Postal Savings Bank of China
2026 Interim Environmental Information
(Sustainable Finance) Report

June 2026

Contents

About This Report

Background

This report comprehensively presents the Bank's work in environmental, social, and governance (ESG) and other sustainable finance areas in the first half of 2026. It fully demonstrates the Bank's concrete practices and explorations in deeply applying the new development philosophy, establishing and improving the ESG management framework, and continuously promoting sustainable development across its operation management and business development. This report aims to address stakeholder concerns and continuously promote communication among all parties.

Scope of the Report

This report covers Postal Savings Bank of China Co., Ltd. and its subsidiaries.

Reporting Period

This report covers the period from July 1, 2025 to June 30, 2026. To ensure continuity, some content may extend beyond this period.

Report Data

The data are mainly from the Bank's internal documents and relevant statistics.

Publication Format of the Report

This report is published in electronic format and can be viewed and downloaded on the Bank's official websites. This report is compiled in Chinese with an accompanying English version. In the event of any discrepancies, the Chinese version shall prevail.

Websites: www.psbcltd.cn, www.psbc.com

Chapter 1 Environmental

I. Financing Environmental Impact

i. Governance

The Bank continuously enhances its long-term mechanism for green finance governance. Based on its own operations and management model and business development strategy, it actively exchanges, shares, and draws upon advanced practices in green finance. It has established a top-down green finance governance framework with clear tiers, well-defined duties, and a complete structure that fully covers the Party Committee of the Head Office, the Board of Directors, and the senior management. The Bank adheres to the unified leadership of the Party Committee of the Head Office. The Board of Directors and the senior management strengthen the leadership, supervision, and implementation of green finance work according to the division of responsibilities. Meanwhile, organizations at all levels ensure overall coordination, close cooperation, and full participation. The Head Office, branches, and majority-owned subsidiaries have established green finance leading groups for peaking carbon emissions and achieving carbon neutrality, forming a multi-level mechanism to advance related work. They have continuously consolidated the green finance work framework, advanced the implementation of various green finance tasks in an orderly manner, and laid a solid foundation for the Bank's high-quality sustainable development.

1. The Board of Directors

The Board of Directors attaches great importance to green finance and ESG work, bears the primary responsibility for green finance, adopts and promotes green development philosophy such as resource conservation, low carbon, environmental protection, and sustainable development, and formulates strategic plans for green finance and ESG in a coordinated manner. It continuously monitors and evaluates the effectiveness of strategy implementation, promotes active implementation of the national strategy for peaking carbon emissions and achieving carbon neutrality throughout the Bank, and explores the integration of ESG concepts into the Bank's development strategy, governance structure, corporate culture, and business processes. It works actively to build PSBC into a first-class green and inclusive bank, a climate-friendly bank, and an eco-friendly bank, enhances the corporate governance mechanism and the incentive and constraint mechanism, and continues to strengthen information disclosure. Under this framework, the Board of Directors has established relevant special committees with the following responsibilities:

(1) Strategic Planning Committee

The Strategic Planning Committee is mainly responsible for reviewing overall strategic development plans (including those for ESG), green finance work, and development plans, and providing recommendations to the Board of Directors.

(2) Risk Management Committee

The Risk Management Committee is mainly responsible for reviewing and revising the Bank's risk management strategies, basic risk management policies, risk appetite, comprehensive risk management framework, and important procedures and policies of risk management (including those for ESG risks, climate risks and other elements), reviewing risk management reports (including those for ESG), and making suggestions to the Board of Directors.

(3) Social Responsibility and Consumer Rights Protection Committee

The Social Responsibility and Consumer Rights Protection Committee is mainly responsible for developing strategies and policies of social responsibility, sustainable development, and consumer rights protection in line with the Bank's development strategy and actual situation, and developing relevant basic management policies. The committee also supervises and evaluates the execution and effectiveness of relevant strategies, policies, and basic management policies.

Column: Winning Multiple Awards for Excellent ESG Performance
The Bank was consecutively recognized as an "Advanced Unit in Green Bank Evaluation" by the China Banking Association, and received awards and honorary titles such as the "2025 Best Cases of Sustainable Development of Public Companies" award by the China Association for Public Companies, the "Best ESG Dual Carbon Practice Award" by Hong Kong International ESG Alliance, the "2025 Banking Sector ESG Brand Building Cases" award by China Financial Media Corporation, and the "Green Development Cases of the Year 2025" award by The Beijing News. In March 2026, Morgan Stanley Capital International (MSCI) released its ESG ratings, with the Bank's ESG rating upgraded to AAA.

2. Senior Management

The senior management is responsible for implementing the resolutions of the Board of Directors, formulating green finance objectives, establishing management mechanisms and processes, clarifying responsibilities and authorities, and conducting internal supervision, inspections and performance evaluations. The senior management regularly reports to the Board of Directors on the development of green finance, continuously pushes ahead with work related to peaking carbon emissions, carbon neutrality, and green finance, and coordinates the advancement of green finance business across Head Office departments, branches, and majority-owned subsidiaries.

3. Work Advancement Mechanism

The Bank has established a work advancement mechanism for green finance. Specifically, under the overall leadership of the Board of Directors and the senior management, green finance work is spearheaded by the Credit Management Department of the Head Office, coordinated by departments of the Head Office, and implemented and executed by branches and majority-owned subsidiaries at all levels, achieving closed-loop green finance management with clear responsibilities and efficient operation.

Senior management: The senior management properly formulates green finance development objectives based on the decisions of the Board of Directors, establishes and improves operable and assessable management mechanisms and business processes, clarifies the responsibilities and authorities of each link, and ensures that green finance work is conducted in a well-regulated and orderly manner.

Green Finance Steering Group for Carbon Peaking and Carbon Neutrality: The steering group carries out comprehensive planning and systematic advancement of carbon peaking, carbon neutrality, and green finance work, coordinates major matters, supervises the implementation of strategic goals, and strengthens cross-departmental and cross-level resource integration and action coordination.

Green Finance Taskforce on Carbon Peaking and Carbon Neutrality: The taskforce comprehensively implements the decisions and plans of the steering group, breaks down tasks and assigns clear responsibilities at each level, promotes the effective implementation of green finance policies, products, risk control measures, etc. at the Head Office, branches and subsidiaries, and continuously conducts tracking and monitoring, evaluation and feedback, and guidance and optimization, to ensure the efficient execution of all tasks.

Column: Establishing Specialized Green Finance Institutions Such as Carbon Neutrality Sub-Branches, Green Sub-Branches and Green Finance Departments
(1) Some PSBC branches being recognized as green financial institutions by local regulatory authorities PSBC Rongcheng County Sub-Branch was recognized as a specialized green finance institution by the Xiong'an New Area Local Office of the National Financial Regulatory Administration (NFRA), Xiong'an New Area Branch of the People's Bank of China (PBOC), and the Reform and Development Bureau of Xiong'an New Area in Hebei. With the approval of the NFRA Beijing Local Office, PSBC Jiukeshu Green Sub-Branch in Tongzhou, Beijing was established. (2) Some branches unveiling green finance centers and blue finance centers In 2025, the corporate finance departments of Tianjin Free Trade Zone Branch, Hexi Sub-Branch, and Beichen Sub-Branch of PSBC were additionally designated as green finance centers; PSBC Tianhuangping Sub-Branch in Anji County was rated as a carbon-neutral star-rated outlet; the Corporate Finance Department of PSBC Nanzhao County Sub-Branch in Nanyang City, Henan Province was additionally designated as the Green Finance Center; the corporate finance departments of PSBC Haikou Branch and PSBC Sanya Branch were additionally designated as the Green Finance Center and Blue Finance Service Center, respectively; and the corporate finance departments of the sub-branch directly under PSBC Hunan Branch and PSBC Xiangxiang Sub-Branch were additionally designated as green finance centers.

Case 1: Tianhuangping Sub-Branch in Anji County of PSBC Zhejiang Branch Rated as a Carbon-Neutral Star-rated Outlet
PSBC Tianhuangping Sub-Branch in Anji County, Zhejiang Province advanced the development of the carbon-neutral outlet on a pilot basis and followed local standards for the assessment and grading of carbon-neutral banking outlets. The sub-branch optimized the credit structure, improved its systems and mechanisms, strengthened energy management, and enhanced green finance services. To achieve energy conservation and emission reduction, the sub-branch installed solar photovoltaic equipment and carried out upgrades such as using all-electric kitchens, replacing equipment with energy-saving models, and using eco-friendly materials. Simultaneously, the sub-branch sourced renewable electricity from the green electricity trading market to meet its own green and low-carbon operational needs. It launched a carbon-neutral outlet management system, enabling real-time monitoring

and dynamic analysis of carbon emissions from its own operations. It also engaged a third-party institution to calculate carbon emissions from its own operations. The evaluation results showed that the sub-branch has achieved carbon neutrality in all aspects. Owing to its systematic development achievements, the sub-branch was rated as a two-star carbon-neutral outlet in Huzhou City in August 2025, becoming the first carbon-neutral star-rated outlet of PSBC Huzhou Branch.

Case 2: Nanzhao County Sub-Branch of PSBC Henan Branch Established the Green Finance Center

Nanzhao County Sub-Branch of PSBC Henan Branch actively promoted the development of the characteristic service framework for green finance and played a leading role in empowering the development of the green industry in the county and improving financial services in the ecological sector. In compliance with the requirements for comprehensive green transformation of financial services, the sub-branch established a county-specific green finance center, streamlined green finance service procedures, and set up a dedicated professional service team. The sub-branch analyzed the financing needs of the green industry in the county and worked with local authorities responsible for development and reform, forestry, ecological environment and other relevant areas to identify funding gaps for ecological projects, energy-saving and environmental protection enterprises, and green agriculture business entities across the county. Building on these efforts, PSBC Nanzhao County Sub-Branch leveraged the Green Finance Center to develop a "government-bank-enterprise" green financing matchmaking platform. It is the first specialized green finance service institution in the banking industry in Nanyang City that is dedicated to the county-level ecological sector.

Column: Carrying out Training on Green Finance

To enrich the forms of training on green finance, the Bank organized on-site training, online training and teleconferencing training on such topics as green finance policies, rules and regulations, industries seeking low-carbon transition, green finance statistics, ESG and risk management, and environmental information disclosure, with notable effects.

Theme-based training on the green development philosophy was launched. The Bank enriched its understanding of and applied the guiding principles of the plenary sessions of the 20th CPC Central Committee, the Central Economic Work Conference, and the Central Financial Work Conference; studied and implemented the requirements of the documents of the country and regulatory authorities on the building of a Beautiful China and the high-quality development of green finance; and thoroughly studied the guiding principles of documents such as the Guiding Opinions on Effectively Supporting the "Five Priorities" of the Financial Sector, Opinions on Leveraging Green Finance to Support the Beautiful China Initiative, Opinions on Doing a Better Job in Energy Conservation and Carbon Reduction at a Higher Level and of Better Quality, and Measures for Comprehensive Evaluation and Assessment of Carbon Peaking and Carbon Neutrality. The Bank deeply practiced Xi Jinping Thought on Ecological Civilization, upheld the concept that "lucid waters and lush mountains are invaluable assets", supported China's efforts toward peaking carbon emissions and achieving carbon neutrality with high-quality green finance services, and further promoted the communication and implementation of green development philosophy across the Bank.

The green-themed industry-specific research lecture series were launched. The Bank continued to offer training, both online and offline, on green finance and low-carbon transition. During the reporting period, external experts were invited to give 37 lectures on topics such as new energy vehicles, hydrogen energy, photovoltaics, green plastics, energy transition and carbon neutrality, green (ESG) rating framework for commercial banks, and sustainable information disclosure. These lectures deepened the understanding and awareness of credit staff on green industries so as to facilitate them in stepping up credit support for the real economy.

The green finance section was rolled out on the internal learning platform. The Bank developed green finance and ESG-themed training course platforms on online platforms such as "China Post Online College" and "PSBC E-Learning" and made them accessible to all staff, so as to instill a green development mindset across the Bank and continuously expand their knowledge base and improve practical competencies related to green development.

ii. Strategy

The Bank continues to push forward green banking development from a strategic perspective. In light of regulatory requirements and the Bank's actual business conditions, the Bank has formulated the Green Finance Work Plan of Postal Savings Bank of China and the Plan for High-quality Development of Green Finance of Postal Savings Bank of China. In doing so, the Bank fully integrates the concept of sustainable development into the Bank's development strategy, governance structure, corporate culture and business processes, and advances its sustainable and high-quality development in all respects, thereby doing its part in supporting progress toward the national goals of carbon peaking and carbon neutrality and the building of a Beautiful China.

1. Strategic Positioning

The Bank is committed to acting as a pioneer in green finance and strives to build itself into a green inclusive, climate-friendly and eco-friendly bank. The strategic positioning of the Bank is to enrich green finance product offerings; improve resource allocation to provide preferential interest rates to projects with significant carbon reduction benefits; and increase credit supply to fields such as green manufacturing, green transportation, green buildings, and energy conservation and environmental protection to support the development of green finance business.

2. Main Objectives

The main objectives of the Bank are boosting green finance, actively supporting green, low-carbon and circular economy based on the principles of risks under control and business sustainability, vigorously developing sustainable finance, green finance and climate financing, supporting energy conservation, pollution abatement, carbon reduction, ecological enhancement and disaster prevention in key industries and key sectors, cultivating distinctive highlights of transition finance, enhancing ESG and climate risk management, and maintaining a leading ESG rating.

3. Key Tasks

The Bank has set seven key tasks for the high-quality development of green finance. The first is to deepen the development of institutional mechanisms for green finance; the second is to step up financial support for key sectors; the third is to step up financial support for transition-aligned economic activities; the fourth is to improve the green finance service framework; the fifth is to drive the low-carbon transition of asset portfolios and its own operations; the sixth is to enhance financial risk prevention and control capabilities; and the seventh is to ensure sound information disclosure.

iii. Policies

Remaining committed to the country's strategic goals of carbon peaking and carbon neutrality, the Bank strictly abides by environmental policies and regulations, implements national industrial policies and standards, continuously improves its management policies, systems and procedures for green finance and green operations, and continues to solidify the foundation for the development of green finance.

1. Industry-Specific Credit Policies

(1) Guidelines on green finance credit extension policies

The Bank implements national policies and regulatory requirements, vigorously develops sustainable finance, green finance, and climate financing, actively develops transition finance, just transition and zero-carbon finance, strengthens ESG risk and climate risk management, curbs the blind expansion of high-energy-consumption, high-emission and low-quality projects, and channels more funds into green and low-carbon development fields. The credit policies categorize industries such as hydropower, nuclear power, wind power, photovoltaic power generation, electrochemical energy storage, energy conservation and environmental protection, new energy vehicles, charging stations, railways, rail transit and marine industries as industries encouraged to finance. ESG factors have been integrated into the credit extension policies for key industries, with an emphasis on biodiversity protection and climate change. The Bank adheres to the "one-vote veto mechanism" for environmental protection and implements a "zero-tolerance" policy for customers and projects that fail to comply with relevant environmental and industrial policies.

Industry-Specific Credit Policies

Industry	Credit policy description
Credit policy for agriculture, forestry, animal husbandry and fishery	This category includes the industries of agriculture, forestry, animal husbandry, fishery, etc. Based on the green certification framework, PSBC accelerates the development of agricultural projects, agricultural entities, and production models that meet ecological, organic, and modern standards. In the selection criteria for agricultural clients, the Bank clearly stipulates requirements regarding resource conditions, operational compliance, environmental protection, quality and safety, etc., and implements green credit policies and the "one-vote veto mechanism". The Bank actively supports energy-efficient agricultural clients with high machinery efficiency, low labor input, and the application of fertilizer- and water-efficient technologies, and national leading enterprises with outstanding advantages in green and new energy agricultural machinery. The Bank pays close attention to environmental and social transition risks as well as reputational risks of forestry projects, actively supports

	forestry projects with FSC/PEFC/CFCC certification while forbidding support for plantations built at the cost of illegal felling of natural forests, and continues to track changes in policies governing fast-growing forests. The Bank also focuses on verifying whether the environmental assessment procedures for agriculture, forestry, modern facility agriculture and agricultural machinery manufacturing projects are compliant and fully documented.
Biodiversity-related credit policy	PSBC actively supports biodiversity conservation and integrates blue finance and biodiversity conservation into the support scope of sustainable finance and green finance. It strengthens external exchanges and cooperation in biodiversity conservation and allocates more financial resources towards biodiversity conservation and nature-based solutions. It encourages financing in key areas such as sustainable use of biological and natural resources, biodiversity and ecosystem protection and restoration, nature-based solutions, and biodiversity friendly activities in highly sensitive industries.
Climate change-related investment policy	PSBC focuses on global climate change policies and greenhouse gas (GHG) emissions reduction requirements, and gives priority to clean and green renewable energy projects. The Bank actively addresses climate change-related risks and effectively guards against the risks derived from the green, low-carbon transition by applying tools and methods such as climate risk stress testing. Under the premise of legal compliance, controllable risks, and business sustainability, the Bank increases its financial support for the green and low-carbon transition of traditional industries. The Bank also actively supports micro-, small- and medium-sized enterprises (MSMEs) and projects that contribute to environmental improvement, climate change mitigation, resource conservation, biodiversity protection, and efficient resource utilization.
Energy utilization-related credit policy	PSBC implements list-based management, categorized treatment, and dynamic monitoring of high-energy-consumption and high-emission projects, and resolutely curbs the blind expansion of high-energy-consumption, high-emission, and low-quality

	projects. In line with the principle of "ensuring and supporting the development of some fields while controlling and limiting the development of some other fields", the Bank maintains differentiated credit policies for high-energy-consumption and high-emission industries. The Bank proactively adapts to changes in China's economic, energy, and industrial structures and actively develops transition finance to support the green and low-carbon transition and development of high-energy-consumption and high-emission industries and other traditional industries. Clean energy and new energy are fields encouraged for financial support. The Bank aligns with the transition finance pilot standards and catalogues of the PBOC and local authorities, and vigorously supports the development of transition finance. The Bank strengthens the tracking and management of financing entities in terms of carbon emissions, carbon-intensive asset exposure, fund utilization, and progress toward transition targets.
Mining-related credit policy	PSBC supports green, clean and intelligent mining projects and sets secure operations, environmental protection and resource utilization as admission criteria for customers and project selection. The Bank closely monitors compliance with mining permits, environmental impact assessment, soil and water conservation, forest land acquisition, safety supervision, project approvals and filings, comprehensive resource utilization, and energy consumption of mining projects to ensure alignment with industry regulations, national entry standards, and relevant industrial policies. The Bank strengthens ESG risks and climate risk management, enforces the one-vote veto mechanism for environmental protection, and implements a "zero-tolerance" policy for clients and projects that fail to meet environmental protection requirements and industrial policies. It reduces exposure to and exits from enterprises with outdated production capacities that contravene national industrial policies as well as enterprises that do not meet standards in environmental protection, energy consumption, quality, secure operations, or technology and are beyond remediation.

Oil and natural gas exploitation-related credit policy	PSBC attaches great importance to the environmental and social risks associated with investment and financing in the oil and natural gas sector. Projects must comply with industrial policies as well as various standards and technical specifications for comprehensive utilization of resources, energy conservation and environmental protection, and clean production, and ensure adequate pollution control and ecological protection. In assessing the environmental management capabilities of enterprises, the Bank particularly focuses on environmental risks related to the discharge of fracturing flowback fluids and gas-field water, the treatment and disposal of waste mud and rock debris, and the safe storage of chemicals. The Bank checks whether the enterprises have been placed on the environmental protection blacklist or have any records of significant environmental penalties.
Transportation-related credit policy	This category mainly includes railways, highways, ports, shipping, urban rail transit, air transportation, civil airports and modern logistics. PSBC focuses on supporting the development of projects in green transportation (such as railway transportation, urban public transportation, transportation environmental protection, etc.) and other fields, and actively supports the green development of the transportation industry featuring scientific layout, clean and low-carbon, intensive and efficient operations. This includes the construction of railways, highways, and airports with eco-friendly routing and siting, the electrified renovation of railways, the integration of port resources, the construction of large-scale specialized berths, the upgrading of high-grade waterways, and the pilot development of green shipping enterprises. The Bank actively supports eco-friendly projects and shall not support projects with severe environmental pollution.
Construction-related credit policy	PSBC actively supports the high-quality development of green buildings, prioritizes financing high-quality construction enterprises with green building technologies, and focuses on supporting the development of projects in building energy conservation, green buildings and other fields. The Bank pays attention to the development and policy changes in the green

	building industry, actively follows the concept of carbon cycling, and takes a low-carbon approach to meet the financing needs of developing the circular economy, building low-carbon ecological cities, and advancing low-carbon green building projects.
High-standard farmland-related credit policy	In accordance with the requirements of China's No. 1 central document for 2026, PSBC pushes ahead with the high-quality development of high-standard farmland by region and classification. As per the high-standard farmland development plans of various regions, the Bank uses infrastructure funds and new policy-backed financial instruments to increase project support. It focuses on supporting high-standard farmland projects included in the pilot areas for development in the whole area and supported by regional policies, and advances the coordinated development of the country's 13 main grain-producing areas, seven main grain-consuming areas, and 11 grain production-consumption balanced areas.
Iron and steel industry-related credit policy	PSBC actively supports the green, low-carbon, and high-quality development of the iron and steel industry. The Bank focuses on supporting high-quality enterprises in carrying out high-end, intelligent, and green transformation and upgrading, and empowers them to promote the R&D and application of ultra-low-emission transformation, clean production, and low-carbon and environmental protection technologies. The Bank supports iron and steel production for aerospace, high-end equipment and other fields, and assists in the import substitution and technological iteration and upgrading of related products. In line with the requirements of the catalogue of financial support for the transformation of the iron and steel industry, the Bank steadily increases financial support for short-process electric arc furnace steel-making projects.

(2) Credit policies for key industries

The Bank pays close attention to the ESG risks of customers and projects in various industries and formulates differentiated credit extension strategies based on industry attributes and business characteristics and in line with national industrial policies and regulatory requirements. The Bank specifies industry orientation requirements in customer and project admission standards, and proposes relevant requirements such as risk identification and prevention, credit management strategies, etc. The Bank continues to dynamically track changes in industrial policies. It strengthens the collection and analysis of policy information from ministries and commissions such as the National Development and Reform Commission, National Energy Administration, Ministry of Industry and Information Technology, Ministry of Finance, Ministry of Science and Technology, Ministry of Ecology and Environment, Ministry of Agriculture and Rural Affairs, and Ministry of Water Resources. It conducts in-depth research on industrial structures, key industries, and characteristic industries in various regions, and intensifies efforts to study such fields as new quality productive forces, technological innovation, new industrialization, green and low-carbon development, transition finance, new energy, modern service industry, strategic emerging industries, and transformation and upgrading of traditional industries. It gains an in-depth understanding of industrial characteristics, business models, technological routes, development prospects, and financial needs. It identifies customers and projects with mature business models, good development prospects, and controllable risks. It dynamically optimizes and updates the eligible corporate credit client database, ensures the enforceability, applicability, and feasibility of credit policies, and manages ESG risks in a scientific and orderly manner.

1) Agriculture, forestry, and rural industries

The Bank actively supports the green development of agriculture and forestry, fully implements relevant policies and requirements for rural revitalization, intensifies efforts in Sannong finance, and serves as the main force in financial services for rural revitalization. In the selection of customers in agriculture, forestry, and rural industries, the Bank places emphasis on technology empowerment and green development orientation and adheres to compliant operations.

The Bank focuses on grain production functional zones, major agricultural product production protection zones, specialty agricultural product advantage zones, as well as modern agricultural industrial parks, agricultural science and technology parks, rural entrepreneurship and innovation parks and others. The Bank places emphasis on supporting farmers, new business entities, and MSMEs in the context of rural revitalization, and increases credit support for rural entrepreneurship and innovation leaders and enterprises run by persons with disabilities. The Bank actively supports the development of related industries such as grain cultivation and processing, livestock and poultry breeding and processing, marine fisheries, modern facility agriculture, and forestry, and seizes opportunities for cooperation with leading enterprises. The Bank actively supports agricultural business entities in carrying out technological and green projects in the fields of smart agriculture, biological breeding, advanced agricultural machinery and equipment, and the collection, utilization, and treatment of agricultural waste, so as to enhance its comprehensive financial service capabilities. The Bank selectively supports high-quality market-oriented projects in the fields of farmland protection, comprehensive transformation of saline-alkali land, high-standard farmland construction, and rural infrastructure such as water conservancy, power grids, and highways. The Bank supports the high-quality development of rural industries, and increases financial support for new industries and new business forms in rural revitalization, including business models such as e-commerce direct procurement, customized production, and the pre-made food industry. The Bank also actively supports the promotion of new energy vehicles and green smart home appliances in rural areas, trade-in programs for consumer goods, and information consumption.

The Bank gives play to the role of inclusive finance in supporting green and low-carbon development and has developed a diversified framework of green inclusive finance products. The Bank steadily advances cooperation with platforms such as the government, enterprises, guarantee companies, insurance companies, and industry associations, strengthens follow-up monitoring of counties, villages, and populations that have been lifted out of poverty, and maintains its financial support policies unchanged.

Key review factors include: customers' industries, loan purposes, and environmental and social classification identification; whether agricultural infrastructure projects are operated in a market-oriented manner without incurring new implicit local government debt; the technology and green attributes of agricultural technology research projects and the Bank's comprehensive financial service capabilities; the stability of operating cash flows and adequacy of repayment sources of rural industrial projects; the creditworthiness and operational compliance of farmers and new business entities.

2) New energy and green and low-carbon industries

The Bank actively supports the comprehensive green transition of the economy and society, synergistically advances carbon reduction, pollution control, green expansion and economic growth, and accelerates the comprehensive green transition of the economy and society. The Bank intensifies research efforts in industries such as the new energy industry, green and low-carbon industries, strategic emerging industries, and future industries, creates a healthy development environment for green and low-carbon industries, and fosters new growth drivers such as green buildings.

The Bank focuses on supporting green and low-carbon projects such as the development of new energy bases in desert areas, the Gobi, and other arid areas, as well as zero-carbon parks, and promotes the building of the national carbon market. The Bank actively utilizes digital and green technologies to transform and upgrade traditional industries and increases support for green and low-carbon projects in the transformation and upgrading of traditional industries. The Bank also supports green and low-carbon scenarios in major livelihood-related consumption areas such as consumption, tourism, culture, health, housekeeping, and childcare.

For customers and projects in the green and low-carbon field, the Bank gives priority to high-quality asset businesses with policy support, sound credit standing, well-defined business models, strong management capabilities, and stable operating cash flows, and gradually scales back or phases out low-quality assets with insufficient experience, no core competitive advantages, low capacity utilization rates, strained operating cash flows, and insufficient repayment sources.

Key review factors include: Whether the project complies with national policies on green and low-carbon industries and carbon footprint management requirements; whether the operating cash flow is stable and repayment sources are adequate; whether the identification and classification of environmental and social risks are accurate; and whether the technological route is mature and the business model is well-defined.

3) Iron and steel, non-ferrous metals, building materials, and other high-energy-consumption and high-emission industries

The Bank keeps a continuous track of traditional industries such as iron and steel, coal-fired power, non-ferrous metals, and building materials, pays close attention to changes in factors such as industrial policies, supply and demand, leverage ratios, profitability, financing conditions, and negative public opinion, and enhances its industry risk identification and decision-making capabilities. The Bank also actively explores and analyzes the cross-cycle adjustment mechanism for credit structure and optimizes its industry strategies and industry structure in a forward-looking manner.

The Bank strictly implements national industrial policies and environmental protection requirements, optimizes the structure of outstanding credit facilities, and exercises stringent control over new credit approvals. Regarding customers and projects, the Bank gives priority to high-quality asset businesses with policy support, sound credit standing, well-defined business models, strong management capabilities, and stable operating cash flows, and scales back or phases out low-quality assets with insufficient experience, no obvious competitive advantages, low capacity utilization, small operating scale, strained operating cash flows, and insufficient repayment sources.

The Bank focuses on preventing risks in sensitive sectors such as iron and steel, non-ferrous metals, wholesale and retail, and high-energy-consumption and high-emission industries, and scales back or phases out enterprises and projects that fail to comply with national industrial planning, environmental protection standards, or workplace safety standards.

Key review factors include: Customers' capacity utilization rate, operating cash flow, and adequacy of repayment sources; compliance with national industrial policies and environmental protection requirements; presence of significant environmental, social, and corporate governance risks, excessive diversification, high-leverage operations, poor credit records, etc.; clarity of related-party relationships and the ability to trace them layer by layer to the ultimate equity owners; presence of notable deficiencies in corporate governance, a lack of focus on core business, or overly broad industry coverage within the business scope.

(3) Policy approval and implementation guidance

The Bank continuously raises the standards for examining and approving credit policies across various industries, promotes unified credit standards across the Bank, and takes ESG risks as an important consideration in formulating approval strategies for each industry.

The Bank exercises stringent control over new credit approvals and tightens customer eligibility control. The Bank gives priority to high-quality asset businesses with policy support, sound credit standing, well-defined business models, strong management capabilities, and stable operating cash flows. The Bank adheres to a prudent and sound risk appetite, takes the primary source of repayment as the fundamental consideration in credit review, and resolutely avoids loan approvals merely based on collateral or guarantees. The Bank respects laws, regulations and financial principles, upholds the concept of compliant development, and never crosses legal, regulatory, or policy redlines.

The Bank enriches guarantee tools and makes innovation on guarantee models, properly broadens the scope of collateral, vigorously develops businesses such as intellectual property pledge loans and movable property pledge loans, and promotes product innovation such as data asset pledge financing in a standardized manner. The Bank implements unified credit management. Businesses such as loans (including trade financing), bill acceptance and discounting, overdrafts, bond investments, investments in special purpose vehicles (SPVs), issuance of letters of credit, factoring, guarantees, and loan commitments, and other businesses where the Bank actually bears credit risks are placed under unified credit management. In accordance with the principle of substance over form and the penetration principle, the Bank accurately identifies, assesses, and mitigates various off-balance-sheet business risks to ensure that funds are invested in areas that comply with national macro-regulation policies and relevant regulatory requirements.

The Bank strictly prohibits granting business access to enterprises with unclear equity structures that cannot be traced layer by layer back to the ultimate equity owner, as well as enterprises with numerous related enterprises and frequent abnormal related-party transactions. The Bank prudently approves enterprises with notable deficiencies in corporate governance, a lack of focus on core businesses, or overly broad industry coverage within the business scope. The Bank pays close attention to customers with significant environmental, social, and corporate governance risks, excessive diversification, high-leverage operations, and poor credit records, and accurately identifies risky customers with deteriorating operating conditions, tight cash flows, and competitive disadvantages.

(4) Risk limit management plan

The Bank implements national policies, strictly controls the blind expansion of high-energy-consumption, high-emission and substandard projects, and formulates an annual risk policy and risk limit plan. During the reporting period, the Bank implemented limit controls over carbon-intensive and high-energy-consumption industries such as iron and steel, coal, thermal power, non-ferrous metals and petrochemicals, and actively supported the green and low-carbon transition of traditional industries such as those characterized by high energy consumption and high emissions.

(5) Energy transition and the green and low-carbon transformation of traditional carbon-intensive industries

The Bank formulated the Guidelines of Postal Savings Bank of China on Sustainability-Linked Finance Business and the Guidelines on Transition Lending Business of Postal Savings Bank of China. These two guidelines are designed to standardize the Bank's transition finance business, prevent greenwashing risks, jointly serve energy transition and low-carbon transformation, and contribute to the high-quality development of the real economy. The Bank links loan interest rates to the customer's achievement of key performance indicators (KPIs) and sustainability performance targets (SPTs), standardizes contracts and disclosures, establishes system identifiers, and forms a quantifiable closed loop. The Bank also focuses on traditional carbon-intensive industries such as petrochemicals, iron and steel, and coal power, prioritizes support for the technological retrofitting, equipment renewal and energy structure optimization of enterprises, links loan interest rates to transition performance, engages third-party institutions for professional assessment, and sets up debt repayment reserves.

2. Resource Allocation Policies

(1) Strengthening performance assessment

Regarding assessment, the Bank formulates core business indicators for the balanced scorecard for Head Office departments and performance assessment measures for the operation and management of tier-1 branches, incorporating indicators such as green credit and ESG risks into the performance assessment.

Regarding evaluation, the Bank formulates a credit management evaluation plan for tier-1 branches, which includes "green banking development" indicators. Branches are assessed quarterly based on their performance in organizational management, policy implementation, business development, and capacity enhancement in green banking development.

(2) Prioritizing resource allocation

Within the scope of available credit capacity and economic capital adequacy, the Bank gives priority to green credit business. Differentiated adjustment coefficients for economic capital measurement are implemented, with a 90% adjustment coefficient being applied to the economic capital measurement for the green finance business. In addition, a discount of 15 basis points (bps) is offered to the FTP of green loans and green bonds.

(3) Differentiated approval authorization

In accordance with the principle of matching authority with capabilities, the Bank implements differentiated management of approval authority for green finance business, and delegates greater approval authority to branches for green finance fields such as energy conservation and environmental protection, photovoltaic power generation, wind power, biomass power generation, and hydropower.

(4) Setting up "green lanes" for review and approval

The Bank sets up "green lanes" for credit review and approval and strengthens parallel operations to support the development of green finance business.

3. Green Operation Policies

(1) Fulfilling responsibilities as a major state-owned bank

The Bank organizes 36 tier-1 branches and majority-owned subsidiaries to sign the Letters of Commitment on Ecological and Environmental Protection, undertaking to enhance green finance service capabilities, innovate financial products and services, strengthen green and low-carbon investment, fully implement laws, regulations and policies on ecological and environmental protection, strictly implement local requirements concerning air pollution emissions and vehicle exhaust emissions, and encourage employees to participate in tree planting and afforestation initiative, so as to safeguard the bottom line of ecological and environmental protection and prevent ecological and environmental damages to the greatest extent possible.

(2) Promoting the development of low-carbon and energy-efficient buildings

The Bank issued the Guiding Opinions on Ensuring Logistics Support in 2025. It sticks to the principles of prioritizing resource conservation, adapting measures to local conditions, and pursuing a low-carbon approach. For newly built business and technical premises, green building standards shall be fully implemented. For the renovation of business and technical premises, renovation tasks shall be properly arranged based on the original conditions of buildings, with balanced consideration of retention, renovation and demolition. During the construction management process, an analysis of the impact of green construction shall be conducted, the green construction goals shall be clearly defined, and measures shall be implemented for material saving, energy saving, water conservation, and land protection.

(3) Implementing green procurement

The Bank explicitly upholds the principles of openness, equality and fairness in the procurement management policy, requires that priority should be given to energy-efficient, eco-friendly products with green product labels, and strictly implements green packaging and green transportation standards. The Bank guides its suppliers to fulfill environmental responsibilities. In 2025, the Bank signed a total of 45 copies of the Agreement on Energy Conservation, Emissions Reduction and Green Development with its suppliers, embedded the agreement and other relevant requirements in the procurement management system, and achieved online management of procurement covering the entire business process, all institutions, and all participants.

iv. Risk Management

The Bank has incorporated ESG and climate risks into its comprehensive risk management framework, established an environmental information database, identified and assessed climate risks, and carried out special inspections on ESG and climate risks as well as climate risk stress tests, continuously enhancing its ESG and climate risk management capabilities.

1. Environmental (Climate and Nature), Social and Governance Risk Management Framework

(1) Incorporating ESG factors into the credit assessment process

1) Basic principles

The Bank formulated the Management Measures for Environmental, Social and Governance Risks of Postal Savings Bank of China (2022 Revision). In these measures, clients are classified into three categories (Class A, Class B and Class C) based on the severity of their ESG risks, and graded as Excellent, Qualified, Alert or Penalized according to the effectiveness of their risk response measures. By integrating risk severity and the effectiveness of preventive measures, they are further sorted into four color-coded types for dynamic management: Friendly (Green), Qualified (Blue), Alert (Yellow) and Harmful (Red). Under equal conditions, priority is given to credit applications associated with the green, low-carbon, and circular economy. Credit applications from Red-type clients and projects are strictly rejected, while applications from Yellow-type ones are subject to prudent review.

2) Implementation

① Credit business

The Bank increases green credit supply and focuses on supporting clean energy, green industrial manufacturing, energy-efficient buildings, green transportation, low-carbon technologies, etc. Meanwhile, it maintains strict control over client onboarding and new loan issuance for industries with quota restrictions, such as iron and steel, coal, and thermal power. For clients with material ESG risks, it implements list-based management.

If a client experiences significant ESG-related risk events, the Bank shall timely review the total financing amount for both the group and the individual client. Such risk events include being added to the list of enterprises receiving environmental warnings or with poor environmental performance, being involved in litigation related to environmental or climate issues with significant negative impacts, being ordered to shut down by regulatory authorities, or violating laws and regulations with no prospect of rectification. Throughout the credit extension process, for clients with environmental violations whose rectification plans have not been approved by competent ecological and environmental authorities, the Bank shall not accept, submit, or approve their new credit applications, and shall scale back and phase out their existing businesses in an orderly manner.

The customer due diligence and evaluation report shall contain the final ESG risk classification and identification results, classification explanation, records of violations of laws and regulations concerning ESG matters, potential ESG risks, and proposed subsequent management measures. Credit compliance reviewers shall specify clients' ESG risk classification results in their review opinions, state the reasons for not classifying a client as "Green" and provide risk alerts accordingly.

• Client onboarding

The Bank evaluates the ESG-related risk performance of clients, focuses on reviewing the authority, completeness and procedural legality of risk compliance documents, pays attention to the impact of enterprises' production and operations on the ecological environment and the effectiveness of their environmental governance measures, and strictly controls client onboarding. The Bank shall not grant loans to projects without environmental impact assessment opinions. For clients and projects that do not comply with national policies or environmental standards, are associated with unrectified environmental and climate violations, have received environmental warnings or have been rated as poor in terms of environmental performance, have high risks of related litigation, or have been ordered to shut down, the Bank shall strictly control onboarding and new credit issuance. For clients and projects with outstanding problems, repeated violations, or failure to rectify, the Bank shall resolutely scale them back or phase them out.

The Bank also refines the whole-process materials for comprehensive credit extension, project evaluation, and credit approval, and identifies environmental factors such as carbon emissions (including regional carbon peaking progress, industry “dual carbon” control levels, environmental benefits, carbon reduction contributions and other information) to make project evaluation more targeted, standardized and rational.

• In-lending review

In accordance with the Management Measures for Environmental, Social and Governance Risks of Postal Savings Bank of China (2022 Revision), the Bank shall take ESG risks as an indispensable part of due diligence and propose preliminary classification recommendations in a special chapter in the credit investigation report. The investigation covers labor and working conditions, pollution prevention and control, biodiversity conservation, respect for the culture and customs of ethnic minorities, cultural heritage protection, ESG risks related to supply chains, comprehensive evaluation of corporate governance, etc. The Bank shall conduct strict compliance reviews on prospective credit clients and obtain relevant documents regarding industrial policies, market access, project approval, environmental assessment approval, land use pre-examination, energy conservation review, and workplace safety.

The Bank implements differentiated credit approval strategies based on clients’ ESG risk classification. For clients whose ESG risk is classified as Class A or Class B, independent clauses are added to the contract, including clauses regarding representations and warranties, commitments and restraints, reporting requirements, and defaults and penalties.

In terms of fund disbursement, the Bank implements the “three simultaneous” requirements. To be specific, the Bank shall not disburse funds in advance for projects without environmental assessment, workplace safety, and occupational health approval; if environmental protection, safety, and occupational health facilities are not constructed simultaneously with the main project, the Bank shall suspend the disbursement of construction funds for the main project; for projects that fail to pass environmental protection inspection upon completion, the Bank shall not disburse operating funds.

• Post-lending management

The Bank has incorporated ESG risk management into post-lending inspections. It continuously monitors risk changes through on-site or off-site inspections. For Class A clients, the Bank conducts special inspections at least every six months to examine the implementation of ESG risk management policies and response plans. For Class B clients, the Bank also conducts such special inspections, with the inspection frequency reduced to once a year.

For Class A clients as well as Class B clients in the "Alert" or "Penalized" category, the Bank proactively seeks risk mitigation measures, including increasing the capital ratio, requiring clients to formulate technology upgrading plans for energy conservation, environmental protection and workplace safety, controlling project assets, cash flows and operating rights, and requiring clients to purchase construction period insurance and ESG-related liability insurance and designate the Bank as the primary beneficiary; requiring customers to purchase personal injury and medical insurance for their employees; diversifying risks through syndicated loans; requiring early repayment, and implementing loan reduction and withdrawal.

② Bond underwriting business

Bond underwriting clients shall comply with the Bank's ESG risk management procedures for investment and financing business. The Bank implements periodic reviews for iron and steel, coal, thermal power and other industries with high ESG risks and raises management standards. During the business admission stage, the Bank considers clients' ESG risk control policy, production, operation and pollutant discharge permits, production processes and energy efficiency levels, as well as records of violations against regulatory requirements and rectification records as important parts of due diligence.

③ Investment business

The Bank integrates ESG factors into its annual business strategies, with priority given to supporting key areas of green and sustainable development of the real economy that align with national strategies, as well as to issuers outstanding ESG performance. The Bank has established mechanisms for collecting and tracking ESG information. It regularly gathers holding issuers' ESG data and ESG ratings on the open market, assesses the progress of responsible investment, and dynamically adjusts investment strategies. The Bank integrates ESG assessment indicators into the ongoing management of bonds, establishes a responsible investment working mechanism, allocates dedicated personnel, and includes responsible investment in its work goals.

④ Systems, statistics, and document management

The Bank embeds ESG risk classification and identification into its credit business platform to support whole-process management and utilizes financial technology to enhance management efficiency. The Bank also carries out green finance statistics in accordance with regulatory requirements and submits relevant reports in a timely and accurate manner.

⑤ Internal management and information disclosure

The Bank proactively benchmarks itself against domestic and international ESG assessment indicator frameworks to identify gaps and formulate optimization plans. It incorporates the implementation of green finance policies into due diligence reviews, conducts regular internal audits, and holds accountable those responsible for violations in accordance with relevant regulations. The Bank discloses its ESG performance through channels such as annual reports and sustainability reports, ensures timely, accurate, and complete information disclosure, and subjects itself to the oversight of the market and stakeholders.

(2) ESG risk management framework

The Credit Management Department of the Head Office is responsible for the overall ESG risk management for the investment and financing business. establishes a four-level collaborative working framework. By deepening information sharing and collaboration, the department implements joint prevention and control, effectively mitigates ESG risks, and prevents cross-contagion of risks.

1) The business operation level is responsible for implementing ESG risk management policies, processes, and work requirements. Branches formulate green finance development plans based on regional policies, resource endowments, and industry distribution. The Corporate Finance Department, Inclusive Finance Department, Sannong Finance Department and Transaction Banking Department of the Head Office are responsible for guiding and supervising ESG risk due diligence within their respective lines and implementing list-based, differentiated management of clients with material risks. The Investment Banking Department and Financial Institutions Department strengthen ESG risk due diligence and post-investment risk management within their lines.

2) The risk control and compliance level is responsible for standardizing, assessing, supervising, and reporting ESG risks in a coordinated manner. The Credit Management Department of the Head Office leads the list-based management of clients with material risks, formulates ESG risk management policies and rules, supervises and provides guidance for the Bank-wide ESG

risk management, and leads work such as green banking development, climate risk stress testing, and ESG rating. The Risk Management Department incorporates ESG risks into the credit rating framework and provision management. The Credit Approval Department conducts ESG risk compliance reviews and gives priority to credit facilities for the green, low-carbon, and circular economy. The Internal Control and Compliance Department handles ESG compliance work and formulates accountability policies. The Legal Department manages relevant legal matters. The Management Information Department implements the green finance statistics policy. The Asset and Liability Management Department is responsible for the pricing of green finance loans and the differentiated management of credit quotas.

3) The support level is responsible for providing resources and professional support. The Finance and Accounting Department incorporates green finance and ESG risk factors into performance assessments. The Human Resources Department provides human resources and training support and leads work related to human capital development. The Office of the Board of Directors is responsible for organizing relevant departments to communicate on ESG risk-related issues of concern to investors in accordance with investor relations management policies and procedures. The office is also responsible for monitoring public opinion related to ESG and working with relevant departments to analyze public opinion and make a response.

4) The supervision and evaluation level is responsible for re-supervising the ESG risk management framework. Branches at all levels refine their performance assessment and evaluation framework and organize ESG risk management training for credit business personnel. They obtain risk information through multiple channels, including industry associations, credit bureaus, regulatory authorities, media, non-governmental environmental organizations, and the Bank's internal "Jinjing" (Gold Eye) system. The Bank conducts special training for personnel involved in overseas project financing to ensure they fully understand the laws and regulations of the host countries regarding environmental protection, land, security, and labor.

(3) The ESG risk assessment and management framework covers all credit and investment banking businesses

The Management Measures for Environmental, Social and Governance Risks of Postal Savings Bank of China (2022 Revision), as the top-level management policy for the Bank's ESG risk management framework, covers the Bank's own operations, corporate clients, and retail business and sets forth specific standards regarding fundamental principles, department responsibilities, management mechanisms, policies and procedures, classified management and list-based management, investment and financing process management, overseas project management, system statistics and document management, internal management, and information disclosure. The Bank has further detailed ESG risk management requirements for investment and financing clients in specific sectors and formulated the Guiding Opinions on Supporting Small Enterprises in Developing Green Finance and Managing Environmental and Social Risks. The Opinions specify requirements for the classification and management of clients' environmental and social risks across the Bank, strengthen ESG risk control throughout the business process, enhance supervision, inspection, and rectification, and enhance the Bank's professional capabilities in ESG risk management.

1) ESG risk classification framework

The Bank has established an ESG classification and management framework for clients and integrated it into the credit management system. Based on the environmental and social impact of construction, production, and business activities, clients are categorized into Class A, B, or C. Based on a comprehensive evaluation of the effectiveness of measures taken to address ESG risks, corporate clients are classified into four categories, namely Excellent, Qualified, Alert, and Penalized, and, based on risk severity and the effectiveness of preventive measures, clients are further divided into four types, namely Friendly (Green), Qualified (Blue), Alert (Yellow), and Harmful (Red). The Bank implements list-based management for clients with material ESG risks, exercises creditor's rights in accordance with the law, and requires such clients to adopt risk mitigation measures. As at the end of 2025, the Bank completed ESG risk classification for all corporate credit clients.

2) ESG evaluation tools for corporate clients

The Bank has formulated an ESG evaluation plan for the iron and steel industry. In 2025, branches in Jiangsu, Gansu, Guizhou, and Hebei steadily implemented the plan and leveraged the evaluation framework to accurately assess the sustainable development status of iron and steel enterprises. The ESG evaluation results serve as an important basis for client onboarding and credit approval of the Bank's credit and investment businesses, facilitate an objective assessment of clients' comprehensive development quality and efficiency, and enable precise client selection and proactive risk management.

3) Integrating ESG factors into clients' credit ratings

The Bank incorporates ESG risk factors into its credit rating framework, and the Risk Management Department of the Head Office is responsible for implementation. ESG risk classification results serve as an important basis for client ratings. In terms of pre-loan investigation, loan application review, post-lending management, loan pricing, and economic capital allocation, the Bank adopts differentiated risk management measures. Credit rating results are widely applied across the entire business process, including client onboarding, product approval, credit policies, credit limit, credit authorization, loan pricing, asset classification, impairment provision, economic capital measurement, and performance assessment.

4) Information disclosure

The Bank continuously integrates green finance and ESG concepts into the entire business process, spanning corporate credit business, small enterprise credit business, financial market business, interbank business, investment banking business, and retail business. The Management Information Department of the Head Office is responsible for implementing the green finance statistics policy, submitting required data, and enhancing statistical capabilities. The General Office of the Head Office leads the preparation of the annual sustainability report and discloses its performance in fulfilling ESG responsibilities. The Bank embeds ESG risk classification and identification into the credit business platform and other credit business systems to support whole-process ESG risk management and actively leverages financial technology to enhance its ESG risk management capabilities.

Case 1: Empowering the Ecological Restoration of High-Altitude Mining Areas with Whole-Process ESG Management

PSBC Xizang Autonomous Region Branch integrated ESG management factors into whole-process project management, innovatively linked loan repayment periods to ecological indicators such as biodiversity restoration, guided mining enterprises to coordinate mineral development with ecological protection, and achieved coordinated development.

Yulong Copper Mine is located in a plateau ecologically sensitive zone in eastern Xizang, with an average altitude of 4,800 meters. Long-term mining has led to exposed slopes and vegetation damage in the mining area. The ecological restoration work was challenging, required substantial capital investment, and had a long payback period. Based on regional

ecological protection needs, the branch took this project as a strategic priority in green finance, streamlined approval procedures, established a dedicated fast track, and tailored a comprehensive medium-to-long-term credit solution based on project realities, fully supporting ecological restoration work. The branch selected the “reclamation and greening area” and “vegetation coverage” as KPIs and set the sustainability performance target of “achieving a cumulative reclamation and greening area of over 600 hectares”. By linking the repayment period to ecological benefit targets, the branch established a comprehensive value assessment framework centering on ecological, social, and long-term economic benefits. If the project achieved the target, the branch would extend its repayment period and offer preferential interest rates; otherwise, the branch would appropriately shorten the repayment period and raise interest rates. Through the implementation of this project, the branch broke through the traditional credit model which was reliant on collateral and guarantees and provided an exemplary PSBC model for commercial banks to support biodiversity conservation in high-altitude mining areas through green finance.
Case 2: Launching Innovative Biodiversity-Friendly Infrastructure Loans
PSBC Ziyang Branch in Sichuan Province linked biodiversity conservation achievements with loan interest rates and loan terms and promoted the seamless integration of ecological protection with the construction and operations of major infrastructure projects. The branch focused on the construction of the Leshan-Zizhong-Tongliang Expressway. Spanning 198.1 kilometers, the project traverses key ecological areas such as the Tuojiang River water source protection zone, a key area of ecological sensitivity and biodiversity conservation. The branch acted as the lead bank for syndicated loans, established a “1 + N” comprehensive service team, and tailored a dedicated biodiversity-focused financial service plan covering the entire lifecycle of the project. In this plan, the “number of wildlife migration passages” and “survival rate of ancient and famous trees” were selected as KPIs, and sustainability performance targets such as “building 298 bridges and culverts as wildlife migration passages” and “ensuring a 100% survival rate for 45 ancient and famous trees” were set. By optimizing the loan structure, the branch established a mechanism where loan interest rates are linked to biodiversity conservation targets. Between the end of 2025 and March 2026, a total of seven loans

were granted for the project, marking the first biodiversity-friendly infrastructure project loan of PSBC.

Case 3: Supporting the Development of National Reserve Forest Through Loans Linked to Expected Revenues from Forest Carbon Sinks

PSBC Liangshan Autonomous Prefecture Branch in Sichuan Province innovatively established a comprehensive credit assessment framework that integrates forest ownership assessment, ecological assets, and expected project revenues, linked loan interest rates to expected forest carbon sequestration and timber reserve values, thereby steering forestry projects to achieve both ecological conservation and economic development.

The branch focused on the Phase I construction project of the national reserve forest in Yanyuan County. As a key initiative designed to raise the living standards of the local people through ecological protection, the project came with a long construction period, large initial investment, and a long payback period. Financing difficulties became key bottlenecks hindering project implementation. To address this situation, the branch incorporated expected revenues from forest carbon sinks and timber reserve values into the comprehensive assessment of repayment capacity and offered special Loan Prime Rate (LPR) discounts.

The branch selected "forest coverage" and "carbon sink increase" as KPIs and linked interest rates to ecological benefit targets. If the project achieved the targets, the branch would offer a 40-bp discount; otherwise, the branch would reduce the discount. At the same time, the branch established a dynamic supervision mechanism to monitor the flow of credit funds throughout the process, to ensure that credit funds were used specifically for seedling procurement, forest management, etc. The branch also worked with the forestry authority to regularly calculate ecological indicators and helped the project to achieve shared benefits across ecological, economic, and social dimensions.

(4) Establishing ESG risk trigger factors and special assessment procedures

The Bank consistently implements ESG risk assessment and due diligence mechanisms throughout the entire investment and financing business processes, conducts periodic classification re-evaluation of clients' ESG risk profiles, adjusts risk classification based on re-evaluation results, implements differentiated risk control measures, and steps up efforts to mitigate and resolve ESG risks.

1) Classification standards

The Bank's policies clearly stipulate that clients are categorized into three classes—A, B, and C—based on the environmental and social impact of their construction, production, and business activities. Specifically, Class A clients are those whose activities may significantly alter the original state of the environment and cause irreversible adverse environmental and social consequences. Class B clients are those whose activities will generate adverse environmental and social consequences that can be readily mitigated. Class C clients are those whose activities do not result in significant adverse environmental or social consequences. Additionally, based on a comprehensive evaluation of the effectiveness of measures taken to address ESG risks, corporate clients are classified into four performance categories, namely Excellent, Qualified, Warning, and Penalty. Considering the ESG risks faced by clients and the effectiveness of their preventive measures, clients are further categorized into four types (the "four colors"), namely Friendly (Green), Qualified (Blue), Warning (Yellow), and Damaging (Red).

2) Trigger factors

The Bank has clearly defined the factors that trigger risk escalation management. These factors include: being found in violation of laws or receiving penalties from competent authorities such as those responsible for national ecological environment and workplace safety (for instance, being subject to daily fines, administrative detention, production restriction, suspension of production for remediation, business closure or other penalties by ecological and environmental authorities) where rectification has not yet been completed; being rated as an environmentally unfriendly enterprise in the environmental credit evaluation; and receiving administrative penalties from regulatory authorities such as public security authorities, tax authorities, or China Securities Regulatory Commission for issues including illegal operations, tax evasion, and false information disclosure. For those with previous environmental or workplace safety violations that have completed rectification, passed inspection, and obtained confirmation from the competent authorities, businesses can be handled following normal processes.

3) Risk escalation management

The Bank has specified the mechanisms for handling risks of different levels in its ESG risk classification. As per the Management Measures for

Environmental, Social and Governance Risks of Postal Savings Bank of China (2022 Revision), the Bank takes ESG risk classification as an important basis for client rating as well as credit approval, management and termination. In terms of pre-loan investigation, loan application review, post-lending management, loan pricing, and economic capital allocation, the Bank adopts differentiated risk management measures.

For credit clients and projects whose ESG risk is classified as Class A or Class B ("Warning" or "Penalty"), the Bank comprehensively takes multiple measures to mitigate credit risks. Specifically, the Bank requires them to increase the project capital ratio; formulate and implement technology upgrading plans for energy conservation, environmental protection, and workplace safety; strengthen control over project assets, cash flows, and operating rights; purchase construction period insurance as well as engineering, environmental and product liability insurance related to ESG, and designate the Bank as the primary beneficiary of payouts; purchase personal injury and medical insurance for employees exposed to safety and health hazards; strengthen coordinated management and diversify risks through syndicated loans; and flexibly take other risk disposal measures, such as early repayment, credit line reduction and gradual withdrawal.

For credit clients and projects with material ESG risks, the Bank shall include, either in the main body of the loan contract or in its annexes, relevant provisions that require the clients to submit an ESG risk report regularly, to sign declarations and commitments regarding strengthening ESG risk management, and to add remedy clauses in the event of default on ESG risk management obligations. The Bank has also formulated rules on handling defaults, including revoking credit commitments already extended; suspending further disbursement of credit funds until the borrower takes compliant rectification measures; recovering all loans in advance; and exercising lawful collateral or mortgage rights ahead of schedule in the event of any delinquency on the loan.

The Bank conducts ESG risk reviews for its investment and financing business. The review covers the actual energy efficiency of the client's main products, comprehensive energy consumption, energy structure, GHG and major pollutant emissions, the implementation of clean production and ultra-low emission retrofitting, and environmental credit assessment results. The Bank pays attention to the potential impact of the enterprise's production, operation, and project construction on the ecological environment, as well as the adequacy and effectiveness of environmental governance measures. It also monitors public opinion regarding the client's ecological and environmental protection practices and social impacts. By utilizing government websites, self-media, and other information sources, the Bank promptly obtains lists of problematic enterprises in the local area and accurately identifies key targets for investigation. It also keeps abreast of problems discovered, penalties imposed by ecological and environmental protection inspection teams and ecological and environmental departments, and rectification status. For clients identified as posing risks, the Bank categorizes the risks, deals with them accordingly, and tailors risk mitigation plans on a case-by-case basis.

Case: ESG Risk Escalation Management
A new energy technology company applied to the Bank for a fixed asset loan to build a power generation project using low-concentration methane from a coal mine. The coal mine on which the project relied had its work safety standardization grade downgraded from Level II to Level III by the regulatory authority after a general production safety accident occurred. Upon review, the Bank found that the mine had a low safety management rating, had experienced multiple safety incidents, and had received multiple regulatory notifications for safety issues. The Bank concluded that the power generation project would carry significant associated security risks, and ultimately rejected the credit application.

2. Developing the environmental and climate risk database

The Bank has strengthened the use of financial technology and continuously optimized the big data platform for green finance. Leveraging its "Jinjing" (Gold Eye) credit risk monitoring system, the Bank collected, organized and analyzed environmental information disclosed by the government and enterprises to build an environmental and climate risk database. Leveraging the Dynamic Environmental Performance Appraisal (DEPA) solution from the Institute of Public and Environmental Affairs (IPE), the Bank dynamically evaluated the environmental performance of enterprises from the perspectives of pollution prevention and control, environmental management, and social supervision, so as to quickly and effectively identify the environmental credit risks of enterprises and improve the quality and efficiency of credit management.

(1) The Bank improved the environmental information database, integrated 13 types of data, including redlines for ecological conservation, climate data

of listed companies and carbon emissions data of corporate clients, into the "Jinjing" (Gold Eye) credit risk monitoring system, and strengthened the monitoring of environmental risks associated with clients. The IPE environmental risk grading factors mainly include enterprises' illegal acts, the punishment and penalty amount imposed by ecological environment authorities, enterprises' efforts in remediation and information disclosure, official environmental credit rating, and accidents. Based on the dynamic environmental performance scores of enterprises, the DEPA model divides enterprises' environmental performance risks into four major tiers and six sub-tiers, and the environmental risk grades, from highest to lowest, are: dark red, light red, dark yellow, light yellow, blue, and green. Differentiated early warning rules are implemented according to the environmental risk grades of corporate clients, from high to low.

(2) The Bank improved the carbon remediation function for corporate clients. The Bank built a corporate carbon emissions disclosure module in the "Jinjing" (Gold Eye) credit risk monitoring system to calculate the environmental emissions and energy use data of credit clients and promote the public disclosure of environmental information by clients and the formulation of effective environmental protection measures, so as to promote energy conservation, emissions reduction, and industry upgrading. As at the end of the first quarter, the Bank monitored the environmental risk information of 425.3 thousand corporate clients, including 21 thousand major polluting entities, and accessed the data of 59 thousand enterprises with regulatory records. A total of 201 clients have used the Blue Map platform and tools to calculate and disclose data such as quarterly fresh water consumption, wastewater, GHG emissions, etc.

3. Identification and assessment of climate risks

Climate risks refer to the potential adverse impacts of climate change on natural systems and economic and social systems, mainly including physical risks and transition risks. Among them, physical risk refers to the risk of events such as climate anomalies and environmental pollution that may lead to severe damage to the balance sheets of enterprises, households, banks, insurance companies, and other market entities, which in turn affects the financial system and the macroeconomic development. Transition risk refers to the risk of the repricing of carbon-intensive assets that triggers financial losses due to significant tightening of relevant policies such as carbon emissions or technological innovations, in order to address climate change and promote a low-carbon economic transition.

Climate Risk Points			
Physical risks	**Example**	**Potential financial impact**	**Duration of impact**
Extreme weather events	Tropical cyclones/ typhoons, floods, winter storms, heatwaves, droughts, wildfires, hailstorms	Cause production and supply disruptions or transportation difficulties, leading to increased operational costs and negative impacts on the workforce.	Short-term risks
Pollution of ecosystems	Soil pollution and degradation, air pollution, water pollution, marine pollution, environmental incidents	Increased production costs and higher premiums for high-risk assets; early retirement and write-off of existing assets; and increased asset costs due to equipment damage.	Medium to long-term risks
Sea-level rise	Chronic diseases, sea-level rise or fall	Increased production costs, higher premiums for high-risk assets, disease transmission leading to impaired health, and negative impacts on the workforce.	Medium to long-term risks
Water shortage	Drought or water scarcity	Increased water costs, reduced income, and negative impacts on the workforce.	Short, medium and long-term risks
Deforestation / desertification	Deforestation leads to the extinction of species, climate anomalies, desertification, and population migration	Higher premiums for high-risk assets and negative impacts on the workforce.	Short, medium and long-term risks

Transition risks	Example	Potential financial impact	Duration of impact
Changes in public policy and legal litigation	Litigation arising from energy transition policies, pollution control regulations, and resource conservation regulations	Early retirement of existing assets, increased asset impairment, and litigation fines can lead to increased operating costs, or a decrease in the demand for products and services.	Short, medium and long-term risks
Technological reform	Technologies such as clean energy technologies, energy-saving technologies, and clean transportation can replace existing products and services	Early write-off or retirement of existing assets reduces the demand for products and services; investment in technology research and development increases.	Medium to long-term risks
Psychological and preference changes	Changes in consumer preferences for products, shifts in investor sentiment toward classes of assets	Reduced demand for corresponding products and services, and reduced revenues due to production capacity reduction caused by supply chain disruptions.	Short, medium and long-term risks
Changes in the market	Uncertainty in market signals, increased costs of raw materials, and the innovation of business models of enterprises, etc.	Market uncertainty leads to reduced demand and services; rising raw material prices lead to higher production costs and asset revaluation.	Short, medium and long-term risks

4. Quantitative analysis of environmental risks

(1) Carrying out climate risk stress testing

The Bank carried out climate risk sensitivity stress testing for carbon-intensive industries such as electricity, iron and steel, construction materials, petrochemicals, chemicals, papermaking, civil aviation, and non-ferrous metal smelting.

The stress testing focused on assessing the Bank's ability to cope with transition risks under the goals of carbon peaking and carbon neutrality, and examined the impact of rising carbon emissions costs of enterprises in carbon-intensive industries on the quality of corresponding credit assets held by the Bank and on its capital adequacy levels. The tests used internal data and models, adopted scenario analysis and the financial transmission model, took the carbon price as the stress indicator, and analyzed changes in the credit asset quality and capital adequacy levels across eight industries under different carbon price scenarios.

Test results showed that the credit risks of some carbon-intensive clients rose under mild, moderate, and severe stress scenarios, but the impact on the Bank's capital adequacy level was generally controllable, and the Bank passed the stress testing.

(2) Carrying out special investigations on ESG and climate risks

For the ninth consecutive year, the Bank organized special investigations on ESG and climate risks and on carbon-intensive industries, focusing on the behavior of clients and projects in terms of energy conservation, environmental protection, workplace safety, and corporate governance, as well as their impact on society. Through self-examinations, on-site inspections and field visits, the Bank obtained ESG risk information, gained a clear understanding of the situation, categorized the risks and dealt with them accordingly. The Bank tailored risk mitigation measures for each issue of risk clients to effectively prevent and resolve potential ESG risks. For clients with relatively high risks, the Bank also established a ledger-based management mechanism and strengthened the ongoing tracking and management of ESG risks for existing clients. In 2025, the Bank investigated all existing credit and non-credit businesses and identified 1,575 clients with ESG and climate risks, with a total credit balance of RMB106.3 billion.

(3) Internal audit

The Bank regularly conducts audits on the implementation of green finance policies. In 2025, the Bank conducted green finance audits, focusing on the implementation of green finance policies and the development of the ESG risk management framework and examining business process controls and related system development. In 2025 and 2026, the Bank conducted audits on the implementation of the economic decisions and plans of the CPC Central Committee, covering areas such as ESG risk management and the development of the green credit system.

II. Green Finance

i. Green Credit

According to the green loan statistics criteria of the People's Bank of China, as at the end of the first quarter of 2026, the balance of the Bank's green loans granted to green industries such as energy conservation, environmental protection, clean production, clean energy, ecological environment, and green upgrading of infrastructure reached RMB1.07 trillion, an increase of 6.75% over the end of the previous year, with a growth rate higher than the average level of all loans.

ii. Green Bonds

1. Issuance of Green Bonds

The Bank issued a tranche of green financial bonds in 2025, with an issuance size of RMB5 billion.

2. Green Bond Investments

The Bank actively implemented the national goals of carbon peaking and carbon neutrality and the green development concept, and continuously improved its green bond investment framework. It adhered to a combination of policy orientation and market-based principles, prioritized support for project construction in areas such as clean energy, energy conservation, environmental protection, ecological governance, and infrastructure upgrading, and promoted the precise flow of funds into green and low-carbon industries. The Bank paid close attention to issuers with good ESG performance and outstanding green development capabilities, promoted a steady increase in the share of green bonds in its bond investment portfolio, and incorporated this into the green performance appraisal, thus continuously improving the quality and efficiency of green financial services in supporting the national strategy and the development of the real economy.

The Bank continuously improved its green bond investment strategy and risk management mechanism, balanced social, environmental, and economic benefits, scientifically optimized the structure of its green bond investment portfolio, and enhanced the stability and sustainability of its asset allocation. The Bank has been recognized as an "Excellent Institutional Investor of ChinaBond Green Bond Index" for seven consecutive years. By selecting green bond assets with sound credit quality and stable cash flows, the Bank kept market and credit risks under effective control while achieving stable interest income and capital appreciation gains, thereby enhancing the long-term return capability of the asset portfolio. As at the end of the first quarter of 2026, the balance of the Bank's green bond investment amounted to RMB46,957 million.

3. Underwriting of Green Bonds

In its bond underwriting business, the Bank fully leveraged the driving role of green finance, and fully integrated ESG factors into the entire process of project screening, due diligence, and lifecycle management. The Bank strictly implemented regulatory requirements such as the Green Finance Endorsed Project Catalogue, conducted substantive reviews of the green attributes of the projects it underwrote, and ensured that the funds were used for eligible green industries, green projects, or green economic activities. During outstanding periods of bonds, the Bank continuously tracked the fund use of enterprises and the progress of green projects, urged issuers to regularly disclose the use of raised funds and environmental benefits, and effectively leveraged the supportive role of green bonds in improving the environment, addressing climate change, and promoting the economical and efficient use of resources, thereby advancing the green and low-carbon transition of the economy and society. In 2025, the Bank underwrote green bonds totaling RMB4,719 million. During the first quarter of 2026, newly underwritten green bonds amounted to RMB939 million.

iii. Green Funds

In January 2026, PSBC, together with ChinaBond Pricing Center and Fidelity China, launched the industry's first dual-theme bond index fund focused on technological innovation and green development - the Fidelity ChinaBond High-grade Technological Innovation and Green Bond Index Securities Investment Fund. The fund successfully raised RMB4 billion, filling a market gap and providing a convenient investment channel for various investors, including bank proprietary funds.

The successful issuance of this innovative product was a vivid example of PSBC drawing on global experience, integrating local resources, and collaborating with outstanding partners to jointly build a sustainable financial ecosystem. Looking ahead, PSBC will continue to leverage its unique resource endowments, deepen cooperation with leading asset management institutions, and steadily enrich and improve its financial product offerings, consistently contributing its strength to the high-quality development of the economy and society.

iv. Green Custody

In the first quarter of 2026, new green asset-backed securitization (ABS) projects under custody amounted to RMB10.29 billion. The Bank launched the "Western - Shanghai Chengtou Holding Commercial Property Phase 1 Green Asset-Backed Special Plan" (supporting the development of Double First-Class universities, namely World-Class Universities and First-Class Disciplines), which was the first ABS project on the market for supporting the development of Double First-Class Initiative universities.

v. ESG Financial Products

1. ESG-themed Wealth Management Products

In 2025, the Bank newly issued nine ESG/green-themed products. Among them, seven were Anrui- and Furui-brand ESG finance-themed closed-end products, with a high proportion of funds invested in green bonds; the other two were open-end products, including one index product that primarily tracked the ChinaBond PSBC Wealth Management High-Grade Green Bond Select Index, with high-grade green bonds as the main investment targets, featuring high asset diversification and low credit risk. The Bank effectively managed the lifecycle of green products. As at the end of the first quarter of 2026, the Bank maintained 13 ESG and green finance-themed products, with a total scale of RMB15.2 billion.

2. ESG Loans

In 2025, PSBC Yunxiao County Sub-Branch in Zhangzhou City granted a Climate Loan of RMB9.35 million to Zhangzhou Lvzhou Agricultural Development Co., Ltd., the largest single-loan amount in Fujian Province and the first climate loan for the vegetable sector. The sub-branch granted the enterprise an annualized interest rate discount of 80 bps. Zhangzhou Meteorological Service Bureau and PSBC signed a strategic cooperation agreement to jointly launch the Climate Loan product. They also issued a climate-friendly enterprise evaluation report to the enterprise, certifying it as an AAA-rated climate-friendly enterprise. The Climate Loan uses scientific indicators to comprehensively evaluate the climate-friendliness of an enterprise, includes eligible enterprises in the climate-friendly enterprise database, and recommends them to banks. Banks then provide differentiated credit support on this basis and offer higher loan amounts and lower interest rates. This product is backed by an official "climate health check" report prepared by the Zhangzhou Meteorological Bureau in collaboration with the Fujian Provincial Climate Center. The report draws on meteorological disaster survey results, the enterprise's disaster prevention capabilities, climate adaptability, and development strength, thereby bridging green finance with the real economy. This cross-sector collaboration sets an example of coordinated action among governments, enterprises, and banks toward achieving goals of carbon peaking and carbon neutrality, opens up new green financing channels for enterprises and provides financial institutions with practical experience from Zhangzhou. Going forward, the Bank will deepen cooperation with various parties including the meteorological authority, explore new models of meteorological services, and help achieve a win-win outcome for ecological protection and economic development.

To meet the need for low-carbon renovation and upgrading of existing industrial parks in Beijing Economic-Technological Development Area, PSBC Beijing Branch supported the green efficiency improvement project of Yizhuang Robot Industrial Park of Beiren Printing Machinery Holdings Limited. This initiative facilitated the standardized energy-saving renovation of buildings in the industrial park, and drove the green and large-scale development of the intelligent manufacturing industry in the region. The branch set up a dedicated green finance service team. During the credit review and approval stage, it engaged a third-party institution to verify ESG quantitative environmental indicators such as installed capacity of photovoltaic systems, HVAC energy efficiency and expected annual electricity savings and carbon reduction. An approval threshold requiring an overall energy saving rate of 30% higher than the national standard was established. A medium- and long-term green industrial park fixed-asset loan of RMB101 million was then extended to the park. After loan disbursement, the branch collected monthly ESG data on the park's water and electricity consumption, photovoltaic power generation, and carbon emissions, and compared these against the declared emission-reduction targets for dynamic monitoring. This approach filled the funding gap for the park's low-carbon renovation, and facilitated the low-carbon transition of existing industrial and commercial spaces in the region.

vi. High-Energy-Consumption and High-Emission Industries

The Bank closely follows national industrial policies and regulatory requirements and adheres to the principle of "ensuring and supporting the development of some sectors while controlling and limiting the development of others". It refrains from a one-size-fits-all approach, formulates differentiated credit policies for high-energy-consumption and high-emission industries, and prioritizes support for the green, low-carbon, and circular economy. The Bank actively explores transition finance and focuses on areas such as green manufacturing and green, low-carbon, and circular development in the industrial sector, with priority support for the green, low-carbon transition and digital transformation of traditional manufacturing industries such as iron and steel, petrochemicals and chemicals, building materials, non-ferrous metals, textiles, and paper-making. It strictly enforces a one-vote veto mechanism for environmental protection and prohibits financing for overseas carbon-intensive fossil energy. The share of credit extended to the high-energy-consumption and high-emission industries in the overall portfolio remains at a low level.

vii. Innovation in Green Financial Products and Services

During the reporting period, the Bank actively sought innovation in the field of green finance, which was of great significance for promoting sustainable development and addressing climate change. By promoting products and models such as sustainability-linked loans (SLLs) and green credit asset securitization, the Bank channeled funds to green industries and promoted the growth of the low-carbon economy. In addition, in terms of supporting innovative investment models such as carbon-neutrality bonds and green bonds, the Bank provided enterprises and institutions with more services for sustainable financing, thus further propelling the development of green finance.

1. Carbon Accounting Services for Corporate Clients

Corporate carbon accounting is a useful attempt and exploration by the Bank in promoting the green and low-carbon transition of enterprises, improving risk management, and standardizing information disclosure. For the government, carbon accounting enables a precise understanding of emissions from enterprises, facilitates the setting of carbon emission budgets and the development of carbon reduction plans, and provides data support for building a corporate carbon account platform and formulating incentive policies in the future. For enterprises, carbon accounting can effectively advance their green and low-carbon transition and is a prerequisite for participating in carbon trading, receiving government subsidies, and obtaining preferential financing. For banks, carbon accounting provides a basis for developing new carbon finance products and services, risk management, and information disclosure, and enables them to offer customers one-stop comprehensive financial services. The Bank actively and gradually promotes carbon accounting for corporate clients with non-mandatory disclosure of environmental information. In cooperation with the IPE, the Bank uses the GHG emissions accounting platform (InsBlue) to provide real-time online GHG emissions accounting services for enterprises. As at the end of the first quarter of 2026, the Bank had completed carbon accounting for more than 22,248 corporate clients.

2. Transition and Sustainability-Linked Financial Products

The Bank actively develops transition finance business. Leveraging the distinctive product of sustainability-linked loans, and in response to the transition and development needs of enterprises in high-energy-consumption and high-emission industries, the Bank combines internal and external credit policy resources to tailor comprehensive financial service solutions for enterprises. Through a market-oriented mechanism that links interest rates to sustainability performance indicators, the Bank guides enterprises to accelerate their green and low-carbon transition and facilitate the optimization and upgrading of the industrial structure.

Case 1: Transition Finance Loans Empowering the Low-Carbon Transition of A Coking Enterprise
Jinding Iron and Steel Group Coal Coking Co., Ltd. is a leading coal coking conglomerate with the largest single-site production capacity in China. It presses ahead with its low-carbon transition through comprehensive utilization of coke oven gas, intelligent retrofitting, and the construction of new distributed photovoltaic power stations. In June 2025, PSBC Shanxi Branch granted a transition finance loan of RMB100 million to the enterprise, the first working capital loan for the transition of the borrower in the coking industry nationwide. The interest rate on the loan was linked to the target for energy consumption intensity per unit of product. If the

enterprise failed to meet the target within the specified period, the interest rate would increase by 5 bps. This market-oriented mechanism guided the enterprise to accelerate its green transition. It is estimated that once the target is met, the enterprise is expected to reduce carbon dioxide emissions by 6,055 tonnes annually.
Case 2: Securing Breakthroughs in Sustainability-Linked Loans for the Iron and Steel Industry
The iron and steel industry, as a key high-energy-consumption and high-emission industry, is a core battlefield for transition finance services. By coordinating internal and external policies related to transition finance for the iron and steel industry, PSBC Hebei Branch successfully granted RMB2.34 billion of sustainability-linked loans to seven iron and steel enterprises in its service region in January 2026. The branch linked loan interest rates to the carbon emission intensity per tonne of steel produced by the enterprises, incentivizing them to reduce carbon emission intensity through green and low-carbon transition. This initiative promoted the transformation of the iron and steel industry from “black manufacturing” to “green intelligent manufacturing”, contributing financial strength to achieving carbon peaking and carbon neutrality goals.

3. Innovative Products based on Carbon Emission Reduction Information

(1) Personal carbon account

During the reporting period, the Bank operated a low-carbon zone on its mobile banking app to record personal carbon emission reduction information, focusing on scenarios such as green finance and green lifestyle. The low-carbon zone incorporates selected mobile banking financial services and customers’ daily low-carbon behaviors into the calculation of personal carbon emission reduction information, promotes green, low-carbon, and eco-friendly e-banking, improves the quality and efficiency of the Bank’s own low-carbon operations, and creates a green “finance + lifestyle” scenario. At present, scenarios within the mobile banking low-carbon zone that can generate carbon reductions include low-carbon actions such as opening virtual low-carbon cards, making transfers and remittances, applying for loans, and conducting e-CNY payments. All these efforts have effectively encouraged more customers to embrace environmental protection and low-carbon lifestyles.

(2) Corporate carbon account

To help enterprises achieve a green transition and sustainable development, and to explore innovation in carbon account assets, the Bank launched its Carbon Reduction Loan business and piloted it in several branches. The Bank steered funds toward energy-saving and emission-reduction enterprises to help achieve carbon emission reduction targets.

Given its positioning as a national demonstration zone for green development, Beijing's sub-center had urgent and diverse demands for green finance. Closely aligning with the carbon peaking and carbon neutrality goals, PSBC Beijing Branch integrated green finance into every aspect of the development of the Beijing Sub-Center (Beijing Municipal Administrative Center), establishing a comprehensive and multi-tiered green financial service framework and making green development a defining feature of the Sub-Center's high-quality development. In terms of product innovation, the Carbon Reduction Loan became an industry benchmark: the product directly links "carbon account ratings" of enterprises to loan interest rates, offering a maximum interest rate reduction of up to 10 bps to enterprises in Beijing with a carbon account rating of BB or above, thereby incentivizing enterprises to proactively reduce emissions through market-based mechanisms. The branch established a full-process closed loop of "carbon account rating – credit approval – interest rate preference". The carbon rating report gained widespread traction and served dual purposes: it provided a precise benchmark for interest rate approval under the "Carbon Reduction Loan" business, while also acting as a magnet to attract new clients. In 2025, the branch issued professional carbon rating reports to 190 clients and disbursed nearly RMB700 million of loans. Recognized for its outstanding practices in green finance, the branch was selected as an excellent case of "Beijing Services" in the finance category at the 2025 China International Fair for Trade in Services (CIFTIS).

4. Case Studies of Green Finance

(1) Pilot project for innovative application of corporate carbon accounting

Case 1: PSBC Chengdu Branch Supporting the Transformation and Upgrading of the Agricultural Industry with Targeted Measures
In 2025, PSBC Chengdu Branch successfully signed its first agricultural transition finance cooperation agreement with Chengdu Zhongyan Mushroom Industry Co., Ltd. The cooperation focused on the low-carbon transition of the enterprise and identified three key transition pathways:

"retrofitting of intelligent temperature control systems, mechanization of production lines, and resource utilization of spent mushroom substrate", ensuring that funds were precisely channeled to core emission reduction areas. At the same time, the branch innovatively established an incentive and constraint mechanism that links carbon intensity to loan interest rates: if the enterprise achieves the agreed carbon emission reduction targets, it can benefit from a lower loan interest rate, thereby effectively reducing its financing costs.

To ensure the precision and scientific validity of financial support, Chengdu Branch, in cooperation with the IPE—a partner of the Head Office—conducted comprehensive carbon accounting for the enterprise. The calculation data show that in 2024, the enterprise's carbon emissions amounted to 7,362.51 tonnes of CO_2 equivalent, with a carbon intensity of 0.99 tonne per RMB10,000; in 2025, carbon emissions decreased to 5,597.50 tonnes of CO_2 equivalent, and carbon intensity fell to 0.76 tonne per RMB10,000. For the full year, carbon emissions were reduced by 1,765.01 tonnes of CO_2 equivalent, and carbon intensity decreased by 0.23 tonne per RMB10,000. Based on the above emission reduction achievements, the enterprise received an interest rate reduction of 10 bps when applying for a loan in 2026, effectively reducing its financing costs.

This case provides a replicable transformation model for traditional agricultural enterprises, facilitating the gradual transition of the agricultural sector away from its carbon-intensive dependency and towards a new journey of green and high-quality development.

(2) Supporting the development of the energy system under the carbon peaking and carbon neutrality goals

Case 1: Supporting the "Liaocheng Heat to Jinan" Project and Injecting Financial Impetus into Green Heating

PSBC Shandong Branch closely focused on the "carbon neutrality" goal, actively engaged in the building of a Beautiful China, and approved a project loan of RMB2.5 billion for the southern and northern lines of the "Liaocheng Heat to Jinan" long-distance heating project. By March 2026, the accumulated loan disbursement had reached RMB123 million. The "Liaocheng Heat to Jinan" project provides Jinan with a stable and clean "external heat source" by recovering surplus thermal energy and industrial waste heat from power plants in Liaocheng and other areas. After the project reaches full production capacity, it will meet the heating demand of approximately 100 million square meters in Jinan, save 1.29 million tonnes of standard coal per year, and significantly reduce emissions of pollutants

such as sulfur dioxide and nitrogen oxides, thereby injecting strong momentum into Shandong Province's efforts to achieve its carbon peaking goals as scheduled.
Case 2: Xiangcheng Zhengdou (Bid Section Three) Photovoltaic Project
PSBC Sichuan Branch has made green finance a key tool for serving the local economy and protecting the plateau ecology, extended a credit line of RMB844 million to the Xiangcheng Zhengdou (Bid Section Three) photovoltaic project, and completed the first loan disbursement in February 2026. The project is located in a plateau region with an average altitude of over 3,000 meters. The area enjoys abundant solar resources and ample annual sunshine hours, offering unique advantages for the development of the photovoltaic industry. However, it also faces challenge such as high construction costs and a relatively long investment recovery period typical of plateau regions. Sichuan Branch customized a comprehensive green financial service solution for the project, opened a green channel, and offered preferential interest rates. It structured the loan term and repayment schedule based on the project's construction timeline and cash flow profile, providing stable financial support throughout the entire construction process and helping to foster a green industrial micro-ecosystem characterized by "PV-led development with diversified co-prosperity". Upon completion and operation, the project will supply an average of about 100,371,000 kWh of clean electricity to the grid annually, equivalent to saving 32.1 thousand tonnes of standard coal and reducing emissions by 101.9 thousand tonnes of CO_2 equivalent. At the same time, the photovoltaic panels can effectively reduce surface water evaporation, creating favorable conditions for the restoration of vegetation beneath them, and also provide foraging, habitation, or migration corridors for certain birds, insects, and small animals, thereby objectively reducing the disturbance of human activities on natural habitats.
Case 3: "Agrivoltaics" + "Silvovoltiacs" Integrated PV Project
In November 2025, PSBC Shaanxi Branch provided RMB133 million in fixed-asset loans to Longfei Green Power Photovoltaic Power Generation Co., Ltd. in Huanglong County for the construction of Changninghe Longfei Green Power 150 thousand kW grid-parity PV hybrid project. The project is located on the Loess Plateau in northern Shaanxi. During construction, the company strictly adhered to the ecology-first principle,

adopted non-contiguous intensive development, reasonably reserved ecological and passage corridors, and avoided farmland, forestland and various sensitive areas throughout site selection and construction. The company innovatively implemented a “PV+” ecological hybrid model, scientifically arranged power station facilities, and minimized disruption to species’ habitats; leveraging the space within the PV field area, it carried out agrivoltaics and silvovoltiacs complementary practices, restored vegetation, and made every effort to protect regional biodiversity. Upon reaching full installed capacity, the project will generate an average of about 252,955,800 kWh annually, saving 76.3 thousand tonnes of standard coal and reducing emissions by 209.4 thousand tonnes of CO_2 equivalent, demonstrating significant ecological and carbon reduction benefits. At the same time, the construction and operation of the project can effectively drive local industrial development and employment, achieving a win-win outcome for multiple parties in terms of clean energy development, ecological and environmental protection, and local economic growth.
Case 4: Pumped Storage Power Station Project in Luanping, Hebei
In April 2025, PSBC Chengde Branch extended a credit line of RMB1 billion to the pumped storage power station project in Luanping, Hebei. The project creatively repurposed the pit left by the local Xigou magnetite iron mine as the lower reservoir, perfectly integrating environmental restoration of the mine with clean energy infrastructure construction, and achieving an ecological transformation that “turns waste into treasure”. The project has a total installed capacity of 1,200 megawatts (MW). Once completed, it will primarily serve the power grids in Beijing, Tianjin and northern Hebei, undertaking key tasks such as peak shaving, valley filling, energy storage and frequency regulation. It will not only significantly optimize the regional power mix and enhance the grid’s capacity to absorb new energy, but also generate economic, environmental and social benefits, serving as an innovative model for the integrated development of mine ecological restoration and clean energy construction.
Case 5: Special Financing Project for Renewable Energy Subsidy Settlement in Beijing
To meet the national needs for supporting the development of the wind and solar new energy industry, PSBC Beijing Branch launched a special

financing project for renewable energy subsidy settlement for Beijing Renewable Energy Development and Settlement Service Co., Ltd., in order to support the stable operation of existing wind power and photovoltaic projects and promote the large-scale, low-carbon development of the clean energy industry. The branch established a dedicated green finance service team, used ESG quantitative environmental indicators such as annual power generation, standard coal substitution, carbon emission reduction, and pollutant reduction as core approval criteria during the review process, and issued a one-time special working capital loan of RMB4 billion. After loan disbursement, the branch adopted a model integrating subsidy right confirmation and closed-loop operation while monitoring two ESG indicators, namely the collection of fiscal subsidies and monthly carbon emission reduction of the project. The branch conducted routine risk screening based on the declared data, effectively addressed the financial pressure caused by subsidy arrears for the new energy enterprise, and contributed to the green transformation of the national energy structure.

(3) Empowering biodiversity conservation with financial services

Biodiversity protection is a key area supported by green credit. The Bank attaches great importance to the positive role of finance in biodiversity protection, explores the deep integration of financial innovation and biodiversity protection, explores practices with PSBC characteristics from multiple dimensions, including business development and risk management, to form an exemplary model, and continuously deepens the high-quality development of green finance.

Case 1: Yuncheng District Reservoir Water Quality and Efficiency Enhancement and Comprehensive Water Resource Utilization Project

PSBC Yunfu Branch issued the province's first VEP usufruct pledge loan to the "Yuncheng District Reservoir Water Quality and Efficiency Enhancement and Comprehensive Water Resource Utilization Project", totaling RMB114 million. The loan supports ecological restoration projects such as river dredging, embankment reinforcement, ecological shoreline restoration, and optimization of water resource dispatch. Following project implementation, fundamental improvements have been achieved in the water ecological environment across the entire basin: a total of 3,688.9

thousand cubic meters of sediment has been treated and utilized as resources, the water quality compliance rate of water function zones under the provincial-level assessment in the jurisdiction remains at 100%, and the water quality of major rivers has stabilized at Class II to III standards. The ecological shoreline and aquatic habitats have been fully restored, and the biodiversity of the basin has been significantly improved, effectively building a solid water ecological security barrier in the upper reaches of the Pearl River Basin.
Case 2: Construction Project of Pingjiang County New Eco-Friendly Breeding and Farming Base for Premium Fish Species
In February 2026, PSBC Hunan Branch disbursed RMB50 million in loans to the "Construction Project of Pingjiang County New Eco-Friendly Breeding and Farming Base for Premium Fish Species". The project adopts the "rice-fish symbiosis" eco-friendly breeding and farming model, and is equipped with a digital system for rice-fish cultivation to conduct real-time monitoring and management of environmental conditions, water quality, feed, etc., during the breeding process, promoting the transformation of aquaculture from an "extensive" model to an "ecological, healthy and intelligent" model. The project introduces high-quality fish species such as topmouth culter, Hefang crucian carp, Xiangjun bream and virus-resistant grass carp for breeding, enhancing the stability and biodiversity of the entire ecosystem.
Case 3: PSBC's "Timely Rain" Nurtures the Transition Path of "Replacing Plastic with Bamboo"
In September 2025, PSBC Luzhou Branch provided a working capital loan of RMB2 million to a bamboo and wood products company to support the transformation toward "replacing plastic with bamboo". After the funds were in place, the company completed the upgrade and renovation of its production line for biodegradable bamboo products, achieving an annual output of 3 million bamboo meal boxes and 500 tonnes of bamboo packaging film, which could replace 50 tonnes of plastic products each year, effectively reducing white pollution and protecting biodiversity. In addition, leveraging its local bamboo resources, the company develops bamboo handicraft souvenirs, promoting the integrated development of

the bamboo industry and rural tourism, and enabling the "bamboo-for-plastic" industry to yield bountiful fruits in green ecology, economic benefits, and rural revitalization.
Case 4: Biodiversity-Friendly Expressway Project
From January to April 2026, PSBC Sichuan Branch issued syndicated loans of RMB1,201 million to the Leshan-Zizhong-Tongliang Expressway project. The project traverses Sichuan and Chongqing and passes key ecological areas such as mountains and the Tuojiang River water source protection zone. Located in an important regional ecological corridor, it serves as a habitat and migration passage for various wild animals and plants and a key area for biodiversity conservation with ecological sensitivity. Regarding project design, measures such as proactively avoiding redlines for ecological conservation and basic farmlands, optimizing route design, and replacing roads with bridges were adopted, so as to minimize disturbance to the natural environment. Regarding project construction, an eco-friendly approach was utilized. For example, for the construction of the Tuojiang Grand Bridge, airlift reverse circulation clean water drills and sediment separators were used to avoid polluting the waters with waste mud throughout the process. During construction, the reuse rate of production wastewater was 100%. Domestic sewage was treated and used entirely for greening and agricultural and forestry irrigation, rather than being discharged into sensitive water bodies, so as to avoid polluting biological habitats. Regarding supporting management, biodiversity was effectively protected. For example, a total of 298 bridges and culverts were constructed as wildlife migration passages; temporary protection zones were established to ensure a 100% survival rate of 45 ancient and famous trees; ecological restoration projects such as vegetation bags for slope protection, topsoil protection and revegetation, and tree transplantation and cultivation were implemented; sound barriers of 49,101 linear meters were installed to reduce traffic noise disturbance to wildlife; and supporting facilities such as green service areas and energy-saving toll stations were built. The project is estimated to achieve energy savings equivalent to over 2 million tonnes of standard coal during the operation period.

Case 5: Financial Empowerment for Sustainable Development of the Tea Industry
PSBC Xizang Autonomous Region Branch focused on the development of sustainable agriculture, explored a synergistic development model of “finance + industry + ecology”, and provided differentiated and tailored green credit support to Linzhi Motuo Tea Co., Ltd., helping it transform ecological tea into a poverty-alleviating and wealth-generating tea industry. With the targeted financial support, Linzhi Motuo Tea Co., Ltd. successfully transformed 19 thousand mu of mountainous land into a high-standard high-altitude organic tea garden, built modernized and clean production lines, developed multiple high-end organic tea products, and won a total of 12 national tea industry awards. At the same time, the company has paid over RMB60 million to local tea farmers for fresh tea leaves, directly enabling nearly 9,000 villagers from 31 administrative villages in Motuo County to find employment near their homes.
Case 6: Intelligent Supervision of Biodiversity Conservation
The Bank’s credit risk monitoring system (“Jinjing” system) has access to “ecological conservation redline” data from the IPE. By matching the data with the location coordinates of clients’ project sites, and taking into consideration the “three lines and one list” (ecological conservation redline, environmental quality bottom line, resource utilization ceiling, and environmental access list), the system enables rapid analysis of environmental risks and regulatory requirements associated with project locations. This function could assist the Bank in identifying biodiversity risks, monitoring the ecological and environmental performance of projects, detecting and addressing biodiversity risks in a timely manner, and quantifying the potential impact of investment projects on biodiversity, thereby making more responsible investment decisions.
Case 7: PSBC Qinghai Branch Released the First Nature-Related Information Disclosure (TNFD) Report
In June 2026, under the guidance of PBOC Qinghai Branch and with the technical support of Shan Shui Conservation Center, PSBC Qinghai Branch released PSBC Qinghai Branch Nature-Related Information Disclosure (TNFD) Report. This report, centered on the Taskforce on Nature-Related Financial Disclosures (TNFD) Recommendations and additional guidance for financial institutions, and based on the four frameworks of nature-related governance, strategy, risk management, and indicators and

objectives, systematically reviewed and disclosed the dependency and impact of the investment and financing activities of PSBC Qinghai Branch on biodiversity, measures to address risks and opportunities, quantitative indicators, and development goals, through the four core phases of the LEAP approach, namely locating, evaluating, assessing, and preparing. This report not only marks the first application of internationally leading nature-related information disclosure standards in local financial practices in Qinghai Province, but also provides practical experience for subsequent disclosures by financial institutions in Qinghai Province.

(4) Empowering the green and low-carbon development of traditional carbon-intensive industries with transition finance

Case 1: PSBC Jiangsu Branch Empowers the Green Transformation of Traditional Manufacturers with Targeted Transition Finance

In 2025, PSBC Jiangsu Huai'an Branch provided RMB5 million transition finance loans to Jiangsu Jinshi Xingyuan Casting & Forging Co., Ltd., specifically supporting the company's green transformation. The company processes over 10 thousand tonnes of scrap steel annually, and has been recognized as a high-growth enterprise and one of the top ten industrial output enterprises in Huai'an City.

Through the "government + third-party institution + bank + enterprise" model, the branch, together with third-party special institutions, conducted carbon accounting and transition assessment, and included the enterprise in the Jiangsu provincial pool of entities eligible for transition financing. The branch tailored a financing solution to support the construction of a 2.5 MW rooftop photovoltaic power generation project, which generates an average of 300 thousand kWh of electricity per month; it also supported the use of pelletizing technology to process materials such as iron oxide scale, dust collector ash and steel slag into smelting raw materials, thereby improving the resource recycling rate.

The branch established a mechanism linking carbon efficiency performance to loan interest rates, implementing differentiated pricing based on the effectiveness of energy conservation and carbon reduction. It is estimated that the company's energy consumption per unit of product will decrease by more than 15%, and carbon emissions will be reduced by approximately 943.2 tonnes per year. This case represents a successful practice of PSBC supporting "entities eligible for transition financing", providing a reference for the green upgrading of carbon-intensive industries such as steel, building materials and chemicals.

Case 2: PSBC Hebei Branch Pioneers the Low-Carbon Path for Steel Transformation and Empowers Green Steel with Financial Support

In 2025, PSBC Hebei Tangshan Branch extended a credit line of RMB700 million in transition finance loans to Tangshan Donghua Iron and Steel Enterprise Group Co., Ltd. Founded in 1993, Donghua Iron and Steel is a large-scale steel enterprise integrating sintering, ironmaking, steelmaking and steel rolling. The enterprise has been deeply engaged in green manufacturing for many years, and has been rated an enterprise with grade A environmental performance.

The branch focused on the needs for green and low-carbon transition of the steel industry, broke away from the traditional credit model, and restructured the transition finance service system for the steel industry from four dimensions: credit line matching, product innovation, process optimization and risk control upgrading. It introduced a differentiated pricing scheme linking interest rates to the enterprise's transition performance targets, and opened a green credit approval channel that cuts the loan disbursement time by more than 50%. At the same time, the branch established a dedicated transition finance assessment system for the steel industry and a dual guarantee mechanism of "fund control + transition performance control". It dynamically assessed the enterprise's carbon emission reduction data and transition outcomes, and provided full life-cycle financial support for low-carbon transition projects such as enterprise integration and restructuring and clean energy substitution. The branch explored a new path for transition finance to empower the high-quality development of traditional heavy industries, providing a replicable practical model for the green upgrading of carbon-intensive industries such as steel.

Case 3: PSBC Shanxi Branch Adopts Financial Innovation Such as Entity-Based Credit and Indicator-Linked Lending to Escort the Coking Industry on Its Transformation Path

PSBC Shanxi Branch provided RMB200 million in working capital loans for transition finance entities to Shanxi Sunlight Coking Group Holding Co., Ltd. This is the branch's second loan of this kind in the coking industry, and also represents an important practice in promoting the transformation of carbon-intensive industries. Located in Hejin, Shanxi Province, Sunlight Coking Group is a large-scale coal chemical enterprise integrating coking, deep processing of chemical products and comprehensive utilization of coal gas, with an annual coke production capacity of over 5 million tonnes. In the face of tightening constraints of the dual control over energy consumption and intensity of carbon emissions, the enterprise formulated a systematic transformation plan. However, due to high upfront investment and a long payback period, it faced rather significant operating capital pressure.

PSBC Shanxi Branch identified the enterprise as a client eligible for transition finance, focusing on supporting its operating capital needs for debt structure optimization, energy conservation and carbon reduction, and intelligent retrofitting. Through a sustainability-linked mechanism, the branch tied the loan interest rate to indicators such as energy consumption per unit of product and carbon reduction performance, achieving a positive incentive where "the more carbon is reduced, the lower the cost". The branch also introduced a third party to assess and monitor the progress of the transition. This loan is expected to help the enterprise reduce approximately 75.8 thousand tonnes of carbon dioxide annually. While alleviating liquidity pressure, the case provides a replicable financial model for the green transformation of the coking industry.

(5) Supporting sustainable development with blue finance

Case 1: "Blue" Project Loan Under the Ecology-Oriented Development (EOD) Model

In June 2025, PSBC Shandong Branch was approved to grant a credit line of RMB350 million to the environmental governance and industrial integrated development EOD project (Phase I) in the Ecological New City Area of Yihe New Area. The project supports the ecological and environmental improvement of Yihe New Area by implementing aquatic ecosystem restoration projects and comprehensive environmental management projects. At the same time, it helps related industrial sub-projects achieve better operating returns, contributing to the high-quality ecological and environmental development of Yihe New Area. Once the project is completed, it will drive the development of the logistics and manufacturing industries in the adjacent Linyi Comprehensive Bonded Zone to boost their operating profits, and contribute to the high-quality ecological and environmental development of Yihe New Area.

Case 2: Yichang Three Gorges Phase II Comprehensive Water Environment Treatment Project

Yichang, as the starting point of the middle reaches of the Yangtze River, has a 232-kilometer section of the Yangtze River within its territory. The health of its water environment plays a crucial role in ensuring water source security for the middle and lower reaches of the Yangtze River and in building the ecological barrier for the Three Gorges Reservoir area. Yichang's existing underground pipeline network could no longer meet the demands for water governance. In case of heavy rainfall, large volumes of stormwater would flow into the "sewage and rainwater combined" pipes. Due to the inadequate delivery capacity of the pipe network, some rainwater and sewage overflow directly into the Yangtze River, causing the water to turn black and foul-smelling and become eutrophic, which poses a severe threat to the water quality of the Yangtze River. The Yichang Three Gorges Phase II comprehensive water environment treatment project becomes a key link in protecting the ecology of the Yangtze River. The project aims to make comprehensive improvements to the water environment quality of the Yangtze River, achieve full collection and complete treatment of urban sewage, effectively raise the influent concentration of sewage treatment plants, significantly reduce overflow pollution during rainy seasons, and markedly enhance the treatment efficiency of the sewage system. Meanwhile, a riverside ecological corridor will be built to tackle major waterlogging troubles in the central urban area, thus addressing the root cause of the problem.

PSBC Yichang Branch actively supported the implementation of the project. To address the project's financing needs, the branch optimized the credit approval process, and assigned dedicated personnel to follow up on the loan application process and resolve any difficulties in a timely manner. Ultimately, it successfully disbursed RMB69 million in loans to the project.

III. Green Operations

The Bank upholds the philosophy of prioritizing resource conservation and promoting low-carbon operations. It has formulated and issued the Implementation Plan for Practicing Thrift, Reducing Costs, and Improving Efficiency in Administrative Affairs of Head Office Departments of Postal Savings Bank of China, which outlines key tasks and measures for intensive asset management, energy and resource conservation, control of official expenditures, prevention of food waste, daily management of details, and the development of digital platforms. The Bank also continuously advocates for and practices green operations.

In active response to local government requirements on energy conservation and emission reduction, the Head Office conducted energy audits in 2025 for its office premises in Beijing to identify areas suitable for energy-saving and technological renovation projects and formulate rectification plans. It has met the total energy consumption control targets set by the Beijing Xicheng District Development and Reform Commission for five consecutive years. The Bank also actively promoted the use of green electricity and the development of green office campuses. It has promoted the use of green electricity in Fengtai Data Center and Yongfeng Base. From the start of its market-based trading in September 2025 to the end of the first quarter of 2026, the Bank purchased and used a total of 13,899 thousand kWh of green electricity. The Hefei Base Management Center has established a photovoltaic power generation system with a total installed capacity of 125.35 kW. It has generated a total of 596.8 thousand kWh of electricity from its commissioning to the end of the first quarter of 2026, achieving 100% self-consumption of self-generated electricity and effectively enhancing the utilization of clean energy.

The Bank has strengthened the development of its Bank-wide carbon emissions data management framework, promoted the use of the China Post Carbon Resource Management System, and implemented a monthly carbon emissions data reporting mechanism. It has also engaged external professional institutions to conduct annual GHG accounting for the operations of its directly-operated institutions, carried out a comprehensive review of energy and resource consumption across the Bank, and strengthened professional training on carbon emission management. It has gradually gained a clear understanding of its overall carbon emissions and grasped the development trend in carbon emissions data.

Carbon Emissions from the Bank's Own Operations in the Past Three Years

	Unit	2025	2024	2023
GHG emissions (Scope 1 + 2)	10,000 tonnes of CO_2	73.13	54.87	63.68
GHG emissions per employee (Scope 1 + 2)	Tonnes of CO_2	3.72	2.65	3.06
Direct emissions (Scope 1)	10,000 tonnes of CO_2	4.19	4.31	4.63
Petrol	10,000 tonnes of CO_2	3.04	3.09	3.34
Natural gas	10,000 tonnes of CO_2	1.09	1.17	0.97
Diesel	10,000 tonnes of CO_2	0.03	0.01	0.02
Others	10,000 tonnes of CO_2	0.03	0.04	0.30
Indirect emissions (Scope 2)	10,000 tonnes of CO_2	68.94	50.56	59.05

Purchased electricity	10,000 tonnes of CO_2	51.45	50.56	59.05
Purchased heating	10,000 tonnes of CO_2	17.49	——	——

Notes:
1. The statistical scope of Scope 1 and Scope 2 GHG emissions includes all directly-operated institutions of the Bank (excluding agency outlets).
2. GHG accounting for 2025 is based on the ISO 14064-1 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, Guidelines for Accounting and Reporting Greenhouse Gas Emissions by Public Building Operation Units (Enterprises) (Trial), GHG Protocol Corporate Accounting and Reporting Standard, and General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).
3. Others include liquefied petroleum gas, coal, etc.
4. Purchased heating is added to Scope 2 indirect emissions for 2025.

Scope 3 Carbon Emissions in 2025 (Partial)

	Unit	2025
GHG emissions (Scope 3)	10,000 tonnes of CO_2	0.74
GHG emissions per employee (Scope 3)	Tonne of CO_2	0.04
Category 1: Purchased goods and services		
Urban water consumption	10,000 tonnes of CO_2	0.67
Office paper consumption	10,000 tonnes of CO_2	0.07

Notes:
1. The statistical scope of Scope 3 GHG emissions includes the Head Office, directly controlled institutions, branches, and majority-owned subsidiaries.
2. Calculations follow the ISO 14064-1 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, GHG Protocol Corporate Accounting and Reporting Standard, Corporate Value Chain (Scope 3) Accounting and Reporting Standard, ecoinvent database, and China National Carbon Database for Raw Material Industry Products (CNCD).
3. Scope 3 GHG sources include “Category 1: Purchased goods and services” (urban water consumption and office paper consumption).

i. Green Operations

1. Making Full Use of the Paperless "Jinjian System"

The Bank has thoroughly implemented the green development philosophy and accelerated digital transformation. In 2023, the enterprise-level paperless "Jinjian System" was officially launched. The system can significantly reduce operating costs and improve operational quality and efficiency. Aiming to be convenient, visual, shared, and independently controllable, the system establishes an enterprise-level foundational capability base for paperless operations and provides full coverage of paperless credit services across all institutions, products, and processes. The system achieves centralized and intensive management of four key areas: report templates, report applications, report data, and electronic signatures. It offers five lightweight service tools, including online editing, automatic data retrieval and display, structured storage, cross-system sharing, and one-click archiving. The system supports scenario-based applications such as intelligent permission control, intelligent speech recognition and intelligent analysis for the three-phase credit review (pre-loan investigation, loan application review, and post-lending management), effectively addressing key business pain points. The system also offers users a complete online integrated paperless experience ranging from retrieval, editing, and signature to filing, laying a foundation for PSBC to accelerate digital transformation and deepen integrated risk control empowered by digital and intelligent technology.

From its launch in May 2023 to the end of April 2026, the system has produced over 500,000 paperless reports for credit business, saving more than 7.5 million sheets of paper, and is expected to reduce 160 tonnes of carbon dioxide equivalent. This project has won the Operator Award in the Fintech Talent Competition organized by Financial Computerizing, a magazine published by the PBOC, and the Excellence Award in the PSBC "Spark Gathering" Competition of Creative Ideas on Digital Transformation.

2. Strengthening the Development of Green Data Centers

The Bank has continuously promoted the application of advanced energy-saving technologies. It has taken measures such as optimizing airflow distribution in computer rooms to reduce the energy consumption of the cooling system, upgrading power supply and distribution systems to cut internal losses, utilizing refrigerant-pump natural cooling, recovering waste heat, and implementing hot-aisle containment. It has also utilized green and energy-saving technologies and equipment, such as high-efficiency uninterruptible power supplies (UPS) and transformers, chilled water composite heat-pipe multi-split air conditioner, and photovoltaic power generation. The Bank has further deepened the development of data center infrastructure management system and AI-powered energy efficiency management system, continuously driven energy conservation and consumption reduction, and boosted the green and sustainable development of data centers.

3. Enhancing the Ability to Prevent and Control Security Risks

The Bank has continued to strengthen the security platform, enriched functions such as security situational awareness, and increased the deployment of security equipment including internet behavior management systems. It has also promoted security equipment such as traffic probes to tier-1 branches, and continuously strengthened the technical "firewall". The Bank obtained ISO 27001 certification for Information security management systems, ISO 20000 certification for Information technology - Service management, and the Certification for Open-Source Technology Application Capabilities in the Financial Sector (Maturity Level). The Bank has intensified vulnerability scanning and phishing website monitoring, and implemented strict access controls to reinforce system security protection and data export controls. Emergency drills are conducted on a regular basis to continuously improve the emergency response efficiency and strengthen overall business continuity assurance. To further enhance its cybersecurity capability, the Bank has participated in real-world drills and improved its cybersecurity level.

4. Launching a Low-Carbon Section on the Mobile Banking App

The Bank has launched a low-carbon section on its mobile banking app, which records customers' daily low-carbon activities and financial behaviors, stores the corresponding carbon emission reductions, guides users to embrace green and low-carbon lifestyles, promotes eco-friendly e-banking services, and improves the quality and efficiency of its low-carbon operations.

ii. Green Office

The Head Office departments conduct quarterly special inspections on green office practices, with the inspection results incorporated into departmental performance appraisals. Employees are explicitly required to power down electrical equipment after work, strictly comply with indoor air-conditioning temperature standards, avoid leaving lights on or taps running, promote double-sided printing, and conserve water, electricity, paper, and other resources. In addition, in connection with key occasions such as the Energy

Conservation Publicity Week and National Low-Carbon Day, the Bank carries out energy-saving publicity campaigns through various means, including posting posters, screening green and low-carbon promotional videos, and organizing energy-saving knowledge quizzes, so as to continuously strengthen green office awareness and further regulate employees' energy-use behaviors.

iii. Green Procurement

The Bank promotes green procurement across system design, process requirements, and standards formulation, and gives priority to the procurement of green and low-carbon products.

• The Bank explicitly upholds the principles of openness, fairness, and equality in the procurement management system, and prioritizes the procurement of energy-efficient, eco-friendly products, products with green product certifications, and products that meet green packaging and green transportation requirements.

• The Bank encourages suppliers to assume environmental responsibilities throughout the procurement process and gives considerable weight to their environmental performance, environmental management and fulfillment of other environmental responsibilities in stages such as eligibility assessment, business scoring, agreement conclusion, and post-contract assessment.

• The Bank continuously requires suppliers to sign and fulfill the Agreement on Energy Conservation, Emissions Reduction and Green Development. With approximately 45 agreements signed in 2025, the Bank continuously strengthens its efforts to promote suppliers to jointly fulfill their social responsibilities such as environmental protection.

iv. Environmental Activities for Public Welfare

The year of 2025 marked the 8th anniversary of PSBC Charity Foundation. As an important vehicle for PSBC to fulfill its corporate social responsibility and promote equal access to education, PSBC Charity Foundation continues to carry out public welfare programs with a focus on the field of education. In 2025, it raised a total of RMB8,045.8 thousand.

In terms of project implementation, PSBC Charity Self-Improvement Class program operated steadily in 2025, providing financial assistance to 2,100 high school students with financial difficulties in 42 classes. PSBC Charity Scholarship program awarded scholarships to 985 outstanding final-year high school graduates from schools where the Self-Improvement Classes were established, encouraging them to strive for excellence. PSBC Charity Parcel program extended its reach to basic education in rural areas, donating charity parcels to 10 thousand primary school students in Sanjiang Dong Autonomous County in Guangxi Zhuang Autonomous Region. The Charity Sports Classroom program donated sports equipment to two schools, supporting the all-round development of rural students.

To extend thoughtful care to students in PSBC Charity Self-Improvement Class, in 2025, the Bank continued its pairing support efforts for the class and conducted PSBC Charity visits. Focusing on the critical growth stage of students in PSBC Charity Self-Improvement Class who entered the final year of high school, relevant institutions within the Bank launched distinctive activities such as career planning guidance, stress relief courses, and themed class meetings tailored to local conditions. These initiatives effectively helped students alleviate pressure and find their direction, deepening the transition from “providing assistance” to “holistic education”.

On PSBC Charity Day 2025, the Bank held the launch ceremony for the charity brisk walking themed “Centennial Journey of the Labor Union – PSBC Charity for the Future” in Guangzhou, marking the start of the public welfare activities of the year. During PSBC Charity Day, the Bank organized employees to participate in voluntary tree planting, welfare home visits, community services, Lei Feng spirit volunteer activities, as well as other public welfare actions, while embedding the promotion of a “transparent credit” culture and financial anti-fraud education into the activities, making public welfare actions both heartwarming and impactful.

Thanks to years of dedication and social influence in the field of education-related public welfare, in 2025, PSBC Charity was honored with “Responsibility 100 | Best Responsibility Award” at the 9th CSR China Education Award, and the Bank was recognized as the “Best Corporate Responsibility Brand of the Year”, fully demonstrating the brand value and social recognition of PSBC Charity.

Column: PSBC Wealth Management Achieving Carbon Neutrality in Its Own Operations for Four Consecutive Years
PSBC Wealth Management Co., Ltd. has vigorously developed itself into a green and inclusive company and a climate-friendly wealth management company, actively explored the path to green and low-carbon development, and completed the carbon emissions accounting, verification and offset of its own operations in 2024. The company obtained the carbon neutrality certificate from the Beijing Green Exchange and became

the first wealth management company to achieve carbon neutrality in its own operations for four consecutive years. This demonstrates its commitment to actively addressing climate change and pursuing green and low-carbon development. PSBC Wealth Management has actively promoted green office practices, advocated for green and low-carbon lifestyles, and continuously explored new paths for green and sustainable operations.

Chapter 2 Social

I. Human Capital Development

i. Equal and Diverse Employment

The Bank upholds the principle of equal employment. The Bank is committed to building a diverse, inclusive, fair and equitable employment environment. It forbids discrimination based on factors such as gender, ethnicity, etc., in its policies, rules, and practices regarding recruitment and internal promotion, ensuring fairness and equality.

The Bank respects legal and regulatory boundaries. It strictly complies with applicable laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Provisions on the Prohibition of Child Labor, and protects employees' labor rights as well as other legitimate rights and interests. The Bank has signed employment contracts with all employees according to law, which specify the working hours, rest periods and leave entitlements, as well as occupational safety and working conditions, and has fulfilled the contractual obligations as the employer. The Bank ensures the occupational health and safety of employees, pays salaries in full and on time, implements reasonable working schedules and paid leave policies, and protects the rights and interests of employees.

The Bank fulfills its corporate social responsibility. It insists on integrating talent recruitment with serving national strategies and focuses on the demand for talent in remote areas, areas with harsh conditions, and areas with recruitment difficulties. On the premise of ensuring compliance with laws and regulations, fairness and justice, the Bank implements talent introduction policies better tailored to local realities and actively recruits outstanding local talents. By continuously optimizing the talent allocation at the primary level, the Bank not only creates more job opportunities for underdeveloped areas and facilitates rural revitalization and coordinated regional development, but also provides strong talent support for enhancing primary-level financial service capabilities and business development.

In December 2025, the Bank was honored with "Top 10 Best Employers in China 2025" and "Most Attractive Employers among College Students in China 2025" in the election of "Best Employers in China 2025".

By employment type (by May 31, 2026)

Number of contracted employees: 179,575 (including 1,222 in majority-owned subsidiaries); number of dispatched employees: 14,196.

By gender

Total number of male employees: 73,190; total number of female employees: 106,385.

By age

Number of employees aged 30 or under: 34,982; number of employees aged 31 to 40: 79,240; number of employees aged 41 to 50: 46,848; number of employees aged 51 or above: 18,505.

By geography

Number of employees at the Head Office: 9,435; number of employees in Yangtze River Delta: 19,944; number of employees in Pearl River Delta: 18,431; number of employees in Bohai Rim: 25,915; number of employees in Central China: 45,767; number of employees in Western China: 41,126; number of employees in Northeastern China: 18,957.

Others:

Ethnic minority employees: 12,232.

Employee turnover rate (January–May 2026): 0.73%.

ii. Talent Development Strategy and Employee Education and Training

The Bank fully implements the Work Regulations on Education and Training of Officials and the National Officials Education and Training Plan (2023-2027) issued by the CPC Central Committee in its education efforts. Focusing on the "five priorities" of the financial sector, the Bank provides high-quality education and training for cadres and employees.

1. Developing a "Three Comprehensive & Three Tiered" Education and Training System

The Bank continues to strengthen the overall planning of employee education and training. Taking personnel category, job category, and employees' career development cycle as key elements and using systematic training as a core approach, the Bank has established a comprehensive training framework that covers all employees and positions throughout the lifecycle of employees' career development. Meanwhile, the Bank has built an education and training content system that is categorized, specialized, and layered. The Bank continuously improves its education and training policy framework. On the basis of thoroughly implementing the latest requirements of the central government on education and training, and in light of its actual circumstances, the Bank has formulated and implemented a series of policies, including the Education and Training Plan, the Education and Training Management Measures, and the Internal Trainer Management Measures. This provides institutional support for talent development and strongly supports PSBC's sustainable and high-quality development.

2. Carrying out Training to Enhance Duty Performance Ability in a Stratified and Categorized Manner

The Bank attaches great importance to the formulation and implementation of employees' annual training plans. Aligning closely with the needs of business development and talent team building of each segment, the Bank integrates internal and external training resources, formulates the annual training plan in a coordinated manner, and implements scientific and effective training strategies. Focusing on advancing the "five priorities" of the financial sector with PSBC characteristics and providing capability support for the accelerated promotion of the "Six Upgrades", the Bank adopts a stratified, categorized, and specialized training approach in line with employees' job roles and competence requirements. It also formulates specialized training plans for personnel in postal agency finance, audit, internal control and compliance, legal affairs, and other business lines to strengthen coordination between China Post Group and the Bank and comprehensively enhance the financial service capabilities of its cadres and employees. In 2025, the Bank conducted over 35,000 training sessions across various programs, with cumulative participation of over 3.39 million person-times, effectively enhancing employees' professional competence and capabilities to perform their duties.

The Bank adopts a stratified, categorized, and specialized training approach in line with employees' job roles and competence requirements. For executives and cadres, the Bank improves the operational and management capabilities of executives in a systematic manner by following the three-level training system of orientation, on-the-job training, and advanced skills training. For professional staff, the Bank focuses on six major business segments, including corporate banking, treasury and asset management, personal banking, risk management, information technology, and integrated support, and carries out duty performance improvement training and special talent training projects in a coordinated manner. For new hires, the Bank implements the "U Shine at PSBC" campus recruitment training program to support adaptation to job requirements and facilitate their onboarding and professional growth. For frontline staff, the Bank centers on strategy implementation and the advancement of various reform tasks, and prioritizes providing special training for managers of sub-branches in strong counties and wealthy towns, outlet heads, wealth advisors, and account managers, to steadily improve their capabilities in practical businesses and comprehensive services.

3. Establishing and Improving the Job Qualification Certification System

With the goal of establishing a talent evaluation system aligned with PSBC's actual conditions, the Bank follows the principles of "training before certification" and "certification before promotion" and has established a certification examination system for employees, encompassing 21 job families and 96 areas of specialization. It regularly organizes job qualification examinations and continuing education and integrates job qualification certification, learning, and talent evaluation systems to systematically enhance employees' capabilities to perform their duties.

The Bank encourages employees to pursue continuous professional development and supports them in obtaining industry-recognized, authoritative certificates. A total of 108 professional qualification examinations, including Certified Public Accountant (CPA), Chartered Financial Analyst (CFA), Financial Risk Manager (FRM), Associate Financial Planner (AFP), Certified Financial Planner (CFP), Chartered Certified Accountant (ACCA), Corporate Finance Consultant (CFC), Certified Treasury Professional (CTP), Certified Private Banker (CPB), and Certified Anti-Money Laundering Specialist (CAMS), have been designated as priority external certifications. Employees who successfully obtain these qualifications are eligible for financial support from the Bank. Through these initiatives, the Bank cultivates a talent development ecosystem that encourages lifelong learning and continuous growth.

4. Strengthening the Development of Educational and Training Resources

The Bank continues to strengthen the development of its educational and training resources. It enriches training course resources and sets up a dedicated course section on the "five priorities" of the financial sector to continuously track the latest ESG requirements and accelerate the development and application of ESG-related training materials and cases, thereby enhancing the effectiveness of training courses. It strengthens faculty development and has established a tiered internal trainer team of approximately 6,000 members comprising junior-, intermediate-, and senior-level trainers. The Bank also advances the development of its online learning platform, focuses on enhancing the capability of education and training in supporting development, and continuously improves the overall effectiveness of its education and training work.

iii. Democratic Management of Employees

1. Regular Employee Performance Evaluation and Feedback

The Bank has established a comprehensive performance management system covering all employees and promotes a Bank-wide performance-oriented management culture. In line with management practices, it continuously refines and improves its performance management policies. A regular evaluation mechanism has been developed, with differentiated assessment cycles tailored to positions of different characteristics, which effectively balances short-term and long-term development. The Bank has also established a closed-loop performance management process, and the performance evaluation process encompasses performance plan formulation, performance coaching and communication, performance evaluation and feedback, as well as the application and improvement of evaluation results. Particular emphasis is placed on performance coaching and communication, promoting the enhancement of both employee and organizational performance.

2. Employee Opinion and Grievance Reporting

The Bank has continuously improved its channels for employees to submit complaints and appeals, leveraging multiple avenues such as the staff congress, online suggestion platforms, and employee interactive communities to extensively solicit opinions and suggestions from employees on various aspects, including internal training, career development, compensation and benefits, and rest and leave arrangements. The Bank has established an anonymous feedback channel for employees and implemented a rigorous privacy protection mechanism to ensure that employees' personal information is subject to end-to-end encrypted control throughout the process and is used solely for issue resolution purposes, effectively alleviating employees' concerns about speaking up. The trade union, human resources, and other relevant departments handle and respond to employee feedback in accordance with their respective responsibilities, ensuring that employees' opinions and suggestions are effectively addressed and responded to, thereby genuinely enhancing employees' sense of participation and belonging.

Column: Employee Representatives' Meeting
The Bank continues to advance the institutionalization and standardization of corporate democratic management. Since 2025, the Bank has convened five employee representatives' meetings at the Head Office level, ensuring that policies and measures affecting employees' rights and interests are subject to democratic procedures. The Bank also completed the handling of proposals submitted at the annual employee representatives' meeting at the Head Office level. The processing results of all accepted proposals were disclosed across the Bank.
Column: PSBC's "FreeVoice@PSBC" Platform
In the face of sweeping changes of our times, commercial banks face unprecedented challenges in their transformation and development. Only by staying dynamic, open, and adaptive to changes while making continuous innovation, breaking down the restrictions of hierarchies and business lines, and harnessing the collective wisdom of all employees can commercial banks achieve steady and sustained progress, and foster the vitality of innovation and reform. The Bank attaches great importance to innovative development, actively listens to the opinions and suggestions of employees, and has built and operated "FreeVoice@PSBC", an internal community platform where employees across the Bank can share their thoughts anonymously or under real names. Upholding the principles of focusing on development, equal participation, and guaranteed anonymity, the platform provides a direct channel for employees at all levels to voice concerns and give suggestions, as well as for institutions at all levels to listen to the demands of primary-level employees, so as to build consensus and spark new ideas for the high-quality development of the Bank. The launch of "FreeVoice@PSBC" is an important measure for the Bank to innovate through digital means, build the "major capabilities in six aspects", convey the concept that "innovation creates value", and overcome the constraints of traditional organizational models on innovation and transformation. With this platform, the creative ideas of primary-level employees can reach the headquarters quickly for decision-making, while

the management can focus on solving problems instantly. The Bank has made a series of institutional arrangements and technological applications, including establishing and improving the closed-loop problem handling mechanism, setting up a special operation team, incorporating problem resolution into performance assessment, and carrying out reasonable suggestion selection. All these effectively facilitate the implementation of high-quality suggestions, problem resolution, and the dissemination of successful practices, enhance product and service optimization, improve management decision-making efficiency, tackle the bottlenecks and pain points in work, and support and empower frontline employees.

The "FreeVoice@PSBC" platform has played a positive role in streamlining decision-making layers, facilitating transformation and development, and fostering a culture of innovation, and has fully mobilized employees' enthusiasm for innovation. During the reporting period, the platform recorded 7.6 million visits and 200 thousand messages. Employees put forward numerous valuable and insightful opinions and suggestions based on their work experience, observations, and experience from peer institutions, sparking extensive discussions. In active response to employees' concerns, responsible departments launched multiple interactive columns such as Sannong finance, inclusive finance, and technology operations to collect questions, adopt suggestions, and earnestly promote implementation. For example, when an account manager raised concerns about changes in risk control rules affecting user experience, the business and risk teams promptly had a discussion, adjusted the early warning strategy, and completed procedure improvement within five days, ensuring sound business development and customer service. When tech staff put forward suggestions on the application of data assets, the data department took the initiative to communicate and confirm the details, and completed the system upgrade within a week, effectively supporting business operations.

Column: "PSBC Q&A" Employee Community

Leveraging PSBC Assistant, an enterprise-level intelligent application portal, PSBC built the "PSBC Q&A" employee community, a one-stop service platform integrating inquiries, feedback, and experience sharing, creating a closed-loop mechanism for frontline employees to have a channel to voice their opinions, receive responses to their requests, and have their problems resolved. The platform allows employees to submit business questions, work suggestions, and experience feedback anonymously or under real names. Standardized solutions are developed for common issues that have been frequently raised, and relevant departments have been engaged to rapidly respond to personalized requests. The platform has a strict privacy protection mechanism where employees' personal information is encrypted throughout the process, effectively alleviating employees' concerns about expressing their opinions.

With the "PSBC Q&A" community, the Bank has not only efficiently resolved obstacles and pain points in frontline business, but also made employee feedback a crucial basis for optimizing management and improving services, effectively enhancing employee participation and their sense of belonging. Since its launch in July 2023, the platform has processed over 120 thousand employee opinions and achieved a 100% response rate, continuously improving employee satisfaction. The platform has become a vital tool for the Bank to listen to the voice of frontline employees and optimize operation and management.

iv. Non-Remuneration Benefits

The Bank has always adhered to a "people-oriented" development philosophy, effectively safeguarding all legitimate rights and interests of its employees, including rest and leave entitlements. It has actively built a non-compensation welfare system covering multiple dimensions such as physical and mental health and work-life balance, with the aim of genuinely enhancing employees' sense of security, well-being, and overall welfare, and striving to foster a diverse, equitable, inclusive, warm and supportive workplace culture.

1. Employee Insurance and Supplementary Healthcare

In strict compliance with relevant national and local policy requirements, the Bank contributes various social insurance premiums for all employees, and has established a corporate annuity scheme and supplementary medical insurance system across the organization, thereby building a multi-level and holistic insurance welfare system.

2. Care for Mental and Physical Health

The Bank attaches importance to employees' mental health by maintaining a 24-hour mental health support hotline, organizing remote training on mental health services for employees, and conducting initiatives such as "Mental Health Publicity Week" for frontline employees at primary-level institutions.

These activities help staff relieve work-related stress and improve their emotional management abilities. To further cultivate a caring work environment, the Bank continues to advance the "Staff Home" initiative. To date, a total of 7,888 staff homes have been established across the Bank. The initiative allows employees to fully experience a home-like culture and atmosphere, realizing the goal of "building smaller teams for the larger whole" and enhancing employees' sense of happiness and belonging.

3. Care for Female Employees

The Bank continues to show care for female employees and help them climb the career ladder. The Bank has also intensified efforts to safeguard the legitimate rights and interests of female employees and driven innovation in women's initiatives across the Bank. On the eve of International Women's Day on March 8, 2026, the Labor Union of the Head Office issued the Circular on Commending Outstanding Female Teams and Female Role Models of Postal Savings Bank of China with Exemplary Contributions for 2023-2025. Specifically, a total of 50 teams, including the Human Resources Department of PSBC Beijing Branch, won the honorary title of "Outstanding Female Team of Postal Savings Bank of China with Exemplary Contributions", and 100 individuals, including Hong Xiuling, won the title of "Female Role Model of Postal Savings Bank of China with Exemplary Contributions". A Bank-wide initiative has been launched to provide maternity uniforms and a maternity badge gift set for expectant mothers, effectively resolving the difficulty of suitable attire for pregnant women staff. In 2026, the Labor Union of the Head Office launched a life moments photo collection campaign among all female employees of the Bank. It also published a short video and an article titled "Be the Unlimited and Brilliant You" on the WeChat official account of the PSBC Labor Union.

4. Employee Support System

The Bank consistently upholds a people-centered development philosophy and has established a year-round, institutionalized framework for employee care and support. During New Year's Day and the Chinese New Year, it organizes "Warmth Delivery" activities, focuses on paying visits to frontline employees, staff in difficulty, model workers and outstanding workers, and precisely addresses their needs by providing financial assistance and relief materials and conducting face-to-face exchanges. In the summer heat season, the Bank continues the "Summer Cool" initiative and provides heat relief items and health protection support to frontline employees, staff in difficulty, and field workers, effectively safeguarding occupational safety and physical and mental health. Furthermore, for employees in financial difficulty due to natural disasters or sudden events, the Bank promptly takes disaster relief and support measures to deliver organizational care, enhancing employees' sense of safety and belonging, and fostering a workplace environment that is both warm and resilient.

5. Diverse Cultural and Sports Activities

The Bank remains committed to a people-centered approach and regularly organizes a wide range of cultural and sports activities to enrich employees' cultural lives and foster a spirit of unity, positivity, and excellence. In 2025, the Bank successfully hosted the 2nd Staff Air Volleyball Match, the Mixed-Team Billiards Competition, and the Employee Short Video Contest. The Bank also served as the title sponsor of and participated in the National Postal Employees Air Volleyball Challenge Match and sent teams to compete in various sporting events across the telecommunications and financial sectors. In addition, award-winning short videos within the Bank were recommended for participation in the Third National Employee Short Video Contest, where they received both the Best Thematic Presentation Award and the Best Production Achievement Award. These initiatives enriched employees' lives, strengthened team cohesion, and injected spiritual impetus into the Bank's development. They also fully demonstrated the morale vitality of the Bank's workforce, as well as the achievements of its corporate culture development.

II. Consumer Financial Protection

The Bank consistently upholds a customer-centric philosophy, strictly complies with regulatory requirements, and continuously improves its consumer protection organizational structure and institutional framework. Consumer protection principles are deeply embedded into the full chain of corporate governance, corporate culture development, and business development strategies. The Bank has coordinated efforts to establish a pattern of comprehensive consumer protection characterized by organization-wide collaboration and shared responsibility, and strengthened refined management capabilities, fully safeguarding the legitimate rights and interests of financial consumers.

The Board of Directors serves as the highest decision-making body for consumer protection work. It is responsible for formulating consumer protection strategies, policies, and goals, and providing overall planning and guidance for consumer protection work. The status of implementation of consumer protection work is incorporated into the corporate governance evaluation to ensure the effective implementation and fulfillment of consumer protection strategies, policies, and objectives. The Board of Directors supervises the performance of the senior management in fulfilling consumer protection responsibilities and assumes ultimate responsibility for consumer protection information disclosure.

The Social Responsibility and Consumer Rights Protection Committee of the Board of Directors is responsible for guiding and supervising the establishment and improvement of the consumer protection management policy framework, ensuring that relevant policies and rules align with corporate governance, corporate culture development, and business development strategies. The Committee regularly convenes meetings to review work reports from the senior management and consumer protection departments, and provides guidance on the disclosure of material information related to consumer protection.

The senior management is responsible for establishing and improving the consumer protection management framework and providing guidance on the establishment of the consumer protection management framework featuring clear goals, a sound structure, adequate support, and effective implementation. The senior management also ensures the effective implementation of consumer protection goals and policies. The Consumer Rights Protection Committee under the senior management makes unified arrangements and carries out consumer protection work, enforces laws, regulations, and regulatory requirements on consumer rights protection, carries out strategies, policies, and goals set by the Board of Directors for consumer rights protection, listens to work reports on consumer rights protection, and deliberates on major issues in consumer rights protection.

i. Consumer Financial Protection Training

The Bank actively builds a consumer protection culture, fosters an environment that values the consumer protection culture, guides all employees to develop consumer protection awareness, and enhances employees' initiative, conscientiousness, and enthusiasm in fulfilling their consumer protection responsibilities.

1. Policy Requirements

The Bank has established an internal training mechanism for consumer protection and strengthened its implementation. The Bank has formulated the Management Measures for Consumer Rights Protection, established an internal training mechanism for consumer protection, and specified relevant requirements such as the frequency and target audience of consumer protection training. The Bank develops an annual consumer protection training plan to make overall arrangements for consumer protection training activities, places emphasis on the effectiveness of training, and strengthens the review and evaluation of training outcomes.

2. Targeted Trainees

The Bank ensures that all employees assume responsibility for consumer protection learning and strictly requires all personnel across all levels of the Bank whose work involves financial consumers to participate in consumer protection training on an annual basis. The training comprehensively covers all middle- and senior-level management personnel, front-line business personnel, dedicated consumer protection staff, and new recruits, thereby promoting the deep integration of consumer protection concepts throughout the entire business process. Based on their actual circumstances, business institutions at all levels adopt various forms to provide ongoing consumer protection education and training for employees within their respective departments and business lines, especially front-line employees who directly deal with consumers. For business positions with frequent consumer complaints and relatively high risks, training frequency is appropriately increased to effectively enhance employees' compliance awareness and level of service.

3. Training Methods and Content

The Head Office organizes annual special training on consumer protection. In May 2026, the Bank conducted a consumer protection management training program. The training covered the latest national laws, regulatory requirements, and internal management documents related to consumer protection, including complaint management, diversified resolution of financial disputes, consumer protection reviews, financial literacy education and publicity, personal information protection, consumer protection assessment and evaluation, marketing and publicity, cooperative institution management, suitability management measures, interpretations of new regulations governing agency sales, etc. In the meantime, outstanding peers in the industry were invited to give lectures on customer complaint management and share their complaint handling cases. Experienced legal professionals were also invited to provide concise interpretations of practical and difficult issues under the Personal Information Protection Law of the

People's Republic of China. These initiatives further enhanced the Bank's overall consumer protection work and strengthened the development of its consumer protection workforce.

Head Office departments have fully integrated consumer protection into their routine training framework. The Bank conducted special training on the regulatory environment and work practices of consumer protection through the 2025 "Navigation Plan" training program and the 2025 "U Shine at PSBC" new employee orientation program. In addition, the Bank organized a series of specialized training programs, including training for complaint managers of China Post Group and PSBC, operational risk management training, compliance and consumer protection culture training for credit card business staff, training on consumer protection for agency sales businesses, special training on marketing management for personal consumer loan business, risk control and management training for micro loan business inspectors, and training for small enterprise risk management personnel. Through these initiatives, the Bank continuously deepened the integration of consumer protection with various businesses, achieving full coverage of consumer protection training for key positions and core businesses.

A total of 36 tier-1 branches and their subordinate institutions organized specialized consumer protection training and, in conjunction with complaint handling and risk management work within their service regions, incorporated consumer protection into business-line training in a targeted manner. The training programs covered middle- and senior-level management personnel, front-line business personnel, and new recruits. PSBC Liaoning Branch adopted a year-round touring approach, organizing compliance training sessions at the grassroots level. PSBC Beijing Branch organized employees to participate in the training and selection for the people's mediators, thereby enhancing their capabilities in resolving financial disputes through mediation. Some branches also invited external experts to deliver specialized training. For example, PSBC Shanxi Branch invited experts from the Protection Association of Financial Consumption Rights and Interests of Shanxi to give themed lectures, while PSBC Guangdong Branch invited banking business experts from Guangdong Zhenghe Banking and Insurance Consumer Rights Protection Center to provide training on the principles and process of dispute mediation and skills for handling abnormal complaints. These initiatives effectively promoted the integration of consumer protection into the Bank's high-quality development.

4. Implementation Status

The Bank formulated the Handbook on Key Points of the Eight Rights of Financial Consumers by systematically reviewing laws, regulations, regulatory requirements, and practical cases related to the eight rights and summarizing key work points. The Bank widely promoted a consumer protection culture to enhance employees' willingness and capability to safeguard consumer rights. It strengthened the evaluation of the effectiveness of various training sessions, issued a circular on the progress of consumer protection training in 2025, conducted an in-depth analysis of existing issues in training, and set forth requirements for the next phase. In 2025, the Head Office and all tier-1 branches organized a total of 931 consumer protection training sessions, with participation totaling approximately 530 thousand person-times. Specifically, at the Head Office level, consumer protection-related departments conducted 41 specialized training sessions, with participation of approximately 140 thousand person-times, while 36 tier-1 branches organized 890 consumer protection training sessions, with participation of approximately 390 thousand person-times. In the first half of 2026, the Bank continued to provide consumer protection training for all personnel who directly interact with customers, and carried out diversified training and capacity building initiatives tailored to specific roles and business lines.

ii. Product and Service Review

Adhering to a prevention-first approach, the Bank conducts consumer protection reviews on products and services offered to consumers in accordance with relevant laws and regulations, regulatory requirements, and internal policies on consumer rights protection. These reviews cover several stages, including the design and development, pricing management, agreement formulation, and marketing and publicity. The Bank identifies and assesses potential issues and risks that could harm consumer rights and interests, and proposes risk prevention and control measures or recommendations.

1. Management Structure

The Bank has established a top-down organizational structure for the review of products and services. The Board of Directors serves as the ultimate decision-making body for consumer protection. The Social Responsibility and Consumer Rights Protection Committee of the Board of Directors supervises and guides consumer protection reviews of products and services, and continuously monitors related work. The Consumer Rights Protection

Committee under the senior management advances the consumer protection work in a coordinated manner, improves relevant review policies and mechanisms, and deliberates on and approves the management measures for consumer protection review, thereby effectively fulfilling its guiding and supervisory functions.

The Bank strictly adheres to the principles of legal compliance, comprehensiveness, independence, and risk control in its consumer protection review. The Consumer Rights Protection Center of the Head Office coordinates and manages the Bank's overall consumer protection review. The Credit Card Center of the Head Office and the consumer protection departments of all branches are responsible for conducting consumer protection reviews at their respective levels. Their primary responsibilities include establishing and improving consumer protection review policies and mechanisms, conducting consumer protection reviews on submitted matters and providing clear review opinions, conducting post-review evaluation and assessment, and organizing training related to consumer protection reviews.

2. Improving the Consumer Protection Review Mechanism

The Bank incorporates consumer protection review into its risk management and internal control framework. It has formulated the Comprehensive Risk Management Measures and the Basic Rules for Internal Control, specifying the requirements for consumer protection review. It has also formulated the Management Measures for Consumer Protection Review and the Guidelines for Consumer Protection Review, specifying the primary responsibility of the principal entity, division of duties, and full-process management standards and requirements for consumer protection review. The Bank has established a control mechanism for consumer protection review, and has incorporated consumer protection review into the approval processes of relevant matters such as the design and development of products and services, pricing management, agreement formulation, and marketing and publicity. This ensures that all products and services offered to the market comply with industry regulatory requirements and the Bank's internal policies and standards. The Bank implements a dual-review mechanism of "preliminary review by the initiating department + secondary review by consumer protection departments". Consumer-related products and services that are offered by institutions at all levels must first pass a preliminary review by the initiating department before being submitted to consumer protection functional departments at the same level for a secondary review. The Bank has also established a rigid control mechanism for the implementation of review opinions. For matters where review opinions are not adopted, the Bank will carry out re-evaluation or bring the matter to final decision-making through system control, thereby ensuring the authority of the review.

3. Enhancing the Capability Building of Review Personnel

Taking capacity building as the key focus, the Bank continuously strengthens consumer protection review work, keeps optimizing review processes, and enhances work effectiveness. It summarizes recurring issues from routine consumer protection reviews and creates a series of scrolling infographics on key points in consumer protection reviews to strengthen the understanding and application of key review points. The Bank conducts qualification certification and management of consumer protection review personnel on a regular basis. Specialized training and awareness programs on consumer protection review are offered in multiple formats, with a series of training materials developed and promoted across the Bank to comprehensively enhance the compliance awareness and professional competence of review personnel. By incorporating real cases to explain difficult and critical review points and diversifying the formats of training and communication, the Bank comprehensively enhances the compliance capabilities and operational proficiency of front-line review personnel. The Bank drives the digital and intelligent transformation of the review process, enriches review tools, and upgrades intelligent review rules and standard opinion templates in the consumer protection review system. It has launched a repository of best-practice review cases and a knowledge base to strengthen support for review efforts across the Bank.

4. Review of New Products and Businesses

The Bank adopts a management structure featuring unified leadership and clearly defined responsibilities for business and product innovation. The Business and Product Innovation Management Committee under the senior management, in accordance with the business development strategies and risk management policies approved by the Board of Directors, coordinates product innovation work across the Bank, and reviews work plans, policies and rules related to product innovation, as well as the necessity and feasibility of product innovation projects. In line with the prudent and sound risk appetite, the Risk Management Committee under the senior management leads the risk assessment for product innovation; the Risk Management Department of the Head Office takes the lead in organizing relevant work; and various risk management departments conduct corresponding work in accordance with their respective responsibilities.

During the new product design and development stage, following the completion of product innovation approval procedures, the product development department organizes relevant departments to carry out detailed business design for the new product, clearly defining customer needs, key functions, business processes, risk control stages, and consumer protection measures. During the risk assessment phase of a new product, the product development department conducts an analysis of market demand, target customers, and costs and benefits, performs a self-assessment of risks, and applies to the risk management department for a new product risk assessment and review in accordance with relevant policies and rules, including product innovation risk assessment, money laundering risk assessment, compliance review, business continuity management, and consumer protection review.

iii. Loan Contract Modifications

The Bank fully considers consumer protection when signing loan contracts or agreements with customers. The Bank focuses on assessing customers' financial standing and repayment capacity, and specifies applicable conditions and requirements for contractual changes to ensure customers receive more efficient services. For customer groups facing short-term repayment difficulties due to temporary financial challenges, the Bank relieves their pressures by reasonably adjusting the repayment methods and other measures. If a customer's income fluctuates temporarily but they are still able and willing to repay, the Bank can offer temporary repayment method adjustment and allow deferred principal repayment, to ease customers' repayment pressure.

The Bank has revised the customer reminders in standard credit contracts by adding reminders regarding integrity supervision and supporting the joint development of a "transparent credit" culture.

1. Management Mechanisms

The Bank has formulated the Post-Lending Operational Procedures for Personal Consumer Loan Business of Postal Savings Bank of China (2023 Revision), the Post-Lending Management Measures for Micro Loan Business of Postal Savings Bank of China (2026 Version), and the Micro Loan Business Management Measures of Postal Savings Bank of China (2024 Revision), specifying the contents, processes, and channels, etc. accessible to customers for loan modifications.

2. Loan Modification Elements

The Bank fully fulfills its responsibilities as a major bank. Based on the communication with customers during the debt collection process and the comprehensive evaluation of customers' financial status, the Bank provides relief support as appropriate for the customers who are willing to repay loans but have temporary difficulty in funds flow. For customers who request early repayment, the Bank provides appropriate facilitation plans such as adjustments to repayment terms or installment amounts, etc. After reaching a mutual agreement through consultation, the Bank allows customers to apply for modifications to loan terms, repayment methods, and authorized debit accounts, among others. The Bank also dynamically adjusts customers' credit lines based on their credit rating assessments. Specifically, to meet loan customers' demand for advance repayment, the Bank may lower monthly installments while keeping the remaining repayment term unchanged, or shorten the remaining repayment term while keeping monthly installments unchanged. To support loan customers' demand for deferred repayment, the Bank allows some loan customers with declining income or temporary liquidity problems to extend their loan terms. For customers with good credit standing, the Bank offers increased credit limits and permits credit enhancement measures, including the provision of additional collateral or guarantees. For customers with poor credit standing or declining repayment ability, the Bank takes measures such as reducing credit lines, imposing account restrictions, etc.

iv. Debt Collection Management

The Bank has established policies such as the Credit Card Self-Collection Operating Procedures of Postal Savings Bank of China (2024 Revision), the Post-Lending Operational Procedures for Personal Consumer Loan Business of Postal Savings Bank of China (2023 Revision), and the Post-Lending Management Measures for Micro Loan Business of Postal Savings Bank of China (2026 Version). These policies specify the parties responsible for collection, the targets of collection, collection methods, collection procedures, and collection requirements for overdue loans. These policies place emphasis on prohibitive provisions to protect consumer rights and interests. For example, they require that all collection activities comply with relevant regulatory standards and strictly prohibit illegal practices such as violence, coercion, restriction of personal freedom, intimidation, or harassment. These measures are designed to ensure the lawful rights and interests of consumers are fully safeguarded.

For outsourced collection, the Bank has formulated policies including the Operating Procedures for Outsourced Collection of Overdue Micro Loans of Postal Savings Bank of China (2024 Version) and the Implementation Rules for Outsourced Collection of Overdue Personal Consumer Loans of Postal Savings Bank of China (2024 Version). These documents specify requirements for managing outsourced collection agencies, conducting outsourced collection procedures, and managing outsourced collection throughout their outstanding periods.

1. **Collection Parties**: Collection parties include post-lending management personnel and customer managers of the Bank, as well as third-party collection agencies commissioned by the Bank.

2. **Collection Targets**: Collection targets refer to overdue customers. Collection efforts shall not be directed at any third party unrelated to the loan.

3. **Collection Methods**: Collection methods include SMS reminders, intelligent outbound calls, centralized telephone collection, local collection by branches and sub-branches, judicial collection, and outsourced collection. For low-risk customers, centralized telephone collection shall be prioritized. For high-risk customers, local collection by branches and sub-branches shall be prioritized. For cases where collection is particularly challenging or collection resources are limited, methods such as judicial or outsourced collection will be adopted.

4. **Collection Process**: The collection method is selected based on the actual circumstances. After collection, collection records must be entered into the relevant system of the Bank.

5. **Key Measures for Customer Protection**: The Bank explicitly specifies prohibitive provisions for collection. All collection activities must comply with relevant regulatory requirements. The use of illegal means such as violence, coercion, restriction of personal freedom, intimidation, or harassment is strictly prohibited. These measures ensure the full protection of consumers' legitimate rights and interests.

Column: The Bank's Credit Card Collection Management Requirements
① Strict collection hours. Without the debtor's consent, telephone calls and on-site visits for collection purposes are strictly prohibited between 22:00 and 08:00. ② Reasonable collection frequency. Based on specific circumstances of telephone collection, the frequency of proactive calls must be kept within a reasonable and necessary range. The cumulative number of calls to the debtor or a third party must not exceed six times within one hour and 10 times within one business day. The practice of repeated call attempts, such as "call flooding", is strictly prohibited. ③ Integrity and confidentiality. Information about the debtor obtained during the collection process must be kept strictly confidential to protect the privacy of the debtor and related parties. Unlawful acquisition of personal information is prohibited. ④ Regulated contact with third parties. The Bank strictly complies with national regulations on personal information protection. Collection or harassment of any third party unrelated to the debt is strictly prohibited. ⑤ Regulated collection equipment. During collection activities, collection personnel must identify themselves, observe basic standards of civility, and record the entire process (audio or video). ⑥ Violent collection is strictly prohibited. It is strictly prohibited to threaten debtors with inclusion in fictitious blacklists or fictitious negative credit databases. It is strictly prohibited to make false and misleading statements regarding debt amounts, nature, or legal consequences to debtors. It is also strictly prohibited to carry out collection via harassment, intimidation, fraud, threat, or other improper methods.

Column: The Bank's Outsourced Collection Management Requirements
① The Bank shall cooperate only with outsourced collection agencies that meet its admission criteria and are included in its approved agency list. ② Regular inspections shall be conducted on outsourced collection agencies, with a particular focus on whether they engage in any illegal or non-compliant acts, such as violent collection, contacting third parties unrelated to the Bank's claims, or other practices that infringe upon financial consumers' rights and interests, and whether they strictly implement customer information protection requirements. ③ For any agency that violates regulations by improperly collecting

repayment funds from debtors, using illegitimate collection methods, contacting third parties unrelated to the debt, or engaging in other collection practices that harm consumer rights and interests, the Bank shall impose business bans and, where necessary, holds the agency legally accountable in accordance with laws and regulations.

6. Debt Collection Management Training

The Bank's Sannong finance, consumer credit, and other business lines have conducted debt collection management training on a regular or ad-hoc basis. Through on-site group training, online remote training, and other forms of training, they have provided training for post-lending management personnel and account managers on collection work management, use of the collection system, and collection compliance requirements. For example, in January and April 2026, the Consumer Credit Department of the Head Office organized training to improve collection quality and efficiency, which included briefings on major functions of the collection system and the sharing of best practices from branches.

v. Fair Marketing Policy

The Bank attaches great importance to consumer protection during the provision of financial services. In accordance with laws and regulations such as the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and regulatory provisions such as the Guiding Opinions of the General Office of the State Council on Strengthening the Protection of the Rights and Interests of Financial Consumers and the Notice on Further Regulating Financial Marketing and Promotional Behaviors, the Bank has formulated the Rules on the Compliance Management of Marketing and Promotion for Personal Business, the Management Measures for Marketing and Promotional Behaviors Targeting Personal Customers, etc.

1. Policy Requirements

The Rules on the Compliance Management of Marketing and Promotion for Personal Business apply to all marketing channels, including but not limited to official websites, mobile apps, social media platforms, business premises, and external media. The Rules set forth specific requirements on the scope of marketing and promotional activities, the supervision of cooperative institutions, the review of the legality and compliance of marketing and promotional materials, and the protection of consumer information security. The Rules explicitly prohibit marketing of financial products and services through fraudulent or misleading means, engaging in financial marketing in a manner that undermines fair competition, leveraging government credibility for financial marketing, infringing upon financial consumers' rights to know, conducting improper marketing and promotion via the internet, or sending marketing information to financial consumers in violation of regulations.

The Management Measures for Marketing and Promotional Behaviors Targeting Personal Customers stipulate that the principles of legal compliance, stringent consumer protection, a customer-centric approach, marketing suitability, alignment of authority and responsibilities, and sound mechanisms shall be adhered to for marketing and promotion activities targeting individual customers. The objective is to prevent marketing and promotion risks, effectively protect the legitimate rights and interests of consumers throughout the marketing and promotion process, and ensure compliant business operation. The Bank implements full-process management of marketing and promotion activities, covering stages including activity planning, organization and execution, and effectiveness evaluation. It is responsible for the authenticity, compliance, accuracy, and completeness of marketing and promotional content, ensuring compliance with suitability management requirements, fully safeguarding consumers' right to know, and strengthening risk control throughout the entire process.

The Bank has reviewed existing internal policies and practices for personal banking business and customer marketing. For details, please refer to the Key Points of Personal Banking Business and Customer Marketing Policies of Postal Savings Bank of China[1] on the Bank's official website.

2. Fair Marketing Training

The Bank organizes annual training programs on fair marketing to guide employees in firmly establishing a compliant marketing mindset and continuously deepening their awareness of fair marketing. Fair marketing training primarily takes the form of special training on consumer protection, business line training, and routine outlet training. The training covers laws and regulations related to marketing and promotion, policy interpretation, marketing behavior standards, compliance risks, typical case analysis, etc., in a bid to strictly uphold the compliance baseline for financial publicity. The Bank organized special lectures on the code of conduct for marketing and promotion to personal customers, with a particular focus on business management personnel and frontline marketing staff, to refine and standardize marketing practices throughout the entire customer engagement

[1] https://www.psbc.com/en/investor_relations/social_responsibility/RulesandRegulations/202509/P020250911346222851538.pdf

process.

3. Supervision and Management Mechanism

The Social Responsibility and Consumer Rights Protection Committee of the Board of Directors of the Bank supervises consumer protection work, including fair marketing. The Consumer Rights Protection Committee under the senior management is responsible for establishing and improving the consumer protection management framework, including financial marketing and promotion management mechanisms. It also supervises relevant departments to ensure that marketing activities are conducted in a standardized manner and in strict accordance with fair marketing principles.

Head Office departments carrying out personal customer marketing and promotional activities are responsible for implementing the requirements of the Bank's marketing and promotion conduct management policies, advancing full-process management of marketing and promotion campaigns, submitting relevant matters for review in accordance with applicable consumer protection review requirements, implementing review opinions, and supervising and managing third-party institutions engaged to conduct marketing and promotion activities. Institutions at all levels bear primary responsibility for the management of their marketing and promotional activities and are responsible for supervising personal customer marketing and promotional conduct within their respective jurisdictions.

The audit departments of the Bank, in strict compliance with the requirements of the Rules on Consumer Rights Protection of Banking and Insurance Institutions, conduct internal audits on consumer protection on an annual basis. In the first half of 2026, the Bank conducted a special audit on consumer protection, covering the implementation of fair marketing activities. The audit focused on the implementation of consumer protection responsibilities across all stages of marketing and promotional activities, thereby fully leveraging the supervisory and evaluative roles of internal audit.

vi. Customer Complaint Management

The Bank continuously improves and optimizes the full-process consumer complaint management mechanism. It closely monitors weak links and prominent issues in daily complaint handling as well as key business areas with a high incidence of customer complaints, diligently identifies and predicts early signs of complaint risks and implements proactive controls, while vigorously promoting root-cause rectification and source-based governance of complaint-related issues. By streamlining handling processes, reinforcing work responsibilities, and standardizing handling criteria, the Bank continuously optimizes complaint handling methods and approaches, makes every effort to accelerate response speed, enhances dispute resolution, and improves both the quality and efficiency of complaint handling and customer experience.

1. Management Structure

(1) The Board of Directors and its special committees

The Board of Directors of the Bank bears the ultimate responsibility for consumer protection and serves as the highest decision-making body for consumer protection. It is responsible for formulating strategies, policies, and objectives for consumer protection, guiding and overseeing the establishment and improvement of the Bank's consumer protection management policy framework, supervising the comprehensiveness, timeliness, and effectiveness of the work carried out by the senior management and the consumer protection department, and reviewing related work. The Social Responsibility and Consumer Rights Protection Committee under the Board of Directors is accountable to the Board of Directors. During the reporting period, the Board of Directors and its relevant special committees reviewed proposals concerning consumer protection work reports, regulatory assessment of consumer protection, and internal consumer protection assessment and evaluation results. They also meticulously analyzed the trends and causes of changes in complaint volumes, provided attentive guidance on improving the quality and effectiveness of complaint handling, and exercised comprehensive oversight over consumer protection and complaint management, thereby effectively fulfilling their decision-making and supervisory roles.

(2) Senior management

The Consumer Rights Protection Committee under the senior management is responsible for organizing and leading the complaint management work across the Bank. It regularly collates and analyzes Bank-wide complaint data in key business areas, identifies complaint trends, and urges each business line to optimize product design and improve service quality and efficiency. During the reporting period, the Bank held nine meetings of the Consumer Rights Protection Committee under the senior management to review key matters, including the duty performance across the Bank in consumer protection and the status of complaint governance. During these meetings, the Bank conducted in-depth research and analysis of emerging trends and new challenges in financial consumer protection, coordinated and planned key tasks for consumer protection management and improvements in customer service quality and efficiency, clarified working approaches, reinforced accountability, and fully promoted the deep and solid advancement of consumer protection work across the Bank. The Bank has established a department-level joint meeting mechanism under the Consumer Rights Protection Committee, and regularly organizes various business lines to examine frequently raised and challenging complaint issues, address underlying risks and hidden problems at the root, and reduce complaints at the source.

(3) Consumer protection departments in the Head Office and tier-1 branches

The Consumer Rights Protection Center of the Head Office is the Bank's leading department for complaint management across the entire Bank. The department is responsible for the overall coordination of all complaint channels of the Bank. It takes the lead in developing the basic complaint management policy of the Bank, coordinates the collection, analysis, reporting, alert monitoring, and information disclosure of complaint data, supervises and drives relevant departments to continuously improve policies, products, processes, systems, services, etc., based on complaints, and strengthens root-cause rectification.

Institutions at all levels assume the primary responsibilities for protecting the legitimate rights and interests of consumers and handling complaints, and strictly comply with the complaint management regulations, policies, and working standards established by regulatory authorities and the Head Office. They are responsible for handling complaints arising from purchasing the Bank's products or receiving the Bank's services, managing, guiding, and evaluating the complaint handling efforts of institutions at the same level and those under their jurisdiction. They are responsible for coordinating and urging institutions within their management areas to properly handle various complaints, ensuring that complaints are received in a timely manner, smoothly forwarded, and efficiently handled, preventing complaints from being passed around between institutions and departments, and avoiding the escalation of conflicts and disputes.

2. Complaint Management Objectives

The Bank consistently upholds the core service principle of "customer first", and establishes and continuously refines efficient and accessible communication mechanisms and channels to ensure rapid responses and precise handling of all types of customer requests and feedback. It addresses customer concerns with care and dedication, striving to maintain positive customer relationships. The Bank formulates annual consumer protection work plans and specific objectives for complaint management, rigorously implements a full-process consumer protection review of products and services, and ensures comprehensive, gap-free coverage of review work. It sets reasonable quantitative indicators for complaint reduction, and adopts multiple measures to steadily enhance overall customer satisfaction. The Bank continuously improves its complaint root-cause tracing and review as well as closed-loop issue rectification mechanism, while steadily strengthening its capabilities in complaint data analysis and prediction, dynamic monitoring, and pre-emptive risk alerts. These efforts comprehensively enhance the quality and efficiency of complaint handling, effectively improve the customer service experience, and build a solid foundation for protecting the rights and interests of financial consumers.

In 2025, the Bank received a total of 672.7 thousand complaints from customers (including those referred by the NFRA, those via the “one-click call forwarding” service for the 12378 hotline, those transferred by the Financial Consumer Service Platform, and those filed through the Bank’s internal customer service, on-site outlets and other channels), with an average of 17.24 complaints per outlet and 9.94 complaints per 10,000 individual customers. The satisfaction rate of complaint handling was 93.12%, the complaint resolution rate 100%, and on-time resolution rate (resolved within 15 days) 99.78%. These complaints primarily related to credit cards (27.35%), debit cards (21.88%), loans (16.39%), bank agency services (7.58%), and call services (7.54%). Complaints received by branches and institutions were mainly from eastern regions (133,641 or 42.00%), central regions (83,463 or 26.23%), western regions (63,957 or 20.10%), and northeastern regions (37,094 or 11.66%). (Please note that as complaint statistics may differ across banks, the Bank’s complaint data are not intended for peer comparison.)

3. Complaint Management Working Mechanism

(1) Strengthening the development of the complaint management framework

The Bank strictly implements regulatory requirements and continuously improves the complaint management policy framework. It has formulated the Consumer Complaint Management Measures, Management Measures for Emergency Plans of Handling Major Consumer Complaints, Operational

Procedures for the Financial Consumer Complaint Management System and other policies, to clarify the division of responsibilities, refine complaint handling processes and standards, and establish a complaint management framework with unobstructed complaint channels, clear handling processes, and effective monitoring and rectification. The Operation Management Department, Internet Finance Department, and Credit Card Center of the Head Office are responsible for complaint channel management. They are respectively responsible for managing complaints received through on-site outlet channels, the remote banking center, and representatives of the credit card customer service hotline, and are responsible for the overall coordination, data collection, analysis, reporting, alert monitoring, supervision, inspection, and training related to complaints from corresponding channels. Each complaint channel management department, taking into account the specific characteristics of its channel and in accordance with internal regulations and regulatory requirements, formulates complaint management measures applicable to its own channel, which clearly specify the time limits and requirements for handling complaints from each channel.

(2) Strictly reinforcing and consolidating responsibilities at all levels

The Bank strengthens the primary responsibility of entities for complaint governance and fully reinforces the management responsibilities of “first-in-charge” leaders for consumer protection work. It requires heads of institutions at all levels to proactively perform their duties, and take the lead in overseeing, coordinating, advancing, and collaboratively handling key and challenging customer complaints throughout the entire process. It also enhances hierarchical coordination and control, increases assistance and support from higher-level institutions for complaint handling, and strictly enforces complaint management across subordinate institutions.

The Bank improves the full-process complaint handling mechanism, strictly implements the first-contact responsibility mechanism, and maintains smooth feedback channels for all types of complaints to ensure an immediate response and rapid connection of customer requests. It builds and strengthens dedicated complaint resolution teams across all business lines, leveraging professional capabilities to efficiently resolve customer disputes. Moreover, the Bank improves the complaint assessment and supervision framework, incorporates complaint handling performance into the performance evaluation of institutions at all levels, rigorously monitors and verifies the quality and efficiency of complaint handling at all branches, and ensures timely acceptance, standardized handling, and closed-loop control of customer requests.

(3) Strictly upholding complaint handling principles

Compliance with Laws and Regulations. Complaints shall be handled strictly in accordance with relevant laws, regulations, regulatory requirements, and contractual provisions. The reasonable demands of consumers shall be fully considered and respected, and fair and lawful resolutions shall be made to ensure complaints are addressed actively and properly.

Convenience and Efficiency. Complaint handling shall follow the principles of local management and hierarchical accountability, with strict adherence to time limits. Upon receipt of a complaint, the Bank shall respond promptly and handle the matter in a timely and efficient manner, ensuring that disputes are effectively resolved at the primary level and within the Bank.

Addressing Both Symptoms and Root Causes. When handling complaints, the Bank shall place equal emphasis on dispute resolution and source-based governance. While continuously improving the quality and efficiency of complaint handling, the Bank shall refine its root-cause rectification mechanism, promptly identify and analyze the underlying causes of complaints, and take effective improvement measures to reduce the occurrence of complaints at the source.

Multiple Dispute Resolution Mechanisms. The Bank shall establish a dispute resolution mechanism that integrates complaint handling with mediation. It shall fully utilize the dispute mediation mechanism, establish mechanisms for dynamic authorization, temporary authorization, and remote authorization of mediation authority, and set up fast-track mechanisms for rapid approval and timely response to mediation requests, to facilitate dispute resolution and ensure a high mediation closure rate.

(4) Strengthening complaint monitoring, early warning, and regular review

The Bank has set up a mechanism for complaint data monitoring, analysis, and regular review and adopted a management model of "monthly monitoring, quarterly reporting, regular analysis, and targeted supervision" to uncover common issues and underlying causes reflected in complaints, driving comprehensive optimization of products, processes, and services. In 2025, a total of 2,341 complaint risk alerts and clues were issued across the Bank, resulting in the continued enhancement of its complaint risk identification and early warning capabilities.

(5) Strengthening the multi-faceted resolution of financial disputes

The Bank has issued the Notice on Further Improving the Mechanism for Resolving Financial Disputes through Multiple Means, clarifying the responsible departments at branches in promoting dispute resolution through multiple approaches and the requirement to pursue mediation whenever appropriate, and guiding institutions at all levels to actively participate in mediation.

(6) Emphasizing root-cause rectification of complaints

The Bank regularly conducts complaint analyses to identify weak links and potential risks, implements improvements across areas such as policies and rules, the setting of business performance targets, product development, sales management, customer service, operational procedures, and incentive mechanisms, thereby reducing complaints at the source. The Bank has optimized the complaint rectification process, and has issued a notice on establishing an online work mechanism for the root-cause rectification of regulator-referred complaints. It has also established a full-process management model for the registration, circulation, handling, and root-cause rectification of worksheets for regulator-referred complaints.

(7) Solidifying digital and intelligent support capabilities

During the reporting period, the Bank continued to refine and enhance the intelligent features of complaint-related systems. It optimized the complaint text analysis model, established rankings of complaint buzzwords and trends, and enabled proactive keyword monitoring to promptly identify early warning signs of complaints and strengthen the forward-looking complaint management. The Bank launched an intelligent complaint classification model to identify key information in complaint worksheets and develop a complaint tagging system for rapid and precise identification of complaint issues. The Bank introduced a duplicate complaint identification model to facilitate the online determination, submission, and approval of duplicate complaints. This improved the efficiency of identifying duplicate complaints and helped focus on substantive complaint issues. The Bank also launched large language model (LLM) features, enabling intelligent sheet filling and verification of key elements of complaint worksheets, and thus improving the quality of worksheets. The Bank established credit card customer complaint profiles, and deployed a text analysis model for analyzing the propensity for escalation to the 12378 hotline, along with identifiers for complaint-prone groups in interest and fee disputes and high-frequency complaint alerts. These tools effectively supported the matching of personalized fee dispute resolution strategies, prioritizing online channels for efficient dispute resolution.

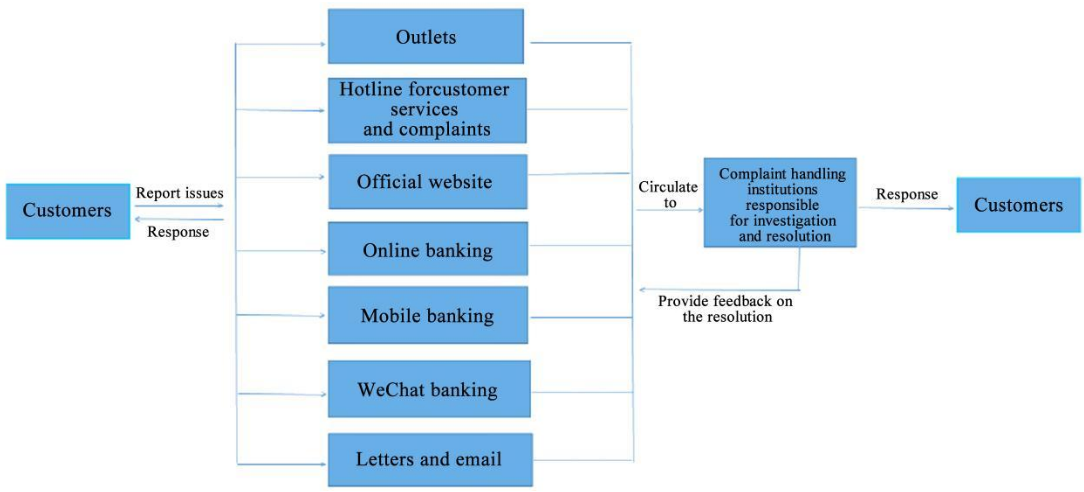
4. Complaint Handling Process

The Bank continuously improves its complaint management framework and optimizes and standardizes the full-process complaint handling mechanism. It ensures fully accessible channels for financial consumers to voice their demands, and integrates and enhances an online-offline integrated complaint acceptance platform. It timely updates and discloses complaint handling processes, contact information, and related service details in accordance with regulations, continuously enhances the quality and efficiency of complaint resolution, and ensures openness and transparency throughout the complaint handling process and the accuracy and rigor of information disclosure.

(1) Complaint handling process

To ensure timely and efficient handling of customer complaints and effectively safeguard the legitimate rights and interests of financial consumers, the Bank has established comprehensive and accessible channels for customers to express their concerns. It has formulated complaint management policies and channel management measures, clearly defined the responsibilities of all relevant departments, standardized the complaint handling process, and ensured the allocation of personnel and other resources to guarantee that all types of complaints are accepted and addressed in a standardized and orderly manner.

① Complaint channels: The Bank prominently displays complaint telephone numbers, addresses, acceptance methods, and handling processes on its official website, mobile platforms, and at outlets and office premises. The customer service voice menu also indicates complaint submission channels. Customers may submit complaints through both online and offline channels, including outlets, hotlines, the official website, online banking, mobile banking, WeChat banking, letters, and email.



② Complaint acceptance: The Bank strengthens the management of all complaint channels, urging each channel to continuously optimize and improve complaint handling processes in accordance with laws, regulations, regulatory requirements, and internal policies. This ensures that complaint calls can be promptly transferred to a manually-operated complaint channel, that letters and visits are quickly assigned to designated personnel, and that on-site complaints are accepted by outlet staff. Once complaint worksheets and materials are received, they are promptly forwarded by designated personnel to the complaint handling institution for verification, with the key points of dispute as a focus and given priority to resolution through negotiation. The complaint handling institution will make a decision within 15 days and notify the customer. For more complex cases, the time period may be extended to 30 days. For cases that are particularly complex or involve special reasons, the time period may be further extended to 60 days.

③ Result feedback: After the handling is completed, the complaint handling institution will provide feedback to the complaining customer.

④ Complaint follow-up: After the complaint is processed, the channel management department will conduct a follow-up in accordance with internal policies to solicit the customer's opinion on the complaint handling result.

⑤ Complaint review: When informing the customer of the complaint handling decision, the Bank will also inform the customer of the available remedies, such as requesting a review, mediation, arbitration, or litigation. If the customer disagrees with the handling result, they may submit a written request for review to the superior authority of the handling institution within 30 days from the date of receiving the decision.

(2) Complaint escalation mechanism

Complaint escalation handling. The Bank has established a complaint handling system that is vertically integrated and horizontally coordinated, and has improved policies such as escalation of major complaints, higher-level institution assistance, and collaborative handling. Complaints that fall outside the authorized handling scope of the receiving unit, or that are sensitive or high-risk in nature, are promptly reported and escalated to a higher level for resolution. For matters unrelated to outlet services that have been raised repeatedly, the relevant business or service management department at the superior institution will provide intervention and guidance. For complex complaints, a coordination and handling group will be established to convene consultation meetings, formulate resolution plans, and ensure coordinated handling through the efforts of relevant departments.

5. Complaint Management Supervision, Verification, and Audit Mechanism

(1) Complaint handling supervision and verification

The Bank strictly implements the management policy for the acceptance, supervision and verification of consumer complaints, rigorously follows the workflow of hierarchical reporting, categorized assignment, standardized circulation, and full-process supervision, continuously improves mechanisms for resolving financial disputes through diversified channels, and handles all types of customer complaints properly in accordance with laws and regulations. This ensures the proper handling of all complaints, thorough follow-up on all requests, and full protection of the legitimate rights and interests of financial consumers. Upon receiving complaint worksheets and related materials, designated personnel promptly transfer them to the corresponding complaint handling institution for verification. The verification focuses on the core points of dispute, adheres to the principle of prudent handling, and prioritizes resolving customer disputes and requests through communication and negotiation.

(2) Complaint management audit

The Bank strictly implements the requirements of the Rules on Consumer Rights Protection of Banking and Insurance Institutions, and continuously strengthens the supervision mechanism for consumer protection. The Bank includes consumer protection work in its annual audit. The Audit Department of the Head Office, in collaboration with seven regional audit offices, conducts consumer protection audits annually, achieving full coverage of the institution's relevant departments and tier-1 branches every five years. The Audit Department of the Head Office continues to supervise audited entities to rectify audit findings. Through audits, the Bank conducts comprehensive evaluations of the quality and effectiveness of consumer protection work, identifies key risks in products and services that may infringe on consumers' rights and interests, promotes further improvement of consumer protection across the Bank, and fosters a deep-rooted awareness of consumer protection among staff. The Board of Directors, its Social Responsibility and Consumer Rights Protection Committee, and its Audit Committee regularly listen to audit reports on consumer protection, which are submitted to regulatory authorities on an annual basis. During the first half of 2026, the Bank carried out a special audit on consumer protection. The audit focused on consumer protection performance in key complaint-prone areas, the operational quality and effectiveness of the complaint management mechanism, and initiatives aimed at addressing the root causes of complaints, fully leveraging the supervision and evaluation functions of internal audits.

vii. Financial Literacy Education and Publicity

The Bank has always remained true to its original mission of serving the people through financial services and has strictly implemented regulatory requirements. Guided by its unified consumer protection logo "U-Heart Consumer Protection", the Bank has established a normalized, digital, and community-based financial education and promotion framework to comprehensively enhance the financial literacy and risk prevention capabilities of the public. In doing so, the Bank effectively safeguards the legitimate rights and interests of financial consumers and, fulfilling its responsibility as a major state-owned bank, contributes to building a healthy and stable financial ecosystem.

1. Financial Education and Publicity for the Public

The Bank attaches great importance to promoting public financial literacy. It has established a coordinated mechanism featuring centralized planning by the Head Office and implementation by branches, enabling the organization of multi-themed, multi-scenario, and multi-level educational and awareness activities. Financial education and publicity have been integrated throughout the entire business process and across all service scenarios.

The Bank leverages its unique strengths in its operating model consisting of both directly-operated outlets and agency outlets and its extensive postal network covering urban and rural areas. It collaborates with mainstream media, regulatory authorities, communities, villages and towns, enterprises, and educational institutions to build an integrated publicity framework that combines online and offline channels, coordination between the Head Office and branches, and joint efforts among government, banking institutions, and police authorities. The Bank continues to innovate in its publicity carriers and formats, and promotes the deep integration of financial education with intangible cultural heritage, local features, cultural and tourism scenarios, transportation, and Party-building services. These efforts have created engaging, interactive, and scenario-based publicity experiences. Through dedicated webpages, original articles and graphics, short videos, animations, livestreaming, engaging games, dialect-based presentations, and traditional folk performance formats such as opera and clapper talk, the Bank effectively delivers knowledge on anti-fraud and scam prevention, rational investment, personal information protection, deposit insurance, and lawful rights protection. These initiatives make financial knowledge visible, understandable, practical, and memorable, strengthen publicity and education efforts through multiple means, and comprehensively enhance the financial literacy of the public.

During the reporting period, the Bank formulated the Financial Education and Publicity Work Plan of Postal Savings Bank of China for 2026, which systematically outlined the key priorities for financial education and publicity throughout the year, refined work arrangements, and ensured the orderly advancement of various financial education and publicity activities. The Bank continues to advance the standardization and scaling of the financial education and publicity work. It carried out education and publicity campaigns, including the “March 15 Financial Consumer Protection Education and Publicity Campaign”, “May 15 National Investor Protection Awareness Day” and the Nationwide Campaign to Popularize Financial Knowledge, and published more than 13,200 financial literacy messages through online channels. It also organized more than 200,000 online and offline publicity activities on a cumulative basis, reaching consumers of over 1.9 billion person-times. These efforts have created a financial education and publicity landscape with broad coverage, deep penetration, a people-centered approach, and tangible results.

2. Financial Education and Publicity for Key Consumer Groups

The Bank places emphasis on the financial needs and risk concerns of key consumer groups, including the elderly, adolescents, new citizens, ethnic minorities, persons with disabilities, and rural residents. Adopting a stratified, categorized, and targeted approach to financial education and publicity, the Bank promotes activities intensifying financial knowledge outreach in schools, communities, villages, enterprises, and business districts. These efforts are designed to close gaps in financial knowledge among key populations and in key regions and to promote the effective implementation of financial inclusiveness.

(1) Elderly customer groups

The Bank has been deeply committed to age-friendly financial education and services, and has established featured sub-branches for pension finance. These sub-branches provide thoughtful measures including priority handling, full-process assistance, and home-visit services. The Bank also organizes exclusive educational activities for senior citizens, such as the Financial Classroom for the Elderly, Anti-Fraud Tea Sessions, and one-on-one guidance for smart devices. For elderly customers, the Bank prioritizes education on the prevention of pension scams, illegal fundraising, fraudulent wealth management, and telecom fraud. Using methods such as case analysis, dialect-based explanations, scenario simulations, and large-print leaflets, the Bank helps the elderly bridge the digital divide and safeguard their retirement funds. Branches in Shanghai, Shanxi, and Heilongjiang have organized awareness campaigns in communities, elderly care institutions, and senior universities, delivering risk warnings and on-site anti-fraud education sessions. PSBC Guangdong Branch, leveraging its outlets, has conducted smart service experience activities for the elderly, providing one-on-one guidance on mobile banking operations and scam recognition, thereby effectively protecting the financial safety of elderly customers.

(2) New urban residents

The Bank focuses on the financial services and education needs of new citizens, as well as workers in new business models and new forms of employment. Targeting groups such as couriers, food delivery workers, ride-hailing drivers, truck drivers, and migrant workers, the Bank conducts tailored and ongoing financial literacy initiatives. With its PSBC Care Stations, the Bank provides integrated services such as rest areas, refreshments, drinking water, and device charging, while simultaneously promoting knowledge on account security, fraud prevention, rational borrowing, personal information protection, and lawful rights protection. PSBC Jiangsu Branch has organized activities such as "Financial Protection for Runners" and "Risk Alerts at the Frontline" in logistics parks and courier service centers. PSBC Zhejiang Branch has focused on employees in the express delivery and logistics sector, developing a distinctive program dedicated to safeguarding frontline delivery personnel. PSBC Fujian Branch has established innovative consumer protection neighborhood spaces to provide regular financial education and publicity for local communities. PSBC Shenzhen Branch has set up mobile financial education classrooms at bus stations and parcel pickup points, bringing financial knowledge directly to workplaces of new urban residents.

(3) Ethnic minority customers

The Bank actively explores the integration of financial education with ethnic cultures, overcoming language and scenario barriers through bilingual promotion and practical financial education and publicity initiatives with ethnic features. By delivering financial knowledge, anti-fraud knowledge, and key points of consumer rights protection in ways that are understandable, engaging, and memorable, the Bank strives to safeguard the assets of people from all ethnic groups. PSBC Inner Mongolia Branch has established Mongolian-Chinese bilingual financial education teams, which travel to pastoral areas to provide targeted financial education and publicity services. PSBC Xizang Branch offers Tibetan-Chinese bilingual financial services in agricultural and pastoral communities. PSBC Xinjiang Branch, leveraging its “Golden Pomegranate” Financial Education Team, has promoted financial knowledge in rural communities and households. PSBC Qinghai Branch has organized mobile financial education teams on horseback, bringing financial literacy programs directly to herders. PSBC Guangxi Branch has adopted bilingual promotion in Zhuang language and local dialects to enhance the receptiveness of financial education among ethnic minority populations.

(4) Adolescents and students

The Bank has been deeply committed to fostering financial literacy among adolescents, integrating financial knowledge into campus education, with a focus on financial awareness for primary and secondary school students and risk prevention for university students. It implements systematic financial education and publicity across all levels of schooling. In collaboration with primary and secondary schools as well as universities nationwide, the Bank has carried out activities such as Bringing Financial Knowledge into Campus, Junior Bankers, First Financial Lesson of the Semester, and Safeguarding the College Entrance Examination, promoting knowledge on rational consumption, avoiding student loans, telecom fraud prevention, and personal credit. PSBC Dalian Branch has organized the “Junior Bankers” themed campaign to instill financial concepts such as rational consumption, reasonable planning, and the value of sharing from an early age. PSBC Shanxi Branch has conducted anti-fraud education sessions at the Taiyuan University of Science and Technology, strengthening students’ awareness of financial safety on campus. PSBC Hunan Branch has launched a financial literacy program for children, fostering sound concepts of wealth from an early age. PSBC Shaanxi Branch has carried out the “Youth Safeguard” initiative at Northwest A&F University to deliver financial knowledge on fraud prevention and rational borrowing to students and faculty through case analysis and interactive Q&A sessions.

(5) Customers with disabilities

The Bank is committed to enhancing financial service capabilities for customers with disabilities, ensuring that these customers enjoy equal financial rights and interests through service upgrades, on-site education and publicity, and dedicated materials. It continuously promotes barrier-free outlet renovations, and improves facilities such as accessible entrances, courtesy seats, and voice announcements to provide a friendly service environment for customers with mobility, hearing, or visual impairments. PSBC Beijing Branch has established featured outlets for sign-language services to offer professional financial promotion sessions for hearing-impaired customers. PSBC Tianjin Branch has regularly conducted sign-language service training, integrating barrier-free communication into the standard lobby service workflow. PSBC Gansu Branch has provided mobile on-site business services for customers with limited mobility, simultaneously delivering education on fraud prevention and consumer rights protection. PSBC Xiamen Branch has collaborated with local disabled persons' federations to carry out financial education programs in special-education schools, using immersive experiences to teach basic financial knowledge. PSBC Qingdao Branch has produced exclusive promotional materials such as customized large-print and audio version to meet the learning needs of visually impaired customers.

(6) Customers in rural areas

Leveraging its extensive branch network and nationwide postal delivery network, the Bank directs financial education and publicity resources toward counties, villages, and remote areas, contributing to rural revitalization. Relying on creditworthy villages, rural financial service stations, and specialized sub-branches for financial education, the Bank has carried out the "Bringing Financial Knowledge to Villages" campaign. Through channels such as village loudspeakers, marketplace promotion sessions, field-based classrooms, postal vehicle broadcasts, and newspaper insert distribution, the Bank promotes knowledge on rural financial support policies, fraud prevention, counterfeit currency identification, regulated borrowing, and deposit insurance. PSBC Henan Branch has organized Financial Knowledge Fairs to disseminate financial knowledge through engaging games. PSBC Hubei Branch has launched a field-based senior education program in rural communities, conducting targeted financial education and publicity for elderly residents in rural areas. PSBC Heilongjiang Branch has launched border outreach programs to bring financial services as well as educational and promotional initiatives to communities along the national border. PSBC Yunnan Branch has leveraged local coffee industry clusters to conduct immersive rural financial education and promotion programs. PSBC

Chongqing Branch has brought financial knowledge directly to local residents through rural marketplaces.

3. Expanding and upgrading digital financial education

The Bank is accelerating the digital transformation of financial education, and has built online, matrix-based, and interactive financial education platforms to enhance the efficiency and reach of financial knowledge dissemination.

The Head Office has developed the U-Heart Consumer Protection-themed webpage, featuring three major modules, namely U-Heart Classroom, Case-based Risk Education, and PSBC Consumer Protection with Warmth, which are broadcast across mainstream media platforms such as CNR.CN, Huanqiu.com, and China.com.cn, reaching consumers of over 118 million person-times online. PSBC Jilin Branch has upgraded the "U-Heart Consumer Protection" online education zone, and has innovatively produced audio consumer protection postcards, making financial education come alive through sound. PSBC Inner Mongolia Branch has created the Journey to the West series of IP-based educational content, using youthful and entertaining materials to enhance the appeal of financial knowledge dissemination. PSBC Chongqing Branch has created region-specific scrolling infographics that combine finance and cultural tourism to deliver targeted education and publicity and expand local financial education outreach channels with local characteristics. PSBC Henan Branch has innovatively introduced "Henan-style" anti-fraud emojis, using lightweight social media content to integrate financial knowledge into everyday chat scenarios. During the reporting period, the Bank published over 10,000 original educational and promotional materials through digital channels, reaching consumers of more than 740 million person-times online, thus establishing an around-the-clock, broad-reaching, and highly efficient digital financial education ecosystem through technology empowerment.

III. Privacy and Data Security

The Bank attaches great importance to privacy protection and data security and always views privacy and data security from a strategic perspective. By continuously improving the governance structure, refining the policy framework, strengthening technical safeguards, and reinforcing audit and supervision, the Bank comprehensively enhances its privacy and data security protection capabilities, firmly maintains the bottom line of compliance, protects individual rights, and lays a solid security foundation for the high-quality development of all businesses across the Bank.

i. Organizational Structure for Privacy and Data Security

The Bank has strictly implemented the data security accountability system and incorporated data security risks into the comprehensive risk management framework. It is specified that the Board of Directors and Party committees at various levels bear ultimate and primary responsibilities respectively for data security work of their respective organizations; principal heads of institutions at all levels are the first persons accountable for data security; and senior management members in charge of data security are directly responsible for data security. By establishing a governance structure covering the Board of Directors, senior management, and execution layers as well as special committees and functional departments, the Bank has strengthened management responsibilities at all levels, built a regular governance mechanism featuring well-defined rights and responsibilities, collaboration and high efficiency, and continuously and steadily advanced privacy protection and data security work.

1. The Board of Directors

The Board of Directors of the Bank assumes the ultimate responsibility for data security work. The Board of Directors is responsible for reviewing data security management policies and listening to reports on important data security matters. During the reporting period, the Board of Directors and its Risk Management Committee reviewed and approved the Data Security Management Measures of Postal Savings Bank of China (2026 Revision), listened to the Report on Data Security Work for 2025, reviewed the 2025 Information Technology Risk Management Report, and supervised and evaluated the overall implementation and effectiveness of data security work. During relevant meetings, they emphasized the importance of data security and instructed that data security controls be continuously strengthened through policy and process improvement, to ensure the effective implementation of data security work, fully protect the legitimate rights and interests of customers, and fully fulfill duties.

The Board of Directors of the Bank assumes the ultimate responsibility for consumer protection and serves as the highest decision-making body for consumer protection. The Social Responsibility and Consumer Rights Protection Committee under the Board of Directors is responsible for formulating strategies, policies and goals for consumer protection, guiding and overseeing the establishment and improvement of the consumer protection management policy framework, and ensuring that relevant policies and rules are aligned with corporate governance, corporate culture development, as well as operation and development strategies. During the reporting period, the Board of Directors reviewed proposals regarding regulatory evaluation of consumer protection and other topics, attached importance to consumer personal information protection, and enhanced the quality and efficiency of duty performance.

2. Senior Management

The Information Technology Risk Management Committee under the Financial Technology Committee of the Bank's senior management is responsible for reviewing major matters related to information technology risks within the scope authorized by the senior management in accordance with comprehensive risk management requirements, and for coordinating relevant information technology risk management work. The Information Technology Risk Management Committee operates on a committee system, with the vice president in charge of information technology serving as its chairman. The committee is responsible for listening to reports on information technology risk management related to cybersecurity, data security, and algorithm security, reviewing important matters, supervising the implementation of relevant work, and ensuring the effectiveness of information technology risk management work related to cybersecurity and data security across the Bank. During the reporting period, the Information Technology Risk Management Committee reviewed and approved the Implementation Rules of Postal Savings Bank of China for Data Classification and Grading (2025 Revision), Emergency Response Plan of Postal Savings Bank of China for Data Security Incidents (2025 Revision) and other policies, and listened to reports on 11 data security topics, including the 2025 Data Security Work Report, terminal sensitive data management, annual data security risk assessment, and key data security tasks, effectively fulfilling its deliberation, decision-making, and overall guidance functions.

The Consumer Rights Protection Committee of the Bank plans and deploys consumer protection work in an overall manner, implements relevant laws, regulations, and regulatory provisions regarding consumer protection, carries out the consumer protection strategies, policies, objectives, and related resolutions determined by the Board of Directors, establishes and improves the policy framework including the mechanism for consumer personal information protection, reviews major matters related to consumer protection, and coordinates and supervises the implementation of consumer protection work by member departments. During the reporting period, the Consumer Rights Protection Committee held nine meetings, listened to reports on consumer protection work in 2025 and regulatory evaluation of consumer protection, attached importance to consumer personal information protection, and fully played its role in deliberation, decision-making, and overall guidance.

3. Execution Layers

The Bank has established three lines of defense to ensure data security and effectively support the operation of its data security governance framework. The Data Management Department of the Head Office, as the Bank's centralized data security management department, coordinates and advances the Bank's overall data security management. Its main responsibilities include organizing the formulation of relevant principles, plans, policies, and standards for data security management, organizing the implementation of Bank-wide data classification and grading, promoting classified and graded data protection, making coordinated efforts to establish a data security incident emergency management mechanism, and guiding and supervising the data security management work of branches. The Head Office's business departments and Operation Data Center perform the responsibilities of the first line of defense for data security. They are responsible for the security management of data within their respective departments and areas. The Head Office's Data Management Department, Legal Department, Risk Management Department, Credit Management Department, and Internal Control and Compliance Department fulfill the responsibilities of the second line of defense for data security. They are responsible for data security supervision and management. The Audit Department of the Head Office serves as the third line of defense for data security. It is responsible for conducting audits related to privacy and data security. Tier-1 branches are fully responsible for data security management within their jurisdiction and for implementing data security management requirements.

The Consumer Rights Protection Center of the Bank is responsible for taking the lead in formulating the basic policies for consumer personal information protection, fully evaluating consumer personal information protection efforts in consumer protection reviews, and organizing training and inspections on consumer personal information protection. Head Office departments and branches at all levels are responsible for consumer personal information protection within their respective departments, lines, and jurisdictions. They implement laws, regulations, regulatory provisions and industry standards on personal information protection. Their primary responsibilities include incorporating the requirements for consumer personal information protection into policies and rules, comprehensively considering risk prevention and control regarding consumer personal information in risk management in their respective departments and lines, classifying and grading consumer personal information, fully considering the requirements for protecting consumer personal information in business processes and needs, conducting training and inspections on consumer personal information protection, effectively safeguarding consumers' right to information security, and preventing the risk of personal information leakage.

ii. Policies and Norms on Privacy and Data Security

The Bank closely tracks developments in laws, regulations, and new regulatory requirements, continuously improves the privacy and data security management policy framework, specifies various work standards and implementation rules, and renders privacy and data security management more standardized in all aspects. All business lines, tier-1 branches and subsidiaries implement privacy and data security management requirements and strengthen management responsibilities. The Bank's privacy and data security policy framework covers all business lines, all levels of institutions, and subsidiaries.

1. Data Security

The Bank has continuously improved its data security policy framework, formulated and issued a number of policies on data security, standardized data processing activities, strengthened data security management, and promoted data development and utilization. During the reporting period, the Bank comprehensively aligned itself with laws, regulations, and new regulatory requirements, revised and issued the Data Security Management Measures of Postal Savings Bank of China (2026 Revision), Implementation Rules of Postal Savings Bank of China for Data Classification and Grading (2025 Revision), Implementation Rules of Postal Savings Bank of China for Data Security Control by Grade (2025 Revision), and Emergency Response Plan of Postal Savings Bank of China for Data Security Incidents (2025 Revision), and released the Guidelines for the Security Management of Generative Artificial Intelligence Model Service Content (Interim, 2025 Version), ensuring the effective implementation of regulatory rules. Head Office departments are responsible for specifying data security management requirements in the policies of their respective departments and lines. Tier-1 branches are responsible for formulating implementation regulations for data security management within their jurisdiction and promoting the deep integration of data security requirements into various business processes.

2. Protection of Consumers' Personal Information

The Bank continues to establish and improve its consumer personal information protection mechanism. It issued the Management Measures of Postal Savings Bank of China for Consumer Personal Information Protection (2023 Version) in accordance with the Personal Information Protection Law of the People's Republic of China, the Implementation Measures of the People's Bank of China for the Protection of Financial Consumer Rights, Rules on Consumer Rights Protection of Banking and Insurance Institutions and other laws, regulations, and relevant regulatory provisions, with reference to applicable technical standards. The Measures stipulate requirements concerning responsibilities and division of labor in consumer personal information protection, standards for the processing of consumer personal information, impact assessment on consumer personal information protection, personnel management, education and training and accountability, and further standardize the Bank's efforts in consumer personal information protection. Head Office departments and branches at all levels are responsible for incorporating relevant requirements for consumer personal information protection into the policies, rules or operating procedures of their respective departments, lines and jurisdictions and comprehensively considering risk prevention and control regarding consumer personal information in risk management in their respective departments, lines and jurisdictions, with an aim to effectively protect consumers' right to information security and prevent the leaking of consumer personal information.

iii. Granting Customers Control over Personal Information

The Bank fully respects and protects customers' legally protected rights regarding personal information. It has incorporated customer information protection requirements into its privacy policy and various customer agreements and explicitly informs customers of their rights. Customers may exercise their right to information, decision-making, supplementation and correction, access and copying, deletion, and interpretation through counter services, mobile banking, official customer service, and other channels. The Bank will respond promptly and handle matters appropriately, making every effort to safeguard customers' personal information security and legitimate rights.

1. Right to Information and Decision-Making

The Bank displays the E-Banking Privacy Policy of Postal Savings Bank of China prominently on the mobile banking app, personal online banking, WeChat banking, official WeChat mini program, and official websites, informing customers of how the Bank collects, uses, stores, protects, shares, forwards, publicly discloses, and manages customers' personal information via electronic channels. The Bank has further implemented "notification and consent", standalone authorization and other requirements for products and services across all electronic channels, ensuring that authorization from customers is obtained before using personal information. The Bank supports the re- notification of customers upon updates to the electronic channel privacy policy text, guiding customers to stay informed about updates to the Bank's privacy policy in a timely manner. The Bank provides customers with a user-friendly interface of system permission management, enabling customers to query the types and validity periods of information that has been shared with third-party institutions, perform batch revocation, and download privacy policies, thereby further safeguarding customers' right to information.

In its Personal Deposit Account Management Agreement, the Bank fully discloses the scope and purpose of collecting personal information during the account opening process and specifies regulations for information protection for minors and the channels and methods for customers to exercise related rights, fully protecting customers' right to information.

Furthermore, customers have the right to change or revoke authorization for their personal information. When customers revoke their authorization to process personal account information, the Bank will no longer process the corresponding information, but such revocation will not affect the processing of personal account information already initiated. If authorization revocation involves information necessary for business operations, the revocation right must be exercised before the business commences or after the business is completed.

2. Rights to Supplement, Correct, Access and Copy Personal Information

Customers have the right to correct or modify information about their personal identity, occupation, address, landline numbers, and emails via the mobile banking channel. After successful modification, customers may log in again to view the updated personal information. Meanwhile, customers have the rights to obtain copies of their personal information and to self-copy such information when accessing it. Customers may also access, copy, correct or supplement personal information via bank counters, self-service banking or other channels by providing valid identity documents.

3. Right to Deletion

The Bank has specified that customers have the right to submit requests to delete their personal information via bank counters or the official customer service hotline where the purposes of personal information processing have been fulfilled, cannot be fulfilled or are no longer necessary, the Bank has ceased to provide relevant products or services, the information retention period has expired, or the customer has withdrawn authorization, or under other circumstances prescribed by laws and regulations. Except for information required to be retained by applicable laws and regulations, the Bank will promptly complete the deletion of relevant personal information upon receiving such a request, so as to protect customers' legitimate rights and interests in accordance with law.

4. Right to Explanation

For certain business functions, the Bank may make decisions solely through automated decision-making mechanisms such as information systems and algorithms. Where such decisions significantly undermine customers' legitimate rights and interests, customers will have the right to request an explanation from the Bank, and the Bank will provide appropriate solutions. When the Bank pushes information and conducts marketing activities through automated decision-making, it shall provide options that are not tailored to customers' personal characteristics or offer a convenient opt-out mechanism for customers, so as to ensure the results are fair and impartial.

iv. Privacy and Data Security Protection Measures

The Bank consistently strengthens privacy and data security protection measures, and builds a comprehensive security protection framework covering the entire data lifecycle. It abides by the principle of minimizing data collection and retention, standardizes data usage, and integrates privacy and data protection measures into product and service development processes. The Bank continuously optimizes technical security tools such as identity authentication, data desensitization, data leakage prevention and authorization management, to strengthen technical defense capability and effectively protect customers' personal information and fund safety.

1. Optimizing Data Classification, Grading and Security Control

In alignment with the standards of the financial industry and its data characteristics, the Bank continuously improves the data classification and grading system. Adopting innovative AI technologies and a dual-engine mode of “rules + models”, the Bank realizes intelligent data classification and grading, and improves data classification and grading accuracy. In addition, based on data classification and grading results, the Bank defines control requirements for all steps, including data collection, storage, usage, transmission, external provision and deletion, and clarifies compliance boundaries. The Bank organizes institutions at all levels to carry out special inspections and data security risk assessments covering terminal sensitive data management, data classification and grading, data security control and sensitive customer information management, to drive rectification through inspections and continuously promote the thorough and meticulous implementation of data security requirements.

2. Minimizing Data Collection

The Bank strictly abides by laws and regulations including the Data Security Law of the People’s Republic of China and the Personal Information Protection Law of the People’s Republic of China. It upholds the principle of “lawfulness, rightfulness, necessity, and good faith” in data collection, and clearly defines the purposes, methods, scope, and rules of data collection and processing, to ensure the security of the data collection process and the traceability of data sources.

Prior to collecting customer information, the Bank strictly follows the “notification and consent” process, truthfully, accurately, and completely informing customers of personal information processing matters in a prominent, clear, and easily understandable manner. Customers then make voluntary and explicit decisions on whether to give consent, based on full awareness. The Bank collects customers’ personal information only within the scope authorized by them, unless otherwise stipulated by laws and administrative regulations. The Bank will not refuse to provide products or services to customers because the customers decline to provide personal information or withdraw their consent, except where the processing of personal information is necessary for the provision of such products or services.

After ceasing to provide relevant financial products or services, the Bank will immediately stop corresponding data collection or processing activities, unless otherwise stipulated by laws and administrative regulations.

3. Minimizing Data Retention

The Bank stores data in accordance with the principle of minimum necessity, and will not store any data not required for business purposes in any form, unless otherwise stipulated by laws and administrative regulations. Upon expiration of the storage period, the Bank will delete or anonymize customers' personal information. Where data cannot be completely deleted due to technical constraints, the Bank will adopt measures such as stopping data usage, retaining the minimum data necessary, and strengthening data protection.

The Bank defines data retention periods based on business requirements. The retention periods of data related to anti-money laundering (AML), credit reporting, among others, are in line with national laws, regulations, and regulatory requirements.

Data retention provisions	Data retention periods
Anti-money laundering	The Bank has formulated the policy for customer identity information and transaction record preservation as per relevant regulations. If the customer identity information changes during the business relationship, such identity information shall be updated in a timely manner. Customer identity information shall be preserved for at least 10 years after the business relationship ends.
Credit reporting information management	For customers whose offline business applications are not approved, their paper authorization materials and the credit reports shall be kept together with the business application materials in a special folder for at least three years. For customers whose online business applications are not approved, their electronic authorization materials shall be kept together with the business application materials in the relevant business application system for at least three years.
Bank card acquiring services	The Bank has formulated its acquiring business management measures in accordance with the Measures for the Administration of the Bank Card Acquiring Businesses (PBOC Announcement [2013] No. 9), the Anti-Money Laundering Law of the People's Republic of China and other applicable laws and regulations. Archival documents and materials, including special merchant application materials, qualification

	review materials, acceptance agreements, training and inspection records, information changes, risk verification materials, and cooperation termination materials, whether in paper or electronic form, shall be retained for at least 10 years after the termination of acquiring services. Where merchant application materials such as identity information and transaction records relate to suspicious or illegal transactions under investigation for counter-terrorist financing, AML, anti-telecom fraud, or those initiated by public security and judicial authorities, and such investigations remain unfinished when the minimum retention period expires, the Bank shall keep such materials until such investigations are concluded.
Agency sales of wealth management products	The Bank has formulated an archive management policy as per the Interim Measures for the Administration of Sales and Management of Wealth Management Companies' WMPs, to properly keep information related to the sales of investors' wealth management products for not less than 20 years.
Agency sales of funds	As per the Measures for the Supervision and Administration of Distributors of Publicly Offered Securities Investment Funds and other fund management regulations, the Bank has formulated a sound archive management policy to properly keep investors' account opening information and other information related to the fund sales business. Investor identity information shall be kept for at least 20 years from the year the business relationship ends. Other information related to the fund sales business shall be kept for at least 20 years from the year the business begins.

4. Appropriate Data Use

The Bank continuously strengthens data use management. In line with the principle of "authorization based on business necessity", it strictly enforces authorization management and access controls for data use, and limits the frequency of data access by tellers, relationship managers, and customer service staff. Upon personnel changes, access rights are promptly adjusted or accounts are revoked. When using data, it adopts protective measures such as applying screen watermarks, disabling copying, restricting printing, and monitoring abnormal behavior to prevent data leakage, while retaining relevant operation logs. Furthermore, it strictly restricts data export permissions across production, office, and development, testing and other environments, and tightly controls the scope of data usage.

5. Privacy and Data Security Protection Measures Integrated into Product and Service Development Processes

The Bank has integrated privacy and data security requirements into the product development lifecycle. It embeds data security control mechanisms in all stages, including product design, development, testing, and launch. Before launch, it conducts risk assessments to comprehensively identify data security risks and vulnerabilities such as data leakage and unauthorized access.

The Bank has deeply embedded data security requirements into the system development management framework. Focusing on the five stages of requirements, design, development, testing, and deployment, it incorporates secure development requirements into the development management process, achieving synchronous planning, synchronous construction, and synchronous operation of security requirements and IT system development, thereby strengthening the security protection capability of its information systems.

The Bank has established a consumer rights protection review mechanism. When providing financial products or services to individual customers, it strictly implements consumer rights protection reviews, with a focus on reviewing the adequacy of product information disclosure, the fairness of standard contract terms, and the compliance of customer information collection and use, effectively putting consumer rights protection requirements into practice.

6. Privacy and Data Security Technical Capabilities and Tools

The Bank continuously advances the development of technical capabilities and tools such as identity authentication, data leakage prevention, data masking, key management, data watermarking, and log auditing. Through standardized modules, it provides common technical capabilities for business systems across the Bank, uniformly encapsulating and deploying shared security capabilities to meet invocation requirements in different scenarios. This fundamentally reduces security control vulnerabilities and substantially lowers the Bank's overall operational security risk.

- **Comprehensive Protection of Customer Information and Fund Security via the Mobile Banking App**

The Bank strictly implements data security and personal information protection requirements in its mobile banking app and other mobile applications. In terms of login security, it enables multi-factor authentication, relying on multiple verification methods such as passwords, fingerprints, facial recognition, and dynamic verification codes to strictly prevent unauthorized login access. In terms of transmission security, it adopts channel encryption, message encryption, and signature verification to prevent customer information from being tampered with or leaked. In terms of display security, it masks sensitive customer information such as bank card numbers, mobile phone numbers, and ID card numbers to effectively prevent customer information leakage. In terms of transaction security, for business scenarios such as fund transfers, online account opening, and changes to key customer information, it employs multi-engine comprehensive detection methods including risk control rules and algorithm models to accurately identify AI-generated fraud, enabling timely warning and rapid response to risk events, thereby safeguarding customer fund security.

- **Unified Management of Customer Marketing Consent**

The Bank has established a customer information platform that integrates personal customer marketing consent information from all channels, records the operations and change trails of such consent, and standardizes the management process for personal customer marketing consent. While conducting marketing services in a compliant manner, it effectively safeguards customers' legitimate rights and interests. Customers may disable marketing service notifications and withdraw their marketing recommendation consent by calling the Bank's official customer service hotline or via its mobile banking app, upon which the customer information platform will synchronously update the relevant identifier and cease marketing pushes.

v. Data Security Monitoring, Early Warning and Emergency Response

The Bank continuously strengthens its privacy and data security risk prevention and control system, optimizes its data security emergency response mechanism, and improves the monitoring and early warning system for networks, systems, terminals, and data. It regularly conducts practical emergency drills and works on both monitoring & early warning and rapid emergency response to build a closed-loop risk control chain covering pre-event prevention, in-event handling, and post-event improvement, thereby safeguarding the baseline of privacy and data security and enhancing its risk prevention and control capabilities.

1. Continuously Improving the Data Security Emergency Response Mechanism

The Bank continuously improves its data security emergency management mechanism, formulates and issues the Emergency Response Plan of Postal Savings Bank of China for Data Security Incidents (2025 Revision), specifying the emergency organizational structure and responsibilities for data security incidents, the classification and grading of such incidents, emergency response and reporting procedures, and emergency disposal measures for various incidents. If a data security incident such as leakage, tampering, or loss of personal customer information occurs, the Bank will immediately activate its emergency response, take business and technical emergency disposal measures, control the development of the situation, promptly mitigate risks, endeavor to minimize losses, and report as required. Meanwhile, the Bank will promptly notify affected customers of the incident, including the content and impact of the incident, the measures that have been or will be taken, advice for customers to prevent and mitigate risks on their own, and remedial measures provided to customers.

If an incident involves a third-party institution, the Bank will promptly engage with the third party and, in accordance with contractual agreements and other relevant provisions, require the third party to immediately initiate emergency disposal and urge it to take remedial measures. If the third party violates laws or regulations or breaches the contract in processing data, the Bank will immediately demand that it cease such acts and take measures such as revoking permissions and disconnecting network connections to control or eliminate security risks. When necessary, the Bank will terminate the partnership or report the case to the public security authorities, and require the third party to delete the data obtained from the Bank. To date, the Bank has not experienced any cybersecurity or data security-related incidents.

2. Comprehensive Monitoring for Data Leakage

The Bank continuously improves its data security monitoring and early warning mechanism, implementing comprehensive monitoring over networks, systems, terminals, and data to achieve early risk identification, early warning, early detection, and early disposal, thereby effectively enhancing its capability to monitor and provide early warning of data leakage. Meanwhile, the Bank conducts continuous monitoring of phishing websites and customer sensitive information leakage through the National Internet Emergency Center. Upon receiving externally monitored warning information, it immediately initiates an investigation and efficiently handles it, effectively safeguarding the defense line for customer information and fund security.

In terms of network monitoring, the Bank deploys various security facilities such as Intrusion Prevention Systems (IPS), anti-DoS/DDoS, and Data Loss Prevention (DLP) at network boundaries and internally, and deploys security monitoring platforms or systems such as security situational awareness, big data security analytics platforms, and security large models to achieve monitoring, early warning, intelligent analysis, and emergency response of cybersecurity threats such as intrusions, attacks, and ransomware, promptly blocking various network and data security risk behaviors.

In terms of system monitoring, the Bank deploys host intrusion detection systems to achieve monitoring and early warning of abnormal behaviors. It regularly conducts system vulnerability scanning to promptly identify and address vulnerabilities that may cause data security risks, reducing the risk of system attack surface exposure.

In terms of terminal monitoring, the Bank relies on endpoint security systems to achieve network access control and virus protection for terminals, supporting the identification and handling of customer sensitive information such as mobile phone numbers, ID card numbers, and bank card numbers, thereby strengthening endpoint data leakage prevention and control capabilities.

In terms of data monitoring, the Bank deploys a data security monitoring system to achieve real-time monitoring and analysis of abnormal flows of sensitive data and abnormal user behaviors. Monitoring indicators cover abnormal access to sensitive data and unauthorized transmission of personal information overseas, achieving a visible, controllable, and traceable data security posture across the Bank.

3. Actively Conducting Practical Drills

The Bank actively organizes network attack and defense practical drills and data security incident emergency drills each year. In terms of network attack and defense practical drills, it dispatches attack teams externally to successfully complete national critical infrastructure protection attack missions, conducts irregular multi-scenario red-blue confrontation drills internally, and carries out regular internal and external network penetration testing to ensure the secure and stable operation of its systems and effectively safeguard customer information security. In terms of data security drills, the Bank organizes annual data security incident emergency drills at its Head Office level, carrying out simulation drills for various scenarios such as data leakage, tampering, theft, ransomware, and poisoning, effectively enhancing emergency response and coordinated handling capabilities for unexpected incidents. The Bank mandates that all its institutions at every level and its subsidiaries conduct at least one data security incident emergency drill each year. During the reporting period, over 40 drills were conducted, covering scenarios such as customer information leakage, thereby continuously improving the emergency handling capabilities of its employees.

During the 2025 national cybersecurity attack and defense drill, the Bank maintained “zero breaches” and “no points deducted”, and achieved “dual excellent” ratings of “Outstanding Performance in Comprehensive Evaluation of Protection Resilience” and “Outstanding Performance in Zero-Day Vulnerability Outbreak Drill”, maintaining an excellent record of “zero point loss” for four consecutive years. In addition, the Bank actively participates in national-level competitions. During the reporting period, it took part in external competitions such as the third “Longjian Cup” National Cybersecurity Defense Competition and the National Financial Industry Digital Transformation Skills Competition, winning multiple awards. Through these efforts, it cultivates the capabilities of security personnel in multiple dimensions, helping the Bank build a high-level network and data security attack and defense team and enhance the security protection level of its information systems.

vi. Third-Party Privacy and Data Security Management

The Bank continuously strengthens its third-party privacy and data security management. It clearly defines the security control requirements for third-party institutions and outsourced personnel, reinforces management responsibilities, strictly regulates third-party data use, and strengthens the management of outsourced personnel permissions and behaviors. It regularly conducts supervision and inspections to promptly identify and rectify risks and hidden dangers, forming a closed-loop management mechanism that places equal emphasis on institutional constraints and dynamic inspections, thereby effectively preventing third-party data security risks and strongly safeguarding customer information security.

1. Continuously Improving Third-Party Management Policies

The Bank continuously improves its third-party management policies. In accordance with laws, regulations, and regulatory rules, it has formulated policies such as the Data Security Management Measures of Postal Savings Bank of China (2026 Revision), the Information Technology Outsourcing Management Measures of Postal Savings Bank of China (2025 Revision), the Business Outsourcing Management Measures of Postal Savings Bank of China (2024 Revision), and the Management Measures of Postal Savings Bank of China for the Protection of Consumers' Personal Information (2023 Revision), which clearly define the requirements for third-party privacy and data security work and strengthen the institutional defense line.

In 2026, the Bank issued the Notice on Further Strengthening Third-Party Data Security Management to the entire Bank. Targeting third-party institutions and outsourced personnel, it sorted out the key points of third-party data security management throughout the entire pre-event, in-event, and post-event process, guiding institutions at all levels to implement third-party data security requirements when engaging in business cooperation or outsourcing with third parties, so as to safeguard the confidentiality, integrity, and availability of the Bank's data during such cooperation or service use. It also exercised oversight over institutions at all levels through various methods such as self-inspections, spot checks, and examinations.

2. Standardizing Data Security Management of Third-Party Institutions

The Bank strictly regulates the data security management of third-party institutions. It sets clear requirements for pre-cooperation assessment and review, ongoing supervision and inspection during cooperation, and data deletion upon termination of cooperation, ensuring that all third-party collaborations are conducted within a secure and compliant framework.

- Before the cooperation, the Bank thoroughly investigates the data security protection capabilities of the third-party institution. When conducting data processing activities such as data sharing, entrusted processing, transfer transactions, or data migration, it adheres to the "minimum necessary" principle for data interaction, and fully assesses data security risks and the impact on customer rights and interests before contract signing. It stipulates in the contract agreement the responsibilities of both parties for data security and customer information protection, and signs a confidentiality agreement with the third-party institution, requiring it to fulfill confidentiality obligations to safeguard customer information security.

- During the cooperation, the Bank continuously strengthens supervision and inspection of the third-party institution, covering areas such as data use compliance, permission control, system security control measures, and outsourced personnel management. If a data security incident occurs due to the third party, the Bank requires the third-party institution to carry out relevant emergency handling. In 2025, it conducted a total of 245 drills for development and operations outsourcing, simulating various scenarios such as a significant loss of service provider technical personnel and improper operations that severely affect system availability.
- Upon termination of cooperation, the Bank promptly takes offline the data interaction API interfaces, cleans up and revokes the third party's system access permissions, and supervises the third-party institution in deleting the Bank's data through on-site or off-site inspections, ensuring that the data is destroyed and irrecoverable, thereby strictly preventing data leakage.

3. Standardizing Data Security Management of Outsourced Personnel

The Bank strictly regulates the data security management of outsourced personnel. It sets clear requirements for pre-service training and commitment, permission control and behavior supervision during service, and permission cleanup upon service completion.

- Before the service, the Bank provides security training for all outsourced personnel and signs a data security commitment letter with them annually.
- During the service, the Bank strictly sets system access permissions for outsourced personnel in accordance with the "minimum necessary" principle, regularly checks permission configurations, and investigates abnormal behaviors. It strictly prohibits outsourced personnel from privately retaining, using, or sharing the Bank's data; prohibits photographing or saving data in information systems; and prohibits privately copying, exporting, or otherwise transferring internal data to

external locations.

- Upon service completion, the Bank promptly closes or cleans up the system and data access permissions of outsourced personnel, ensuring that they can no longer access any unauthorized data and resources within the Bank.

4. Conducting In-Depth Supervision and Inspections of Third-Party Institutions

The Bank consistently carries out in-depth supervision and inspections of third-party institutions and outsourced personnel. It conducted regular cyber and information security inspections for on-site outsourced services, with a focus on the implementation of controls over customer sensitive information, data security, terminal security, accounts and access permissions, to drive rectification and minimize potential security hazards. Every year, on-site inspections are conducted for important off-site outsourcing services, with the content covering IT management, data security management, emergency management, among others. Service providers are required to rectify identified problems, if any, within prescribed time limits for continuous improvement of service quality and standards. In 2025, the Head Office and branches completed on-site inspections of 42 service providers in total.

In 2026, the Bank actively carried out investigations into business scenarios of data exchange with third-party institutions, covering all types of cooperation with third-party institutions including data sharing, entrusted processing, data transmission and data transfer transactions. It also inspected the implementation of special data security assessments and strengthened supervision and guidance for institutions at all levels.

In 2026, the Bank actively carried out inspections of external data suppliers. It collected key information about suppliers during the provision of services, including their financial status, internal control management and security guarantee, with a focus on whether they would have material impacts on the Bank's business operations, customer information security, reputation, among others, and promptly urged suppliers to take rectification measures. To date, inspections have been conducted on a total of 17 external data suppliers.

vii. Provisions on Personal Information Processing by Entrusted Institutions

The Bank strictly protects customers' personal privacy. It prohibits the use of customers' personal information for purposes other than completing transactions or services. Renting, selling, or illegally disclosing such information to third parties is strictly forbidden. Where the Bank entrusts third-party institutions to process customers' personal information for business needs, it will strictly comply with the provisions governing entrusted data processing, and make clear the data security protection liabilities of both parties, data processing rules, data storage requirements, supervision and emergency response mechanisms, restrictions on sub-entrustment, among others, through contracts and agreements. Upon the termination of entrusted data processing, the Bank will require entrusted institutions to delete relevant data in a timely manner, and adopt supervision measures including on-site inspections to ensure complete and irreversible destruction of such data.

viii. Privacy and Data Security Training

The Bank continuously strengthens privacy and data security training. Every year, a diverse range of customized publicity and education activities, including online and offline learning, signing commitments, displaying posters, setting screensavers, and issuing manuals, are rolled out for all employees and outsourced personnel across all business lines, institutions of all levels and subsidiaries, so as to consolidate security awareness among all staff.

Regular training on cybersecurity and data security: During the reporting period, the Bank consistently organized a series of training sessions on cybersecurity and data security for all business lines, institutions of all levels and subsidiaries, with a participation of more than 750,000 person-times in total. The training covered interpretation of laws and regulations governing cybersecurity and data security, fundamentals of data security, daily office security and security warning education. Examinations were organized to reinforce training outcomes, effectively raising employees' awareness of security compliance.

Regular training on the protection of consumers' personal information: Training on personal information protection has been incorporated into daily business training for all business lines and branches of the Bank. During the reporting period, the Bank regularly organized on-site training on consumer rights protection, and launched courses such as interpretation of the Personal Information Protection Law of the People's Republic of China, accurately communicating relevant laws, regulatory policies and key work arrangements. A participation of over 400 person-times was recorded in total.

Training for security specialists: During the reporting period, the technology line of the Bank delivered multiple special training sessions covering data security, cybersecurity and secure development for the security management personnel from the Head Office, branches and subsidiaries, reaching employees for over 5,500 person-times in total. With content covering professional data security skills, practical cyberattack and defense drills, targeted phishing prevention, office security, secure development and personal information protection, among others, the training effectively upskilled security management personnel, and enhanced their capabilities in addressing cybersecurity and data security risks.

Security training for outsourced personnel: In 2025, the Head Office organized 18 centralized security training sessions covering outsourced personnel of more than 10,000 person-times. Training contents included data security, cybersecurity, confidentiality education and code of conduct, and assessments were carried out to evaluate training results. These efforts aimed to continuously raise the security awareness of outsourced personnel.

Data security commitment letters: In 2025, the Bank formulated data security commitment letters that clearly defined employees' data security responsibilities, obligations and liabilities for breach of contract during data processing activities, enhancing their awareness of data security redlines and compliance bottom lines. Organized by the Bank, more than 190,000 employees have completed the signing of such commitment letters. Meanwhile, the Bank released data security screensavers and posters, achieving coverage of security education among all employees and having posters displayed in all office premises.

Publicity manuals: In 2025, the Bank issued the Handbook on Key Points of the Eight Rights of Financial Consumers to all employees, which provides an overview of the laws, regulatory policies and typical cases concerning the eight rights of consumers including the right to information security, to popularize knowledge on the protection of financial consumers' personal information, and translate personal information protection requirements into conscious practices of all employees.

Compliance guidelines: In accordance with applicable laws, regulations and ministerial rules including the Data Security Law of the People's Republic of China, the Rules on Data Security of Banking and Insurance Institutions, and the Measures for the Administration of Data Security in the Business Areas of the People's Bank of China, the Bank incorporated model data security clauses into standard contract templates. When entrusting data processing, providing (sharing) data externally and jointly processing data, institutions of all levels can refer to such standard contract templates, which serve as standardized compliance guidelines, and draft corresponding clauses, so as to further protect the legitimate rights and interests of the Bank and its customers.

ix. Privacy and Data Security Audits

The Bank continuously strengthens supervision over privacy and data security through audit, and has in place a regular review mechanism to ensure the effective implementation of all policies and protective measures. It regularly carries out external audits of information systems, internal audits of privacy and data security, classified cybersecurity protection assessments and commercial cryptography application evaluations, to fully identify potential risks and continuously improve its capabilities in privacy protection and data security management.

1. External Audits of Information Systems

In compliance with applicable laws and regulations, the Bank engages a third-party accounting firm to express audit opinions and issue audit reports on its financial and accounting reports, with the audit scope covering information systems and data security.

2. Internal Audit of Privacy and Data Security

The audit departments of the Bank conduct special information technology audits and consumer rights protection audits on an annual basis and achieve full coverage of information technology audits for the Head Office and branches on a three-year rolling basis. Special information technology audits cover data security audits, which involve the data security organizational structure, institutional framework, data classification and grading, controls over important data, and security impact assessments. Consumer rights protection audits provide a comprehensive evaluation of the quality and effectiveness of consumer protection work, covering the storage, transmission and use of personal data and other aspects of personal information protection, with the aim of continuously strengthening the Bank's privacy protection and data security capabilities.

3. Classified Cybersecurity Protection Assessments and Commercial Cryptography Application Evaluations

In strict compliance with national standards for classified cybersecurity protection and the requirements on commercial cryptography management, the Bank engages a qualified third-party assessment agency every year to conduct classified cybersecurity protection assessments and security evaluations for commercial cryptography applications. In 2025, the Bank completed classified cybersecurity protection assessments for 37 systems filed with public security authorities, and security evaluations of commercial cryptography applications for core personal information-related systems, effectively guaranteeing the secure and stable operation of information systems.

x. Information Security and Data Management Certifications

The Bank continuously enhances its capabilities in information security and data management, and over 80% of its business systems have obtained multiple competency certifications. Regarding information security, the Bank has passed the ISO 27001 Information Security Management System certification, ISO 20000 Information Technology Service Management System certification, Financial Cybersecurity Maturity Assessment Level 4 certification, CMMI-DEV Maturity Level 4 certification, Test Maturity Model integration (TMMi) Level 5 certification, and Open Source Technology Application Capability certification (maturity grade). In the field of data management, during the reporting period, the Bank achieved the highest level designation in the Data Management Capability Maturity Model (DCMM) assessment, the "Optimization Level", indicating that its data management capabilities, including data security, have reached an industry-leading level.

IV. Access to Finance

i. Overview

The Bank remains dedicated to serving micro and small-sized enterprises (MSEs), ensures broad coverage, and adopts a professional service-led approach, making continuous efforts to build itself into a comprehensive service provider of inclusive finance. It deepens digital and intelligent transformation as well as a shift toward centralized operations, constantly upgrades service scenarios, and accelerates product innovation and process reshaping. It also stays committed to providing primary bank services, innovates customer service models, and continuously improves the full-process intelligent risk control framework to advance the specialized, systematic, and integrated development of MSE finance. As at the end of the first quarter of 2026, the Bank's balance of inclusive loans to MSEs reached RMB1.9 trillion, with the proportion of which to total loans to customers remaining at the forefront among major state-owned banks. The number of clients with outstanding loans was 2,163 thousand.

Remaining committed to serving Sannong customers, urban and rural residents, and small and medium-sized enterprises (SMEs), PSBC resolutely implements the decisions and plans of the country on the work of Sannong and prioritizes serving Sannong customers and all-around rural revitalization. The Bank has put in place a sound specialized agricultural service system, upgraded the rural credit service model, and continuously increased the credit supply to fields related to all-around rural revitalization. Meanwhile, the Bank has digitalized the Sannong finance processes, further enhanced its capabilities for providing financial services and products for Sannong customers, and strives to be the main force in advancing rural revitalization.

As at the end of the first quarter of 2026, the Bank's balance of agriculture-related loans reached RMB2.63 trillion, an increase of RMB127,953 million compared with the beginning of the year, and accounting for more than 25% of total customer loans, a level that ranked at the forefront among major state-owned banks.

ii. Management Structure

Through long-term practice, the Bank has developed an inclusive financial service system led by the Board of Directors and coordinated by the Rural Revitalization and Inclusive Finance Management Committee, featuring the collaboration among such departments as the Inclusive Finance Department, the Sannong Finance Department and the Transaction Banking Department. The framework enables collaboration between the Bank and China Post Group, between the Head Office and branches, and between the Bank and its subsidiaries. The executive-level Rural Revitalization and Inclusive Finance Management Committee is responsible for reviewing the implementation plans, phased key tasks, resource allocation and other important matters related to the Bank's development strategy for rural revitalization and inclusive finance business, and promoting the development of rural revitalization and inclusive finance business in a coordinated manner.

Regarding inclusive finance, the Inclusive Finance Department of the Head Office is responsible for leading the development of the Bank's inclusive finance business. It is also responsible for the development planning, operation management, market development, organization of marketing efforts, product R&D and promotion, risk management, etc., of small-sized corporate client business. Tier-1 branches and tier-2 branches have set up inclusive finance divisions to promote the extension of inclusive finance services down to sub-branches and outlets and have established featured sub-branches for inclusive finance based on the geographic locations of their directly-operated outlets and the distribution of surrounding MSMEs, thereby strengthening and expanding the inclusive finance service network.

Regarding serving rural revitalization, the Bank has set up an organizational structure for specialized agricultural services, which consists of the Leading Group for Rural Revitalization, the Rural Revitalization and Inclusive Finance Management Committee, and the Sannong Finance Department (the Rural Revitalization Finance Department). The Bank has implemented and deepened the reform of the Sannong Finance Department (the Rural Revitalization Finance Department), improved institutional setup serving rural revitalization, and strengthened overall coordination of rural revitalization efforts. Tier-1 branches and tier-2 branches have set up Divisions of the Sannong Finance Department, and county-level sub-branches have set up Business Offices of the Sannong Finance Department. The Bank has formed a working mechanism in which the Head Office makes overall planning, tier-1 branches take primary responsibilities, and municipal and county-level branches are responsible for implementation.

iii. Channel Innovation

The Bank continuously advances its primary bank customer service. While meeting customers' financing needs, the Bank leverages the "PSBC Financial Management+" digital and intelligent service framework to provide customers with convenient and integrated services such as payment and settlement, agency collection and payment, and wealth management, accompanying customers throughout their journey. It also continuously upgrades its "Easy Corporate Operation" platform, a one-stop digital management platform for enterprises, enriches the scenario-based ecosystem, and empowers the digital and intelligent transformation of SMEs, serving over 170 thousand clients in total.

iv. Cases Supporting MSEs and Sannong

1. Cases Supporting MSEs

(1) Financial support case for the county-level featured industrial cluster project

The Linqing bearing manufacturing industrial cluster in Liaocheng, Shandong

Province, primarily serves precision bearing manufacturing enterprises engaged in the R&D, production and sales of precision bearings. These enterprises have long provided services for large local equipment manufacturers, operate under stable conditions, maintain good credit records, and have established a certain production scale, contributing to employment for tens of thousands of local residents.

Linqing Kuayue Precision Bearing Manufacturing Co., Ltd. is a private enterprise within this industrial cluster. With growing market demand, the company planned to expand production capacity, upgrade equipment, and purchase raw materials. However, due to limited fixed assets and a lack of effective collateral, it was unable to obtain financing through traditional lending channels. Other credit products previously attempted by the company were also unable to meet its short-term financing needs due to complex approval procedures and relatively high costs, resulting in a significant funding gap that affected production.

After PSBC launched the product “Cluster E Loan”, PSBC Liaocheng Branch organized a dedicated team led by branch leaders to engage with clients in the bearing manufacturing industrial cluster. After understanding the company’s difficulties, the branch recommended the “Cluster E Loan” based on the company’s cluster-based operations, credit profile, and settlement characteristics. This product is designed specifically for MSMEs within industrial clusters. It supports a credit-based financing model without additional collateral or guarantees, features efficient approval processes, and offers preferential interest rates, enabling it to precisely meet the financing needs of enterprises. The branch promptly assisted the company in submitting its application online, reviewed the application quickly via the digital risk control system, and completed the full process within three days. In February 2026, a credit loan of RMB3 million was successfully disbursed, which is dedicated to raw material procurement, equipment renewal, and production line upgrades.

With the loan support, the company significantly improved its production efficiency, substantially increased annual production capacity, and notably enhanced order fulfillment rates. Product precision and qualification rates were also improved, enabling the company to successfully enter the supply chain of high-end clients and significantly strengthen its profitability. In the meantime, the company expanded its production scale, created new job opportunities, drove coordinated development among upstream and downstream enterprises in the surrounding area, and contributed to improved quality and efficiency of the industrial cluster. A strong cooperative relationship was established between the company and the Bank, achieving mutual benefit for both parties.

(2) Fixed asset loan support case for private MSMEs

A private micro and small-sized food enterprise in Quzhou County, Handan City, which specializes in pig slaughtering and chilled distribution services, is a core enterprise in the local meat supply chain and operates under stable business conditions. However, as its factory premises were leased, the enterprise faced development bottlenecks such as limited production capacity and unstable operating locations amid growing market demand. It urgently needed to build or acquire standardized industrial factories to achieve scaled and standardized development.

The total investment for the standardized factory construction project amounted to RMB60 million, which falls within the scope of interest subsidy policies on loans for MSMEs. After the policy was issued, PSBC Quzhou Sub-Branch in Handan City, Hebei Province promptly and accurately communicated the policy benefits to the enterprise. Based on the enterprise's actual operating conditions, the sub-branch designed a service solution combining "interest subsidy + integrated service support".

Taking into account the enterprise's operational characteristics and financing needs, the sub-branch recommended the product "Small Business Construction Loan" and quickly completed the approval of a credit line of RMB15 million. Meanwhile, in addition to credit support, the Bank provided integrated financial services such as payment and settlement services, payroll agency services, and dedicated fund management, helping the enterprise efficiently advance its factory construction. Following the targeted release of the interest subsidy policy benefits, a subsidized loan of RMB5 million was successfully disbursed, directly reducing the overall financing cost and further easing the enterprise's financial pressure.

The loan effectively ensured the smooth progress of the standardized factory construction and helped the enterprise break free from reliance on leased premises. After the new factory is put into operation, the enterprise's production capacity is expected to increase significantly, with annual operating revenue projected to grow to RMB200 million. In the meantime, various supporting financial services have also taken effect, improving the enterprise's fund settlement efficiency and employee protection level while continuously strengthening its risk resistance capacity.

2. Cases Supporting Sannong Enterprises

PSBC Henan Branch adheres to the principle of early planning, early promotion, and early credit granting and implements on-site services by account managers to precisely meet the financial needs of grain procurement clients. In early April 2025, the branch launched the summer grain procurement service initiative, conducted market research, and formulated a dedicated service plan. Leaders of branches and sub-branches at all levels served as chief service officers, maintaining close coordination with platforms such as rural credit guarantee institutions, food bureaus, bureaus of agriculture and rural affairs, and China Grain Reserves warehouses, in order to obtain timely information on the summer grain procurement market. Municipal and county-level branches and sub-branches acted swiftly and provided targeted services by conducting grid-based client visits in a tiered and categorized manner, establishing green channels for services, and maximizing their ability to meet clients' urgent, frequent, and short-term financing needs. In 2025, PSBC Henan Branch cumulatively issued more than RMB17 billion in micro loans for summer grain procurement.

V. Public Welfare

The Bank further deepens public welfare services through the "PSBC Care Station" initiative. It expands both financial and non-financial services at its outlets. As at the end of December 2025, the Bank has established a total of 7,067 PSBC Care Stations, where rest areas, drinking water supply, charging facilities, public welfare publicity and other convenient services are provided to the public, continuously expanding the depth and coverage of its services.

Case 1: PSBC Xuanhan County Sub-Branch in Sichuan Province Extended Social Security Services
In cooperation with the local social security administration bureau and relying on the PSBC Care Station, PSBC Xuanhan County Sub-Branch in Sichuan Province has built service points that integrate social security services and banking services. These service points provide one-stop government services including social security card application, insurance contribution inquiries, social insurance premium payment, and social security benefit eligibility verification. Meanwhile, customers can access convenience facilities such as drinking water, mobile phone charging and seating areas, with special care

provided for the elderly, including reading glasses and assistance with banking operations. To improve service efficiency, the sub-branch established the Bank-Social Security Cooperation Service Team, and regularly carried out activities such as Bank-Social Security Services in Communities to educate the public on social security policies.
Case 2: PSBC Shandong Branch Builds "PSBC Care Station + Culture" Service Scenarios
PSBC Shandong Branch has actively expanded the service scope of the PSBC Care Station convenience platform by collaborating with local bookstores, schools, sub-district offices, and communities to establish Reading Stations that integrate cultural enrichment with warm, people-oriented services. These stations provide reading spaces, free book checkout, hot beverages, and other services, and regularly host themed reading activities. Bookstore members, community residents and students are invited to read together and engage in discussions on financial topics, including wealth management and prevention of telecom and online fraud.
Case 3: PSBC Shenzhen Branch Builds Health Care Stations
Leveraging the PSBC Care Station convenience service platform, PSBC Shenzhen Branch has partnered with the Red Cross Society of China Shenzhen Branch and professional medical institutions to develop a distinctive "Station plus Health" training model. Through joint initiatives such as first-aid skills training, healthcare consultation, and educational lectures, the branch helps nearby residents acquire practical health knowledge and emergency response skills.

Chapter 3 Governance

I. Corporate Governance

i. Governance Structure

The Board of Directors attaches great importance to ESG development work and promotes the integration of the ESG philosophy into the Bank's development strategy, governance structure, corporate culture, and business processes, with a particular focus on green banking development, inclusive finance and consumer protection. Upholding the concept of "Green World, Better Life", the Board of Directors comprehensively develops sustainable finance, green finance, and climate financing, and strives to build the Bank into a first-class green and inclusive bank, a climate-friendly bank, and an eco-friendly bank. It keeps enhancing the quality and efficiency of green finance services to make solid strides in advancing green finance. Additionally, the Board of Directors improves the corporate governance mechanism and the incentive and constraint mechanism, continuously strengthens information disclosure, optimizes the equity management system, and enhances ESG performance, effectively performing its duties of setting strategies, making decisions, and guarding against risks.

Board of Directors	The Board of Directors formulates the development strategies related to ESG in a coordinated manner and evaluates the implementation of strategic development. It determines relevant basic management systems and policies regarding risk management and internal control, and supervises the implementation of systems and policies; manages the Bank's ESG information disclosure affairs; examines the work of the senior management, and supervises and ensures that senior management effectively performs their ESG management responsibilities.
There are six special committees under the Board of Directors, namely, the Strategic Planning Committee, Related Party Transactions Control Committee, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, and Social Responsibility and Consumer Rights Protection Committee.	

Strategic Planning Committee	The Strategic Planning Committee under the Board of Directors is mainly responsible for reviewing the overall development strategic plan (including ESG), and making recommendations to the Board of Directors.
Risk Management Committee	The Risk Management Committee under the Board of Directors is mainly responsible for reviewing and revising the Bank's risk management strategies, basic policies on risk management, risk appetite, comprehensive risk management framework, and important procedures and policies of risk management, as well as reviewing risk management reports, including those related to ESG, and making recommendations to the Board of Directors.
Social Responsibility and Consumer Rights Protection Committee	The Social Responsibility and Consumer Rights Protection Committee under the Board of Directors is mainly responsible for formulating the strategies and policies related to social responsibility, sustainable development, and consumer rights protection and formulating relevant basic management rules and regulations in line with the Bank's development strategy and actual situation. It is also responsible for supervising and assessing the implementation progress and effectiveness of the relevant strategies, policies, and basic management rules and regulations.

ii. Diversity of Members of the Board of Directors

Board diversity serves as an important underpinning for the Bank to deliver its strategic goals and sustainable development. The Bank attaches great importance to promoting the building of Board diversity, and continuously refines the Board structure, composition, and relevant policies to ensure that the professional skills and experience of each Director can effectively support the efficient operation of the Board of Directors. In the selection of Director candidates, while strictly complying with regulatory requirements, the Bank makes comprehensive evaluations of various factors such as the candidate's age, cultural background, educational background, and professional experience, and continuously optimizes the composition of the Board's special committees, thereby providing strong support for the sound decision-making of the Board of Directors.

The Board of Directors of the Bank currently has 15 Directors, including one Chairman and Non-executive Director, two Executive Directors, seven Non-executive Directors, and five Independent Non-executive Directors. Independent Directors account for more than one-third of the total, which is in compliance with regulatory requirements. There are two female Directors on the Board of Directors.

Directors of the Bank either have long engaged in financial management, with rich experience in managing commercial banks, or are well-known experts and scholars in economics, accounting, etc., with diverse professional backgrounds. One Director has long been dedicated to green credit management and green finance research, has rich experience, and can provide strong support to the Bank's ESG efforts.

From the perspectives of gender, age, professional expertise, and region, the composition of the Board of Directors is reasonable and effective, which complies with regulatory requirements and aligns with the board diversity policy formulated by the Bank.

II. Corporate Behavior

i. Anti-Bribery and Anti-Corruption

The Bank has continuously refined the policy system for accountability for violations of laws and regulations and has issued the revised Measures for Handling Employees' Violations. The Measures stipulate the accountability requirements for various violations such as corruption, bribery, infringement of the security of the Bank or customers, and infringement of citizens' personal information, and require institutions at all levels to strictly implement them. Employees found to have engaged in violations such as corruption or bribery are subject to accountability measures in accordance with the Bank's internal policies. Employees suspected of criminal misconduct will be referred to the supervisory authorities or judicial authorities for handling in accordance with the law.

Requirements for integrity in the workplace:

The Bank consistently advances the institutionalization and long-term effectiveness of conduct improvement initiatives. It strengthens education through both positive role models and cautionary cases, fosters a culture of integrity, and rigorously regulates ethical conduct in the workplace. Through education and guidance, the Bank requires all cadres and employees to uphold professional ethics, comply with codes of integrity and self-discipline, consciously resist improper practices, and resolutely prohibit misconduct such as abuse of authority for personal gain, trading power for personal gain, and the transfer of improper benefits.

The Bank maintains a firm commitment to combating financial corruption. Any employee found to have violated anti-bribery and anti-corruption requirements shall be subject to immediate intervention, investigation, and verification. Confirmed violations will lead to serious accountability measures in accordance with laws, regulations, and internal disciplinary rules and may be publicly reported. The Bank continues to promote the coordinated identification and remediation of misconduct and corruption risks and thoroughly investigates potential corruption concealed behind conduct-related issues. By addressing root causes, the Bank seeks to reduce opportunities for corruption and eliminate the conditions that enable corrupt practices to arise.

The Bank continues to improve its comprehensive supervision framework and coordinates and strengthens collaborative mechanisms among disciplinary inspection, audit supervision, compliance supervision, and business-line supervision, thereby enhancing the synergy of all kinds of supervision. The Bank further strengthens and refines daily supervision and targeted supervision, conducts focused reviews of violations involving favoritism and fraud, dereliction of duty, the pursuit of personal gain at the Bank's expense, and infringements upon the legitimate rights and interests of customers and the Bank. It also takes timely measures to prevent and mitigate various integrity risks and risks associated with financial cases.

Column: Improving "Transparent Credit" Supervision Channels
The Bank has improved its "transparent credit" supervision channels. The Bank issued the Management Measures for Transparent Credit Supervision and set up the "transparent credit" supervision email. It also formulated the

list of prohibited behaviors for “transparent credit”, organized over 90,000 credit business employees across the Bank to study and sign the commitment letters, and distributed “transparent credit” supervision cards to customers. Meanwhile, the Bank utilized a combination of internal and external channels such as 95580 hotline, public complaints, the compliance management system, and issues referred from regulators, to proactively accept internal and external supervision.

ii. Audit on the Code of Professional Ethics

In accordance with regulatory requirements and its business development needs, the Bank has further refined the coverage of audits relating to professional ethics within its annual audit plan, with a focus on risks associated with abnormal employee conduct, business fraud, money laundering, and integrity in the workplace. Adhering to a risk-based approach, the Bank conducts annual risk assessments covering all operating institutions and dynamically identifies priority business areas and review targets for professional ethics audits. Through the integrated use of audit monitoring, economic responsibility audits, and various special business audits, the Bank achieves full annual audit coverage of professional ethics across all operating institutions.

During the reporting period, the Bank carried out a special monitoring audit on abnormal employee conduct and business risks, conducting targeted audit supervision of employees’ compliance with professional ethics requirements and the identification and investigation of abnormal employee conduct. The Bank carries out in-term and post-tenure economic responsibility audits every year, with a focus on the integrity of officials, the compliance of institutions under their management, etc. In other audited matters covering areas such as credit, finance, and AML, the Bank places particular emphasis on employee conduct management, the identification and investigation of violations, and the prevention and control of case-related risks, thereby promoting the deeper integration of professional ethics standards into its audit and supervision framework.

iii. Whistleblower Protection Requirements

The Bank fulfills its obligations for whistleblower protection in compliance with laws and regulations, to ensure open, fair and impartial acceptance and handling of petitions, and effectively safeguards the legitimate rights and interests of whistleblowers. The Bank has formulated the Management

Measures for Petition Work of Postal Savings Bank of China (2023 Revision), which clearly stipulates that “no organization or individual may retaliate against whistleblowers”. For retaliation against whistleblowers committed by institutions of all levels, leading cadres or staff, the “superior institution/department or the joint meeting on petition work at the same level shall order rectification; where serious consequences are caused, the directly responsible leading cadres and staff shall be held accountable in accordance with rules, disciplines and laws”.

The Bank has also issued the Measures for the Transfer of Problem Clues of Postal Savings Bank of China, requiring the Commission for Discipline Inspection and relevant departments of the Head Office to strictly abide by confidentiality provisions, strengthen confidentiality management, and refrain from disclosing any information related to problem clues. If a problem clue involves a leading person of the relevant department, the person shall recuse themselves from the relevant work.

iv. Training on Employee Ethics Standards

The Bank continues to provide business ethics training and compliance warning and education covering all employees. The training focuses on key areas including anti-corruption, AML, anti-fraud, personal information protection, accountability for violations, measures for handling violations, and compliance risk. For all employees, the Bank organized the 2026 Training on Management of Accountability for Violations to reinforce standards for compliant conduct, enhance risk prevention awareness, and strengthen professional ethics across the workforce. During the reporting period, the Bank conducted 20 themed training programs nationwide on topics such as ethics and integrity, information protection, and AML. The total training duration exceeded 20 class hours, and relevant online materials recorded more than 9.7 million cumulative views across the Bank.

v. AML Policy

The Bank continues to implement the Anti-Money Laundering Law of the People’s Republic of China and the latest regulatory requirements issued by the PBOC. In accordance with the Bank-wide transformation work plan for enhancing the effectiveness of money laundering risk management (2025–2026), the Bank remains committed to strengthening its AML risk management capabilities.

Firstly, the Bank further improved its AML risk management framework by establishing Bank-wide AML risk management policies and formulating 27 AML policies at the legal entity level.

Secondly, the Bank established a comprehensive customer due diligence framework and organized the implementation of 426 customer due diligence tasks, covering management measures, system development, and process optimization.

Thirdly, the Bank continuously enhanced the effectiveness of its suspicious transaction monitoring models for AML. Focusing on high-risk businesses such as large-value cash transactions, agency collection and payment, merchant acquiring, and cross-border transactions, the Bank conducted analyses of 42 business scenarios and completed the development of relevant models.

Fourthly, the Bank advanced the governance of AML transaction data by completing data quality assessments across 198 categories of business scenarios and organizing relevant business departments to improve data quality in response to identified issues.

Fifthly, the Bank organized and carried out an enterprise-wide risk assessment covering three risk categories, i.e., money laundering, terrorist financing, and proliferation financing. It evaluated inherent risks and the effectiveness of control measures across four dimensions, including customers, businesses, channels and geographic regions, and effectively applied the assessment outcomes to its business decision-making and risk management.

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