

陆金所控股
LUFAX

2021 Environmental, Social and Governance Report



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About This Report

Reporting Scope

The substantive content in this Report covers Lufax Holding Ltd. and all its subsidiaries.

Reporting Period

This Report covers the period of time from 1 January 2021 to 31 December 2021, including information traced prior to 2021 or extended to the date of publication.

Report Preparation Standard

This Report is compiled in accordance with the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Listing Rules issued by the Stock Exchange of Hong Kong Limited (hereinafter referred to as “the Stock Exchange”), the United Nation’s Sustainable Development Goals (SDGs), and requirements set out by MSCI-ESG ratings.

Data Source and Reliability Statement

All the information, data and cases mentioned in this Report are collected from the Group’s statistical reports and relevant documents. The Group guarantees that this Report is free from any false records or misleading statements, and thereby undertakes liabilities for the truthfulness, accuracy and completeness of the Report. The currency in this Report is Renminbi yuan unless otherwise specified.

Reporting Language

This report is published in Chinese and English. Should there be any discrepancies between the two versions, the Chinese one shall prevail.

Report Description

For the convenience of expression and reading, Lufax Holdings Limited is hereinafter referred to as “Lufax Holding”, “Lufax”, “the Company” or “we” in this Report.

Reporting Statement

The business plans, development strategies and other forward-looking descriptions involved in this Report do not constitute the Company’s substantive commitment to investors.

Access to This Report

This Report and other information related to the Company’s sustainable development activities are available in the Investor Relations section in the Company’s website: <https://ir.lufaxholding.com/home/default.aspx>



Message from Chairman



It's my honor to take this opportunity to share with all of our stakeholders on Lufax Holding's development and performance in the past year. Looking back at 2021, in spite of internal and external challenges arising from global economic downturn and domestic epidemic prevention and control measures, we stayed true to our mission of supporting the development of small and micro enterprises. At the same time, we strived to improve our environmental, social and governance (ESG) performance while balancing economic efficiency with environmental and social responsibilities. By integrating sustainability into our ESG efforts, we took concrete steps to improve our daily operations and fulfill our commitment to social responsibilities.

This is our second ESG Report. Looking back, with the mission to be the leading global technology-empowered financial service group for small business owners, Lufax Holding has honored the aspiration of inclusive finance by promoting a business model that features "technology-enabled finance, technology-enabled ecosystem, and ecosystem-enabled finance". Over the past year, in addition to operating under a business model that is compliant with regulatory requirements, Lufax Holding has placed consumer rights and interests as our priority, promoted technology enablement, advocated environmental protection and conservation, protected the rights and interests of our employees, as well as dedicated ourselves to public welfare and social values.

By putting compliance at the core of everything that we do, we practice strict discipline to achieve long-term stability. Lufax Holding exercises a high degree of self-discipline in accordance with the philosophy of "seeking progress in long-term stability". We strive to be the industry leader of corporate governance. To achieve this goal, we have continued to enhance our corporate governance with a well-established ESG governance framework and a robust risk management system. In addition, we have maintained close dialogues with regulatory authorities, studying and analyzing policies, laws and regulations on a regular basis. Meanwhile, we have built an honest business environment with zero-tolerance for corruption, fraud, money-laundering and other unethical behaviors.

By adhering to responsibility and accountability, we value the protection of customer rights and interests. Protecting the rights and interests of customers is the foundation of our business. With strict self-discipline and integrity, we aim to build a healthy brand image through offering honest and compliant financial services. In our business operations, we consider protecting the legitimate rights and interests of consumers as a core element of our development; we also put the maintenance of our customers' financial assets safety as our top priority. On top of that, we maintain close attention to customer privacy protection through enhancing data security. With various measures to continuously improve capabilities on information security, we strive to become a financial service platform with responsibility and accountability.

Through technology empowerment, we deliver meticulous services to our customers. Leveraging on our continuous digital innovations, we drive technology development to provide our customers with efficient, transparent and safe services using cutting-edge technologies such as artificial intelligence and cloud computing. In our daily operations, we prioritize customers' demand and experience to establish a trusted end-to-end service system. In the meantime, we are also committed to offering diversified and customized products and services with maximum flexibility to meet the demands of our different customer groups, and to build a personalized financial service and technology brand.

By encouraging green development, we foster environmental protection values and belief. Following the national advocacy for sustainable

development of environmental protection, we have taken concrete steps to incorporate such elements into every aspect of our daily operations. We actively engage with our suppliers and partners, with the mission to enable sustainable developments for all players along the value-chain. In addition, we have also set up a green finance office to develop green credit cooperation and promote green finance, making substantial contributions to multiple environmental protection projects and plans.

Through caring for our employees, we contribute to public welfare. We value the development of each employee. Through fostering a "diversity and inclusion" culture, we provide a diversified platform which enables employees to grow together with Lufax Holding with a great sense of belonging and fulfillment. Amidst the pandemic, we have committed ourselves to provide professional and accessible services to diversified small and micro enterprises, thereby contributing to the real economy. As an enterprise committed to social responsibility, we fully leverage our advantages and platform resources to promote environmental protection and rural development. Combined with digital finance, our inclusive practices have shaped a brand-new model of rural revitalization, and contributed to improved rural living standards.

We are looking forward to a promising future, putting a host of challenges that we collectively face behind us. Lufax Holding will firmly seize opportunities ahead and make the best use of our technological innovations. With on our mission to support micro and small businesses, we take on the responsibility of driving the real economy's growth, promoting sustainable development, and fulfilling our social responsibilities. Together with our team, we will continue to take concrete steps to achieve high quality growth in the long run, and deliver accessible and trustworthy financial services to the wider public.

Chairman of Lufax Holding Ltd.
Yong Suk CHO

Introduction to Lufax Holding Ltd.

Company Profile

Lufax Holding's loan balance reached **661** billion yuan, and its borrowers totaled **16.84** million.

Lufax Holding Ltd is a leading technology-empowered personal financial services platform in China whose business covers retail credit and wealth management. We combine our financial DNA with advanced technologies, and integrate online and offline resources. In doing so, we improve wealth management experience, facilitate inclusive development for micro and small businesses, and contribute to the digitalization of society.

As for retail credit services, Lufax boasts a leading technology-empowered retail credit service platform in China. By adopting innovative technologies and robust risk management measures, Lufax strives to provide end-to-end lending services for micro and small businesses owners and individual business households. In the meantime, we also work with banks and other non-bank institutions to enhance the accessibility to financial services for micro and small businesses. As of 31 December 2021, the total balance of loans managed by Lufax Holding reached 661 billion yuan, and its borrowers totaled 16.84 million.

In the field of wealth management, Lufax Holding is specialized in providing diversified and customized products and services for individual investors. As of 31 December 2021, the wealth management platform of Lufax Holding had offered various products and tailor-made financial services for a total of 51.62 million registered users, whose assets reached 432.7 billion yuan.

Highlights



During the reporting period, Lufax helped **1.55** million micro and small businesses,

and offered lending services to **3.1** million people.

By the end of the year, its new loan sales totaled **648.4** billion yuan

and the total loan balance reached **661** billion yuan



During the reporting period, Lufax provided more than **38** billion yuan of financing services to over **220,000** agricultural-related micro and small business owners and farmers.



As of the end of the reporting period, Lufax had added a **2**-million-yuan donation to China Women's Development Foundation for distributing preferential agricultural funds in the following two years.



As of the end of the reporting period, the hours of voluntary services totaled **207,076**, with an average of **11.1** hours among association members.



As of the end of the reporting period, a total of **170** beach clean-ups were held by Lufax branches across over **100** cities nationwide. With over **1,700** person-time of participation, **4.8** tons of litters were properly disposed.





As of the end of the reporting period, we have assisted over **300** rural cooperative leaders and agripreneurs to obtain a total of more than **133**-million-yuan financial funds through rural revitalization efforts of all kinds. We have directly helped over **800** households in rural counties, or more than **2,000** people across **40** counties, and influenced more than **10,000** people in **14** provinces.



During the reporting period, Lufax has invested **8.5** million yuan on public welfare and charity.



During the reporting period, in nearly **190** cities across the country, we held over **610** financial education activities, more than **76%** of which were in collaboration with authorities such as regulatory agencies and anti-fraud centers, delivering financial security to **6** million people from over **15,000** Lufax frontliners.



During the reporting period, Lufax Holding had **4,697** employees of ethnic minorities.

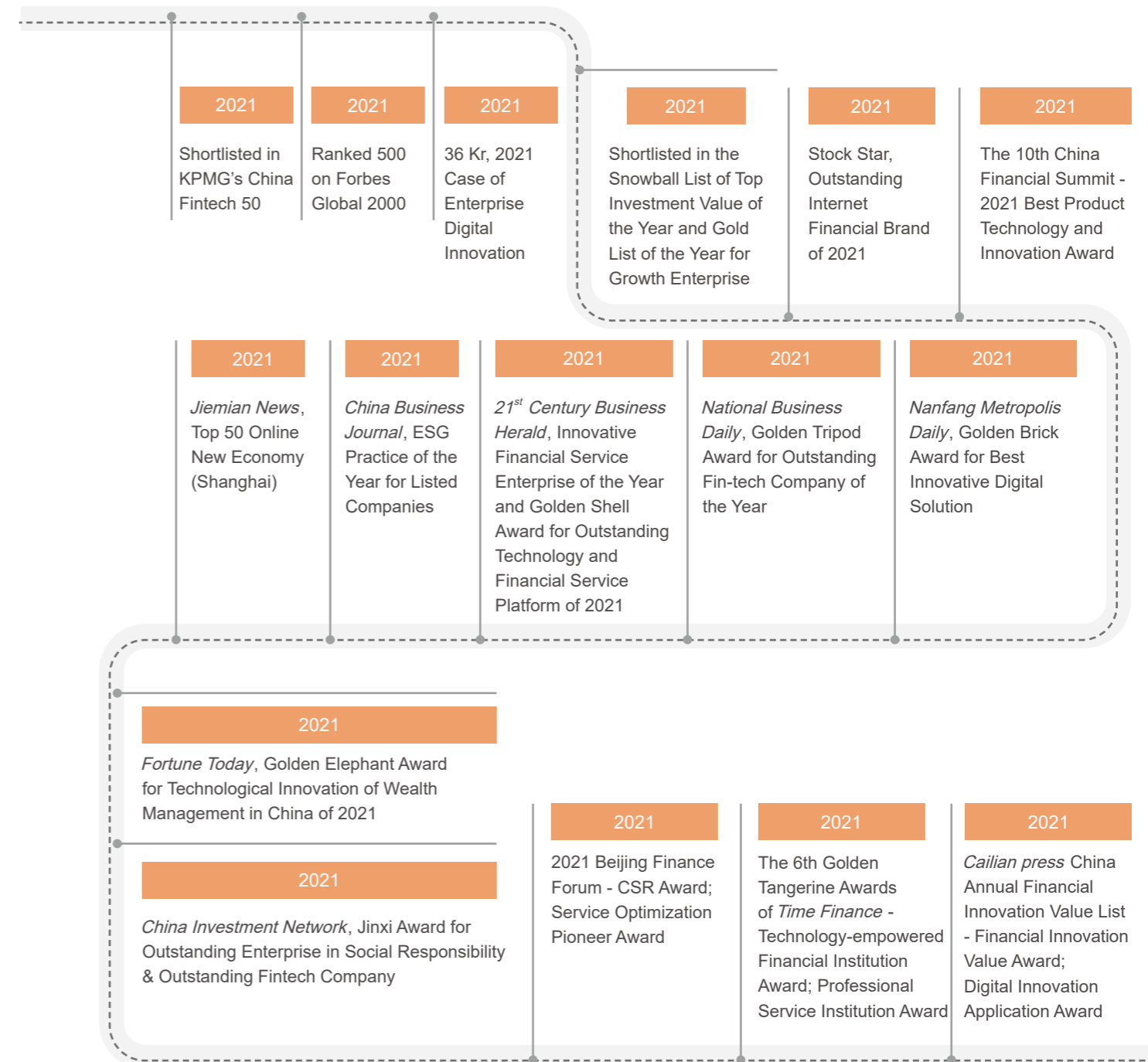


During the reporting period, the Company consumed **473.8** tons of office paper, which was **61.4%** lower than previous year.



By the end of the reporting period, E-loan for Cars had provided preferential loans to NEV owners with a total over **306** million yuan, overachieving the annual target of **26** million yuan.

Awards and Honors



Topics
of 2021

Business for Good and Fulfilling Social Responsibility

In terms of fulfilling responsibilities, Lufax always honors its long-standing principles, which include enabling homogeneous development rights and interests as well as equal sharing rights among all groups, strengthening capacity building for micro and small businesses and individuals, promoting rural revitalization and integrated urban-rural development, and protecting the vulnerable. We support the operation and development of micro and small businesses through multi-cooperation and innovation. Moreover, we created a new agro-ecological practice encompassing a variety of aspects, including rural women empowerment, coordinated industrial development, traditional cultural inheritance with business empowerment, and green rural development. With active volunteerism, we advanced the landing of public welfare programs, and benefited people's livelihood by shouldering responsibilities and contribute to society with public welfare.



Inclusive Finance

We always focus on serving the vast landscape of micro and small businesses in China that are in need of financial support. Responding to the requirement of "Financial sector serving the real economy", Lufax fully leverages its ability to accommodate the micro and small businesses under a circumstance in which the pandemic strikes a further hit to their operation. It relieves the difficulties faced by these small and micro-enterprise owners through addressing financing accessibility, cost and efficiency, and releasing more financial resources to the micro and small businesses, so as to help with their hardships and concerns.



In 2021, Lufax helped **1.55** million micro and small businesses



By the end of the year, its inclusive credit totaled **648.4** billion yuan



and offered inclusive lending services to **3.1** million people



and the balance of inclusive credit loans reached **661** billion yuan

Lufax is always committed to providing heartwarming financing services for micro and small business owners. With the help of technology and mode innovation, Lufax developed digital fintechs such as Xingyun, as well as provided various inclusive financial products such as Preferential Agricultural Funds, providing micro and small businesses with more diversified accesses to financial services, improving their corporate operational capacity and financial literacy, and thereby enabling the growth of every tiny dream across the vast land of China. During the reporting period, Lufax provided more than 38 billion yuan of financing services to over 220,000 agricultural-related micro and small business owners and farmers.

The Preferential Agricultural Funds at Lufax

Lufax continues to support the national program of development in key rural counties. In joint hands with China Women's Development Foundation and Shanghai Soong Ching Ling Foundation, it carries out the Preferential Agricultural Funds program to empower rural revitalization, path of chain development, and the sales of products, contributes a supporting pattern to the closed-loop development of rural revitalization, and works with customers to facilitate responsibility circulation.

The Preferential Agricultural Funds program is an innovative initiative to fulfill our social responsibilities, which aims to revitalize the rural economy through supporting micro and small businesses as well as cooperatives in rural areas. Targeting female leaders of rural cooperatives, the program provides them with all-round entrepreneurship and employment assistance through interest-free operational and production funds, skill trainings, and attracting traffic from the market.

During the reporting period, Lufax joined forces with China Women's Development Foundation, Ningxia Women's Federation, and Ningxia Women and Children's Development Federation, to announce the issuance of a new round of 10-million-yuan Lufax Preferential Agricultural Fund in Wuling, Ningxia. The fund has been granted to rural micro and small businesses and cooperatives led by 13 female entrepreneurs in 6 provinces to support their entrepreneurship and innovation, and empower women in neighboring rural areas so that they can vitalize the rural economy in joint hands. In addition, as of the end of the reporting period, Lufax had added a 2-million-yuan donation to China Women's Development Foundation for distributing Preferential Agricultural Funds in the following two years.



The ceremony of issuing another 10 million yuan of Preferential Agricultural Funds



Voluntary Activities



Based on its own strengths, Lufax Holding focuses on sectors such as public welfare, education and environmental protection, to hold, join and support various activities. It advocates public welfare participation among its employees, and promotes the joint construction and sharing of communities through voluntary activities. In doing so, Lufax continues to contribute to social harmony and sustainable development, and delivers Lufax's warmth to society.

It takes more than an individual or an organization to carry out public welfare. Only by gathering the power of each individual, can public welfare make a difference to society. Relying on Ping An Group's San Cun Hui public welfare platform¹, Lufax employees spontaneously formed up a public welfare team as Lufax Branch of Ping An Volunteer Association. They practiced corporate social responsibilities by performing online and offline voluntary services regarding financial literacy improvement, rural vitalization, voluntary teaching, assistance for the disadvantaged groups, and environmental protection.

As of the end of the reporting period, the registered users of San Cun Hui platform reached to about **95,937** with accumulated voluntary hours reached to about **382,915**. During the reporting period, approximately **18,627** users registered and **207,076** voluntary hours accumulated, with an average of **11.1** hours among association members.

As of the end of the reporting period, we have launched over **3,000** public welfare activities, remaining the highest among all San Cun Hui volunteer associations of Ping An Group. The average number of public welfare activities held by the **35** secondary institutions of Lufax's retail credit business nationwide reached **4.8** per month, an increase of **40.9%** over the previous year.

¹San Cun Hui public welfare platform is an online platform owned by Ping An Group. It records and stores volunteer information and service hours, building a smart mutual-help internet platform that features the philosophy of "everybody for me, me for everybody".

“Beauty Initiative”: Making Waters Blue Again

As a socially responsible company, Lufax actively responds to the Low-Carbon 100 Initiative of “Green Commitment, Safe China” launched by Ping An Group. It teamed up with River Watcher Foundation to launch the “Beauty Initiative”, in which the employees carried out a series of beach cleanup voluntary activities, and made their contributions to a green and sustainable China.

Since the launching in May 2021, Lufax branches have been actively organizing cleanups at riverbanks and beaches, distributing waste-sorting leaflets, and sharing relevant knowledge to citizens.

As of the end of the reporting period, a total of 170 beach clean-ups were held by Lufax branches across over 100 cities nationwide. With over 1,700 person-time of participation, 4.8 tons of litters were properly disposed.



“Beauty Initiative”: series public welfare activities for clean beach

Supporting Students and Promoting Education

Education holds the key to the future and hope. It is our unchanged aspiration to provide each child with an opportunity to lead a better life through knowledge. 2021 marks the sixth year of our education volunteers' constant assistance to Ping An Hope Primary School in Niuhe, Gansu. Over the years, our volunteer team has been supporting the healthy development of local children from on-site visits to online and offline interactions, from basic courses to horizon-broadening AI courses, and from school supplies to all-round supplies.

During the reporting period, the volunteers from our Gansu Branch drove to the school to bring students gifts on the Children's Day. In the meantime, after knowing that a facility damage has affected the teaching, they immediately brought new printers over, to secure the journey of education for the children.

Since the outbreak of the COVID-19 pandemic, Lufax Holding has been caring for epidemic prevention and control measures across the country, and motivated employees to participate in volunteer activities in local communities as a response to the calls of the government. It interpreted the original aspiration and mission of delivering warmhearted service through practical actions, and contributed its corporate strength to COVID containment.

In the face of volunteer shortage in society, Lufax volunteers dedicated themselves into epidemic response, with over 8,550 employees working in the front line of epidemic prevention and control. Among them, Shenzhen

Branch formed up a pioneer team against the pandemic, and sent nearly 20 groups of volunteers to assist nucleic acid testing in the front line; Beijing Branch brought supplies to community residents, helped to build nucleic acid testing tents, and assisted the testing; Hubei Branch came up with the model of “coordinated prevention between community and corporate” to coordinate epidemic prevention and control between communities and property management companies, and thereby building up an epidemic shield together. During the reporting period, we were awarded as the Advanced Unit of Ping An China for epidemic containment in 2021.



With over **8,550** employees working in the front line of epidemic prevention and control



Epidemic Assistance by Lufax Branches

Rural Revitalization

Lufax Holding actively responds to the outline and goals of the national strategy for rural revitalization. In joint hands with all sectors of society, we explore sustainable assistance strategies, trying our utmost to facilitate the economic development in rural counties, and fulfilling our corporate social responsibilities through concrete actions.

In light of the actual needs of micro and small businesses in rural areas, we have launched a series of inclusive Finance Plus programs, namely Finance Plus Women, Finance Plus Industry, Finance Plus Culture, and Finance Plus Double Carbon, which integrate digital finance with inclusive practice, realize the model of "inclusive finance plus multi-dimensional rural revitalization", contributing to the long-term integrated development of micro and small businesses in rural areas.



As of 31 December 2021



we have assisted over **300** rural cooperative leaders and agripreneurs to obtain a total of more than **133**-million-yuan financial funds through rural revitalization efforts of all kinds



We have directly helped over **800** households in rural counties, or more than **2,000** people across **40** counties, and influenced more than **10,000** people



in **14** provinces, covering a variety of agricultural fields, such as planting, husbandry, forestry and fishery

"Mom's Needlework" Program

We teamed up with Ping An Group of China, China Fashion Weekly and other institutions to launch the "Mom's Needlework" program, which gives a new life to recycled clothes through the upcycling collaboration between design teams from professional colleges and local craftspeople of Yi ethnic group. "Mom's Needlework" places an emphasis on sustainability. Thanks to the participation of financial, design and educational circles, it leverages the intangible heritage of handicraft to construct a production framework of cultural and creative products. While mitigating the negative environmental impacts of discarded clothing on the global environment, the program also creates new jobs and entrepreneurial opportunities for women skilled at handicraft from households in rural areas, contributing to the comprehensive, coordinated and sustainable development of environment, economy and society.

To support the program, we have procured and donated over 250 equipment such as sewing machines and fabric cutting machines over several stages, and assisted to train over 100 housewives from impoverished areas with intangible heritage. As of the end of the reporting period, the program has concluded 6 phases, producing more than 30,000 pieces of products, and increased personal income by an average of 20,000 yuan, marking a significant effect of rural revitalization in Liangshan, Sichuan, and shaping a Chinese model for global rural area development. It is also taken beyond borders to countries alongside the Belt and Road Initiative, such as Cambodia, Laos, etc.



Demonstration of "Mom's Needlework" program on a forum held in Nujiang, Yunnan

Assisting in Rural Development

“Leveraging the main driver of rural revitalization with consumption”, we worked with China Foundation for Rural Development to carry out the rural development program, which aims to cultivate a group of local talents who are passionate about rural areas, knowledgeable in agriculture and skilled in business operation. Through systematic upskilling, program support, and social resource integration, it facilitates these talents in exploring and practicing rural revitalization in the new era, so as to foster new growth drivers for sustainable development in rural areas.

Building on cooperatives, we use our technological edges to assist the “new rural talents” on industrial development from technology and quality control, organization, value chain management, to branding and sales. In this way, we aim to link small agricultural households with the market, and foster comprehensive industrial development on the basis of cooperatives, to deliver sustainable industrial development and income improvement for agricultural households.

As of June 2022, the program has helped some 900 households under 4 cooperatives across Gansu, Shaanxi and Jiangxi. It has supported 236 households and influenced 913 individuals that had registered for development.

In addition to rural revitalization programs, we also procured the agricultural products as holiday gifts for our employees, thus practicing rural revitalization through consumption while delivering benefits to our employees. During the reporting period, the Company has spent a total of **30.52** million yuan on procuring **69** kinds of agricultural products from **28** rural areas.



Donation to Society

With its focus in public welfare, Lufax Holding also pays close attention to trending social issues and the real-time pandemic situation. It has launched several charity donations to fulfill its corporate social responsibilities with practical actions, thus facilitating the coordinated development between corporates and society.



In 2021, many areas have encountered grave challenges posed by the COVID-19 pandemic. To relieve the pressure on epidemic response induced by the shortage of relevant supplies, branches of Lufax joined forces with all sides to mobilize resources, procure urgently needed supplies, including protective suits,

facial shields, medical gloves, cold-resistant clothing and food, and donated them to local governments, communities and local police stations as early as possible, thereby keeping those at the frontline of COVID-19 safe and sound.

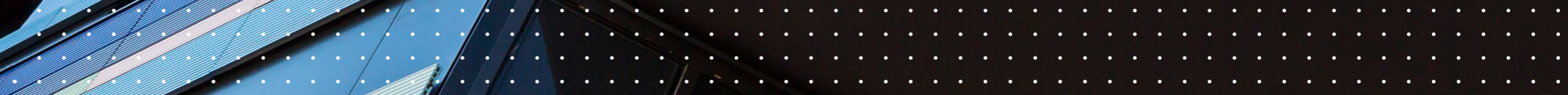
Upholding the spirit of “Support from all sides when one is in trouble”, at the first moment of the flooding in Henan, Lufax prepared and dispatched supplies to the affected regional institutions to help them overcome the difficulties.

01

Governance

Building on Integrity and Consolidating Management

Adhering to the philosophy of “responsible governance based on integrity”, Lufax Holding strives for sustainable development of the Company. Internally, we incorporate ESG management into our corporate strategy, improve our ESG governance framework, strengthen risk management and control of business ethics, and enhance corporate governance, so as to promote the steady and healthy development of the Company with a sound responsibility system. Externally, we maintain close contacts with all stakeholders to fully understand their needs, and respond and fulfill their expectations for ESG management in a pragmatic manner.



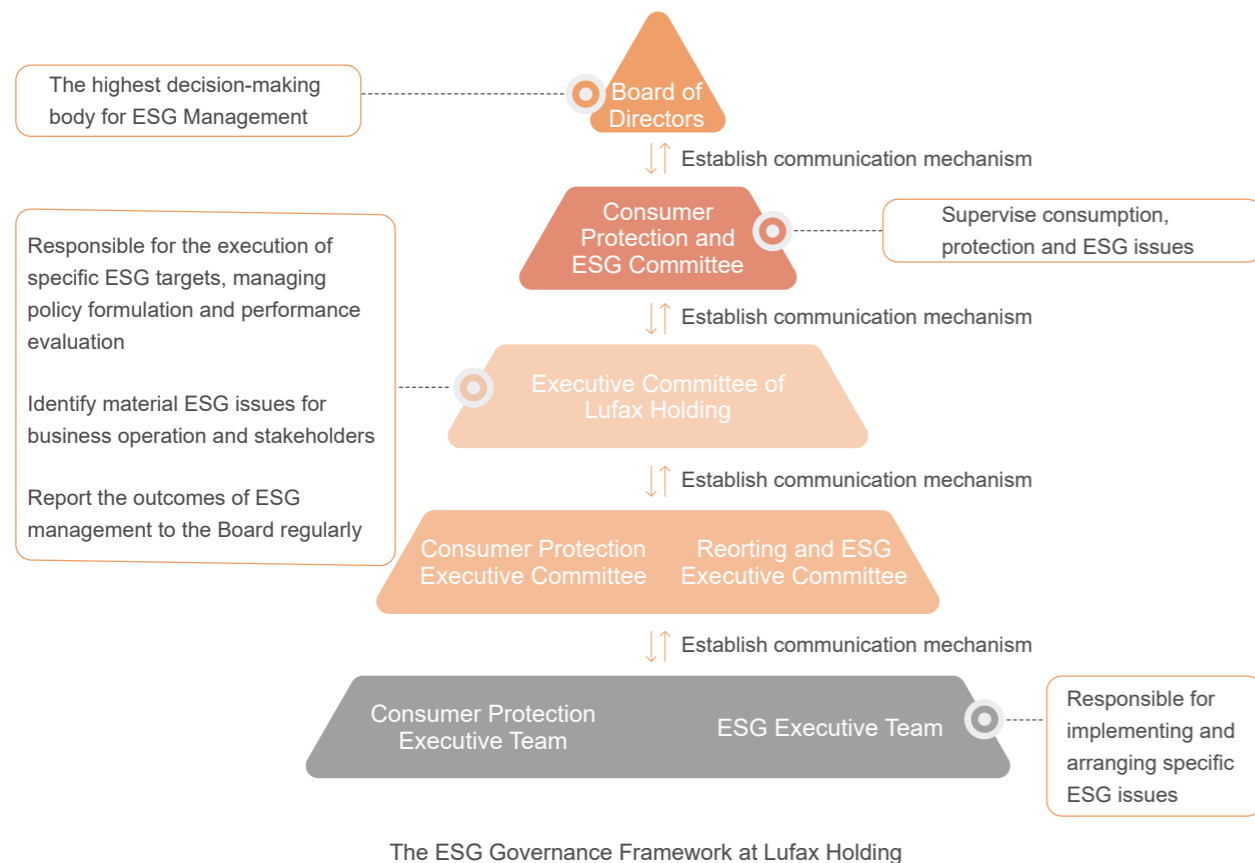
Sustainable Development Management

ESG Governance

As the foundation to realize the Company's sustainable development, Lufax Holding has formulated a series of internal ESG management policies to guide all business departments to improve the scientific, systematic and standardized ESG management. To effectively manage and control ESG-related risks, and to ensure the Company's ESG management meets the requirements and expectations of all stakeholders, we have incorporated ESG indicators into the performance appraisal system of senior executives, directly linking ESG governance with their remunerations.








In August 2021, to effectively supervise and implement ESG-related tasks of the Company, and to promote the robust and sustainable development of the Company's businesses, the Board of Directors officially approved a proposal to set a Consumer Rights and Interests Protection and Environmental, Social and Governance Committee (hereinafter referred to as "Consumer Protection and ESG Committee"). By authorizing relevant functions to the Executive Committee of Lufax Holding, an ESG Executive Group and an Executive Group for Consumer Rights and Interests Protection are set

up, consisting of various companies and functional departments. They are established to optimize the top-down ESG governance framework, and effectively supervise, manage and deliver all ESG-related tasks within the Company. At the same time, the Company has also formulated Rules for Consumer Rights and Interests Protection and ESG Committee, which further specified the requirements for ESG governance. In 2021, the Consumer Protection and ESG Committee convened a meeting to conclude the Company's ESG work in the year and drew a plan for 2022.



Stakeholder Communication

We respect and value the concerns, expectations and suggestions from stakeholders. We are well aware that their support and trust serve as the foundation for the Company's existence and development. We listen to the voices from all stakeholders, continue to expand the efficient and transparent communication channels, and actively respond to the various demands that we received from different channels, such as special research, roadshows and general assembly of investors. During the reporting period, we have identified 7 categories of stakeholders, and announced their concerned topics as well as the communication channels as follows:

Stakeholder	Concerned Topics	Response Channels
 Government and Regulatory Authorities	<ul style="list-style-type: none"> Information and data security Safety and risk management of financial products Responsible marketing Compliance risk management Code of business conduct Inclusive finance Waste management Energy conservation and resource utilization 	<ul style="list-style-type: none"> Regular reports and communication Special research, and on-site meetings Forums and communication programs
 Shareholders and Investors	<ul style="list-style-type: none"> Information and data security Safety and risk management of financial products Stakeholder communication Fintech innovation Inclusive finance Compliance risk management Code of business conduct Stakeholder communication 	<ul style="list-style-type: none"> Annual reports and announcements Roadshow and investor conferences Analyst conference calls Annual general meeting of shareholders Company's website
 Customers	<ul style="list-style-type: none"> Information and data security Safety and risk management of financial products Customer service Customer privacy protection Responsible marketing Inclusive finance 	<ul style="list-style-type: none"> Service hotline Customer satisfaction survey Customer protection
 Suppliers and Business Partners	<ul style="list-style-type: none"> Supplier management Code of business conduct 	<ul style="list-style-type: none"> Strategic cooperation
 Employees	<ul style="list-style-type: none"> Welfare and employees' rights and interests protection Employee development and training Equality and diversity Employee health and safety 	<ul style="list-style-type: none"> Channels for complaints Democratic communication platforms
 Media and Public Welfare Organizations	<ul style="list-style-type: none"> Efforts and investment for social public welfare Inclusive finance 	<ul style="list-style-type: none"> Annual reports and announcements Annual and interim performance press conference Press releases and publications Media access Media inquiry Publicity in communities Participation in public welfare activities
 Environment	<ul style="list-style-type: none"> Energy conservation and resource utilization Climate change response Waste management 	<ul style="list-style-type: none"> Annual reports and announcements Participation in environmental protection activities

Material Topic Analysis

Identify Material Topics

Identify potential material topics that reflect the Company's impact on economy, environment and society through rating agency analysis and industrial peer benchmarking

Rank Material Topics

Learn about stakeholders' materiality assessment on ESG topics through interviews and online questionnaires

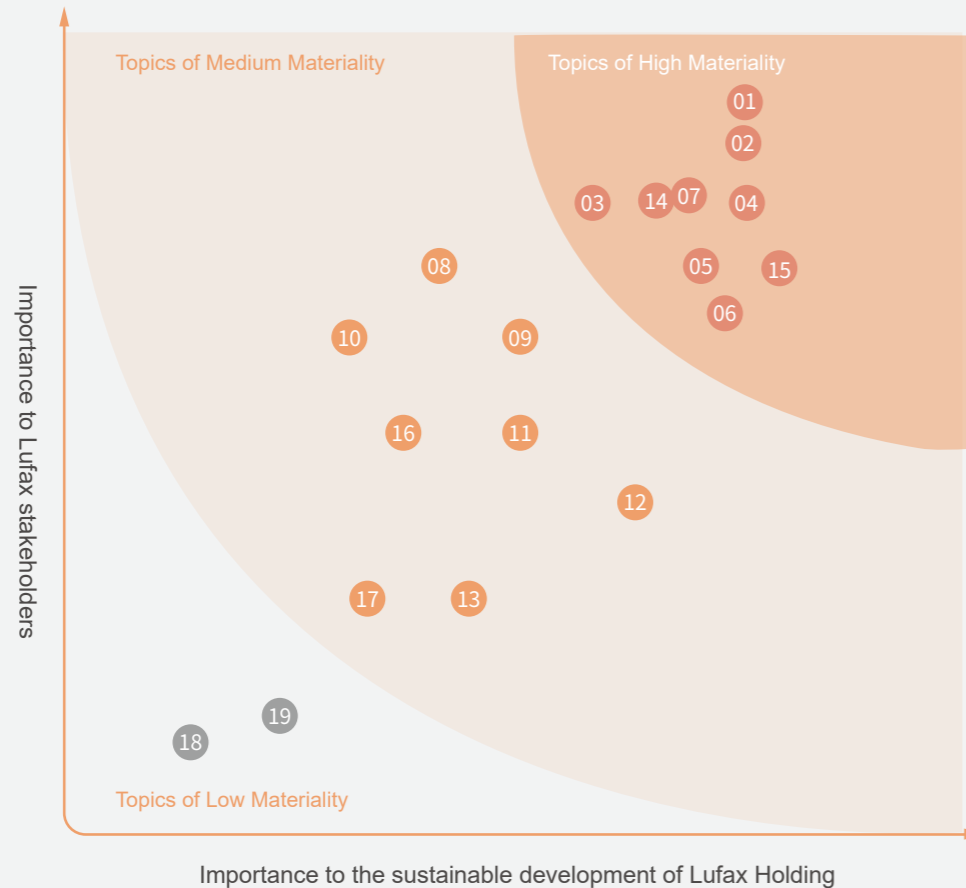
Determine Results

Determine the ranks of ESG topics according to materiality assessment



During the reporting period, we have analyzed and summarized the concerned topics of stakeholders by referring to ESG topics from rating agencies in capital market, disclosure guide set out by regulatory authorities, and disclosure standards chosen by peers. After identifying 19 material topics, we ranked their materiality based on their importance to the sustainable development of Lufax Holding and our stakeholders, and identified 9 topics of high materiality, 8 topics of medium materiality and 2 topics of low materiality.

Lufax Holding's Material ESG Topic Matrix in 2021



Materiality	No.	Topic
High Materiality	1	Information and data security
	2	Safety and risk control of financial products
	3	Customer services
	4	Protection of consumer privacy
	5	Fintech innovation
	6	Inclusive finance
	7	Responsible marketing
	14	Compliance risk management
	15	Code of business conduct
Medium Materiality	8	Employee welfare and rights and interests protection
	9	Employee development and training
	10	Equality and diversity
	11	Employee health and safety
	12	Efforts and investment for social public welfare
	13	Supplier management
	16	Stakeholder communication
Low Materiality	17	Energy conservation and resource utilization
	18	Climate change response
	19	Waste management

Company Governance

Corporate Governance

Lufax Holding is committed to maintaining high-level corporate governance. It has established a governance framework with well-defined authorities and responsibilities, which is in line with the Sarbanes-Oxley Act of 2002 of the U.S. Securities and Exchange Commission and the relevant regulations of the New York Stock Exchange. We value the diversity of our Board members. With each director having extensive industrial experiences and multi-disciplinary expertise, we aim to improve the corporate's decision-making through a more comprehensive perspective and outlook. While designating board members, we take many aspects into consideration for diversification, such as gender, age, cultural and educational background, ethnicity, expertise, skills, knowledge, term of office, and other relevant or applicable factors determined by the Board of Directors. In 2022, we have included female directors in our Board. As of the time of publication of the report, Lufax Board of Directors consists of 9 directors, including 4 independent directors and 2 female directors.

Yong Suk CHO	>>	Chairman of the Board and Chief Executive Officer
Gregory Dean Gibb	>>	Executive Director
Fangfang Cai	>>	Director
Guangheng Ji	>>	Director
Xin Fu	>>	Director
Rusheng Yang	>>	Independent Director
Weidong Li	>>	Independent Director
Xudong Zhang	>>	Independent Director
David Xianglin Li	>>	Independent Director



Four committees are set under the Board of Directors of Lufax Holding, i.e., Audit Committee, Nomination and Remuneration Committee, Consumer Protection and ESG Committee, and Risk Control and Compliance Committee, which are responsible

for supervision, decision-making suggestions and consultations within specific scopes. The Board of Directors operates in accordance with internal documents, such as Charter of the Nomination and Remuneration Committee, Charter

of the Audit Committee, and Code of Business Conduct and Ethics. All the committees under the Board abide by the Company's policies and major strategic directions to effectively play their roles in supervision and management, and ensure the robust operation of the Company.



Risk Management

Lufax Holding attaches great importance to corporate risk management and control. Building on the Company's overall strategic development goals, we carry out risk management by taking risk governance as the foundation and risk appetite as direction, and adopting a number of main approaches, including tools of risk quantification, risk monitoring, and risk performance assessment, to ensure the robust and sustainable development of the Company. We have formulated a series of internal risk management policies, such as Comprehensive Risk Management Regulations, Risk Control Access Guidelines for Consignment Business, and Risk Control Access Guidelines

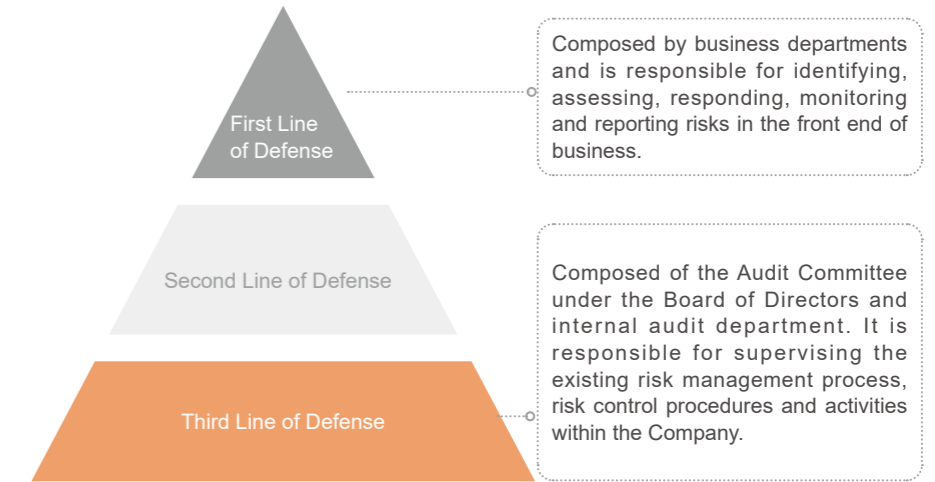
for Commercial Banking Business, which specify our comprehensive risk management principles, the Company's risk appetite, ration and policy requirements, and the Company's risk management procedures, thereby guiding the effective delivery of the Company's risk management measures.

In addition, we continue to optimize our risk management framework. Under the Board of Directors, we have established a Risk Control and Compliance Management Committee, under which a Risk Control and Compliance Executive Committee is set, consisting of 6 teams with close cooperation among various functional departments and employees. Each

team is responsible for specific risk management and control involved in different business priorities, such as risk management for valuation and credit business, and thereby achieving all-round risk management in the Company that covers all the risks, lines, businesses and processes.



To effectively manage the risks of all kinds in its operation, the Company has built three lines of defense centering risk management, and effectively manage and control all types of risks facing the Company through the coordination of the three lines.



On top of that, Lufax also subdivided risks into 7 categories, identified main risks under each category, and assigned them to relevant departments for special management and regular training. During the reporting period, we have organized risk management trainings of different forms, including all hands mandated training, learning and exchange sessions, and risk control newsletters.

Risk Management and Control Framework of Lufax Holding



Risk management system of Lufax Holding

Risk management system	Asset quality risk	Compliance operation risk	Liquidity risk	Operational risk	IT operational risk	Information security risk	Brand reputation risk
Main risks	Credit risk	Operational risk	Liquidity risk	Operational risk	IT operational risk	Information technology risk	Reputation risk
	Market risk	Compliance risk					Strategic risk
	Exchange rate risk	Risk of money laundering Legal risk					
Responsible departments	Risk management department	Legal compliance department	Capital department	Operation management department	Technology center		Brand publicity department



All Hands Mandated Course

All employees are required to pass the examination of the mandatory course of special promotion for all-round risk management on the "Zhiniao" platform. The course covers the laws, regulations and regulatory basis of all-round risk management measures, the duties and responsibilities of functional departments for risk management, and risk preference system.

Internal Risk Control Learning and Exchange Sessions

Regular risk management training covering all the members of the Risk Management Department, including project valuation, promotion of all-round risk management system, etc.

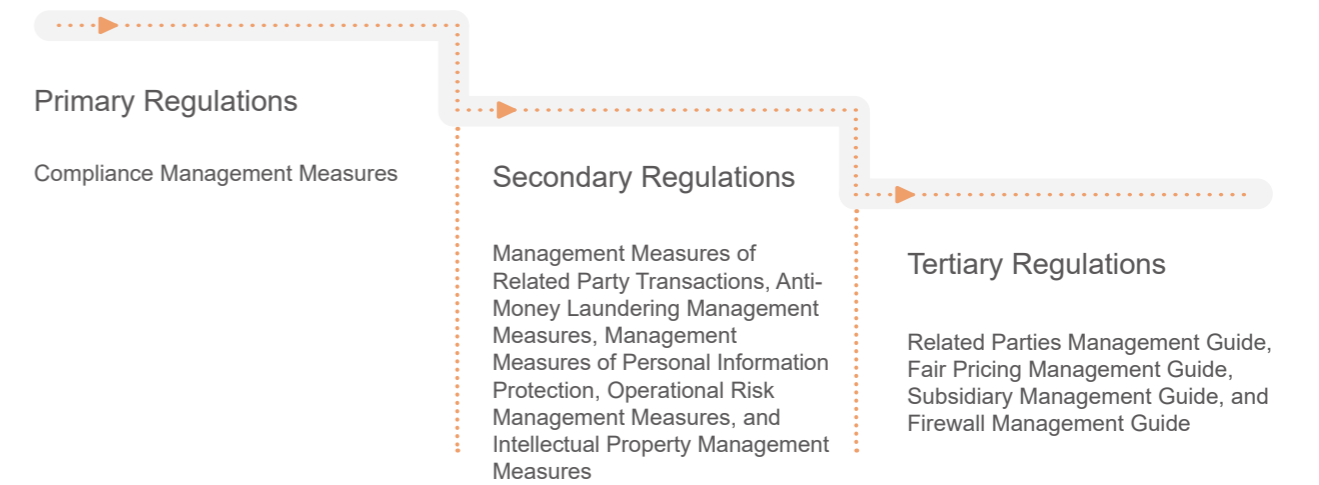
Risk Control Newsletter

Sent to all employees via email. The weekly risk control promotion includes macro economy, news related to financial data release, policy updates, industry warning information, bond default information, etc.

Compliance and Business Ethics

Lufax Holding always observes the principle of compliant operation, and strictly abides by the requirements of relevant laws and regulations in the countries and regions where it operates, such as compliant operation, environmental protection and occupational health. During the reporting period, we completed the comprehensive rearrangement and construction of Lufax's compliance management system. In 2021, we introduced one primary regulation, 5 secondary regulations and 4 executive rules in terms of compliance. With a full upgrade of the compliance system, the Company has reinforced the effectiveness of its internal management.

Updates of Lufax Holding Compliance Management Regulation System



We always pay attention to the updates of laws and regulations. By setting up a Lufax policy interpretation group for legal compliance, and forming and optimizing a mechanism for policy interpretation and monthly regulatory insight report, the impact of new regulatory policies could be promptly circulated as reference for executive decision-making. During the reporting period, we have interpreted a total of 64 policies and regulations, analyzed the gap between new policies and the Company's current situation, acted on through rearrangement and rectification, and organized the outcome acceptance.

To enhance employees' compliance awareness, we carry out a variety of compliance trainings and programs regularly, covering multiple topics that fully penetrate compliance culture, such as "Data Protection: Personal Protection Law and Data Security Regulations", "Employee Conflict of Interest Promotion" and "Information Security Promotion for Anti-Money Laundering".



“Seeking Long-Term Stability from Compliance”:
Themed Activity in Compliance Culture Month



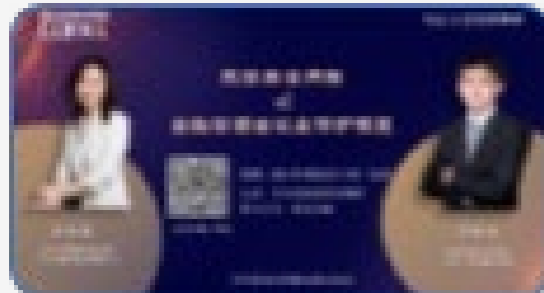
• Message from Leaders

Leaders are invited to send messages to the Compliance Culture Month. A total of four stages have been concluded, with each fitting the culture month's theme of the week and being sent out on every Friday with highlight reviews.



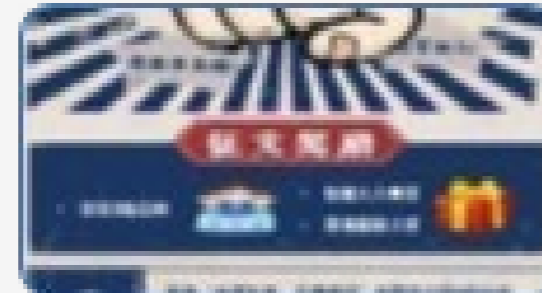
• Abundant Promotion Materials

We promote compliance through morning conferences, posters, all-ups, promotional brochures of related party transactions management, and highlight in weekly reviews.



• Livestream Training

We have invited external and internal experts, as well as directors of legal compliance departments from professional companies to provide a total of 9 phases of specialized legal knowledge trainings/livestream, attracting a total of over 4,000 participants.



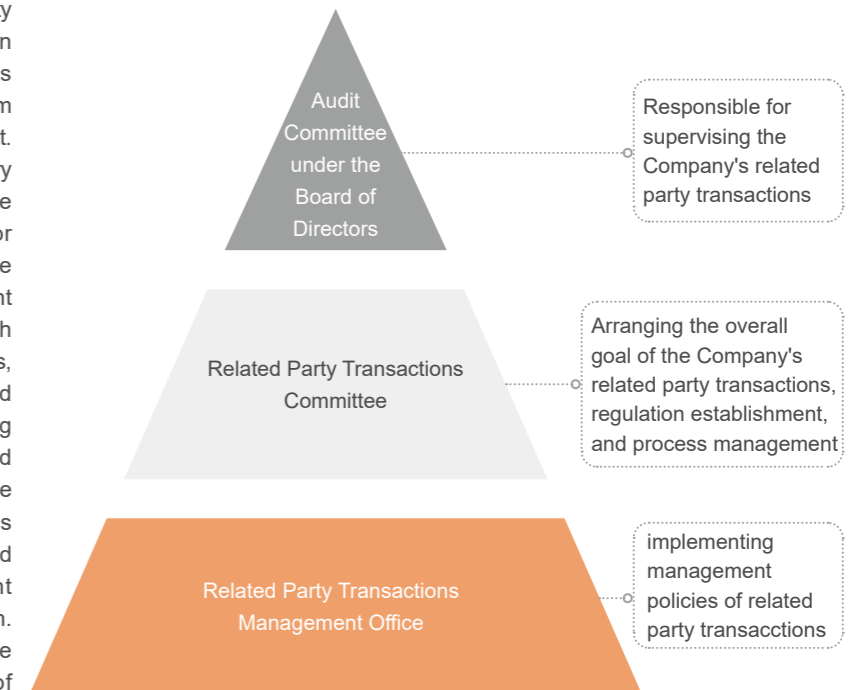
• Activities Carried out in Various Dimensions

We continue to promote legal compliance knowledge through a total of 17 phases, covering over 2,000 people. During the compliance week, we have introduced 3 phases of compliance knowledge contests, which attracted over 300 participants, and 5 phases of compliance mandatory courses on Zhiniao platform. We received articles on “my story with compliance” from nearly 100 employees.

During the reporting period, Lufax carried out themed activities in Compliance Culture Month, focusing on key areas of recent external regulations and internal management. Compliance promotion is performed through innovative forms such as legal compliance promotion, compliance knowledge contest and Zhiniao livestream, and received an extremely high level of participation with positive feedback among all employees.

Related Party Transactions Management

Lufax places high emphasis to related party transactions management, fully acts on the laws and regulations, and strengthens the management system and mechanism of related party transactions management. We always pay close attention to regulatory changes. During the reporting period, we revised the management regulation for related party transactions, and issued the Related Party Information Management Guide and the Fair Pricing Guide, which internalized domestic laws and regulations, corporate accounting guidelines, and management requirements regarding related party transactions in the Listed Rules of the NYSE. In the meantime, we have built a related party transactions governance framework featuring unified standard, full coverage, independent governance and standardized operation. To comprehensively standardize the identification and approval process of related party transactions, and to strengthen relevant risk control, we have established three lines of defense consist of business department, management team of related party transactions office, and audit department.



Business Ethics

Lufax always upholds a business value of integrity and fairness. We honor business ethics, and firmly oppose behaviors violating business ethics, such as bribery, corruption and money-laundering. We strictly comply with U.S. Foreign Corrupt Practices Act and other applicable laws and regulations in where we operate, and are supervised by the Risk Control and Compliance Management Committee under the Board of Directors. Meanwhile, we also continue to optimize regulations related to anti-corruption and anti-money laundering, establish well-defined audit and investigation process, and provide employees with anti-corruption trainings regularly, thereby forging a clean business environment of integrity.

During the reporting period, we have published internal regulations such as the Anti-Money Laundering Management Measures and the Management Guide for Monitoring Anti-Money Laundering List and Compliant Sanction. An Anti-Money Laundering Team is set up to take the lead and coordinate relevant work. We use the Ping An Shield system for anti-money laundering, which is a one-stop service platform for comprehensive risk control across a variety of modules, such as compliance list screening, customer due diligence, customer money laundering risk rating, and alert investigation. In addition, we also impose control measures such as due diligence and freezing for blacklisted customers, and prohibit relationships with customers included in terrorism-related and other high-risk lists.

We constantly refine our anti-corruption policy system, and have established an anti-corruption regulation system that consists of three lines of defense, with the Basic Management Measures for Business Personnel and the Basic Management Measures for Channel Frontline Personnel in the first line of defense; the Expenses Management Measures and the Management Measures for Business Promotion Expenses in the second line of defense; and the Prohibition, Instruction and Warning Punishment System, the Anti-fraud System, and the Management Regulations for Public Complaints and Proposals in the third line of defense. During the reporting period, we updated and optimized relevant fundamental regulations. We specified the penalty category in the Prohibition, Instruction and Warning

Punishment System, reinforcing the accountability for relevant responsible person. As for the Management Measures for Criminal Cases, we strengthened management against duty crimes such as corruption, bribery and abuse of authority.

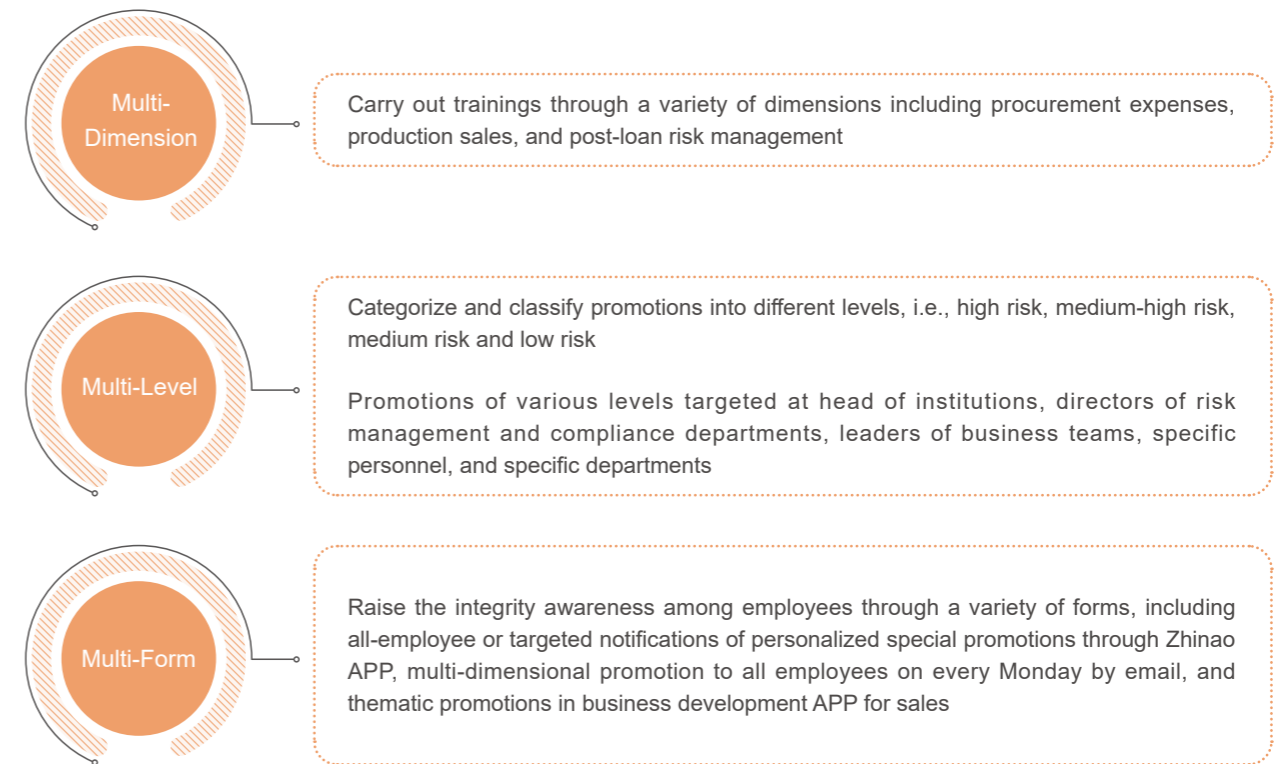
With our zero-tolerance towards corruption, we have established anti-corruption and anti-fraud reporting channels, including special website channels, emails, mails, hotline and internal communication software, to encourage all employees, business partners, suppliers and other stakeholders to report any corruption, fraud and irregularities that may occur or have occurred. Following the principles of lawfulness, objectiveness and fairness, the Audit and Supervision Department will conduct verification timely, and

protect the legitimate rights and interests of whistleblowers. Once the reported case is verified, punishment will be issued strictly in line with the Company's Prohibition, Instruction and Warning Punishment System. In addition, we carry out self-inspection and internal audit against corruption and fraud regularly, and pay special attention to key links and positions, so as to effectively prevent any ethics breach.

While handling complaints, we set up the Public Complaints and Proposals Management Regulations to protect the identity of whistleblowers. It is clearly stipulated that the personal information of whistleblower, reporting and denunciation materials, as well as other relevant information shall not be disclosed. In practice, should the public complaints and proposals

need to be handled jointly by other compliance functional departments, the original material must be written and transformed into general documents by the audit personnel himself, with sensitive information strictly desensitized. The materials must go through three-level reviews before sending out, and must be followed up and supervised by dedicated personnel afterwards.

We place high value to and advocate for the culture of honesty and integrity, and provide trainings and promotions of business ethics to all employees. During the reporting period, we established a smart mechanism for anti-corruption promotions and trainings through multiple dimensions, levels and forms.



During the reporting period, the Company was not involved in any lawsuits related to business ethics.

02

Society

Forging a Heartwarming
Enterprise with Dedication



Responsible Operation for Robust Development



Staying customer-centric, Lufax Holding protects consumer rights and interests throughout the entire service process, and is dedicated to building a “whole-process consumer rights and interest protection system”, thereby preventing consumers’ private data from leakage, and protecting their financial rights and interests, such as the right to information and independent choice. At the same time, we join forces with various institutions of all levels to promote financial knowledge, including anti-fraud knowledge and techniques, to safeguard consumers’ asset.

Responsible Marketing

All the marketing and promotion activities held by Lufax Holding, regardless of forms, are strictly in line with the Advertisement Law of the People’s Republic of China, the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests, and other applicable laws, regulations and industry guidelines related to where we operate. The Company has formulated relevant marketing, advertisement and sales regulations, such as the Internal Management and Monitoring System of Marketing Activity, to regulate

the Company’s code of marketing and publicity conduct, and clarify the review and approval process for marketing and publicity materials as well as the penalty mechanism for non-compliance. The Company has established a material review, approval and supervision mechanism for responsible marketing, stipulating that all marketing materials must be reviewed for compliance, and approved by authorized management personnel of the Company to ensure the compliance and appropriateness regarding the content and form, and

thereby preventing any exaggerated or false publicity. During the reporting period, we did not commit any marketing violations.

In order to raise the awareness of compliant marketing and avoid non-compliance marketing risks among relevant personnel, for all employees involved in sales, we have set up various compliance marketing promotion activities, i.e., induction training, special training, compliance week and compliance month activities, daily meetings and case studies.



Special Training for Responsible Marketing

During the reporting period, we performed diverse special trainings on responsible marketing, including online meetings and offline trainings for all sales staff involved in consulting, to ensure that they fully understand and are familiar with the laws, regulations, as well as the Company’s policies for responsible marketing, and encourage all employees to forge a healthy and unified brand image in joint hands. The trainings cover relevant national laws and regulations, as well as internal policies such as the Compliant Internal Control and Orderly Operation, the Pre-Loan Review, the Fraud Prevention for the Purposes of Loan, etc. We have set feedbacks, examinations and retraining after the training to ensure its effectiveness, which not only guarantee learning outcome, but also continuously improve the quality of the trainings. This series of special trainings for compliant marketing has raised employees’ awareness on the importance of learning fraud prevention, and consolidated their compliance awareness of “Sticking to compliant operation, refusing violation of laws, false propaganda, and misleading sales”.



Protection of Financial Consumers

To live up to the operational principal of “Protecting consumer rights and interests and being consumer-centric”, Lufax Holding attaches great importance to its consumer protection by establishing a whole-process system for consumer rights and interests protection. To keep pushing forward efforts in this regard with effective measures, Lufax incorporates protecting financial consumers into its corporate cultural construction as well as its operating and development strategies. During the reporting period, a Consumer Rights and Interests Protection Affairs Committee was set under the Board of Directors to be responsible for planning, arranging and deploying the implementation of protecting consumer rights and

interests, monitoring and reviewing products, and reporting to Lufax Board of Directors and the Consumer Protection Executive Committee regularly.

We strictly observe the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests, and other relevant laws, regulations, and national or industry standards where we operate, and have created internal consumer protection policies such as the Measures for the Protection of Consumer Rights and Interests. By adopting diverse protective measures, we are committed to achieving whole-process management and supervision for consumer protection to ensure a

solid outcome per requirement.

Lufax Holding resolutely opposes violent debt-collections. We have standardized the debt-collection process and conducts in our Measures for the Protection of Consumer Rights and Interests, and trained our employees on debt-collection through in-person lectures and online courses. In addition, we also use technological means to monitor violent debt-collection and any other behaviors that may undermine the rights and interests of consumers. In joint hands with authoritative media, we expose anti-collection organization scams to raise consumers’ alertness.

Consumer Protection Robot

Responding to the call of fueling digital elements into the entire process of financial services, Lufax Holding places high value to financial innovation that is technology-driven or digital-empowered, and works to safeguard consumer rights and interests through digital approaches.

Lufax Holding has introduced its Consumer Protection Robot. By integrating a variety of advanced technologies, i.e., RPA Cloud, Optical Character Recognition (OCR) and Natural Language Processing (NLP), it sets inspection route in accordance with the inspection guidelines for consumer protection. In its service, the robot only automatically inspects the content related to consumer rights and interests. By automatically searching for inappropriate language, risk mismatch, and the completeness and accuracy of product and service information disclosure, as well as reporting potential risks for manual review, the Consumer Protection Robot effectively reduces business risks, helps to improve risk point coverage, and in turn optimizes the accuracy of its inspection.

As the first robot in the industry that incorporates contracts, process and financial products into inspection scenario, Lufax's Consumer Protection Robot can achieve 7*24 site-wide search, and has included all sensitive words and 51 items of process regulations for consumer protection, and 16,000 AI corpus generalizations. Its inspection scope has reached 3,500 main pages of APP, with an 83% accuracy in detected cases, and 0% recurrence of detected problem.

In addition, we have established a mechanism for consumer protection education. While carrying out employee consumer protection trainings and improving the awareness within the Company, we are actively improving consumers' financial literacy to enhance their self-protection and risk awareness.

Consumer Protection Learning Corner



We have set up consumer protection learning corners in our office to raise the awareness of consumer protection among our employees. Roll-ups and brochures that introduce the eight rights and interests of financial consumers are displayed to remind employees to pay attention to consumer rights and interests at all times.

Special Training on Consumer Protection



We value compliance knowledge trainings for our employees, and deliver consumer protection knowledge to them. We have created "Compulsory Course on Protection of Financial Consumers' Rights and Interests", a compulsory course on consumer protection that covers diverse contents such as consumer protection policies, eight rights and interests of consumers, and code of conduct for collection. All employees are required to study and punch in.

Consumer Protection Monthly



With the introduction of new consumer protection regulations and the rising importance of consumer protection, we collected consumer protection news and typical cases during the reporting period and delivered the latest consumer protection-related information to our employees through *Consumer Protection Monthly*.

Lufax always considers "Protecting the legitimate rights and interests of consumers" as a core element of our strategic development. Responding to the CBRC's call for launching special campaign for cracking down illegal gangs and local mafia and promoting consumer protection, it works to popularize consumer protection knowledge, and continues to expand investment on investor education and consumers' financial literacy. For example, we initiated the "Consumer Rights Protection Campaign" in 2018 to improve the financial literacy of consumers. In 2021, we comprehensively upgraded the campaign by joining forces with the police, regulatory authorities and communities to carry out financial anti-fraud promotions. Through a diversity of approaches including interactive H5 and funny short videos, Lufax launched "Operation Guardian" to popularize financial knowledge in shopping districts, communities, villages and campuses, building a closer "online + offline" network for sharing financial knowledge. In doing so, we aim to further strengthen the awareness on financial fraud for the vulnerable, including those engaged in micro and small businesses, senior citizens, rural residents and college students.



During the reporting period, we have held over **610** financial education activities in nearly **190** cities across the country, more than **76%** of which were in collaboration with authorities such as regulatory agencies and anti-fraud centers, delivering financial security to **6** million people from over **15,000** Lufax frontliners.

Lufax has made available a Consumer Protection Section in its APP, which introduces in detail the eight legitimate rights and interests of consumers. While enabling consumers to check platform service agreement and authorization settings conveniently, it has also set up an education module to bring them consumer protection and anti-fraud knowledge.

The Consumer Protection Section in Lufax Holding APP



Short Video Programs for Consumer Protection and Investment Education

Thanks to new media platforms, we have launched short video programs for consumer protection and investment education, in which we cooperated with authoritative institutions in the industry and financial education agencies to constantly produce professional and interesting content on investment education. During the reporting period, we have created several high-quality programs, including *Consulting Lufax for Investment*, *Lufax-pedia*, *Lufax Trivial Knowledge*, and *Superstar's Here*, in which experts from financial institutions are invited to provide consumers with investment education. The programs have produced a total of over 300 pieces of educational contents on investment, attracting 18 million views.



Consulting Lufax for Investment, series short videos on consumer protection and investment education



Superstar's Here, series short video on investment education



"Safeguarding Wallet Program": Popularizing Financial Knowledge Through Multiple Approaches

Responding to the call of the Central Bank and many other ministries for carrying out 2021 "Financial Knowledge Promotion Month", Lufax initiated the "Safeguarding Wallet Program" to facilitate the popularization of financial knowledge, and equip consumers with stronger awareness on rational financial consumption and self-protection of rights and interests.

We share common sense in anti-financial fraud in coordination with many online and offline platforms and channels:

Livestreaming on Lufax Holding APP, video account and TikTok, with financial experts, anti-fraud police, lawyers and other professionals answering questions in real-time.

Producing a series of short social plays targeting frequent fraud cases such as the credit information repair chaos, harm of illegal fund-raising, APP fraud, loan frauds and etc.

Lufax branches cooperate with anti-fraud institutions and social media platforms to introduce common scams for different groups of people, and illustrate financial fraud cases of high incidence. Through funny short videos and livestreaming, Lufax helps college students, workers and the elderly to recognize the routines of financial fraud quickly.



Thanks to its diverse forms, "Safeguarding Wallet Program" has won warm responses. The hashtag #SafeguardingWalletProgram# has attracted over **440** million views, with some **64,000** netzines participated in the discussion, and a single livestream event was liked by tens of thousands of netizens. Its offline promotion activities for fraud prevention covered nearly **190** cities.



Safeguarding Wallet Program



Online special livestream for anti-fraud with Hunan Broadcasting System

Forging an Offline Coordinated Model of "Lufax plus Anti-Fraud Center" - Bringing Financial Anti-Fraud into Communities

As internet economy evolves, new forms of financial fraud keep emerging. To enhance anti-fraud awareness and the ability to distinguish financial risks, we worked with authoritative institutions including local regulatory authorities, anti-fraud centers and media, to leverage our strengths and bridge "the last mile" for anti-fraud and financial literacy improvement. Having analyzed and summarized the scams of different target populations, Ping An Puhui has launched anti-fraud publicities with different focuses:

Micro and Small Businesses owners

In light of the fact that micro and small businesses owners are prone to telecom and internet fraud, Lufax Gansu Branch has joined hands with Lanzhou Public Security Bureau to hold scam sharing events on new types of telecom and internet fraud, and distribute brochures in areas packed with stores, hitting hard on telecom and internet financial fraud through the joint effort of the police and corporate.

As for "elderly care"scams that are seen frequently among the elderly, Lufax Hunan Branch worked with Changsha Financial Industry Federation to go into community service centers to deliver the elderly with knowledge on how to avoid being cheated, and help them to safeguard their pension.

Senior Citizens

Community Residents and Rural Residents

Considering the fact that financial frauds are gradually sinking into the regions between urban and rural areas and the rural areas, Lufax Guizhou Branch teamed up with local financial supervision administrations and local public security authorities to enhance the literacy awareness and prevention ability against financial risks among community residents and rural residents in forms such as anti-fraud comedies in local dialects and interactive Q&As.

Meanwhile, Gansu Branch, Chongqing Branch and Liaoning Branch of Lufax Holding also worked with local police stations to jointly set up police-corporate coordination office for together promoting governance on preventing telecom and internet financial fraud, and empower residents' financial literacy through multiple dimensions.



Offline consumer protection activity jointly held by Gansu Branch and Gansu Provincial Public Security Department



Financial security education activity jointly held by Guangdong Branch, Guangdong Provincial Public Security Department and local Banking and Insurance Regulatory Commission



Guangxi Branch went into communities for financial literacy promotion and public welfare activities

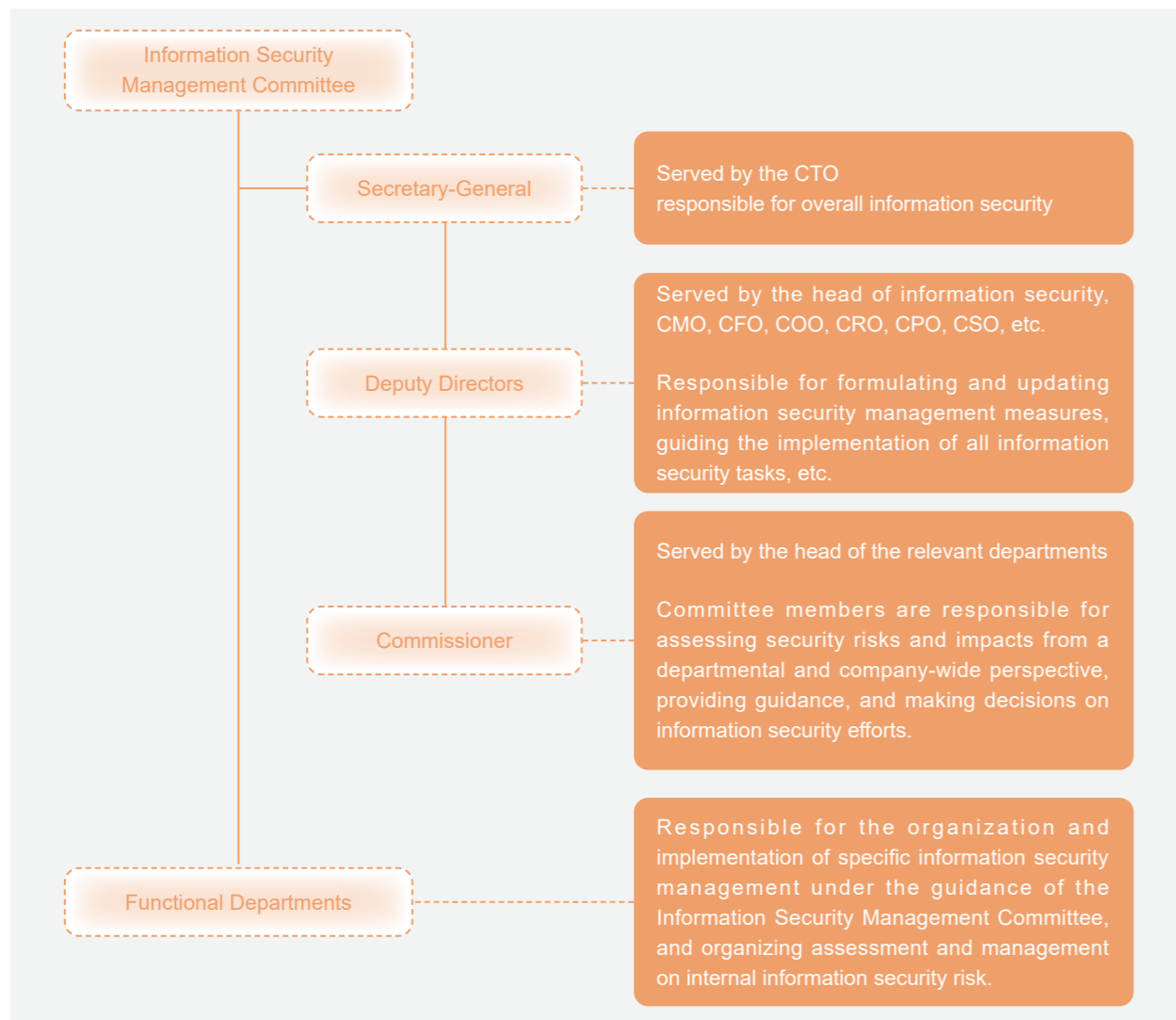


Hainan Branch carried out "Financial Guardian Operation" in rural areas

Data Security and Privacy Protection

Safeguarding data security and user privacy is the foundation of Lufax Holding's development. Strictly complying with the Cyber Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China, and relevant laws and regulations applicable in where we operate, we have formulated the Management Measures for Personal Information Protection that applicable to all employees. We have disclosed the privacy policy of all services under the Company's operational platforms, for example, Lufax Privacy Policy, to guarantee data security and prevent privacy leakage.

We continue to optimize the whole-process management of information security, and established an Information Security Management Committee to manage the Company's overall information security. Led by the General Manger of Lufax, the Committee members are all certified in the field of information security to ensure the expertise of the management.



We have incorporated data security indicators into performance appraisal, and established an information security appraisal system consists of the Company, departments, senior executives and other employees, so as to motivate the effective execution, management and supervision of data security measures.



Company-level

Incorporate Group information security into technological appraisal. Information security performance affects the overall appraisal of the Company.



Department-level

Conduct security appraisal to all institutions and departments as stipulated by the Company's information security regulations.



Employee-level

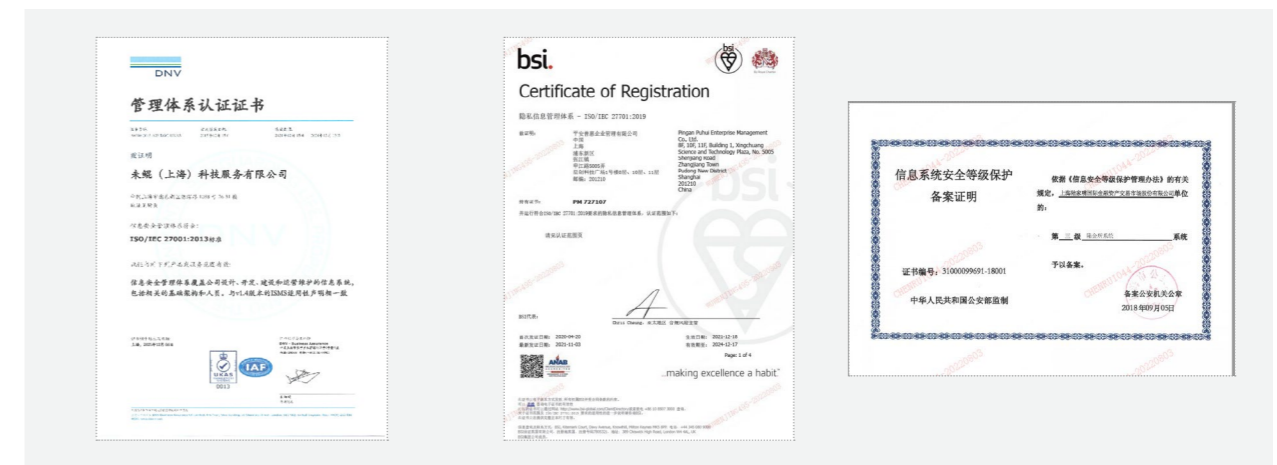
The performance appraisal system for senior executive CTO covers information security, which includes but not limited to indicators such as the number of major information security incidents, re-detect rate of Blues vulnerability, the completion rate of sensitive field encryption, etc. At the same time, these indicators are also included in the employee performance appraisal.

Information security performance appraisal system of Lufax Holding

On top of enhancing internal information security system, we also promote external information security system certification. All the information security management system that

involved in our businesses are accredited by the Ministry of Public Security as Level III information security protection, ISO 27001: 2019 private information management

system certification, ISO 27001: 2013 information security management system certification, and ISO 20000 information technology service management system certification.



In order to effectively prevent and control information security risks, we proactively initiate information security inspection and audit to prevent information security leakage

both internally and externally. We also take the initiative to conduct various simulation tests, such as malicious attack and phishing emails, to guarantee the operation of the

platform. During the reporting period, we have carried out 13 internal and external audits.

Information Security Risk Assessment

Independent assessment: Carry out independent risk assessment and issue risk assessment reports, which need to be reviewed and approved by the executives(CEO/CTO)

Routine inspection by professional company: complete quarterly review of account authority, review and sign-off, and other adults

APP Information Security Tests

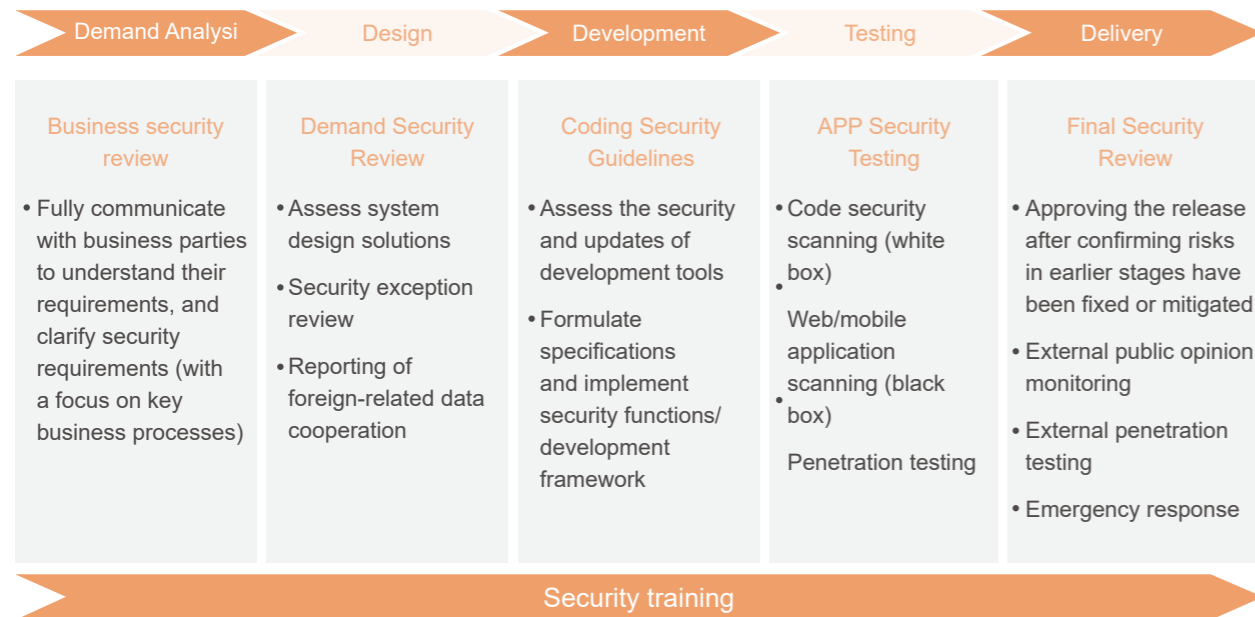
We conduct security assessment on privacy collection, security vulnerability, malicious code and noncompliant content through technical testing and expert analysis in accordance with relevant national laws and regulation as well as regulatory requirements and industrial requirements on information and internet security, so as to ensure the identification of compliance risks of personal information collection and meet regulatory requirements

To maximize the protection of information security and prevention of customer privacy leakage, we adopt the Secure Software Development

Life Cycle (S-SDLC) technology to integrate and coordinate with different departments in-depth, secure every aspect of financial product

development, and set up evaluation, review and testing processes at each stage to fully guarantee the security of financial products.

S-SDLC Process



Management Measures for Information Security



First Prize for Information Security in Ping An Group



Prize for Leading Security Value

To have the first response ready for information security emergencies, we have formulated the Management Measures for Emergency Response of Information Security Incident to avoid untimely response. In daily operation, we adopt a series of technical

approaches to strengthen information security management, accurately identify sensitive information, and set multiple access authorities to personal and sensitive data, such as double-factor authentication (account password plus cell phone verification

code/account password plus Ping An token). In addition, we strictly follow the laws and regulations in places where we operate, and delete data timely as per regulations to minimize the retention of customers' private information.

Management Measures for Information Security

Access Control

- Use the security policy of Cyberark integrated jump sever to conduct strict personnel identity authorization and two-factor authentication, operation audit, and video recording for all access to production and test servers
- Regularly sort out and control sensitive authorities related to customer information queries. Follow the "least privilege" principle to ensure the security of customer data

Storage Encryption

- Use national commercial cryptographic algorithms to encrypt the storage of sensitive customer information such as cell phone numbers and biometric data

Hierarchical Management

- Develop a data management system for the entire life cycle of data collection, transmission, storage, use, exchange and destruction. Classify data in a hierarchical manner according to established standards, strengthen the control of data assets, and strictly protect customer information





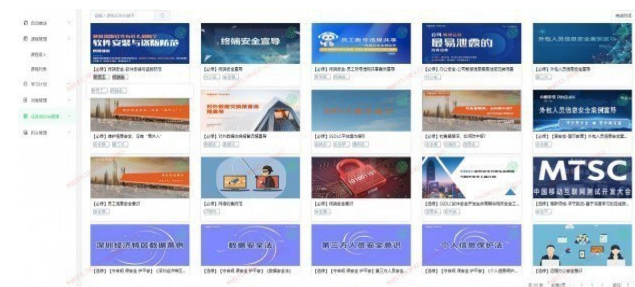
Except for service or transaction purposes, we never lease, sell or provide personal information to any third party. We have formulated the Information Security Guidelines - Third Party Management, which strictly stipulates that information security standards set by outsourcing service providers must not be lower than that of the Company. We strictly control the process and details when transferring information and assets between various departments of the Company and outsourcing service providers, and require third parties to ensure the confidentiality of information during the transfer. In

addition, we actively conduct service provider reviews to ensure that relevant suppliers have established appropriate data security and privacy protection-related policies to safeguard the security of the Company's information assets.

To reinforce the awareness on information security among all employees, we hired specialist for security awareness trainings to organize all hands security awareness training on a yearly basis, and role-based information security trainings on a quarterly basis.



During the reporting period, the coverage of information security training was **100%**.



Abundant Online Courses



Information Security Examinations

Intellectual Property Rights Protection

While advancing technologies, Lufax also attaches great importance to protecting its innovations. We strictly comply with the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China and other relevant laws, regulations and normative documents applicable in where we operate, and have established internal regulations such as the Management Measures for the Protection of Trademark Rights, the Management and Protection Measures for Intellectual Property Rights, and the Management Measures for Patent Protection, so as to protect our intellectual property rights (IPR). During the reporting period, we have published the Management Measures for Intellectual Property Rights, which further clarified the framework and duties of intellectual property protection, expense management of intellectual property, management of intellectual property projects, etc.

Meanwhile, we have established a promotion mechanism for intellectual property rights, through which we carry out various forms of special trainings and promotions on intellectual property rights to motivate intellectual creativity among our employees. In addition, we have also built an IPR monthly issue mechanism for demonstrating the full landscape of IPR management across Lufax and all its subordinate specialized companies, which effectively promoted the orderly implementation of IPR application and management.



As of the end of the reporting period, the Company had obtained a total of **239** patents



and **247** copyrights



including **236** software copyrights



and **11** work copyrights



Its registered domain names totaled **326**



with **9** registered overseas,



and registered trademarks reached **842**



with **216** registered overseas

Empowering with Technology and Creating a Warmhearted Financial Brand

Leveraging its leading technology landscape and extensive operational experiences, Lufax Holding makes flexible use of various financial technologies, including big data, artificial intelligence, blockchain, and cloud computation, to empower businesses and improve product competitiveness. Meanwhile, we stay customer-centric and deep dive customer needs, to offer customized and modularized solutions for different populations, and shape a warmhearted financial service and technology brand.

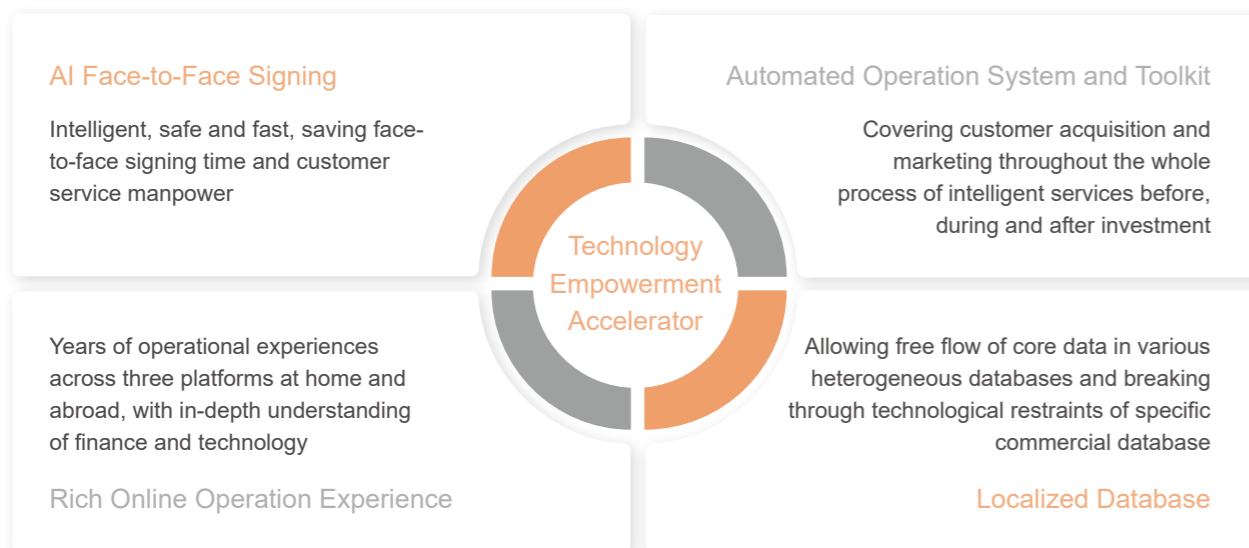
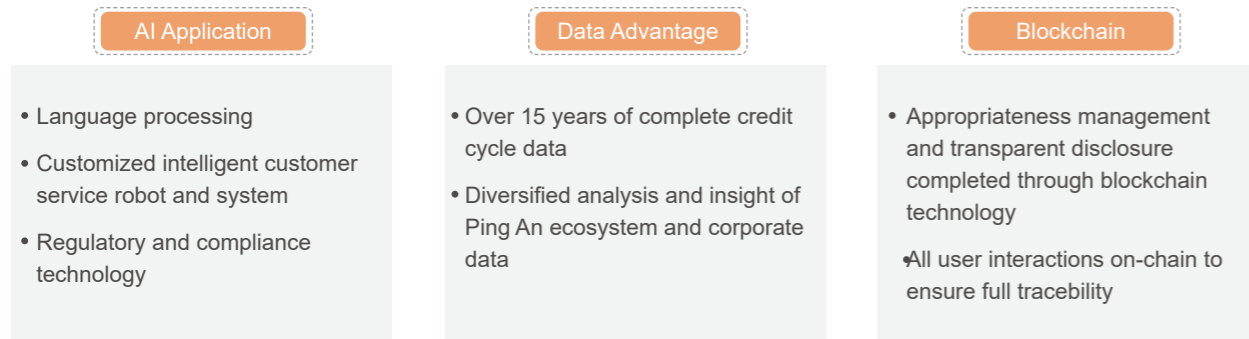
Upgrading Smart Technologies

Lufax Holding is committed to digital innovation, fueling wealth management with technologies, and forging core corporate competitiveness. Taking AI, big data

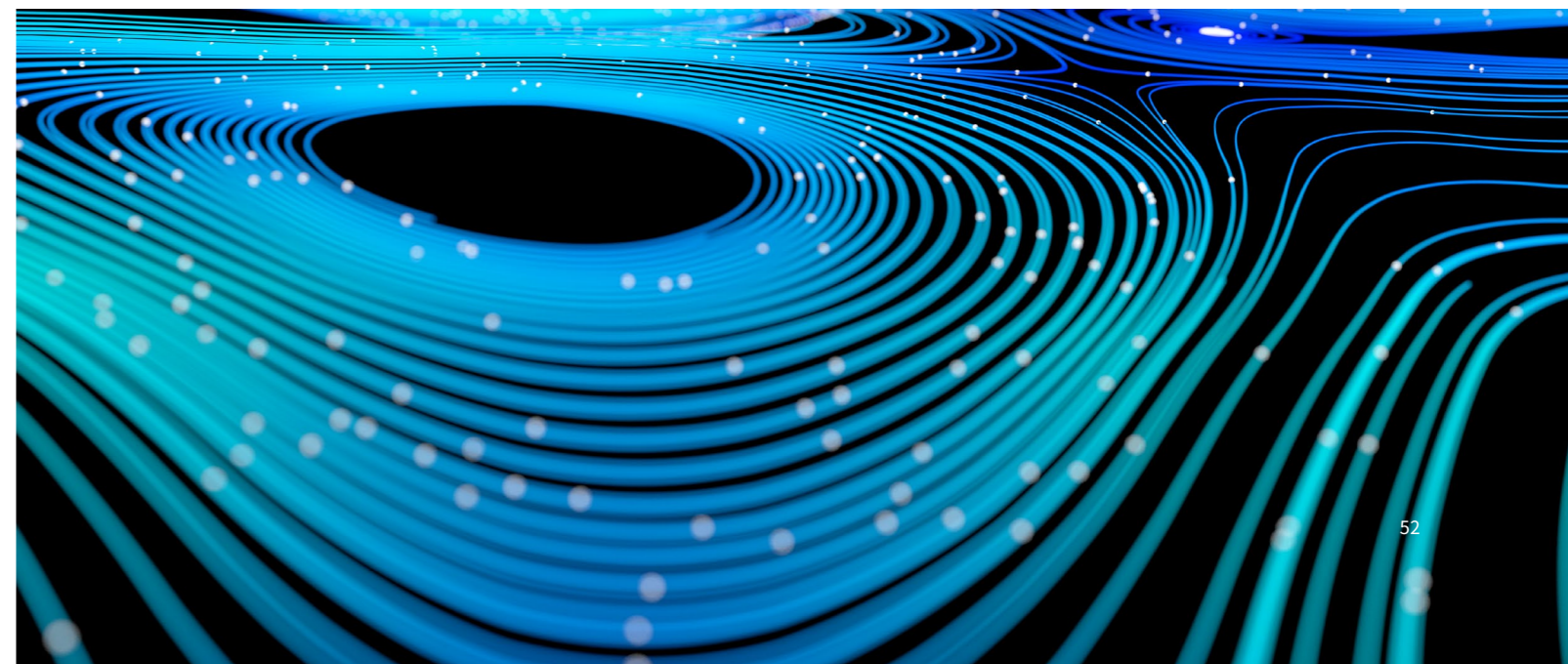
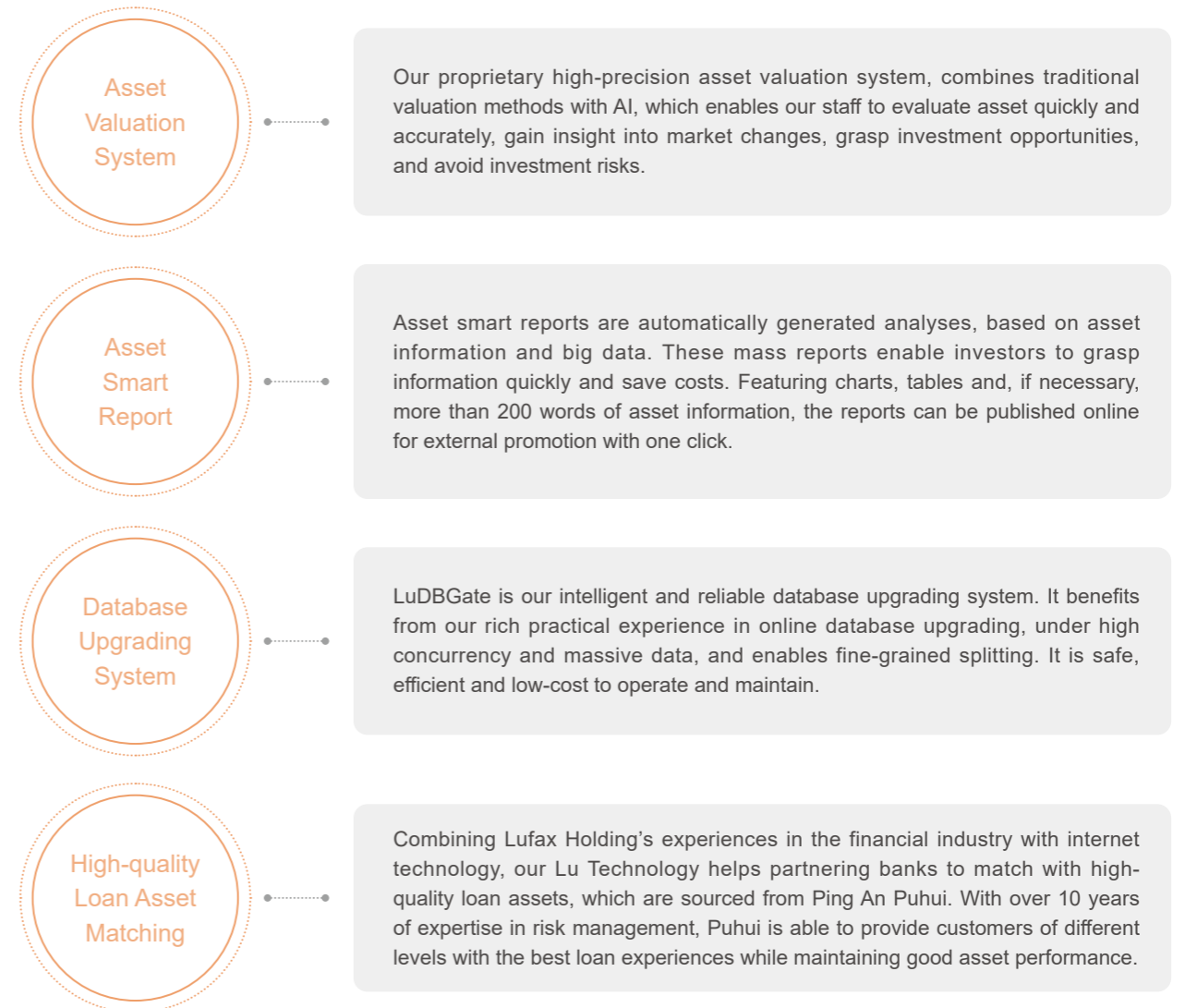
and blockchain as the three core technologies, it keeps launching solutions like Smart Marketing Recommendation, Smart Customer Service Robot, and AI Face-to-Face

Signing by fully exercising artificial intelligence and cloud computation, offering investors with smart financial management solutions that are individualized, one-stop, and warmhearted.

The Three Core Technologies of Lufax Holding



Lufax's Ecology Solutions



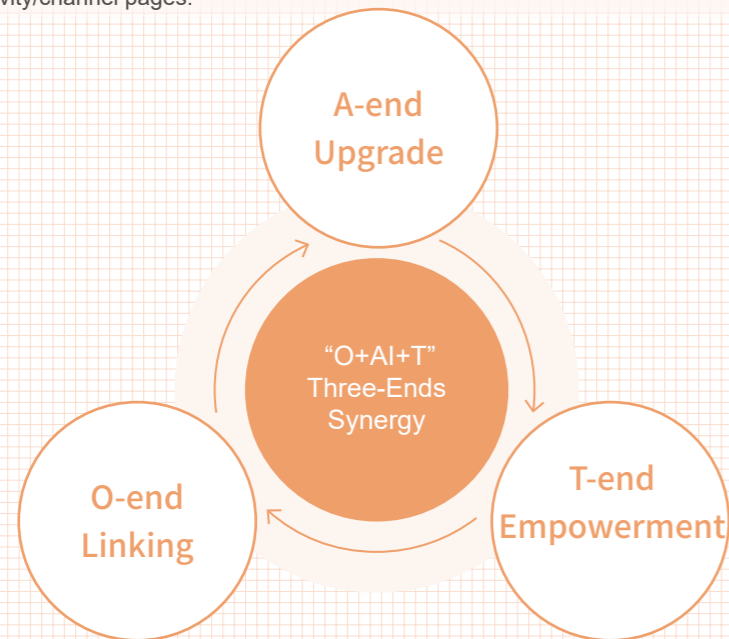
During the reporting period, Lufax Holdings upgraded its AI technology, which accurately identifies user problems, predicts customer needs, and forecasts potential risks in time to safeguard customers.

Charm our Customers with AI-Powered Customer Service

In 2021, Lufax Holding upgraded its customer service quality through intelligent technologies. The upgrade combines currently identified problems with similar frequently asked questions, answers the segmented questions with the support of database, accurately identifies the user problems, and predicts the user needs. By predicting the next possible step, it offers corresponding solutions and pathways leading to personalized product recommendation.

During the reporting period, we fully integrated platform resources, leveraged extensive industry experiences and enabling technologies, and built an "O+AI+T" multi-dimensional financial information service platform, constantly innovating the mode of wealth management and operation, and realizing precise, comprehensive and efficient three-ends synergy.

Building the "Tiangong" system to realize an efficient visual interaction and improve the fast development of frontend pages. During the reporting period, more than 1,800 new pages were created by using the "Tiangong" system, achieving 100% coverage of new activity/channel pages.



Bridging the appointment channel across the O and T ends. Through M1 Reservation, Three-Way Call, Specialist's Calendar, etc., we established the trust between specialist/M1/customer, improved the flexibility and efficiency of appointment management, and formed a positive cycle of O+T co-marketing.

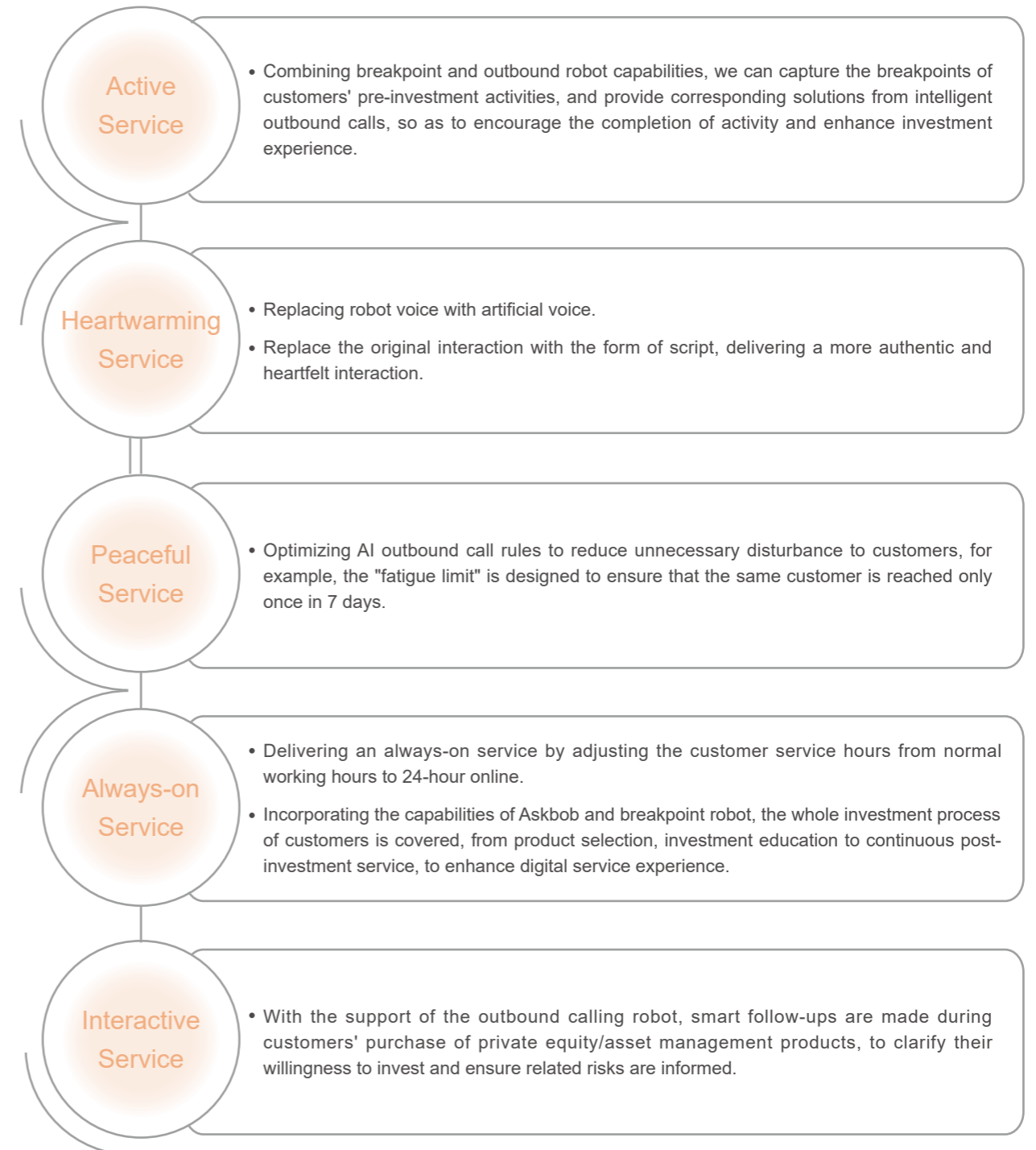
Establishing the CIMS telemarketing system to provide T-end with product marketing tools. Applying the CIMS telemarketing system to many business lines across wealth management, loan and insurance can deliver rapid deployment in 2 days.

Warming Up Our Customer Services

Being always customer-centric, Lufax Holdings highly values customer experiences. It is committed to providing customers with intelligent and customized solutions. We greatly

appreciate customer feedbacks through listening to their voices and actively understanding their needs and pain points, to give them peace of mind and confidence. During the

reporting period, we fully upgraded the customer service system and further enhanced the customer experience by creating a customer lifecycle service.



Five Service Upgrades

Smart Loan Solution Powered by AI: Xingyun

During the reporting period, we officially launched the AI-powered smart loan solution - "Xingyun" of Luhuirong. With artificial intelligence as the core, "Xingyun" streamlines the process for small and micro loans. Featured with fully automated text input and AI face-to-face experience, it addressed the pain points of complicated application process, lengthy typing, long waiting and excessive questions. Customers' borrowing experience has become more streamlined and seamless as the average number of times a loan applicant quits and resumes the application process has decreased by 47% and the average time spent in a loan application process for small and micro customers was reduced by 44%.



By the end of March, 2022, the solution had served 290,000 customers, with an accumulated loans of about 65.6 billion yuan.



To better standardize our services and respond to customers' demands, we have formulated internal guidelines including the Measures for Complaint Handling and Management, the Measures for Customer Complaint

Compensation, and the Process for Complaint Handling and Responding. To meet customer demands in time, we strictly followed the customer complaint handling procedures by grading the complaints and assigning

dedicated personnel for first response. We have complaint channels such as customer hotline, WeChat official account, and front-end staff line, to promptly handle customer complaints and feedback.

Lufax's Complaint Handling Procedure

Once a complaint is accepted, the system will automatically run a quick match on the best handler based on factors including loan type, sales channel and account status. The handling customer service department can assign specialists of different skill levels to the case according to risk level 1 to 4. Key aging and upgrading risks will be warned throughout the process, and the related functions of account services will be improved, to ensure a fast processing of various requests submitted.



Under the Board of Directors, the Consumer Protection and ESG Committee is set to be responsible for unified planning, deployment, implementation and supervision of consumer protection, including customer complaint management. The Customer Experience Department regularly reports and communicates complaints to the Committee. During the reporting period, our customer complaint rate reached 100%, and the customer satisfaction NPS (Net

Promoter Score) averaged 45%. In addition, we have embedded the satisfaction survey in the repayment notice of WeChat customer service account. After successful repayment in each month, customers will receive push notifications. It is found that the potential dissatisfied customers account for only 0.2%, among which the communication and handling rate reached 100%.

To improve the quality and skill of customer service, and build a professional and heartwarming team, we carried out two kinds of skill training and assessment for frontliners during the reporting period, to keep enhancing their expertise in serving every customer. Meanwhile, we have set up qualitative and quantitative targets (such as sales targets) in customer service as performance indicators linked to remuneration for representatives and managers.

Business Knowledge Training

To improve the professional skillset of customer service personnel on new products, new functions, new activities, and business pain points.

Service Skill Training

To improve the social skills of customer service personnel through service skill training, such as *The Art of Speech - How to Satisfy Customers* and *Pre-service: Reverse Tracing the Root of Escalated Complaints*.



Creating Harmony in the Workplace as a People-Centered Company



Acting on the people-centered principle, Lufax Holding strives to offer a broad space of development for more outstanding talents, as it deeply appreciates the importance of people development. We fully protect the rights and interests of employees and create a harmonious workplace with a culture of growth. According to the Company's strategy, we make corresponding adjustments in recruitment requirements to ensure a complete talent system.

Equal Employment

In our recruitment principle, we hire from broad sources. In addition to the strategic fit of our recruitment, we fully investigate and screen candidates based on their personal characters, qualities, experiences, potential and values. When hiring, we are open, fair and transparent with unified measurement standards, welcoming any outstanding talent with no discrimination.

Lufax Holding has zero-tolerance for any form of child labor and forced labor. By no means involuntary workers or people under the age of 18 are employed by Lufax. Two ways of internal management are

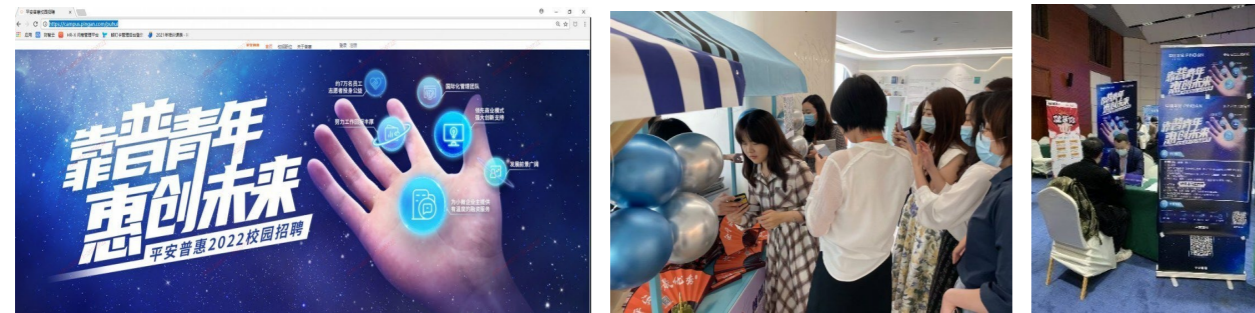
in place. First, working with the Legal Compliance Department and the Brand Management Department, the Company issued internal requirements for recruitment compliance to all subordinate units and institutions. It is strictly forbidden to publish discriminatory recruitment contents on nationality, race, religion, gender discrimination, region and blood type. In addition, the Company issued the HR assessment notice with recruitment compliance added as one of the metrics for recruiter assessment. Each subsidiary examines and rectifies job listings every month, and the headquarter conducts spot checks on a regular

basis. For any incompliant recruitment information found by the headquarter, demerit points will be issued according to the assessment requirements.

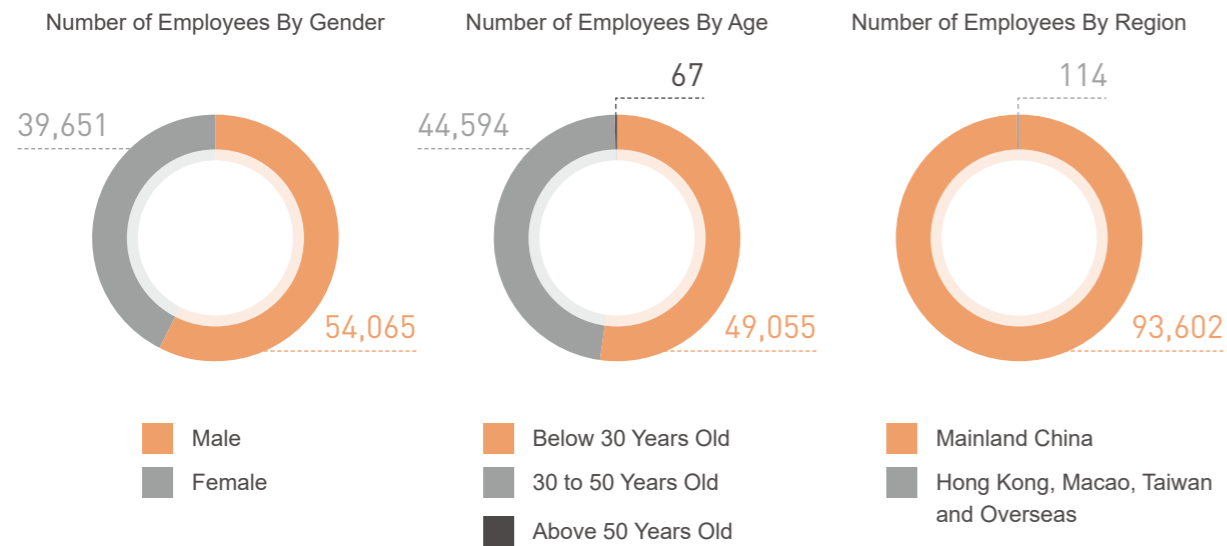
We recruit from various channels to build a diverse team. According to the hiring needs, we recruit from three channels: external, internal and special, for targeted candidates. We also take the initiative to assume social responsibility by offering jobs to the disabled and veterans, and helping them to realize their career aspirations and improve social engagement. By the end of the reporting period, we employed over 40 people with verified disabilities.



External	Various external recruitment channels such as headhunting, RPO, websites, intermediaries and job fairs.
Internal	Internal referral policy is formulated with bonus to encourage employee referrals.
Special	Working with local colleges and universities to set up Practical Teaching Base and Industry-University Cooperative Programs, etc., to hire skillful talents through campus recruitment.



During the reporting period, Lufax Holding had a total of 93,716 employees, among whom 92,441 are full-time, including 4,697 from ethnic minorities, and 1,275 are outsourced. The employee breakdown is as follows:



Employee Development

The Company values the attraction, management and development of talents. It takes the initiative to establish and improve the talent development and training system, with programs covering different needs from frontliners to senior managers, as the means to build a competitive team and talent pool to future-proof its workforce.

To ensure a rational compensation and remuneration system, Lufax Holding is result-oriented and process-focused in its performance management. It adopts the scientific "1234 principles" for a regular performance review to optimize the workforce composition. For employees above the intermediate level, we use a 360 general review to improve the rationality of performance

appraisal, and empower both the managers and employees to grow.

The Company has set up an open and transparent pathway for clear career advancement. Our employees are divided into six lines: management, function, specialty, business, technology, and operation, with differentiated rules designed for positions and ranges in every line. The Company formulated a series of evaluation measures including training talks with all promoted employees, interviews by internal and external auditors, tests for management promotion, 360 general reviews, etc., to build a flexible, dynamic and sustainable team.

We devote great attention to the skill and career development of

employees. With career advancement and skill development as the two major goals, we provide a systematic full-cycle training system. During the reporting period, with the support of Ping An College and Zhiniao Platform, we have been optimizing the talent pool program and the standard training for employees of different skill levels. In addition, we encourage all employees to get certified for their professional skills, including 23 certifications covering finance, law, technology, and human resources, such as CFA, PMP, etc. To improve the employees' skill, the Administrative Measures for Employee Training Budget (Employee Education Funds) has stipulated the scope and funding process for employees to earn relevant credentials.



The Employee Training System at Lufax Holding

The Talent Pool Program

Talent Pool A

Combining scientific and comprehensive identification mechanism with systematic targeted training, Talent Pool A is designed for outstanding senior management.

Talent Pool B

Designed for outstanding intermediate directors at headquarters and directors at institutions, Talent Pool B aims to identify and cultivate backbone talents for future deputy heads.

Talent Pool C

Talent Pool C is designed for front departmental managers and back office managers, to explore, select, train and appoint potential talents.



Highlighted Upskilling Training Program

Huixing Training Program

A skill advancement training designed for the headquarter staff, with open registration, they can join offline or online live training.

Onboarding Training

The onboarding training was fully upgraded in 2021. (1) Upgraded content: covering everything a new hire needs to know from corporate culture, company vision, business processes to human resources, etc. (2) Upgraded lecturers: with the departmental heads as the lecturers, a total of 4 training sessions were held for 210 new employees. The program has delivered an effective, fast and engaging onboarding experience.

Smart Data Talent Training

In 2021, nearly 300 inter-disciplinary data talents were trained through the digital talent training and a series of cultural activities. Combined with the business and management problems of various departments/institutions, TAs used advanced tools to analyze data, and improved the digital intelligence and organizational efficiency in the operation and management.

Star Seeds

Establishing the rotation mechanism between headquarter and branch staff to strengthen the talent exchange and deepen the training of interdisciplinary executives from the source. To cultivate a group of high-quality, high-potential headquarter employees who are grounded in the grassroots with a deep understanding of frontline business. The first round includes a total of 6 trainees.

In addition, we collaborate with domestic universities to provide training programs for employees. During the reporting period, we worked with Guanghua School of Management, Peking University to carry out the executive training program, and 65 senior managers participated in the training. In addition, we also made the open educational resources of CEIBS and PHBS (Peking University HSBC Business School) accessible for intermediate managers with outstanding performance to consolidate their business skills.

Employee Rights and Benefits

Remuneration

The regular salary survey for industry benchmarking enables us to offer our employees with competitive salary and sound welfare, and helps us to create a positive incentive mechanism to deliver the win-win between employees and the Company.

We adopt a dynamic salary adjustment for employees every year based on the performance appraisal. Aligning with the corporate business strategies, we continue to improve and innovate

incentives on the basis of regular annual bonus, to establish a healthy, positive, competitive and diversified incentive mechanism to reward our employees. We have designed an employee stock incentive plan for core employees, including two incentive measures - stock options and a performance-for-stock plan. The incentive stock will be granted and cashed in equal parts in four years, combining the objectives of core employees with the Company's long-term goals and interests, thereby

encouraging employees to focus on and support the Company's long-term development. We have also set up a bonus deferral mechanism for senior management and risk-related roles. However, for senior executives, if compliance problems, serious dereliction of duty or significant risk issues were found, the Company will defer their incentive bonus under the one-vote veto system.



Employee Care

Lufax Holding has established a complete system of employee care to improve employee identification and their sense of belonging. On top of guaranteeing the mandatory benefits (five insurances and one housing fund) of all employees, we are committed to providing more care programs with

diversified measures to cover different employee needs. For example, the Company has set up the Mother's Room in various offices. We customized health check-up package for women, organized activities on International Women's Day, and distributed corporate gifts to female staff. In addition,

the labor union organizes various employee activities regularly to enrich their work and life, soothe their bodies and minds, promote social exchange among employees, and improve team cohesiveness.



The Lantern Festival Activity



The International Women's Day Activity



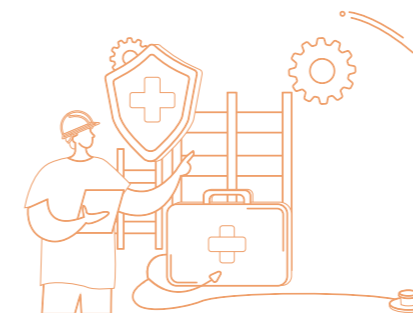
The Union Basketball Game



The Staff Club Activity

Employee Health

Lufax Holding attaches great significance to the occupational health and safety of employees, and strictly abides by the relevant laws and regulations in places where it operates, such as the Labour Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, etc. Being dedicated to improving our occupational health and safety management, we organize health check-ups for all employees to prevent occupational diseases. During the reporting period, all our employees took the physical check-up. Meanwhile, to attend the health and safety needs of employees during the epidemic, we provided private doctor, personalized health courses and sub-health management services for some employees, striving to create a safe, healthy and comfortable workplace for employees.



Emergency Training on World First Aid Day

On September 4 and 11, 2021, to improve the emergency awareness and skills of employees, we invited the director of Training Center at American Heart Association (AHA) of Renji Hospital affiliated to Shanghai Jiaotong University to come to Xuhui workplace for first aid training, which covers cardiopulmonary resuscitation, the use of automatic external defibrillator, etc.

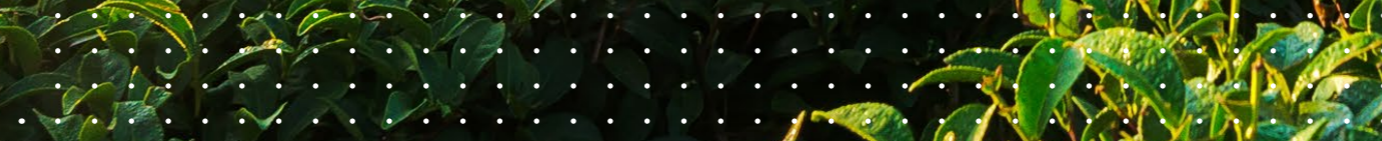


There was no occupational fatality during the reporting period.

03

Environment

Green Development to
Safeguard Our Planet Earth



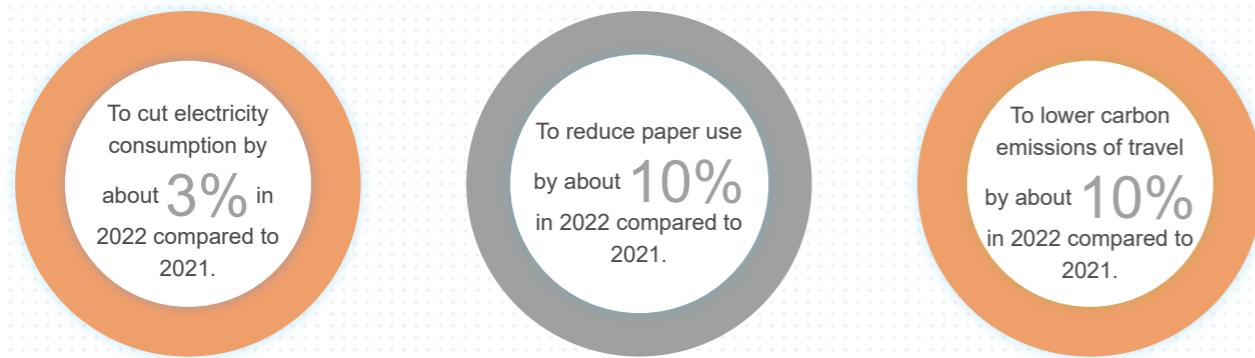
We took actions for the United Nations Sustainable Development Goals (SDGs), set relevant environmental goals, and initiated some green office measures to achieve low-carbon and sustainable development. We also advocate green finance by leveraging our own platform strength. Meanwhile, striving for a green and sustainable supply chain, we integrated ESG supply chain risk and ESG concept into the full value chain evaluation across upstream and downstream.



Green Office

During the reporting period, after evaluating its own business development, Lufax has set relevant environmental objectives and distributed the indicators to all member companies to advance corporate sustainable development. For example, we have set the following environmental objectives:

Environmental Objectives at Lufax Holding



Starting from the smallest details, we advocate water and electricity saving, as well as paperless office (such as paperless contracts), to incorporate the concept of green operation and resource conservation into daily work. During the reporting period, the Company's water consumption was 227,721.44 tons, with a per capita water consumption of 2.43 tons, which marked a 51.2% reduction compared with last year (4.98 tons per capita). In addition, the Company consumed 473.77 tons of office paper, which was 61.4% lower than previous year (1228.80 tons), overachieving the paper consumption target.



the Company consumed **473.77** tons of office paper



which was **61.4%** lower than previous year (1228.80 tons),



During the reporting period, our energy use and greenhouse gas emissions were as follows:

Electricity consumption ² 54,523,652.03 kWh	Electricity consumption per capita 581.80 kWh per capita	Greenhouse gas emissions (scope 1) 276.65 tonnes of CO ₂	Greenhouse gas emissions (scope 2) 32,065.53 tonnes of CO ₂
Greenhouse gas emissions ³ (Scope 3) 4,271.30 tonnes of CO ₂	Greenhouse gas emissions (scope 1 & 2 & 3) 36,613.48 tonnes of CO ₂	Greenhouse gas emissions per capita 0.39 tonnes of CO ₂ per capita	

Saving Electricity

- Installing energy-saving LED lights to replace traditional tubes.
- Designing zonal circuit in the office area to save electricity.
- Installing smart meters to monitor real-time data for effective consumption management.

Saving Water

- Using induction faucet to avoid unnecessary waste of water.
- Advocating water-saving awareness through campaigns, such as posting save water slogans.

Saving Resources

- Advocating paperless office by practicing cloud printing and reducing the use of paper materials in work groups.
- Promoting a digitalized bidding process to reduce the use of related paper materials.

2.The data center electricity consumption statistics are further defined and refined during the reporting period, so there are some gaps in this data compared with last year.

3.Scope 3 greenhouse gas emissions refers to purchased electricity for leased data center.

Waste Management

We strictly abide by the laws and regulations in regions where we operate, such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Administrative Measures for the Prevention and Control of Environmental Pollution by Electronic Waste, etc. In accordance with the principle of "lower cost and higher efficiency", we revitalize idle assets and reduce the generation of waste. In addition, we properly dispose and recycle harmless and hazardous wastes generated in office and operation processes after classification. For hazardous wastes such as printer cartridges and waste lamps, we have set up special disposal areas and recycling processes.

For computer accessories and used batteries, they are sent to qualified suppliers for centralized and proper treatment regularly. In order to improve the current asset utilization, we collect the data of idle assets from various places every month, and share the pooled data of available old resources nationwide. A reward mechanism is included in the asset assessment module to encourage everyone to make full use of old resources, reduce the purchase of new equipment, and improve the efficiency of equipment use.



During the reporting period, we saved a total of **15,200** pieces of assets through a series of reuse measures, with a total savings of **9.35** million yuan.

Indicator	Unit	2021
Total solid waste discharge	ton	505.92
Solid waste discharge density	kg per capita	5.40



Green Finance

Echoing the call for environmental protection, Lufax Holdings advocates green finance. We have set up a green finance office, which has full authority to manage the green financial products sold on the platform. We always value and support green finance. To support the sustainable development of low-carbon and green finance, and respond to the national industrial plan and the United Nations sustainable development goal initiative, we specifically introduced ESG-related public offering products and underlying assets, and invested in net worth products in fields of green finance, energy conservation and emission reduction.

According to the data in Q1 2022, Lufax Holding sold 125 million yuan in green finance related equity funds. In addition, in collaboration with Ping An Trust, we issued a total of 49 products of trust plans with an underlying investment in green finance, raising a scale of 5.8 billion yuan.



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Green Credit: Preferential Loan for New Energy Vehicles

On April 12th, 2021, we released the first micro-credit product under the carbon neutral concept: E-loan for Cars. NEV is strategically incorporated into this product design, which solves the financing difficulties for many NEV owners, lowers the threshold for traditional vehicles trade-in products, and facilitates the goal of carbon neutrality. By the end of the reporting period, E-loan for Cars had provided preferential loans to NEV owners with a total over 306 million yuan, overachieving the annual target of 26 million yuan.

Green Trust: Carbon Neutral Charitable Trust

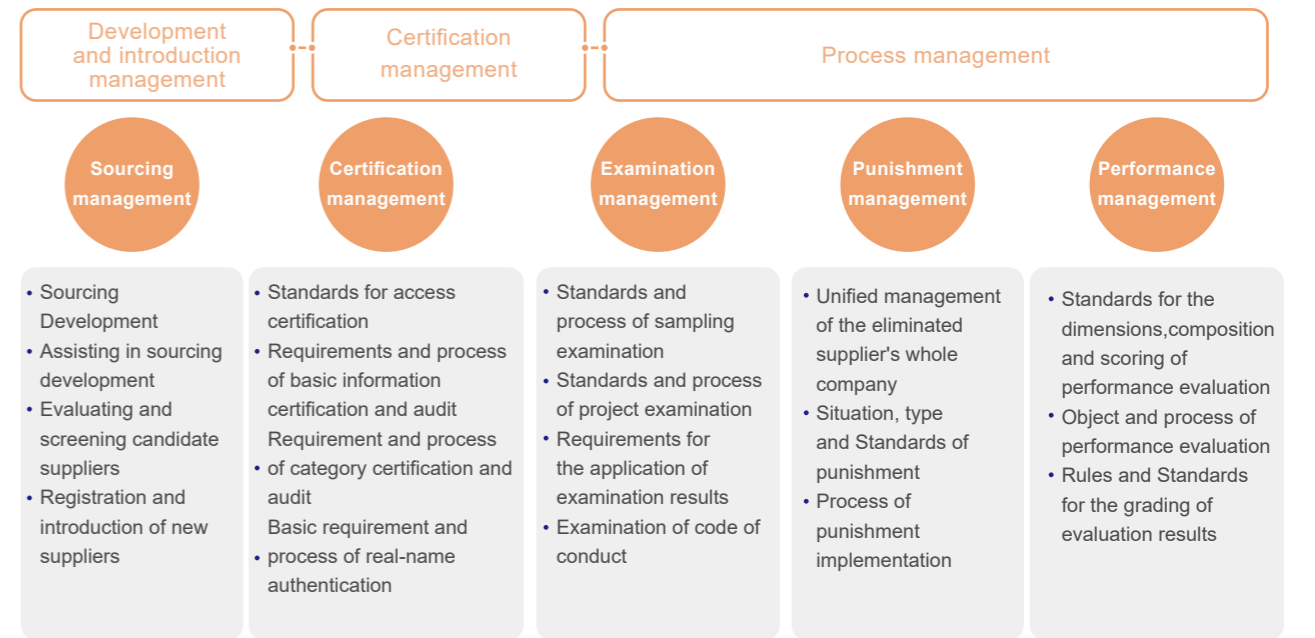
On December 14th, 2021, China Ping An announced the establishment of the first carbon-neutral charitable trust in China. We invested 5.8 million yuan to start the project: Peace Guardian Action - National Park. Guided by the Publicity and Education Center of the Ministry of Ecology and Environment, this project explores the double-carbon plan and biodiversity protection under the mode of Finance Plus Public Welfare. In the first phase, we work with the Ya'an Branch of Giant Panda National Park and the Hunchun Municipal Bureau of Northeast China Tiger and Leopard National Park. The project plans to support 100 ecological guardians as well as the habitat transformation in the first year, guarding 1,000 species of animals and plants, as well as 10,000 km² of land.



Green Supply Chain

A green supply chain is an important enabler of green development. We have established a set of management system covering the whole process of supplier access, screening, and assessment. In accordance with the Rules for the Management of Suppliers in Procurement, the Guidelines for the Inspection and Management of Suppliers in Procurement, etc., we managed all suppliers in a systematic, institutionalized and standardized way, and conducted regular supplier inspections.

Management process of suppliers in procurement



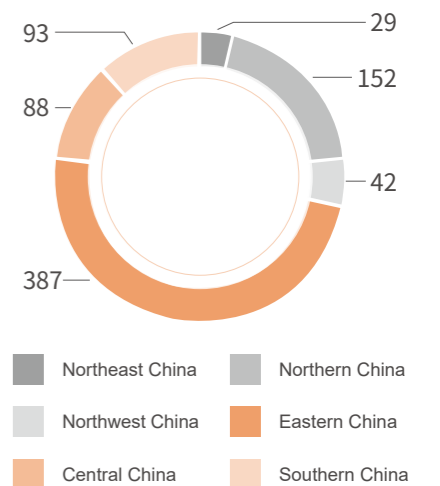
We require all suppliers to sign anti-commercial bribery, anti-money laundering, and sustainable development clauses to ensure the procurement integrity. Meanwhile, we regularly review the ESG performance of suppliers. For example, we pay attention to their performance in labor management, and ask them to abide by the Guiding Principles on Business and Human Rights of the United Nations, as well as the laws and regulations in places where they operate, including the prevention of child labor and forced labor. All suppliers are required to protect the legitimate rights and interests of employees.

In order to improve the ESG management of suppliers and grow together with them, with a reference to the Policy of Sustainable Supply Chain of Ping An Group we encourage suppliers to improve their performance in fulfilling social responsibilities, participate in the training of corporate social responsibilities provided by Ping An Group.



During the reporting period, we had a total of **791** suppliers, whose locations are as follows:

Number of Suppliers By Region



Appendix 1

HKEX Environmental, Social and Governance Reporting Guide

Environmental, Social and Governance Scope and General Disclosures and KPIs		Chapter
Environmental		
	General Disclosure	Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer
		Green Development to Safeguard Our Planet Earth
A1: Emissions	A1.1	The types of emissions and respective emissions data.
		Green Development to Safeguard Our Planet Earth-Green Office
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
		Green Development to Safeguard Our Planet Earth-Green Office
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).
		Green Development to Safeguard Our Planet Earth-Green Office
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
		Green Development to Safeguard Our Planet Earth-Green Office
	A1.5	Description of emissions target(s) set and steps taken to achieve them.
		Green Development to Safeguard Our Planet Earth-Green Office
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.
		Green Development to Safeguard Our Planet Earth-Green Office
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.
		Green Development to Safeguard Our Planet Earth-Green Office
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).
		Green Development to Safeguard Our Planet Earth-Green Office
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).
		Green Development to Safeguard Our Planet Earth-Green Office
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.
		Green Development to Safeguard Our Planet Earth-Green Office
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.
		Green Development to Safeguard Our Planet Earth-Green Office
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.
		Green Development to Safeguard Our Planet Earth-Green Office

Environmental, Social and Governance Scope and General Disclosures and KPIs			Chapter	
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Green Development to Safeguard Our Planet Earth- Green Office	
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development to Safeguard Our Planet Earth- Green Office	
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Development to Safeguard Our Planet Earth	
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green Development to Safeguard Our Planet Earth	
Social				
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Creating Harmony in the Workplace as a People-Centered Company	
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Creating Harmony in the Workplace as a People-Centered Company-Equal Employment	
	B1.2	Employee turnover rate by gender, age group and geographical region.	Creating Harmony in the Workplace as a People-Centered Company-Renumeration	
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Creating Harmony in the Workplace as a People-Centered Company-Employee Health	
	B2: Health and Safety	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Creating Harmony in the Workplace as a People-Centered Company-Employee Health
		B2.2	Lost days due to work injury.	Creating Harmony in the Workplace as a People-Centered Company-Employee Health
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Creating Harmony in the Workplace as a People-Centered Company-Employee Health	

Environmental, Social and Governance Scope and General Disclosures and KPIs			Chapter
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Creating Harmony in the Workplace as a People-Centered Company- Employee Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Creating Harmony in the Workplace as a People-Centered Company- Employee Development
	B3.2	The average training hours completed per employee by gender and employee category.	Creating Harmony in the Workplace as a People-Centered Company- Employee Development
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Creating Harmony in the Workplace as a People-Centered Company- Equal Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Creating Harmony in the Workplace as a People-Centered Company- Equal Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	Creating Harmony in the Workplace as a People-Centered Company- Equal Employment
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Green Development to Safeguard Our Planet Earth-Green Supply Chain
	B5.1	Number of suppliers by geographical region.	Green Development to Safeguard Our Planet Earth-Green Supply Chain
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Green Development to Safeguard Our Planet Earth-Green Supply Chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Green Development to Safeguard Our Planet Earth-Green Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Green Development to Safeguard Our Planet Earth-Green Supply Chain

Environmental, Social and Governance Scope and General Disclosures and KPIs			Chapter
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Empowering with Technology and Creating a Warmhearted Financial Brand
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable
	B6.2	Number of products and service-related complaints received and how they are dealt with.	Empowering with Technology and Creating a Warmhearted Financial Brand-Warming Up our Customer Services
Aspect B7: Anti-corruption	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Responsible Operation for Sound Development-Intellectual Property Rights Protection
	B6.4	Description of quality assurance process and recall procedures.	Responsible Operation for Sound Development
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Responsible Operation for Sound Development-Data Security and Privacy Protection
B8: Community Investment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Building on Integrity and Consolidating Management
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Building on Integrity and Consolidating Management-Compliance and Business Ethics
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Building on Integrity and Consolidating Management-Compliance and Business Ethics
	B7.3	Description of anti-corruption training provided to directors and staff.	Building on Integrity and Consolidating Management-Compliance and Business Ethics
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Business for Good and Fulfilling Social Responsibility
	B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Business for Good and Fulfilling Social Responsibility
	B8.2	Resources contributed (e.g., money or time) to the focus area.	Business for Good and Fulfilling Social Responsibility

Appendix 2 Contributions to the United Nations Sustainable Development Goals

Lufax practices social responsibilities centering the United Nations Sustainable Development Goals(SDGs).

Contributions to SDGs Chapter

 <p>1 NO POVERTY</p>	<p>Business for Good and Fulfilling Social Responsibility</p>
 <p>2 ZERO HUNGER</p>	<p>Business for Good and Fulfilling Social Responsibility</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Creating Harmony in the Workplace as a People-Centered Company</p>
 <p>4 QUALITY EDUCATION</p>	<p>Responsible Operation for Sound Development</p>
 <p>5 GENDER EQUALITY</p>	<p>Creating Harmony in the Workplace as a People-Centered Company Business for Good and Fulfilling Social Responsibilities</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Green Development to Safeguard Our Planet Earth</p>

 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Creating Harmony in the Workplace as a People-Centered Company Business for Good and Fulfilling Social Responsibilities</p>
 <p>10 REDUCED INEQUALITIES</p>	<p>Business for Good and Fulfilling Social Responsibility</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Green Development to Safeguard Our Planet Earth</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Responsible Operation for Sound Development</p>
 <p>13 CLIMATE ACTION</p>	<p>Green Development to Safeguard Our Planet Earth</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Responsible Operation for Sound Development</p>

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