnel, including 2 first secretaries and 1 village task force member, covering 3 villages. Additionally, it established a new paired assistance relationship with 1 county-level village. As of now, the Bank supports a total of 6 villages (including county-level) and has deployed 5 village cadres.
2. Leaders have led multiple visits to the assisted villages to provide guidance and conduct research. They engaged in detailed discussions with the communities to understand the progress of infrastructure development, the status of collective economic growth, and the challenges faced by each village. This year, the Bank has prioritized addressing issues such as production and domestic water supply, road maintenance, and inadequate office equipment and living facilities in village offices. Additionally, the Bank has actively supported these villages through consumer assistance initiatives, purchasing specialty agricultural products from the assisted villages.

In the next phase, the Bank will continue to monitor the actual conditions of the assisted villages, proactively addressing their needs through financial support, consumer assistance, and charitable donations. These efforts aim to ensure that the assistance initiatives are effectively implemented and deliver tangible results.

## 11.2 Undertake Social Responsibilities and Strengthen Educational Development

The Bank has continuously carried out educational assistance programs, achieving precise financial support for students and fulfilling the social responsibility and commitment of a financial institution through concrete measures, providing strong guarantees for the growth and success of numerous students, with total donations for educational support amounting to RMB2.42 million during the Reporting Period. For seven consecutive years, it has donated to the "Dongliang Project Student Support" public welfare activity and the "Charity Day Donation" public welfare project in Luzhou City, contributing RMB150,000 during the Reporting Period to help academically outstanding but financially disadvantaged college students realize their "college dreams", while for two consecutive years, it has supported the "Spring Buds Program" public welfare activity initiated by the All-China Women's Federation, donating RMB100,000 during the Reporting Period to help disadvantaged girls achieve their educational aspirations through practical actions.



The Bank has supported the "Spring Buds Program" project public welfare event for the second consecutive year

Over the past five years, the Bank has consistently donated to the Luzhou City Care for the Next Generation Foundation to enhance the security capabilities of the care fund, with a cumulative donation of RMB12.5 million. The foundation is committed to promoting the healthy development of children and adolescents by planning and implementing a variety of public welfare projects and activities. These initiatives continuously advance Luzhou's care programs and strengthen the fund's capacity to provide support. During this reporting period, the Bank contributed RMB3 million to this project, collaborating to make a meaningful impact on Luzhou's care initiatives.

---

**Supporting the improvement of educational conditions at Yuhua Central School in Longshan Town, Gulin County, Luzhou City**

The Yuhua Central School in Longshan Town, Gulin County, is one of the Four Crossings of the Chishui River Red Army Primary Schools, as designated by the National Red Office. To address the school's aging, dilapidated, outdated, and inefficient educational conditions, meet its daily teaching needs, and improve its outdated teaching facilities, the Bank donated RMB120,000. This contribution was used to purchase teaching LED displays, teaching computers, and other equipment, aiming to enhance the learning environment for the students, enable children in mountainous areas to equally access modern educational resources, and improve the overall quality of education.

---

### **11.3 Contribute to the Development of Gulin and Improve Infrastructure**

As a "Luzhou's own bank", the Bank has always regarded serving local communities as its responsibility, committed to sharing the worries of the local government, and effectively carrying the social responsibility of state-owned enterprises on its shoulders. During the Reporting Period, we actively supported the infrastructure improvements at the relocation settlement in Gulin County, donating RMB180,000 to address critical infrastructure weaknesses and enhance grassroots governance mechanisms, thereby providing local residents with a better quality of life.

Additionally, Sanhe Village in Longshan Town, Gulin County, is a village under the Bank's paired assistance program. Due to its complex terrain, the village frequently experiences water shortages during dry seasons, leading to persistent challenges in both production and daily water usage. To ensure the effective continuation of poverty alleviation efforts into rural revitalization, the Bank donated RMB 201,400 for the Sanhe Village Pond Management Project. This project includes slope stabilization, pond dredging, and pipeline installation, further enhancing the village's water infrastructure.



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

Content of Indicators		Relevant Sections
<b>Mandatory Disclosure Requirements</b>		
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board's oversight of ESG issues;</li> <li>(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</li> <li>(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.</li> </ul>	5. 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><b>Materiality:</b> 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><b>Quantitative:</b> 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><b>Consistency:</b> 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>	3. Reporting Boundary and Reporting Principles
Reporting Boundary	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.	3. Reporting Boundary and Reporting Principles
<b>A. Environmental Area</b>		
<b>A1 : Emissions</b>		
General Disclosure	<p>Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(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.</li> </ul>	10. Promote Green Development and Support Low-Carbon Transformation

Content of Indicators		Relevant Sections
A1.1	The types of emissions and respective emissions data.	10.5 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).	10.5 Environmental Performance
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10.5 Environmental Performance
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10.5 Environmental Performance
A1.5	Description of emissions target(s) set and steps taken to achieve them.	10. Promote Green Development and Support 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.	10. Promote Green Development and Support Low-Carbon Transformation
A2 : Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	10. Promote Green Development and Support 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).	10.5 Environmental Performance
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	10.5 Environmental Performance
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	10. Promote Green Development and Support Low-Carbon Transformation
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.	10. Promote Green Development and Support 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.	10. Promote Green Development and Support 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.	10. Promote Green Development and Support Low-Carbon Transformation

Content of Indicators		Relevant Sections
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.	10. Promote Green Development and Support 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.	10. Promote Green Development and Support Low-Carbon Transformation
<b>B. Social Area</b>		
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.	9. Uphold Talent Excellence and Support Employee Development
B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	9. Uphold Talent Excellence and Support Employee Development
B1.2	Employee turnover rate by gender, age group and geographical region.	9. Uphold Talent Excellence and Support Employee Development
<b>B2 : Health and Safety</b>		
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.	9. Uphold Talent Excellence and Support Employee Development
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	9. Uphold Talent Excellence and Support Employee Development
B2.2	Lost days due to work injury.	9. Uphold Talent Excellence and Support Employee Development
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	9. Uphold Talent Excellence and Support Employee Development



Content of Indicators		Relevant Sections
B3 :	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	9. Uphold Talent Excellence and Support Employee Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	9. Uphold Talent Excellence and Support Employee Development
B3.2	The average training hours completed per employee by gender and employee category.	9. Uphold Talent Excellence and Support Employee Development
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.	9. Uphold Talent Excellence and Support Employee Development
B4.1	Description of measures to review employment practices to avoid child and forced labour.	9. Uphold Talent Excellence and Support Employee Development
B4.2	Description of steps taken to eliminate such practices when discovered.	9. Uphold Talent Excellence and Support Employee Development
B5 : Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	7. Adhere to Compliance Principles and Strengthen Internal Controls
B5.1	Number of suppliers by geographical region.	7. Adhere to Compliance Principles and Strengthen Internal Controls
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.	7. Adhere to Compliance Principles and Strengthen Internal Controls
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	7. Adhere to Compliance Principles and Strengthen Internal Controls
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	7. Adhere to Compliance Principles and Strengthen Internal Controls

Content of Indicators		Relevant Sections
<b>B6 : Product Responsibility</b>		
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.	8. Protect Customer Rights and Interests and Deliver Quality Services
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.	8. Protect Customer Rights and Interests and Deliver Quality Services
B6.3	Description of practices relating to observing and protecting intellectual property rights.	8. Protect Customer Rights and Interests and Deliver Quality Services
B6.4	Description of quality assurance process and recall procedures.	Not applicable
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	8. Protect Customer Rights and Interests and Deliver Quality Services
<b>B7 : Anti-corruption</b>		
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.	7. Adhere to Compliance Principles and Strengthen Internal Controls
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.	7. Adhere to Compliance Principles and Strengthen Internal Controls
B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	7. Adhere to Compliance Principles and Strengthen Internal Controls
B7.3	Description of anti-corruption training provided to directors and staff.	7. Adhere to Compliance Principles and Strengthen Internal Controls
<b>B8 : Community Investment</b>		
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.	11. Support Rural Revitalization and Fulfill Social Responsibilities
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	11. Support Rural Revitalization and Fulfill Social Responsibilities
B8.2	Resources contributed to the focus area.	11. Support Rural Revitalization and Fulfill Social Responsibilities