

2022 Environmental, Social and Governance Report



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About This Report

Lufax Holding Ltd. (hereinafter “Lufax”, “Lufax Holding”, “the Company” or “We”), is delighted to present its 2022 Environmental, Social and Governance Report (hereinafter “the Report”) to demonstrate the philosophy, management, actions and achievements of the Company and all its subsidiaries (hereinafter “the Group”) in Environmental, Social and Governance (hereinafter “ESG”) aspects.

Reporting Period	Reporting Scope	Reporting Standards	Information Source and Reliability Statement	Reporting Language	Reporting Statement	Access to This Report



Reporting Period

This Report is an annual report, which covers the period from 1 January 2022 to 31 December 2022 (hereinafter “the Reporting Period”). To make the Report more comparable and comprehensive, we include partial information before 2022 or at the date of publication.

Reporting Standards

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter “HKEX”), with reference to the United Nations’ Sustainable Development Goals (hereinafter “SDGs”). The Report follows the reporting principles of “materiality” , “quantitative” , “balance” and “consistency” to ensure the authenticity and accuracy of the content, fully reflecting the current status of the Company’ s management and achievements in ESG aspects and providing readers with valuable information.

Reporting Scope

This Report primarily discusses Lufax Holding and covers all Lufax subsidiaries and branches. The environmental and social key performance indicators (hereinafter “KPIs”) disclosed in this Report apply to our headquarters, subsidiaries, and all branches. If otherwise specified, please refer to the relevant instructions.

Information Source and Reliability Statement

All the information, data and cases mentioned in this Report are collected from the Company’ s statistical reports and relevant documents. The Company guarantees that this Report is free from any false records or misleading statements, and is responsible for the authenticity, accuracy and completeness of this Report. All amounts in this Report are stated in RMB unless otherwise specified.

Reporting Language

This Report is published in Chinese (Simplified and Traditional) and English. Should there be any discrepancies between the two versions, the Chinese one (Simplified) shall prevail.

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>

Reporting Principles	Definition	The Company’ s response
Materiality	The threshold at which ESG issues determined by the board are sufficiently important to investors and other stakeholders that they should be reported.	The Company has identified sustainability issues crucial to its development through ongoing stakeholder communication.
Quantitative	KPIs in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	The Company records and discloses quantitative ESG performance indicators on an ongoing basis, and interprets the data disclosed in this Report.
Balance	The ESG Report should provide an unbiased picture of the issuer’ s performance. The Report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	This Report has truly and accurately reflected the Company’ s management performance in the ESG field.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	Unless otherwise stated, the Company ensures that the reporting scope and methods are generally consistent each year.



Introduction to Lufax Holding

We are a leading company which mainly provides financial services to empower small business owners in China, whose business covers retail credit and enablement, consumer finance and other financial services. Our mission is to foster small business competitiveness and sustainability by providing individual entrepreneurs with access to financial products and services and empowering institutional partners to reach and serve small business owners efficiently.

As for retail credit services, Lufax relies on its technology-empowered retail credit service platform, Ping An Puhui, and is committed to providing end-to-end lending services for micro and small businesses owners and individual business households. In the consumer finance sector, we provide comprehensive customer finance services for residents to meet their consumer credit needs. Additionally, we also work with funding partners and third-party credit enhancement providers to enhance the accessibility to micro and small businesses



The loan balance managed by Lufax Holding reached RMB **576.5** billion



With approximately **19** million borrowers in total



The amount of unsecured loans reached RMB **423.8** billion

The amount of secured loans reached RMB **123.1** billion

The amount of consumer finance loans reached RMB **29.7** billion



Message from Chairman



It is my honor to take this opportunity to share our management practices and achievements in sustainable development with all of our stakeholders. Looking back at 2022, despite the challenges of a complex and changing macro-environment and intense market competition, Lufax Holding has remained steadfast in its original intention and mission. We have kept in mind the core positioning of the Company's business development and made continued efforts to expand the scope and impact of our inclusive financial services. We have firmly uphold the values of sustainable development, which encompass not only economic prosperity but also environmental preservation, social responsibility, and effective governance. We have improved our ESG management capabilities in all aspects with a view to sharing long-term value with our stakeholders.

More Inclusive Finance

As a leading facilitator of financial services for small and micro business owners in China, we strive to foster competitiveness and sustainability of these businesses. With the empowerment of technology, we make financing services for small and micro businesses more accessible and optimize inclusive products and services. Moreover, we offer tailor-made financial relief for these businesses to help them tide over difficulties, thereby contributing to overall prosperity. Our dedication to the concept of "Finance for people" guides us to address people's concerns. We expand our financial services to cater to the needs of new citizens and other key groups, with the aim of extending the coverage of inclusive finance. In an active response to the national strategy for rural revitalization, we have introduced the "Finance Plus" multidimensional rural revitalization mode" to integrate charity and finance, thus offering heart-warming financial services.

More Efficient Finance

We fully leverage the enabling capabilities of financial technology and incorporate digital components into the entire financial services process with the help of core technologies for the purpose of continuously raising the quality and efficiency of financial services for the real economy. To improve customer experience, we have launched a variety of intelligent solutions. By gaining insight into customers' behavioral preferences and financial needs, we implement targeted initiatives tailored to their specific classifications. We also optimize online and offline service processes to provide every customer with customized, intelligent, and user-friendly financial services. Additionally, we take talent development as a key priority. Therefore, we have established a robust talent evaluation and training system, fostering a diverse and inclusive working environment. This approach fosters a strong sense of achievement and belonging among employees, thereby laying a solid foundation for the Company's quality and efficient growth.

More Reliable Finance

Only through pragmatic and steadfast efforts can we achieve sustainable and long-term success. Backed up by an effective corporate governance framework, we continue to improve our comprehensive risk management system and internal controls to foster risk resilience. As a responsible corporate citizen, we firmly abide by the principles of ethical management

and fair competition, resolutely oppose any ethical violations in business and uphold a high standard of integrity. Following the consumer-centric principle, we incorporate the protection of consumer rights and privacy security into our corporate governance and business strategy. We also earnestly undertake the responsibility as a financial institution, fulfill our obligations of protecting data security, and standardize the delivery of financial products and services. These actions are part of our commitment to creating a stable, safe, just, and equitable financial market environment.

More Sustainable Finance

Aligned with the national goals of achieving "carbon peak and carbon neutrality", we closely monitor the trends in climate change and promptly respond to related risks. We are committed to reduce greenhouse gas emissions and minimize the impact of our operations on the environment by prioritizing green operations, promoting green offices practices, setting environmental targets, and strengthening energy consumption management. Furthermore, we leverage our strengths to support biodiversity protection. As part of our ambition to build a sustainable value chain, we foster deeper cooperation with suppliers and encourage industry exchanges, in the hope of joining hands with partners from all sectors to create a sustainable ecosystem.

As we look ahead, 2023 presents both hopes and challenges. A significant milestone in the Company's history occurred on 14 April 2023 when Lufax Holding was officially listed on the Main Board of the HKEX, which marks the beginning of a new journey for us. With this in mind, we will firmly grasp the market opportunities and continue to sharpen our technological advantages, gain insights into the diverse financial needs of small and micro business owners and innovate inclusive products and services. Our primary goal is to continue supporting the high-quality growth of the real economy while fulfilling our social responsibilities. By doing so, we aim to steer Lufax Holding toward a sustainable future.

Chairman and Chief Executive Officer of Lufax Holding

Yong Suk Cho



2022 Performance Highlights

More Inclusive Finance



To strengthen financial services for reducing burden and improving quality:

- We served **19** million customers, with the accumulated loan balance exceeding RMB **576.5** billion.
- We provided deductions and exemptions of RMB **750** million to customers in trouble.

To promote the characterful “Finance Plus” public welfare mode, we carried out following programs

- **“Finance Plus Double Carbon”** : carried out more than **350** “Beauty Initiative” themed environmental public welfare activities in over **110** cities across **27** provinces in China, with over **3,400** participants.
- **“Finance Plus Industry”** : cumulatively assisted over **300** rural cooperative leaders and agripreneurs to obtain financial funds of more than RMB **142** million, covering **40** counties across **14** provinces and granted a total of RMB **35.6** million to more than **800** households that had registered for development via the “Preferential Agricultural Funds” program.
- **“Finance Plus Women”** : provided training through “Mom’ s Needlework” Program for over **100** underprivileged housewives from areas with intangible heritage, who produced more than **30,000** pieces of products, with an income increase of more than RMB **20,000** per capita.

More Reliable Finance



The “Guardian Action” financial popularization program had held nearly **1,400** sessions in more than **180** cities across the country, reaching more than **30** million consumers.

Anti-corruption training covered **100%** of employees (including board members).

We carried out a total of **21** internal and external audits related to information security.

More Efficient Finance



Upgrade AI smart loan solution “Xingyun” to reduce **31%** of breakpoints in the loan application process and increase system throughput by **4** times, further improving the user’s borrowing experience and utilization efficiency.

Offer **11** complaint acceptance channels such as customer hotline, APP, WeChat official account, Enterprise WeChat and SMS to ensure efficient response to customer needs around the clock.

Promote the application of intelligent technology innovation, get a reception of **4.9** million customers from intelligent customer service, with the intelligent solution rate exceeding **84%**.

We provided a total of **3,369** online courses and conducted **4,389** online training sessions through the “Zhiniao” platform for all employees.

More Sustainable Finance



A range of initiatives facilitating the reuse of existing resources were implemented, resulting in a total savings of **5,190** pieces of assets and a cost reduction of RMB **11.07** million.

Launch **“Ping An One Hour Lights-Off Campaign”** to raise all employees’ awareness of energy conservation and environmental protection.

50,000 tree seedlings were successfully transplanted and over **604** mu of damaged habitats for giant pandas had been restored in the Giant Panda National Park in Ya’ an under the program.

Focusing on suppliers' performance in information security, labor rights, environmental protection, etc., we join hands with all suppliers to undertake and practice sustainable development.





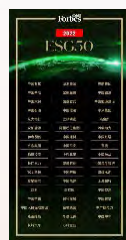
2022 Performance Highlights

Awards of Lufax Holding in 2022



01 Caijing

Green Finance Pioneer Organization
Digital Micro-service Organization



Forbes

Forbes 2022 ESG 50



Stockstar

Annual Industry Influence
the most Responsible Listed Company



The Paper

Annual Inclusive Finance in the 2022 Top
Financial List



Jiemian News under Shanghai United Media Group

2022 ESG Pioneer 60-Corporate ESG Practice of
the Year Award



21st Century Business Herald

2022 Annual Competitive Company



Xinhua Finance

Jinlan Cup-ESG Practice Pioneer



Stockstar

ESG New Benchmarking Enterprise Award



Sustainable Development Strategy

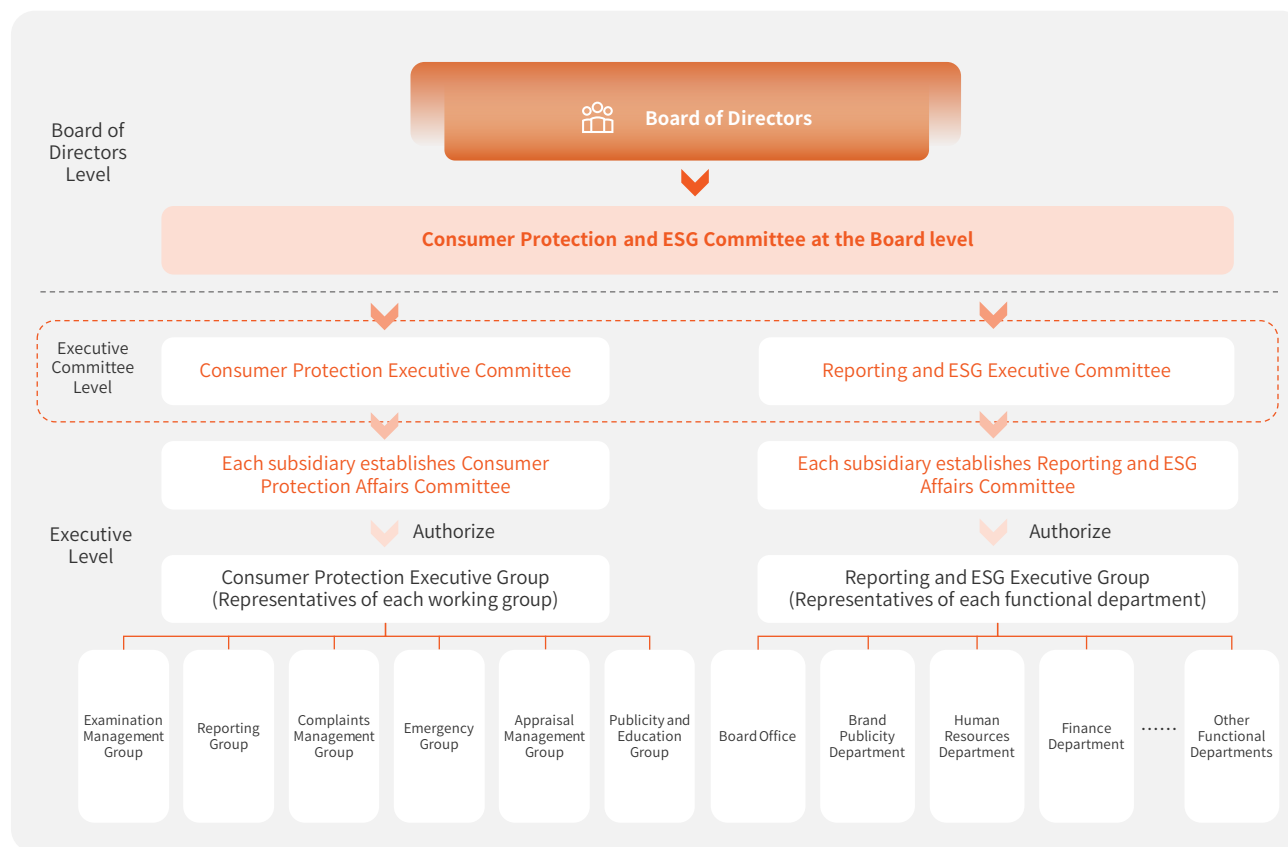
Statement of the Board of Directors

Lufax Holding attaches great importance to ESG work, actively fulfills its corporate social responsibility, and integrates ESG principles into the Company's strategy to drive long-term, high-quality and sustainable development.

Oversight of ESG Issues

To effectively supervise and implement ESG-related tasks of the Group, Lufax Holding has established the Consumer Protection and ESG Committee at the board level, under which the Executive Committee of Lufax Holding consists of the Consumer Protection Executive Committee and the Reporting and ESG Executive Committee. Additionally, we have set up the Reporting and ESG Executive Group and the Executive Group for Consumer Rights and Interests Protection to carry out specific tasks. The Board of Directors, as the highest decision-making body for ESG management, is fully responsible for overseeing the Company's overall ESG performance and ensure that appropriate and effective management policies are in place. Under the authority of the Board of Directors, the Consumer Protection and ESG Committee is in charge of the overall oversight of consumer protection and ESG issues. The Reporting and ESG Executive Committee is responsible for executing specific ESG targets, formulating management policies, evaluating ESG performance, identifying ESG issues that are significant to business operations and stakeholders, and regularly updating the Board of Directors on the status of ESG management and associated outcomes. Composed of various subsidiaries and functional departments, the Reporting and ESG Executive Group and the Executive Group for Consumer Rights and Interests Protection are responsible for the effective monitoring, management and delivery of ESG-related work.

ESG Governance Framework of Lufax Holding





ESG Management Approach and Strategy

The Group continues to integrate ESG factors into strategic decisions and day-to-day operations management. We have formulated and implemented a series of internal ESG management policies, enabling us to better manage ESG issues in a scientific, systematic and standardized manner, and thus to move toward sustainability. To effectively manage and control ESG-related risks, and to ensure that our ESG governance 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.



Review of ESG-Related Goals

The Board of Directors, as the highest decision-making body for ESG management, is fully responsible for formulating specific ESG strategies and objectives, and reviewing ESG performance and progress towards objectives on a regular basis to ensure that appropriate and effective management policies are in place. In addition, to continuously enhance the scientificity and effectiveness of ESG management policies and strategies, the Board also participates in assessing, prioritizing and managing important ESG issues, including ESG-related risks and opportunities, so as to clarify the direction of ESG management for the Group during the Reporting Period.



Review and Approval of ESG Reports

The Report provides comprehensive disclosure of Lufax Holding's management and progress in ESG-related work. It was reviewed and approved by the Board of Directors on August 2023.





Stakeholder Communication

The Company attaches great importance to close communication with stakeholders and is well aware that the sustainable development of the Company cannot be achieved without the support of all stakeholders. We listen to the voices of all stakeholders and fully understand the key issues of their concerns. As a response, we have established a sound mechanism of mutual trust through activities such as roadshows, special research, and investor meetings, in an effort to continuously elevate our sustainability to new heights. The main stakeholders identified, issues of their concerns and communication channels are listed on the right:

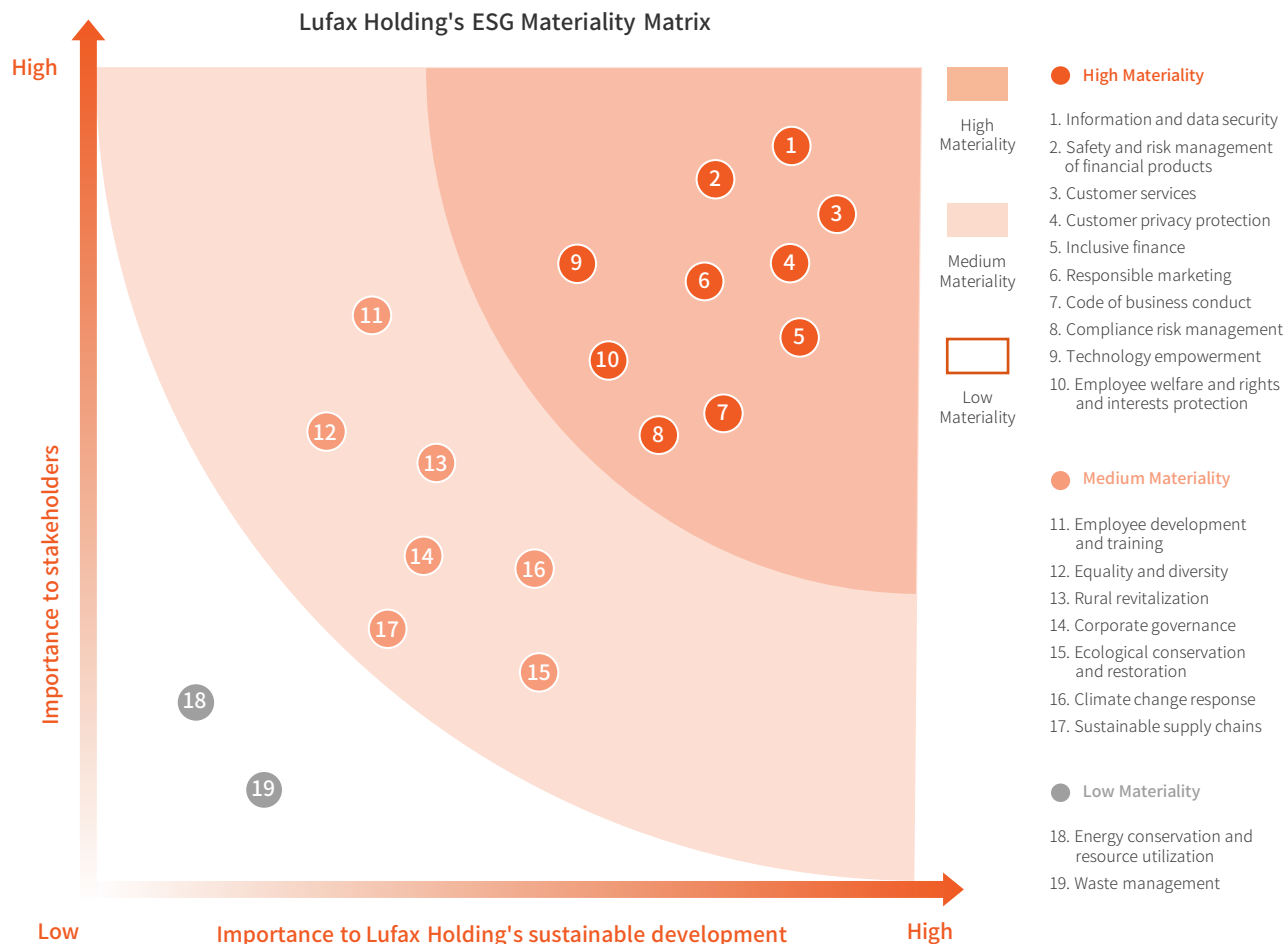
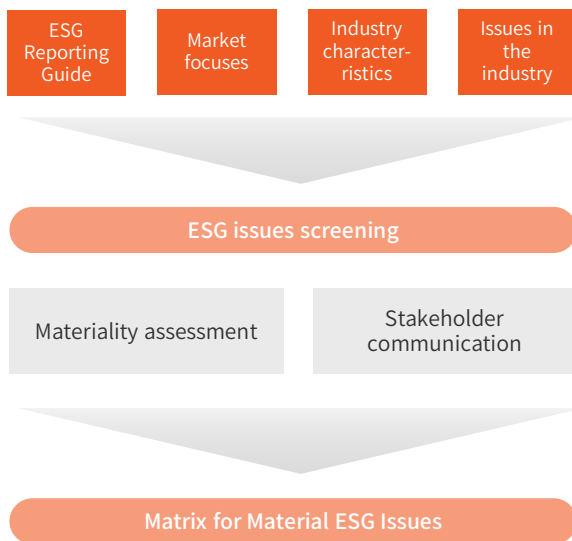


Stakeholders	Issues of concern	Communication channels
<p>Government and Regulatory Authorities</p>	<ul style="list-style-type: none"> Information and data security Safety and risk management of financial products Responsible marketing Compliance risk management Code of business conduct Corporate governance 	<ul style="list-style-type: none"> Inclusive finance Rural revitalization Waste management Energy conservation and resource utilization Ecological conservation and restoration Climate change response
<p>Shareholders and Investors</p>	<ul style="list-style-type: none"> Information and data security Safety and risk management of financial products Technology empowerment 	<ul style="list-style-type: none"> Inclusive finance Compliance risk management Code of business conduct Corporate governance
<p>Customers</p>	<ul style="list-style-type: none"> Information and data security Safety and risk management of financial products Customer services 	<ul style="list-style-type: none"> Customer privacy protection Responsible marketing Inclusive finance
<p>Suppliers and Business Partners</p>	<ul style="list-style-type: none"> Sustainable supply chains 	<ul style="list-style-type: none"> Code of business conduct
<p>Employees</p>	<ul style="list-style-type: none"> Employee welfare and rights and interests protection 	<ul style="list-style-type: none"> Employee development and training Equality and diversity
<p>Media and Public Welfare Organizations</p>	<ul style="list-style-type: none"> Rural revitalization 	<ul style="list-style-type: none"> Inclusive finance

Material Issues Analysis

During the Reporting Period, we paid close attention to the market, industry and regulatory disclosure requirements, and identified 19 material issues based on the industry characteristics, best practices among peers and our operational reality. We assessed and prioritized these issues based on their importance to Lufax Holding and our stakeholders. According to the materiality assessment results, we determined the disclosure highlights of the Report and the Company's future ESG strategic goals.

We conduct our materiality assessment through the following process:





01

More Inclusive Finance

Adhering to the principle of “Finance for people”, Lufax Holding encourages close integration of finance and social responsibility and always takes serving the real economy and advancing rural revitalization as its mission. We fully exploit our advantages in products and technology to channel our financial resources towards promoting social justice, improving people’s well-being and delivering warmer finance services to more people, thus satisfying their aspirations for a better life.

Responding to the following SDGs in this section:





Deeply Engaging in Inclusive Finance

Developing inclusive finance to enable all social groups to benefit from the growth of the financial sector is a key approach to fostering common prosperity. As the needs of small and micro business owners, new citizens¹ and other groups are taken seriously, Lufax Holding has fully utilized its fin-tech advantages to promote digital financial inclusion, so as to reach currently financially excluded and underserved populations with more convenient and efficient financial services.

Product System

As a leading provider of inclusive finance services in China, Lufax Holding adheres to the concept of “Finance for people”. To act upon this, we create differentiated and intelligent inclusive financial products that are available online and always provide high-quality loan products at affordable interest rates for a wider range of groups and regions.

To improve and diversify product and service portfolios, Lufax Holding continuously intensifies efforts in product innovation and takes greater account of inclusive concepts when designing, testing and evaluating products. As a strong supporter of the national strategy, we remained focused on changes in credit demand due to accelerated urbanization and the pandemic. We also actively developed a variety of inclusive credit protection products in 2022, so as to provide more comprehensive financial services for micro and small business owners, vulnerable groups, special needs groups and new citizens.



Product Design

At the product design stage, we fully consider the characteristics of various customer groups and offer diversified products and services with different repayment periods and methods to better meet customer needs and effectively lower the comprehensive financing costs for customers.



Product Testing

Upon completion of product development, we conduct independent acceptance testing and simulate a variety of scenarios that may occur in process design, functionality and timeliness dimensions to ensure that our products can live up to customers’ expectations and deliver the best customer experience when they go live.



Operation Monitoring

After launching the products, we regularly monitor and evaluate their operation performance through data analysis and other methods, so as to identify problems and make corrections in time.

Credit Product Matrix			
Loans Type	Unsecured loans	Secured loans	Consumer finance loans
Main customer base	Individuals and small and micro businesses	Small and micro businesses	Individuals
Loan balance	RMB 423.8 billion	RMB 123.1 billion	RMB 29.7 billion
Major offerings	“WeiYingDai”	“Zhai e-Loan”	“Ping An XiaoChengHua”
	“LeXiaoDai”	“Car e-Loan”	“Ping An XiaoChengGuo”

¹New residents mainly refer to various groups who take up habitual residence in cities and towns for entrepreneurship, employment, children's education, living with their children, and other reasons, and have not obtained local residence registration, or have been in possession of local residence registration for less than three years, including but not limited to migrant workers and newly employed graduates of higher education institutions and technical secondary schools.



Micro Finance

Market entities including small and micro businesses and individual business households form the vital foundation of China's real economy. Lufax Holding has always been committed to providing considerate financing services for small and micro business owners, developing timely financial rescue measures to help small and micro businesses in response to their funding needs and their challenges of obtaining accessible, affordable and timely financing. By developing "WeiYingDai", "LuZhangFang", "LuDianTong" and a variety of other products and services, we have optimized product solutions, financing processes and empowerment-based tools to reduce the financing costs for small and micro businesses, thereby enhancing their business capacity. We provide small and micro business owners with "time-saving, worry-free and money-saving" financial services, allowing more financial resources to be channeled into small and micro businesses for their growth and development.



Case | Product Solution Optimization - Flexible Loan Products

To alleviate the liquidity problems of small and micro businesses, we leverage our strengths and launched the product of "WeiYingDai". By applying cutting-edge technology, we accurately identify small and micro business owners, and adopt an online loan model featuring "no collateral and no guarantee" based on the multi-dimensional data from individuals and businesses to provide them with timely working capital support. The "WeiYingDai" has an unsecured financing limit of up to RMB 1 million, and the repayment period can be extended to five years. Meanwhile, qualified small and micro business owners may apply for a lower combined interest rate.

In addition, for small and micro business owners seeking short-term cash flows, the loan can be repaid in advance, allowing for more flexible capital turnover and more controllable capital utilization costs. For those with high capital requirements, they can obtain a loan of up to RMB 10 million by applying for additional home mortgage financing solution known as "Zhai e-Loan".

Case | Financing Process Optimization - One-stop Smart Financing

We launched the one-stop smart financing product of "LuZhangFang", which may conduct accurate risk assessment via online AI technology based on the operations of small and micro businesses. Through big data analysis, this product enables faster and more accurate approval and risk control, making it a wholly digital and Internet-based financing solution. "LuZhangFang" provides fast services and accurate risk control, with wide coverage. It can greatly help small and micro businesses less depend on collateral and find the most appropriate financing solutions. In 2022, the rate of re-applications by customers due to inappropriate loan packages decreased from 13.4% to 0.4%.

Additionally, we have continuously improved the public module of "LuZhangFang" and further enhanced the "Credit Limit Increase Portal" project. After the first appraisal of the credit limit, customers have the option to increase the credit limit by manually adding relevant qualifications to meet the actual liquidity requirements. During the Reporting Period, the "Credit Limit Increase Portal" activity served 19 million customers, with the loan balance exceeding RMB 576.5 billion.



Case | Empowerment-based Tool Optimization - “LuDianTong” Service Platform

In October 2022, Lufax Holding integrated and upgraded existing value-added tools for small and micro businesses and launched the “LuDianTong” service platform. This platform aims to provide small and micro business owners with enterprise value-added services such as customer marketing, social interaction, business opportunity development, agency operation and cost relief for driving their development, by taking advantage of digital operational capabilities and internally and externally rich resources.

The service platform operates based on three main models:



B-B model

This model leverages the existing customer resources of small and micro business owners to create a platform for enterprise services, opportunity sharing and business expansion. By building a social circle of small and micro business owners, the platform enables them to find and seize promising business opportunities.



B-C model

The model is designed to establish a consumption-based customer business ecosystem by building a one-stop marketing platform. With the pattern of “traffic sharing”, the model helps small and micro business owners gain more customer business opportunities and expand their operations.



S-B model

The model is to build a one-stop service integration platform to cater to the diverse needs of small and micro business owners in their daily operations. This includes services related to equity integration, collective purchase or supply-demand matching.





Consumer Finance

Based on the financial needs of different groups, Lufax Holding is actively engaged in consumer finance business. We continue to make sustained innovation in products and services, aiming to expand the availability of high-quality financial solutions and provide more targeted and accessible inclusive financial services.



Full Access to Financial Services

To ensure that new citizens, young people, low-income groups and other long-tail groups have full access to financial services, we adopt differentiated product and service models and use various technology-based tools. We fully expand the coverage of financial services, such as extending these services to tier 3 or 4 cities and counties, to help customers having little access to traditional credit services obtain timely financial support.

As of 31 December 2022:



in terms of the region, our consumer credit business has expanded into **100%** of provincial administrative units

98% of municipal administrative units covering over **300** cities nationwide

Channel Optimization

Taking full use of our long-standing technological advantages in big data, AI and cloud computing, we have made innovative advancements in optimizing channels to serve customers that were previously out of reach through traditional channels. Meanwhile, we have improved the efficiency and extend the coverage of financial services to eliminate barriers to inclusive finance.

Case | Intelligent Management Platform

To provide customers with 7*24 hour intelligent, online and connected quality service experience, and meet customers' diversified needs in different scenarios, Lufax Holding launched "Ping An Consumer Finance Intelligent Customer Service Platform". This intelligent management platform can proactively understand customer needs and provide tailored solutions by accurately identifying customers and employing intelligent analysis to assess customer behaviors, allowing for intelligent interactive services.



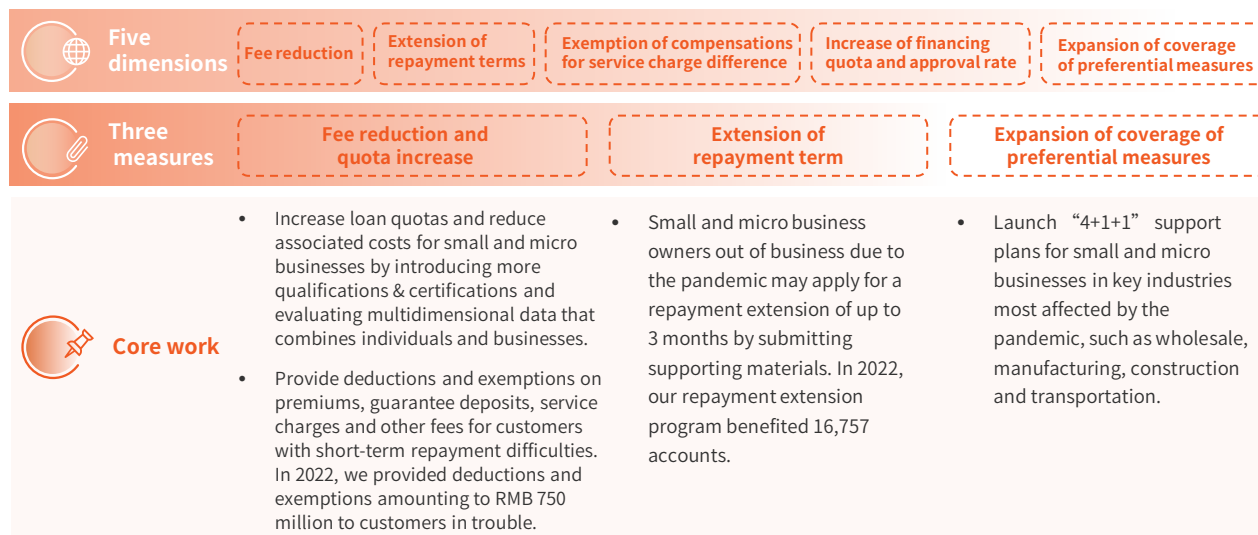


Bailing Businesses out of Difficulty

At Lufax Holding, we adhere to the inclusive and people-centered principle in our financial services. For social groups affected by the epidemic, we have taken effective relief measures to address their problems or difficulties in seeking for financial services, in an effort to ease the burden and improve the quality of financial services and thus help businesses and other groups in distress.

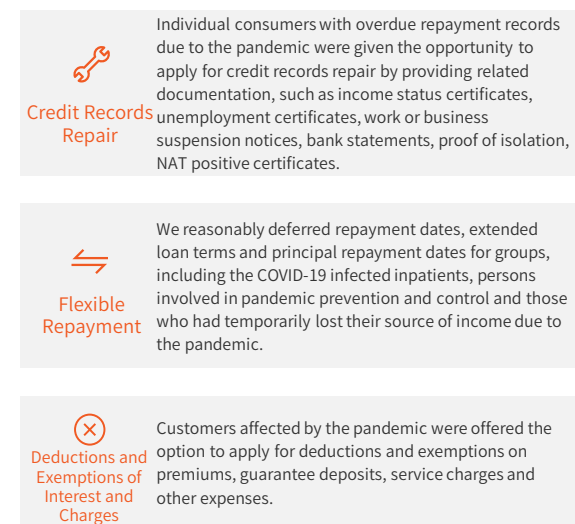
Small and Micro Businesses

In 2022, the pandemic affected the financing demands of small and micro business owners, resulting in larger capital demand, shorter turnover periods and higher capital utilization rate. In response to these challenges, Lufax Holding has been exploring better solutions to support the development of small and micro businesses. As a result, we have launched a number of support programs tailored to the needs of small and micro business owners in logistics, information transmission, accommodation & catering and other industries. These programs extend various forms of assistance, ranging from fee reduction, extension of repayment terms, exemption of compensations for service charge difference, increase of financing quota and approval rate to expansion of coverage of preferential measures to help them out of the pandemic impact.



Individual Consumers

In 2022, for individual consumers under repayment pressures due to the pandemic, Lufax Holding developed a series of special relief policies, such as credit records repair, flexible repayment arrangement and deductions and exemptions of interest and charges, to help them get out of the pandemic impact.



Fulfilling Social Responsibilities

Lufax Holding always keeps in mind the original intention and promotes the spirit of public welfare. Leveraging our professional advantages, we have developed the “Finance Plus” public welfare mode with Lufax Holding distinctive characteristics to actively contribute to rural revitalization and respond to the needs of society.

“Finance Plus” Mode

Lufax Holding focuses on various key areas, including the rural women’s development, industry synergetic development mode, traditional culture inheritance, business empowerment and green rural development. Through enhanced cooperation with multiple parties, we launched a series of inclusive Finance Plus programs, namely “Finance Plus Women”, “Finance Plus Industry”, “Finance Plus Culture”, and “Finance Plus Double Carbon”. Together, they form a multidimensional approach of the “Finance Plus” to rural revitalization. Aiming at breaking the inherent boundaries of rural projects and delving into rural culture, industrial cooperation and inheritance of intangible cultural heritage, these programs have provided financial and charitable support to the long-term integrated development of rural female entrepreneurs, cooperative leaders, small and micro business groups, rural industries proceeding from core demands. As of 31 December 2022, Lufax Holding has assisted nearly 300 rural cooperative leaders and agripreneurs in obtaining assistance funds of over RMB 142 million. The programs cover various industries including planting, animal husbandry, forestry, and fishery, benefiting 14 provinces and 40 counties and supporting more than 800 households that had registered for development.



“Finance Plus Women”

Relying on advantages of the financial platform, Lufax Holding has integrated social forces to broaden the employment channels for rural women and provide financial support for their employment and entrepreneurship.

Case | “Preferential Agricultural Funds” Program

In joint hands with China Women’s Development Foundation, Lufax Holding launched the 2022 “Preferential Agricultural Funds” program. The program has been carried out for 6 consecutive years and issued interest-free loans totaling RMB 10 million in 2022. Targeting local small and micro businesses and rural cooperatives, the program provides practical support to help rural women to increase their incomes and injects sustained boost to rural economy through measures such as industry support and operation empowerment. Moreover, we also provide upskilling training, customer attraction and other support for women entrepreneurship through the “Preferential Agricultural Funds” program, providing all-round assistance in local entrepreneurship and employment of rural women.

By 31 December 2022, the interest-free “Preferential Agricultural Funds” amounting to RMB 35.6 million had been granted to 37 leading female entrepreneurs in 10 provinces, contributing to the development of women in surrounding rural areas. In addition, the project provided direct support to over 600 households, increasing per household income by over RMB 10,000.



Pan Jie, a woman in charge of poverty alleviation project of Lycium chinensis in Jingyuan County and one of the persons receiving the support of “Preferential Agricultural Funds” Program



Case | “Mom’ s Needlework” Program

We worked with Ping An Insurance (Group) Company of China, Ltd. (hereinafter “Ping An Group”), China Fashion Weekly and other organizations to launch the “Mom’ s Needlework” program. The program breathes new life into recycled clothes through collaboration with design teams from professional colleges and local craftspeople of Yi ethnic group to support sustainable development. While mitigating the negative impacts of discarded clothing on the environment, the program creates new jobs for local women. By doing so, the program protects the environment, supports female employment and fosters national culture heritage.

As of 31 December 2022, “Mom’ s Needlework” program had procured and donated over 250 pieces of equipment during 6 phases, including sewing machines and fabric cutting machines. Additionally, it provided training for over 100 underprivileged housewives from areas with intangible heritage, leading to the creation of more than 30,000 pieces of products and increase of personal income by an average of over RMB 20,000.

The program has achieved remarkable results in Liangshan, Sichuan, setting an exemplary Chinese model for global poverty governance. It is also taken beyond the borders to countries along the "Belt and Road Initiative", such as Cambodia, Laos and others.



“Mom’ s Needlework” Program Turns Recycled Clothes into Fashion and Goes Abroad

“Finance Plus Industry”

Lufax Holding actively promotes the development of rural featured industry, consolidates the foundation of rural development and helps farmers achieve prosperity.

We provide training for entrepreneurial leaders before production, funding during production and marketing assistance after production to support rural development. In 2022, Lufax Holding worked with Ping An Group and China Foundation for Rural Development to carry out capacity-building training for entrepreneurial leaders. Our focus was on discovering and training a group of leaders in the new era of rural prosperity who possess a deep understanding and love for agriculture, the countryside and its people. By doing so, we aimed to drive rural entrepreneurship and facilitate the development of rural featured industries, ultimately leading to common prosperity among villagers. Since 2020, Lufax Holding, in collaboration with Ping An Group and China Rural Development Foundation, has launched the "Poverty Alleviation for New Farmers" project. This project is aimed at supporting "new farmers" through cooperatives by providing assistance in various areas, including technology, quality control, organizational development, value chain management, brand benefits, and sales. This collaborative effort has led to a significant increase in income for approximately 900 members of four cooperatives in Gansu, Shaanxi, and Jiangxi. In terms of post-production marketing assistance, we actively responded to Ping An Group's call through assisting remote rural areas in selling agricultural products amounting to nearly RMB one million. These products include Lynn camellia oil produced in Tujia Autonomous County, Xiangxi of Hunan Province, apples produced in Jingning, Gansu Province and red dates produced in Kashgar, Xinjiang.





“Finance Plus Culture”

Lufax Holding is committed to promoting public education and improving educational environment and quality in rural areas by addressing the shortage of high-quality education resources and demand in rural areas, promoting the revitalization of rural culture.

Case | “Ping An Guardian Action to Build the Future with Love” Activity

Lufax Holding has carried out rural volunteer teaching activities for seven consecutive years and taken measures to improve the quality of rural education, such as conducting onsite visits, providing basic and technology-related courses, and donating school supplies and materials. In 2022, Lufax Holding carried out the “Ping An Guardian Action to Build the Future with Love” activity at Xigang Village Primary School in Shangrao, Jiangxi. During this activity, we built a reading room in the school and purchased nearly 200 sets of books for the children to enrich their educational resources.

Moreover, to address the deficiency in fundamental music education in remote areas, the “Countryside Music Room by Central Conservatory of Music” was introduced as part of this activity. Cloud-based aesthetic courses from Central Conservatory of Music were provided to improve students’ music literacy. The activity is also the first demonstration of the “New Era Civilization Practice Dream Plan” jointly launched by Ping An Group and Central Conservatory of Music.



“Opening of Countryside Music Room by Central Conservatory of Music and Music Class”

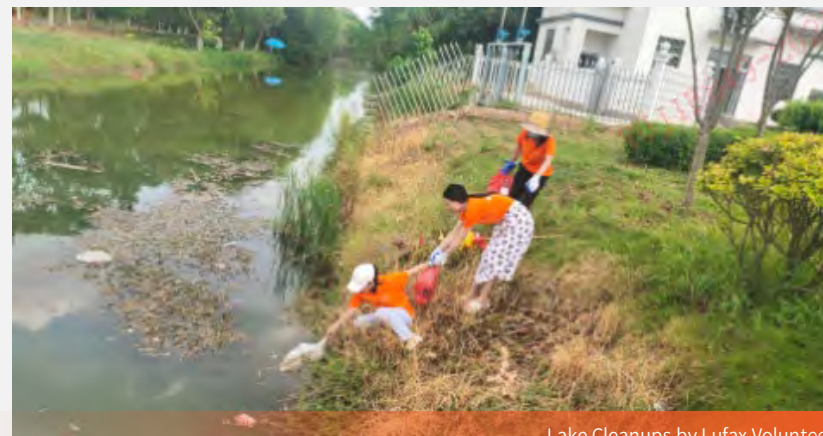


“Finance Plus Double Carbon”

Focusing on environmental public welfare activities, Lufax Holding has been committed to building a more comfortable, harmonious and clean community. In an active response to the Low-Carbon 100 Initiative of “Green Commitment, Ping An China” launched by Ping An Group, we launched public welfare activities themed on “Beauty Initiative” in many regions to motivate the participation of our employees and multiple social forces.

Case | Beach Cleanup Activity of “Beauty Initiative”

Since the launch of “Beauty Initiative” in May 2021, we have voluntarily organized our employees and worked with communities, public welfare institutions and other social forces to participate in beach cleanups, contributing to building a clean community by disposing of litter. By 31 December 2022, more than 350 “Beauty Initiative” themed activities had been carried out across over 110 cities in 27 provinces in China, with over 3,400 participants and over 5.5 tons of litter disposed of.



Lake Cleanups by Lufax Volunteers



Participation and Investment in Public Welfare

Relying on Ping An Group's San Cun Hui public welfare platform and focusing on rural revitalization, environmental protection and voluntary teaching, Lufax employees have spontaneously formed up a public welfare team under Lufax Branch of Ping An Volunteer Association to actively participate in social practice and volunteer activities.

As of 31 December 2022:

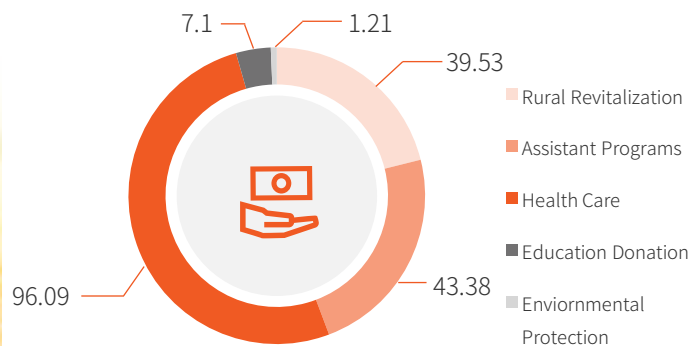


Lufax Volunteers Association had cumulatively launched over **1,903** public welfare activities in urban communities and villages across the country, with an average of **2.3** volunteer hours per member.

The San Cun Hui platform has **72,347** registered users, accumulating **160,000** volunteer hours.

Meanwhile, Lufax Holding has made charitable donations in various areas, including rural revitalization, educational resources, and environmental protection. These donations aim to help disadvantaged groups in society and address people's livelihood needs. Lufax Holding's donations in 2022 were as follow:

Lufax Holding's Donations in 2022 (RMB 10,000)





02

More Efficient Finance

Relying on leading financial layout, Lufax Holding keeps improving financial service efficiency, optimizing customer service processes, reducing financing costs for small and micro businesses through technological innovation and continues building an efficient financial service and technology brand. Meanwhile, we understand that a talented team is the cornerstone of ensuring operational efficiency and service quality. We respect the rights and interests of employees, constantly improve the training and promotion system, and are committed to building an excellent talent team.

Responding to the following SDGs in this section:





Promoting Technology Empowerment

Leveraging its leading technology layout and years of accumulated operating experiences, Lufax Holding makes flexible use of the three core technologies of artificial intelligence (AI), big data and blockchain to empower businesses and continuously enhance the competitiveness in financial services. Meanwhile, we are committed to applying digital technologies in practices and replacing repetitive, manpower-consuming work with digital tools to improve operational efficiency. In addition, we strengthen the protection of our innovation achievements through carrying out legal advocacy of intellectual property rights and special training.

Intelligent Financial Services

Lufax Holding comprehensively uses artificial intelligence, big data, cloud computing and other technologies to launch solutions such as “Smart Marketing Recommendation”, “Smart Customer Service” and “Three-in-One Screen Recording” “Xingyun”, “AI Collection 2.0”, etc. to provide customized, modular, intelligent and warm financial services for different customer groups.

Smart Marketing Recommendation

Direct selling customer recommendation:

Based on macroeconomic data, corporate information and industry recruitment, we build a corporate screening and ranking model to achieve intelligent recommendations for potential customers, helping us to accurately flow funds to customers in need. During the Reporting Period, we have applied the recommendation model to the direct sales pilot.

Telemarketing customer recommendation:

We have built and applied a smart rating recommendation model in telemarketing businesses. The model can analyze customers’ qualifications and intentions, draw customer profile through natural language processing technology, and intelligently match and recommend marketing words based on customer labels.

Smart Customer Services

We continue to upgrade smart customer services function, renew the customer service interface, and add AI virtual human navigation function. By collecting and analyzing interactive data, the AI virtual human can accurately predict customers’ needs and synchronously perceive customer emotional changes, and then adopt different strategies to provide customers with answers and guidance. With the function of providing differentiated services, the AI virtual human can provide a more convenient, personified, warm service experience for small and micro businesses.

Three-in-One Screen Recording

With customer authorization, we record users’ APP operations and conversations through the “three-in-one screen recording” tool (synchronous recording of customer video, AI video and mobile phone screen). The tool enables us to restore users’ application process to the greatest extent and assists us in the process quality inspection and customer complaint handling. During the Reporting Period, the “Three-in-One Screen Recording” tool has effectively assisted in the AI video loan process, recording more than 6.5 million applications, with a recording success rate of 99.4%.

Xingyun

Xingyun, an AI-powered smart loan solution, has reformed the business process of small and micro loans by offering zero text input and face-to-face service with anthropomorphic AI virtual images. It has solved pain points such as redundant application input, long-time waiting, and excessive questioning to minimize user waiting time. During the Reporting Period, through continuous iterations, we elevated the functionality of the “Xingyun” AI models, specifically the virtual image and voice activity detection, reduced 31% of breakpoints in the loan application process, and increased system throughput by 4 times, further enhancing the borrowing experience for users. By the end of 2022, “Xingyun” had served 639 thousand customers.

AI Collection 2.0

The “AI Collection 2.0” solution is built through customer intent recognition, automatic speech recognition (hereinafter “ASR”), text-to-speech (hereinafter “TTS”), natural language text processing (hereinafter “NLP”) and other models. “AI Collection 2.0” enables automatic payment reminder, independent collection, collection assistance and other functions through its AI dialogue capability, AI collection assistance capability and AI dial strategy, greatly improving collection efficiency. During the Reporting Period, the “AI Collection 2.0” has been applied in more than 88% of accounts. When the AI independent collection is totally realized, the effective calling duration and capacity have been increased by 20% and 17% respectively.





Digital Operation

Digitization is the opportunity of the times. In the past year, we continued to apply digitalization in practice. We launched digital applications such as “Ticket Platform Audit Robot” and “Inspection Robot”, and carried out containerization², which greatly reduced operating costs and improved business processing efficiency. At the same time, we have built our own database to better support our business and ensure data security.

Ticket Platform Audit Robot

Based on optical character recognition technology and robot process automation technology, the Robot can automatically process the ticket audit at client side and support multiple business scenarios, such as account-cancellation application, card unbinding, reset of login password, change of phone number and ID card verification. During the Reporting Period, the Robot replaced about 90% of the manual initial audit work, and the audit time per ticket was controlled in 1 minute.

Inspection Robot

Based on OCR full-text recognition and graphic recognition technology, the Robot enables 7*24 auto inspections of APPs and has covered over 300 routes of Lufax Holding. The Robot allows us to identify and solve APP interface exceptions on time, to reduce customer inquiries and complaints arising hereof.

PKS³ Containerization

During the Reporting Period, to improve the utilization and lower the cost of IT resources, we made PKS containerization to 509 components of 186 systems. After that, it shortened the delivery time of resources such as cloud host, storage, and network from 4 days to 3.5 hours, and reduced the cost of computing resources by 20%. The PKS containerization won the Cloud Native Construction Achievement Award of the Group.

Building Our Own Database

We have organized more than 500 development, testing, operation and maintenance engineers to build our own database to better support financial business scenarios involving large amounts of data and to ensure data security. During the Reporting Period, we migrated data to our own database through the Lufax Holding data migration solution and thoroughly checked all data, to ensure the accuracy of the migrated data.

Stage I: Status evaluation

Evaluate the current status of database and identify demands and difficulties

Stage II: Architecture design and planning

Make plans, assess workload and complexity, and determine cycles, architecture, development leaders, etc.

Stage III: Specification design and implementation

Develop Research and Development(“R&D”) specifications and Operation and Maintenance(“O&M”)rules and determine stress testing standards and switching standards

Stage IV: Database migration

Determine the structure, direction and volume of migration

Stage V: Flow switching

Set a schedule of flow switching based on the application access architecture

Stage VI: Parallel observation

Monitor the bidirectional synchronous links at the source and target ends and track the application interface performance

Database Building Process

²Containerization is the packaging of traditional applications with their required runtime environment so that they are isolated in their own “container”. In this way, the applications within the “container” can be moved and run consistently in any environment and on any infrastructure, independent of that environment or infrastructure’s operating system.

³PingAn Kubernetes Cluster Service (PKS) can integrate Ping An Cloud host, storage, network and other resources and support functions, such as one-touch deployment of HA cluster, massive container start in seconds and resource security isolation, to provide secure, easy-to-use and convenient container cloud services.

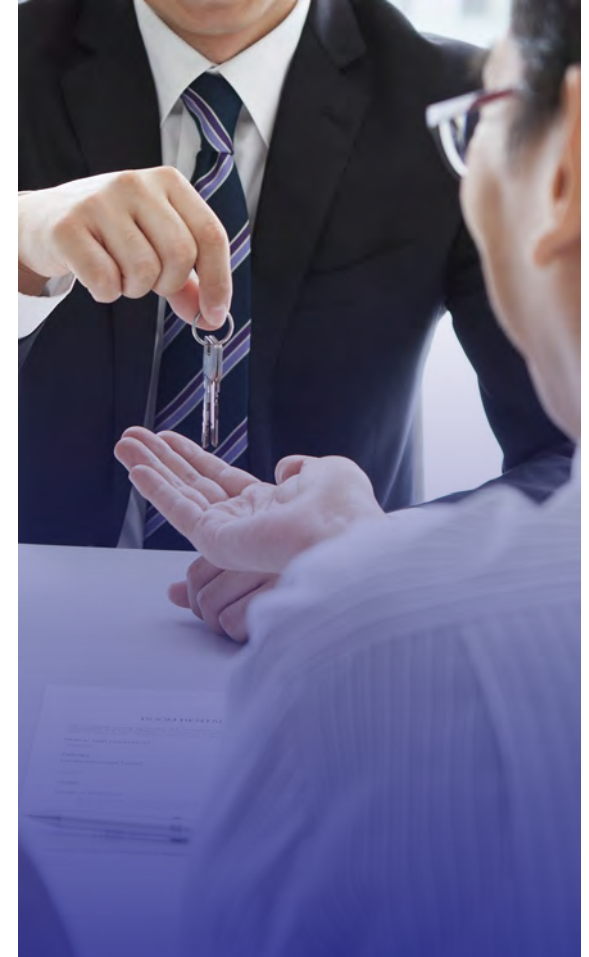


Intellectual Property Rights Protection

While advancing technologies, Lufax Holding 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 and Protection Measures for Intellectual Property Rights, the Management Measures for the Protection of Patent Protection. These regulations have clarified the framework and duties of intellectual property protection, expense management of intellectual property, management of intellectual property projects, etc. Meanwhile, we respect the intellectual property achievements of others, and strictly prohibit employees from infringing upon intellectual property rights. Moreover, we have established an advocacy mechanism for intellectual property rights, through which we carried out various forms of regular training and promotions on intellectual property right.



Promotion for Intellectual Property Rights



By the end of the Reporting Period,



the Company had obtained a total of **568** patents
and **252** copyrights

including **240** software copyrights
and **12** work copyrights



Optimizing Customer Services

Being always customer-centric, Lufax Holding has set up many channels to listen to customers' voices, and continuously optimize our products and services as well as the complaint handling process according to customers' feedback. In addition, we know that enhancing customer satisfaction is a key element in promoting business development; therefore, we are committed to providing customers with the best service and experience. During the Reporting Period, we received a total of 710 customer complaints, and customer complaint rate reached 0.0008%.

To quickly respond to customers, Lufax Holding provided customers with online value-added services in life and work through "Ping An Puhui Customer Service Center". Moreover, we regularly notify customers of repayment success, deduction reminders and other service messages through our official account to maintain good repayment records for customers, increase warm-hearted interactions between the Company and customers, and form a good reputation. At the end of 2022, the Company has set up professional customer service teams in each brand. Moreover, we introduced corporate WeChat to establish a

point-to-point service relationship to ensure that dedicated customer service is available to each customer throughout the cycle of the loan to ensure that various customer demands are resolved on time. In terms of personnel service standards, we continue to establish and improve the system standardized operation actions and customer service knowledge base, simplify the complexity of customer service work, and replace "ask others" with "self-inquiry", leaving more time for customer service personnel to interact with customers and improve service stickiness. During the Reporting Period, we have served 10.94 million customers and answered their inquiries effectively through multiple channels.

In response to customer complaints, the Company has formulated the Measures for Management of Consumer Complaints (version 2022) according to relevant laws and regulations, which clarifies the hierarchical management mechanism, acceptance, handling, closure and follow-up processes for complaints, as well as the emergency management and date collection requirements for major complaints. It further enriches the territorial management

principle, informing process, avoidance mechanism and dispute resolution mechanism related to consumer complaints handling, to fully protect the legitimate rights and interests of consumers. Moreover, we offered 11 complaint acceptance channels such as customer hotline, APP, WeChat official account, Enterprise WeChat and SMS, some of which are available around the clock, to promptly handle customer complaints. The customer service should contact the complainant within 4 working hours once the complaint is received, and general cases should be closed within 5 working days. In terms of handling, Lufax Holding strictly follows relevant regulatory requirements and requires to formally inform the complainant of the verification result and the handling plan within a specified time by telephone or SMS. If the complainant still has any objections, we will invite the complainant to a third-party mediation agency for resolution. Once the complaint is closed, the Company will initiate the AI-based follow-up process and assign dedicated personnel to check the whole handling process of closed cases, to ensure the service quality.



Lufax Holding's Complaint Handling Procedure



In 2022, to solve customers' pain points and achieve the last mile of service, the Company conducted a customer survey through on-site interviews and phone calls to collect customers' opinions and suggestions on products and services, and summarized and analyzed the suggestions collected. This survey collected feedback from over 10,000 customers, discovered 19 core pain points and assisted in raising 17 optimizing measures. In addition, we welcome our employees' proposals and feedback on optimizing customer service management and forming "Gold Idea" projects for better customer service.

Case | "Gold Idea" Projects

The incubation project themed on "good ideas for development of Lufax customer service in 2022" covered five aspects, including optimization of customer service & customer experience, optimization of systematic customer complaint management and construction of customer service team. In the activity, more than 160 "Gold Ideas" were put forward by 35 branches through brainstorming and 9 "Gold Idea" projects were finally incubated, including service quality improvement and channels interconnectivity.



To better improve the service skills of customer service personnel and provide customers with efficient and excellent services, the Company has formulated a training strategy covering customer service personnel at all levels, and provides training for customer service teams from dozens of branches through multi-channels and media, including on-site, remote, live broadcast, journals, and videos.

Case | Capacity Improvement Training of Customer Service Team

With customers' unique needs for postponement and exemption during the epidemic, the Company sorted out customer service strategies and processes, designed standard responses and carried out multiple rounds of training and arranged special personnel to spot check service recordings after training to investigate aspects for improvement, further optimize response strategies and promote training guidance. In 2022, we have carried out a total of 8 training sessions, and the service capabilities of each customer service team have been significantly improved.



Case | Special Training on Complaints

In July 2022, the Company conducted a special training on common complaint cases for customer service positions receiving more complaints and inquiries. A total of 4 training sessions were held, involving 141 customer service personnel. The training cases mainly included common problems such as loan cost consultation, repayment schedule interpretation, and credit inquiry. Through this training, new customer complaint rate that needs follow-up improved from 0.73% in the first half of the year to 0.54% in the latter part.





Building a Quality Team

Employees are always the most valuable assets of Lufax Holding. We recruit talents from broad sources and are committed to building a professional and excellent talent team. We continue advancing performance evaluation and promotion mechanism and training system to encourage employees to keep learning and advancing and fulfilling their self-worth. As a responsible employer, we establish a comprehensive employee benefits system and carry out diversified activities, to help them stay physically and mentally healthy and enrich their life. Moreover, we take practical actions to create a harmonious workplace and a broad career development platform for employees.

Recruitment and Diversity

At Lufax Holding, we strictly abide by the requirements of the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China and other laws and regulations. Following the “merit-based selection process that matches the right talent to the right roles and posts openings internally first”, we launch both internal and external recruiting processes against our talent pipeline strategy to ensure that actual hiring needs are met. To reserve excellent talents with practical and technical skills, we diversify our recruitment channels, including the official website, headhunters, staff recommendation, campus job fairs, management trainee programs and university-enterprise cooperation.

We have competency-based job requirements and follow standard procedures with the HR-X digital system adopted as appropriate to proceed with the recruitment and hiring process

including interviews, examinations and assessments. Moreover, our candidates will be assessed from many aspects, such as their personal character, quality, experience, potential and values. In addition, we strictly check the background of applicants, so that recruiting involuntary workers or persons under the legal age of 18 can be avoided, and we also have zero tolerance for any form of child labor or forced labor. During the Reporting Period, we did not violate any child or forced labor regulations.

At Lufax Holding, we always pursue an equal and fair recruitment process. We standardize the criteria, and eliminate all forms of prejudice and discrimination, with all candidates being treated equally regardless of age, ethnicity, religious beliefs, geography, family status or gender. Our subsidiaries must comply with all internal recruitment policies and strictly prohibit discriminatory job advertisements. Moreover, we require all recruiters to be assessed from compliance aspect. Each month, each subsidiary should conduct a self-review of recruitment advertisements, and random checks will be carried out by headquarters regularly. Once a job posting is found to violate the regulations, penalties will be imposed in accordance with the assessment and management requirements.

In addition, we provide job opportunities for persons with disabilities and veterans to assist them in integrating into society and improving their life quality. We open positions via our nationwide organizations for people with disabilities to help them achieve employment. In addition, we cooperate with local veterans service centers and conduct targeted recruitment each year to offer veteran-specific job positions. By the end of the Reporting Period, we had employed 28 individuals with disabilities and 600 veterans.

By the end of the Reporting Period,



Lufax Holding has a total of **71,034** full-time employees



including **3,589** minority employees





Case | Campus Job Fair 2022

To further deepen industry-academia-research integration through university-enterprise collaborations and provide employment opportunities for graduates, we worked with the governments, universities, professional recruitment agencies and talent exchange organizations to organize campus job fairs for graduates, actively expanding our talent pool. We arranged online recruitment talk sessions and offline job fairs at the same time, with more than 20 on-campus talk sessions delivered and dozens of positions such as consultants, customer service specialists opened for graduates.

During the talk session, our recruiters professionally and elaborately introduced the Company's basic information, job requirements, salary, development prospects, and organized a Q&A session for graduates, realizing face-to-face "zero-distance" interaction between graduates and enterprises.



Campus Job Fair 2022

Case | University-Enterprise Cooperation

Adhering to the cultivation mode of "work-integrated learning and university-enterprise cooperation", we collaborated with universities, complementing each other's strengths to cultivate composite skilled talents. In 2022, we cooperated with 17 universities, including Liaocheng University, Shandong Jianzhu University, and Chongqing University of Technology, providing internships for a total of 90 students. Our support for the cultivation of students has been widely recognized. For example, our Wuhan Customer Service Center received the honor of the "Unit with Outstanding Contribution to Employment" in Hankou area, Anhui subsidiary won the "Best Employer Nomination Award", and several organizations were awarded the title of "Internship and Employment Base". In the future, we will spare more efforts to deepen and broaden our cooperation with universities, to drive the development of the economy and the growth of industrial talents.



Our Organization was Awarded the Title of "Internship and Employment Base" in 2022 by Shandong Jianzhu University





Employee Development and Care

Lufax Holding has a sound performance and training system that provides employees with rich learning resources and extensive growth opportunities, which can help employees grow personally while reserving strength for our rapid development. We also value employee welfare and care initiatives. As such, we not only provide competitive salaries, but also offer a variety of benefits and diversified activities. In this way, we can create a safe, healthy, and happy work environment for employees and ensure their physical and mental health.

Performance and Promotion

Based on the principle of "result-oriented and process-focused", the Company conducts performance appraisals with multiple evaluation dimensions twice a year to ensure the rationality and fairness of promotion. We formulate a clear performance appraisal plan. The employees of the Company submit their annual work plans in the HR-X system at the beginning of each year, including annual qualitative and quantitative goals and critical project plans. New employees are required to complete the annual work plan within two months after onboarding. After confirming the annual work plan, employees need to submit a monthly summary of the previous month at the beginning of each month, and the evaluators will assess and score the completion of the plan. The Company conducts comprehensive performance evaluations in the middle and end of the year, and evaluates the employees' annual performance through interviews, internal and external evaluator interviews, and 360 evaluations. After the performance evaluation, the evaluator will provide the assessment feedback and performance evaluation results to the employees, and the human resources department will rank employees at all levels according to the performance evaluation results, and therefore confirm the promotion list.

Talent Cultivation

Talent cultivation and team building are at our core. We have established a full-cycle talent cultivation system, which is constantly optimized to satisfy the development needs of employees at different levels and stimulate their potential. These efforts contribute to an efficient talent ladder and a strong network of talents for the Company's high-quality development.

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 and urban visitor centers, 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.

Case | Transition Plan for "Talent Pool B"

In 2022, we launched a one-year transition plan for "Talent Pool B", aiming to help relevant talents to fit into the new work environment and new teams, so that they can quickly adapt to the position, accelerate performance output and deliver a good performance in their management role.

We have provided targeted training programs for employees at different levels to continuously develop core talents and better support our future development.





Senior Management Training Program

Case

Comprehensive Capacity Enhancement Training for Senior Management

In November 2022, we invited a professor of finance from Shanghai University of Finance and Economics to deliver a course on Industrial Structure and Financial Environment for all our senior management. During the course, based on the framework of financial system, the professor shared in-depth insights by introducing intensive case studies regarding the current financial market, industrial structure, regulation and risk control, and business innovation, empowering participants with a comprehensive understanding of the potential impact of the financial environment on our business.



Comprehensive Capacity Enhancement Training for Senior Management

Case

Online Harvard Special Training Camp

In 2022, we opened the Harvard Special Training Camp for our management. With the theme of “being a game-changer in the digital era”, the training camp focused on “the changing dynamics and enduring principles” of digital transformation, and was divided into four parts covering business model, operation innovation, customer interaction and team building. After studying Harvard’s most cutting-edge and authoritative research theories and practical cases of major global enterprises, our senior management gained profound insights into the “enduring principles” in digital transformation and acquired approaches to embracing innovative business models in response to the “changing dynamics” in the digital era, developing their leadership skills. This year, the Harvard Special Training Camp was held twice, with a total of 40 senior management participating in and completing the training, of which 9 were awarded the title of “Outstanding Trainee”.



Case

Management Trainee Program of Lufax Holding

To strengthen the future-ready talent pool, we have launched management trainee programs based on the employment needs of each organization. High-quality graduates from different universities will be recruited via our one-year trainee program, who will eventually be appointed to the core departments within the organization after this program. In 2022, we recruited a total of 28 management trainees from domestic and overseas universities. The head office coordinated the whole training program, and the job position was provided by related organizations to help trainees grow their professional network. To quickly enhance the work competency and leadership skills of the trainees, we specially included the job-rotation stages in the program. Trainees were offered chances to rotate among the front and back lines under the guidance of the executives of the relevant organizations. After a year of rotation and fitness for duty evaluation, job positions have been finalized for management trainees, who will spare no efforts to work in the position they are good at and passionate about.



To build a stronger talent team, this year, we launched special training programs for talents in specific positions in terms of risk control, technology and digitization to help employees improve their abilities and expand their mindset.

▶▶ Job-specific Program for Talent Cultivation

Case | Specific Program for Risk Control Talent Cultivation

We launched the special program for risk control talent cultivation in June 2022, aiming to better manage risks after systematic training. We had two stages encompassing online live broadcast and offline training in this program. During phase one, we had “Zero Distance between the Head Office and Branches” -themed live broadcast, where the department heads of the headquarters were invited to analyze our strategy and product ranges, systematically explain the risk management system and the operation model of Creditfirst, and discuss in depth the post-loan management system and the process-wide risk management index system. The six sessions therein allowed all participants to consolidate their foundations in professionalism and broaden their business horizons. And the phase two was organized in the form of offline seminars, with 50 trainees from institutions gathering in Shanghai for a three-day professional course learning and project seminars, facilitating exchanges among the participants.



Face-to-Face Training under the Special Program for Risk Control Talent Cultivation

Case | Specific Program for Technology Talent Cultivation

This year, the Technology Center of Lufax Holding organized a special program for technology talent cultivation based on the characteristics of technological talents and the organizational structure. This special program included the Star Program and the Venus Program, which was designed to enhance the technical capabilities and management mindset of key talents through systematic training mechanisms and professional courses, so that a stronger technology talent pool can be maintained.



Special Program for Technology Talent Cultivation - Star Program, Venus Program

Case | Specific Program for Digital Talent Cultivation

This year, we held many culture-building activities including digital talent competency training and online competitions, attracting nearly 500 versatile digital talents. Our employees have applied advanced data analytics tools to solve business and management issues, realizing digital intelligent operation and management and improving organizational effectiveness. To achieve data-based business transformation, we are committed to upgrading and transforming the digital skills of our personnel, and improving their data processing and analysis skills.



Special Program for Digital Talent Cultivation



We also actively cooperate with domestic universities to provide training for our employees. During the Reporting Period, we co-held a seminar for financial leaders with the Chinese University of Hong Kong (Shenzhen) to help them become more financially knowledgeable and more globally minded.

We fully use the online learning platform, where training courses are available for all employees to strengthen their professional skills.



All our employees are encouraged to get certified for the vocational skills required for their positions, and those who have passed the certification can get their examination fees reimbursed. This move can motivate them to further improve their professional skills. We have formulated and implemented the Administrative Measures for Employee Training Budget (Employee Education Funds), which has stipulated the scope and reimbursement process for employees to earn relevant credentials. There are 23 domestic and international certifications in four categories of finance, law, technology, and human resources, such as CFA, FRM, CPA, PMP, etc., which can fully satisfy the learning demands of employees.

Remuneration and Benefits

Lufax Holding has formulated the Remuneration Management System, and continuously optimized the comprehensive remuneration system. At Lufax Holding, we provide our employees with competitive remuneration and set up a remuneration structure consisting of fixed salaries, performance bonuses and long-term incentives for all employees (including non-management positions and non-sales personnel). And salaries will be adjusted annually as appropriate based on operating results and the fulfilment of individual performance targets.

To boost employee engagement and enthusiasm, we keep innovating incentive schemes and diversifying relevant mechanisms based on the existing ones. We have designed an employee stock ownership plan for executives and core employees, including two incentive measures - stock options and a performance-for-stock plan. The plan combines 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 with their hard work. More than 1,200 employees, including 25% of our executives, have been granted stock equities under this plan, and 75% of stock equities were granted to executives and nearly 70% of stock equities were performance-based grants. 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.

In addition, we provide comprehensive welfare packages for our employees. Apart from basic benefits such as five social insurances and the housing provident fund, we grant a variety of other benefits to all employees, such as cash in holidays, birthday allowances, return-to-work red packets after spring festival, and annuities. We also provide additional annual leaves for employees with five to ten years of seniority on top of the statutory holidays.



Employee Care

The Company cares for employees' health and provides them with additional health protection by purchasing package insurance such as medical, critical illness, accident, and life insurance. Meanwhile, regular annual health checkups are organized to help employees effectively track and manage their health. In 2022, we partnered with Ping An Health Insurance to offer workplace health services, including VIP medical appointments, exclusive private doctor service for health management, personalized health courses, sub-health management, and other programs to address the health needs of our employees during the pandemic, and to help them manage personal health well while they were at home, and minimize the possibilities of other health problems caused by the pandemic. As sub-health becomes a common concern among wage-earning class nowadays, we have arranged different activities regularly for our employees after daily work, so that they can better monitor personal health, prevent the onset of diseases and relieve fatigue at work. These activities include workplace health lectures, CPR first aid training course, oral health care consulting and others.



Workplace Health Lectures

Case | Online Sports Games for Healthy Working at Home

To enrich the spare time life of our employees and help them stay healthy while working from home, we organized various cultural activities to promote scientific fitness, improve overall well-being and develop physical and mental resilience. Specifically, the Human Resources Department and the Administrative Union jointly held the Online Sports Games for Healthy Working at Home. We had push-ups, crunches, healthy running, aerobics, and plank in this sports game, which attracted more than 300 participants.

We strive to provide our employees with a healthy and safe workplace. We have different green plants in the office according to the seasons and regularly replace those with poor growth to create a comfortable and cozy work environment. Besides, we will take actions to eliminate pest problems before summer arrives to maintain healthy working condition for employees. In 2022, we retrofitted part of our office areas and hired a professional environmental treatment company to remove the formaldehyde. After renovation, those areas were retrofitted to be well-ventilated and equipped with air purifiers. In addition, we focus on investigating potential safety hazards in the workplace and conduct regular fire training and drills to raise the safety awareness of all employees.

In 2022, Lufax Holding carried out a group-wide special campaign on self-inspection and self-rectification of fire safety hazards across our organizations around the country and collected 775 copies of the Workplace Fire Safety Responsibility Statement, with nearly a thousand organizations completing fire self-inspection and 95 identified safety and fire hazards rectified.

Case | Fire Safety Lectures

In November 2022, the Company organized fire safety lectures to make clear what remedial measures should be in place for possible fire hazards, with the active participation of representatives from all departments of the Company. In the lecture, the district fire bureau shared the real fire accidents in the workplace, as well as prevention and early fire extinguishing measures, which helped employees become more aware of fire safety and better at handling fire emergencies.



Fire Safety Lectures



03

More Reliable Finance

Adhering to the philosophy of “responsible governance based on integrity”, we strive for sustainable development. To this end, we incorporate ESG concepts into corporate management, strengthen risk management, and elevate the level of corporate governance.

“Staying customer-centric”, Lufax Holding protects consumer rights and interests throughout the entire service process. We are dedicated to building a whole-process consumer rights and interests protection system, thereby preventing consumers’ private data from leakage with sound information security mechanisms, and protecting their rights and interests, such as the right to information and freedom to choose.

Responding to the following SDGs in this section :





Consolidating Governance Foundation

Effective corporate governance structure and well-functioning risk management mechanism are critical to ensuring the fairness and reasonableness of the Company's decision-making as well as the sustainability of its business. Also, the sound corporate governance serves as the basis for promoting and implementing sustainable development strategies and addressing material ESG issues.

Corporate Governance

Lufax Holding has established a governance framework with well-defined authorities and responsibilities, contributing to regulated, robust and efficient corporate governance practices. Our Board of Directors is structured in line with the Corporate Governance Code of Hong Kong Stock Exchange, the Sarbanes-Oxley Act of 2002 of the U.S. Securities and Exchange Commission and the relevant regulations of the New York Stock Exchange.

The Board comprises directors with extensive industrial experiences and multi-disciplinary expertise, allowing them to make decisions from a more comprehensive and holistic perspective and outlook. We value the diversity of our Board members. While designating Board members, we take many aspects into consideration, such as gender, age, cultural and educational background, nationality, expertise, skills, knowledge, tenure, and other relevant or applicable factors determined by the Board of Directors. This approach ensures the building of an effective and well-regulated Board of Directors. By the date of publication, Lufax's Board of Directors had 9 directors, including 2 executive directors, 3 non-executive directors (including 1 female director) and 4 independent non-executive directors.

Mr. Yong Suk Cho	Chairman of the Board (Executive Director and Chief Executive Office
Mr. Gregory Dean Gibb	Execute Director and Co-Chief Executive Officer
Mr. Yonglin Xie	Non-Executive Director
Mrs. Xin Fu	Non-Executive Director
Mr. Yuqiang Huang	Non-Executive Director
Mr. Rusheng Yang	Independent Non-Executive Director
Mr. Weidong Li	Independent Non-Executive Director
Mr. Xudong Zhang	Independent Non-Executive Director
Mr. David Xianglin Li	Independent Non-Executive Director

Four committees are set up under the Board of Lufax Holding, namely Audit Committee, Nomination and Remuneration Committee, Consumer Protection and ESG Committee, and Risk Control and Compliance Committee. They are responsible for supervision, decision-making suggestions and consultations within specific scopes. All the committees operate in accordance with internal documents, such as the Charter of the Nomination and Remuneration Committee, Charter of the Audit Committee, Chatter of the Consumer Protection and ESG Committee, Chatter of Risk Control and Compliance Committee and Code of Business Conduct and Ethics. Moreover, they abide by the Company's policies and major strategic directions to effectively fulfill their roles in supervision and management, ensuring the robust operation of the Company.





Risk Management

At Lufax Holding, we keep improving our risk management system. To safeguard the Company’s long-term and sound development, we make risk management an integral part of our business operation, aligning us with the overall strategic development goals.

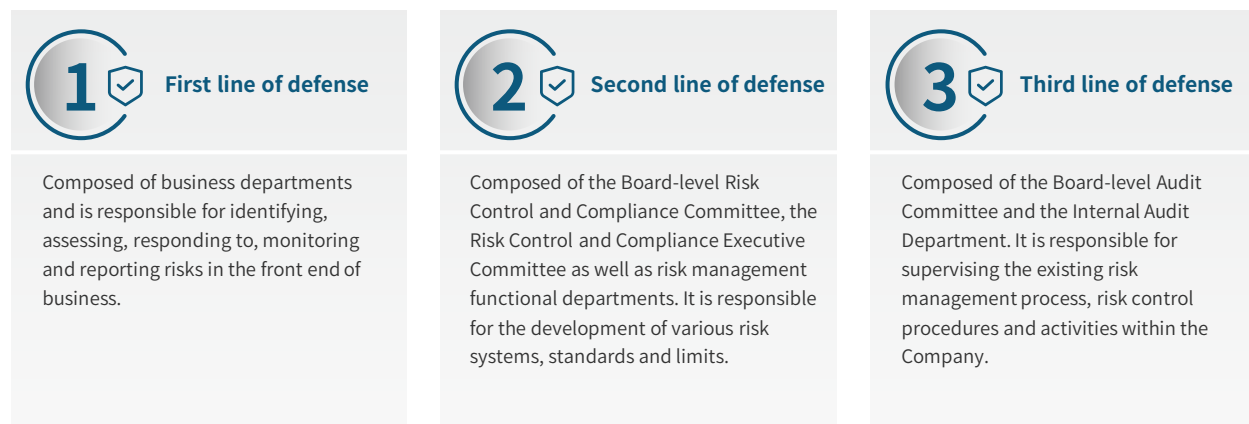
We have formulated and implemented various risk management policies, including the Comprehensive Risk Management Regulations, Credit Risk Management Measures, Compliance Assessment Management Measures, Management Regulations for Related Party Transactions, Management Policies of Operational Risk and Internal Control, Reputation Risk Management Measures, Liquidity Risk Management Measures, Management Rules of Information Security, Contingency Plan for Major Emergencies and etc. These policies clarify the principles, requirements and processes for risk management, so that we can manage risks effectively according to relevant policies.

Drawing on years of experience in risk management⁴, our Board members provide actionable advice on risk management decision from a forward-looking perspective. We have established a Risk Control and Compliance Committee at the Board level, under which a Risk Control and Compliance Executive Committee is set up, consisting of 3 teams with different business priorities (Retail, Wealth Management, Equity Funds). Each team is responsible for specific risk management and control, thereby achieving all-round risk management in the Company that covers all the risks, lines, businesses, processes and employees.



Risk Management Framework at Lufax Holding

In order to effectively manage all risks in the course of operation, the Company has established a risk management-centric three lines of defense to ensure that the Company can operate in a stable and regulated manner.



“Three-Lines of Defense” for Risk Management at Lufax Holding

⁴By the date of publication, among the Board members of Lufax Holding, David Xianglin Li, an independent non-executive director, has extensive experience and professional knowledge in risk management, and has served as a senior manager responsible for risk management at many companies. Prior to his current position, he served as the Vice President of Risk Management Investment at Prudential Financial from March 2016 to June 2017, and as the Managing Director and Head of Risk Management Group at China International Capital Corporation Limited from June 2008 to February 2012.



During the Reporting Period, Lufax Holding further improved its all-round risk management system. We subdivided risks into 12 categories, identified main risks under each category, and assigned them to relevant departments for special management. Meanwhile, in the course of risk identification, we assessed ESG-related risks and incorporated them into our all-round risk management system. For instance, the risks related to consumer information security and privacy protection were included into the information security risk, those related to procurement and employees were included into the operational risk and those related to anti-corruption and anti-money laundering were included into the compliance risk and risk of money laundering.



To further improve the business risk management, we have made the following planning::

Control the front-end sales quality

Strengthen control on customer visits, inspections on places of business and other sales processes, record sales activities in system, and carry out real-time verification through data and information technology.

Improve the anti-fraud system

Strengthen the interaction between the anti-fraud model and the front-end sales quality control process, and build an anti-fraud management system, covering front-end inputs, fraud identification, central approval, post-loan visits and payments collection.

Diversify regional management

Differentiate credit policies based on regions and sectors.

All-round risk management	Strategic risk	Credit risk	Compliant operation risk	Information technology risk	Reputation risk	Liquidity risk	Capital risk	Asset quality risk	Concentration risk	Market risk	Risk of non-transparency in organizational structure	Non-insurance sector risk
Major risks	Strategic risk	Credit risk	Compliance risk Operational risk Risk of money laundering Risk of related party transactions	Information security risk Compliance and Operational risk	Brand reputation risk	Liquidity risk	Capital risk	Asset quality risk	Concentration risk	Market risk	Risk of non-transparency in organizational structure	Non-insurance sector risk
Responsible departments	Planning department	Risk management department	Legal compliance department	Technology center	Brand publicity Department	Capital department						

All-round Risk Management System



In addition, we devote a great deal of effort to raising the risk management awareness among employees. To this end, we carry out risk management training for all employees online and offline. During the Reporting Period, we presented compulsory courses on risk management for all employees on the Zhiniaio platform, with assessment made accordingly. Meanwhile, we organized offline learning exchanges on risk control at regular intervals and sent the risk control promotion materials to all employees via email on a weekly basis.

Case | Special Training Project for Deputy General Managers of Risk Control of Secondary Institutions

To further improve the competence of deputy general managers of secondary institutions in risk control, the Risk Management Department and the Human Resources Department jointly launched the “2022 Special Training Project for Deputy General Managers of Risk Control of Secondary Institutions”. Through online and offline internal training and external courses and topic discussion, the project aims to strengthen the participants’ competence in quality control and risk management decision-making.

- Internal training: Through livestreaming, we invited internal experts to introduce the risk management system in a systematic way. All the participants learned the post-loan management and risk management indicator system;
- External courses: Through a blend of “online recording and offline training”, courses covered topics related to digitization-based risk control system, the application of risk strategies to digitization-based risk control system, small and micro business risk management and digitalized anti-fraud techniques, etc.
- Topic discussion: The group discussion covered such topics as regional customer interaction, front-office and back-office interaction, mass fraud control, local small and micro customer outreach, front-end quality control, as well as collection center operation and management.



Special Training on Risk Control





Business Practices

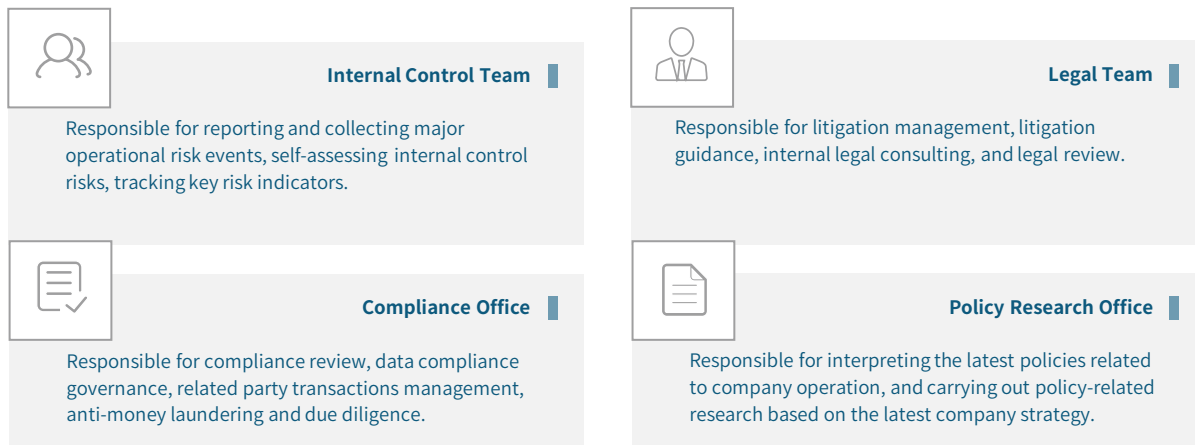
Compliance Management

Lufax Holding always adheres to the principle of compliant operation. We strictly abide by the requirements of relevant laws and regulations in the countries and regions where we operate, such as compliant operation, information protection, occupational health, and environmental protection. We have established a three-level compliance system to improve the effectiveness of internal control management.



Compliance System of Lufax Holding

At the same time, we keep improving the compliance management structure. For this purpose, an Internal Control Team, a Legal Team, a Compliance Office and a Policy Research Office have been established under the Legal Compliance Department. Each team is responsible for different priorities on compliance management, jointly ensuring the sound and compliant operation.



Compliance Management Structure of Lufax Holding





In addition, we always pay attention to the updates of laws and regulations. During the Reporting Period, the Policy Research Office under the Legal Compliance Department interpreted 35 major policies related to core businesses. The office also analyzed the gap between new policies and the Company’s current situation, implemented rectification plans, and organized the outcome acceptance.

This year, we interpreted the following ESG-related policies:

1 policy on corporate governance



The Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities Fund Agencies;

4 policies on safeguarding consumer rights and interests



The In-Depth Promotion of Financial Consumer Protection in Banking and Insurance Sectors, the Measures for the Administration of the Protection of Consumer Rights and Interests by Banking and Insurance Institutions (Exposure Draft), the Measures for the Administration of the Protection of Consumer Rights and Interests by Banking and Insurance Institutions, and the Notice on the Special Rectification of Enterprise-Related Arbitrary Charges;

5 policies on supporting small and micro businesses



The Notice on Further Effectively Providing Financial Services for Industries and Enterprises Affected by COVID-19 Pandemic, the Notice on Further Strengthening Financial Support for the Development of Small and Micro Enterprises in 2022, the Notice of the People’s Bank of China on Promoting the Establishment of Long-Term Mechanisms for Boosting Financial Sector’s Confidence, Willingness, Capability, and Expertise in Lending to Micro and Small Businesses, the Notice on Further Enhancing Support for Deferred Repayment of Principal and Interest on Loans to Small and Micro Businesses, and the Notice of the State Council on Printing and Distributing a Package of Policies and Measures to Stabilize Economy.

To enhance employees’ compliance awareness, we carry out a variety of compliance training and publicity through online training platform, offline exchanges and targeted emails at regular intervals.

Case Training on “Professionalism & Values, Compliance & Security”

During the Reporting Period, Lufax carried out the “Compliance Culture Month” campaign themed on “Professionalism & Values, Compliance & Security” to further enhance employees’ compliance awareness. The campaign covered:

- Compliance publicity: Promoted compliance via 10 emails and launched 4 online courses on the Zhiniao platform.
- Livestreaming training: Engaged well-known law firms, accounting firms and external experts to provide professional training on legal knowledge. The training was conducted in 4 sessions, covering data compliance, employee behavior management, consumer rights and interests protection, and related party transactions, with more than 7,000 participants.



Compliance Publicity



Livestreaming Training on Compliance



Related Party Transactions Management

Lufax places high emphasis on related party transactions management and fully acts on the laws and regulations. We have established an ex-ante, in-event and ex-post management mechanism for related party transactions for comprehensive and effective management and monitoring. During the Reporting Period, we held 5 meetings of the Related Party Transactions Committee and deliberated 13 proposals.



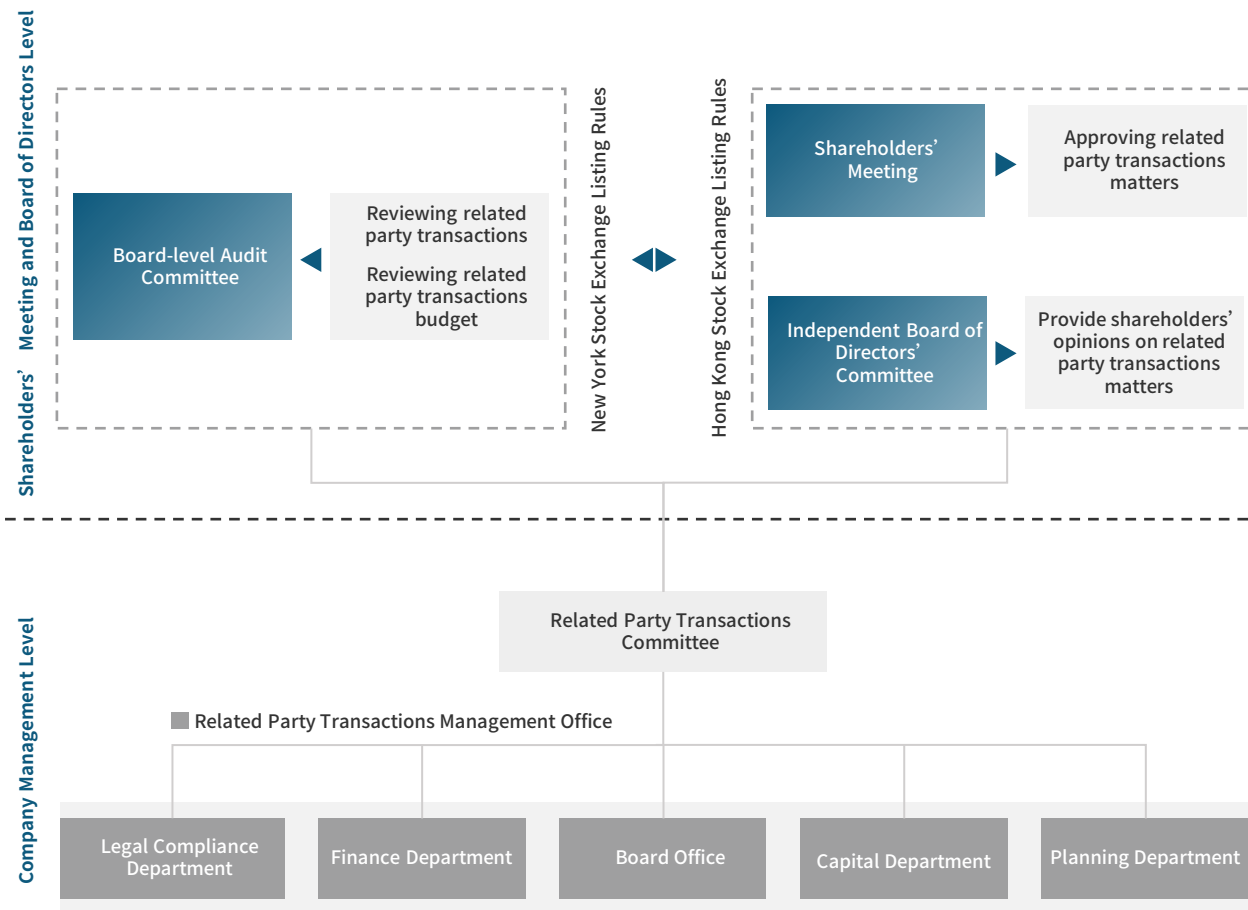
Establish mechanisms for managing related party transaction budgets and approving special quota;



Review/Deliberate each related party transaction based on the approval for general and major related party transactions;



Summarize quarterly statistics of the actual related party transactions.



Related Party Transaction Management Structure of Lufax Holding



Business Ethics

Lufax always upholds the core value of integrity and fairness in business operations. We uphold business ethics and firmly oppose behaviors violating business ethics, such as corruption, bribery and money-laundering. We strictly comply with the applicable laws and regulations in the places where we operate. The Board-level Risk Control and Compliance Committee supervises the business ethics management. Meanwhile, the Audit and Supervision Department audits the policies related to business ethics standards and anti-corruption on an annual basis and regularly reports to the Board-level Audit Committee on the issues identified by the audits, which cover all the main businesses of Lufax Holding. In addition, we keep promoting integrity, and provide regular training on business ethics for all employees to foster a clean business environment of integrity.

We constantly refine our anti-corruption and anti-bribery policy system. To this end, we have established an anti-corruption policy system that consists of three lines of defense. The Basic Management Measures for Business Personnel and the Basic Management Measures for Channel Frontline Personnel serve as the first line; the Expenses Management Measures and the Management Measures for Business Promotion Expenses as the second line; and the Prohibition, Instruction and Warning Punishment System, the Anti-Fraud System, the Management Measures for Criminal Cases and the Management Regulations for Public Complaints and Proposals as the third line.

During the Reporting Period, we updated and improved policies related to business ethics, including the Prohibition, Instruction and Warning Punishment System and the Articles of Association of the Case Prevention Committee of Lufax Holding. In detail, new violations and corresponding penalties were added to the Prohibition, Instruction and Warning Punishment System. In addition, the functions of the Case Prevention Committee at all

levels of the Company were further clarified in the Articles of Association of the Case Prevention Committee of Lufax Holding.

We have formulated and implemented the policies on anti-money laundering and customer information identification, such as the Anti-Money Laundering Management Measures, the Management Guide for Monitoring Anti-Money Laundering List and Compliant Sanction, the Anti-Money Laundering and Anti-Terrorist Financing Management Policy, and the Management Guide for Suspicious Transaction Reporting. Meanwhile, an Anti-Money Laundering Team has been set up to lead and coordinate relevant work. We use the Ping An Shield system to carry out anti-money laundering work, such as compliance list screening, customer due diligence, customer money laundering risk rating, and alert investigation. In addition, we also impose controls such as due diligence and account freezing for blacklisted customers and prohibit relationships with customers identified on terrorism-related and other high-risk lists.

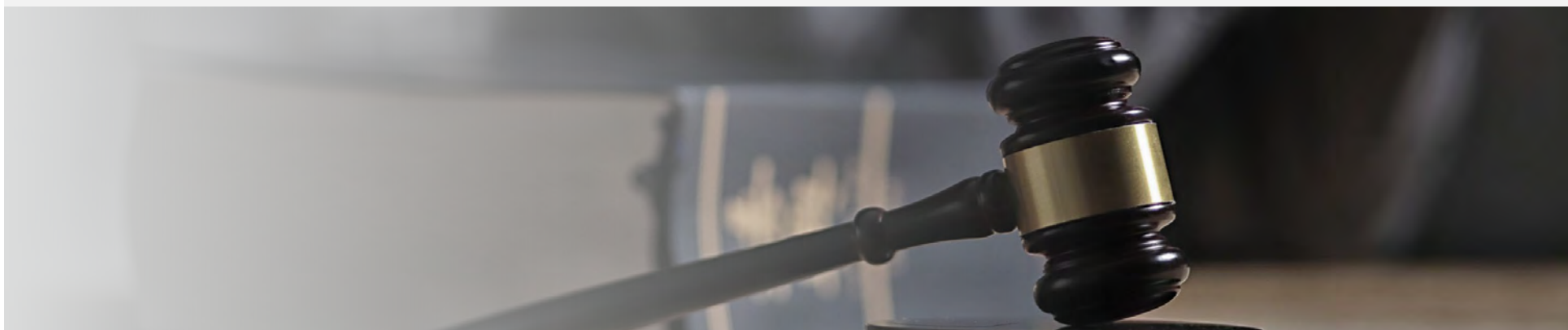




Case | **Special Campaign on Anti-Corruption**

During the Reporting Period, we carried out a special campaign on anti-corruption (dare not, cannot, and unwilling to commit corruption) throughout the Company:

- Established 54 working groups, held 48 kick-off meetings, publicized relevant policies in 15 sessions and reported 31 typical cases;
- Sticking to the three lines of defense for anti-corruption, we carried out self-inspection. As the first line of defense, self-inspection was conducted to identify risks. As the second line of defense, the self-inspection results were reviewed. As the third line of defense, the whole self-inspection process was supervised with the support of relevant models and special audits were carried out in key areas;
- Issued the Questionnaire on Violations for self-inspection, requiring all employees to truthfully fill in the questionnaire and report any violations.





Lufax Holding places high value on and advocates for the culture of honesty and integrity and provides training and conducts publicity on business ethics among all employees. We deliver training on business ethics through diversified channels, such as email, the Zhiniao platform, and study sessions. Meanwhile, we have issued corruption case alerts and organized all employees to learn courses on finance integrity to strengthen their awareness of integrity.

During the Reporting Period :

100%

employees had completed the anti-corruption training, including Board members.



Anti-Corruption Roll-up Banners



Anti-Corruption Posters



Anti-Corruption Case Alerts



Finance Integrity Courses on Zhiniao Platform



Publicity on Accountability System



We hold the attitude of zero-tolerance on business ethics violations. We have established smooth reporting channels, encouraging all employees, suppliers and other stakeholders to report any potential or existing business ethics violations through official website, mail, letter, hotline and others.

Meanwhile, we have formulated the Public Complaints and Proposals Management Regulations. It is clearly specified that the personal information of whistleblower, reporting and denunciation materials, as well as other relevant information shall not be disclosed, so as to protect the whistleblowers. In practice, the audit personnel desensitize original materials and create a reporting file. Any reporting file must be strictly audited before sending out, and must be followed up and supervised by dedicated personnel afterwards. During the Reporting Period, the Company was not involved in any litigation related to business ethics.



Redoubling Efforts to Protect Financial Consumers

The interests of financial consumers are the basis for the sound industry development, which are also of great significance for maintaining financial stability and promoting social harmony. Adhering to the mission of “Finance for people”, Lufax protects consumer rights and interests throughout the entire service process. By disclosing information to consumers, and upholding the principle of fair trading, we protect financial rights and interests of consumers as stipulated by law, such as their right to information and independent choice. At the same time, we join forces with local institutions to publicize financial knowledge among consumers, including anti-fraud knowledge and tips, to improve their financial literacy and safeguard their assets.

Safeguarding Consumer Rights and Interests

Lufax regards “protecting the legitimate rights and interests of consumers” as one of the core drivers for its strategic development. To uphold the operational principal of “protecting consumer rights and interests and being consumer-centric”, we have established a whole-process system for consumer rights and interests protection. We keep improving the organizational structure and relevant management mechanisms as well. We focus on being professional, digital and intelligent in our approach and take effective measures to protect consumer rights and interests.

Well-Established Top-Level Design

Lufax aims to establish a sound governance structure and fulfil its obligations. To this end, a Consumer Rights and Interests Protection Affairs Committee has been set up to be responsible for planning, arranging and assigning the tasks on protecting consumer rights and interests, monitoring and reviewing products, and reporting to the Board of Directors and the Consumer Protection Executive Committee regularly. The Consumer Rights and Interests Protection Affairs Committee has set up 6 Consumer Protection Working Groups to promote the review, information disclosure and problem rectification in terms of consumer protection. Local institutions have set up Consumer Protection Facilitation Groups to facilitate the construction of the consumer protection structure, ensuring practical protection and management of consumer rights and interests.

Board of Directors

Responsible for incorporating consumer rights and interests protection into business development strategy, corporate culture building, and corporate governance evaluation, and urging the implementation of strategies, policies and objectives in this regard.

Consumer Protection Executive Committee

Responsible for guiding and urging the establishment and improvement of the management system for safeguarding consumer rights and interests, and supervising the comprehensiveness, timeliness and effectiveness of the senior management and relevant department in this regard, according to regulatory requirements and the implementation of relevant strategies, policies, objectives and tasks.

Consumer Rights and Interests Protection Affairs Committee

Responsible for planning, arranging and deploying the implementation of protecting consumer rights and interests, monitoring and reviewing products, and reporting to the Board of Directors and the Consumer Protection Executive Committee regularly.

Consumer Protection Working Group

Responsible for promoting the review, information disclosure, problem rectification in terms of consumer protection

Consumer Protection Facilitation Group

Responsible for implementing the work related to consumer rights and interests protection



Consumer Protection Review Mechanism

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. We also keep improving 11 policies on consumer protection, including the Policy on Review of Consumer Rights and Interests Protection, the Policy on Information Disclosure of Consumer Rights and Interests Protection, and the Policy on Internal Assessment for Consumer Rights and Interests Protection.

Lufax strictly implements ex-ante, in-event and ex-post consumer protection review, in a bid to prevent any potential infringements on consumer rights and interests. At the same time, we refine the review scope, basis and implementation to ensure that rigorous and standard review is conducted on a routine basis.



- Strengthen the ex-ante review of marketing materials and message templates, through data-based real-time monitoring, review records, intelligent review for marketing materials and online inquiry of review focuses.



- Enhance the monitoring on the protection of consumer rights and interests in daily operations with the support of digital platforms and tools, identify clues involving the infringement of consumer rights and interests to discover potential risks, and follow up the problems identified, and supervise the rectification.



- Establish the “2345 Supervision and Rectification Mechanism” to ensure the timely identification and rectification of key problems.
- Establish an evaluation mechanism for consumer protection to drive the implementation of various consumer protection tasks.
- Conduct annual audits of consumer rights and interests protection at regular intervals.

Internal Training

Lufax places emphasis on enhancing employees’ awareness of consumer financial protection. For this purpose, we have established a training mechanism in this regard, requiring at least one special training on protecting consumer rights and interests to be delivered to all employees every year. In 2022, all employees had completed the training on safeguarding consumer rights and interests.



Consumer financial Protection Learning Corner

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



Special Training on Protecting Consumer Rights and Interests

All employees are required to attend the Compulsory Course on Protection of Financial Consumers’ Rights and Interests. The course covers diverse topics such as consumer protection policies, eight rights and interests of consumers, and code of conduct for collection. Through the course, we ensure that all employees have a consistent understanding of consumer protection.



Consumer Protection Monthly

With the introduction of new consumer protection regulations and rising public attention, Lufax collects consumer protection news and typical cases and delivers the latest consumer protection-related information to our employees through the Consumer Protection Monthly.



Consumer Protection Practices

To protect the rights and interests of financial consumers, we are stepping up our efforts in advertising and debt management. With our products, we strive to safeguard the legitimate rights and interests of financial consumers.

Responsible Marketing

We have formulated relevant marketing, advertisement and sales policies, such as the Internal Management and Monitoring System of Marketing Activity. With these efforts, we 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.

To supervise the compliance of marketing activities, we conduct annual audit on compliant marketing. Meanwhile, we review marketing materials every quarter to ensure that all marketing content and forms align with regulatory guidelines and are appropriate and accurate. The efforts help prevent any exaggerated or false publicity. During the Reporting Period, there were no marketing violations reported.

Through induction training and special training, we spread knowledge related to responsible marketing to relevant personnel. We also carry out publicity activities such as compliance week and compliance month, daily meetings, and case studies, to raise the awareness of compliant marketing among relevant personnel.

Debt Management

We have formulated and implemented management systems such as audit of collection business and complaint handling. We have also standardized the debt collection process and behaviors through the Measures for the Protection of Consumer Rights and Interests. To enhance the awareness of compliant collection among relevant personnel, we regularly provide face-to-face training and online lectures on collection-related policies and guidelines. By doing so, we ensure that collection personnel strictly abide by relevant laws, regulations and standards.

We subdivide customers according to their loan types, ratings, overdue periods, etc., and differentiate collection strategies. Taking into account customer service experience, we remind customers of timely repayment through message and AI outbound calls. For customers who are frequently overdue and lack good repayment habits, we, supported by AI, strengthen the monitoring and reminder of their repayment in a targeted way.

In response to customer demands for loan change, we have developed special policies and process standards. In specific, we provide such loan modification options as loan term extension and loan restructuring for consumers, who can adjust their existing loan applications as appropriate to increase their loans and reselect repayment periods. We conduct a special review based on their qualifications and actual needs, and handle their applications as specified.



Consumer Financial Education

Adhering to the “people-centered” concept, Lufax focuses on “empowering consumers to improve their financial literacy” in consumer protection education. To this end, we keep driving investor education, improving consumers’ financial literacy, and carrying out financial knowledge publicity.

Actively responding to the call of “3·15” Consumer Rights and Interests Protection and Promotion Week of the Banking and Insurance Industries 2022 initiated by the China Banking and Insurance Regulatory Commission, Lufax Holding organized the “Ping An Guardian Action” program through online and offline channels across the country. The program involved regulatory bodies, anti-fraud centers, media and other authoritative units to popularize financial knowledge among the public, further improving the financial literacy of new citizens, small and micro business owners, the elderly and other key groups. The program incorporated interactive H5, interesting short videos, interactive games, dialect sketches and short videos to promote financial literacy, helping various social groups to enhance their risk prevention awareness and protect their financial information and property security.

In the future, Lufax Holding will continue to make innovation in financial consumer rights and interests protection and education. Our goal is to make financial knowledge to be accessible at any time, empowering them to safeguard their financial wellbeing.

By prioritizing the rights and interests of financial consumers, we aim to effectively enhance consumers' sense of financial access and happiness, offering a warmhearted and comprehensive financial service.

As of 31 December 2022:



The “Guardian Action” financial popularization program had held nearly **1,400** sessions in more than **180** cities across the country, reaching more than **30** million consumers, helping to enhance the awareness and capability of groups with limited financial knowledge, and improving the financial literacy of various groups in society.

Case | Digital-based Innovative Model

Lufax Holding is committed to integrating financial education into its daily work, and utilizes digital technologies to explore new modes and carriers of financial knowledge promotion against the normalization of pandemic prevention and control. In this regard, Lufax Holding has set up the “Consumer Protection and Fraud Prevention” section on Ping An Puhui customer service center official account and other official service platforms to share the fraud detection and prevention skills through short videos, cartoons and graphics, which expands the coverage and accessibility of financial literacy popularization, contributing to the pandemic prevention and control efforts with continuous financial literacy popularization.





Diversified Group Protection

For groups with limited financial knowledge and poor resistance to financial risks, such as new citizens, small and micro business owners, and the elderly, Lufax Holding continues to carry out the “Guardian Action” to empower such groups with financial literacy and improve their risk defense skills and awareness.



To help small and micro business owners with low risk awareness, Lufax Holding, together with the police, went into street stores to remind them to be wary of traps such as false loans and high interest rates. The activity involved more than 200 small and micro merchants and distributed 700 copies of consumer protection publicity materials, which enhanced the risk prevention awareness of small and micro business owners while injecting positive energy into their sound operations.



In light of the fact that new citizens are prone to telecom and internet fraud, Lufax Holding, in conjunction with the Nanning City Finance Office, the Guarantee Association, the Administration for Market Regulation, and the Liangqing Public Security Bureau Panlong Police Station, went into several business districts and communities in Nanning City under the theme of “Integrity and Carefree Consumption in Guangxi” to remind new citizens not to click on unknown links, not to trust unfamiliar callers, and not to disclose their identity and bank card information by sharing fraud cases.



As for “elderly care” scams that are seen frequently among the elderly, Lufax Holding, under the guidance of the Guizhou Office of China Banking and Insurance Regulatory Commission, the Guizhou Provincial Financial Supervision Administration and the Guanshanhu Branch of Guiyang Municipal Public Security Bureau, carried out the guardian action of “Adaptable Financial Services for the Elderly”. We took the form of skits in Guiyang dialect to tell easy-to-understand and interesting scenarios and stories, reminding the elderly groups to be alert to the fraudulent schemes such as healthcare tour and high-yield investment, so as to effectively raise their risk prevention awareness.



Multi-party Cooperation

Lufax Holding joins forces with regulatory authorities, public security police and authoritative media to carry out more interesting, frequent and widespread “Financial Guardian” actions to help better protect people’s “wallet” security, and make the “wallet” safer and more secure.

Regulatory Authorities

Lufax Holding and the Guizhou Provincial Leading Group Office for the Prevention and Disposal of Illegal Fundraising jointly launched the centralized publicity day for the prevention of illegal fund-raising. The activity adopted the form of “drama on the stage + mnemonic phrases” in Guizhou dialect to popularize the knowledge of preventing and combating illegal fundraising among local people, which stimulated the consumers’ interest in learning financial knowledge on their own while also helping the public to quickly identify illegal fundraising.

Public Security Police

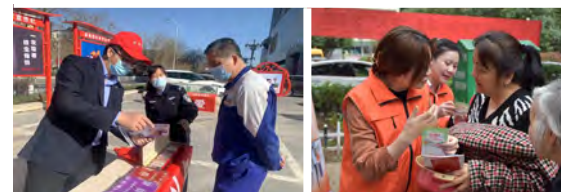
In order to further promote the governance on preventing telecom financial fraud, and enhance the general public’s financial security literacy from multiple dimensions, Lufax Holding and local police stations have jointly set up the police-corporate cooperation office for cooperative governance. The “Elderly Care Fraud Publicity” activity held in September 2022 helped 18 victim representatives to recover losses of RMB 137,000.

Authoritative Media

Lufax Holding, together with Shandong Traffic Radio, Jinan Anti-Telecom and Internet Fraud Center and other media organs, launched an offline publicity activity on “anti-fundraising” in Yanshan Street. The activity includes prize-winning quiz, group allegro, short video and case sharing by the police, aiming to improve the financial literacy and financial risk prevention ability of residents from communities and rural areas.

Community Organizations

In Shanxi, Hunan, Gansu, Shanghai, Guangdong, Fujian and other places, Lufax Holding cooperated with local anti-fraud centers and authoritative media to launch anti-financial fraud training in the communities, nursing homes and colleges and universities. Anti-fraud police and legal experts were invited to explain new types of telecom and internet fraud tricks behind the “virtual currency”, “elderly care investment”, “network click farming”, “online shopping refunds”, etc.

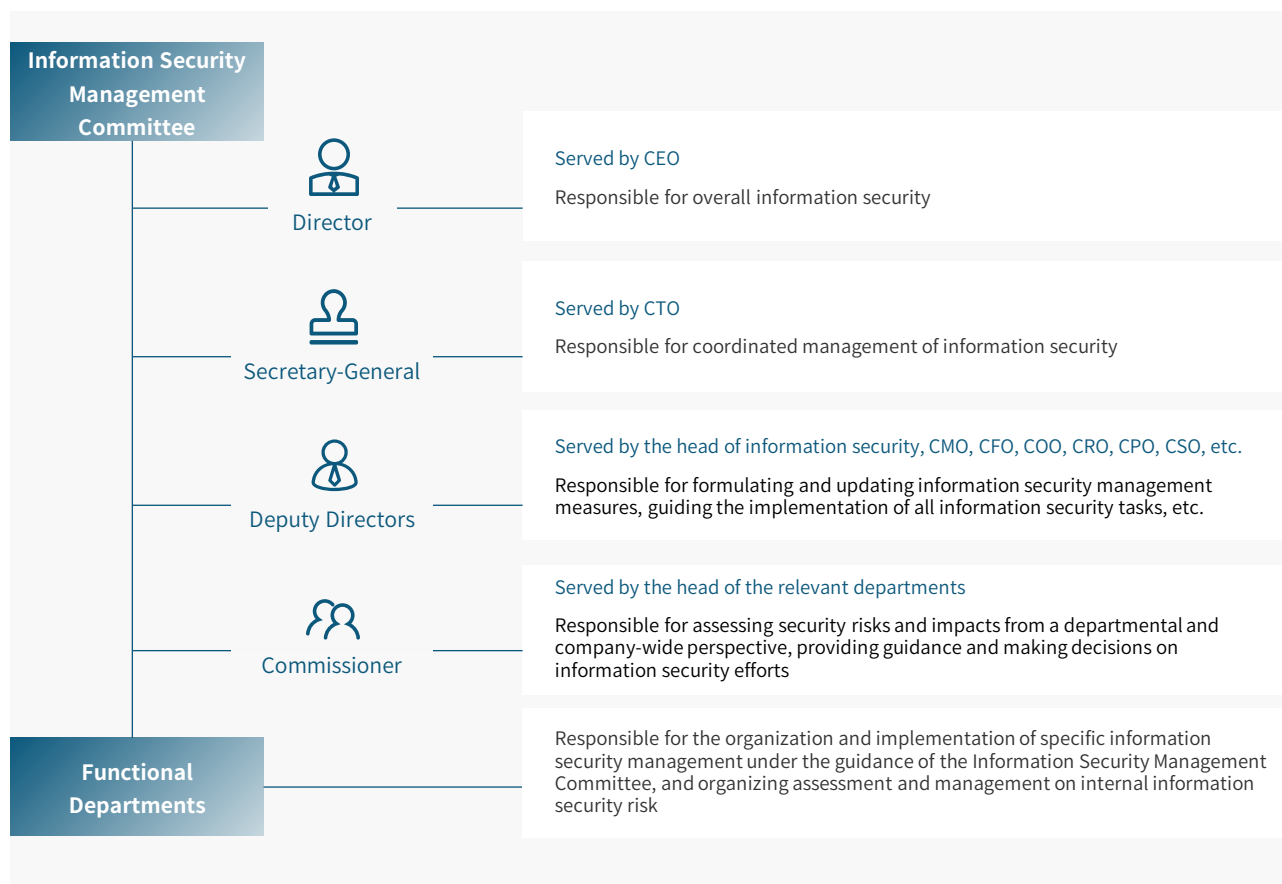


Protecting Information Security

Lufax Holding attaches great importance to information security and users' privacy protection, and strictly complies with the Cyber Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and other applicable laws, regulations, and normative documents in the places where it operates. We have formulated and implemented internal systems related to information security, such as security policy, security strategy, security rules, security baseline, operation guidelines and technical standards. The information security-related systems apply to all relevant business lines and subsidiaries of Lufax Holding, as well as third-party personnel with access to information assets. At the same time, we have formulated and published the Lufax Privacy Policy, which makes it clear that individual users have the right to access, correct, delete and revoke his/her personal information on our platforms to protect users' privacy.

Information Security Management Structure

We continue to improve our information security management structure and have established an Information Security Management Committee to manage the Company's overall information security. The Committee members are all certified in the field of information security to ensure the expertise and effectiveness of the management.





To motivate the effective execution, management and supervision of data security measures, we have incorporated data security indicators into performance appraisal, and established an information security appraisal system consisting of the Company, departments and employees.

Company-level	According to Ping An Group’s appraisal requirements, information security performance affects the overall appraisal of the Company.
Department-level	Conduct security appraisal of all institutions and departments based on the Company’s information security regulations
Employee-level	The performance appraisal system for employees 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.

We also promote external information security system certification. All the information security management system that involved in our businesses are accredited by ISO 27001: 2013 information security management system certification, with 100% coverage. During the Reporting Period, we, as a key enterprise, achieved “zero breach” (no security holes that could be broken through were found in our system during the attack test) in the HW (a national network attack & defense drill) network attack test organized by the Ministry of Public Security of the People's Republic of China (hereinafter “MPS”), which was highly praised by the MPS. And we were ranked as one of the top 10% enterprises in the "HW Action".

Information Security Management Measures

During operations, we strictly manage access control, storage encryption, and hierarchical management of customer information.

Access Control

- Use the security policy of Cyberark integrated jump sever to conduct strict personnel identity authorization for all access to production and test servers, make video recording for all operations and review operation records regularly.
- Accurately identify customers’ sensitive information, and set multiple access authorities to sensitive data, such as double-factor authentication (account password plus cell phone verification code/account password plus Ping An token).
- Regularly sort out and control sensitive authorities related to customer information queries and follow the "least privilege" principle to ensure the security of customer data.

Storage Encryption

- Collect data from third parties in strict compliance with the laws and regulations in places where we operate, and delete data timely as per regulations to minimize the retention of customers’ private information.
- 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 and classify data in a hierarchical manner according to established standards to strengthen the control of data assets.

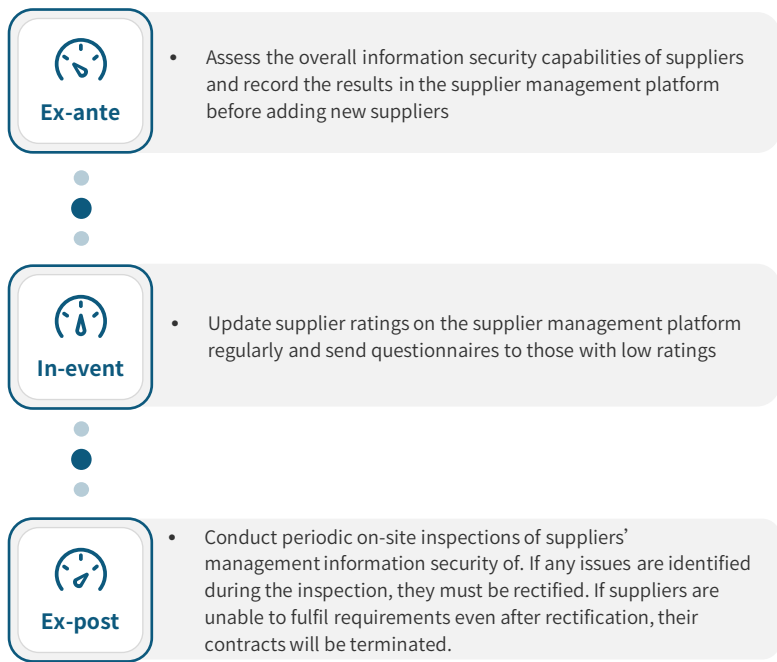
Note: The "least privilege" principle refers to giving a user the minimum levels of access or permissions needed to perform his/her job functions.

For APP information security management, we assess the security of personal privacy collection, security vulnerabilities, malicious codes, non-compliant contents, etc. through technical testing and expert analysis to identify APP information security risks and ensure that APP information is collected in compliance with regulatory requirements.

Meanwhile, we proactively organize internal and external information security testing and audit every year to ensure the effective implementation of information security management. During the Reporting Period, we carried out a total of 21 internal and external audits, including 10 internal audits, such as jump server audit, access audit, information security risk assessment, special self-inspection, etc., and 11 external audits, such as CCRC certification test, privacy test, information security level protection assessment, ISO 27001 annual audit, etc.

For information security management of suppliers, we have formulated the Information Security Guidelines - Third Party Management and included information security clauses in the contracts signed with suppliers. At the same time, we actively conduct supplier reviews to ensure that relevant suppliers have established appropriate data security and privacy protection-related policies that are in compliance with Lufax Holding's requirements. Except for service or transaction purposes, we never rent, sell or provide personal data to any third party. Additionally, we proactively carry out ex-ante, in-event, and ex-post review of supplier information security.

Additionally, we proactively carry out ex-ante, in-event, and ex-post review of supplier information security.






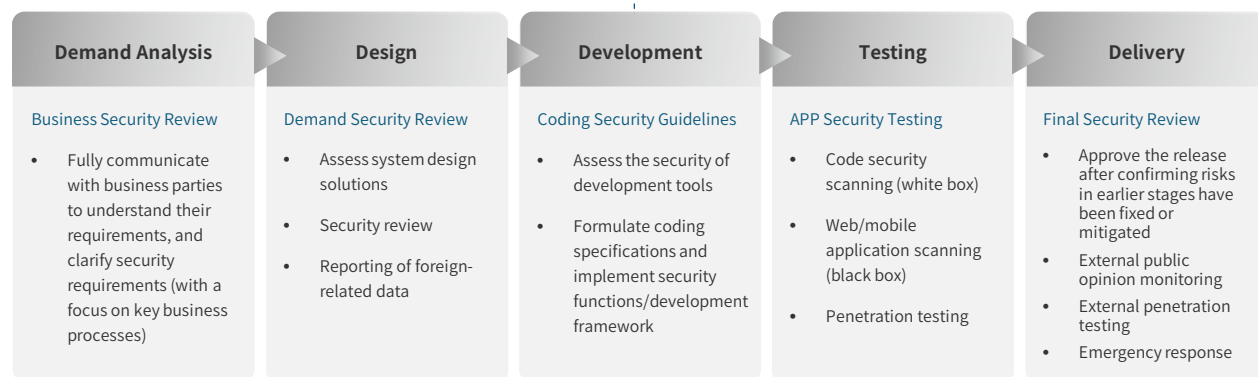
During the Reporting Period,

we carried out a total of **21** internal and external audits, including **10** internal audits and **11** external audits

In addition, Lufax Holding takes proactive and reactive measures to prevent and respond to data leakage incidents:

▶▶ Proactive measures

 <h4>Vulnerability management</h4> <p>We perform regular vulnerability scans on servers and applications, address any identified vulnerabilities in a timely manner, conduct regular penetration testing on servers connected to the Internet and take immediate action to address issues.</p>	 <h4>Account security control</h4> <p>We implement a closed-loop control system for account security, utilizing model monitoring, automatic account blocking and security guidance to prevent account theft, sharing and other breaches, thereby reducing the risk of data leakage.</p>
 <h4>Security operations platform</h4> <p>The platform is designed to monitor 7 major risk scenarios covering the Internet, host, terminal, application, database, employee and public opinion, and alert and respond to information security incidents. During the Reporting Period, the platform assessed and resolved over 800 information security incidents, with a 100% response and resolution rate.</p>	 <h4>Secure Development Life Cycle (S-SDLC) technology</h4> <p>Different departments collaborate with each other to 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.</p>



S-SDLC Process

▶▶ Reactive measures

- Develop emergency plans: Including Data Security Emergency Plan, High Risk Vulnerability Emergency Plan, Phishing Email Emergency Plan, DDoS Emergency Plan, etc.
- Establish reporting channels for information security leakage incidents: Information security leakage incidents can be reported through three channels: WeChat official account, Happy Ping An APP, and web-based Happy Ping An. We have designated staff responsible for screening the reported incidents.
- Organize regular emergency drill on information security: To cope with the frequent DDoS attacks on the Internet, we conducted the "DDoS Attack Alert and Traffic Cleaning Drill" on 22 February 2022. We tested the system's DDoS attack detection capability and high-protection IP cleaning capability, and the effect of China Telecom DamDDoS cleaning. This drill helped improve the emergency response capability of our security team.



DDoS Attack Detection



Information Security Training

In order to raise the information security awareness of all our employees, we conduct information security-related training and activities for all employees (including contractors) every year through the Zhiniao Platform, security seminars, security awareness competitions, and activities with specific topics. During the Reporting Period, the information security education and training covered all employees.



Specialized courses on Zhiniao Platform



Information security-related courses (5 compulsory courses + 2 optional courses) were available to all employees of the Company through Zhiniao Platform. By the end of the Reporting Period, all employees of the Company had completed the compulsory courses,

with a completion rate of **100%**.

Security risk seminars



Seminars on information security control for various business scenarios were carried out to share excellent information security control practices.

Legal knowledge study for management



Information security law-related courses were delivered to the Company's management through Zhiniao platform. By the end of the Reporting Period, all management of the Company had completed the course, with a

completion rate of **100%**.

Security awareness works competition



During the Reporting Period, the Company collected more than **300** pieces of excellent original cultural and creative works on information security and selected the Top 10 works based on creativity, artistry and risk relevance to submit to Ping An Group for further review.

Activities with specific topics



The Company organizes engaging security month promotional activities for all employees based on its business characteristics. During the Reporting Period, a total of more than **200** activities were carried out.



04

More Sustainable Finance

We adhere to the concept of sustainable development, actively respond to the United Nations Sustainable Development Goals (SDGs) and thoroughly implement the requirements of sustainable development management. To this end, we have formulated a series of green office initiatives aiming at creating a green and low-carbon operating mode. At the same time, with our own resource advantages, we actively cooperate with our partners to implement sustainable development practices, incorporate ESG concepts into our supply chain management and continuously assess ESG-related risks, working together with our partners to create a sustainable ecosystem.

Responding to the following SDGs in this section :



Co-establishing a Green Future

We implement the concept of green operations and are committed to minimizing the negative impact of our operational activities on the environment. While strictly complying with the relevant requirements of the Environmental Protection Law of the People's Republic of China and other laws and regulations, we have also formulated and implemented internal management systems such as the Workplace Environment Maintenance Manual of the Headquarters, which integrates the concept of sustainable development such as resource conservation, energy saving and emission reduction into all aspects of our daily operations to comprehensively push forward the green and sustainable development of Lufax Holding.

Green Operations

Green Office

We actively promote a green and healthy office model, including advocating electricity conservation, water saving and paperless office, implementing various green operation initiatives, to improve energy consumption management and enhance operational efficiency, reducing energy and resource consumption in operations, emissions of wastewater, solid waste, greenhouse gas emissions etc., and improving water use efficiency. During the Reporting Period, we did not have any major violations related to environmental management, nor did we have any problems with water sourcing.



Electricity Conservation

- Installing energy-efficient lighting fixtures such as energy-saving LED lamps to replace conventional fluorescent tubes, thereby reducing electricity loss;
- Applying zone-based electrical design for office areas to achieve on-demand electricity usage and avoid unnecessary power consumption;
- Electric management is enhanced with smart electricity meters, which allow for real-time monitoring of electricity data, thereby providing information on electricity demands and facilitating effective usage management.

Water Conservation

- Optimizing the management of faucets and other water supply equipment by using sensor-activated taps, preventing unnecessary waste of water resources.
- Posting water conservation slogans to encourage employees to conserve water and raise their awareness of water saving.

Resource Conservation

- Advocating paperless office operations and minimizing the use of paper materials at work.
- Actively promoting digitized bidding processes for less use of paper materials.





During the Reporting Period, we launched the “Green Operation Competition” to achieve environmental goals. In this initiative, each branch was tasked with devising scientific and feasible emission reduction strategies and actions aiming at reducing the use of water resources, energy and paper, as well as promoting green office and eco-friendly travel. Moreover, the initiative sought to encourage innovative approaches in energy consumption management and application of new technologies based on our business operations, thus improving efficiency and reducing consumption. By the end of the Reporting Period, we have achieved our targets of reducing electricity consumption by 3% and paper consumption by 4.5% in 2022 compared to 2021, and relentless endeavors will be made to further reduce greenhouse gas emissions in the future. Based on the multi-dimensions of “Green Practice” , we are honored to receive the “Green Operation and Innovation Exemplar” award at the inaugural meeting of Ping An Group's Sustainability Committee and the 2022 Sustainability Recognitions.

Green Operation Competition Empowering Corporate Sustainability

The branches of Lufax Holding, based on their operational realities, have actively developed green operation plans in which environmental management goals and corresponding measures were established to promote green and low-carbon operations, while supporting corporate green development objectives. Highlights of the green operation initiatives implemented by these branches are as follows:

- **Strengthening energy conservation and emission reduction management through green operation incentives:** A green operation incentive program has been developed to assess departments based on implementing energy-saving measures, average optimization of electricity usage, and other criteria. Departments that excelled in these areas are rewarded with annual honors and recognition, such as the "Low Carbon Model Award". Such a comprehensive approach has reinforced commitments to augmenting operational efficiency and curtailing energy consumption, thereby supporting actions for energy saving and emission reduction.
- **Curtailing electricity waste at the workplace through energy-saving measures:** To raise employees’ awareness of energy conservation and environmental protection, the "Ping An One Hour Lights-Off Campaign" has been launched and the utilization of natural lighting is maximized with heat-insulating films applied for comfortable office environment. Dedicated personnel are assigned to monitor office lighting and make adjustments on demand. Additionally, tips are posted near light sources to minimize electricity waste at the workplace.

Waste Management

We maintain a strong commitment to waste management and strictly adhere to 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 and other applicable national and local regulations. Well-specific processing procedures have been established for different waste types, thereby ensuring proper treatment and facilitating recycling.

The Company leases printers and the vendor provides printer maintenance and replacement of toner cartridges and other consumables, as well as recycling of hazardous wastes.

We entrust qualified suppliers to regularly handle computer components and used batteries in a centralized manner.

The “cost reduction and efficiency enhancement” principle has been deeply integrated into our operations. Under this principle, assets sitting idle are put into good use, comprehensively optimizing the utilization of existing assets while reducing waste generation at its source. We actively engage in idle asset utilization. Each month, we collect data on idle assets from various organizations and share information about usable old assets with them, thus allowing them to choose assets needed and ensuring prompt and effective utilization of old assets. In addition, we have introduced in the institutionalized assessment rules for administrative compliance a bonus point mechanism that promotes the reuse of existing assets. This strategy aims to encourage employees to make full use of available resources, thereby minimizing the need for purchasing new equipment and enhancing equipment utilization. During the Reporting Period, we reused 5,190 pieces of assets through a series of initiatives, resulting in a cost reduction of RMB 11.07 million.

During the Reporting Period,



5,190 pieces of assets were reused through a series of initiatives,

resulting in a cost reduction of RMB **11.07** million.



Biodiversity Protection

We take biodiversity protection seriously, which is demonstrated by our active promotion and engagement in biodiversity protection practices, as well as our sustained dedication in this regard. In 2021, we initiated the “Ping An Guardian Action - National Parks” program, which was implemented in the Northeast China Tiger and Leopard National Park in Hunchun and the Giant Panda National Park in Ya’an. By engaging diverse communities, species and businesses, we put into action the public welfare concept of “shared ownership, shared benefits, and joint building” of national parks. With a focus on key initiatives such as ecological forest transformation and habitat restoration, we advocated for establishing and developing national parks, providing full support to biodiversity protection. By the end of the Reporting Period, 50,000 tree seedlings had been successfully transplanted and over 604 mu of damaged habitats for giant pandas had been restored in the Giant Panda National Park in Ya’an under the program. These endeavors have significantly contributed to biodiversity protection and the joint building of a better home for both humans and nature.

Furthermore, to support the capacity building of nature education in the national parks, “Ping An Guardian Action - National Parks” program launched relevant online training courses to enhance local citizens' awareness of ecological civilization. Moreover, as part of our commitment to supporting biodiversity management, we donated multifunctional wilderness equipment and all-season patrol uniforms to two national parks for ensuring the safety and smooth communication of local frontline protectors during patrols.



Local Ecological Forest Before and After Transformation

Responses to Climate Change

Fully realizing the impacts and risks associated with climate change across various industries, Lufax Holding takes proactive measures to address the challenges and opportunities posted by this issue. We have implemented a well-established ESG governance framework and a robust management system to identify and address climate change-related issues. The Board of Directors, the Consumer Protection and ESG Committee regularly review ESG matters, including climate change, to oversee the implementation of initiatives on resource conservation, energy efficiency and emission reduction. The Reporting and ESG Executive Committee of Lufax Holding is responsible for developing corresponding ESG work plans and implementation strategies, while the ESG Executive Group is accountable for executing and coordinating specific actions. This top-down approach ensures a comprehensive response to potential influences brought about by climate change.

We consistently monitor the trends in climate change and assess their potential impact on our short-term and long-term operations based on business realities. We identify and analyze climate change-related risks relevant to our business while proactively devising strategies to address them. By implementing robust management measures focusing on energy conservation, emission reduction and green operation practices, we strive to minimize our environmental footprint. Furthermore, we explore and seize opportunities emerging from climate change. In response to the growing trend of green and low-carbon economies, we make efforts to foster corporate sustainability by developing green and low-carbon products and services.



Jointly Building the Industry Ecosystem

We hold a strong belief that collaborative partnership across all sectors is indispensable for a sustainable future. At Lufax, we have always been dedicated to fostering open and inclusive exchanges and collaboration among various stakeholders. We forge enduring partnerships with upstream and downstream enterprises for mutual benefits by continuously enhancing our supply chain management system. Additionally, we are committed to facilitating industry exchanges and engaging in cross-platform collaboration between industries, universities, and research institutes, actively contributing our efforts towards the establishment of a positive and open business environment that nurtures innovation.



Sustainable Supply Chain

Lufax Holding places significant emphasis on building a healthy and stable supply chain, and strives to establish long-term and mutually beneficial partnerships with suppliers. We strictly observe the Ping An Group's Policy Statement on Sustainable Supply Chains, and Detailed Measures for Management of Procurement Business Suppliers. In addition, we make ongoing efforts to improve the supplier management system to ensure standardized and systematic approaches to supplier management.

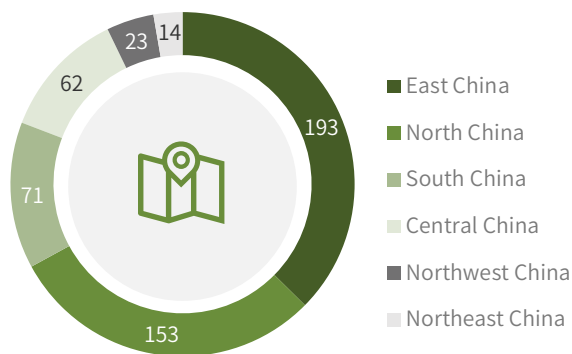
Supplier Management Process



Meanwhile, Lufax Holding actively urges suppliers to participate in training delivered by Ping An Group on corporate social responsibility and encourages all suppliers to undertake corporate social responsibilities and obligations. Additionally, the requirements for sustainable development are incorporated into supplier contract clauses. Also, these requirements are included in targeted processes such as supplier selection reviews, process management and traceability feedback, focusing on supplier performance in areas including information security, labor rights and environmental protection. Furthermore, we have formulated clear regulations on information security and privacy protection, transformation and development of low-carbon green technologies, labor rights protection and employee development. We also demand anti-corruption measures from our partners including suppliers, and we will terminate any cooperation with those who violate business ethics. In 2022, more than 98% of our partners signed the Integrity Commitment, and 100% of our suppliers have completed on-site assessments and annual evaluations.

During the Reporting Period, we had a total of 516 suppliers, distributed as follows:

Number of Suppliers by Geographical Region

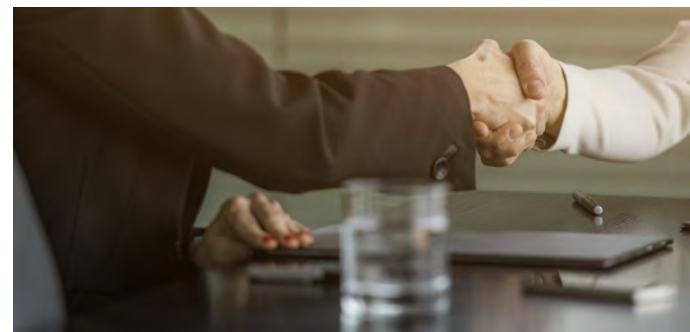


Industry Exchanges and Cooperation

Lufax Holding focuses on communicating and collaborating with industry associations, universities, academies, and other companies operating in the same industry to continuously contribute to the growth and expansion of the industry. Through these partnerships, we aim to leverage complementary strengths and shared resources to jointly drive high-quality and sustainable industry growth.

Case	Content
Lufax Holding Worked with Chinese Academy of Financial Inclusion at Renmin University of China to Release the Report of Financial Inclusion Development in China (2022)	<p>In 2022, Lufax Holding, in collaboration with Chinese Academy of Financial Inclusion (hereinafter CAFI) at Renmin University of China, released the Safeguarding Financial Health - Report of Financial Inclusion Development in China (2022) at the International Forum for China Financial Inclusion (hereinafter IFCFI). The report reflected the financial health status of small and micro entities through extensive customer surveys, following the indicators set by CAFI. Our objective was to deliver a valuable report that showcases Lufax Holding’s distinctive approach to empowering small and micro businesses by incorporating data insights derived from questionnaire surveys and real cases.</p> <p>In addition, Mr. Gregory Dean Gibb, the Co-Chief Executive Officer, was invited to attend the forum, and shared experience and insights on topics such as “helping solve problems of long-tail groups in seeking for small and micro loans” and “empowering financial and operational capacity to improve resilience of small and micro businesses”, arousing industry-wide interest.</p>

Case	Content
Lufax Holding, in Partnership with Shanghai Institution for Finance & Development, Released the Challenges and Solutions for Small- and Medium-Sized Banks in Serving Small and Micro Enterprises	<p>In 2022, Lufax Holding, in collaboration with Shanghai Institution for Finance & Development, jointly prepared and released a research report entitled Challenges and Solutions for Small- and Medium- Sized Banks in Serving Small and Micro Enterprises. Accordingly, an online seminar was held focusing on improving the capacity of small- and medium-sized banks in serving small and micro businesses. The publication of this report showcases our strength as a financial services enabler for small and micro business owners, highlighting our commercial and social value.</p>





Appendix I: Response to the United Nations Sustainable Development Goals

SDGs	Covered chapters
	More Inclusive Finance—Deeply Engaging in Inclusive Finance More Inclusive Finance—Fulfilling Social Responsibilities
	More Inclusive Finance—Fulfilling Social Responsibilities
	More Efficient Finance—Building a Quality Team
	More Inclusive Finance—Fulfilling Social Responsibilities More Efficient Finance—Building a Quality Team
	More Inclusive Finance—Fulfilling Social Responsibilities More Efficient Finance—Building a Quality Team
	More Sustainable Finance—Co-establishing a Green Future
	More Inclusive Finance—Deeply Engaging in Inclusive Finance More Inclusive Finance—Fulfilling Social Responsibilities More Efficient Finance—Building a Quality Team

SDGs	Covered chapters
	More Efficient Finance—Promoting Technology Empowerment
	More Inclusive Finance—Deeply Engaging in Inclusive Finance More Inclusive Finance—Fulfilling Social Responsibilities
	More Sustainable Finance—Co-establishing a Green Future
	More Reliable Finance—Redoubling Efforts to Protect Financial Consumers More Efficient Finance—Promoting Technology Empowerment
	More Sustainable Finance—Co-establishing a Green Future
	More Sustainable Finance—Co-establishing a Green Future
	More Reliable Finance—Consolidating Governance Foundation
	More Sustainable Finance—Jointly Building the Industry Ecosystem



Appendix II: Quantitative ESG Performance Indicators

Environmental Area ⁵			
Key Performance Indicators		Unit	2022
Emissions			
A1.1 ⁶	Exhaust Emission	Kg	N/A
	Total GHG emissions	Tonne of CO ₂ equivalent	34,165.66
	Total emission intensity of GHG	Tonne of CO ₂ equivalent/person	0.48
A1.2	Direct GHG emissions (Scope 1) ⁶	Tonne of CO ₂ equivalent	N/A
	Indirect GHG emissions (Scope 2) ⁷	Tonne of CO ₂ equivalent	30,635.44
	Indirect GHG emissions (Scope 3) ⁸	Tonne of CO ₂ equivalent	3,530.22
A1.3 ⁹	Total hazardous waste produced	Tonne	N/A
	Total intensity of hazardous waste	Tonne/person	N/A
	Total non-hazardous waste produced	Tonne	393.63
A1.4 ¹⁰	Total intensity of non-hazardous waste produced	Tonne/person	0.006

⁵The environmental KPIs intensity value is calculated using the total number of employees in the Group in 2022 as the denominator.

⁶During the Reporting Period, the Group did not involve in direct energy combustion and the use of self-owned vehicles, so there were no related exhaust emission air pollutants, direct greenhouse gas (scope 1) emissions and non-renewable fuel (direct) consumption.

⁷Indirect greenhouse gas emissions (Scope 2) mainly come from purchased electricity consumed in the operation process, and the greenhouse gas emission factor of electricity adopts from the Enterprise Greenhouse Gas Emission Accounting Method and Reporting Guidelines for Power Generation Facilities (Huanban Climate [2021] No. 9).

Environmental Area			
Key Performance Indicators		Unit	2022
Use of Resources			
	Total energy consumption	MWh	52,728.81
A2.1	Total energy intensity	MWh / person	0.74
	(Indirect) consumption of purchased energy ¹¹	MWh	52,728.81
A2.2	Water consumption	M ³	226,760.07
	Water consumption intensity	M ³ /person	3.19
Social Area¹²			
Key Performance Indicators		Unit	2022
Employment			
	Total workforce	Person	71,034
B1.1	Number of employees by gender		
	Male	Person	39,936
	Female	Person	31,098

⁸Indirect greenhouse gas emissions (Scope 3) mainly come from the use of paper in the operation process and the carbon emissions generated from employee travel. The emission factor adopts from the China Product Life Cycle Greenhouse Gas Emission Coefficient Set (2022) issued by the Ministry of Ecology and Environment.

⁹Only few hazardous waste was generated during the Reporting Period and was not disclosed because the amount was too small to be material to the Group's environmental impacts.

¹⁰Non-hazardous waste mainly includes office paper and other general solid waste.

¹¹The (indirect) consumption of purchased energy is converted from purchased electricity.

¹²The number of employees takes full-time employees into consideration.



Social Area		
Key Performance Indicators	Unit	2022
Number of employees by age group		
Under 30 years old	Person	30,155
30 to 50 years old	Person	40,770
Over 50 years old	Person	109
Number of employees by employment type		
Full-time	Person	71,034
Number of employees by geographical region		
Chinese mainland	Person	70,992
Hong Kong, Macau, Taiwan and overseas regions	Person	42
Number of employees by employee category		
Senior management	Person	180
Others	Person	70,854
Employee turnover rate		
	%	22.20
Employee turnover rate by gender		
Male	%	23.92
Female	%	19.90
Employee turnover rate by age group		
Under 30 years old	%	23.45

Social Area		
Key Performance Indicators	Unit	2022
30 to 50 years old		
	%	21.24
Over 50 years old		
	%	13.77
B1.2 Employee turnover rate by geographical region		
Chinese mainland		
	%	22.19
Hong Kong, Macau, Taiwan and overseas regions		
	%	39.13
Health and Safety		
Work-related fatalities occurred in the past three years		
2022		
	Person	0
2021		
	Person	0
2020		
	Person	0
B2.2 Lost days due to work injury		
	Day	1,975
Development and Training		
The percentage of employees trained		
	%	100
The percentage of employees trained by gender		
Male		
	%	100
Female		
	%	100
The percentage of employees trained by employee category		
Senior management		
	%	100
Non-senior Management		
	%	100

¹³The employee turnover rate of the Group takes employees who have worked for more than one year in consideration, and the formula is: (employee turnover rate = number of departures during the period / (number of employees leaving during the period + number of employees at the end of the period)).



Social Area		
Key Performance Indicators	Unit	2022
B3.2		
The average training hours completed per employee	Hour	13.31
The average training hours completed per employee by gender		
Male	Hour	13.31
Female	Hour	13.31
The average training hours completed per employee by employee category		
Senior management	Hour	25.59
Non-senior Management	Hour	13.29
Supply Chain Management		
B5.1		
Number of suppliers	-	516
Number of suppliers by geographical region		
Northeast China	-	14
North China	-	153
Northwest China	-	23
East China	-	193
Central China	-	62
South China	-	71

¹⁴The Company's main business covers retail credit enablement, consumer finance and other financial services, and does not involve this key performance indicator.

Social Area			
Key Performance Indicators		Unit	2022
Product Responsibility			
B6.1¹⁴			
Percentage of total products sold or shipped subject to recalls for safety and health reasons.		%	N/A
B6.2			
Number of products and services related complaints received		Case	710
Customer complaint rate		%	0.0008
Anti-corruption			
B7.1			
Number of concluded legal cases regarding corrupt practices brought against the company or employees		Case	0
B7.3			
Hours of anti-corruption training provided to directors		Hour	27
Hours of anti-corruption training provided to employees		Hour	223,383
Community Investment			
B8.2			
Volunteer Hours		Hour	166,692
Focus areas			
Rural revitalization		RMB 0,000	39.53
Assistant Programs		RMB 0,000	43.38
Health care		RMB 0,000	96.09
Education donation		RMB 0,000	7.10
Environmental protection		RMB 0,000	1.21



Appendix III: HKEX Environmental, Social and Governance Reporting Guide - Content Index

ESG indicator		Chapters in the Report
Area: Environmental		
A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Co-establishing a Green Future
A1.1	The types of emissions and respective emissions data.	During the Reporting Period, the Company was not involved in the use of direct energy and self-owned vehicles, so there were no relevant air pollutants and direct greenhouse gas (Scope 1) emissions.
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).	Appendix III: Quantitative ESG Performance Indicators
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	The Company's printers are all leased, and the supplier is responsible for the replacement of the toner cartridges, which does not involve hazardous waste.
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Appendix III: Quantitative ESG Performance Indicators

ESG indicator		Chapters in the Report
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Co-establishing a Green Future
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.	Co-establishing a Green Future
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Co-establishing a Green Future
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).	Appendix III: Quantitative ESG Performance Indicators
A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Appendix III: Quantitative ESG Performance Indicators
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Co-establishing a Green Future
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.	Co-establishing a Green Future
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Our main business does not involve the use of packaging materials.
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Co-establishing a Green Future
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Co-establishing a Green Future



ESG indicator		Chapters in the Report
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.	Co-establishing a Green Future
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.	Co-establishing a Green Future
Area: 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.	Building a Quality Team
B1.1	Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region.	Appendix III: Quantitative ESG Performance Indicators
B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix III: Quantitative ESG Performance Indicators
B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Building a Quality Team

ESG indicator		Chapters in the Report
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix III: Quantitative ESG Performance Indicators
B2.2	Lost days due to work injury.	Appendix III: Quantitative ESG Performance Indicators
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Appendix III: Quantitative ESG Performance Indicators
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Building a Quality Team
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix III: Quantitative ESG Performance Indicators
B3.2	The average training hours completed per employee by gender and employee category.	Appendix III: Quantitative ESG Performance Indicators
B4: Labor 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 labor.	Building a Quality Team
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Building a Quality Team
B4.2	Description of steps taken to eliminate such practices when discovered.	Building a Quality Team
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Jointly Building the Industry Ecosystem



ESG indicator	Chapters in the Report	
B5.1	Number of suppliers by geographical region.	Jointly Building the Industry Ecosystem
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.	Jointly Building the Industry Ecosystem
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Jointly Building the Industry Ecosystem
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Jointly Building the Industry Ecosystem
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.	Promoting Technology Empowerment Redoubling Efforts to Protect Financial Consumers
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Our main business does not involve product transport and sales.
B6.2	Number of products and services related complaints received and how they are dealt with.	Appendix III: Quantitative ESG Performance Indicators
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Promoting Technology Empowerment
B6.4	Description of quality assurance process and recall procedures.	Optimizing Customer Services

ESG indicator	Chapters in the Report	
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting Information Security
B7: Anti-corruption		
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.	Consolidating Governance Foundation
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.	Appendix III: Quantitative ESG Performance Indicators
B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Consolidating Governance Foundation
B7.3	Description of anti-corruption training provided to directors and staff.	Appendix III: Quantitative ESG Performance Indicators
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.	Fulfilling Social Responsibilities
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Fulfilling Social Responsibilities
B8.2	Resources contributed (e.g., money or time) to the focus area.	Fulfilling Social Responsibilities