

Postal Savings Bank of China  
**2025 Interim  
Environmental Information  
(Sustainable Finance) Report**



# Contents

## Part 01 Environmental

01 / Financing Environmental Impact .....	2
1. Governance .....	2
2. Strategy .....	6
3. Policies .....	6
4. Risk Management .....	10
02 / Green Finance .....	15
1. Green Credit .....	15
2. Green Bonds .....	15
3. Green Funds .....	16
4. Green M&A Financing .....	17
5. ESG Financial Products .....	17
6. Energy-Intensive and High-Emission Industries .....	18
7. Innovation in Green Financial Products and Services .....	18
03 / Green and Low-Carbon Operations ....	35
1. Green Operations .....	36
2. Green Office .....	39
3. Green Procurement .....	39

## Part 02 Social

01 / Human Capital Development .....	42
1. Employee Recruitment .....	42
2. Employee Development and Training .....	43
3. Democratic Management of Employees .....	44
4. Social Insurance and Supplementary Healthcare .....	45
5. Non-Remuneration Benefits .....	45
02 / Access to Finance .....	47
1. Overview of Access to Finance .....	47
2. Overview of Inclusive Finance and Sannong Financial Services .....	51
3. Management Structure of Inclusive Finance and Sannong Finance .....	51
4. Channel Innovation .....	52
5. Typical Products and Cases .....	52
03 / Privacy and Data Security .....	54
1. Organizational Structure for Privacy and Data Security Management .....	54
2. Policies and Norms on Privacy and Data Security .....	56
3. Privacy and Data Security Protection Measures .....	57
4. Third-Party Privacy and Data Security Management .....	62
5. Privacy and Data Security Training .....	63
6. Privacy and Data Security Assessment and Audit .....	63
7. Security Management Certification .....	65

04 / Consumer Financial Protection .....	66
1. Training on Consumer Financial Protection .....	66
2. Product and Service Review .....	67
3. Loan Contract Modifications .....	68
4. Debt Collection Management .....	69
5. Fair Advertising Policy .....	69
6. Customer Complaint Management .....	70
7. Financial Literacy Promotion .....	75

## 05 / Public Welfare .....

80

## Part 03 Governance

01 / Corporate Governance .....	84
1. Board of Directors .....	84
2. Board of Supervisors .....	86
02 / Corporate Behavior .....	87
1. Anti-Bribery and Anti-Corruption .....	87
2. Audit on Ethical Standards .....	88

## Part 04 Appendices

Appendix I: Awards and Honors .....	90
Appendix II: Index of the Guidelines for Financial Institutions Environmental Information Disclosure .....	91
Appendix III: Progress Report for United Nations Principles for Responsible Banking .....	92
Report Compilation Notes .....	99



**Zheng Guoyu**

Chairman  
Postal Savings Bank of China

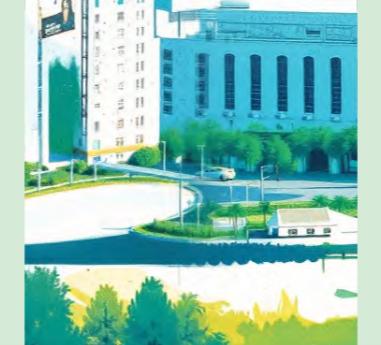


**Liu Jianjun**

President  
Postal Savings Bank of China

Some of the images on this page are AI-generated.

PSBC has fully and faithfully applied the new development philosophy on all fronts, vigorously fostered new quality productive forces, continuously advanced the modernization of its governance framework and capacity, and pushed forward the high-quality development. In practice, PSBC has focused on serving the real economy as the core task and deepened and refined services for the "five priorities". It has refined technology finance, developed specialization in green finance, enhanced inclusive finance for excellence, infused warmth into pension finance, strengthened digital finance, and ensured the effective implementation of the reforms in the governance framework and capacity.



Building sustainable development financial institutions is an integral part of building a financial powerhouse. Economically, sustainable development financial institutions focus on investing in long-term sustainable projects, which helps promote steady economic growth. Environmentally, sustainable development financial institutions actively participate in environmental protection projects and provide financial support for addressing climate change and environmental challenges. Socially, sustainable development financial institutions are more people-oriented and boost win-win results and high-quality development of all parties.

# Environmental

- 01 | Financing Environmental Impact
- 02 | Green Finance
- 03 | Green and Low-Carbon Operations



Some of the images on this page are AI-generated.



Some of the images on this page are AI-generated.

## 01

### Financial Environmental Impact

#### 1.1 Governance

The Bank continues to improve its green finance governance structure and integrates environment-related strategies into its governance framework. The Bank adheres to the unified leadership of the Party Committee of the Head Office. The Board of Directors, the Board of Supervisors and the senior management have strengthened the leadership, supervision and implementation of green finance work according to the division of responsibilities. The Head Office, branches and majority-owned subsidiaries have set up green finance leading groups for peaking carbon emissions and achieving carbon neutrality and form a multi-level mechanism to advance related work.

##### Board of Directors

The Board of Directors attaches great importance to the work in the field of green finance, assumes the primary responsibility of green finance, and formulates strategic plans for green finance and ESG in a coordinated manner. The Board of Directors continuously monitors and evaluates the effectiveness of strategy implementation, promotes the 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, improves the corporate governance mechanism as well as the incentive and constraint mechanism, and continues to strengthen information disclosure.

##### Board of Supervisors

The Board of Supervisors earnestly implements the decisions and plans of the CPC Central Committee, strictly abides by laws, regulations, regulatory requirements and the Articles of Association, focuses on areas related to ESG development and green finance, effectively performs its supervisory duties, and continuously improves the quality and effectiveness of supervision. The Board of Supervisors also actively safeguards the legitimate rights and interests of the Bank, shareholders, employees, creditors and other stakeholders, hence providing strong guarantee for the Bank's high-quality development.

##### Senior management

The senior management is responsible for implementing the resolutions of the Board of Directors, formulating green finance objectives, establishing 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, pushes ahead work related to peaking carbon emissions and achieving carbon neutrality as well as green finance, and coordinates departments of the Head Office, branches and majority-owned subsidiaries to advance the green finance business.

## Work mechanism

The Bank has established a mechanism whereby the green finance work, under the collaborative oversight by the Board of Directors and the senior management, is spearheaded by the Credit Management Department, coordinated by departments of the Head Office, and implemented and executed by branches and majority-owned subsidiaries.

**Senior management:** The senior management formulates green finance objectives, and establishes mechanisms and processes based on the decisions of the Board of Directors.

**Green Finance Leading Group for Peaking Carbon Emissions and Achieving Carbon Neutrality:** The group provides overall deployment and systematic promotion of initiatives related to peaking carbon emissions, carbon neutrality, and green finance.

**Green Finance Working Group for Peaking Carbon Emissions and Achieving Carbon Neutrality:** The group implements the decisions and plans of the Leading Group, promotes the effective implementation of various initiatives at each level, and provides guidance and coordination for green finance work.

Some branches unveiled the Green Finance Center and the Blue Finance Center, etc. In 2024, the Risk Management Department (Sannong Risk Management Center) of PSBC Zhanjiang Branch in Guangdong unveiled the Blue Finance Center; the Risk Management Department of PSBC Fangchenggang Branch in Guangxi unveiled the Green Finance Business Department; the Risk Management Department of PSBC Putian Branch in Fujian unveiled the Green Finance Center; the corporate finance departments of PSBC Guangshan County Sub-branch in Xinyang in Henan, PSBC Yiyang County Sub-branch in Luoyang, and PSBC Neihuang County Sub-branch in Anyang were additionally designated as green finance centers; the Risk Management Department of PSBC Changzhou Branch in Jiangsu was additionally designated as the Green Finance Center, and the corporate finance departments or general business departments of the tier-1 sub-branches under its management were additionally designated as green finance sub-centers.

The Bank launched the campaign to develop demonstration outlets of green sub-branches. In 2024, the Bank had designated a total of 27 outlets of 17 branches as demonstration outlets of green sub-branches.

The Bank set up a transition finance institution. In 2025, the Bank established the first pilot "Research Center for Transition Finance Development" in PSBC Shanxi Branch.

## Column

### Inviting industry experts to provide a specialized interpretation of the International Financial Reporting Standards Sustainability Disclosure Standards

To timely and accurately understanding the latest content and developments of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, the Bank invited external experts to deliver special training. The training provided a comprehensive overview covering the establishment of the International Sustainability Standards Board, the positioning of the standards, key provisions of IFRS S1 and S2, major transition measure following the effective date of the standards, related international trends and movements, potential impacts and challenges of the standards, and recommended responses. Directors of the Bank attended the training. This training represents a leading practice by the Bank in closely aligning with the international trends, and has laid a solid foundation for subsequent benchmarking analysis and evaluation.

## Column

### Establishing Green Finance Institutions Such as Carbon Neutrality Sub-branches, Green Sub-branches and Green Finance Departments

Some PSBC branches have been recognized as green financial institutions by local regulatory authorities. In 2024, PSBC Yingbin Avenue Sub-branch in Shenqiu County in Henan Province was recognized as a Green Sub-branch. PSBC Jingning Sub-branch in Zhejiang Province and PSBC Hegang Branch in Heilongjiang Province were awarded "Zero-Carbon Financial Institution (Outlet) of the Year" and "Model Bank for Green Finance Services", respectively. PSBC Rongcheng Sub-branch in Shandong Province was recognized as one of the first green sub-branches in Weihai City. The sub-branch directly managed by Chongqing Branch was recognized as a green sub-branch.

### Case 1: PSBC Yingbin Avenue Green Sub-branch in Shenqiu County in Henan

Located in Shenqiu County, PSBC Yingbin Avenue Green Sub-branch in Henan Province is the first green sub-branch among peer financial institutions in Zhoukou City, Henan Province. The sub-branch advanced the high-quality development of green finance through multi-dimensional innovative practices. The sub-branch vigorously promoted green finance by establishing dedicated spaces for green finance culture in outlets and setting up publicity corners and multimedia zones, to popularize the concept of green finance to the public. It also promoted green consumption and eco-friendly lifestyles through community activities and industrial park outreach programs. It actively carried out green public welfare activities. Specifically, the sub-branch launched the public welfare activity themed "Bringing Benefits to Households" during important festivals such as the Spring Festival. Eco-friendly water-based inks and degradable paper were used to write Spring Festival couplets, thereby reducing resource consumption. It held the new banknote exchange activity, provided eco-friendly coin pouches, and advocated circular economy. It also actively carried out the voluntary tree planting activity themed "Planting Trees for a Greener World", with 279 trees planted in 2024 through online and offline channels.

### Case 2: PSBC Jingning Sub-branch in Zhejiang

PSBC Jingning County Sub-branch in Zhejiang Province actively promoted the development of zero-carbon financial institutions (outlets) and played a demonstration role for financial outlets in achieving carbon neutrality in operations. The sub-branch implemented the requirements of comprehensive green transition, followed the guidance of the Green Outlet Development Plan of PSBC Zhejiang Branch in renovation, used green and low-carbon building materials, reduced energy consumption load, and improved energy efficiency. The sub-branch assessed its carbon emissions and engaged a third-party institution to conduct comprehensive accounting of greenhouse gas emissions in the daily operation of outlets. The calculation results showed that the greenhouse gas emissions of outlets were mainly carbon emissions from the use of building materials and purchased electricity. On this basis, PSBC Jingning Sub-branch purchased carbon sinks from the forest operations carbon sink inclusive project in Dajun Township, Jingning She Autonomous County, becoming the first financial institution in Jingning County to purchase carbon sinks in the local area.

### Case 3: PSBC Rongcheng Sub-branch in Shandong

PSBC Rongcheng Sub-branch in Shandong Province fully utilized coastal resources to actively promote the integrated development of blue finance and green finance. The sub-branch vigorously supported the regional clean energy industry and participated in the major special demonstration project of large advanced pressurized water reactor nuclear power plant of State Nuclear Power Demonstration Plant Co., Ltd. It supported environment improvement and the development of a beautiful Shandong Province and increased green credit supply to high-standard farmland projects, comprehensive utilization of municipal solid waste as well as other fields. It contributed to the building of a strong maritime province and actively met the financing needs of marine industries such as marine fisheries, oceanic fishing, aquatic product processing, and fishing port economic zones. As at the end of the reporting period, the balance of green loans of the sub-branch stood at RMB1,135 million.

### 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 and systems, industry-specific research on 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 deepened the understanding of and applied the guiding principles of the 20th National Congress of the CPC, the Third Plenary Session 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 state 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, and Implementation Plan for High-quality Development of Green Finance in the Banking and Insurance Industries. 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 strengthen training, both online and offline, on green finance and low-carbon transition. During the reporting period, external experts were invited to give 29 lectures on green and low-carbon fields, including topics such as the new energy vehicle industry, the photovoltaic industry, energy transition and carbon neutrality, International Sustainability Standards Board (ISSB), ESG ratings, etc. These lectures deepened the understanding and awareness of credit staff on green industries so as to facilitate them in providing stronger credit support for the real economy.

The green finance section was rolled out on the internal learning platform. The Bank stepped up efforts to develop green finance and ESG-themed training courses on online platforms such as "China Post Online Academy" and "PSBC E-learning", made them accessible to all staff, and organized bank-wide learning initiatives so as to instill a deep-rooted green development mindset across the organization and continuously expand their knowledge base and professional competencies related to green development.

## 1.2 Strategy

The Bank continues to push forward green banking development from a strategic perspective. In accordance with the Outline of the 14th Five-Year Plan of Postal Savings Bank of China, regulatory requirements and the Bank's actual business conditions, the Bank has formulated the Action Plan of Postal Savings Bank of China for Carbon Peaking and Carbon Neutrality, the Green Finance Work Plan of Postal Savings Bank of China and Plan for High-quality Development of Green Finance of Postal Savings Bank of China, to fully integrate the concept of sustainable development into the Bank's development strategy, governance structure, corporate culture and business processes, and has advanced sustainable and high-quality development in all respects, thereby doing its part in supporting progress toward the national goals of peaking carbon emission and achieving carbon neutrality and the Building of a beautiful China.

### Strategic positioning

The Bank is committed to acting as a pioneer in green finance with enriched green finance product offerings, and has improved resource allocation to provide preferential interest rates to projects with significant carbon reduction benefits. The Bank has also increased credit supply to fields such as green manufacturing, green transportation, green buildings, energy conservation and environmental protection to support the development of green finance business.

### Main objectives

Committed to boosting green finance, the Bank deepens the development of a green and inclusive bank, a climate-friendly bank, and an eco-friendly bank, actively supports green, low-carbon and circular economy based on the principles of risks under control and business sustainability, and vigorously develops sustainable finance, green finance and climate financing. The Bank has also supported energy conservation, pollution abatement, carbon reduction, ecological enhancement and disaster prevention in key industries and key sectors, cultivated featured highlights of transition finance, enhanced ESG and climate risk management, and maintained an industry-leading ESG rating.

### 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 in 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.

## 1.3 Policies

Committed to the country's "dual carbon" strategic goals, the Bank strictly abides by environmental policies and regulations, implements national industry policies, requirements and standards, continuously improves its management policies, systems and processes for green finance and green operations, and solidifies the foundation for the development of green finance.

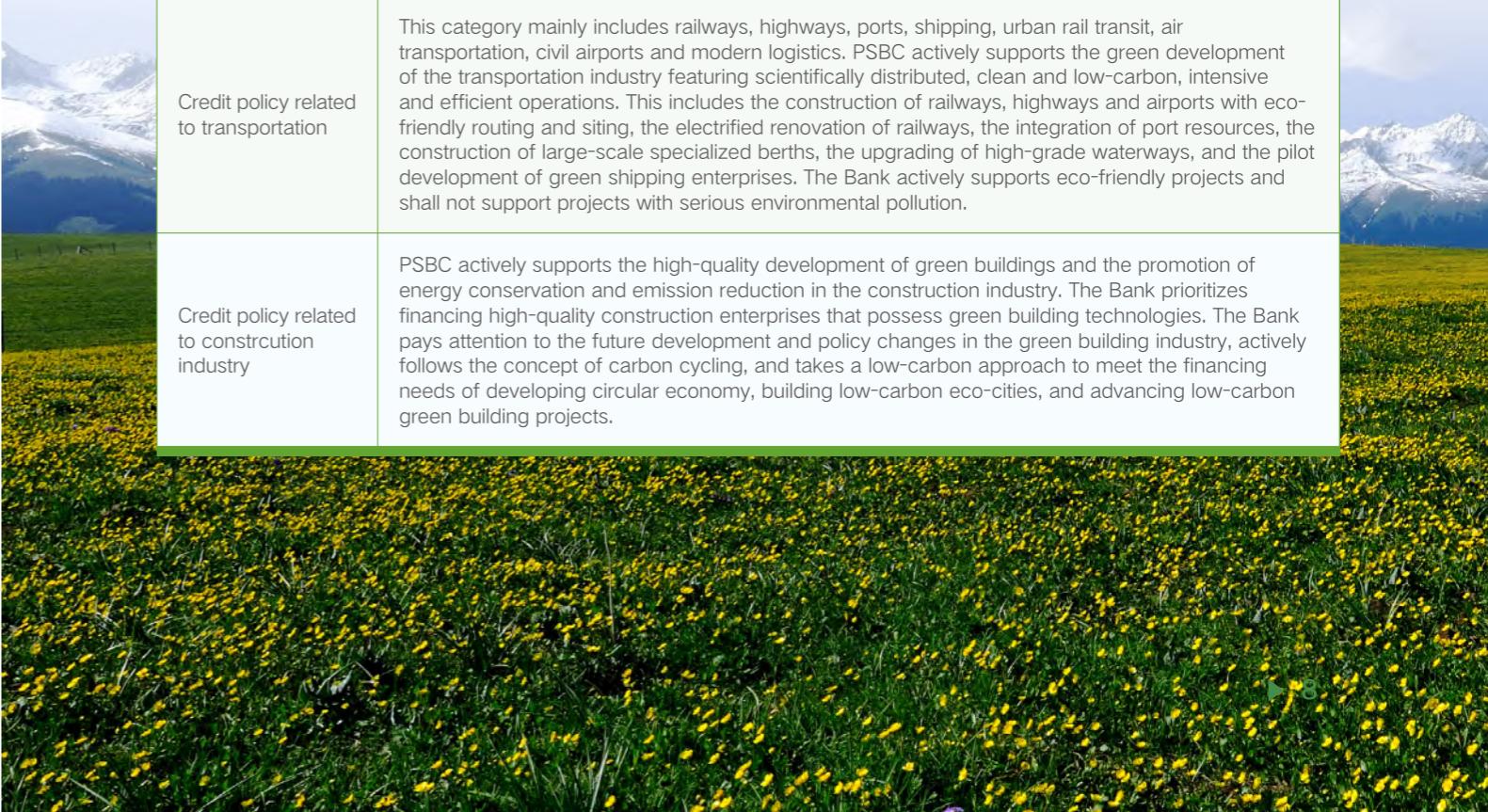
## Industry-specific credit policies

### ► Guidelines on Green Finance Credit Extension Policies

The guidelines clearly categorize industries such as hydropower, nuclear power, wind power, photovoltaic power generation, electrochemical energy storage, energy conservation and environmental protection, new energy vehicles, lithium-ion batteries, 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 conducted classified management and dynamic assessments of customers' ESG risks and, based on industry attributes and business characteristics, continuously increased differentiated policy support and control efforts. The Bank adhered to the "one-vote veto mechanism" for environmental protection and implemented a "zero-tolerance" policy for customers and projects that failed to comply with relevant environmental and industrial policies.

Industry-Specific Credit Policies	
Industry Type	Credit Policy Description
Credit policy related to agriculture, forestry, animal husbandry and fisheries	<p>This category includes the industries of agriculture, forestry, animal husbandry, fisheries, etc. PSBC regards agriculture as an industry to support and prioritizes credit supply to it. In the selection criteria for agricultural customers, 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 customers with high-efficiency agricultural machinery, low manual input, and application of fertilizer- and water-efficient technologies. The Bank pays close attention to the 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 by means of illegal felling of natural forests, and continues to track the change in policies governing fast-growing forests. The Bank also focuses on verifying whether the environmental assessment procedures for modern facility agriculture and agricultural machinery manufacturing projects are compliant and fully documented.</p> <p>Credit policy related to high-standard farmland. In accordance with the requirements of China's No. 1 central document for 2025, the Bank pushes ahead with the high-quality development of high-standard farmland. As per the high-standard farmland development plans of various regions, the Bank gives priority to supporting the development of high-standard farmland projects supported by infrastructure funds, focuses on high-standard farmland projects included in the pilot areas for promoting the development of high-standard farmland in the whole area and supported by regional policies, and promotes the development of high-standard farmlands in 13 main grain-producing areas, seven key marketing areas, and 11 areas where production and marketing are balanced.</p>
Credit policy related to biodiversity	PSBC actively supports biodiversity conservation, integrates blue finance and biodiversity conservation into the support scope of sustainable finance and green finance, explores opportunities for commercially sustainable biodiversity-focused investment and financing, strengthens external exchanges and cooperation in biodiversity conservation, and allocates more financial resources towards biodiversity conservation and nature-based solutions.
Credit policy related to climate change	PSBC prioritizes clean and green renewable energy projects, with a focus on global climate change policies and greenhouse gas emissions reduction requirements. In active response to risks related to climate change, the Bank applies tools and methods such as climate risk stress testing to effectively prevent green and low-carbon transition risks. The Bank also actively supports micro, small and medium-sized enterprises and projects that contribute to environmental improvement, address climate change and conservation, support biodiversity, and efficiently use resources.

Industry Type	Credit Policy Description
Credit policy related to energy utilization	PSBC implements list-based management, classified disposal and dynamic monitoring for energy-intensive and high-emission projects and resolutely curbs the haphazard development of energy-intensive projects with high emissions and backward production capacity. The Bank actively adapts to changes in the national economic structure, energy structure and industrial structure, develops transition finance, and supports the green and low-carbon transition and development of energy-intensive and high-emission industries. In line with the pilot standards and catalogues of transition finance of the People's Bank of China and various regions, the Bank vigorously supports the development of transition finance. The Bank strengthens the tracking and management of financing entities in terms of carbon emissions, high-carbon asset exposure, fund use, and achievement of transition goals. Besides, the Bank categorizes wind power, photovoltaic power generation and other new energy industries as industries encouraged to finance and steps up credit supply.
Credit policy related to mining	PSBC supports green, clean and intelligent mining projects and considers workplace safety, environmental protection and resource utilization as admission criteria for customers and project selection. The Bank prioritizes verifying whether the mining license, environmental impact assessment, water and soil conservation, forest land expropriation, safety supervision, approval and filing, comprehensive resource utilization, and energy consumption of mining projects comply with industry standards, relevant national access standards, and relevant industrial policies. The Bank strengthens environmental, social and governance (ESG) risk and climate risk management, and implements the one-vote veto mechanism for environmental assessment and a "zero-tolerance" policy for businesses, customers and projects that fail to meet environmental protection requirements. It scales back or phases out credit to enterprises with outdated production capacity that fail to comply with national industrial policies or enterprises that do not meet the standards for environmental protection, energy consumption, quality, workplace safety, and technology where corrective measures are deemed unfeasible.
Credit policy related to oil and natural gas extraction	PSBC attaches great importance to the environmental and social risks associated with investment and financing in the oil and natural gas sector. It supports projects that meet the standards for comprehensive utilization of resources, energy conservation and environmental protection stipulated in related industrial policies as well as clean production processes and technical requirements. 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 chips, and the safe storage of chemicals. Additionally, the Bank verifies whether the enterprises are included in the environmental protection blacklist or have been subject to significant environmental penalties.
Credit policy related to transportation	This category mainly includes railways, highways, ports, shipping, urban rail transit, air transportation, civil airports and modern logistics. PSBC actively supports the green development of the transportation industry featuring scientifically distributed, 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 serious environmental pollution.
Credit policy related to construction industry	PSBC actively supports the high-quality development of green buildings and the promotion of energy conservation and emission reduction in the construction industry. The Bank prioritizes financing high-quality construction enterprises that possess green building technologies. The Bank pays attention to the future 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 circular economy, building low-carbon eco-cities, and advancing low-carbon green building projects.



## » Risk limit management plan

The Bank strictly implements national policies, resolutely curbs energy-intensive, high-emission and low-level projects and formulates risk policies and risk limit plans every year. During the reporting period, the Bank implemented limit control over high-carbon and energy-intensive 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 energy-intensive and high-emission industries.

## » Promoting energy transition and the green and low-carbon transition of traditional high-carbon 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.

## » Resource allocation policies

### » Strengthening performance assessment

The Bank established core business indicators for the balanced scorecard in the Head Office department assessment and performance assessment measures for business management of tier-1 branches, incorporating relevant indicators such as green credit and ESG risks into the performance assessment system for the Head Office departments and branches. The Bank formulated a credit management evaluation plan for tier-1 branches, incorporating "green banking development" indicators. Tier-1 branches were assessed quarterly based on their performance in organizational management, policy implementation, business development and capacity enhancement for green banking initiatives.

### » Prioritizing resource allocation

Subject to available credit capacity and economic capital adequacy, the Bank gave priority to green credit business. Differentiated economic capital adjustment coefficients were implemented, with the coefficient for green finance business lowered to 90%. A 15-bp discount was granted for Funds Transfer Pricing (FTP) of green loans and green bonds, which could be combined with the FTP discount for inclusive loans to micro and small-sized enterprises (MSEs).

### » Differentiated approval authorization

In accordance with the principle of matching authorization with capabilities, the Bank implemented differentiated approval authorities for green finance business, and enhanced branch-level approval authority for energy conservation and environmental protection, photovoltaic power generation, wind power, biomass power generation, hydropower, and other green finance fields.

### » Setting up "green lanes" for review and approval

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

## » Green operation policies

### » Signing the Letters of Commitment on Ecological and Environmental Protection

The Bank organized 36 tier-1 branches and majority-owned subsidiaries to sign the Letters of Commitment on Ecological and Environmental Protection, undertaking to fully implement ecological and environmental laws, regulations and policies, strictly implement local government requirements concerning air pollution emissions, vehicle exhaust emissions, gas emissions during production processes, and infrastructure wastewater discharge, so as to safeguard the bottom line of ecological and environmental protection and make every effort to prevent ecological and environmental issues from occurring.

### » Promoting the development of low-carbon and energy-efficient buildings

The Bank introduced a dedicated section on green building design in Implementation Rules for Preliminary Design of Infrastructure Projects of Postal Savings Bank of China (revised version 2024), which puts forward requirements and reasonable suggestions on various aspects of green building design, including design principles, advanced applicable technologies, maintenance structures, HVAC systems, water supply and drainage systems, electrical and lighting systems, and indoor decoration materials. The Bank continuously promoted the application of advanced energy-saving technologies.

## 1.4 Risk Management

The Bank 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 surveys on ESG and climate risks as well as climate risk stress tests, continuously enhancing its ESG and climate risk management capabilities.

## » Environmental (climate, nature), social and governance risk management framework

The Bank implemented the Green Finance Guidelines for the Banking and Insurance Industries and the Guidelines for Establishing the Green Financial System, revised the Environmental, Social and Governance Risk Management Measures of Postal Savings Bank of China, and incorporated ESG management requirements into the comprehensive risk management framework to implement the principles of "full-process, all-factor, all-dimensional and full-coverage", thus effectively improving its ESG management and evaluation level.

### » Fully integrating ESG risks into business processes:

**Due diligence:** PSBC takes ESG risks as a necessary part and an important element of the due diligence process, objectively evaluates the ESG risk of customers or projects, puts forward preliminary ESG risk classification recommendations, and strictly implements the one-vote veto mechanism for environmental protection.

**Review and approval:** PSBC strengthens credit extension and investment approval management and considers the compliance of ESG risk management of customers or projects an important criterion for approval. The Bank prioritizes the approval of credit extension and investment applications that support green, low-carbon, and circular economy and strictly restricts credit extension to and investment in customers who have seriously violated laws and regulations or have material ESG risks.

**Contract signing:** PSBC strengthens the management of ESG risk-related contract clauses. For customers whose ESG risk is classified as Class A<sup>1</sup> or Class B<sup>2</sup>, independent clauses are added in the contract to strengthen ESG risk management.

**Fund disbursement:** The Bank has developed a checklist to assess customers' environmental and social risk management status and review whether the environmental and social risk-related disbursement conditions specified in the approval decision sheet and the contract are fulfilled.

**Post-lending (investment) management:** The Bank dynamically monitors the ESG risk status of credit customers or projects. For customers with potential material ESG risks, the Bank formulates and implements targeted management measures. The Bank takes timely actions to reduce or withdraw its lending to/investment in customers with material ESG risks.

## Development of the environmental and climate risk database

### » Strengthening the use of financial technology tools and methods and continuously optimizing 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 information database. By integrating environmental risks with credit extension policies through big data technology, the Bank efficiently identified enterprises' environmental credit risks and enhanced credit extension management efficiency. 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.

### » Improving the environmental information database

The Bank integrated 13 types of data, including red lines for ecological conservation, climate data of listed companies and carbon emissions data of corporate customers, into the "Jinjing" (Gold Eye) credit risk monitoring system, and strengthened the monitoring of environmental risks associated with customers throughout the entire

credit process. 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 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 based on the environmental risk grades of corporate customers.

### » Adopting artificial intelligence technology to support the development of green, low-carbon and circular economy

The Bank embedded various statistical standards and rules of green finance into the business systems, established an efficient and sustainable green intelligent identification engine, and effectively lowered the technical threshold of green identification and improved its accuracy and timeliness. The Bank also built the environmental benefit calculation model into the credit business platform to realize dynamic monitoring and accurate calculation of the environmental benefits of green projects.

### » Actively carrying out data governance

The Bank organized the entire bank in completing special investigations on the classification and identification of green credit and ESG risks, thus consolidating the data foundation of green finance.

### » Improving the carbon remediation function for corporate customers

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 customers, and promote the public disclosure of environmental information by customers 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 reporting period, the Bank monitored the environmental risk information of 305.2 thousand corporate customers, including 16 thousand major polluting entities, and accessed the data of 46 thousand enterprises with regulatory records. 201 customers have used the Blue Map platform and tools to calculate and disclose energy data such as quarterly fresh-water consumption, wastewater, GHG emissions, etc.

## 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 macro economy. Transition risk refers to the risk of the repricing of high-carbon 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 low-carbon economic transition.

1. Clients whose construction, production, or operational activities may significantly alter the original state of the environment and cause irreversible adverse environmental and social consequences.

2. Clients whose construction, production, or business activities will generate adverse environmental and social consequences that can be readily mitigated.

Climate Risk Points			
Physical risks	Example	Potential financial impact	Duration of impact
Extreme weather events	Tropical cyclones, 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, changes in climatic conditions, desertification and displacement of populations	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	Potential legal litigations to be faced due to 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	Green 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; expenditure on technology research and development increases.	Medium to long-term risks
Psychological and preference changes	Changes in consumer preferences for certain products, shifts in investor sentiment toward certain 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 new business models in operation	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

## ► Quantitative analysis of environmental risks

### ► Carrying out climate risk stress testing

The Bank carried out climate risk sensitivity stress testing for high-carbon industries such as electricity, iron and steel, construction materials, petrochemical, chemical, 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 peaking carbon emissions and achieving carbon neutrality, and examined the impact of rising carbon emissions costs of enterprises in high-carbon industries on the quality of corresponding credit assets held by the Bank and capital adequacy levels. The tests utilized internal data and models, adopted the methods of scenario analysis and the financial transmission model, used the national carbon market's carbon emissions quota trading price (hereinafter referred to as "carbon price") as a stress indicator, and analyzed the changes in the credit asset quality and capital adequacy levels in eight industries under different carbon price scenarios.

The test results showed that the credit risks of some high-carbon customers rose under mild, medium and severe stress scenarios, but the impact on the Bank's capital adequacy level was generally controllable. The core tier-1 capital adequacy ratio, tier-1 capital adequacy ratio and capital adequacy ratio of 2030 all met regulatory requirements and passed the stress testing.

### ► 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 high-carbon industries, with particular attention to the behavior of customers and projects in energy conservation, environmental protection, workplace safety, and corporate governance, as well as the impact they had on society. Through self-examinations, on-site inspections and field visits, the Bank obtained ESG risk information, established a clear understanding of the situation, categorized the risks and dealt with them accordingly. The Bank tailored risk mitigation measures for each issue of risky customers to effectively prevent and resolve potential ESG risks. The Bank also established a ledger management mechanism for high-risk customers and strengthened the continuous tracking and management of ESG risks of existing customers.

## ► Internal audit

The Bank regularly conducts audits on the implementation of green finance policies. In 2025, the Bank conducted audits on green finance, focusing on the implementation of green finance policies and the development of the ESG risk management system and examining business process control and related system development. In 2024 and 2025, the Bank conducted audits on the implementation of the decisions and plans of the CPC Central Committee, covering ESG risk management and green credit system development, etc.





02

## Green Finance

### 2.1 Green Credit

According to the green loan statistics criteria of the People's Bank of China, as of the end of the reporting period, the balance of the Bank's green loans stood at RMB958,639 million, an increase of 11.59% over the prior year-end.

Equivalent Emissions Reduction of Green Credit-Financed Projects				
Emissions Reduction	Unit	2024	2023	2022
Standard coal	10,000 metric tons	1,909.10	2,005.64	1,665.60
Carbon dioxide equivalent	10,000 metric tons	5,171.87	4,821.75	3,623.57
Chemical oxygen demand	10,000 metric tons	112.35	73.80	36.46
Ammonia nitrogen	10,000 metric tons	13.51	4.34	3.85
Sulphur dioxide	10,000 metric tons	214.65	321.18	41.22
Nitrogen oxides	10,000 metric tons	69.06	81.69	25.97
Water conservation	10,000 metric tons	1,530.62	8,902.75	1,456.49
Fine particulate matter (PM2.5)	10,000 metric tons	28.17	74.88	18.03
Volatile organic compounds	10,000 metric tons	48.86	1.15	7.61
Total nitrogen	10,000 metric tons	11.43	5.55	5.41
Total phosphorus	10,000 metric tons	2.01	0.86	0.49

### 2.2 Green Bonds

#### Issuance of green bonds

The Bank actively implemented the green development philosophy and successfully issued the first tranche of its 2025 green financial bonds in the National Interbank Bond Market during the reporting period, with the issuance size reaching RMB5 billion and a maturity of three years to primarily support green upgrading of

infrastructure. The Bank garnered active attention and enthusiastic subscription from market investors, with 3.31 times oversubscription, reflecting investors' deep recognition of PSBC's efforts in promoting industrial structure optimization, upgrading and green transformation through financial services.

#### Investment in green bonds

The Bank actively carried out green bond investment, gave priority to supporting green projects in the fields of energy conservation and environmental protection, clean energy, and infrastructure upgrading, and helped transform the development mode. As of the end of the reporting period, the balance of proprietary funds in green bonds was RMB32,920 million. The Bank has been recognized as an "Excellent Institutional Investor of ChinaBond Green Bond Index" for six consecutive years.

#### Underwriting of green bonds

As of the end of the reporting period, the Bank underwrote a total of RMB22,447 million of green bonds. Specifically, the Bank underwrote the 2024 first tranche of Green Asset-backed Paper (quasi-REITs) Project of Wuxi Guolian Development (Group) Co., Ltd. in January 2024. As the country's first green quasi-REITs for commercial office buildings in the interbank market and the first swap-based consolidated equity quasi-REITs in the interbank market, the project became a typical example of helping enterprises revitalize existing assets and promote industrial transformation and development. The Bank successfully facilitated green financing for multiple issuers including Tianjin Beiqing Electric Smart Energy Co., Ltd., Shanghai Yuexiu Financial Leasing Co., Ltd., Industrial Bank Co., Ltd. and Xiamen Bank Co., Ltd. effectively supporting the development and construction of projects in areas such as clean energy, and energy conservation and environmental protection. Meanwhile, the Bank provided strong support for issuers in optimizing their financing structures and advancing their ESG commitments.

### 2.3 Green Funds

#### Green funds

Under the guidance of China Foreign Exchange Trade System, the Bank fully leveraged the investment and research capabilities of J.P. Morgan Asset Management in ESG at home and abroad and, based on the green investment needs and risk appetite of clients in the PSBC interbank ecosystem, established the first domestic common ground taxonomy-themed green innovation fund - JPMorgan Common Ground Taxonomy Green Bond Fund, creating a new pathway, a new model and a new pattern for peer institutions to facilitate the high-quality development of green finance. This product, with a high rating, high standards and high cost-effectiveness, will attract more investors at home and abroad to participate in the domestic green finance market, thereby further promoting the flow of cross-border green capital and enhancing the openness of China's green finance market.

The Bank issued a guarantee of EUR449 million to the Ministry of Finance, providing a guarantee for CECEP's repayment of the sub-loan under the Ministry of Finance's special sovereign loan from the Asian Development Bank. The loan funds were used to establish the Beijing-Tianjin-Hebei Regional Emission Reduction and Pollution Prevention and Control Fund, focusing on supporting coal reduction and replacement projects such as coal-to-electricity, coal-to-gas, geothermal utilization, and waste heat heating in Hebei, Beijing, Tianjin, and surrounding areas. By operating in the form of a fund, financial leverage was amplified to mobilize more capital to participate in and assist with air pollution prevention and control in the Beijing-Tianjin-Hebei region. This guarantee business represented the Ministry of Finance's first attempt to adopt a bank guarantee model for sub-loans under a national sovereign loan. As the sole cooperating institution, the Bank played an exemplary and leading role in broadening the scope of guarantees for sovereign loans.

## 2.4 Green M&A Financing

Actively leveraging its resource revitalization advantages, the Bank supported Grandblue (Foshan) Investment Co., Ltd. in acquiring Canvest Environmental Protection Group Company Limited for privatization, JingFengYuanBo New Energy Technology (Shanghai) Co., Ltd. in acquiring wind power projects, Hunan Wuling Power and New Energy Corporation Ltd. in restructuring its wind power and photovoltaic assets. It also supported a Jiangsu-based natural gas pipeline network company in acquiring pipeline network assets in the region and a Fujian-based development investment company in acquiring sand and gravel for the ecological restoration of abandoned mine sites, among other green M&A projects.

### Case: Green M&A Syndicated Loans

The Bank designed M&A financing solutions for multiple off-site wind power projects of Qingdao Chengtou New Energy Investment Co., Ltd. to help the company improve the operating efficiency of the existing assets of its wind farms. PSBC Qingdao Branch worked with PSBC Shandong Branch, PSBC Heilongjiang Branch and other intra-bank institutions to lend a total of more than RMB1 billion to the company. The total annual power generation of the wind power projects involved reached 1.8 billion kWh, equivalent to a reduction of approximately 1.5 million metric tons of carbon dioxide emissions.

The Bank provided M&A financing plans for Wuling Power and New Energy Corporation Ltd. in acquiring multiple wind power and photovoltaic projects of SPIC, launched the first green acquisition loan for a listed company's pre-restructuring in Hunan, supported enterprises in rapidly integrating high-quality new energy assets, significantly expanding their scale of operations, and effectively improving the centralized operation efficiency of existing new energy assets and overall revenue. Together with the Head Office, PSBC Hunan Branch conducted efficient operation and innovated its services, approved a cumulative credit line of RMB889 million, and disbursed RMB392 million to enterprises. Involved new energy projects annually generated 1.5 billion kWh in total, equivalent to a reduction of approximately 900,000 metric tons of carbon dioxide emissions.

### Green Custody

As of the end of the reporting period, the Bank provided custody service to the green asset-backed securitization (ABS) projects totaling RMB21,525 million. The Bank provided custody service to the first reissuable ABS for energy industries (including new energy) on Shenzhen Stock Exchange, and also provided custody service to the market's first emission-reduction green power replacement infrastructure quasi-REITs, i.e. SPIC Aluminum & Power Investment Green Power Replacement, Green Carbon Neutrality and Rural Revitalization Asset-backed Special Plan (Old Revolutionary Base Areas).

## 2.5 ESG Financial Products

### » ESG-themed wealth management products

In 2024, the Bank issued three new ESG-themed products, including two open-ended products, and innovated the form of ESG-themed products. The Bank rolled out a green finance-themed private equity product, with the underlying assets invested in wind power projects. The Bank also launched two Anrui-brand green finance-themed closed-end products, with a high proportion of funds invested in green bonds. In the first half of 2025, the Bank issued one ESG-themed product. As of the end of the reporting period, the Bank maintained six ESG and green finance-themed products, with a total scale of RMB5,961 million.

### » ESG loans

PSBC Guangxi Branch, under the guidance of Guangxi Zhuang Autonomous Region Branch of the People's Bank of China, NFRA Guangxi Local Office, and Financial Regulatory Administration of Guangxi Zhuang Autonomous Region, established and applied the corporate ESG evaluation indicator system in the credit process based on the industry characteristics of non-ferrous metal smelting enterprises, introduced international ESG-related financial instruments and the concept of ESG Integration, and incorporated them into product development. Besides, the branch introduced the environmental assessment system of Ping An Property & Casualty Insurance and an independent third-party green assessment agency. The branch incorporated the assessment and tracking processes of the two institutions into its business process to improve its capabilities in ESG pre-lending due diligence, in-lending risk monitoring, and post-lending management. Based on this, the branch innovatively launched the "ESG loans + insurance" financial model and, based on the ESG performance and assessment results of borrowing enterprises, provided these enterprises with a range of differentiated services such as credit loans, preferential interest rates, and green approval channels. In 2024, the branch successfully launched the country's first "ESG loan + insurance" business in Hechi Branch within its service area.

## 2.6 Energy-Intensive 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 fields while controlling and limiting the development of some other fields". It refrains from the one-size-fits-all approach, implements differentiated credit policies for energy-intensive and high-emission industries, and prioritizes its support to the green, low-carbon and circular economy. Meanwhile, 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, prioritizing support for the green and low-carbon transformation as well as digitalization of traditional manufacturing industries such as iron and steel, chemicals and petrochemicals, building materials, non-ferrous metals, textiles, and paper-making. It strictly implements the one-vote veto mechanism for environmental protection and prohibits financing for overseas high-carbon fossil energy. The percentage of credit extended to energy-intensive and high-emission industries in the overall portfolio remained at a low level.

## 2.7 Innovation in Green Financial Products and Services

During the reporting period, the Bank sought innovation in green finance products and services, which was of great significance for promoting sustainable development and addressing climate change. By promoting products and models such as carbon emission right-pledged financing 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 new investment models such as carbon-neutrality bonds and green bonds, the Bank provided enterprises and institutions with more options of sustainable financing, thus further propelling the development of green finance.

## Corporate carbon accounting service and innovative application

Corporate carbon accounting is a meaningful 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 precise understanding about the emissions from carbon emitters, facilitates setting up carbon emissions budgets and developing 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 constitutes the prerequisite for them to participate in carbon trading, receive government subsidies and obtain preferential financing. For banks, carbon accounting provides a basis for developing new products and services for carbon finance, risk management, and information disclosure, and enables banks to provide customers with one-stop comprehensive financial services. The Bank actively and gradually promotes carbon accounting for corporate customers with non-mandatory disclosure of environmental information. In cooperation with the Institute of Public and Environmental Affairs (IPE), the Bank applies the GHG emissions accounting platform (InsBlue) to provide real-time online GHG emissions accounting for enterprises. As of the end of the reporting period, the Bank completed carbon accounting for 13,624 corporate customers accumulatively, with 2,696 new customers added in the first half of 2025, representing an increase of 24.67%.

The Bank has also optimized and integrated its in-house platform PSBC Facilitates Operations with a carbon accounting platform, enabling existing clients on the platform to automatically complete the registration process for carbon footprint verification. This initiative has not only revitalized existing PSBC Facilitates Operations clients by providing them with high-quality carbon accounting value-added services but has also significantly expanded the Bank's customer base for carbon footprint verification.

## Transition and sustainability-linked financial products

The Bank continued to explore the "sustainability-linked+" model. Based on sustainability-linked loans, the Bank took into account the specific pain points and difficulties of customers and projects, and comprehensively utilized credit resources such as internal and external credit policies, differentiated business models, etc. to form a package of financial service solutions, thereby actively meeting the financing needs of enterprises in transformation and development.

### Case 1: Enriching Sustainability-linked Indicators

In November 2024, PSBC Hunan Branch successfully issued a sustainability-linked loan of RMB100 million to a construction enterprise. Based on the client's industry profile and strategic development goals, the branch developed dedicated green linkage indicators, linking the loan interest rate to the upgrading of green building technology and techniques. If the assessment criteria are met, it can reduce the client's total financing costs by RMB40,000, incentivizing traditional construction enterprises toward green transformation and development.

### Case 2: Sustainability-linked Syndicated Loans

The papermaking industry, plagued by resource, energy and environment issues, is in urgent need of green transformation and upgrading. PSBC Guangxi Zhuang Autonomous Region Branch and PSBC Shanghai Branch formed an intra-bank syndicate to jointly tailor a financing solution for a Guangxi-based paper company. Four ESG KPIs were selected, including COD emissions per unit product, water discharge per tonne of pulp output, new hires from poverty-stricken areas in the year, and the number of safety training sessions organized in the year. The loan interest rate was linked to these sustainability performance targets to incentivize the sustainable development of the company. The company improved the coordination between paper machines, pulp lines and wastewater treatment plants, reduced COD fluctuation in wastewater treatment, and improved the efficiency of COD treatment. Besides, the company carried out water-saving retrofits and control of production lines, with an estimated water conservation of 187.6 thousand metric tons.



PSBC Guangxi Branch and PSBC Shanghai Branch issued sustainability-linked syndicated loans

## Innovative products based on carbon reduction information

### Redemption of personal carbon reduction credit

The Bank launched a low-carbon zone on its mobile banking app to record personal carbon reduction information, focusing on such scenarios as green finance, green lifestyle, and green public welfare. The low-carbon zone incorporates some financial businesses on the mobile banking and customers' daily low-carbon behavior into the calculation of personal carbon reduction information, promotes green, low-carbon and eco-friendly e-banking, improves the quality and efficiency of low-carbon operations, and constructs a green "finance + lifestyle" scenario. At present, the scenarios in the low-carbon zone of the mobile banking app include such low-carbon behavior as opening virtual low-carbon cards, transfer and remittance, loan application, and e-CNY payment. All these efforts have effectively guided more customers to embrace environmental protection and low-carbon lifestyles.

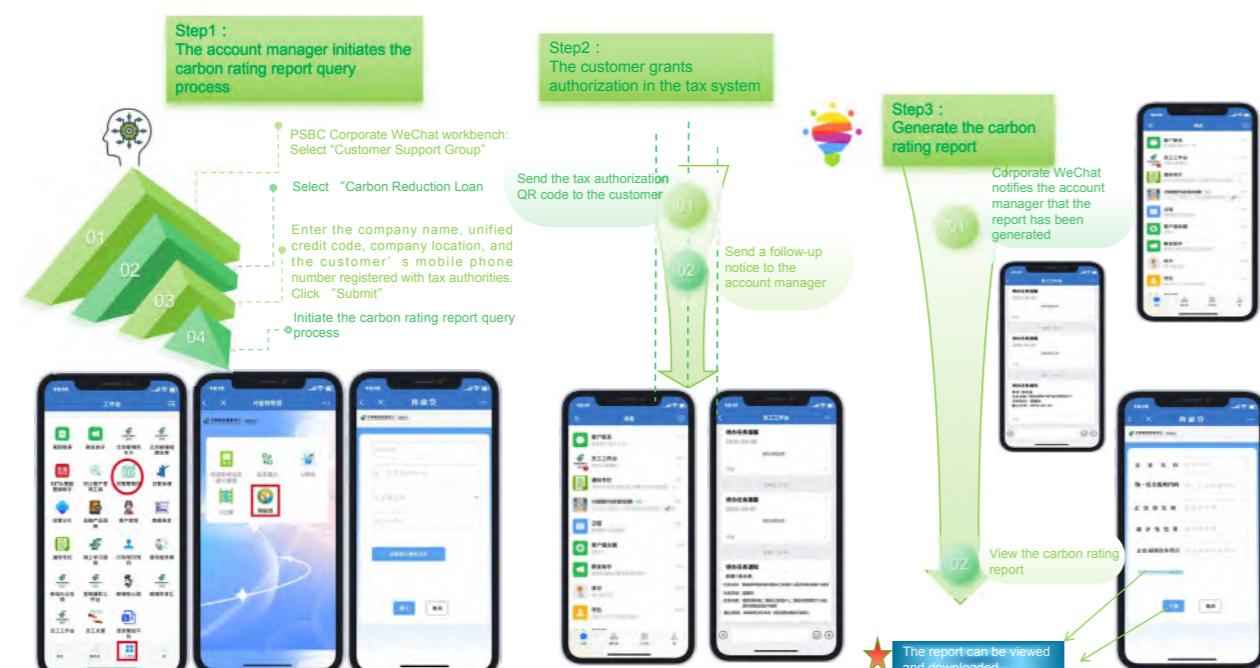
### Corporate carbon accounts

To help enterprises achieve green transition and sustainable development as well as explore the innovation of carbon account assets, the Bank launched the carbon reduction loans to steer funds towards energy-saving and emission-reduction enterprises and promote the realization of carbon reduction targets.

As the first branch to disburse a carbon reduction loan across the Bank, PSBC Shenzhen Branch, under the guidance of the Shenzhen Branch of the People's Bank of China, developed a new credit service model centered on corporate carbon accounts in Shenzhen. The emission reduction data from these accounts serves both as a basis for assigning carbon ratings — reflecting enterprises' emission reduction performance — and as ongoing

support for tracking their carbon reduction progress. Enterprises demonstrating good green and low-carbon performance with significant emission reductions receive preferential treatment in loan interest rates, tenors, credit limits, and collateral options, as targeted support for their green transition. On December 5, 2024, PSBC Shenzhen Branch successfully launched PSBC's first carbon reduction loan, which linked the loan interest rate to enterprises' carbon rating and carbon reduction performance. The loan was priced 110 bps lower than the reference rate, actively supporting enterprises' green and low-carbon transition.

PSBC Beijing Branch continued to step up innovation in carbon reduction loans. The branch formulated the Guidelines of PSBC Beijing Branch on Carbon Reduction Loans, and extended the first carbon reduction loan in Beijing at the end of 2024. Taking the corporate carbon account innovation as a breakthrough point, the branch optimized the existing logic of carbon reduction loan business, launched a carbon reduction loan business module on the WeChat Work platform, and generated corporate customer carbon rating reports with customer authorization obtained online, so as to realize online data processing, paperless handling of credit business materials, business efficiency gains and customer experience improvement. To drive business growth, carbon reduction loan business was introduced as a weighted factor in the green finance assessment for tier-1 sub-branches.



Flowchart for the online carbon rating report of PSBC Beijing Branch

## Eco-credit Loans for Enterprises

Based on the comprehensive financial service platform of Zhejiang Province, the credit information service platform and public credit platform of Lishui City, PSBC Lishui Branch in Zhejiang Province built an eco-credit evaluation mechanism and innovated the financial product named Eco-credit Loan for Enterprises, expanding the bank credit evaluation system from a single financial dimension to a multi-dimensional evaluation system integrating ESG, PSBC characteristics and Lishui elements. This enabled more precise measurement of the risks

and value of corporate customers, thereby achieving the three goals of "an expanded customer base, product innovation, and risk management". As of the end of the reporting period, the branch completed eco-credit evaluation of more than 60,000 registered enterprises, including more than 3,000 A and B-level enterprises on the eco-credit value whitelist. The branch also increased the publicity of policies that benefit enterprises and advanced list conversion and implementation. The branch had completed credit extension to 26 enterprises.

Based on this innovative product practice, the case study titled "Innovating Eco-Credit Loan to Forge a New 'Credit + Ecology' Dual-Engine Model for Enterprise Development" was recognized as an excellent credit case at the 6th "Xinhua Credit Cup" hosted by Xinhua News Agency and other institutions. The "Eco-credit Loan for Enterprises with Data Empowerment" project of PSBC Lishui Branch won the first prize in the 2024 Lishui City Labor Competition on Business Innovation of Inclusive Finance Serving the Rural Revitalization and Reform.



## Column Empowering Ecology with Finance: Protecting Biodiversity

Biodiversity protection constitutes a priority sector for green credit allocation. The Bank attaches great importance to the positive role of finance in biodiversity protection, and explores the deep integration of financial innovation and biodiversity protection. It 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.

### ► Business innovation cases

#### Case 1: Wetland Biodiversity Protection Carbon Sink Loan

In 2025, PSBC Dongtai Sub-branch in Jiangsu issued the country's first "Wetland Biodiversity Protection Carbon Sink Loan" to Tiaozini Scenic Area Management Co., Ltd., which is mainly used for the purchase of benthic organism seedlings and daily expenses for biodiversity protection in Tiaozini Scenic Area. Tiaozini Wetland, the core area of the World Natural Heritage, boasts the world's largest silty intertidal mudflat wetland, attracting millions of migratory birds every year. The ecological protection work requires substantial funding, but the ecological assets remain underutilized. Supported by NFRA Dongtai Local Sub-office, PSBC Dongtai Sub-branch tapped the carbon sink potential of the coastal bare mudflat area of the wetland. It is estimated that the area can store 12.5 thousand metric tons of carbon dioxide equivalent per year. Calculated at the average CCER transaction price of RMB100/metric ton, the carbon sink is worth RMB1,250.4 thousand.

Taking the coastal wetland carbon sink as a breakthrough point, this product utilizes the carbon sink rights contained in the mudflats to enhance credit, which not only effectively solves the problems of insufficient collateral for biodiversity protection financing, but also sets an example for other areas of the Tiaozini Wetland, Yancheng Yellow Sea Wetland and wetlands across the country.



PSBC Jiangsu Branch provided financial support for wetland biodiversity protection

#### Case 2: Supporting Ecological Restoration and Biodiversity Conservation Projects in Inner Mongolia

PSBC Inner Mongolia Hohhot Branch deeply implemented the concept of green development, focusing on supporting the transformation, upgrading and ecological governance practice of M-Grass Ecology and Environment (Group) Co., Ltd. in Inner Mongolia. With regard to the characteristics of long cycle and slow payment of grassland restoration projects, the branch broke through the traditional credit model, and created a "financing + advisory" service system. The branch innovatively built a financial ecology for the "grass seed industry + ecological governance" industrial chain with M-Grass as the core, and provided accounts receivable financing of nearly RMB59 million for its upstream R&D institutions and downstream construction enterprises through the digital supply chain platform (U Credit factoring business), greatly reducing the suppliers' account period to 30 days, and significantly improving the efficiency of capital turnover.



PSBC Inner Mongolia Branch provided financial support for the ecological restoration project

At the same time, the branch provided bank acceptance bills and other instruments as supplementary measures, forming a full-cycle financial plan covering "R&D - breeding - governance - operation". As at the end of the reporting period, relevant financing balance reached RMB134 million. The financial support of the Bank effectively guaranteed the core work of M-Grass in the field of native plant germplasm conservation as well as ecological restoration. From the domestication of native plants for the rehabilitation of sandy and saline-alkali land to the development of gene banks with more than 2,400 plants empowered by technology, nearly 300 kinds of drought-resistant and cold-resistant native plants such as Bahu Hu sheep grass, Ordos ceratoides latens, and Baiyin Xile agropyron michnoi were selected and cultivated according to local conditions. Among them, 25 varieties with independent intellectual property rights were selected into the catalog of improved varieties in national "Three North" project. PSBC Hohhot Branch supported M-Grass Ecology with financial resources to transform scientific research achievements into a miracle of "sand sea turned into an oasis, and mining area restored to green mountains", realizing the symbiosis and mutual prosperity of ecological value and financial value, and effectively promoting regional ecological restoration and biodiversity conservation.

#### Case 3: Breeding and Seedling Cultivation Project in Foshan

In June 2025, PSBC Guangzhou Branch issued a technology innovation loan to Foshan Sanshui Yangte Horticulture Co., Ltd., a leading agricultural enterprise in Foshan, to support the advancement of the enterprise's breeding engineering. The enterprise specializes in breeding and seedling cultivation projects. Under sterile, controlled conditions with regulated light and temperature, organs or tissues isolated from plants are placed on artificially formulated nutrient culture media for cultivation. Through processes including aseptic inoculation, dedifferentiation, redifferentiation, root formation and seedling development, and transplantation, they are grown and developed to achieve plant regeneration. Today, flower products with excellent quality are distributed all over China, and are also exported to many countries such as Japan, South Korea, the Netherlands and Australia. The enterprise has successfully cultivated and produced more than ten new flower seedlings such as "Hongyan", "Qianming Shu", Alps, Amat, Alpha, Paul, Snow Sword, "Feiyan", Bonney, Swedy, Platinum and "Xiaopan Puti", and cultivated a new plant species, "SiFang Qin", in December 2024. The enterprise actively prevented the loss of biodiversity and maintained ecological balance and stability by protecting and utilizing the genetic resources of different plant varieties.



PSBC Guangdong Branch provided financial support for Foshan breeding and seedling project

#### Case 4: PSBC Dalian Branch Supporting the Development of Marine Ranching

In September 2024, PSBC Dalian Branch issued a loan to Dalian Jintuo Marine Biological Development Co., Ltd., a key leading enterprise in national agricultural industrialization, to provide special support for the development and operation of the national marine ranch in Changhai County, Dalian City. Through the model integrating the enterprise, base, scientific research, farmers and Internet of Things, Jintuo cooperated with Dalian Maritime University and other institutions to develop deep-sea seedling breeding technology, achieving 100% natural breeding of sea cucumber seedlings and reducing the disturbance to the marine ecology caused by human intervention. This project is expected to increase the biodiversity of the sea area by 30%, making it an important "blue carbon sink" base in the northern Yellow Sea. Hundreds of 24-hour water quality monitoring sensors have been installed under the sea, which can transmit hydrological and ecological data in real time, providing a basis for relevant scientific research work on marine ranching. In 2024, Jintuo was awarded the titles of "National Marine Pasture Demonstration Zone" and "Healthy Breeding Demonstration Field".



PSBC Dalian Branch supported the development of marine ranching

► Risk management cases

Case 5: Intelligent Management of Environmental Risks

The Bank's credit risk monitoring system ("Jinjing" [Gold Eye] system) has integrated the ecological protection red line data of IPE. The Bank has matched the data with customers' project site coordinate information. Based on the geographical location of enterprises or projects and the layers of "three lines and one list", the Bank supports the rapid analysis of the environmental protection risks and environmental control requirements associated with project site selection. This function can assist the Bank in conducting biodiversity protection risk identification, monitoring the ecological environment performance of projects, timely detecting and addressing biodiversity risks, quantitatively assessing the potential impacts of investment projects on biodiversity, and making more responsible investment decisions.



► Case studies of green finance

► Empowering the green development for rural revitalization

Case 1: High-Standard Farmland Project in Huangchuan County, Henan Province

Huangchuan County is a national green breeding and circular agriculture pilot county, and a national agricultural comprehensive standardization demonstration county. In January 2025, the Bank granted a credit line of RMB500 million for the project of developing a high-standard farmland demonstration area of 140,000 mu in Huangchuan County, which was undertaken by Huangchuan Nonghui Industrial Development Co., Ltd. As of the end of the reporting period, a total of RMB264 million in credit support was provided. The construction of the project includes irrigation and drainage works, farmland protection and ecological environment protection works, among others, which can effectively improve irrigation efficiency, with an estimated annual increase in production income of RMB77.43 million and water saving of RMB3.38 million. The project has effectively promoted the employment of local farmers, increased the use of agricultural machinery in the old revolutionary base area, and improved the agricultural eco-environment, with good economic, social and ecological benefits.



PSBC Henan Branch provided financial support for the high-standard farmland project

Case 2: Revitalization and Reconstruction Project of Da'ao Reservoir in Shangrao City, Jiangxi Province

In January 2025, the Bank issued a 15-year project loan of RMB323 million to Shangrao Investment Holding Group Co., Ltd. The revitalization and reconstruction project of Da'ao Reservoir in Shangrao City mainly involves the danger removal and reinforcement of the dike, with a total reinforced length of 10.64 km, the upgrading and reconstruction of the existing irrigation and drainage works in the irrigation area, road greening, and environmental protection engineering. Upon completion, 350,000 mu of the irrigation area can be improved, and the grain output in the irrigation area can be increased, thereby boosting the efficient development of local agriculture.

Case 3: Green Credit Project for Integrated Urban and Rural Water Supply in Zhaotong City, Yunnan Province ➤

To solve the problems of outdated water facilities, unstable water sources, poor water quality, and outdated treatment technology associated with urban and rural water supply that affected the domestic water use of residents in the three towns and one sub-district within the jurisdiction of Shuifu City, Zhaotong City launched an integrated urban and rural water supply project, benefiting 98,700 urban and rural residents. PSBC Yunnan Branch provided a special loan of RMB326 million for the project, helping to bridge the "last mile" in urban and rural water supply and ensuring access to safe water for both urban and rural residents. This project ensured water safety by coordinating urban and rural water supply networks while significantly reducing the leakage rate, which was conducive to conserving water resources. The project not only improved urban and rural water supply, but also set a new benchmark for supporting projects vital to people's livelihood with green finance.

➤ Supporting the development of the energy system under the carbon peaking and carbon neutrality goals

Case 1: Distributed Photovoltaic Power Generation Project for Rural Collective Economic Organizations ➤

In 2024, PSBC launched its first photovoltaic loan for rural collective economic organizations in Changzhi, Shanxi Province. PSBC fully played the role of a financial intermediary and bridge, provided financial support by long-term project loans, and planned with the local government to introduce a new energy project company, in which agricultural economic organizations and specialized photovoltaic enterprises acquired shares. The Bank also jointly promoted project implementation with relevant parties, guided agricultural economic organizations to acquire shares in the new energy project company, deploy photovoltaic power generation equipment on idle rural roofs, and obtain roof rental income and electricity bill dividend income, thus increasing the income of agricultural economic organizations and driving rural revitalization with the green industry.



PSBC Shanxi Branch provided financial support for the distributed photovoltaic project

Case 2: Fishery–Solar Photovoltaic Power Generation Project ➤

Fishery–solar photovoltaic power generation is a new model for the integrated development of green energy and modern agriculture in Shandong Province in recent years. PSBC Shouguang Branch in Weifang City, Shandong Province actively implemented the concept of green development and supported the development of a fishery–solar photovoltaic power generation project within its service area. As of the end of the reporting period, the branch granted a total of RMB19,619.5 thousand. During the project operation period, the planned annual average power generation is about 7,769,000 kWh, which can save 2,342.35 metric tons of standard coal per year compared with coal-fired power plants. It is estimated that after project completion, about 6,432.71 metric tons of carbon dioxide emissions will be reduced per year, which is conducive to improving economic, environmental and social benefits, promoting rural industrial upgrading, and advancing rural revitalization.



PSBC Shandong Branch provided financial support for the fishery–photovoltaic project

Case 3: Advancing Distributed Photovoltaic Power Generation Project County-wide ➤

The Bank has actively promoted the implementation of county-wide distributed photovoltaic power generation projects and launched multiple businesses. For example, in September 2024, PSBC Shaanxi Branch actively used the carbon-reduction supporting tool to grant a credit line of RMB174 million to Dali Guangyao New Energy Co., Ltd. for the operation of the western area project under the county-wide distributed photovoltaic power generation pilot project in Dali County. This rooftop distributed photovoltaic power generation project has a total installed capacity of 83.3MW. Upon completion, the project will save 36.8 thousand metric tons of standard coal per year and drive a carbon emission reduction of 89.1 thousand metric tons of carbon dioxide equivalent, with significant energy conservation, consumption reduction and environmental benefits. For another example, PSBC Bozhou Branch in Anhui Province granted a credit line of RMB500 million for the county-wide household rooftop distributed photovoltaic project in Qiaocheng District, and achieved full disbursement. The project covers 21 towns and townships in Qiaocheng District, with a total installed capacity of 400MW, effectively promoting the transformation of the local energy mix dominated by fossil energy to green and clean energy. After the project is connected to the grid, the project can replace coal consumption of about 1.5 million metric tons and reduce carbon dioxide emissions by more than 400,000 metric tons per year, the ecological benefits of which are equivalent to planting 22 million trees.



PSBC Shaanxi Branch provided financial support for the county-wide distributed photovoltaic project



PSBC Anhui Branch provided financial support for the county-wide distributed photovoltaic project

Case 4: Project of Developing an Integrated Wind–Solar Storage and Transmission Base

PSBC Binzhou Branch in Shandong Province actively supported the development of a base integrating wind, solar, storage and transmission in the saline-alkali mudflats in northern Shandong. The branch stepped up credit supply for new energy storage projects and promoted the green and low-carbon transition of energy. As of the end of the reporting period, PSBC Binzhou Branch issued a total of RMB262 million in loans for two independent shared energy storage projects. Upon completion, the projects are expected to improve the peak-shaving capacity of the Shandong power grid, promote the consumption of renewable energy, enhance the flexibility of the power system, delay the upgrade and capacity increase of the transmission network, and facilitate the stable operation of the system.



PSBC Shandong Branch provided financial support for the project of developing an integrated wind-solar storage and transmission base

Case 2: Supporting the Utilization of Production Waste of A Petrochemical Enterprise

PSBC Shandong Branch actively supported projects involving the shift in new and old growth drivers in Shandong Province. In October 2024, PSBC Binzhou Branch in Shandong Province participated in an external syndicate to assist a petrochemical enterprise within its service area in the transformation and upgrading project. Focusing on the extension of process-compatible industrial chain, resource recycling and utilization investment, the branch approved a credit line of RMB200 million for the project. As of the end of the reporting period, the branch has cumulatively granted RMB178 million. The project recycles ethylene in the reforming gas, which is conducive to improving resource utilization efficiency and achieving the goals of energy conservation, consumption reduction, pollution reduction, and efficiency improvement in the production process. After the project is put into production, the enterprise will be able to extend the industrial chain and adjust the income structure, which is of great significance to its transformation and upgrading.

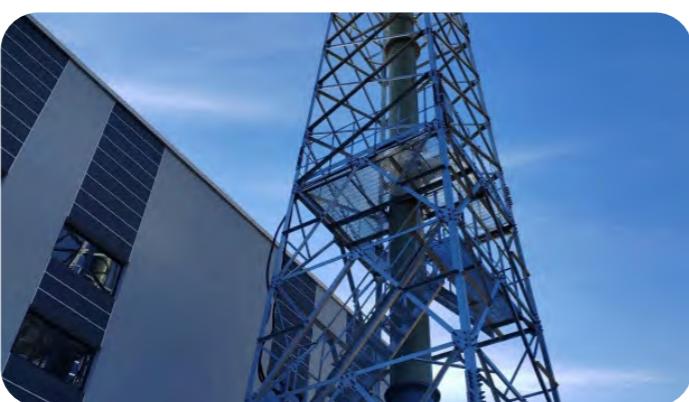


Supporting the utilization of production wastes from petrochemical enterprises

► Supporting pollution and waste control and waste utilization

Case 1: Quality Improvement and Capacity Expansion Project of the Jingdezhen Medical Waste Disposal Center in Jiangxi Province

Jingdezhen Guoxin Qingyuan Eco-Environmental Protection Co., Ltd. is the organizer of the Jingdezhen Medical Waste Disposal Center project. The Bank granted RMB10 million to the project, which is mainly used to build medical waste incineration production lines and auxiliary facilities. After completion, the workshop waste gas and sewage generated during the hazardous waste disposal process can be discharged in compliance with relevant standards through corresponding treatment, so as to reduce soil, air and water pollution. In addition, some medical waste possesses recycling value and will be repurposed through proper classification and professional recycling processes to reduce the exploitation of primary resources and reduce energy consumption.



Quality improvement and capacity expansion project of the Medical Waste Disposal Center in Jingdezhen City, Jiangxi Province

Column ► Facilitating the Sustainable Development of the Marine Economy with Blue Finance

The Bank attaches great importance to blue finance and makes efforts in aspects of organizational structure, business innovation and other aspects to continuously promote the development of blue finance business. The Bank was the first major state-owned commercial bank in China to sign the United Nations Sustainable Blue Economy Finance Initiative.

Case 1: Marine Carbon Sink Loan for Shellfish Products

In 2024, the "Clam Loan" - Jiangsu Province's first marine carbon sink loan for shellfish products, was successfully issued in Dafeng District, Yancheng City. PSBC Dafeng Sub-branch in Yancheng City, Jiangsu Province granted a loan of RMB10 million with a loan term of one year to Jiangsu Haiyue Industry Co., Ltd., specifically for purchasing clam fry. The "Clam Loan" fully leverages the carbon sink potential of mudflats. Based on the calculation by the Yellow Sea Wetland Research Institute, the project's annual carbon reserves of shellfish sediments, shells, and shellfish soft tissues can reduce and sequester 2,680 metric tons of carbon



PSBC Jiangsu Branch launched the marine blue carbon loan for shellfish products

in total. By using the forward income rights of carbon reduction and carbon sequestration generated annually by clam aquaculture as supplementary collateral, the product successfully opened a green channel for financial support to help realize the value of marine shellfish ecological products. By using the forward income rights of carbon reduction and carbon sequestration generated annually by shellfish aquaculture as credit enhancement measures, the product effectively solved the problem of insufficient collateral for marine aquaculture loans.

### Case 2: PSBC Guangdong Branch unveiling the blue finance specialized institution ➤

The Bank focused on serving the marine economy and fully utilized the rich marine resource endowments in Guangdong Province. The Bank established its first branch-level blue finance center at PSBC Zhanjiang Branch and inaugurated the first blue finance service center of Guangdong Province in Yangxi County, Yangjiang City. PSBC integrated resources across the Bank to actively forge a new model of "Guangdong marine granary + blue energy", and was committed to offering more professional and efficient financial services to support the development of the marine economy.



PSBC Guangdong Branch unveiled the blue finance specialized institution

Blue finance institutions leveraged their respective resource endowments and industrial base, and continuously developed and optimized financial products suitable for the marine industry with local features. They tailor-made personalized financial services for enterprises in the industry, such as "Tilapia Industry Chain Loan" and "Golden Pompano Industry Chain Loan". They provided the "1 plus N" business and service system and green channels for review and approval for corporate customers in the marine industry, accelerated the integrated development of "marine ranching + offshore wind power", offered precise and comprehensive blue finance services to address financing impediments and difficulties, and kept driving the high-quality development of the marine economy.

### Case 3: Investing in the First Local Blue Offshore RMB Bond ➤

In October 2024, Hainan Provincial Government issued a total of RMB3 billion offshore local government bonds in Hong Kong. PSBC successfully subscribed for RMB340 million worth of these bonds, completing its first investment in offshore RMB local government bonds. The bond issuance included terms of three years, five years, and 10 years, each with an issuance size of RMB1 billion. The 3-year bond is a sustainability bond; and the 10-year bond marks the first long-term blue bond issued by a local government in China, with the funds primarily directed towards key areas such as marine protection and water pollution control. The Bank invested RMB233 million in total.

## Column

### Empowering the Green Development of Traditional High-Carbon Industries by Transition Finance

In the process of green economic and social transition, transition finance, as an important link between traditional industries and green development, is playing a critical role. At present, traditional high-carbon industries such as steel, cement and chemicals are not only the basic industries that promote economic development, but also face the pressure of carbon emission reduction, and are in a critical period of green transition. Through innovative financial tools and service models, transition finance has solved the financial dilemma of "being unable to transition", and overcome the technical bottleneck of "failure to transition", providing a solid guarantee for green upgrading of traditional industries.

The Bank actively implemented the national strategy for "carbon peaking and carbon neutrality", deeply practiced the concept of green development, and drew a path of transition finance with temperature, precision and strength in practice, with finance as the pen: not only serving transition scenarios that meet national standards, but also covering transition businesses that meet local characteristics. The Bank used the diversified model of "national standards and local standards" to create exclusive transition tailored to enterprises in different industries, regions and stages. During the reporting period, the Bank launched the first three landmark transition finance businesses in high-carbon industries including aviation, coking and cement, allowing high-carbon industries to shed their "gray" identity and activate the "green gene".

### Case 1: Shanghai Branch Safeguarding Green Routes for Aviation Emission Reduction ➤

During the reporting period, PSBC Shanghai Branch successfully disbursed a sustainability-linked loan of RMB290 million to Juneyao Airlines Co., Ltd. This not only marked a breakthrough in transition finance businesses of Shanghai Branch, but also supported the green transition of the aviation industry with powerful measures, and giving "green" wings to aircraft.



PSBC Shanghai Branch provided financial support for low-carbon transition and development of the aviation industry

Juneyao Airlines deeply cultivated its main base in Shanghai, and deeply participated in the integrated development of the Yangtze River Delta. During the routine visits, PSBC Shanghai Branch learned about the enterprise's low-carbon transition plan and customized service needs, and immediately set up a professional team to tailor the financing plan. According to the 14th Five-Year Plan for Civil Aviation Development and the Shanghai Transition Finance Catalogue (Trial) issued by the Civil Aviation Administration of China, combined with the actual situation of enterprises, the branch selected the "CO<sub>2</sub> emissions per tonne-kilometer of the passenger airline fleet" as a sustainability performance indicator, offered preferential interest rates, and set interest rate-linked schemes to encourage enterprises to reduce carbon emissions.

The loan funds were used to purchase new models with higher fuel efficiency, optimize the operation to reduce flight energy consumption, and apply sustainable aviation fuel. In order to ensure effective implementation of the transition, the branch hired a third-party professional institution to conduct "health checks" for the enterprise during the loan period. If the standards are not met, the loan interest rate will be raised. It is estimated that if the goal is successfully achieved, the enterprise will reduce carbon dioxide emissions by nearly 28,600 tons in 2025. Through continuous emission reduction, more "greenness" was added to flight.

► Case 2: PSBC Shanxi Branch Injecting Green Impetus into the Transition of The Coking Industry ►

During the reporting period, PSBC Shanxi Branch successfully issued a transition finance loan of RMB100 million to Jinding Iron and Steel Group Coal Coking Co., Ltd., which represents a pioneering move in transition finance for the coking industry by the Bank, and is the first transition working capital loan facility provided by the banking sector to a coking industry entity.

The enterprise is located in Changzhi City, Shanxi Province, with the most advanced coking equipment in China, a coke production capacity of 7.24 million tons, and a number of by-product production lines. As a "vanguard" in the coal chemical industry, the enterprise has set clear short-, medium- and long-term transition goals, demonstrating strong commitment to transformation and an urgent need for financial services support.

PSBC Shanxi Branch actively responded to the policy call, and created a transition path with Shanxi characteristics in accordance with the Shanxi Coking Industry Transition Finance Support Catalogue (Trial). Screening results indicated that the enterprise's development goals met the requirements for transition, and the enterprise itself had needs for transition finance. Subsequently, PSBC Shanxi Branch followed up the enterprise transition plan in an all-round way, customized exclusive service plans, and selected "energy consumption intensity per unit product" as the interest rate-linked indicator to guide enterprises to actively reduce carbon emissions.

This loan supported the enterprise to upgrade the coking technology and by-product production technology, and strove to build the enterprise into green and intelligent steel and coke integration industry benchmarks through action paths such as comprehensive utilization of coke oven gas, intelligent digital transformation, and environmental protection technology transformation. In order to ensure that every penny of the enterprise's loan funds is spent on the "carbon reduction", PSBC Shanxi Branch introduced a third-party professional institution to comprehensively assess the transition plan to ensure that the funds resonate with the emission reduction target at the same frequency. In 2025, the loan is expected to help the enterprise reduce carbon dioxide emissions by 6,055 tons, and provide a replicable "green sample" for the transition of the coking industry.



PSBC Shanxi Branch provided financial support for the transition and development of coking industry

► Case 3: PSBC Anhui Branch Installing "Green Cores" for Cement Kilns ►

During the reporting period, PSBC Anhui Branch issued a transition finance loan of RMB30 million to Anhui Chizhou Conch Cement Co., Ltd., which is not only the "first deal" of PSBC Anhui Branch in transition finance, but also the "first deal" of PSBC for the transition finance of the cement industry, injecting "propellant" into green upgrading of the cement industry.

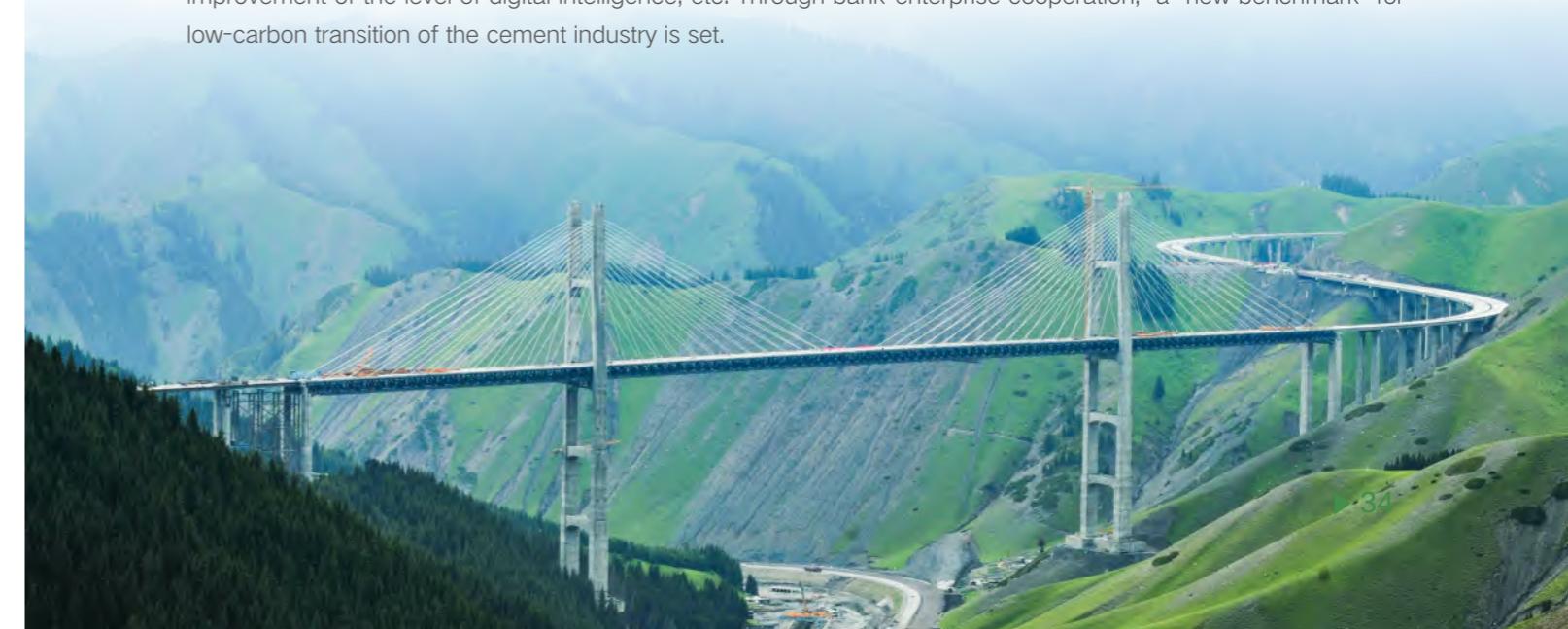
Chizhou Conch is one of the extra-large-scale clinker production bases under Conch Group. It is at the forefront of its peers in terms of ecological protection, energy conservation and emission reduction as well as intelligent level, and continues to promote green transformation during the "14th Five-Year Plan" period. However, as a traditional high-carbon industry, the transition process is constrained by multiple factors such as production technology, raw materials, capital and market competitions. Moreover, the special geographical location of Chizhou imposes high requirements on ecological protection, leaving enterprises facing both internal and external pressures in their transition.

PSBC Anhui Branch actively responded to the policy call, made quick deployment, and took the initiative. On the one hand, the branch arranged special personnel to conduct in-depth research on the detailed rules of transition policies, and actively connected with local regulators to seek professional guidance; on the other hand, the branch increased the visits, docking and mapping of relevant enterprises under its jurisdiction, and at the same time had in-depth exchanges with third-party professional institutions to jointly screen high-quality customers who meet the support of transition finance, laying a solid foundation for the implementation of subsequent business. After learning that the enterprise had transition-related financing needs, the branch immediately took action to grant a credit line of RMB400 million, and disbursed the first tranche of RMB30 million in transition finance loans.

The credit was used to support the upgrading of production energy efficiency, innovation in pollution control technology and R&D of energy-saving process of enterprises. Chizhou Conch will reduce inefficient energy consumption and continue to reduce carbon intensity through fully enclosed production and processing, improvement of the level of digital intelligence, etc. Through bank-enterprise cooperation, a "new benchmark" for low-carbon transition of the cement industry is set.



PSBC Anhui Branch provided financial support for low-carbon transition of the cement industry





The Bank adopts the concept of resource conservation first and low-carbon operations, and continues to advocate and practice green operations. According to the national standard Energy Management System — Requirements with Guidance for Use (GB/T23331-2020), the Bank has continuously implemented the Energy Management Manual of Postal Savings Bank of China Co., Ltd. and realized the trial operation of the energy management system. To strengthen internal control, the Bank issued the Work Plan for Green Finance of Postal Savings Bank of China, the Work Plan for Earnestly Implementing the Requirements of Frugality of Postal Savings Bank of China, the Action Plan for Implementing the "Habit of Frugality" of Postal Savings Bank of China, and the Notice on Circulating the Proposal of China Post Group to Its Employees on Firmly Establishing the Mindset of Frugality and Being Advocates, Practitioners, and Role Models of Hard Work and Thrift. These initiatives advocate a green, low-carbon, civilized and healthy work and life style, while fostering the concepts of energy conservation, efficiency improvement, and green development.

Since 2019, the Bank has engaged external professional institutions to carry out annual GHG emissions accounting on self-operated institutions, to comprehensively investigate the Bank's energy and resource consumption and scientifically formulate targeted carbon emissions reduction plans.

Carbon emissions (Scope 1+2) from own operations in the past three years				
	Unit	2024	2023	2022
GHG emissions (Scope 1 + 2)	10,000 metric tons of CO <sub>2</sub>	54.87	63.68	60.73
GHG emissions per employee (Scope 1 + 2)	Metric ton of CO <sub>2</sub>	2.65	3.06	3.37
Direct emissions (Scope 1)	10,000 metric tons of CO <sub>2</sub>	4.31	4.63	4.18
Petrol	10,000 metric tons of CO <sub>2</sub>	3.09	3.34	3.13
Natural gas	10,000 metric tons of CO <sub>2</sub>	1.17	0.97	0.86
Diesel fuel	10,000 metric tons of CO <sub>2</sub>	0.01	0.02	0.02
Others	10,000 metric tons of CO <sub>2</sub>	0.04	0.30	0.17
Indirect emissions (Scope 2)	10,000 metric tons of CO <sub>2</sub>	50.56	59.05	56.56
Electricity	10,000 metric tons of CO <sub>2</sub>	50.56	59.05	56.56

Notes: 1. The statistical scope of Scope 1 and Scope 2 GHG emissions includes the Head Office, directly controlled institutions, branches and majority-owned subsidiaries.  
 2. GHG accounting is based on the Greenhouse Gas Protocol, GB/T32150-2015 General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises, Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Public Building Operation Enterprises (Trial), Accounting Methods and Reporting of Greenhouse Gas Emissions of Land Transport Enterprises, and DB11/T1785-2020 CO<sub>2</sub> Emissions Accounting and Reporting Requirements — Service Sector.  
 3. Others include fuels such as liquefied petroleum gas, coal, etc.

## Partial carbon emissions (Scope 3) in 2024

	Unit	2024
GHG emissions (Scope 3)	10,000 metric tons of CO <sub>2</sub>	0.85
GHG emissions per employee (Scope 3)	Metric ton of CO <sub>2</sub>	0.04
Category 1: Purchased goods and services		
Urban water consumption	10,000 metric tons of CO <sub>2</sub>	0.08
Office paper consumption	10,000 metric tons of CO <sub>2</sub>	0.77

Notes: 1. The statistical scope of Scope 3 GHG emissions includes the Head Office, directly controlled institutions, branches and majority-owned subsidiaries.

2. The calculation is based on the emission factors from the Greenhouse Gas Protocol, the GHG Protocol Corporate Accounting and Reporting Standard, Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and the "Public Service Platform for Carbon Peaking and Carbon Neutrality in Key Raw Material Industries of the Ministry of Industry and Information Technology - Raw Material Industry Product Carbon Footprint Basic Database (CNCD)".

3. Sources of Scope 3 GHG emissions include "Category 1: Purchased goods and services" (urban water consumption and office paper consumption).

## 3.1 Green Operations

### 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. Aimed to be easy-to-use, visualized, and independently controllable for shared use, the enterprise-level paperless system has built a base of underlying capabilities and covered all credit services of all institutions and all products throughout the processes. The system achieves four intensive management functions of report template, report application, report data and electronic signature, and provides five light-service tools of online editing, automatic display, structured storage, cross-system sharing and one-click archiving. The system supports scenario-based applications such as intelligent access control, intelligent voice recognition and intelligent analysis of the results of pre-loan investigation, loan application review and post-lending management, and solves the pain points facing the business. The system also offers users a complete online integrated paperless experience ranging from retrieval, editing, signature to filing, laying a foundation for PSBC to accelerate digital transformation and deepen integrated risk control empowered by digital and intelligent technology.

Since put into operation in May 2023, the system has produced more than 260,000 paperless reports for credit line extension, reduced the consumption of paper by more than 5.2 million sheets, and is expected to reduce more than 100 metric tons of carbon dioxide equivalent per year. This project has won two national invention patents, the Operator Award of the Fintech Specialist Competition organized by Financial Computerizing, a magazine published by the People's Bank of China, and the Excellence Award of the PSBC Competition of Creative Ideas on Digital Transformation.

## Strengthening the development of green data centers

The Bank continuously promoted the application of advanced energy-saving technologies to facilitate the green and sustainable development of data centers. By continuously deepening the building of the new-generation data center infrastructure management system and AI-powered energy efficiency management system, the Bank established and improved the energy consumption monitoring mechanism and technical system of its data center, which enables refined energy management and taps into the center's energy-saving potential during operation and maintenance. The Bank adopted industry-leading solutions, such as high-efficiency uninterruptible power supplies (UPS) and transformers, refrigerant pump natural cooling, chilled water composite heat pipe multi-split air conditioner, waste heat recovery systems, hot/cold aisle containment, and photovoltaic power generation, all tailored to local conditions. The Bank took multiple measures to reduce the energy consumption and carbon emissions at its data centers.

## Enhancing the ability to prevent and control security risks

The Bank continued to strengthen the security platform, added to it such functions as security situational awareness, increased the deployment of security equipment such as online behavior management, promoted security software such as traffic probe to tier-1 branches, and continuously strengthened the technical "firewall". The Bank passed the annual audit of ISO27001 Information Security Management certification, strictly carried out security management work as per international standards, and strengthened vulnerability scanning and phishing website monitoring. Strict access control measures were taken to strengthen system security protection and data export. Emergency drills were conducted on a regular basis, to continuously improve the emergency response efficiency and the capability of ensuring business continuity in all respects. To further enhance the capability to ensure network security, the Bank participated in field drills and improved the network security level.

## Continuing to develop demonstration outlets of green sub-branches

In 2024, the Bank developed 27 demonstration outlets of green sub-branches. These outlets made particular efforts in providing green credit services and improving the quality of green credit assets. They set up publicity corners on green finance and organized mini-salons, mini-courses and lectures to spread the knowledge of green finance. They also set up PSBC Care Stations where seats, drinking water and public service information, among other considerate services, were provided to customers. They carried out paperless publicity, improved business handling ability, reduced their energy consumption, and achieved energy conservation and emissions reduction targets by means of energy efficiency benchmarking.

No.	Tier-1 Branches	Outlet
1	Shandong	PSBC Hekou District Sub-branch (Outlet) in Dongying
2	Zhejiang	PSBC Pinghu Sub-branch (Outlet)
3	Sichuan	PSBC Longquanyi District Sub-branch (Outlet) in Chengdu
4	Guizhou	PSBC Yunyan District Sub-branch in Guiyang
5	Shandong	PSBC Bincheng District Sub-branch (Outlet) in Binzhou
6	Anhui	PSBC Wuhu Branch (Outlet)
7	Fujian	PSBC Gutian County Sub-branch (Outlet)

8	Fujian	PSBC Yunxiao County Sub-branch (Outlet)
9	Heilongjiang	PSBC Xinjiang Avenue Sub-branch in Harbin
10	Fujian	PSBC Longyan Branch (Outlet)
11	Beijing	PSBC Zuojiazhuang Middle Street Sub-branch in Chaoyang District in Beijing
12	Tianjin	PSBC Hexi District Sub-branch (Outlet) in Tianjin
13	Ningbo	PSBC Ninghai County Sub-branch (Outlet)
14	Jiangsu	PSBC Dongtai Sub-branch (Outlet)
15	Hebei	PSBC Rongcheng County Sub-branch (Outlet)
16	Hunan	PSBC Liling Sub-branch (Outlet)
17	Henan	PSBC Jinshui East Road Sub-branch (Outlet) in Zhengzhou
18	Sichuan	PSBC Zitong County Sub-branch (Outlet)
19	Tianjin	PSBC Tanggu Hi-tech Development Zone Sub-branch in Binhai New Area in Tianjin
20	Jiangsu	PSBC Pukou Sub-branch (Outlet) in Nanjing
21	Yunnan	PSBC Qingnian Road Sub-branch in Zhaotong
22	Heilongjiang	China (Heilongjiang) Pilot Free Trade Zone Heihe Area Sub-branch of PSBC
23	Henan	PSBC Kaiyuan Avenue Sub-branch in Xincai County
24	Yunnan	PSBC Ruili Sub-branch (Outlet)
25	Hunan	PSBC Chang'an Sub-branch in Linxiang
26	Jiangxi	PSBC Lushan Sub-branch (Outlet)
27	Hubei	PSBC Jingzhou Branch (Outlet)



## 3.2 Green Office

Honoring the eco-environmental protection commitments made, the Bank organized heads of 36 tier-1 branches and majority-owned subsidiaries to sign the Letter of Responsibility on Ecological and Environmental Protection. The Bank encouraged all employees to actively spread, practice, and demonstrate a culture of hard work, diligence, and thrift. Employees were required to strictly follow standards for setting indoor air-conditioning temperatures, ensure that lights and faucets were turned off when not in use, minimize color printing, reduce draft document printing, and promote double-sided printing to save paper. The Head Office conducted quarterly green office inspections, implemented green office management requirements, and regulated employees' energy consumption behaviors. The Head Office also carried out special inspections to "resolutely avoid food waste and establish a defense line for food safety", along with strengthened publicity and education to raise awareness of thrift and frugality. In response to local government requirements for energy conservation and emissions reduction, the Head Office has successfully met the total energy consumption control targets set by Beijing for three consecutive years. In 2024, the total energy consumption at the Head Office decreased by more than 7%.

The Bank continuously developed low-carbon, energy-efficient buildings. During the reporting period, PSBC branches strictly followed green building requirements. Specifically, the branches in Beijing, Guangdong, Hebei and Henan renovated their business premises in strict accordance with the Design Standard for Energy Efficiency of Public Buildings and the Assessment Standard for Green Building (GB/T50378-2019). The renovation projects of PSBC Huangpu District Sub-branch in Shanghai and the Private Banking Center on the Bund were carried out in strict accordance with the Standard for Water Saving Design in Civil Building, implemented local government requirements for green and low-carbon buildings, and applied energy-saving technologies from the Catalogue of Technologies for Energy Efficiency Retrofit of Existing Public Buildings for Shanghai in energy-saving design. The Hefei Base Management Center has already completed a photovoltaic power generation system with a total installed capacity of 125.35 kW. The power generation reached 139,900 kWh in 2024, and the system has cumulatively generated 420,000 kWh of electricity since it went into operation, with 100% of the generated electricity used for self-consumption.

## 3.3 Green Procurement

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

The Bank clearly advocates the principles of openness, equality and fairness in the procurement management system, and gives priority to the procurement of energy-efficient, eco-friendly products, identified green products, and products that meet green packaging and green transportation requirements.

The Bank urges 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 such stages as eligibility evaluation, business scoring, agreement conclusion and post-assessment.

The Bank continuously demands suppliers to sign and fulfill the Agreement on Energy Conservation, Emissions Reduction, Environmental Protection and Green Development. With approximately 70 agreements signed in 2024, the Bank continuously strengthens and promotes suppliers to jointly perform social responsibilities such as environmental protection.

## Column

### PSBC Wealth Management Achieving Carbon Neutrality in Principal Operations for the Third Consecutive Year

PSBC Wealth Management Co., Ltd. actively explored the path to green and low-carbon development, and completed the carbon emissions accounting, verification and offset of core business operations for the previous year in 2024. The company obtained the carbon neutrality certificate issued by the Beijing Green Exchange, and became the first wealth management company to become carbon neutral in core business operations for the third consecutive year. All this has shown its resolve to actively respond to climate change and pursue green and low-carbon development. PSBC Wealth Management actively promoted green office, shot promotional videos advocating low-carbon life, encouraged employees to implement green office management requirements, advocated for green and low-carbon lifestyles, and explored new avenues for green and sustainable operations.



# Social

- 01 | Human Capital Development
- 02 | Access to Finance
- 03 | Privacy and Data Security
- 04 | Consumer Financial Protection
- 05 | Public Welfare



## 01

### Human Capital Development

#### 1.1 Employee Recruitment

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 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 Prohibition of Child Labor promulgated by the State Council, 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, occupational safety and working conditions, and 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.

Meanwhile, the Bank has actively fulfilled its social responsibilities. The Bank supports the introduction of personnel from underdeveloped areas and appropriately lowers the academic qualification thresholds for remote and challenging locations experiencing recruitment difficulties. Since the implementation of the policy, the commitment has effectively helped increase employment in these areas and also enriched the human resources that the Bank needs for business operation and development. The Bank continues to implement the "PSBC Charity Seed" program. In 2024, college graduates recruited through the program joined PSBC Sichuan Branch and PSBC Qinghai Branch. They voluntarily took frontline positions in remote and poor areas with harsh conditions to advance rural revitalization. The Bank also maintained follow-ups on students in the "PSBC Self-improvement Class" funded by the "PSBC Charity Fund". The Bank organized branches to establish a long-term liaison mechanism with college students and provided internships and job opportunities for funded students. These efforts attracted outstanding talents to join PSBC and contribute to the development of their hometowns.

In December 2024, the Bank was honored with "Top 10 Best Employers in China 2024" and "Most Attractive Employers among College Students in China 2024" in the selection of "Best Employers in 2024".

#### By employment type

Contracted employees: 179,282 (including 1,586 employees from majority-owned subsidiaries); dispatched employees: 14,495.

#### By gender

Male employees: 72,924; female employees: 106,358.

#### By age

Age 30 or below: 32,777; Age 31 to 40: 81,465; Age 41 to 50: 45,800; Age 51 or above: 19,240.

#### By geography

Head Office: 8,959; Yangtze River Delta: 20,073; Pearl River Delta: 18,459; Bohai Rim: 26,021; Central China: 45,724; Western China: 40,877; Northeastern China: 19,169.

#### Others

Ethnic minority employees: 12,057.

## 1.2 Employee Development and Training

### 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 established a comprehensive training framework which covers all employees and positions throughout the lifecycle of employees' career development. Meanwhile, the Bank built an education and training content system that is categorized, specialized, and layered. The Bank strove to promote the development of the online learning platform, improve the capability of promoting development through education and training, constantly enhance the overall effectiveness of education and training, and provide strong support for PSBC's high-quality growth.

### Carrying out training to enhance duty performance ability in a stratified and categorized manner

Aligning closely with the needs of business development and talent team building of each segment, the Bank integrated internal and external training resources, formulated the annual training plan in a coordinated manner, and implemented targeted and effective training strategies. For executives and cadres, the Bank improved the operational and management capabilities of executives in a systematic manner, following the three-level training system of orientation, on-the-job training, and advanced skills training. For professional staff, the Bank considered the professional capabilities or skills required for different business lines and positions, and carried out duty performance improvement training and special talent training projects in a coordinated manner. The Bank also encouraged and supported employees to participate in external professional training to continuously improve their

professional capabilities. For frontline staff, the Bank prioritized providing special training for county sub-branch managers, outlet heads, wealth advisors, and account managers, to steadily improve their practical business capabilities.

### 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 combined training with job qualification certification. Following the principles of "training before certification" and "certification before promotion", the Bank regularly organized job qualification examinations and continuing education, and leveraged the exams to enhance the performance of employees in their roles. The Bank encouraged employees to further develop their professional competencies.

## 1.3 Democratic Management of Employees

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 change while fostering continuous innovation, breaking down the restrictions of hierarchies and 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 independently 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 no retrospective investigation, 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 swiftly reach the headquarters for decision-making, while the management can directly address problems. The Bank has established and improved a closed-loop handling mechanism, set up a special operation team, incorporated problem resolution into performance assessment, and carried out rationalization proposal selection and other institutional arrangements as well as technological applications, to effectively facilitate the implementation of high-quality suggestions, problem resolution, and the dissemination of best practices. This enhances product and service optimization, improves management decision-making efficiency, tackles the bottlenecks and pain points in work, and supports and empowers 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 fully mobilized employees' enthusiasm for innovation. During the reporting period, the platform recorded 5.2 million visits and 180,000 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 forums such as Sannong finance, inclusive finance, and technology operations, etc. 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 process improvement within five days, providing guarantee for 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 system upgrade within a week, effectively supporting business operations.

## 1.4 Social Insurance and Supplementary Healthcare

The Bank strictly complies with relevant national and local policies by providing all employees with comprehensive social insurances coverage, and has established a corporate annuity scheme and supplementary medical insurance policy across the organization, thereby building a multi-level and holistic insurance welfare system.

## 1.5 Non-Remuneration Benefits

The Bank continuously promotes the development of staff homes, and established employee care service centers, development service centers and cultural activity centers. The Bank completed the evaluation and recognition of bank-wide model staff homes as well as the selection of model staff homes within the system of China Post Group for the period of 2021-2023, identified exemplary cases of home-building, and promoted best practices in building staff homes. The Bank standardized the building of staff homes across the Bank, updated the visual identity system of staff homes, and effectively enhanced the ability of the labor union in serving employees.

With the overall goal of "developing the awareness of mental health, enhancing the ability of psychological adjustment, and promoting the development of a harmonious enterprise", the Bank has called for efforts to proactively address the root causes of employees' stress, provided guidance to create a positive working atmosphere, and made solid progress in providing psychological care for employees. The Bank continued to improve the mechanism building, team building, platform building and demonstration site development. The Bank built mental health centers and teams of mental health professionals, carried out pilot programs to play a guiding and exemplary role, promoted psychological support hotlines, and held various mental care activities for frontline employees such as mental health lectures, employee mental care skill training, and psychological counseling, in a bid to encourage and help employees shape healthy, positive mindsets.

Attaching great importance to the physical and mental health of employees, the Bank has organized various cultural and sports activities to enrich the cultural life of employees. In the first half of 2025, the Bank hosted the 2nd Staff Air Volleyball Match and Mixed Team Billiards Tournament, sponsored and fielded a team for

the National Postal Employees Air Volleyball Challenge Match, and sent a team to participate in events like the Communications Industry Staff Table Tennis Elite Tournament. These sports activities promoted exchanges and cooperation among employees, enhanced team cohesion, improved the physical and mental health of employees, fostered a positive corporate culture, and injected strong vitality into the endeavor to pursue high-quality development of the enterprise.

The Bank continues to show care for female employees and help them climb the career ladder. The Bank also has strengthened the protection of female employee, and drove innovation in women's initiatives across the Bank. The Bank provided maternity uniforms and badge gift sets bank-wide to address workwear challenges for pregnant employees. As of the end of the reporting period, the Bank built 2,021 "Mother's Homes". The Bank produced the promotional film "Salute to PSBC Women", and released the theme film "Yes! My Little Universe" for female employees before the Women's Day in 2025.





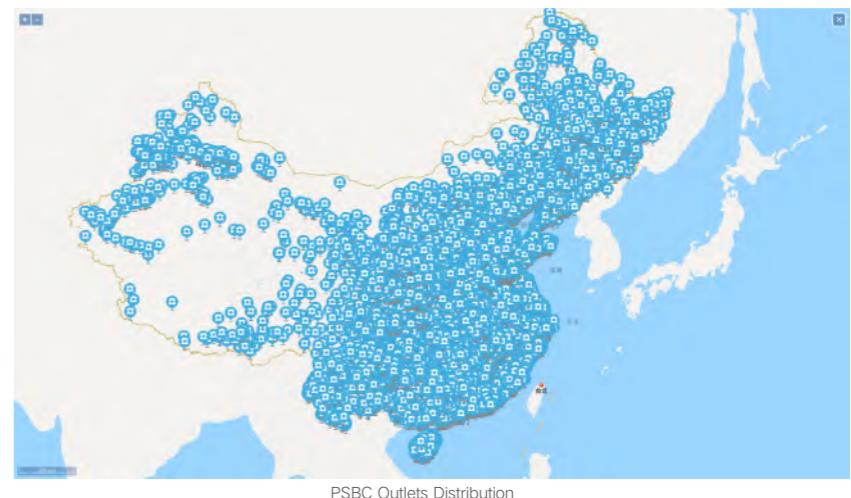
## 2.1 Overview of Access to Finance

The Bank thoroughly implements national strategies, continues to improve the quality and efficiency in serving the real economy, strives for building PSBC into a main force for rural revitalization, the benchmark in inclusive finance and an emerging force in technology finance, and actively acts as a pioneer in green finance. Faced with the new requirements of the new era and new journey for financial work, the Bank will thoroughly implement the new development philosophy, deeply understand the political and people-oriented nature of financial work, and be committed to fulfilling its political, economic and social responsibilities as a major state-owned bank. The Bank will press ahead with the "five priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance by keeping pace with the times and upholding principles while innovating, thus driving strategic upgrades, reforms, innovation and risk control improvements as well as enhancing its endogenous capabilities. The Bank endeavors to become a first-class large retail bank which is trustworthy, distinctive, prudent, safe, innovative and with remarkable value, and strives to create a new chapter of high-quality development.

The Bank firmly focuses on serving Sannong customer groups, urban and rural residents and SMEs. Relying on its unique model and resource endowment featuring directly-operated outlets and agency outlets, it is committed to meeting the financial needs of the most promising customer groups during China's economic transformation. As at the end of the reporting period, the Bank had approximately 40,000 outlets and served 674 million personal customers. The number of mobile banking customers reached 386 million, and the monthly active users (MAUs) of mobile banking exceeded 86 million. The Bank continued to maintain excellent asset quality and an increasingly prominent market presence.

Outlets	Personal customers	Legal entity clients	Mobile banking customers
<b>39.2</b> thousand	<b>674</b> million	<b>188.9</b> thousand	<b>386</b> million

The extensive outlet network across urban and rural areas is an important strategic resource and core advantage of the Bank. As at the end of the reporting period, the Bank had a total of 39,188 outlets, of which 26,682 or 68.09% were located in counties and areas below the county level. The Bank's outlets covered 99% of counties and county-level cities. Its outlets covered all prefecture-level cities in Xinjiang and Xizang. The Bank also established 65 outlets in regions in Sichuan and Zhejiang where financial services were not accessible.



### Column

#### Establishing Featured Sub-branches to Jointly Paint a Blueprint for Sannong Customers

To implement the decisions and plans of the CPC Central Committee on Sannong work, the Bank remains dedicated to serving Sannong, urban and rural residents and SMEs. By fully utilizing its advantages of extensive networks reaching deep into local communities and focusing efforts at the grassroots-level branches, the Bank has established a number of featured sub-branches to support rural revitalization and serve the real economy across China, from the eastern oceans to the western grasslands and from the southern orchards to the northern forests.

#### PSBC Mohe Sub-branch in Daxing'anling in Heilongjiang Province

Beihong Village in Mohe City, located in the vast Daxing'anling Mountains, is China's northernmost administrative village. PSBC Mohe Sub-branch offered village-wide credit line extension and targeted financial assistance for eligible villages and towns. It also leveraged financial technology to introduce convenient credit services such as remote loan applications and automated credit approval, ensuring rapid access to financial services even in the northernmost part of the country in the first place. To support local agricultural development, the sub-branch issued loans of over RMB135 million.



## PSBC Wuqia County Sub-branch in Kizilsu Kirgiz Autonomous Prefecture in Xinjiang Uygur Autonomous Region

Smhana Village of Wuqia County of Xinjiang is located at the westernmost tip of China, near the border between China and Kyrgyzstan, and relies primarily on agriculture and animal husbandry. PSBC Wuqia County Sub-branch in Kizilsu Kirgiz Autonomous Prefecture of Xinjiang is committed to supporting the production of local farmers and herders through financial services. Taking into account the long breeding cycle of cattle and sheep, the sub-branch implemented a policy of "within three years, up to RMB50,000, without guarantee or collateral, and with government interest subsidy", and established a dedicated service team to reach out to the pastoral areas to help farmers and herders alleviate poverty and achieve prosperity. The sub-branch issued a total of 3,450 micro loans for poverty alleviation that amounted to RMB128 million, injecting financial resources to help local farmers and herders alleviate poverty and achieve prosperity.



## PSBC Rushan Sub-branch in Weihai in Shandong Province

Nestled along the 37° north latitude golden coastline at the southeastern tip of Shandong Peninsula, Rushan City has nurtured the Rushan Oyster, a true treasure from the sea, and is renowned as "China's No. 1 Oyster City". PSBC Rushan Sub-branch focused on the unique characteristics of the oyster industry and provided targeted support by launching the "Industry Loan" product. This initiative injected new momentum into Rushan's oyster sector, helping cultivate an oyster industry with an annual output value exceeding RMB10 billion. These efforts were aligned with China's national strategies to "strengthen the maritime economy and revitalize through the sea", driving the building of a strong maritime country. The sub-branch served over 180 oyster farmers, with total loans granted reaching RMB278 million. Additionally, it extended RMB120 million in loans to upstream and downstream firms, e-commerce businesses and deep processing industries.



## PSBC Changyuan Sub-branch in Xinxiang in Henan Province

Located in the northeastern part of Henan Province, Changyuan City serves as a key transportation hub and goods distribution center in the Central Plains. On June 22, 2007, PSBC issued its first-ever micro loan in Changyuan as part of a pilot program. The loan recipient, taking advantage of the preferential agricultural policies, used the loan to establish a specialized farmers' cooperative and led thousands of villagers toward shared prosperity. PSBC Changyuan Sub-branch actively supported grain production by promoting its exclusive product "Grain Purchase Loan" to help ensure grain storage. It also prioritized targeted financial assistance to new agricultural business entities such as farmers, agricultural cooperatives and agri-tech enterprises, actively promoted the special service activity of "100 Counties, 1,000 Towns, 10,000 Villages", upgraded financial products, and optimized service quality and efficiency. Cumulatively, the sub-branch issued 8,316 loans totaling RMB1,732 million.



## PSBC Gaozhou Sub-branch in Maoming in Guangdong Province

Chuliang Village, located in Fenjie Town, Gaozhou City, Maoming City, Guangdong Province in the southern part of China, is known as the "Hometown of China's Premium Longan", with the saying, "the best Gaozhou longans come from Chuliang, and Gaozhou longans are the finest in the world." To meet the diverse financing needs of different entities across the longan industrial chain, PSBC Gaozhou Sub-branch introduced products such as "South Medicine Industry Loans", "Agricultural Guarantee Loan" and "Speedy Loans", providing comprehensive credit support across the entire industrial chain, from agricultural supply distribution, planting and procurement to packaging, sales and logistics. These efforts effectively alleviated difficulties faced by small and medium-sized fruit farmers in accessing affordable financing, with a total of 120 loans issued, amounting to RMB162 million.



## 2.2

### Overview of Inclusive and Sannong Financial Services

The Bank has advanced the development of a long-term mechanism for inclusive finance, and fully leveraged its technological capabilities and service penetration in lower-tier areas to deepen roots at the community level while expanding market reach. The Bank has developed distinctive features in supporting agricultural development, small-sized businesses, and ordinary households, pioneering a distinctive path featuring innovation, specialization, and systematization in inclusive finance. As of the end of the reporting period, the balance of inclusive loans to MSEs reached RMB1.72 trillion, which accounted for over 18% of the total loans to customers and placed the Bank at the forefront among large state-owned banks. The Bank has been rated as the highest level "Level 1" in the regulatory evaluation of financial services for micro and small-sized enterprises for three consecutive years.

Always committed to serving Sannong customers, urban and rural residents, and SMEs, PSBC resolutely implemented the decisions and plans of the country on the work of Sannong, and prioritized serving Sannong customers and all-around rural revitalization. The Bank put in place a sound professional agricultural service system, upgraded the rural credit service model, and continuously increased the credit supply to fields related to all-around rural revitalization. Meanwhile, it digitalized the Sannong finance processes and further enhanced its capabilities for providing financial services and products for Sannong customers. With these efforts, PSBC strove to be the main force in advancing rural revitalization. As of the end of the reporting period, the balance of the Bank's agriculture-related loans was RMB2.44 trillion<sup>3</sup>, with an annual net increase of RMB149,585 million, and the balance accounted for over 25% of the total loans to customers, ranking in the forefront among major state-owned banks.

## 2.3

### Management Structure of Inclusive Finance and Sannong Finance

Through long-term institutional development, the Bank has forged an inclusive financial service system led by the Strategic Planning Committee of the Board of Directors and coordinated by the Rural Revitalization and Inclusive Finance Management Committee, with the Inclusive Finance Department and the Sannong Finance Business Department acting as the execution entities. The framework enables collaboration between the Bank and China Post Group, between the Head Office and branches, and synergy between the parent company and 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, and risk management, etc. of small-sized corporate customer business. During the reporting period, to advance inclusive finance as one of the "five priorities" of the financial sector, the Bank issued and implemented the Notice on Accelerating the Development of Inclusive Credit, strengthened customer expansion, innovated and optimized products, enhanced mechanism and institutional support, and continuously improved the quality and effectiveness of inclusive financial services.

<sup>3</sup> under the statistical criteria in accordance with the regulations on the statistics of agriculture-related loans promulgated by the People's Bank of China in January 2024

Regarding serving rural revitalization, the Bank has set up an organizational structure for specialized agricultural services, which consists of the Leading Group for Supporting Rural Revitalization, the Rural Revitalization and Inclusive Finance Management Committee, and the Sannong Finance Business Department (the Rural Revitalization Finance Department). The Bank has implemented and deepened the reform of the Sannong Finance Business Department (the Rural Revitalization Finance Department), improved organizational settings serving rural revitalization, and strengthened overall coordination of rural revitalization efforts. Tier-1 branches and tier-2 branches have set up Sannong Finance Business Divisions; and county-level sub-branches have set up Sannong Finance Business Offices. 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 institutions are responsible for implementation.

## 2.4

### Channel Innovation

With the goal of "building a benchmark bank in inclusive finance", PSBC actively promotes the lead bank customer service mode. Focusing on the comprehensive needs of customers, the Bank has launched "1 plus N" service teams with account managers at its core to provide personalized and customized service solutions. The Bank has innovatively launched the "PSBC Facilitates Corporate Operation", a one-stop digital management platform for enterprises. The platform offers nine core functions, including "Easy Finance and Taxation", "Easy Operation", "Easy Order", "Easy Invoice", "Easy Payroll", "Easy Agency Payroll", "Easy Expense Control", "Easy Office", and "Easy Security Access", which cover key scenarios such as finance and taxation management, payroll management, inventory management, invoice management, expense control and reimbursement, office management, and information security, etc., thus offering SMEs with a one-stop intelligent experience and comprehensive financial solutions. Through data sharing and information exchanges, the platform empowers the digital transformation of SMEs. Since its nationwide rollout in November 2023, the platform has served a total of 116 thousand customers. It was also successfully shortlisted as a service provider for the digital transformation of SMEs in provinces such as Hainan, Sichuan and Shandong.

## 2.5

### Typical Products and Cases

#### Cases of serving Sannong customers and rural revitalization

#### Empowering Agricultural Modernization

Based on the characteristic and advantageous modern agricultural industries in Rudong County, PSBC Jiangsu Branch supported the efficiency improvement projects of modern green agriculture in the western suburbs of Rudong County, facilitated the development of high-end agriculture and agricultural standardization at the county level, and drove the scaling-up and branding development of the fruit and vegetable industries in Rudong County. The branch quickly established a "1 plus N" service team to provide customers with comprehensive financial services, including project financing consultation and repayment scheduling among others, and extended a credit line of RMB200 million to the project. A total of RMB170 million in seven-year fixed asset loans for protected agriculture was disbursed, relieving the urgent need for project financing and contributing to the upgrading and transformation of the agricultural industry in Rudong County.

## » Working to Improve Digital Financial Services for Sannong Customers

YOU<sup>+</sup> BANK launched a platform for rural specialty industries. On November 12, 2024, YOU<sup>+</sup> BANK signed a cooperation agreement with the Government of Danling County and Meishan Branch (Sichuan Province) of China Post Group for the development of the specialty industry platform. By leveraging digital tools for purchasing local featured agricultural products, YOU<sup>+</sup> BANK created a financial system that spans the entire specialty industry chain to accumulate traceability data, and effectively solved problems in rural industries, such as difficulties in managing production and marketing data, inadequate brand protection, inconvenient financing access, and delayed payment collection. This marked the implementation of YOU<sup>+</sup> BANK's first rural specialty industry project. YOU<sup>+</sup> BANK launched an agricultural loan sub-product, improved the bank-insurance cooperation model, and endeavored to enhance digital financial services to customer groups in county areas and villages. Furthermore, YOU<sup>+</sup> BANK built the Huinong Products platform to digitalize the order management and process management for rural agricultural product procurement, provided comprehensive financial services for both buyers and sellers of agricultural products based on digital scenario data, and completed the pilots in multiple places.

## Cases of supporting MSEs

### » Promoting the Effective Implementation of the MSE Financing Coordination Mechanism

PSBC Fujian Branch took proactive steps to ensure the effective implementation of the MSE financing coordination mechanism. PSBC Fuzhou Branch in Fujian Province, in collaboration with Fuzhou Municipal Development and Reform Commission and Fuzhou Municipal Financial Supervision Bureau, organized the first Government-Bank-Enterprise Weekly Meeting in Fuzhou City to ensure comprehensive policy awareness. Additionally, PSBC Fujian Branch engaged with enterprises on the government's recommended list in a precise and targeted manner. The branch issued RMB10 million in credit to a timber processing company in Jian'ou City through the MSE financing coordination mechanism within 24 hours, marking the first loan issued through the mechanism in Jian'ou City.

### » Empowering the Operation and Growth of Enterprises through the "PSBC Facilitates Corporate Operation" Platform

The Bank provided "PSBC Facilitates Corporate Operation", a one-stop digital management platform for enterprises, and built the advantages of tailored services for micro, small, and medium-sized enterprises at a faster pace. To address the challenges faced by a county-level passenger transport company including complex vehicle demand, dispersed teams stationed in villages, cumbersome management processes, and language communication barriers, the platform implemented a customized review and approval process. Through the platform, the company could manage the entire process from vehicle application, application approval, and vehicle dispatch to driver notification, driver pick-up and drop-off as well as performance appraisal, using the personal computer (PC) terminal and mobile banking app. Additionally, the platform introduced a Xizang-language user interface based on local needs, helping overcome language obstacles between various teams, improve process management, reduce costs, and enhance efficiency.



## 03

## Privacy and Data Security

Attaching great importance to privacy protection and data security, the Bank has continuously improved the organizational structure, refined the policy system, strengthened protection measures, assessment and audit, and focused on culture building, so as to enhance privacy protection and data security management and promote high-quality and sustainable business development while ensuring the compliance of data use.

### 3.1

### Organizational Structure for Privacy and Data Security Management

The Bank has strictly implemented the data security accountability system. Under the enterprise-level IT risk management framework, the Bank has established an organizational structure for data security management consisting of the Board of Directors, the Board of Supervisors, the senior management and the execution level.



## ■ The Board of Directors

The Board of Directors attaches great importance to privacy protection and data security, and assumes the ultimate responsibilities for data security work. Party committees at all levels assume the main responsibilities for data security work within their respective organizations; principal responsible persons of institutions at all levels assume the primary responsibilities for data security; and members of the leadership team in charge of data security assume the direct responsibilities for data security. During the reporting period, the Board of Directors listened to the revised proposal on the Data Security Management Measures (Revised Version 2024) and the report on the Bank's data security work in 2023 and work plan for 2024.

## ■ Senior management

The Bank has incorporated data security risks into its comprehensive risk management framework. The IT Risk Management Committee of the Head Office, as the data security decision-making body of the Bank, reviews, decides and makes arrangements for material data security matters across the Bank. During the reporting period, the IT Risk Management Committee of the Head Office and the Bank Leaders' Special Meeting reviewed a total of 15 data security issues, including the Bank's data security work in 2023 and work plan for 2024 as well as the Data Security Management Measures (Revised Version 2024), to provide practical guidance for the Bank's data security work.

The Consumer Rights Protection Committee under the senior management plans and deploys consumer rights protection work in an overall manner. During the reporting period, the Consumer Rights Protection Committee of the Head Office reviewed issues related to the risk investigation of consumer personal information protection.

## ■ Execution level

Within the IT risk management framework, the Bank has established three lines of defense to ensure data security. Specifically, the departments responsible for data security constitute the first line of defense. Following the principle that "whoever manages business manages business data and data security", Head Office departments perform their responsibilities of the first line of defense for ensuring data security in their respective departments and lines. The Head Office's Financial Technology Department, Data Management Department, Legal Department, Software Research and Development Center, Risk Management Department, Credit Management Department, and Internal Control and Compliance Department constitute the second line of defense for ensuring data security. They are responsible for incorporating data security into relevant supervision and management work of their respective departments and lines. Among them, the Data Management Department of the Head Office serves as the centralized department for data security management and coordinates data security management work. The Audit Department at the Head Office constitutes the third line of defense for ensuring data security. The department is responsible for conducting audits related to data security and urging problem remediation.

To further strengthen data security management, the Bank set up a Data Security Division within the Data Management Department at the end of 2023 and assigned a dedicated management team. In 2024, the Bank continuously optimized the team structure. By combining talent introduction with internal training, the Bank significantly improved the team size and professional capabilities. As of the end of the reporting period, the Data Security Division had developed into a professional team of nearly 20 members, providing strong support for data security management across the Bank.

The Head Office departments and directly managed institutions handling consumer personal information constitute the first line of defense for consumer personal information protection. They are responsible for leading the consumer personal information protection work of their respective departments and lines, guiding agency business institutions to carry out consumer personal information protection work involved in their respective business lines, and implementing laws, regulations, regulatory provisions, and industry standards on personal information protection. The Legal Department (Consumer Interests Protection Department) is responsible for taking the lead in formulating the basic policies for consumer personal information protection, fully evaluating the consumer personal information protection situation in consumer protection reviews, incorporating consumer personal information protection into consumer rights protection training, and incorporating consumer personal information protection into consumer rights protection inspections. Relevant Head Office departments implement the requirements for consumer personal information protection as per internal policies.

## 3.2 Policies and Norms on Privacy and Data Security

### ■ Data security

Regarding data security work, the Bank upholds the principles of equal emphasis on security and development, tiered protection, full-cycle coverage, and minimum necessity, and promotes data development and utilization while ensuring security and compliance. As per laws, regulations and regulatory requirements, the Bank has established and improved the data security policy system, and formulated and issued more than 10 policies and rules on data security, including the Data Security Management Measures (Revised Version 2024), the Implementation Rules on Special Assessment of Data Security (Version 2024) and the Contingency Plan for Data Security Incidents (Version 2024). By defining various work standards and implementation rules, the Bank has rendered data security management more standardized in all aspects. The Bank's data security policies cover all levels of institutions and majority-owned subsidiaries.

No.	Policy
1	Data Security Management Measures of PSBC (Revised Version 2024)
2	Implementation Rules of PSBC for Data Classification and Grading (Version 2023)
3	Implementation Rules of PSBC for Data Security Control by Grade (Version 2023)
4	Rules of PSBC for Data Security Grading
5	Implementation Rules of PSBC for Data Extraction (Revised Version 2024)
6	Implementation Rules of PSBC for Data Laboratory Management (Revised Version 2023)
7	Implementation Rules of PSBC for Data Desensitization Management (Version 2023)
8	Implementation Rules of PSBC on Special Assessment of Data Security (Version 2024)
9	Implementation Rules of PSBC on Outbound Data Transfer Security Assessment (Version 2024)
10	Contingency Plan of PSBC for Data Security Incidents (Version 2024)

## Privacy protection

To standardize consumer personal information protection and effectively safeguard consumers' right to information security, the Bank issued the Management Measures for Consumer Personal Information Protection as per the Personal Information Protection Law of the People's Republic of China, Implementation Measures of the People's Bank of China for the Protection of Financial Consumer Rights, Measures for Administration of the Protection of Consumer Rights and Interests by Banking and Insurance Institutions and other laws, regulations and relevant regulatory provisions, as well as relevant technical specifications. The Measures stipulate the responsibilities and division of labor, standards for processing consumer personal information, impact assessment of consumer personal information protection, personnel management, education and training, and accountability requirements. Various departments are responsible for the consumer personal information protection work of their respective departments and lines, and branches at all levels are responsible for the consumer personal information protection work within their service areas, with an aim to effectively protect consumers' right to information security and prevent leaking of consumer personal information. The Bank conducted a systematic review of the existing internal systems for personal information, and disclosed the Key Points of Personal Information Protection<sup>4</sup>.

The Bank fully protects customers' right to know and right to choose in electronic channels, as well as customers' rights to access, acquire, amend, update and delete, etc. The Bank displays the E-Banking Privacy Policy of Postal Savings Bank of China and the Rules of Postal Savings Bank of China for the Protection of Personal Information of Children in E-Banking prominently on the mobile banking app, the personal internet banking webpage, the official website, and the WeChat official account of the Bank, informing customers of how the Bank collects, uses, stores, protects, shares, forwards, publicly discloses, and manages customers' personal information via electronic channels. The Bank further enforces requirements such as "notification and consent" and separate authorization in the product and service process on the electronic channel to ensure that customers' authorization is obtained prior to the use of their personal information. The Bank supports the function of pushing the latest version of the privacy policy text to customers via electronic channels, and guides customers to access the Bank's privacy policy update as soon as possible. The Bank also offers customers a convenient view of system access control, making it possible for them to retrieve the types of information to be shared with third-party organizations, the validity period of such information, and batch revocation. The Bank will not rent, sell or offer personal private data to third parties for purposes other than completing transactions or providing services. The Bank supports the downloading of the privacy policy in PDF version to further protect customers' right to information.

## 3.3 Privacy and Data Security Protection Measures

The Bank continues to strengthen privacy and data security protection measures. The Bank establishes the data classification and grading as well as data control mechanisms, implements data security management throughout the entire lifecycle, strengthens information system security protection, improves monitoring and emergency response, and conducts regular drills, to comprehensively protect customer privacy and data security.

### Conducting data classification and grading as well as control by grade

Based on the standards of the financial sector and its data characteristics, the Bank established a data classification and grading system, standardized the division of responsibilities, working methods, and operating

4. For the Key Points of Personal Information Protection, please refer to [https://www.psbc.com/en/investor\\_relations/social\\_responsibility/RulesandRegulations/](https://www.psbc.com/en/investor_relations/social_responsibility/RulesandRegulations/)

procedures for data classification and grading, and set up a regular cross-departmental communication mechanism to jointly promote data classification and grading. To enhance the quality and efficiency of data classification and grading, the Bank fully utilized artificial intelligence technology and innovatively adopted the dual-engine model of "rules + models" to achieve automated and intelligent classification and grading of data assets. As of the end of the reporting period, data within the Bank's existing systems were fully classified and graded.

In line with the country's laws, regulations and regulatory policies and based on the data classification and grading results, the Bank reviewed the management and technical requirements for all levels of data in all stages of the lifecycle, formulated over 160 protection strategies, and incorporated data security requirements into the software R&D management system, striving to promote data control by grade requirements in the software R&D lifecycle and various data processing stages.

### Implementing full-lifecycle data management

The Bank strictly abides by the principle of minimum necessity when collecting personal customer information via electronic channels. On the premise of complying with laws and regulations and the basic requirements for service provision, the Bank minimizes the type, amount and frequency of personal information collection. The Bank strictly implements the "customer notification and consent" process. Through notable means and easily understandable wording, the Bank informs customers of how the Bank collects, uses, stores, protects, shares, forwards, publicly discloses and manages customers' personal information in electronic channels in an authentic, accurate and complete manner. Customers shall voluntarily and explicitly make their decision on whether to grant consent, based on full knowledge of the relevant circumstances.

### ► Data collection

The Bank upholds the principle of "legality, legitimacy, necessity and good faith" and collects customer information through the mobile banking app, personal internet banking webpage, WeChat banking and other channels. The Bank will not collect data beyond the scope of customer consent or collect personal data using third-party tools, and performs control through the system. Upon the termination of financial businesses or services, the Bank immediately stops relevant data collection or processing activities, unless otherwise provided by laws and administrative regulations.

### ► Data storage

The Bank determines the data retention period based on business needs. The retention period of anti-money laundering, credit investigation and other related data complies with the country's laws, regulations and regulatory provisions. The Bank clearly defines the data backup strategy for various systems, stores backup data and production data separately, and strictly manages the access right to backup data. The Bank carries out system data backup verification on schedule to ensure the completeness and validity of backup data and business recovery.

Retention rules	Retention period
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 ten years after the business relationship ends, and customer transaction information shall be preserved for at least ten years after the transaction ends.
Credit investigation business materials	The paper authorization materials and the credit reports of customers whose offline business applications are not approved shall be kept together with the business application materials in a special folder for at least three years. The electronic authorization materials of customers whose online business applications are not approved shall be kept together with the business application materials in the relevant business application system for at least three years.
E-CNY	After the cancellation of a personal wallet, the institution to which the personal wallet belongs shall retain the wallet information for at least five years.
Bank card acquiring business	The Bank strictly implements the Measures for the Administration of the Bank Card Acquiring Business (Announcement No. 9 [2013] of the People's Bank of China), the Administrative Measures for the Online Payment Business of Non-Banking Payment Institutions (Announcement No. 43 [2015] of the People's Bank of China) and other regulations, to ensure that the transaction information of bank account payment or collection business carried out with payment institutions is kept for at least five years.
Agency sales of wealth management products (WMPs)	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 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 fund sales business shall be kept for at least 20 years from the year the business begins.

## ► Data use

The Bank has made consistent efforts to strengthen the management of data use. Following the principle of "authorization based on business necessity", the Bank conducts strict authorization management and access control management for data use, and strictly restricts the access frequency of tellers, customer managers, customer service staff and other personnel who need to inquire about data frequently. In case of personnel change, their authority will be adjusted or their accounts will be withdrawn promptly. When using data, protective measures such as screen watermarks, prohibition of copying, restriction of printing, and abnormal monitoring and early warning will be taken to prevent data leakage. Meanwhile, relevant operation logs will be retained. Besides, export permission will be strictly restricted for environments such as production, office and system development.

If data needs to be extracted from the production environment due to business requirements, it shall comply with the Bank's data extraction approval system, go through approval procedures, clearly indicate the use or retention period, and strictly control the scope of data use.

## ► Data processing

For data processing activities such as cleaning, conversion, aggregation, fusion, analysis, and mining of data classified as sensitive level or above, the Bank adopts anonymization, de-identification or other necessary security measures to protect the rights and interests of customers. When the Bank provides automated decision-making services for individuals based on the data items generated by processing, the Bank explains the purpose and basic logic of processing in an appropriate manner to ensure the transparency of decision-making.

## ► Data deletion and destruction

The Bank deletes or anonymizes data in accordance with relevant national and industry regulations as well as agreements with data subjects. Where data involving customer information is required to be deleted as stipulated by laws and administrative regulations, the Bank proactively deletes the data. Where data deletion is technically infeasible, the Bank will take measures such as stopping data use, minimizing the scope of data retention and strengthening data protection, etc.

## ► Strengthening the security protection of information systems

The Bank has developed a security management platform with a focus on the five phases of demand, design, development, testing, and deployment. The Bank has embedded the nodes of the security development workflow into the R&D project management process, to achieve the closed-loop management of development tasks in waterfall and agile modes from security requirements analysis, security design and security coding to security testing. The Bank has established a security assessment and security testing management mechanism for the changes and upgrades of the internet and important information systems. The Bank performs security risk assessments and security testing on every change and upgrade demand of the internet and important information systems across the Bank, to ensure the safe commissioning of every change and upgrade task of information systems. The development security platform has established security knowledge bases such as the security requirements library, security design library, security test case library, security threat library, and compliance library based on applications, data, and business scenarios, providing knowledge guarantee for the security development of the Bank's information systems. By developing and implementing the security management platform, the Bank synchronizes the security planning, development and launch of information systems, and consolidates the security protection capabilities of its information systems.

The Bank has built a channel management platform and a unified identity authentication system to achieve digital identity lifecycle management for customers and employees, has strengthened system operation security monitoring, analysis, early warning, as well as host and endpoint security hardening, and has continuously improved data security protection capabilities. The Bank has built a key management system to provide centralized and unified key management and crypto-operation services for various business systems, ensured confidentiality, integrity, authenticity and non-repudiation in the information processing of the Bank's business systems, as well as data security in business systems, and prevented data leakage.

## Improving monitoring and emergency response

### » Data security risk monitoring

The Bank has built a cybersecurity defense-in-depth system, has deployed Intrusion Prevention System (IPS), Web Application Firewall (WAF), anti-DOS/DDOS and other equipment at the internet boundary and external connection boundary, has collected traffic in each network area for monitoring and analysis, and has deployed security monitoring tools such as security situational awareness to conduct monitoring, early warning, analysis, assessment and emergency response for cybersecurity threats throughout the Bank. The Bank has continued to promote the development of systems and tools related to data security monitoring, etc., and has actively carried out routine security operations such as effectiveness verification, vulnerability detection and remediation of special ransomware scenarios, to detect, block and attack ransomware behaviors. The Bank monitors phishing websites and sensitive information leaks through the National Computer Network Emergency Response Technical Team/Coordination Center of China. Based on early warning information monitored internally and externally, the Bank promptly conducts investigations as per emergency response requirements.

### » Data security incident emergency management

The Bank has established an emergency management mechanism for data security incidents, and formulated and issued the Contingency Plan for Data Security Incidents (Version 2024), to refine the classification standards for data security incidents, define the organizational structure and responsibilities for emergency response to data security incidents, standardize emergency response processes including incident discovery and reporting, incident investigation, preliminary disposal, emergency response decision-making and disposal, emergency termination, and incident summary, and clarify the contingency plan and training for data security incidents as well as emergency drill requirements.

The Bank has established the organizational structure of emergency response to data security incidents of the Head Office under the Head Office's Leading Group for Emergency Response. The structure includes the command group, execution group, and support group for emergency response to data security incidents of the Head Office, which are respectively responsible for directing emergency response to data security incidents classified as major incidents or above, carrying out such emergency response, providing human, financial, material and other resources required for emergency response, and undertaking work such as internal control and compliance support, legal consulting, consumer protection support, order maintenance, public opinion response, and logistics support.

The Bank continues to strengthen the monitoring and early warning of data security incidents to achieve early identification, warning, discovery and resolution of risks. Based on early warning information monitored internally and externally, the Bank promptly conducts investigations as per emergency response requirements. If an incident involves the leakage of sensitive personal information and may seriously compromise the legitimate rights and interests of customers, the Bank will promptly inform the affected customers of the incident details by email, written correspondence, phone calls, push notification, etc. If it is not feasible to inform customers one by one, the Bank will release warning information relevant to the public in a proper and effective manner. If the incident involves a third-party institution, the Bank will promptly communicate with the institution on the incident and emergency response measures as per contracts and agreements.

Institutions at all levels of the Bank shall conduct emergency drills for data security incidents at least once a year. In 2024, the Bank organized two Head Office drills and one branch drill, covering eight Head Office departments and 36 tier-1 branches, with more than 100 participants. Through sand table exercises and timely summaries, the Bank has improved its emergency response and management capabilities in data security incidents. During the reporting period, no data security-related incidents occurred.

## Conducting cyber defense drills

The Bank actively organizes and conducts live-fire cyber defense exercises. Externally, the Bank dispatches attack teams to successfully complete the country's attack missions during major events. Internally, the Bank organizes and conducts multi-scenario red-blue confrontation drills from time to time, and carries out penetration tests on a regular basis, with a focus on identifying security issues and vulnerabilities in the Bank's production system, to ensure the safe and stable operation of the Bank's systems and effectively protect personal information security of the Bank's customers. In addition, the Bank successfully held the Information Security Competition of the 2024 IT Skills Competition. The Bank actively participated in external competitions such as "WangDing Cup" and Real World CTF, and won many awards. The Bank has developed the capabilities of security attack and defense talents in multiple dimensions, to build a high-caliber cyber and data security attack and defense team and improve the security protection of its information systems.

In the 2024 national cybersecurity drill, the Bank participated in the industry-specific drill and emergency drill organized by the People's Bank of China and NFRA for the first time. The Bank carried forward the "Tashan Spirit" of tenacious defense, navigated all-round challenges and tests, and incurred no major cybersecurity incidents. The Bank maintained "zero deduction" for the third consecutive year. Many of its defensive tactics and summaries were rated as excellent by the Ministry of Public Security. The Bank delivered excellent performance in both the real-world cyber attack/defense and special drills.

## 3.4 Third-Party Privacy and Data Security Management

The Bank attaches great importance to the security management of customer information processed by third-party institutions. As per such internal policies as the Data Security Management Measures (Revised Version 2024) and the Information Technology Outsourcing Management Measures (Revised Version 2024), the Bank clarifies the requirements for third-party data security management, standardizes technical protection measures, and continuously strengthens the supervision mechanism, to effectively protect customer information security. The Bank strictly controls data sharing and use as well as entrusted data processing. Following the principle of minimum necessity, the Bank stipulates the scenarios, methods, and responsibilities and obligations of both parties for data processing through contracts and agreements, and adopts technical measures such as encryption, desensitization and watermarking to ensure the security of data use. If customer information is involved, the Bank informs the customer and obtains consent in accordance with the law before data processing.

The Bank strictly guards against third-party data security risks. The Bank conducts data security special assessments on data processing activities that have a significant impact on data subjects, such as entrusted processing and external sharing, to analyze data security risks and their impact on the rights and interests of data subjects, and evaluate the necessity, compliance, and effectiveness of data processing. Before sharing personal customer information, the Bank obtains the authorization and consent of personal customers to effectively prevent the improper use of customer information, and fully ensure business development and data processing are carried out in a safe and compliant environment. During the reporting period, the Head Office completed 42 data security special assessments.

The Bank issued the Information Technology Outsourcing Management Measures of PSBC (Revised Version 2024) to define management requirements in areas such as pre-event risk assessment, data security protection, and outsourcing supervision and inspection. The Bank conducts outsourcing due diligence, stipulates confidentiality and security clauses in contracts, signs data security commitments with third-party institutions and outsourced personnel, strictly controls the scope of authority of outsourced personnel in accordance with the principle of minimum necessity, to implement third-party privacy and data security management requirements. The Bank conducts on-site inspections on third-party non-resident institutions that meet important outsourcing conditions.

The inspections involve internal control management, data security management, emergency plans and drills, etc. The Bank requires third-party institutions to remedy the problems identified in the inspections within a specified period of time to improve the quality of outsourcing services.

## 3.5 Privacy and Data Security Training

The Bank continues to strengthen privacy and data security training. The Bank conducts special data security training for all employees every year to strengthen their data security awareness. It also conducts special data security training for data security specialists at Head Office departments and tier-1 branches, which covers data security policies, data classification and grading as well as control by grade, data security protection technology, data security emergency management, data security assessment, and warning cases, etc. During the reporting period, the Bank made full use of the internal network platform to conduct data security training for all employees, with more than 140,000 participants.

## 3.6 Privacy and Data Security Assessment and Audit

Regarding privacy and data security assessment and audit, the Bank has actively built a comprehensive data security supervision framework, has established a multi-level defense and supervision system, and has carefully reviewed various data security tasks. The Bank continuously tracks the dynamics of privacy and data security work, accurately identifies key processes that need to be improved, and effectively promotes the improvement of policies related to data security, implementation of measures, and system development. In 2024, the Bank engaged an independent third-party institution to conduct a diagnosis and review of data and information security.

### Data security assessment and inspection

The Bank organizes the comprehensive data security assessment every year. During the reporting period, the Bank conducted a bank-wide data security assessment for the Head Office, 36 tier-1 branches, and three subsidiaries. Based on nearly 300 refined assessment indicators, the Bank comprehensively reviewed the current status of data security, identified potential risks and weak links, and determined areas for improvement. The Bank conducts inspections on IT risk, cybersecurity, data security, etc. for tier-1 branches and subsidiaries every year. During the reporting period, the Bank conducted on-site inspections on eight tier-1 branches and three subsidiaries, provided guidance for remedying problems identified during the inspections, and promoted the enhancement of data security protection capabilities of branches and subsidiaries.

### Privacy protection assessment and inspection

Regarding the protection of consumer personal information, relevant Head Office departments and tier-1 branches carry out risk investigation of consumer personal information protection. Based on laws, regulations, regulatory provisions, and problems identified in regulatory notices, previous inspections and benchmarking, the departments and branches summarize key points of investigation, comprehensively investigate business practices and management conditions related to the processing of consumer personal information, and thoroughly identify problems in policies and rules, agreements, information systems, operating procedures, employee behaviors, etc.

### Assessment on classified protection of cybersecurity

As per the National Standards for Classified Protection of Cybersecurity in the Financial Industry (Version 2.0) and relevant standards in the financial sector, the Bank assesses the classified protection of cybersecurity every year, in which eligible third-party organizations are hired to evaluate the cybersecurity protection capability of systems filed at security protection level 3 and above.

### Commercial cryptography application security assessment

Every year, the Bank hires eligible third-party organizations to conduct commercial cryptographic application security assessments on key information infrastructure systems as per the standards for commercial cryptography application of information systems, so as to promote progress through assessment. During the reporting period, all of the systems passed the assessment and completed regulatory filing. Based on business needs, the Bank uses commercial cryptography technologies such as data encryption and digital signature to effectively defend against cyber attacks and data theft, ensure data security in the financial field, and further enhance its cyber and data security protection capabilities.

### Financial technology product certification

The application programming interface (API) of the Bank's open service platform system and blockchain service platform system were certified as financial technology products by the State Administration for Market Regulation and the People's Bank of China in terms of APIs of commercial banks and blockchain technology products, respectively. The "text-to-picture" business scenario large model of the WeChat banking system passed the trustworthy AI evaluation of the China Academy of Information and Communications Technology (CAICT), and obtained the Trustworthy AI Certificate. Relevant technical products met financial regulatory requirements, providing solid guarantee for compliant operations. Through the above certifications, the Bank effectively improved the market competitiveness of its financial technology products, ensured a virtuous cycle between regulatory compliance and technological innovation, and further consolidated its risk management capabilities in financial technology.

### Privacy and data security audit

The Bank regularly conducts data security audits every year. During the reporting period, the Bank conducted special data security audits, covering the data security organizational structure, policy system, classification and grading, important data control, security impact assessment, problem rectification, etc., thereby continuously strengthening privacy protection and data security.

### IT security audit

The Audit Department of the Bank conducts special IT audits every year and achieves full coverage of IT audits for the Head Office and branches every three years. The Bank conducted special IT audits in 2024 and 2025. By examining the risk management efforts of tier-1 branches in various IT fields, the audits revealed the IT management problems, defects, and potential risks of branches, evaluated the compliance, rationality and effectiveness of IT risk management, urged ongoing policy and process improvement, and facilitated tier-1 branches to improve their IT risk management capabilities.

## Personal information protection audit

The Bank regularly conducts consumer protection audits every year to comprehensively evaluate the quality and effectiveness of consumer protection work, with a focus on the implementation of consumer protection responsibilities in all links of consumer protection marketing and publicity, including personal information protection, as well as the quality and performance of the complaint management mechanism.

### 3.7 Security Management Certification

The Bank persists in promoting the international certification of security and data management systems, and continuously expands the coverage of relevant certification operating institutions and information systems. The Bank has passed the ISO27001 Information Security Management certification, ISO20000 Information Technology Service Management certification, CMMI-DEV Software Management Maturity Level 4 (ML4) certification, and Test Maturity Model integration (TMMi) Level 4 certification; obtained the Certificate for the Data Management Capability Maturity Assessment Model (Level-4); and passed the evaluation of continuous delivery standards, security and risk management standards, system and tool standards, and continuous test standards of CAICT's Capability Maturity Model of DevOps.

The Bank actively participates in the formulation of various standards. Specifically, the Bank contributed to the preparation of the Report on Commercial Cryptography Application and Development in the Financial Industry (2023-2024), Research on the Development of Digital Channels for Financial Services, Research and Application Practice of Post-quantum Privacy Computing Technology, Report on the Development and Practice of Data Security in the Financial Industry, Practice of Sharing Financial Data Factors, Special Research Report on Financial Data Security Governance, Report on the Research Program of Methods Used to Develop Industry-level General Corpora, Research on Intelligent Data Desensitization Technology in the Financial Industry, Research Report on Developing a Digital Trust System for Digital Transformation of Financial Institutions, and Collection of Data Security Governance Cases in the Financial Industry: Development and Practice of Data Security Governance Systems in the Banking Industry. The Bank received Grade A in the People's Bank of China's Annual Credit Compliance and Information Security Assessment for 2024.



04

## Consumer Financial Protection

4.1

### Training on Consumer Financial Protection

The Bank actively organizes training on consumer protection, and communicates consumer protection policies, rules and requirements, thereby improving employees' awareness and skills regarding consumer protection.

#### Policy requirements

The Bank has established an internal training mechanism for consumer protection, carried out consumer protection training for practitioners, improved training effectiveness, and enhanced employees' awareness and capabilities regarding consumer protection. The Bank formulated the Management Measures for Consumer Protection to define the scope of consumers entitled to protection, the principles to be followed, basic rights of consumers and entitlements, job responsibilities, etc. The Bank formulates training plans on an annual basis and strengthens the evaluation of training effectiveness, to improve the quality and efficiency of training.

#### Targeted trainees

The Bank conducts special training on consumer protection at least once a year, targeting all middle and senior management personnel, front-line business personnel, and new recruits. Institutions at all levels, based on their actual situation, adopt a variety of methods to provide education and training on consumer protection for employees in the departments and lines of business, especially front-line employees who directly deal with consumers. For business positions with frequent consumer complaints and higher risks, the Bank appropriately increases the frequency of training.

## 4 Training methods and contents

The Bank strengthened training management. During the reporting period, the Bank issued the annual customer protection training plan, and made overall arrangements for consumer protection training, covering consumer protection training, business line training, and training for recruits. The Bank combined on-site lectures with remote training, focused on key points and effective outcomes, and delivered more targeted and effective training. In 2024, the Head Office and tier-1 branches organized over 800 training sessions on consumer protection, with an attendance of about 560 thousand person-times. The training achieved 100% coverage and an employee participation rate of 103%. Additionally, the Bank issued the Circular on the Progress of Consumer Protection Training in 2024, and enhanced the summary and evaluation of the training effectiveness.

The Bank organized themed training sessions on consumer protection. During the reporting period, the Bank organized training sessions on the interpretation of consumer protection management policies, complaint management, protection of consumers' personal information, use of functions and models of the complaint management system, partner institution management, analysis of marketing cases and examination of consumer protection, as well as publicity and education on financial knowledge, etc., which helped employees of institutions at all levels better understand and master key tasks and regulatory requirements of consumer protection.

The Bank enriched the forms of training. By inviting executives, internal trainers, and external lecturers, etc. to deliver a series of consumer protection training lectures through online and offline channels, the Bank helped institutions at all levels improve their understanding of laws, regulations, and regulatory requirements in the field of consumer protection, better understand the current situation, broaden their perspective and horizons, and reinforce work implementation.

## 4.2 Product and Service Review

The Bank upholds the concept of prevention first and solidly carries out consumer protection review in the design and development, pricing management, agreement formulation, as well as marketing and publicity of products and services for consumers. During the reporting period, the Board of Directors and its Social Responsibility and Consumer Rights Protection Committee held regular meetings to listen to reports on consumer protection progress (including consumer protection review), and studied and reviewed important matters of consumer protection. The Consumer Rights Protection Committee at the senior management level listened to reports on the progress of consumer protection review and examined the operation of the consumer protection review mechanism and typical cases.

The Bank continues to strengthen the standardization, specialization and digitization of consumer protection review and improve the quality and efficiency on all fronts. The Bank formulated the Guidelines for Consumer Protection Review (Version 2024), which outlined detailed requirements for each stage of the review process. The Bank carried out post-review evaluation and examined review progress to further standardize consumer protection review. The Bank issued the Handbook on Key Points of Consumer Protection Review (Version 2024), compiled the Consumer Protection Review Cases, and organized activities for the Head Office and branches to share review experience. The Bank produced a series of infographics titled "Consumer Protection Review Micro-Lessons" to enhance the professional capabilities of review personnel at all levels. The Bank optimized the functions of

the review platform, launched the intelligent recommendation function for review opinions, and achieved the automatic interlink of risk points, regulatory bases, and review opinions, which empowered the primary-level institutions in improving the quality and efficiency of review, and rendered consumer protection review more digital and intelligent.

## 4.3 Loan Contract Modifications

In the process of signing loan contracts or agreements with customers, the Bank fully considers consumer protection, focuses on assessing customers' financial standing and repayment capacity, and explicitly defines eligibility criteria and requirements for contractual modifications to ensure more efficient services. For customer groups facing temporary economic hardship with short-term repayment difficulties, the Bank alleviates their immediate financial pressures by reasonably adjusting the repayment arrangement. If a customer experiences short-term income fluctuation while retaining repayment capacity and demonstrating sound repayment willingness, the Bank offers phased repayment modification services, principal repayment grace periods, and temporary reductions in installment amounts.

The Bank revised the standardized credit contract templates to include customer notices emphasizing integrity oversight and collaborative efforts in fostering the "Sunshine Credit" culture.

## Management mechanisms

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

## Loan modification elements

The Bank fully embodies 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 certain relief services as appropriate to customers who are willing to repay loans but have temporary liquidity constraints. For customers with early repayment requests, the Bank provides appropriate facilitation plans including adjustments to repayment terms, changes in installment amounts, etc. Upon mutual agreement, customers can apply for modification of loan terms, repayment methods, and auto-debit accounts, among others. The Bank also dynamically adjusts customers' credit lines based on their credit ratings. Specifically, to meet loan customers' demand for early repayment, the Bank reduces monthly installments with the remaining repayment term unchanged or shortens the remaining repayment term with monthly installments unchanged. To coordinate support for borrowers seeking repayment deferrals: For clients experiencing income reduction and short-term liquidity strains, extensions may be granted; For creditworthy customers, credit line enhancements are available — including collateral expansion and guarantor arrangements — as credit upgrade options; For customers with impaired credit or declining repayment capacity, the Bank takes moves such as credit line reduction, account restrictions, etc.

## 4.4 Debt Collection Management

In strict accordance with China's laws, regulations and relevant regulatory provisions, the Bank formulated internal rules and regulations on non-performing assets (NPAs"), clarified the responsibilities for NPA management, strictly standardized the recovery of NPAs, and strengthened supervision, inspection, assessment and management. It organized various forms of training for asset preservation personnel to enhance their professional capabilities. In the process of NPA recovery, while fully safeguarding its creditor's rights, the Bank attaches importance to protecting the legitimate rights and interests of financial consumers and prohibits acts such as violent recovery. The Bank conducted a systematic review of existing internal debt collection policies and practices, and disclosed the Key Points of Debt Collection Policies<sup>5</sup>.

The Bank actively played the role of a major bank, fully practiced the political and people-oriented nature of finance, and formulated the Administrative Measures for the Restructuring of Non-performing Loans of Individual Customers of Postal Savings Bank of China (Version 2023), the Administrative Measures for the Restructuring of Non-performing Creditor's Rights of Corporate Customers of Postal Savings Bank of China (Version 2023) and other policies. For customers with a strong willingness to repay, who encountered financial difficulties and were already unable or expected to be unable to repay debts or perform obligations under existing contracts, the Bank gave them a moderate repayment grace period by making adjustments that were beneficial to the debtors or providing refinancing for their existing debts, thereby reducing their short-term debt repayment pressure.

## 4.5 Fair Advertising Policy

The Bank formulated the Rules on the Compliance Management of Personal Banking Business Marketing in strict accordance with the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and other laws and regulations, as well as the Guiding Opinions of the General Office of the State Council on Strengthening Protection of Financial Consumers' Rights and Interests, Notice on Further Enhancing Regulation of Financial Marketing, and other regulatory provisions. The Bank conducted a systematic review of existing internal systems and practices in personal banking and customer marketing, and disclosed the Key Points of Policies of Personal Banking and Customer Marketing<sup>6</sup>.

### Scope of application

The Rules applies to all marketing channels, including but not limited to the official websites, mobile terminals, social media platforms, branch premises, and external media. The Rules sets forth specific requirements on the scope of marketing activities, the oversight of cooperative institutions, the review of the legality and compliance of marketing materials, and the protection of consumer information security. In the Rules, the Bank forbids marketing financial products and services through fraudulent or misleading means, conducting financial marketing campaigns that undermine fair competition, exploiting government credibility for financial marketing, infringing upon the rights of financial consumers to informed decision-making, engaging in improper marketing via the internet, or sending marketing information to financial consumers in violation of regulations.

5. For the Key Points of Debt Collection Policies, please refer to [https://www.psbc.com/en/investor\\_relations/social\\_responsibility/RulesandRegulations/](https://www.psbc.com/en/investor_relations/social_responsibility/RulesandRegulations/)  
 6. For the Key Points of Policies of Personal Banking and Customer Marketing, please refer to [https://www.psbc.com/en/investor\\_relations/social\\_responsibility/RulesandRegulations/](https://www.psbc.com/en/investor_relations/social_responsibility/RulesandRegulations/)

## Management and supervision mechanism

To improve the effectiveness of equitable marketing policies, the Bank has incorporated the lawful and compliant marketing of personal banking business into consumer protection assessments. The Bank conducts regular inspections of personal banking business advertising placements, design and production of promotional materials, and marketing activities. The Bank organizes ad hoc experience exchange and training activities for marketing personnel to improve the compliance level of marketing across the Bank.

The Bank formulated the Letter of Consent for Personal Customers to Receive Marketing Information of Postal Savings Bank of China in strict accordance with the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and other laws and regulations, and the Implementation Measures of the People's Bank of China for Protecting Financial Consumers' Rights and Interests as well as other regulatory provisions. The letter of consent is presented to customers during account opening and customer creation processes for debit cards and savings accounts, so that customers can sign the letter at their discretion. After obtaining customers' authorization and consent, the Bank recommends the financial products (including self-operated products and agency products), services and special offers of the Bank and its subsidiaries to customers based on the authorized personal information. If customers no longer wish to receive such marketing information, they may withdraw consent through the Bank's customer service hotline, mobile banking app, etc., to protect their legitimate rights and interests in accordance with the law.

## 4.6 Customer Complaint Management

The Bank continues to improve the complaint management mechanism, focuses on weak links and fields with frequent complaints, actively addresses early signs of complaints and conducts root-cause remediation, to improve the quality and efficacy of complaint resolution.

### Management structure

#### ► The Board of Directors and its special committees

The Board of Directors of the Bank assumes the ultimate responsibilities for consumer protection and serves as the highest decision-making body for consumer protection. The Board of Directors is responsible for formulating strategies, policies and goals for consumer protection, providing overall plans and guidance on consumer protection, supervising the performance of the consumer protection duties by the senior management, 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 Social Responsibility and Consumer Rights Protection Committee regularly listened to proposals including regulatory complaint referrals, and put forward opinions and suggestions on intensifying the efforts to handle popular complaints, address early signs of complaints, strengthen complaint assessment and accountability, etc.

## » Senior management

The Consumer Rights Protection Committee under the senior management is responsible for organizing and leading the complaint management work across the Bank. In the first half of 2025, the Bank convened four meetings of the Consumer Rights Protection Committee to continuously strengthen the guidance and supervision of complaint management, intensify the fulfillment of responsibilities, analyze the situation of complaint handling and problems in areas with frequent complaints, propose solutions, and strengthen the refined management of complaints. The committee established a quarterly complaint analysis mechanism for the senior management to regularly analyze the overall situation of complaint handling and examine key complaint issues and the effectiveness of complaint reduction measures. The committee also strengthened horizontal and vertical complaint supervision, set up a complaint management work group, reported bank-wide complaints on a monthly basis, alerted key businesses and key branches, communicated regulatory requirements in time, and continuously tracked implementation.

## » Head Office and institutions at all levels

The Legal Department (Consumer Interests Protection Department) of the Head Office is the leading complaint management department throughout the 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, monitoring alerts, and information disclosure of complaint data, supervises and promotes relevant departments to continuously improve policies, products, processes, systems, services, etc. based on complaints, and strengthens root-cause remediation.

Institutions at all levels assume the primary responsibilities for protecting the legitimate rights and interests of consumers and handling complaints. They are responsible for handling complaints arising from purchasing the Bank's products or receiving the Bank's services, managing, and providing guidance to and evaluating the complaint handling efforts of institutions at the same level and institutions under their management. They are responsible for coordinating and urging institutions within their jurisdiction to properly handle various complaints, ensuring that complaints are received in a timely manner, smoothly forwarded, and efficiently handled, preventing complaints from being passed on between institutions and departments, and avoiding the escalation of conflicts and disputes.

## » Complaint management objectives

The Bank has integrated financial consumer protection, including complaint handling, into all aspects of corporate governance, actively built a consumer protection culture, and guided all employees to foster consumer protection awareness. The Bank has set annual consumer protection and complaint management objectives, including but not limited to conducting consumer protection reviews on all products and services, setting quantitative complaint control objectives, and improving customer satisfaction. The Bank has refined the complaint traceability and rectification working mechanism, improved the effectiveness of complaint analysis, monitoring and early warning, promoted the re-examination of the complaint handling process, re-examined and improved the complaint management process, and enhanced the quality and efficiency of complaint handling and customer service experience.

## » Complaint management working mechanism

### » Comprehensively improving the complaint management system and mechanism

The Bank earnestly implements regulatory requirements and continuously improves the complaint management policy system. The Bank has issued the Consumer Complaint Management Measures, Management Measures for the Emergency Plan for Handling Major Consumer Complaints, Management Measures for Diversified Resolution and Small Compensation of Financial Disputes, and Operating Procedures for the Financial Consumer Complaint Management System, to clarify the division of responsibilities, refine the complaint handling process and standards, and gradually form a complaint management system with smooth complaint channels, clear handling processes, and effective monitoring and rectification.

The Head Office's Operation Management Department, Internet Finance Department, and Credit Card Center manage complaint channels. These departments manage complaints from outlets, the Remote Banking Center, and credit card customer service, respectively. These departments are responsible for the overall coordination, data statistics, analysis, reporting, monitoring, prompting, supervision, inspection, and training with respect to complaints from corresponding channels. The management departments of various complaint channels, based on the characteristics of the channels, internal regulations, and regulatory requirements, have formulated the Management Measures for On-site Consumer Complaints at Outlets, Management Measures for Consumer Complaints from the Remote Banking Center, and Management Measures for Consumer Complaints about Credit Cards applicable to their respective channels, which have specified the time limits and requirements for handling complaints from each channel.

### » Complaint handling principles



The Bank shall handle complaints in strict compliance with relevant laws, regulations, regulatory provisions, and contractual agreements, fully consider and respect the justified demands of consumers, make fair and legal decisions, and actively and properly handle complaints.

The Bank shall implement local management and hierarchical responsibility in handling complaints, conduct strict time limit management, and respond quickly and handle complaints efficiently. By doing so, the Bank seeks to resolve conflicts and disputes at the grassroots level and within the Bank.

When handling complaints, the Bank shall attach equal importance to dispute resolution and source control. While continuously improving the quality and efficiency of complaint handling, the Bank shall improve the traceability and rectification mechanism, timely identify and analyze the causes of complaints, take effective improvement measures, and reduce complaints from the source.

The Bank shall establish a dispute resolution mechanism that links complaint handling with mediation. The Bank shall fully utilize the dispute mediation mechanism, establish mechanisms for dynamic granting, temporary granting, and remote granting of mediation authority, and set up mechanisms for rapid approval and timely response to mediation, to promote dispute resolution and ensure a high mediation settlement rate.

## » Stepping up complaint monitoring and prompting, and strengthening traceability and rectification

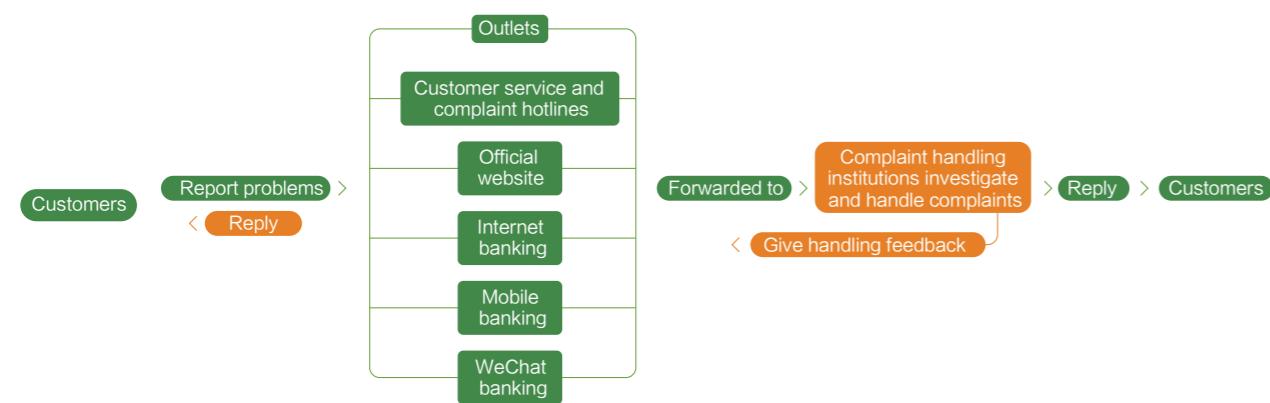
The Bank has established a quarterly complaint analysis mechanism to regularly analyze the overall situation of complaint handling at the meetings of the Consumer Rights Protection Committee and examine key complaint issues and the effectiveness of complaint reduction measures. The Bank has established a mechanism integrating quarterly complaint reporting, monthly complaint analysis, and daily complaint monitoring and prompting, thereby tracking complaint trends in a timely manner and continuously monitoring and analyzing complaint data. The Bank has issued the Notice on Further Optimizing the Complaint Monitoring and Prompting Mechanism, has strengthened complaint analysis, further enriched the monitoring and prompting mechanism, and enhanced the tracking of rectification efforts. The Bank has optimized the complaint traceability and rectification mechanism, deeply analyzed the problems reflected in complaints regarding rules, processes, systems and management, improved the effectiveness of traceability and rectification, and transformed the "problem list" of customers into a "satisfaction list".

## » Advancing the digital and intelligent transformation of complaint management

The Bank's complaint management system covers all existing complaint acceptance channels, and records and updates complaint acceptance and handling information in real time. During the reporting period, an intelligent complaint classification model was launched to identify key information in complaint tickets, categorize complaints, and develop a complaint label system. The model displays the complaint types with the fastest growth rate and highest frequency in real-time, automatically generates complaint analysis reports on a daily, weekly, monthly, and quarterly basis, intelligently summarizes and extracts complaint risk clues, timely monitors and discovers early signs of complaints, and tracks the effectiveness of complaint reduction in real time, enabling the Bank to effectively carry out complaint reduction efforts. The Bank also launched a repeated complaint model for the reporting, review and approval of repeated complaints, providing model support for complaint review reduction.

## Complaint handling process

The Bank continues to develop complaint acceptance channels, improve complaint handling processes, unblock customer complaint channels, and timely update public information, in a bid to improve the quality and efficiency of complaint handling. Customers can report problems through online and offline channels such as outlets, customer service and complaint hotlines, official website, and e-banking, etc. The complaint handling process of the Bank is as follows:



## » Complaint channels and special reviews

The Bank displays and timely updates information on complaint channels such as complaint hotlines and mailing addresses, complaint acceptance methods, and complaint handling processes in conspicuous places such as the homepage of the official website, mobile terminals, business premises, and office premises. The Bank also informs customers of complaint acceptance methods through voice prompts in the main menu of customer service hotlines. Customers may file complaints and report problems through various complaint channels published by the Bank (such as the Remote Banking Center, credit card customer service, and outlets on-site).

## » Complaint escalation mechanism

The Bank has established a complaint handling system that is vertically connected and horizontally integrated. By improving mechanisms such as major complaint escalation, higher-level institution assistance, and collaborative handling, the Bank provides institutional guarantee for complaint escalation.

For customers with special needs, if the complaint exceeds the authority of the complaint handling unit, the unit shall try to appease the customer and escalate the complaint to a higher-level unit in the business line. For complaints that are significant or sensitive or have a high risk of escalation, or the complainant has repeatedly complained about the operations and services of institutions other than outlets, institutions involved may designate the management departments of relevant business and services of the higher-level institution as assisting units to guide complaint handling. For tricky and complex complaints, the complaint handling unit may establish a coordination and handling group based on specific complaints, organize relevant units to hold consultation meetings, and timely develop solutions. Other units shall actively cooperate.

## Complaint management supervision, verification and audit mechanism

### » Compliant handling supervision and verification

During the complaint handling process, the Bank shall inform customers of its decision regarding their complaints as well as remedies that customers can take, including verification, mediation, arbitration, and litigation. Regarding complaint verification, if customers have objections to the complaint handling results replied by the handling unit, customers may apply in writing to the higher-level institution of the handling institution for verification within 30 days from the date of receiving the complaint handling decision. Regarding diversified resolution, the Bank fully utilizes third-party mediation organizations to promote problem solving and diversified resolution of customer disputes. Regarding supervision and management, the Bank has included the quality and efficiency of complaint handling at all levels of institutions in the scope of assessment, and has included complaint management and handling of branches in the scope of inspection. Through various supervision and inspection measures, the Bank ensures timely response to as well as proper handling and effective supervision of customer demands.

### » Audit mechanism

The Bank strictly implements the requirements of the Measures for Administration of the Protection of Consumer Rights and Interests by Banking and Insurance Institutions, and continuously strengthens the supervision mechanism for consumer protection. The Bank includes consumer protection work in the annual audit. The Audit Department of the Bank, 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 5 years. The Audit Department of the Head Office continues to supervise audited units to rectify problems identified in audits. The Board of Directors as well as its Social Responsibility and Consumer Rights Protection Committee and Audit Committee regularly listen to audit reports on consumer protection, which are submitted to regulatory authorities on an annual basis.

## 4.7 Financial Literacy Promotion

The Bank conducts in-depth financial knowledge education and publicity, continuously improves its educational and promotional mechanisms, actively explores innovative and diverse communication channels, and broadens the coverage of financial literacy efforts to help the public strengthen their awareness of financial security and develop a healthy financial concept. During the reporting period, institutions at all levels of the Bank actively collaborated with external institutions such as regulatory authorities, industry associations, government departments, and educational institutions to carry out publicity activities, jointly fostering an enabling atmosphere for financial education and services. PSBC Yancheng Branch in Jiangsu Province took the lead in hosting a publicity livestream on March 15 under the guidance of NFRA Yancheng Local Office, Yancheng Banking Association, and Yancheng Insurance Industry Association, which introduced the key measures taken by PSBC to serve the real economy, support MSEs, and boost rural revitalization. PSBC Jingmen Branch in Hubei Province innovatively established a work system integrating publicity, service and governance. The branch built an information sharing mechanism with NFRA Jingmen Local Office and Jingmen Banking Association, jointly launched an initiative for the governance of black and gray industries, and investigated 17 illegal intermediary clues. PSBC Chongqing Branch launched the "Financial Security Open Class" program at local universities. The branch worked with the police officers of the anti-fraud center to reveal the truth behind campus loans, brushing scams, etc., with real cases, in a bid to improve the ability of teachers and students to prevent illegal financial activities.

### Expanding the coverage of financial education and publicity

Attaching great importance to improving financial literacy, the Bank improves the regular education and publicity mechanism, promotes the integration of financial education and publicity into the entire business development process, and continues to carry out various types of financial education and publicity activities with multiple themes and at multiple levels. The Bank formulated the annual financial education and publicity work plan, clarified the main tasks and work requirements of financial education and publicity in 2025, guided institutions at all levels to carry out various financial education and publicity work in an orderly manner, and ensured bank-wide efforts in financial education. During the "March 15 Education and Publicity Campaign of Financial Consumer Protection" in 2025 and the "Financial Literacy Nationwide Publicity Tour" in June, the Bank carried out the "U-Heart Companion" characteristic publicity campaign nationwide. By taking advantage of the development of creditworthy villages, postal services and postal routes, the Bank increased education and publicity efforts in county-level areas through such initiatives as the Financial Classroom, Financial Knowledge Night Fair, and Consumer Protection Operas, to balance the allocation of financial education and publicity resources. During the reporting period, institutions at all levels carried out over 225 thousand online and offline activities, reaching customers of nearly 1.54 billion person-times.

### Meeting differentiated needs for financial knowledge

The Bank focuses on key customer groups such as the elderly, teenagers, new citizens, rural residents, and ethnic minorities, strengthens financial education and publicity efforts in schools, communities, villages, enterprises, and business districts, actively introduces communication methods and education forms that adapt to diverse needs, and carries out multi-scenario financial education and publicity activities based on consumers' concerns, to meet the needs of different customer groups for financial knowledge.

#### Protecting and supporting the elderly

The Bank actively adapts to the financial needs of the elderly, launches elderly-friendly financial services, and continues to build "Jinhui Sub-branch" featured outlets with designated senior service, to offer caring services including priority handling, full-process attention and proactive assistance to senior customers. Bank outlets are equipped with age-friendly amenities such as courtesy seats, special assistance counters, and accessible passages to improve the financial experience of the elderly. Institutions at all levels deeply integrate financial education with beneficial public services, to continuously improve the risk prevention ability of the elderly. PSBC Henan Branch came to senior universities to explain in detail the operation chain, typical characteristics, and identification methods of telecommunications fraud, to guide the elderly to avoid fraud traps. PSBC Jiangsu Branch launched the "Elderly Classroom". Based on typical cases such as pension fraud, the branch provided risk warnings and protected the finances of elderly customers.

#### Protecting and supporting teenagers

The Bank is committed to integrating consumer protection knowledge into the curriculum and bringing rich and diverse financial knowledge to campus. It launches interactive and immersive education and publicity activities and financial education courses to promote the inclusion of financial knowledge into the national education system, in a bid to achieve the goal of "educating one student, influencing the whole family, and benefiting the economy and society". PSBC Hebei Branch launched the "Young Financier" publicity activity to teach primary students to manage pocket money and identify counterfeit money face to face, helping children establish correct outlooks on consumption and values. PSBC Xizang Branch launched the "Bringing PSBC Financial Services to Campus" publicity activity, during which the staff members went deep into new scams such as "free skins" and "low-price game kit", reminding students to always be vigilant and pay attention to protecting personal information and property security.

#### Paying attention to hot financial topics and supporting new citizens

The Bank combines the promotion of financial literacy with services for new citizens and provides considerate financial services for financial consumers with practical actions. Regarding payment improvement, the Bank has improved and upgraded payment services. The Bank has opened payment channels with more than 80 payment institutions and rolled out the one-click card binding function on the client terminals of payment institutions, bank counters, mobile banking, and other channels to meet consumers' needs for convenient payment. In light of the difficulties and pain points faced by new citizens, institutions at all levels have carried out financial education activities tailored to the needs of these citizens. PSBC Xinjiang Branch invited consumers to the "Consumer Protection Service Station" and "Hongjinshu Care Station". The branch launched initiatives to alert consumers to

telecommunications fraud and illegal fundraising, thereby enhancing their ability to safeguard property. PSBC Hubei Branch analyzed illegal professional agent practices such as agent policy cancellation and credit repair for corporate employees, revealed the common tricks of fraudsters, and taught practical skills to prevent fraud.

### ► Engaging with communities and launching characteristic publicity campaigns in rural areas

The Bank fully leverages its extensive network and outreach advantages to channel more publicity resources toward rural areas, remote areas, and ethnic minority regions, to foster educational and publicity characteristics in rural areas. By taking advantage of the development of creditworthy villages, PSBC Chongqing Branch interpreted credit reports for villagers and used mobile banking to calculate loan amount and other credit information, grounding integrity publicity in villagers' everyday life. PSBC Shanxi Branch visited old revolutionary base areas. The branch integrated financial knowledge on preventing illegal agents, being vigilant against black and gray industries, and rational investment into local characteristic operas such as drum music, Pu opera, and Ganban opera, so that the people could truly understand what they learned. During the reporting period, institutions at all levels conducted financial education and publicity activities in 62,648 villages, reaching consumers of over 134 million person-times.

### ► Joining hands with ethnic minorities to build a bridge of unity in financial consumer protection

The Bank works to channel more financial education and publicity resources to ethnic minority regions, so as to help consumers in ethnic minority regions fill up the gaps in financial knowledge. PSBC Guizhou Branch, based on the characteristics of the ethnic minority region and intangible cultural heritage, published the "Consumer Protection Tips" characteristic posters on a daily basis, launched publicity activities in Bouyei, Miao, Gelao and other ethnic minority languages, and visited ethnic minority villages and other places to spread financial knowledge. PSBC Inner Mongolia Branch visited ethnic minority villages and towns to promote financial poverty alleviation policies and beneficial public services targeting ethnic minority regions. The branch also carried out financial education activities based on the language, culture and customs of ethnic minorities. PSBC Xinjiang Branch and the local branch of China Post Group put together a "financial messenger" team. The team traveled through more than 50 border towns and townships and delivered over 52 thousand financial security letters to residents of seven ethnic groups, including Uyghur, Kazakh and Kirgiz.

### ► Promoting "Sunshine Credit" among the public

The Bank vigorously promotes its "Sunshine Credit" culture and achievements through its portal website, WeChat official account, mobile banking, outlets, credit handling venues, and other channels as well as media resources such as the internet, outdoor advertising, and news media. The Bank advocates the lending principles of "legal lending, honesty and trustworthiness, and clean financing", launches education and publicity activities to promote financial knowledge and integrity supervision, helps consumers improve their financial literacy and risk prevention awareness, reminds them to prevent related risks such as illegal intermediaries and fraudulent financing, and makes joint efforts to conduct integrity supervision.

### ► Creating the "U-Heart Consumer Protection" logo and innovating the form of financial education and publicity

The Bank introduced the "U-Heart Consumer Protection" logo for unified use throughout the Bank. Upholding the philosophy of "Guarding with Heart, Serving with Heart", this initiative demonstrates the Bank's commitment to safeguarding the financial rights and interests of every customer. The Bank gave full play to the leading role of "U-Heart Consumer Protection" by applying the logo in various financial education and publicity activities. In terms of offline activities, the logo was integrated into various links such as material design, venue arrangement, and presentation. The Bank launched a series of actions under the theme of "U-Heart Consumer Protection" to enrich scenario-based education and publicity. In terms of online activities, institutions at all levels were encouraged to improve the development of education platforms under the theme of "U-Heart Consumer Protection", to facilitate the systematic, standardized, and branded development of financial education and publicity throughout the Bank. PSBC Jilin Branch upgraded and transformed the online financial education zone. The branch combined consumer protection knowledge with the 24 solar terms and carried out the "U-Heart Companion: Learning Consumer Protection through the 24 Solar Terms" characteristic publicity campaign, effectively enhancing consumers' learning interest and enthusiasm. PSBC Qinghai Branch organized a financial education team to produce "U-Heart Consumer Protection" publicity materials. The team visited towns, villages and markets to spread financial knowledge on anti-money laundering and prevention of telecommunications fraud.

### ► Digital and intelligent transformation to empower anti-fraud and anti-money laundering business scenario innovation

Amid the wave of digital and intelligent development, the Bank has proactively seized opportunities to accelerate the pace of digital and intelligent transformation, evolving from technology-enabled to technology-driven, and ultimately to technology-led high-quality development through digital intelligence.

The Bank actively builds a distinctive all-domain data asset foundation to unlock the value of data elements. This effectively supports innovation across diversified business scenarios, including anti-fraud and anti-money laundering (AML). In terms of fraud risk prevention and control, the Bank leverages its big data platform and data middle office capabilities, and integrates AI with real-time stream computing to establish a full-chain anti-fraud modeling system. Based on a real-time risk feature repository containing massive indicators, the Bank has developed a panoramic view of telecommunication fraud risks across all customers, enabling classified and tiered management of the full set of accounts, and monitoring of abnormal behaviors of all-domain customers. This supports online on-demand analysis of data at the hundreds-of-billions scale. In the first half of 2025, the Bank successfully protected more than 100,000 potential victim accounts, preventing customer fund losses exceeding RMB800 million. In terms of AML, the Bank processes approximately 127 million transaction records on a daily basis, building nearly one hundred suspicious transaction early-warning models. By harnessing advanced technologies such as knowledge graphs and large models, the Bank has built a new AML monitoring and reporting system of suspicious transactions centered on graph intelligence, effectively presenting the evidence chain for the money laundering of criminal groups, and contributing to a 30% increase in manual screening efficiency.

## Empowering the financial education and publicity model with digital technology

In recent years, the Bank has actively integrated digitalization into various financial education and publicity activities, built a three-dimensional financial education and publicity matrix combining online and offline channels and integrating technology and scenario, and created a new way of publicity of "financial education +" with PSBC characteristics. The Bank has promoted the transformation and upgrading of its online channels, launched the "Consumer Protection Zone" on its official website, the "Financial Knowledge Zone" on mobile banking, and the "Consumer Protection Classroom" on the PSBC+ official account. The Bank has also leveraged such channels as WeChat Channels, Weibo, and Douyin to spread financial knowledge, continuously expands the coverage of education and publicity efforts, and promotes regular, extensive, and systematic publicity through its online channels. Meanwhile, the Bank has built a network platform for financial education works, created a special webpage for financial consumer protection throughout the Bank, and set up three modules, namely "U-Heart Classroom", "Case-based Risk Education", and "PSBC Consumer Protection". By combining education efforts with cautionary examples, the Bank has demonstrated the achievements made by institutions at all levels in education and publicity from multiple perspectives. The special webpage has been displayed on mainstream media platforms such as [www.huanqiu.com](http://www.huanqiu.com), [GMW.cn](http://GMW.cn), and [www.china.com.cn](http://www.china.com.cn). In the first half of 2025, the Bank's special webpage reached customers of over 69 million person-times.



Some of the images on this page are AI-generated.

The PSBC Charity Program was advanced. The "PSBC Charity Fund", which marked the 7th year since its establishment in 2024, focuses on the field of education, provides financial and other support for the education and growth of students, and actively gives back to society. The Fund raised RMB8.8744 million in 2024. The Bank continued to organize "PSBC Charity" programs. In 2024, the "PSBC Self-improvement Class" program supported 2,100 high school students from 42 classes who have financial difficulties by covering their current year's tuition and miscellaneous fees. The "PSBC Charity Scholarship" program awarded scholarships to 998 outstanding high school graduates who met the criteria set by the schools hosting the "PSBC Self-improvement Class" program. The "PSBC Charity Care Parcel" program donated 10,000 parcels to Datong County in Qinghai Province. The PSBC Charity Program organized impactful activities. The "PSBC Charity Day" event combined themes such as green public welfare, community welfare, carrying forward the spirit of Lei Feng, and fraud prevention. Institutions at all levels of the Bank held various activities related to "PSBC Charity Day", including community services, strolls, and tree planting. They conducted PSBC Charity publicity both within and outside outlets to advocate a culture of public welfare and cultivate a public welfare atmosphere. Additionally, the Bank hosted the "PSBC Charity Visit" event, where volunteers from branches visited schools hosting the "PSBC Self-improvement Class" program according to local conditions. They conducted talks, themed class meetings, and other activities with students, bringing the warmth of "PSBC Charity" to schools.

The "PSBC Charity Seed" program was continuously implemented. In 2024, college graduates recruited through the program joined PSBC Sichuan Branch and PSBC Qinghai Branch. They voluntarily took frontline positions in remote, poor areas with harsh conditions to support rural revitalization. The Bank also maintained follow-ups on students in the "PSBC Self-improvement Class" funded by the "PSBC Charity Fund". The Bank organized branches to establish a long-term liaison mechanism with college students and provided holiday internships and job opportunities for funded students. These efforts encouraged outstanding talent to join PSBC and contribute to the development of grass-roots areas in their hometowns.

The Bank deepened the public-benefit services provided by "PSBC Care Stations". As at the end of the reporting period, the Bank opened 7,094 "PSBC Care Stations" to the public, and continued to provide convenient services for outdoor workers, examinees, the elderly, and other social groups, including rest areas, drinking water supply, charging facilities, hygiene products, and public welfare publicity. The Bank also organized themed activities for traditional festivals, high school and college entrance exams, cultural tourism, and more, to serve social well-being, convey humanistic care, and build new bonds for a harmonious society.

Efforts to promote targeted assistance achieved a substantive progress and phased outcomes. The Bank innovatively developed targeted services for specialty industries, focusing on essential development needs and pressing public aspirations in Fenxi County of Shanxi Province, Tongbai County of Henan Province and Wushan

County of Gansu Province, and characteristic assistance models such as leveraging the collaboration between PSBC and China Post Group in "four flows" of business flow, goods flow, fund flow and information flow to address "three difficulties" of difficulties in logistics, sales and financing. In 2024, the Bank extended a total of RMB661 million in various assistance loans to the three counties, directly allocated RMB21.726 million in funds for gratuitous assistance and educational support, introduced assistance funds of RMB43.5308 million as well as assistance projects and actual investment capital from enterprises of RMB31.6086 million. In addition, the Bank purchased and facilitated the sale of agricultural products from areas lifted out of poverty, totaling RMB44.4788 million. The Bank was rated "Excellent", the highest grade, in the Performance Assessment and Evaluation of Targeted Assistance by Central Government Agencies.

► Case 1: PSBC Zaozhuang Xincheng Sub-branch in Shandong Province Expanded the Service Scenarios of "PSBC Care Station + Culture" ►

PSBC Zaozhuang Xincheng Sub-branch in Shandong Province jointly launched beneficial public activities with the district library. The sub-branch upgraded the "PSBC Care Station" to a library circulation point that offers more than 300 books such as Party building books, books on finance and economy, classics, and children's books, as well as convenient facilities such as tea tables and water bars. By doing so, the sub-branch provided outdoor workers, surrounding residents and other people with a place to rest, drink some water, charge their phones, and borrow books to satisfy their spiritual and cultural needs. During the national college entrance examination in China, the sub-branch prepared a variety of heatstroke prevention and cooling items for examinees and their families in the "PSBC Care Station", provided pen cases, document copying and other services, and thoughtfully set up a rest area, to cheer for the examinees and their families.



PSBC Zaozhuang Xincheng Sub-branch in Shandong Province and Zaozhuang Xuecheng District Library jointly built a "PSBC Care Station" themed Reading Time

► Case 2: PSBC Chongqing Yuzhong District Ruitian Road Sub-branch Partnered with Hualongqiao Sub-district in Yuzhong District to Build the "Hongjinyu-Hualongqiao Financial Grid Station" ►

PSBC Chongqing Yuzhong Sub-branch partnered with Hualongqiao Sub-district to launch a cooperative initiative and pilot the construction of the "Hongjinyu-Hualongqiao Financial Grid Station". While providing convenient services to outdoor workers, the sub-branch also integrated the "Financial Grid Station" with the "PSBC Care Station" and incorporated functions such as financial policy advocacy, financial knowledge education and publicity, and guidance for the resolution of financial disputes. The sub-branch further enriched and upgraded the functions of the "PSBC Care Station", and continuously enhanced the Party building brand of "Hongjinyu" in financial services.



PSBC Chongqing Yuzhong Sub-branch and Hualongqiao Sub-district Co-established the "Hongjinyu-Hualongqiao Financial Grid Station"

► Case 3: "PSBC Care Station" at the Outlet of PSBC Shanghai Branch Extended Warmth Through the Cold Winter ►

The "PSBC Care Station" at the Outlet of PSBC Shanghai Branch expanded its services by collaborating with the Party Branch of Tilanqiao Historical and Cultural Block and surrounding partner institutions to launch a Laba porridge sharing activity. The sub-branch distributed Laba porridge and "Jijie" cards with New Year greetings to over 100 outdoor workers at Raffles City The Bund, including delivery riders, couriers, ride-hailing drivers and other workers in emerging fields, to share the happiness and warmth of the New Year.



PSBC Shanghai Branch and external institutions spread warmth through Laba porridge sharing activity at "PSBC Care Station"

► Case 4: PSBC Xingtai Kaifa Sub-branch in Hebei Province Established an "Jinhui Station" ►

Hebei Xingtai Branch actively responded to the call for elder-friendly services and established a "Jinhui Station" at Xingtai Kaifa Sub-branch. Through a series of considerate measures, the sub-branch has upgraded its services again to enable every elderly customer to enjoy convenient and caring financial services. The sub-branch has set up courtesy counters to provide priority services for elderly customers, equipped with courtesy seats to offer a comfortable waiting environment for them, and additionally installed accessible passages, grab bars, wheelchairs and other facilities to ensure elderly customers can enter and exit the outlet safely and conveniently. Meanwhile, within the station, the sub-branch also provides exclusive services such as large-font business guides for elderly customers, and regularly holds financial knowledge lectures to help elderly customers enhance their anti-fraud awareness and protect the safety of their funds.



PSBC Xingtai Kaifa Sub-branch in Hebei Province provided services for elderly customers at the "Jinhui Station"

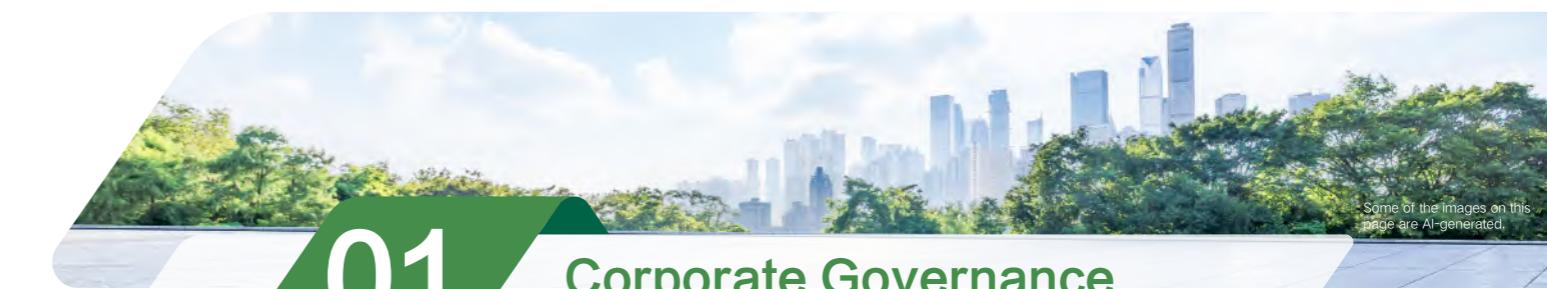


# Governance

- 01 | Corporate Governance
- 02 | Corporate Behavior



Some of the images on this page are AI-generated.



Some of the images on this page are AI-generated.

## 01

## Corporate Governance

### 1.1

### Board of Directors

The Bank adheres to the concept of sustainable development and continuously improves its ESG governance framework. The Bank has established an efficient, collaborative ESG governance structure consisting of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors, and the senior management, with a clear division of responsibilities among them, thus providing a strong organizational and institutional guarantee for implementing ESG principles, advancing sustainable development and taking on the responsibility of a major state-owned bank.

The Board of Directors attaches great importance to ESG capacity building, and explores embedding the ESG philosophy into the Bank's development strategy, governance structure, corporate culture, and business processes, with a focus on green banking development, inclusive finance and customer protection. Upholding the concept of "Green World, Better Life", the Board of Directors vigorously develops sustainable finance, green finance, and climate financing, actively explores a path to transition finance, and builds the Bank into a first-class green inclusive bank, a climate-friendly bank, and an eco-friendly bank. It keeps enhancing the quality and efficiency of green finance services to vigorously develop green finance as a priority of the financial sector. Additionally, the Bank improves the corporate governance mechanism and the incentive and constraint mechanism, continuously strengthens information disclosure, optimizes the equity management system, and enhances its own ESG performance. It effectively performs its duties of setting strategies, making decisions, and guarding against risks.

#### Structure of the Board of Directors

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.



## Board of Directors

### ► Responsibilities and Authorities

The Board of Directors of the Bank formulates the development strategies related to green finance and ESG in a coordinated manner, evaluates the implementation of strategic development, determines relevant basic management systems, risk management, internal control and other policies, and supervises the implementation of management systems and policies; manages the Bank's ESG information disclosure affairs; examines the work of the senior management and monitors the effective performance of their ESG management responsibilities.

### ► Strategic Planning Committee

The Strategic Planning Committee is mainly responsible for reviewing the overall development strategic plan (including ESG), strategic capital allocation and asset-liability management objectives, major investment and financing plans, and other matters affecting the Bank's development. It is also responsible for listening to reports on the progress of green finance and data governance, and making recommendations to the Board of Directors.

### ► Social Responsibility and Consumer Rights Protection Committee

The Social Responsibility and Consumer Rights Protection Committee is mainly responsible for formulating the social responsibility strategies, policies and objectives, as well as the basic management systems in line with the Bank's development strategy and actual situation; supervising, inspecting and assessing the implementation progress and effect of the relevant strategies, policies, objectives and basic management systems.

### ► Risk Management Committee

The Risk Management Committee 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, covering factors such as ESG and climate risk; listening to risk management reports, including those on climate risk, and making suggestions to the Board of Directors.

## Diversity of Members of the Board of Directors

The Bank believes that the increasing diversity of Board members is critical for achieving strategic goals and promoting sustainable development. It has long been committed to advancing the diversification of the Board of Directors and has continuously optimized the Board structure, staffing, and the implementation of diversity policies. In selecting Board members, the Bank thoroughly assesses factors such as candidates' gender, age, educational background, region, professional experience, and skill and knowledge, in accordance with the Policy on the Diversity of Members of the Board of Directors of the Bank and regulatory requirements. Efforts were made to continuously adjust and optimize the composition of various special committees under the Board of Directors, providing professional support for the scientific and efficient decision-making of the Board.

The Board of Directors of the Bank currently comprises 16 Directors, including one Chairman (who serves as a Non-executive Director), two Executive Directors, seven Non-executive Directors, and six Independent Non-executive Directors, with the percentage of Independent Directors meeting the requirement of one-third of the total Board members. The Board of Directors consists of two female Directors.

Some of the Bank's Non-executive Directors and Independent Directors have long been engaged in financial management and have rich experience in management of large state-owned enterprises; some of them are well-known experts in the fields of economics, Sannong, etc., with diverse professional backgrounds; two Directors, who have long overseen green credit work and possess rich experience in green finance research, are able to provide effective support for the Bank's ESG construction.

From the perspectives of gender, age, expertise, and region, the composition of the Board members is reasonable and effective, and complies with the regulatory provisions on Board member diversity and the Board member diversity policy formulated by the Bank.

## 1.2

## Board of Supervisors

The Board of Supervisors paid close attention to and supervised the Bank's strategic planning for ESG and green finance, continuously monitored the progress toward the strategic goal of building a first-class green and inclusive bank, a climate-friendly bank, and an eco-friendly bank, aligned the strategic goal with the country's "dual carbon" goals and the concept of sustainable development, promoted the high-quality development of the Bank in the fields of ESG and green finance, and advanced the "five priorities" of the financial sector.

### ► Promote the improvement of corporate governance

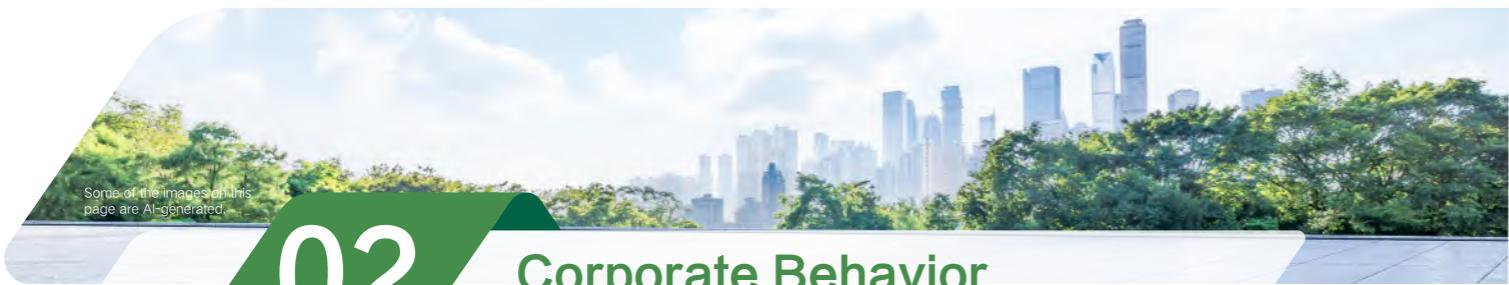
The Board of Supervisors actively tracked the Bank's fulfillment of social responsibilities and development of green finance, studied and reviewed the corporate social responsibility (ESG) report, sustainability report and other proposals, listened to the environmental information disclosure (green finance) report, work report on green banking development, progress in green finance, and other reports, supervised strategy implementation and information disclosure, and paid continuous attention to the fulfillment of social responsibilities and green finance progress across the Bank.

### ► Effectively performing the supervisory responsibilities of the Board of Supervisors

The Board of Supervisors focused on improving governance capacity, strengthened the supervision of the performance of the Board of Directors, the senior management and their members, regarded fulfilling social responsibilities and safeguarding the interests of stakeholders as important indicators in annual performance evaluation, paid attention to the performance of the Board of Directors and the senior management in key areas such as governance structure, risk prevention, and social responsibilities, and further consolidated the primary responsibilities. The Board of Supervisors followed the concept of low-carbon development, improved online performance evaluation operation, and continued to practice green operations. With a focus on sustainable development, the Board of Supervisors conducted special supervision on credit-based small business loans to facilitate the development of technology finance. The Board of Supervisors also conducted special supervision on personal business loans and industrial loans to actively empower rural revitalization with digital technology. With a focus on the concept of green development, the Board of Supervisors regularly supervised the development of green finance business, ESG and climate risk management, closely monitored key areas and weak links in the development of green finance as well as climate and environmental risks, and promoted the steady and sustainable development of green finance throughout the Bank.

### ► Strengthening the capacity building of the Board of Supervisors

Members of the Board of Supervisors participated in the special training on ESG and sustainable development organized by the Listed Companies Association of Beijing, during which they learned about the country's policy support and future trends in the ESG field. The training deepened supervisors' understanding of the latest regulations and industry trends, continuously expanded their horizon, and improved their performance capabilities.



## 02

## Corporate Behavior

### 2.1 Anti-Bribery and Anti-Corruption

Since 2024, the Bank has made thorough efforts to improve Party conduct, uphold integrity, and combat corruption, providing strong guarantee for high-quality connotative development.

The Bank insists on overseeing discipline compliance. The Bank has refined the work process of inter-connected coordination mechanisms of discipline inspection, supervision and auditing, and formed a supervision work pattern characterized by information exchange, system sharing, smooth connection, and effective cooperation. By taking advantage of the "Sunshine Credit Year" campaign, the Bank has unblocked supervision and reporting channels, and fully utilized internal and external complaint, reporting and supervision channels such as 95580 hotline, public complaints, and the compliance management system, submitting itself to the oversight of employees and financial consumers.

The Bank has formulated and improved anti-corruption and whistleblower protection policies, and refined the formal anonymous reporting policy with legal protection. In the future, the Bank will use its official website and other platforms as channels to provide leads and reporting avenues for PSBC employees to file complaints and report, so that employees can report violations in daily work to the Head Office.

The Bank has closely monitored areas and key links with high integrity risks, strictly investigated and handled corruption, promoted the rectification of malfeasances and corruption, and strove to eliminate the breeding grounds and conditions for corruption.

The Bank adheres to discipline education. The Bank strengthened Party discipline learning and education, launched initiatives to thoroughly implement the central Party leadership's eight-point decision on improving work conduct, held special reading classes, and organized Party rules and discipline learning and examination. It compiled and published the Collection of Integrity Policies for Leaders of Postal Savings Bank of China, stepped up discipline education for key groups such as chief leaders, young officials, newly promoted officials, officials in key positions, and new Party members, and urged them to foster the awareness of discipline and rules.

The Bank maintains strong deterrence. The Bank held bank-wide warning and educational conferences, during which the Bank reported typical cases, named violators, and produced and played warning and educational films featuring individuals who violated discipline or laws, to guide officials and employees to hold discipline in awe and abide by principles. The Bank improved the working mechanism characterized by case-based morality, discipline, law, and responsibility warning and education. The Bank closely combined the mechanism with the special meeting of criticism and self-criticism (exchange meeting) on violation of Party discipline, to carry out warning and education based on typical cases.

The Bank has been committed to fostering a clean and honest culture. It has implemented the arrangements of the Action Plan for the Development of Clean Financial Culture of Postal Savings Bank of China (2022-2024), and has hosted a tour exhibition themed "Party Discipline Engraved in Mind, Clean Conduct along the Way". It has collected micro-videos on clean and honest practices, organized the presentation of financial warning and educational films, launched the "Clean PSBC" zone on its office platform, systematically promoted the development of the integrity education base, and continued to foster a clean and honest culture as its brand.

The Bank has continuously refined the accountability policy system for violations, and issued the revised Measures for Handling Employees' Violations of Rules and Regulations, which stipulates 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 requires institutions at all levels to strictly implement them. For employees who violate relevant anti-bribery and anti-corruption requirements, the Bank will take immediate actions to stop improper behavior, carry out investigation and verification, and conduct internal accountability as per internal regulations. Those who violate laws or commit crimes shall be transferred to judicial authorities. The Bank has also systematically reviewed its existing internal systems for anti-bribery and anti-corruption, and formulated the Key Points of Anti-Corruption and Anti-Bribery Systems<sup>7</sup>.

The Bank adhered to governance in accordance with laws and regulations. It carried out the governance of "black and gray industry" in the financial field, deepened the governance of illegal intermediaries, strengthened the management of institutional and employee behaviors, enhanced control over key links such as selection, training and resignation, strictly prohibited branches and employees from cooperating with "black and gray industry" organizations and individuals, and dealt with them seriously in accordance with laws and regulations, resisted the chaos of "black and gray industry", and maintained the order of the financial market.

### Column Improving "Sunshine Credit" Supervision Channels

The Head Office issued the Management Measures for Sunshine Credit Supervision and established the "Sunshine Credit" supervision email. The Head Office also prepared the "Sunshine Credit" commitment letters that list 14 prohibitions. 89,000 credit business employees across the Bank studied and signed the commitment letters online. Tier-1 branches actively established supervision channels (telephone, email, mailbox, etc.) to further standardize the supervision and management mechanism. Meanwhile, the branches comprehensively utilized internal and external channels such as 95580 hotline, public complaints, the compliance management system, and regulatory referral, submitting themselves to the oversight of employees and financial consumers. PSBC Anhui Branch, PSBC Sichuan Branch and other branches printed supervision and reporting methods on the back of the account managers' business cards. PSBC Zhejiang Branch printed integrity QR codes on account managers' business cards, enabling customers to scan the code to report problems online. PSBC Shaoxing Branch established a team of integrity supervisors to perform education, publicity and discipline supervision functions.

The Bank informed customers of the reminders regarding "Sunshine Credit" supervision in both the standard credit contracts and credit card application agreements, and took the initiative to accept customers' supervision.

### 2.2 Audit on Ethical Standards

In light of regulatory requirements, the actual situation of business operation and development, as well as the annual audit plan, the Bank conducts on-site, off-site, special and regular audits to supervise employees' compliance with the code of professional ethics in relevant audit projects on an ongoing basis. For example, the Bank conducts economic responsibility audits for incumbent and leaving officials on an annual basis, with a focus on the integrity of officials and the compliance of institutions under their management, etc. In other audit projects, the Bank focuses on employee behavior management, employee violations, case risk prevention and control, among others, to continuously improve the application of professional ethics in audit supervision.

7. For the Key Points of Anti-Corruption and Anti-Bribery Systems, please refer to [https://www.psbc.com/en/investor\\_relations/social\\_responsibility/RulesandRegulations/](https://www.psbc.com/en/investor_relations/social_responsibility/RulesandRegulations/)

# Appendices

- **Appendix I:** Awards and Honors
- **Appendix II:** Index of the Guidelines for Financial Institutions Environmental Information Disclosure
- **Appendix III:** Progress Report for United Nations Principles for Responsible Banking
- **Report Compilation Notes**



## Appendix I: Awards and Honors

### » Rankings



### Awards and Honors

Excellent Service Case for National Specialized and Sophisticated Enterprises Conference Ministry of Industry and Information Technology	First Prize of FinTech Development Award The People's Bank of China	Grade A in the Annual Credit Compliance and Information Security Assessment The People's Bank of China
Case for High-Quality Financial Development People's Daily	Outstanding Participating Institution of Digital Supply-Chain Finance Platform China National Clearing Center	Advanced Organization in Green Bank Evaluation China Banking Association
ESG Ratings "AA" MSCI	Outstanding Comprehensive Business Institution Shanghai Commercial Paper Exchange Corporation Ltd.	Operational Excellence Award China UnionPay
Financial Product and Service Innovation Award Data-Driven Financial Innovation Award Financial Computerizing	Annual Excellence Award for Corporate Online Banking China Financial Certification Authority	Excellent Institution of Financial Innovation of the Year The Chinese Banker
Global Green Finance Award of the Year International Finance Forum	Excellent Case for Financial Consumer Protection China Banking and Insurance News	Model Case of Digital Transformation of "Digital Intelligence Impact" China International Fair for Trade in Services
The Gamma Award for High-Quality Development Bank of the Year The Gamma Award for Inclusive Financial Services Bank of the Year Securities Times	Best Case for Boards of Directors of Public Companies Best Case for Office of the Board of Directors of Public Companies Best Case for Sustainable Development of Public Companies China Association for Public Companies	Banking Wealth Management Brand Award of the Year Shanghai Securities News
Outstanding Bond Underwriting Institution Outstanding Asset Custody Institution Excellent Institutional Investor of ChinaBond Green Bond Index China Central Depository & Clearing Co., Ltd.	Top 10 Best Employers in China 2024 Institute of Social Science Survey of Peking University and Beijing Wangpin Information Technology Co., Ltd.	Outstanding Commercial Bank of the Year Financial Institution Serving New Quality Productive Forces of the Year 21st Century Business Herald
Best SME Services Bank Global Finance	Retail Bank of the Year China Business News	Outstanding Retail Bank of the Year National Business Daily
Financial Enterprise with High-Quality Development of the Year The Paper		

## Appendix II: Index of the Guidelines for Financial Institutions Environmental Information Disclosure

Index	Content	Page
Environment-related governance structure of financial institutions	a) The information about the green finance committee set up by the Board of Directors, the environment-related strategic objectives of the institution, the analysis and judgment of environment-related risks and opportunities, and the management, supervision and discussion of environment-related issues.	2
	b) The information about the managerial positions or internal institutions related to green finance set up at the senior management level, and the main responsibilities and reporting routes of such managerial positions or internal institutions.	3
	c) The implementation and effectiveness of green finance-related work at the professional department level within the scope of their responsibilities.	3
Environment-related policies of financial institutions	a) The environment-related internal management policies, in particular the policies and measures introduced and implemented during the reporting year.	6-10
	b) The information about the implementation of national and regional environmental policies, regulations and standards relevant to financial institutions.	
	c) The information about the compliance with and adoption of related international climate and environmental conventions, frameworks, initiatives, etc.	
Innovation of environment-related products and services of financial institutions	a) The information about innovative products and services of green finance developed; in the case of credit products, disclosure may include, but is not limited to, the product name, scope of issuance, innovation point (repayment source, disbursement target, interest rate, term, purpose, etc.), operating model and operation status.	15-22
	b) Environmental and social benefits of the innovative products and services of green finance.	
Environmental risk management process of financial institutions	a) The process for identifying and assessing environment-related risks.	10-13
	b) The process for managing and controlling environment-related risks.	
Impact of environmental factors on financial institutions	a) Environmental risks and opportunities.	14
	b) Quantitative analysis of environmental risks.	
Environmental impact of investment and financing activities of financial institutions	a) Environmental impact of commercial banks' investment and financing activities.	15
	b) Measurement and expression of the impact of environmental risks on financial institutions' investment and financing.	
Environmental impact of financial institutions' operations	a) Direct greenhouse gas emissions and natural resource consumption from the operations of financial institutions.	35-36
	b) Indirect greenhouse gas emissions and indirect natural resource consumption from products or services procured by financial institutions.	
	c) Environmental benefits of environmental protection measures taken by financial institutions.	
	d) The quantitative measurement of the environmental impact of the operation.	
Data sorting, verification and protection	a) Regularly sort out and verify the quality of environment-related statistical data of the institution, establish a data management system and process, further improve the quality of relevant basic data and ensure the timeliness and accuracy of data and disclosed information.	14
	b) Use appropriate technical means to ensure data security and the rights and interests of data subjects.	
	c) Prepare an emergency plan and respond promptly to possible data security incidents.	
Green finance innovation and research results	a) Cases of green finance innovation practice.	23-34
	b) Domestic and foreign research results and future prospects focused on green finance, environmental risk analysis, etc.	
Other environment-related information		

## Appendix III: Progress Report for United Nations Principles for Responsible Banking

### Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

#### 1.1 Business Model

Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio(%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

#### Response

As a leading major retail bank in China, the Bank remains steadfast in its commitment to serving Sannong customers, urban and rural residents and SMEs. Relying on its unique model and resource endowment featuring directly-operated and agency outlets, it is dedicated to providing services to the most dynamic customer groups that are driving forces behind China's economic transformation. The Bank has operated nearly 40,000 outlets and served over 670 million personal customers. As of June 30, 2025, the balance of inclusive loans to SMEs reached RMB1.72 trillion, which accounted for over 18% of the total loans to customers and placed the Bank at the forefront among large state-owned banks. The Bank has been rated as the highest level "Level 1" in the regulatory evaluation of financial services for micro and small-sized enterprises for three consecutive years. The balance of the Bank's agriculture-related loans was RMB2.44 trillion, with an annual net increase of RMB149,585 million, and the balance accounted for over 25% of the total loans to customers, ranking in the forefront among major state-owned banks.

#### Links and References

2025 Interim Environmental Information (Sustainable Finance) Report, P6 Strategy, P15 Green Finance, P47 Access to Finance.

2024 Sustainability Report, P11 About Us, P25 Advancing Rural Revitalization, P49 Supporting SMEs

#### 1.2 Strategic Alignment

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the forthcoming instrument on plastic pollution etc.

Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

#### Response

The Bank adheres to the people-centered values and prioritizes serving the real economy as the fundamental purpose, with the prevention and control of financial risks as an enduring task. Centering around the strategic objectives and guidelines of the 14th Five-Year Plan, it endeavors to develop technology finance, green finance, inclusive finance, pension finance, and digital finance. It is committed to building a healthy and balanced development model. The Bank supports the United Nations' Sustainable Development Goals (SDGs) for 2030 and the Paris Agreement. It has vigorously developed sustainable finance, green finance, and climate finance, supported biodiversity protection, and made significant efforts in promoting green finance. In 2023, the Bank signed the United Nations Sustainable Blue Economy Finance Initiative, becoming the first large state-owned commercial bank in China to do so.

## Links and References

2024 Sustainability Report, P14 Strategic Positioning, P55-68 Enhancing Green Management.

## Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

### 2.1 Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector, as part of its initial or ongoing impact analysis.

### Response

Centering around 21 issues, the Bank focused on key ESG issues such as supporting the real economy, rural revitalization, technology finance, green finance, inclusive finance, pension finance, digital finance, protecting consumers' rights and interests, enhancing customer experience, human capital development, and improving corporate governance in 2024, and remained committed to addressing the concerns of all parties.

### Links and References

2024 Sustainability Report, P100 Analysis of substantive issues.

## 2.2 Targets, Target Implementation, and Action Plans / Transition Plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector (2024).

### Response

The Bank has set and published targets for both green finance and inclusive finance; corresponding actions have been implemented to achieve these two goals.

In terms of green finance:

The Bank continues to push forward green banking development from a strategic perspective. In accordance with the Outline of the 14th Five-Year Plan of Postal Savings Bank of China, regulatory requirements and the Bank's actual business conditions, the Bank has formulated the Action Plan of Postal Savings Bank of China for Carbon Peak and Carbon Neutrality, 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, to fully integrate the concept of sustainable development into the Bank's development strategy, governance structure, corporate culture and business processes. Committed to boosting green finance, the Bank deepens the development of a green and inclusive bank, a climate-friendly bank, and an eco-friendly bank, actively supports green, low-carbon and circular economy based on the principles of risks under control and business sustainability, and vigorously develops sustainable finance, green finance and climate financing. The Bank has also supported energy conservation, pollution abatement, carbon reduction, ecological enhancement and disaster prevention in key industries and key sectors, cultivated featured highlights of transition finance, enhanced ESG and climate risk management, and maintained an industry-leading ESG rating. As of June 30, 2025, the balance of the Bank's green loans stood at RMB958,639 million, an increase of 11.59% over the prior year-end. The Bank has successfully issued the first green financial bond of 2025 in the national interbank bond market, with an issuance size of RMB5 billion, supporting green upgrades and renovations of infrastructure.

In terms of inclusive finance:

The Bank is committed to building a main force in serving rural revitalization and a benchmark bank of inclusive finance. Based on the daily production and operation scenarios and financial needs of SMEs, the Bank innovated the product offerings and provided customers with full-range services including integrated financing, payment and settlement, and wealth management, etc. As of June 30, 2025, the balance of inclusive loans to MSEs reached RMB1.72 trillion, which accounted for over 18% of the total loans to customers and placed the Bank at the forefront among large state-owned banks. The Bank has been rated as the highest level "Level 1" in the regulatory evaluation of financial services for micro and small-sized enterprises for three consecutive years. The balance of the Bank's agriculture-related loans was RMB2.44 trillion, with an annual net increase of RMB149,585 million, and the balance accounted for over 25% of the total loans to customers, ranking in the forefront among major state-owned banks.

### Links and References

2025 Interim Environmental Information (Sustainable Finance) Report, P6 Strategy, P15 Green Finance, P47 Access to Finance.

2024 Sustainability Report, P14 Strategic Positioning

## Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

### 3.1 Client and Customer Engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

## Response

The corporate carbon accounting is a meaningful attempt and exploration by the Bank in promoting the green and low-carbon transition of enterprises, improving risk management and standardizing information disclosure. For enterprises, carbon accounting can effectively advance their green and low-carbon transition and constitutes the prerequisite for them to participate in carbon trading, receive government subsidies and obtain preferential financing. For banks, carbon accounting provides a basis for developing new products and services for carbon finance, risk management, and information disclosure, and enables banks to provide customers with one-stop comprehensive financial services. The Bank actively and gradually promotes carbon accounting for corporate customers with non-mandatory disclosure of environmental information. In cooperation with the Institute of Public and Environmental Affairs (IPE), the Bank applies the GHG emissions accounting platform (InsBlue) to provide real-time online GHG emissions accounting for enterprises. As of the end of the reporting period, the Bank completed carbon accounting for 13,624 corporate customers accumulatively, with 2,696 new customers added in the current year, representing an increase of 24.67%.

The Bank stipulated in procurement management policies that the principles of openness, fairness, and justice shall be upheld and when other conditions are equal, priority shall be given to energy-saving and eco-friendly products, products labeled green, and products that meet the requirements of green packaging and green transportation. The suppliers were urged to assume their CSRs in the entire procurement process. In the stages of candidate selection, business scoring, agreement conclusion, and post-supply assessment, the supplier's CSR performance in such areas as environmental protection, environmental management, quality management, and employee rights and interests was used as an important evaluation indicator. The Bank continued to demand suppliers to sign and fulfill the Agreement on Energy Conservation, Emissions Reduction and Green Development and the Letter of Commitment on Integrity, and continued to strengthen and promote suppliers to jointly perform CSRs such as green practice and environmental protection.

## Links and References

2025 Interim Environmental Information (Sustainable Finance) Report, P18 Innovation in Green Finance Products and Services.

2024 Sustainability Report, P89 Supply Chain Management.

## 3.2 Business Opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio, and which SDGs or impact areas your bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

\* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

## Response

Based on innovative products centered on "carbon emission reduction information", the Bank has rolled out such innovative offerings as personal carbon emission reduction redemption, carbon reduction loans, and corporate ecological credit loans. To help enterprises achieve green transition and sustainable development as well as explore the innovation of carbon account assets, the Bank launched the carbon reduction loans to steer funds towards energy-saving and emission-reduction enterprises and promote the realization of carbon reduction targets. PSBC Shenzhen Branch successfully launched PSBC's first carbon reduction loan, which linked the loan interest rate to enterprises' carbon rating and carbon reduction performance. The loan was priced 110 bps lower than the reference rate, actively supporting enterprises' green and low-carbon transition.

PSBC attaches great importance to blue finance and makes efforts in aspects of organizational structure, innovative business, etc. to continuously promote the development of blue finance business. In 2023, the Bank signed the UN Sustainable Blue Economy Finance Initiative, marking PSBC as the first major state-owned commercial bank in China to do so. In terms of products, the Bank launched the first "Shellfish Marine Blue Carbon Sink Loan - Clam Loan" in Jiangsu Province. PSBC Dafeng Sub-branch in Yancheng City granted a loan of RMB10 million with a loan term of one year to Jiangsu Haiyue Industry Co., Ltd., specifically for purchasing clam fry. The product fully leverages the carbon sink potential of mudflats. In the field of marine shellfish breeding, it creatively aligns financial entities with the theme of "realizing the value of marine ecological products" and the element of "carbon sinks". By using the carbon reduction and carbon sequestration forward income rights generated annually by clam aquaculture as supplementary collateral and credit enhancement measures, the product effectively addressed the issue of insufficient collateral faced by marine aquaculture loans and successfully opened a green channel for financial support to help realize the value of marine shellfish ecological products.

## Links and References

2025 Interim Environmental Information (Sustainable Finance) Report, P20-21 Innovative products based on carbon reduction information.

2024 Sustainability Report, P63-64 Column: Diversifying Practices in Blue Finance to Promote Sustainable Development of the Marine Economy.

## Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

### Stakeholder Identification and Consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

## Response

The Bank continues to communicate with stakeholders through formal and informal channels such as collection of policy documents, working meetings, daily communication, and special reports. The stakeholders include governments and regulatory authorities, shareholders and investors, employees at all levels of the Bank, customers, suppliers, financial peers and industry associations, domestic and overseas organizations advocating sustainable development, and professional institutions.

## Links and References

2024 Sustainability Report, P99 Stakeholder management, P100 Analysis of substantive issues.

## Principle 5: Governance and Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

### 5.1 Governance Structure for Implementation of the Principles for Responsible Banking

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles for Responsible Banking.

#### Response

The Bank has established an efficient, collaborative ESG governance structure consisting of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors, and the senior management, with a clear division of responsibilities among them, thus providing a strong organizational and institutional guarantee for implementing ESG principles, advancing sustainable development and taking on the responsibility of a major state-owned bank. There are six special committees under the Board of Directors. The Strategic Planning Committee is mainly responsible for reviewing the overall development strategic plan (including ESG), strategic capital allocation and asset-liability management objectives, major investment and financing plans, and other matters affecting the Bank's development. It is also responsible for listening to reports on the progress of green finance and data governance, and making recommendations to the Board of Directors. The Social Responsibility and Consumer Rights Protection Committee is mainly responsible for formulating the social responsibility strategies, policies and objectives, as well as the basic management systems in line with the Bank's development strategy and actual situation; supervising, inspecting and assessing the implementation progress and effect of the relevant strategies, policies, objectives and basic management systems. The Risk Management Committee 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, covering factors such as ESG and climate risk; listening to risk management reports, including those on climate risk, and making suggestions to the Board of Directors.

#### Links and References

2025 Interim Environmental Information (Sustainable Finance) Report, P2-5 Governance, P84-86 Corporate governance.

### 5.2 Promoting a Culture of Responsible Banking

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

#### Response

The Bank actively promotes social welfare initiatives and fosters a culture of responsible banking among its employees. For example, the "PSBC Charity Fund", which marked the 7th year since its establishment in 2024, focuses on the field of education, provides financial and other support for the education and growth of students, and actively gives back to society. The fund raised RMB8.8744 million in 2024. The Bank continued to organize "PSBC Charity" programs. In 2024, the "PSBC Self-improvement Class" program supported 2,100 high school students from 42 classes who have financial difficulties by covering their current year's tuition and miscellaneous fees. The "PSBC Charity Scholarship" program awarded scholarships to 998 outstanding high school graduates who met the criteria set by the schools hosting the "PSBC Self-improvement Class" program. The "PSBC Charity Parcel" program donated 10,000 parcels to Datong County in Qinghai Province.

The Bank also deepened the public-benefit services provided by "PSBC Care Stations". As of June 30, 2025, the Bank opened 7,094 "PSBC Care Stations" to the public, and continued to provide convenient services for outdoor workers, examinees, the elderly, and other social groups, including rest areas, drinking water supply, charging facilities, hygiene products, and public welfare publicity. The Bank also organized themed activities for traditional festivals, high school and college entrance exams, cultural tourism, and more, to serve social well-being, convey humanistic care, and build new bonds for a harmonious society.

#### Links and References

2025 Interim Environmental Information (Sustainable Finance) Report, P80-82 Public Welfare.

## 5.3 Risk and Due Diligence Processes

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

#### Response

The Bank 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 surveys on ESG and climate risks as well as climate risk stress tests, continuously enhancing its ESG and climate risk management capabilities. PSBC takes ESG risks as a necessary part and an important element of the due diligence process, objectively evaluates the ESG risk of customers or projects, puts forward preliminary ESG risk classification recommendations, and strictly implements the one-vote veto mechanism for environmental protection.

#### Links and References

2025 Interim Environmental Information (Sustainable Finance) Report, P10-14 Risk management.

## Principle 6: Transparency and Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

The information provided in the Progress Report of Signatories to the Principles for Responsible Banking is sufficient. If third-party verification has been conducted, please provide details on the scope of verification and the reference/link to the Independent (Limited) Assurance Report

#### Response

The Bank engages a third-party assurance provider annually to conduct independent verification of key data in its social responsibility report and issues an independent assurance statement, ensuring the accuracy and reliability of the relevant information.

#### Links and References

2024 Sustainability Report, P101-108 Third-Party Assurance Report

# Report Compilation Notes

## Scope of the Report

Organizational Scope of the Report: This report covers the Head Office of Postal Savings Bank of China Co., Ltd., its domestic branches and controlled subsidiaries. The terms "Postal Savings Bank of China", "PSBC" and "the Bank" as used herein refer to Postal Savings Bank of China Co., Ltd.

Time Scope of the Report: January 1, 2024 to June 30, 2025, with certain content extending beyond this period.

## Basis of Preparation

This report has been prepared in accordance with guidelines and standards including the United Nations Principles for Responsible Banking (PRB), the People's Bank of China's Guidelines for Environmental Information Disclosure by Financial Institutions, the Shanghai Stock Exchange's Guidelines for Environmental Information Disclosure by Listed Companies, the Hong Kong Exchanges and Clearing Limited's Environmental, Social and Governance Reporting Guide, and the Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards), among others.

## Publication Format

This report is published electronically and can be viewed and downloaded on the Bank's official websites ([www.psbc1td.cn](http://www.psbc1td.cn), [www.psbc.com](http://www.psbc.com)).

