



鄭州銀行股份有限公司  
BANK OF ZHENGZHOU CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

H Shares Stock Code: 6196

Preference Shares Stock Code: 4613

A Shares Stock Code: 002936

2020

# CORPORATE SOCIAL RESPONSIBILITY REPORT

ENVIRONMENTAL SOCIAL GOVERNANCE



# About This Report

Bank of Zhengzhou Co., Ltd. \* (鄭州銀行股份有限公司)<sup>1</sup> is delighted to issue this corporate social responsibility report (the "Report") to illustrate our social responsibility performance in 2020. In 2020, we once again invited stakeholders to take part in the materiality assessment to understand their opinions on the Bank's sustainability issues, thus helping us to formulate and improve our sustainability approach. Through this Report, we seek to disclose the Bank's vision, strategy and practices along the path to sustainability in a transparent and open manner, thus responding to the concerns and expectations of stakeholders regarding the Bank's sustainability management.

## Reporting Period

Unless otherwise stated, this Report contains our environmental, social and governance policies and performance from 1 January 2020 to 31 December 2020 ("Reporting Period"). Since continuity and comparability are involved, some of the information in this Report will be extrapolated where necessary.

## Reporting Cycle

The Bank's corporate social responsibility report is annually published. The most recent report was published in July 2020.

## Reporting Scope

This Report has the same scope as the most recent report. The financial data in this Report are originated from the data of the consolidated financial statements of the Bank and its subsidiaries.

## Basis of Preparation

This Report is prepared in accordance with the Appendix 27 *Environmental, Social and Governance Reporting Guide* ("Guide") of the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*. This Report is prepared based on the four reporting principles of materiality, quantitative, balance and consistency in the *Guide*, and has complied with all "comply or explain" provisions stated in the *Guide*. This Report is also prepared with reference to the *GRI Sustainability Reporting Standards* (GRI Standards) of the Global Reporting Initiative, the *Opinions on Strengthening the Social Responsibility of Banking Financial Institutions* of the former China Banking Regulatory Commission ("CBRC"), the *Guidelines on the Corporate Social Responsibility of Banking Institutions of China* of the China Banking Association, and the *Guidelines on Standardized Operation of Companies Listed of the Shenzhen Stock Exchange*.

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<sup>1</sup> The Bank is not an authorized institution within the meaning of the *Banking Ordinance* (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.

## Data Collection

The financial data involved in this Report is derived from the Bank's 2020 financial statements calculated in accordance with the Chinese Accounting Standards and the International Financial Reporting Standards. Unless otherwise stated, there is no difference in the results of the financial data covered in this Report in accordance with the above standards. The Bank's 2020 financial statement has been audited by an accounting firm.

Other data and information in this Report are mainly from Bank's statistical data. The relevant case studies are from the summary of daily work practices.

Unless otherwise stated, the monetary amounts in this Report are shown in RMB.

## Report Assurance

The board of Directors ("**Board of Directors**" or "**Board**") of the Bank and all directors ("**Directors**") of the Bank ensure that the information in this Report contains no false records, misleading statements or material omission, and they are jointly and severally liable for its authenticity, accuracy, and completeness. The independent limited assurance of this Report is performed by CECEP (HK) Advisory Company Limited with an independent assurance statement issued.

## Form of Issuance

This Report is issued in the form of online versions and is available for access and download from the websites of the Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") ([www.hkexnews.hk](http://www.hkexnews.hk)), Shenzhen Stock Exchange ("**SZSE**") ([www.szse.cn](http://www.szse.cn)), CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the website of the Bank ([www.zzbank.cn](http://www.zzbank.cn)). This Report is written in Chinese and English, and in case of discrepancy between different versions, the Chinese version shall prevail.

## Preparer of the Report

This Report is prepared by the Bank of Zhengzhou Board of Directors Office, and was discussed and approved by the sixth session of the Board of Directors in the twelfth meeting held on 30 March 2021.

## Contact Information

Please contact us through the following means if there are any enquiries, comments or feedbacks on this Report.

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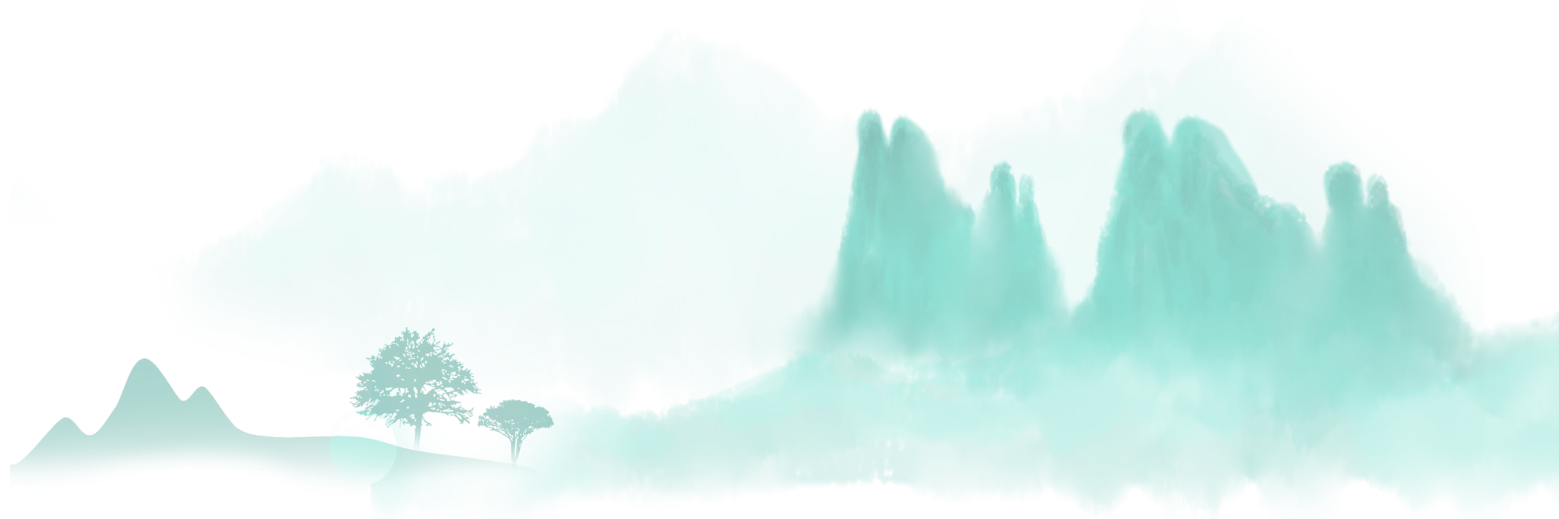
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## Chairman's Statement

In 2020, we experienced an appalling epidemic. Although there were moments where our paths were plagued with darkness, the night scattered eventually, and we finally met the sunrise. Looking back, the progress of China's economic take-off had not been hindered by the epidemic. The great historical goal of building a well-off society in all respects had been achieved, and the targets and missions of targeted poverty alleviation had been completed according to schedule, making new significant achievements in various undertakings.

Being among the high-quality development of China, Bank of Zhengzhou successfully concluded its five-year strategic plan (2016-2020) with the guidance and support of the government and regulatory authorities. With ambitious visions, spirits to plow ahead and pragmatic attitude, people of the Bank once again wrote a chapter of brilliance.

**Demonstrating more significant achievements in integrating regional development.** Leveraging regional advantages of Zhengzhou as a comprehensive transportation hub, a national central city, a core city at the Central Plains Economic Region and an important node city in the Belt and Road Initiative, we deepened the cooperation with the government to create a powerful engine for regional construction. Connecting with provincial and municipal key projects such as Zhengzhou Metro, Zhengzhou Four-ring Expressway, Zhengzhou Longhu Financial Center and Zhengzhou Port International Trading Service Center, and participating in the construction of provincial and municipal historical and cultural areas and other featured projects, we made a definite aim to promote ecological protection and high-quality development at the Yellow River basin. We strengthened our financial support for technology and cultural and creative industries, responded to the call to support the high-quality development of the manufacturing industry, provided strong support for the industrial transformation and upgrade, consumption, private economy, and other key areas of real economy, making significant efforts in strengthening regional economy and real economy.

**Inputting stronger energy in promoting inclusive finance.** Dedicated to supporting the fast-paced development of technological small and micro enterprises, we continued to introduce more thoughtful financial products and services to small and micro enterprises, handling their difficulties in obtaining mortgages and timely financing and formulating the "thousand sails plan", where the balance of loans to small and micro enterprises increased by 21.45% compared to the end of the previous year. We established the "white list" for private enterprises, published the action plan for supporting the development and growth of the private economy, and continued to explore practical actions to assist the development of private enterprises, where the balance of loans to private enterprises increased by 10.37% compared to the end of the previous year. To build a "boutique bank for residents" with ingenuity, we subdivided service outlets, innovated products, improved service quality, and created channels based on the citizens' necessities. Strengthening the sense of responsibilities and mission regarding targeted poverty alleviation, we enhanced the efficiency of the poverty alleviation loan approval process, advanced the development of "inclusive finance outlets" and "inclusive finance channels", stationed working teams at the villages for our targets, allocated funds to repair village roads, and organized joint-study and joint-construction activities with the village committee branch of the Communist Party of China ("Party"), assisting in targeted poverty alleviation with practical actions.

**Contributing more energy in protecting lucid waters and mountains.** Actively allocating financial resources for ecological and environmental industries, the Bank actively participated in the ecological protection of the Yellow River basin, offered credit support for the landmark construction of the Yellow River "from Taohuayu to Huiji Wetland Park", provided integrated financial service plans for the construction project at the Yellow River beach areas, and engaged in the handling of Yellow River pollution and ecological environment management. The Bank continued to reduce financial resources for industries with high pollution, high-energy consumption and overcapacity, and skewed towards the green credit resource to industries with low energy consumption, low pollution, low emission and low resource consumption. Compared to the end of the previous year, the balance of loans for industries with high pollution, high-energy consumption and overcapacity decreased by 26.41%, while the green credit balance increased by 49.94%. Implementing the green office concept, the Bank promoted energy-saving and emission reduction by saving every drop of water and every kilowatt-hour of electricity, encouraging a low-carbon economy and marking a vivid footnote for protecting our precious home planet.

**Building stronger relationships while promoting social cohesion.** Standing with our country, we quickly responded to the call for epidemic control and prevention and launched the combat against the epidemic in the financial sector. On one side, the Bank assisted in preventing and fighting the epidemic, introduced measures to benefit residents and corporates, launched a free online clinic platform, organized voluntary blood donation activities and donated cash and goods enthusiastically on the other side, the Bank assisted in resuming work and production, implemented credit protection measures for those small and micro enterprises with overdue payments due to the epidemic, optimized special refinancing, deferred repayment of principals and interests and other relief policies, ensuring a continuous flow of financial resources during the epidemic. We continued to support the development of education, medical care, sports, cultural and other industries, organized public welfare activities for elderlies and sanitation workers, thus giving back to the society, contributing love and gathering warmth. Valuing employees as treasures, we adhered to the people-oriented principle, took practical actions to protect the rights and interests of employees, broadened their professional development path, improved employees' sense of belonging and well-being continuously, thereby enhanced the interactions between people, corporates and the society."

The sky and the ground never speak, still the seasons alternate and everything grows. Always upholding the commitment of social responsibility and adhering to the spirit of "not claiming credit but always making sure to contribute their share to the success of the cause", we will accelerate our pace and sail through the waves, continue to take all actions necessary and contribute to the realization of the "Chinese dream" of the great rejuvenation of the Chinese nation!

Chairman  
Wang Tianyu

## President's Statement

2020 is an eventful year. In the face of the sudden outbreak of the COVID-19 epidemic, Bank of Zhengzhou rose against the challenges and overcame all difficulties, actively fulfilled social responsibilities whilst promoting operation and management of high-quality development, contributed "Zheng energy" for winning the combat against the epidemic and promoting economic and social recovery.

**Charging to the frontline and winning the battle against epidemic with all effort.** Faced with the unexpected epidemic, Bank of Zhengzhou united forces, delivered love and care despite isolation. The Bank organized activities such as the free online clinic, caring activities for medical staff in Hubei Province, caring activities for frontline reporters and Party member community guard, and actively donated money and materials, demonstrating the responsibility and love of Bank of Zhengzhou from all aspects.

**Implementing multiple measures and acting as the frontline to serve the economy.** Implementing the requirement of "six stability" and "six guarantees", the Bank carried out policies such as regrating loans for pandemic prevention and control and loans dedicated for small enterprises, and deferring the repayment of principals and interests, introduced the first "work resumption loan" within the province, proactively reduced fees and interests for RMB 138 million, actively contributing to the stress reduction of real economy. The Bank actively granted various loans to support the Big Data Industrial Park in Tianjianhu, Zhengzhou and other provincial and municipal key projects and business entities. The balance of inclusive loans to small and micro enterprises amounted to RMB 34,200 million, successfully achieving the goals of "two increases and two controls".

**Driven by innovation to hatch financial innovation and technology solutions.** Led by the management of the Bank, we visited outstanding peers and selected outstanding employees for on-job training, drawing advanced experiences on financial innovation and technology, and building a new financial model for the Bank's technological innovation. Two branches were selected for relocation to the Zhongyuan Science and Technology City to provide services for the enterprises according to specific policies for each account. The Bank developed the "thousand sails plan" to support micro, small and medium-sized enterprises in science and technology innovation, and will work towards supporting 1,000 micro, small and medium-sized enterprises in science and technology innovation in the next three years. Striving to cultivate a number of high-growth enterprises and develop a number of listed companies, the Bank actively contributed to the construction of the corporate financial "special zone" in the Zhongyuan Science and Technology City.

**Leveraging on our advantages and building a strong engine for the central hub.** The Bank successfully held the fourth Summit of the Trade, Logistics, and Banking Union of China, with the number of member enterprises grew to 55. The Bank enhanced the quality and quantity of the "Five Clouds" Service Platform, formed 14 business scenarios such as legal, finance and construction industry in the "Cloud Trading", realized a breakthrough in the freight network platform service plan in the "Cloud Logistics", and covered 24 products of five categories in the "Cloud Business" and the "Cloud Financing", with a business balance of RMB 13,600 million, thereby providing a strong foundation for Zhengzhou's construction of an international transportation hub and an international logistics and trading center.

In the face of difficulties, we show courage; in the face of hardship, we extract the finest jade. The year 2021 is the 100th anniversary of the founding of the Party, and is also the start of the "14th Five-Year Plan". Bank of Zhengzhou will continue to forge its aspirations and fulfill its mission, taking the implementation of new strategic planning as the starting point, continuously promote high-quality development, and deliver our best effort to the Party, the country and the society!

President  
Shen Xueqing

## About Bank of Zhengzhou

### Company Profile

Bank of Zhengzhou is a regional joint stock commercial bank incorporated in November 1996 upon the approval by the People's Bank of China based on 48 city credit cooperatives in Zhengzhou City. The headquarter is located in Zhengzhou City, Henan Province, China. The Bank was renamed as Zhengzhou Commercial Bank Co., Ltd. in December 2000 and as Bank of Zhengzhou Co., Ltd. in October 2009. The Bank was listed on the Hong Kong Stock Exchange in December 2015 and SZSE in September 2018 respectively, becoming the first domestic city commercial bank listed on both A and H shares market.

The Bank's principal businesses mainly include corporate banking, retail banking and treasury businesses. The Bank provides corporate banking customers with a diversified range of financial products and services, including corporate loans (including trade financing), international business and services, corporate deposits, as well as products and services involving transaction fees and commissions. The Bank provides retail banking customers diverse products and services, including loans, deposits, and bank cards, as well as products and services involving transaction fees and commissions. The Bank's treasury businesses meet its liquidity needs while seeking maximum returns from non-loan business funds. The Bank's treasury business mainly includes money market transactions, investment in securities and other financial assets, bond underwriting and distribution, inter-bank discounts and rediscounts of bills and treasury business conducted on behalf of customers.



As of the end of the Reporting Period, the Bank has 4,984 employees and 173 institutional operation sites within Henan Province, including 1 operation division of the headquarter, 14 provincial branches and 1 finance service center for small enterprises. The Bank established Henan Jiuding Financial Leasing Co., Ltd. and managed 7 county banks at Zhongmu, Xinmi, Yanling, Fugou, Xinzheng, Xunxian and Queshan and its comprehensive business operation proceeded steadily. Total assets increased by RMB 47,335 million or 9.46% to RMB 547,813 million from the beginning of the year; total deposits increased by RMB 25,014 million or 8.65% to RMB 314,230 million from the beginning of the year; gross loans and advances to customers rose by RMB 42,048 million or 21.46% to RMB 237,959 million from the beginning of the year; net profit was RMB 3,321 million. The capital adequacy ratio was 12.86%, the non-performing loan ratio was 2.08% and the allowance to non-performing loan ratio was 160.44%. All of the major indicators complied with regulatory requirements.

**4,984**

employees



**173**

institutional operation sites  
in the province



Assets scale

RMB **547,813** million





## Honors and Awards



Awarding Bodies	Honors and Awards	Time of Award
China Banking Association	Ranked 41 <sup>st</sup> among the top 100 China Banking Institutes in 2019	March 2020
Forbes	Ranked 1,378 in the Global 2,000	May 2020
<i>China Internet Weekly</i> of the Chinese Academy of Sciences, Center for Informatization Study of Chinese Academy of Social Sciences and eNet Research Institute	Innovative Mobile Bank of 2020	June 2020
Zhengzhou Enterprise Confederation, Zhengzhou Enterprise Directors Association and Zhengzhou Federation of Industrial Economics	Zhengzhou Outstanding Enterprise in Transformation and Innovation	July 2020
China Enterprise Confederation, China Enterprise Directors Association	Ranked 219 <sup>th</sup> among the top 500 service enterprises in China in 2020	September 2020
<i>The Chinese Banker</i>	Top Ten Fintech Innovation Award	September 2020
<i>Chinese Securities Journal</i>	Best Listed Company for Social Responsibility	October 2020
<i>National Business Daily</i>	Financial Technology Progress Award of the Year in 2020	October 2020
Henan Enterprise Confederation and Henan Enterprise Directors Association	Ranked 17 <sup>th</sup> among the top 100 Henan Enterprises in 2020	November 2020
Financial News	Small and Medium Bank of the Year for the Best Six-stable and Six-guarantee Services	December 2020
<i>Securities Daily</i>	Distinction Award for Serving Real Economy	December 2020

## Key Performance

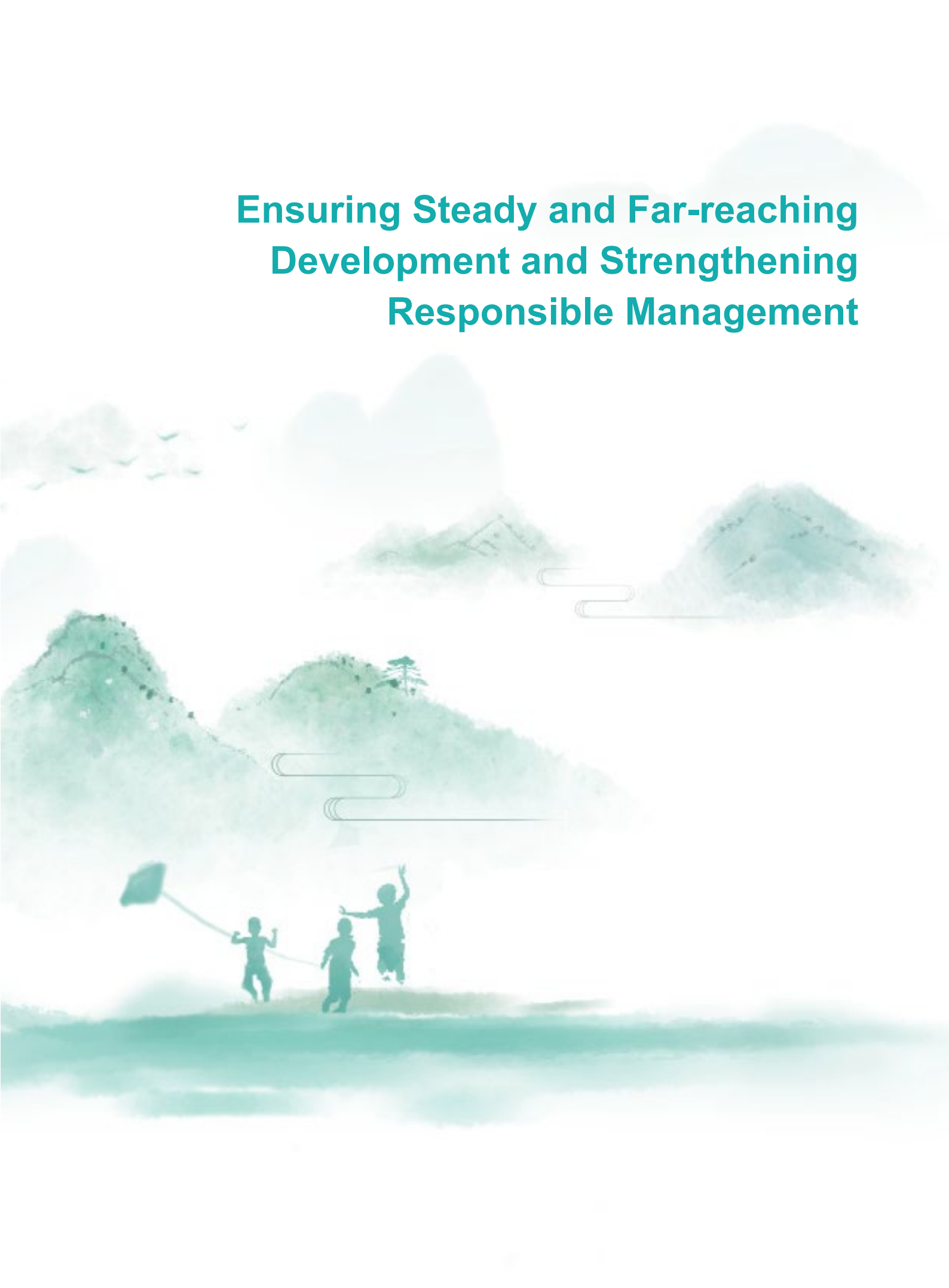
Indicator Type	Indicator	Unit	2020	2019
Economic Performance	Operating income <sup>2</sup>	RMB 100 million	145.80	134.40
	Net profit	RMB 100 million	33.21	33.73
	Basic earnings per share <sup>3</sup>	RMB	0.41	0.43
	Total assets	RMB 100 million	5,478.13	5,004.78
	Total deposits	RMB 100 million	3,142.30	2,892.17
	Total loans	RMB 100 million	2,379.59	1,959.12
	ROA	%	0.63	0.70
	Weighted average ROE	%	8.37	9.30
	Non-performing loan ratio	%	2.08	2.37
	Allowance to NPL ratio	%	160.44	159.85
	Capital adequacy ratio	%	12.86	12.11
Social Performance	Total taxes paid	RMB 100 million	26.29	21.06
	Charity donations	RMB 100 million	907.68	404.60
	Balance of loans to small and micro enterprises	RMB 100 million	1,055.03	868.69
	Balance of agriculture-related loans	RMB 100 million	562.79	404.61

<sup>2</sup> The operating income in the chart is calculated in accordance with the International Financial Reporting Standards. The operating incomes calculated in accordance with the Chinese Accounting Standards for 2020, 2019 were RMB 14.602 million, RMB 13.487 million, respectively.

<sup>3</sup> During the Reporting Period, the Bank issued one new share to the ordinary shareholders for every 10 shares held by the way of capitalization issue, the basic earnings per share of comparison period was recalculated based on the number of shares after the capitalization issue.

Social Performance	Customer satisfaction rate	%	95.2	95.7
	Customers' complaints solution rate	%	100	100
	Total headcount	人	4,984	4,854
	Percentage of female employees	%	54	54
Environmental Performance	Balance of green credit	RMB 100 million	12.64	8.43
	Balance of loans to high-pollution, high-energy-consumption or overcapacity industries	RMB 100 million	4.96	6.74
	E-banking replacement ratio	%	98.45	88.97
	Video conferences	Times	113	130
	Head office power consumption	kWh in '000s	11,309	10,800
	Head office water consumption	Tons	80,694	74,733
	Head office natural gas consumption	Cubic meters	34,707	37,904

# Ensuring Steady and Far-reaching Development and Strengthening Responsible Management



## Implementing Responsibility Concept

### Business Philosophy

Standardized operations, innovative development, and operating with integrity

### Vision

To develop premier products and services and build a long-lasting undertaking

### Responsibility Philosophy

To support local development, focus on small- and medium-sized enterprises, improve people's livelihood, and develop high-end products

### Mission

To support local development in the Central Plains region with financial services, improve people's livelihood, and achieve harmony and common prosperity

### Strategic Goals

To develop the four strategic pillars (retail financial strategy, corporate financial strategy, governmental financial strategy and financial market strategy) steered by technological innovation





### Core Values

To comply with regulations, innovate operations and fulfilling commitments with integrity



## Strengthening Responsible Communication

The Bank attaches great importance in effective communications with stakeholders, and takes into account the interests of stakeholders and impacts on stakeholders relevant to the Bank's business to establish diversified communication channels and gain in-depth insight on the expectations, demands, opinions and suggestions of stakeholders. When selecting topics for the corporate social responsibility report, major concerns of stakeholders have been fully considered to pursue the sustainable development of the Bank and achieve shared value with various stakeholders .

Stakeholders	Expectations and Concerns	Communication Channels	Response Methods
 Government	<ul style="list-style-type: none"> <li>• Support strategic planning of the government</li> <li>• Serve real economy</li> <li>• Develop inclusive finance</li> <li>• Assist in the combat against epidemic</li> </ul>	<ul style="list-style-type: none"> <li>• Documents and guidelines on policies</li> <li>• Specific topic reports</li> <li>• Information distribution</li> <li>• Seminars</li> </ul>	<ul style="list-style-type: none"> <li>• Support the implementation of government strategic planning</li> <li>• Serve private enterprises and small and micro enterprises</li> <li>• Implement targeted poverty alleviation, support "Three Rural Sectors"</li> <li>• Support the resumption of work and production of enterprises</li> <li>• Carry out anti-epidemic donations</li> </ul>
 Regulators	<ul style="list-style-type: none"> <li>• Operate in accordance with laws and regulatory requirements</li> <li>• Maintain financial stability</li> <li>• Forge the development of the industry</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory policies</li> <li>• Research and inspections</li> <li>• Work reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Carry out prudent compliance management</li> <li>• Enhance risk management systems</li> <li>• Participate in industry associations events</li> </ul>
 Shareholders	<ul style="list-style-type: none"> <li>• Maintain steady operations</li> <li>• Enhance overall abilities</li> <li>• Improve investment returns</li> </ul>	<ul style="list-style-type: none"> <li>• General meetings</li> <li>• Information disclosure</li> <li>• Roadshows</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance corporate governance structure</li> <li>• Implement development strategies</li> <li>• Offer reasonable return for shareholders</li> <li>• Fulfill obligations on information disclosure</li> <li>• Strengthen investor relations management</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>• Improve service quality and efficiency</li> <li>• Provide diverse financial products</li> <li>• Protect customer rights and interests</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing activities</li> <li>• Customer service hotline</li> <li>• Business handling</li> </ul>	<ul style="list-style-type: none"> <li>• Improve operation workflows</li> <li>• Innovate financial products</li> <li>• Enhance services quality</li> <li>• Strengthen compliance review</li> </ul>



	<p>Employees</p>	<ul style="list-style-type: none"> <li>• Improve employees' benefits</li> <li>• Protect employees' rights and interests</li> <li>• Provide career development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Labor union</li> <li>• Workers Congress</li> <li>• Suggestion boxes</li> <li>• Professional training</li> </ul>	<ul style="list-style-type: none"> <li>• Improve remuneration and welfare system</li> <li>• Deliver benefits from labor union</li> <li>• Improve employee training</li> <li>• Organize various activities</li> </ul>
	<p>Suppliers</p>	<ul style="list-style-type: none"> <li>• Fair procurement</li> <li>• Honesty and compliance</li> <li>• Cooperation for win-win outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Negotiation</li> <li>• Cooperation agreements</li> <li>• Tendering and bidding</li> </ul>	<ul style="list-style-type: none"> <li>• Establish procurement management system</li> <li>• Fair and open tendering</li> <li>• Enhance business cooperation</li> </ul>
	<p>Partners</p>	<ul style="list-style-type: none"> <li>• Mutually beneficial cooperation</li> <li>• Communication and exchanges of ideas</li> </ul>	<ul style="list-style-type: none"> <li>• Seminars</li> <li>• Joint projects</li> </ul>	<ul style="list-style-type: none"> <li>• On-site visits</li> <li>• Enhance business cooperation</li> </ul>
	<p>Communities</p>	<ul style="list-style-type: none"> <li>• Support community development</li> <li>• Care for disadvantaged groups</li> </ul>	<ul style="list-style-type: none"> <li>• Community visits</li> <li>• Community service activities</li> </ul>	<ul style="list-style-type: none"> <li>• Financial aid for students</li> <li>• Financial knowledge education for the public</li> <li>• Set up community sub-branches</li> <li>• Carry out welfare activities</li> </ul>
	<p>Environment</p>	<ul style="list-style-type: none"> <li>• Low-carbon and environmentally friendly operations</li> <li>• Promoting green banking services</li> </ul>	<ul style="list-style-type: none"> <li>• Energy conservation and emissions reduction</li> <li>• Green procurement</li> <li>• Green finance</li> </ul>	<ul style="list-style-type: none"> <li>• Implement green credit policies</li> <li>• Insist in green offices</li> <li>• Promote e-Banking</li> </ul>



## Responding to Material Issues

The Bank fully considers the expectations and demands from various stakeholders, as well as the impact of relevant issues from the environmental, social and governance aspects to the Bank's development, and seeks to reflect the Bank's sustainability performance to the greatest extent in this Report. Based on environmental, social and governance issues, features and information needs of key stakeholders, we continuously improve the process of identifying and determining material environmental, social and governance issues to fully disclose material environmental, social and governance issues.



### Identification of key stakeholder participating in the survey:

Identify the key stakeholder groups of the Bank to participate in the survey through two dimensions of "degree of influence on Bank of Zhengzhou" and "degree of influence caused by Bank of Zhengzhou", with consideration of practical operability.

01



### Screening of potential material issues:

Develop the survey issues inventory with reference to the business characteristics of the Bank of Zhengzhou, and the disclosure requirements of the *Guide* and GRI Standards to screen out potential material issues, which can reflect environmental and social impacts of the Bank and affect the evaluation and decision-making by stakeholders for the Bank.

02



### Ranking of potential material issues:

Online questionnaires are distributed to key stakeholder groups of the Bank of Zhengzhou to rank all potential material issues and form a matrix of material issues.

03



### Review and feedback:

Management reviews and confirms the material issues selected by stakeholders and their rankings in terms of the materiality. The Bank of Zhengzhou then confirms the key issues for disclosure in this Report based on such rankings.

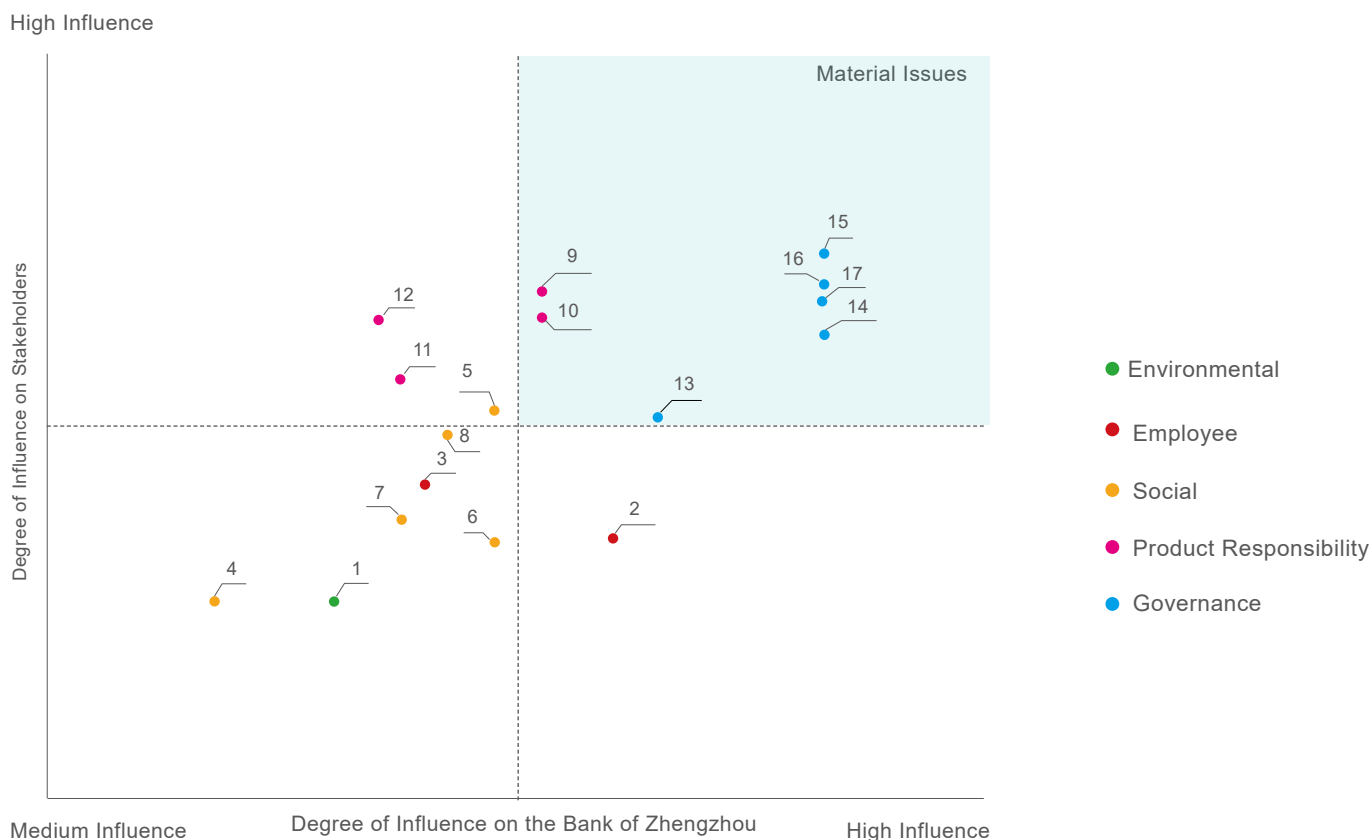
04





To clearly understand the material issues from stakeholders at all levels, we categorize issues by 5 categories (environmental, employees, social, governance and product responsibility). We invited our key stakeholder groups, including Boards members, senior management, shareholders, customers, partners and employees of the Bank to complete the questionnaire and received a total of 400 valid responses. We analyzed the survey results according to the two dimensions of “degree of influence on Bank of Zhengzhou” and “degree of influence on stakeholders” to formulate the following materiality matrix, and identified the material issues:

Bank of Zhengzhou 2020 Materiality Matrix



	Issue Number	Issue Title <sup>4</sup>
Environmental	1	Green Finance
Employee	2	Recruitment and Employee Rights and Interests
	3	Employee Training and Development
Social	4	Community Charity
	5	Develop Finance for Commerce and Logistics
	6	Support for Small and Micro Enterprises and the "Three Rural Sectors"
	7	Poverty Alleviation through Finance Service
	8	Promote Financial Knowledge Education for the Public

	Issue Number	Issue Title <sup>4</sup>
Product Responsibility	<b>9</b>	<b>Service Quality</b>
	<b>10</b>	<b>Customer Complaint Management</b>
	11	Intellectual Property Rights Protection
	12	Promote Application of Financial Technology
Governance	<b>13</b>	<b>Anti-corruption/bribery/fraud/money laundering</b>
	<b>14</b>	<b>Economic Performance</b>
	<b>15</b>	<b>Market Presence</b>
	<b>16</b>	<b>Operation Compliance</b>
	<b>17</b>	<b>Financial Risk Prevention</b>

<sup>4</sup> The bolded issues in the table are the material issue determined.

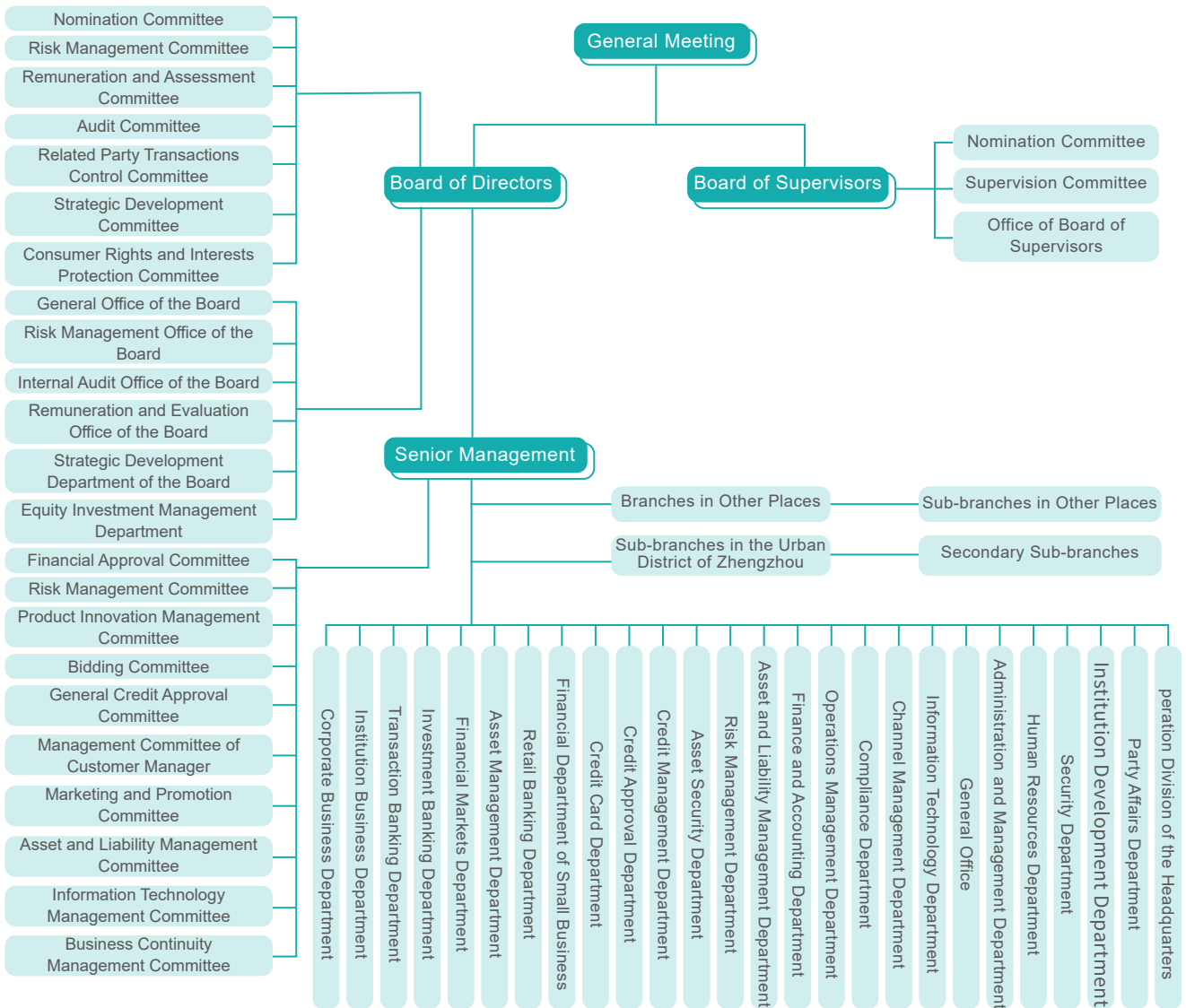
# Building a Concrete Foundation and Improving Corporate Governance



# Governance Structure

The Bank strictly observes the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies* of the China Securities Regulatory Commission ("**CSRC**"), the *Guidelines on the Corporate Governance of Commercial Banks* of the former CBRC, the *Guidelines on Standardized Operation of Companies Listed of the SZSE*, and the *Rules Governing the Listing of Securities of the Hong Kong Stock Exchange* to establish a comprehensive corporate governance structure and management system. The general meeting, the Board of Directors, the board of Supervisors of the Bank ("**Board of Supervisors**") and the senior management regulate operations, specify duties and maintain effective balance to fully protect and safeguard the legitimate rights and interests of shareholders and other stakeholders. The organizational structure is showed below:

## Organizational Structure<sup>5</sup>



<sup>5</sup> During the Reporting Period, the Discipline Supervisory Office was revoked in accordance with the *Notice of the General Office of Municipal Commission of China's Communist Party in Zhengzhou on Matters Relating to the Setting of the Discipline Inspection and Supervision Department of Bank of Zhengzhou (Zheng Ban [2019] No.100)* and had been replaced with a stationed unit (i.e. "Discipline Inspection and Supervision Team of Municipal Commission for Discipline Inspection and Supervision Stationed in Bank of Zhengzhou Co., Ltd.") established in the Bank by the Municipal Commission for Discipline Inspection and Supervision.

## General Meeting

As the highest authority of the Bank, the general meeting is composed of all shareholders and exercises authority in accordance with laws.

During the Reporting Period, the Bank held one annual general meeting, one class meeting of A shareholders, and one class meeting of H shareholders, considering 35 resolutions including the work report of the Board of Directors, the work report of the Board of Supervisors, the final financial report, the profit distribution and capitalization issue plan, the amendment to the Articles of Association, the non-public issuance of A-shares, and the election of Executive Directors.

## Board of Directors

As the decision-making body of the Bank, the Board of Directors is accountable to the general meeting and responsible for implementing the resolutions of the general meeting. The Board of Directors established 7 special committees and the Board Office as the administrative body of the Board of Directors.

The Bank is committed to building the Board of Directors with members from diverse disciplines and considered their gender, qualifications, region of origin, industry experiences, skills, knowledge and educational background during the selection of Board members. The current Board members possess industry backgrounds and work experiences in economics, finance, banking, accounting and law.

During the Reporting Period, the Bank held 10 meetings of the Board of Directors, considering 73 resolutions including the annual work report of the Board of Directors, the summary of operations and management, the profit distribution and capital public reserve capitalization plan, amendments to the Articles of Association, non-public issuance of A Shares and issuance of financial bonds.

### Board Members<sup>6</sup>

Name	Position
Mr. Wang Tianyu	Chairman, Executive Director
Mr. Shen Xueqing	President, Executive Director
Mr. Xia Hua	Vice Chairman, Executive Director
Mr. Fan Yutao	Non-executive Director
Mr. Zhang Jingguo	Non-executive Director
Mr. Ji Hongjun	Non-executive Director
Mr. Liang Songwei	Non-executive Director
Mr. Wang Shihao	Non-executive Director
Mr. Xie Taifeng	Independent Non-executive Director
Mr. Wu Ge	Independent Non-executive Director
Ms. Chan Mei Bo Mabel	Independent Non-executive Director
Ms. Li Yanyan	Independent Non-executive Director

<sup>6</sup> The list of Board members is as of 31 December 2020.

During the Reporting Period, the Bank organized all Directors to attend training on the major amendments to the *Securities Law of the People's Republic of China*.

Non-executive Director Mr. Wang Shihao and Independent Non-executive Directors Mr. Xie Taifeng and Ms. Li Yanyan went to the Anyang branch of the Bank to carry out research.



## Board of Supervisors

As the supervisory body of the Bank, the Board of Supervisors aims to protect the legitimate rights of the Bank, shareholders, staff, depositors and other stakeholders. Being held accountable to the general meeting, it supervises the performance of duties of the Board of Directors, senior management and its members, timely accesses all aspects of the Bank's operations and management information, and strengthens the substantive oversight function to ensure that the level of governance meets its expectations.

The composition of the Board of Supervisors is sufficiently professional and independent to ensure the effective performance of its supervisory role. During the Reporting Period, the Bank held a total of six Board of Supervisors meetings to consider 17 resolutions including the work report of the Board of Supervisors, the Annual Report and Highlights, the profit distribution and capital public reserve capitalization plan, and the Performance Assessment Report on the Board of Directors, the Board of Supervisors, senior management and their members.

## Senior Management

As the executive body of the Bank, the senior management has one president and certain numbers of vice presidents and assistants to the president, that all of them shall be appointed or removed by the Board of Directors. The president is accountable to the Board. Based on the Bank's operating activities, the senior management shall establish and improve internal control mechanisms with internal rules and regulations, operational risk control system and credit approval system as the main contents, and organize and implement capital management according to business strategy and risk preference. The senior management establishes a system of regular reports to the Board of Directors and is supervised by the Board of Supervisors. The management makes timely, accurate and complete reports on the Bank's business performance, important contracts, financial status, risk status and business prospects.

## Investor Communications

### Information Disclosure

In accordance with the relevant regulations of the CSRC, the China Banking and Insurance Regulatory Commission ("CBIRC"), the SZSE and the Hong Kong Stock Exchange, the Bank has formulated a comprehensive information disclosure management system. The Bank carries out information disclosure work in compliance with laws and regulations and continues to standardize the working procedures of information disclosure, thereby improving the management and quality of information disclosure and ensuring the information disclosed is true, accurate, complete and timely.

Guided by the needs of investors, the Bank truthfully discloses its business conditions and major events to ensure that investors have fully obtained information with material impact on their investment decisions.

During the Reporting Period, the Bank disclosed a total of

**258**

announcements on the SZSE and the Hong Kong Stock Exchange.

### Management of Investor Relations

The Bank responds to investors' concerns with an active and open attitude and communicates with investors through multiple channels. During the Reporting Period, the Bank held the 2019 online performance briefing session and responded to 30 questions from investor through the SZSE "CN Info" platform, and actively understood investors' demands by answering calls and visits from investors on a daily basis.

## Internal Control and Compliance

### Risk Prevention and Control

The Bank takes "compliance-based development" as the bottom line and actively creates a good atmosphere for "compliance-based operations and sound development" to improve the management of risk prevention. The Bank has established the risk management organization structure with the Board of Directors and its Risk Management Committee, senior management and its Risk Management Committee, and the "three lines of defense" consisting of risk management departments, business departments, and supervision and inspection departments. The Bank has formulated and implemented internal policies including the *Bank of Zhengzhou Rules on Comprehensive Risk Management*, the *Bank of Zhengzhou Rules on the Management of Integrated Credit Services*, the *Bank of Zhengzhou Regulations of Market Risk*, the *Bank of Zhengzhou Regulations of Liquidity Risk*, the *Bank of Zhengzhou Regulations of Information Technology Risk*, the *Bank of Zhengzhou Regulations of Compliance Risk*, the *Bank of Zhengzhou Regulations of Reputational Risk*, the *Bank of Zhengzhou Regulations of National Risk*, the *Bank of Zhengzhou Regulations on Business Continuity*, the *Bank of Zhengzhou Regulations on Reporting of Major Emergencies*, the *Bank of Zhengzhou Overall Plan on Emergency Response and Disaster Recovery* and various sub-plans, covering major risk categories such as credit risk, liquidity risk, market risk, operational risk, information technology risk and reputational risk.

#### First Line of Defense

Business and functional departments work as the main body that directly and actively manage in the business links or risk management links.

#### Second Line of Defense

Business management department, risk management department and compliance department work as the main bodies that are responsible for the design and formulation of policies and systems, as well as the supervision of the First Line of Defense.

#### Third Line of Defense

Audit department and supervision department, etc. work as the main body that is responsible for internal audit and the supervision of the First and Second Line of Defense.

During the Reporting Period, in order to strengthen management and control of risks, the Group implemented a number of risk prevention measures with regard to the following risk categories:

Risk Categories	Actions Taken to Improve the Risk Prevention System
 <p>Credit Risk</p>	<ul style="list-style-type: none"> <li>• Improve the investigation report template for credit services to provide support for project approval</li> <li>• Strengthen the management of corporate and large customer credit</li> <li>• Strengthen the management of credit services outside of the province and gradually alleviate the risk of credit business outside of the province</li> <li>• Continuously promote the establishment of the "one horizontal and one vertical" post-loan management mechanism to enhance the post-loan management level</li> <li>• Broaden channels for risk assets disposal and explore the implementation of diversified disposal measures to promote the resolution of risks</li> <li>• Transform the process of the file management system</li> </ul>
 <p>Market Risk</p>	<ul style="list-style-type: none"> <li>• Optimize the establishment of market risk mechanism, and summarize and review the implementation and the effectiveness of the mechanism</li> <li>• Promote the establishment of an integrated management system for business risks in the financial market to develop a "three-in-one" integrated management platform for valuation, measurement and risk control</li> <li>• Establish a smooth communication and coordination mechanism to realize the transfer and intercommunication of work results between departments and positions, and improve work efficiency</li> <li>• Increase effort in daily monitoring of market risks, and continue to optimize market risk report templates and reporting paths</li> </ul>
 <p>Liquidity Risk</p>	<ul style="list-style-type: none"> <li>• Strengthen day-to-day liquidity risk management and control to prevent market fluctuations from impacting the Bank's liquidity</li> <li>• Carry out liquidity planning, forecasting and monitoring on a monthly basis, and gradually optimize the maturity structure of assets and liabilities to ensure the safe and stable operation of liquidity</li> <li>• Conduct regular liquidity stress tests and in-depth assessment on the adequacy of liquid assets to find weak links in liquidity management, and improve capabilities of liquidity crisis response</li> <li>• Improve technology support for liquidity risk</li> </ul>
 <p>Operational Risk</p>	<ul style="list-style-type: none"> <li>• Promote the optimization of the internal control system through the identification of internal control defects</li> <li>• Strictly control each procedure to strengthen the application of operational risk identification and assessment results</li> <li>• Strengthen the monitoring on customer risk and realize risk information sharing</li> <li>• Establish a big data analysis platform to allow comprehensive analysis and verification of the authenticity of customer information and prevent ethical risks of employees</li> </ul>

The Bank actively responds to environmental, social and governance risks and incorporates environmental, social and governance matters into its own development strategy. The Board of Directors is responsible for the Bank's environmental, social and governance strategy and reporting, and is responsible for assessing and determining environmental, social and governance risks to ensure the effectiveness of the environmental, social and governance risk management and internal control system.

## Building Integrity and Anti-money Laundering

The Bank strictly implements the requirements of fighting against corruption and advocating integrity, and actively carries out various activities relating to anti-corruption, anti-bribery, anti-fraud and anti-money laundering. In accordance with the requirements from laws and regulations such as the *Regulation of the Communist Party of China on Disciplinary Actions*, the *Supervision Law of the People's Republic of China*, and the *Law of the People's Republic of China on Anti-money Laundering*, the Bank formulated and implemented internal policies such as the *Bank of Zhengzhou Rules on Anti-money Laundering and Anti-terrorism Financing* and the *Bank of Zhengzhou Procedures of Reporting for Large and Suspicious Transactions*. The Bank has realized the reform of the discipline inspection and supervision system. The Zhengzhou Municipal Discipline Inspection Commission and Zhengzhou Municipal Supervision Commission has stationed the Disciplinary Inspection and Supervisory Group, which is directly led and managed by the Zhengzhou Municipal Discipline Inspection Commission and Zhengzhou Municipal Supervision Commission.

During the Reporting Period, the Bank took the initiative to carry out various anti-corruption work. The Bank put great effort into daily publicity and education by organizing learning activities on rules and regulations relating to carrying out business with integrity. The Bank organized warning education and held integrity talks before important holidays. Notices from superiors were forwarded in a timely manner to report typical case studies throughout the Bank. To enhance compliance awareness of employees and ensure concrete construction of the strong line of defense against corruption, the Bank organized dedicated work of "promoting reform with cases". The Bank strengthened the supervision of employee behavior by carrying out self-examination and self-correction on key issues of anti-corruption and implementing dedicated inspection regarding the central Party leadership's eight-point decisions during holidays. The Bank conducted integrity risk assessments and pre-employment integrity talks on important positions; and supervised the work style of employees.



### Case

### Visiting the Anti-Corruption Education Center

On 23 September 2020, employees of the Bank visited the Anti-Corruption Education Centre of Henan Province to carry out Party conduct and integrity education activities. During the event, the employees visited a number of exhibitions in the education center and learned new concepts, new ideas, new views and new measures regarding the work related to Party conduct and integrity and anti-corruption since the eighteenth National Congress of the Party, so as to enhance the awareness of employees on the importance of building a clean and honest government and raise the political consciousness of consciously accepting supervision.





The Bank revised its anti-money laundering rules in a timely manner, continued to improve and optimize its money laundering risk management structure, clarified the responsibilities of the Board of Directors, the Board of Supervisors, senior management, the anti-money laundering working group (the "**working group**") and departments of group members, and established a clear anti-money laundering operation mechanism. The member departments of the headquarters' working group set up a dedicated (part-time) position for anti-money laundering, which is responsible for the implementation, coordination and communication of anti-money laundering work, and to ensure the business units at all levels take the responsibility for and effectively carry out anti-money laundering works. The Bank also formulated targets of building the culture, strategies, policies and procedures for money laundering risk management, and regulations on anti-money laundering for subsidiaries.

During the Reporting Period, the Bank took multiple measures to carry out anti-money laundering activities.



By building a professional publicity team, the Bank carried out all-round anti-money laundering promotion through a combination of characteristic and daily publicities. Branches walked into the community to carry out various forms of special publicity on anti-money laundering.



The Bank conducted special training on anti-money laundering banking practices, punishment case analysis and practical operations of anti-money laundering, policy analysis and risk prevention, etc. New recruits were provided with basic training on RMB and anti-money laundering.



To strengthen business supervision and guidance, the Bank carried out on-site business supervision at 9 remote branches and subordinate outlets.



The Bank put effort in the identification of customer identity, optimized the customer money laundering risk level evaluation system and the auto-monitoring model for suspicious transactions, and established the monitoring mechanisms for money laundering and terrorist financing blacklist.

The Bank proactively accepts the supervision by the general public, the media and its employees, and has established various channels such as letter box on its official website, email box, phone and President's letter box. During the Reporting Period, the Bank did not receive any proceedings against the Bank and its employees for violations of laws and regulations relating to bribery, extortion, fraud and money laundering.

## Building Compliance

The Bank actively promotes compliance construction and has established a stringent rules implementation and supervision mechanism to ensure operations are in compliance with laws and regulations. Firstly, the Bank set examples from the high-level leadership and worked from the top to bottom to establish a long-term compliance management mechanism. Through carrying out various forms of compliance education and warning education, the Bank established a clear view of professional ethics, honor and disgrace, and enhanced the cultivation of honesty, integrity, and professional ethics. Secondly, the Bank standardized the operation behavior and explored the standardization and institutionalization of procedures. Through clarifying the work and operating procedures of each position and sector, the Bank fully revealed the possible issues or risks and provided corresponding control measures. Thirdly, the Bank established a strict supervision and inspection mechanism. The business departments, the compliance department and the internal audit department formed the three lines of defense to jointly prevent and control risks, and carried out inspections and evaluations from product design, system compilation, process setting, and system implementation for effective risk warning, revealed non-compliance and urged for rectification. During the Reporting Period, the Bank reviewed and issued 251 rules, of which 77 were added and 174 were revised. The Bank formulated the Bank of Zhengzhou 2020 Compliance Management and Case Prevention and Control Working Plan to promote gradual implementation of responsibilities, continued to strengthen internal control and compliance check and established a feedback mechanism for issues rectification.

The Bank is committed to cultivating a distinctive internal control and compliance culture, continuously improving the construction of the compliance management team, establishing an assessment mechanism of "advocating compliance and punishing violations", and persistently promoting and implementing the compliance culture. During the Reporting Period, the Bank formulated the *Bank of Zhengzhou 2020 Activity Plan for Internal Control and Compliance Culture Enhancement*, the *Bank of Zhengzhou Implementation Plan for "Compliance Culture Building Exchange Activity"*, edited and distributed the *Special Issue on Legal Compliance*, collected suggestions on compliance, and carried out publicity and training on legal compliance, competitions, examinations, thematic essays collection, warning educations and warning slogans collection. The Bank carried out works on compliance evaluation and violation punishment, and issued the "thirteen high pressure line" of employee behavior to create an atmosphere of "everyone is in compliance and everything is in compliance".



### Case

#### "Declaring War to Incompliance" – The Bank held the Compliance Meeting

On 12 June 2020, the Bank held the Compliance Meeting. This meeting is the highest and largest compliance warning meeting in recent years, aiming to further strengthen the sense of responsibility, curb violations, and urge all employees to uphold the bottom line and never cross the red line, and win the combat against non-compliance.

Employees were organized to join the meeting to watch education animations on compliance warning, issued the "thirteen high pressure line" of employee behavior, proposed to strengthen the awareness of the bottom line, the sense of integrity and the sense of responsibility, and resolutely overcome the mindset of greedy, fluke, compensation and conformity. All employees were required to strengthen their awareness of compliance and thoroughly understand the macroeconomic situation and accountability requirements of stringent external supervision, deeply learn the lessons from history, and declare war against non-compliance in the current critical period of high-quality development and win the combat against non-compliance.

## Managing Intellectual Property Rights and Suppliers

The Bank strengthens the management of intellectual property rights in the registration, use and maintenance of trademarks, patents and domain names, as well as the copyright protection of fonts, pictures and software. The Bank has formulated and implemented the *Bank of Zhengzhou Measures for Administration of Intellectual Property Affairs*, and implemented active supervision by establishing records for trademark, patent, copyright and other registration applications. The Bank's rights and obligations in intellectual property rights are clarified, where the Bank's legitimate rights and interests are protected without infringing on the rights of other parties owning intellectual property rights to ensure the Bank's information monitoring and priority handling on intellectual property management. During the Reporting Period, the Bank did not have any material cases of infringement of intellectual property rights.



### Case

### Two self-developed software of the Bank obtained computer software copyright certificates

During the Reporting Period, the "Bank of Zhengzhou Project Management Platform" and the "Bank of Zhengzhou Continuous Delivery Platform" developed by the Bank obtained computer software copyrights certificates from the National Copyright Administration of the People's Republic of China, allowing further improvement of the Bank's independent research and development capabilities of science and technology.



Following the principles of openness, fairness and impartiality in its procurement, the Bank adopts the same management policies and rules for all suppliers, implements internal documents such as the *Bank of Zhengzhou Administrative Measures for Tender and Purchase* and the *Bank of Zhengzhou Administrative Measures for Centralized Procurement*, and supervises the implementation of relevant laws and regulations and the Bank's rules and regulations in procurement activities, the procurement scope, approach and implementation of procurement procedures, as well as the integrity of procurement personnel involved. In order to prevent environmental and social risks within the supply chain, the Bank requires bidders to have no criminal record of bribery, have not been included in the list of untrustworthy in "Credit China", have not received user complaints due to material quality issues in the past three years, have not violated laws and regulations or had bad records during its operations, and do not have non-performing loans and other disputes with the Bank. During procurement, the Bank gives priority to domestic and energy-saving and environmental-friendly products to promote green procurement. The Bank has established a centralized procurement supplier pool following the principles of survival of the fittest and dynamic management, and carries out the qualification review and performance evaluation for suppliers within the pool to screen out the unqualified suppliers.

The Bank's major suppliers cover the fields of technology systems and hardware, self-service equipment, engineering decoration, office equipment, front desk equipment, consulting services and media.

As of the end of the Reporting Period, the Bank had **317** major suppliers, among which **139** suppliers are from Henan Province and **178** suppliers are from outside of Henan Province.



# Remembering the Mission and Serving Real Economy



## Promoting Regional Development

The Bank thoroughly implements national regional development strategy and enhances its financing support for Henan Province's economy through credit policy and credit structure adjustment. The Bank actively seizes the trend of industry development that aligns with the transformation and upgrading of the manufacturing industry of Henan Province, steadily increases the credit ratio for medium and long-term projects in relevant areas and provides strong support for the construction of key areas such as the advanced manufacturing and strategic emerging industries.

The Bank effectively plays its role in supporting key strategies, and seizes the opportunities for the development of logistics and water conservancy industries in Henan Province created by the Belt and Road strategy, focusing on projects relating to infrastructure, industrial investment, resource development, economic and trade cooperation, cultural exchanges and ecological protection. Also, the Bank continues to increase support to bank-government cooperation businesses, takes government bonds, city investment bonds and financing for government infrastructure construction projects as key investment targets, actively participates in the transformation of the financing platform of local government and promotes the sustainable development of regional economy.

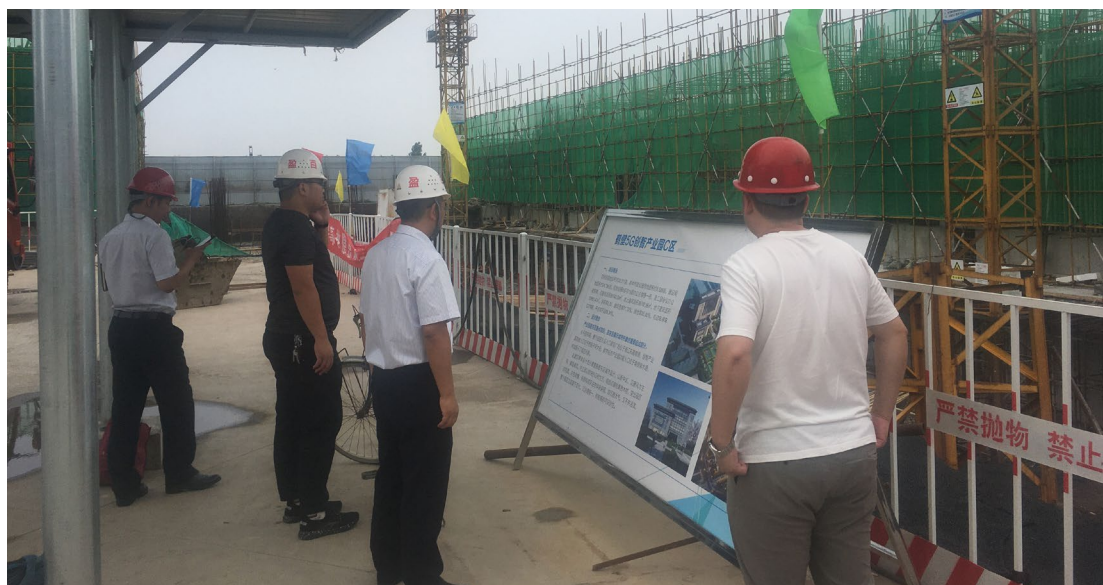
As of the end of the Reporting Period, the balance of the loan for the construction of the Zhengzhou Airport Economic Comprehensive Experimental Zone was RMB 4,950 million, with a year-on-year increase of RMB 1,160 million; the balance of the loan for the construction of the Zhengluxin National Independent Innovation Demonstration Zone was RMB 5,428 million, with a year-on-year increase of RMB 569 million; and the balance for the construction of the Henan Pilot Free Trade Zone was RMB 15,200 million.



### Case

### Support the Construction of the 5G Innovation and Intelligence Industrial Park

The construction project of the 5G Innovation and Intelligence Industrial Park of a real estate company is one of the key projects in the *List of Key Construction Projects in Henan Province in 2020*. Considering the funding gap during the construction period of the project, the Bank closely followed the national policy in supporting new infrastructure construction, and granted a credit of RMB 290 million for the construction of the 5G Innovation and Intelligence Industrial Park in the region.



## Building a Commerce and Logistics Bank

Located in the central part of China, Henan Province is one of the regions in the first batch of pilot areas for the construction of a powerful transport country determined by the Ministry of Transport. Being the provincial capital of Henan Province, Zhengzhou is the comprehensive transportation junction that is "connecting home and abroad and reaching eastern, central, and western China", and the intersectional region between the land-bridge channel and the Beijing-Guangzhou channel under the "Two Horizontal and Three Vertical" urbanization strategy. As a local bank focusing on Zhengzhou, the Bank takes full advantage of the location, follows the principle of "standardization of logistic services", "specialization of logistic finance", "diversification of value-added services", "facilitation of credit granting services" and "integration of domestic and foreign trade" to actively adapt to the new business format in the industry and create service platforms with technology. The Bank vigorously promotes the construction of a commerce and logistics bank, and contributes to rooting in the local region, promoting regional economic development and serving customers.



### Case

#### Successfully joining the cross-border financial blockchain service platform

In May 2020, the Bank was approved by the Henan Branch of the State Administration of Foreign Exchange and became the first batch of financial institutions in the Henan Province to successfully join the cross-border financial blockchain service platform, which will be conducive to the Bank's further understanding of customers and matching customers with more suitable financial services, thus helping to improve the quality and efficiency of cross-border financial services.



### Case

#### Wining the "Best Supply Chain Finance Bank" and "2020 China Logistic and Supply Chain Finance Innovative Service Enterprises"

In October 2020, the Bank won the "Best Supply Chain Finance Bank" and "2020 China Logistic and Supply Chain Finance Innovative Service Enterprises" at the 2020 Future Transaction Bank Summit, and the Fifth China (Caofeidian) Logistics and Supply Chain Finance Summit and China Logistics and Supply Chain Finance Annual Conference. The two awards represented the full recognition from the mainstream media and authoritative institutions on the Bank's construction of commerce and logistics bank, and further enhanced the brand recognition and influence of the "Five Clouds" in commercial finance.



## Trade, Logistics, and Banking Union of China

The Trade, Logistics, and Banking Union of China is a national non-profit organization jointly established by the Bank, enterprises and institutions, industry organizations, and credit rating institutions and experts in trade, logistics, and banking industries, and has become an important platform uniting the financial institutions, national well-known logistics and e-commerce enterprises located in important cities along the "Belt and Road" line. The organization aims to realize the integration of information flow, business flow, logistics and capital flow to create a new ecology of financial supply chain through the open sharing of scientific and technological resources, capital resources, and information resources.



### Case

### The fourth Summit of the Trade, Logistics, and Banking Union of China

In November 2020, the fourth Summit of the Trade, Logistics, and Banking Union of China was held in Zhengzhou. With the theme of "joining hands with fintech to build digital economy and cultivating new energy", the summit brought together nearly 150 leading enterprises in commerce, logistics, supply chain, and technology industries from all over the country with nearly 300 participants to explore approaches for survival and development under the current difficult situations at home and abroad.

The Bank's "Five Clouds" Service Platform was widely recognized by participating enterprises and has already provided financing to more than 250 upstream and downstream supply chain companies. In 2020, the organization members further expanded, adding 8 new member units, and the number of member enterprises increased to 55. The summit further expanded the Bank's brand influence as a commerce and logistics bank, and will effectively promote the development of cooperation between peers and bank-enterprise cooperation within the organization.



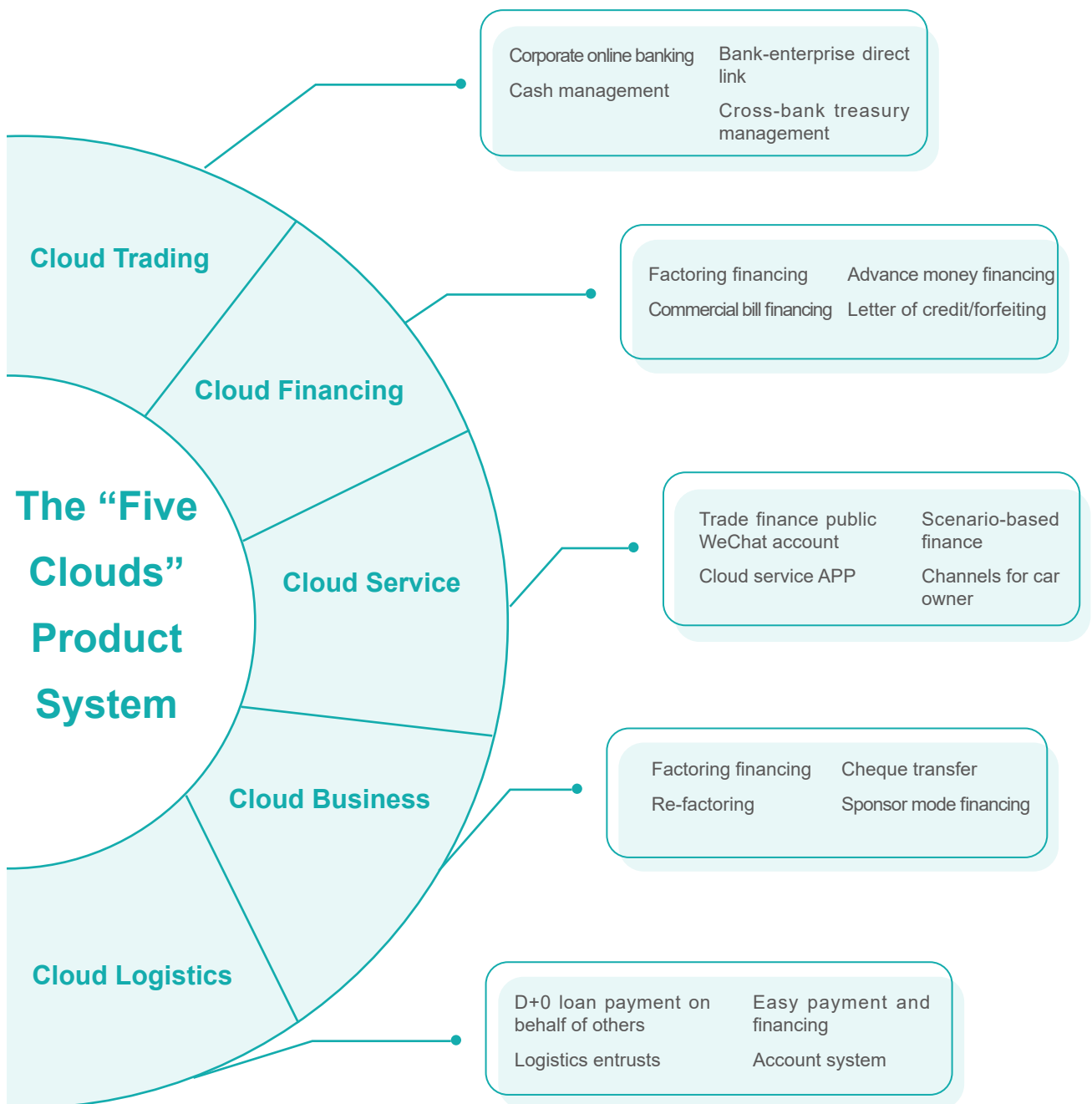
Wang tianyu, secretary of Party committee and chairman of the Bank, was delivering a speech



The China Commerce and Logistics Bank Research and Industry Development Report (2020) was released

## The “Five Clouds” Service Platform

In order to improve the commerce and logistics service system, the Bank developed the "Five Clouds" Service Platform, taking the internet platform as the core and advanced financial technologies as the auxiliary to support information sharing, transaction matching and joint operations, thereby promoting the joint development of the supply chain. It includes more than 30 sub-products in 5 major series, provides customers with comprehensive solutions such as treasury management, e-government services, supply chain finance, cross-border finance and customized services, which can meet enterprises' various investment and financing needs and provide strong support for the construction of the Bank's featured commerce and logistics production chain.





## The "Five Clouds" Service Platform

### Cloud Trading

The "Cloud Trading" platform is a professional service platform for payment, settlement and cash management that integrates payment, settlement and exchange of domestic and foreign currencies. It meets the demands for transaction settlement and treasury management of customers of different scales and industries through a diversified product service system. Through the "financial advisory" service, products such as corporate online banking, cash management, bank-enterprise direct link, cross-bank treasury management cloud platform, corporate settlement and scenario-based financial services can be flexibly combined to tailor-made treasury management service plan for customers.

### Cloud Logistics

The "Cloud Logistics" platform is a comprehensive logistics service platform built by the Bank around the scenarios of logistics transaction, providing services such as treasury management, payment and settlement, credit and financing, wealth management and value-added services for logistics companies, truck drivers, consignors and consignees.

### Cloud Financing

The "Cloud Financing" platform uses online methods such as the Internet and the supply chain service platform to realize a one-stop convenient and efficient transaction banking business model through multi-port access.

### Cloud Service

The "Cloud Service" platform is a scenario-based financial service platform for small, medium and micro enterprises, relying on the WeChat account "Trade Finance of Bank of Zhengzhou" and various innovative scenario-based financial platforms to create different financial products and personalized solutions for diversified scenarios and provide value-added and customized services for customers.

### Cloud Business

The "Cloud Business" platform mainly serves the "Trade, Logistics, and Banking Union of China". The assets and financing demands of the customers from trade and logistics industries are published on the "Cloud Business" platform while qualified investors, such as banks and quasi financial institutions, will provide financial support. It is a key initiative to promote inclusive finance and solve the financing difficulties of SMEs.



#### Case

### Exploring new model for "Cloud Business" platform collaboration

On 21 August 2020, the first "Cloud Promise" electronic certificate financing business that the Bank cooperated with the "Sichuan Electric Cloud Link" platform of the State Grid Company of China launched successfully, marking the Bank's first business at the supply chain open bank to directly link to the core enterprise supply chain platform, enriching the types of business cooperation of the "Cloud Business" platform, and creating a new cooperation model among members of the Trade, Logistics, and Banking Union of China.



#### Case

### "Cloud Logistics" platform innovation

As one of the "Cloud Logistics" products created by the Bank's "Five Clouds", the "Easy Payment and Financing" was successfully launched on 26 November 2020, committing to providing integrated, online and customized financial services for customers at the logistics freight network platform. The product has the advantages of a standardized interface, basing on data financing, supporting 7x24 hours online automatic payment, targeted use of funds and smart post-loan management.

## Supporting Private, Small and Micro Enterprise

### Supporting Private Economy

The private economy is an vital force to promote the development of the market economy. The Bank has formulated the *Action Plan for Supporting the Development of Private Enterprises*, implemented 25 initiatives for supporting private enterprises, established the "White List" for private enterprises, and continuously enhanced services to private enterprises. As of the end of the Reporting Period, the balance of loan for private enterprises amounted to RMB 89,129 million, with an increase of RMB 8,377 million from the beginning of the year.

During the Reporting Period, the Bank's policies provided enormous support to the development of private enterprises, strengthened analysis, research and classification guidance, and helped private enterprises solve problems regarding development, offering the same interest rates and loan conditions for private and state-owned enterprises under same conditions. The Bank enhanced product research and development, gave full play to the purpose of the "Five Clouds" commerce and logistics financial platform to provide upstream and downstream enterprises in the supply chain with unsecured financing services, and used investment banking products such as debt financing instruments and plans to support qualified private enterprises to expand financing. The Bank established the long-term mechanism of "dare to loan, willing to loan and able to loan" to provide exemption and positive incentives for account managers who were carrying out credit granting services to private enterprises.



#### Case

#### Listening to the voice of the enterprise and helping to achieve production target and efficiency – Puyang branch visited a new chemical material company

On 21 October 2020, the leadership team of the Puyang branch went to a new chemical material company for field visits and investigations to understand the production and operation of the company and its use of credit. The team visited the workshop, factory and construction site to check the production and construction on-site, and guided the healthy development of the company to assist in achieving production target and increase efficiency.

Affected by the epidemic, many private enterprises were facing bankruptcy and operation difficulties, and that company also faced unprecedented challenges. Upon learning the company's difficulties, the Puyang branch conducted several field investigations and analyzed the market situation to help the company get out of its difficult situation. On 13 March 2020, Puyang branch issued a special preferential interest rate reloan of RMB 10 million to the company, all of which was used for the production and operation of anti-epidemic emergency materials. In addition, an interest discount of RMB 189 thousand was given to the company for its application of national special loan to provide assistance for its resumption of work and production, overcoming hardship and revitalization.

This site-visit is the Puyang branch's specific practice to implement the "six stability" and "six guarantees". Aiming at the difficulties facing by enterprises, Puyang branch tailored financing solutions to solve the urgent needs of enterprises and demonstrated the Bank's determination and ability to serve real economy.





## Case

## Signed the strategic cooperation agreement with Enjoy Group

In June 2020, the Bank and Enjoy Group held a strategic cooperation signing ceremony. This strategic cooperation is an important manifestation of the Bank's practice of serving private enterprises. Taking this signing as an opportunity, the Bank strived to realize the cross-industry integration of "cultural tourism + finance", and provided residents with a variety of preferential travel plans and carried out multiple-scenario marketing cooperation to join forces to create a new phase of development building on complementarities, mutual benefit and win-win results.

In August 2020, the Bank and the Enjoy Land International Tourism Resort jointly launched the "Bank of Zhengzhou Enjoy Land Card" co-branded credit card. This card was created based on the various cultural and tourism formats of the Enjoy Land International Tourism Resort to begin a chapter of cooperation between the Bank and the Enjoy Land International Tourism Resort, where both parties will further collaborate to promote the integration of industry and finance, and effectively enhance the quality and efficiency of the cultural tourism industry.

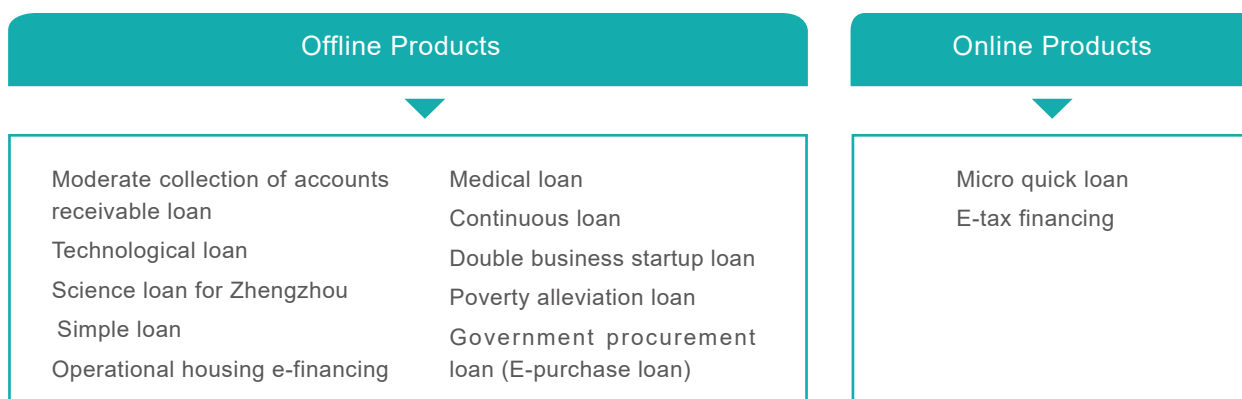


## Serving Small and Mirco Enterprises

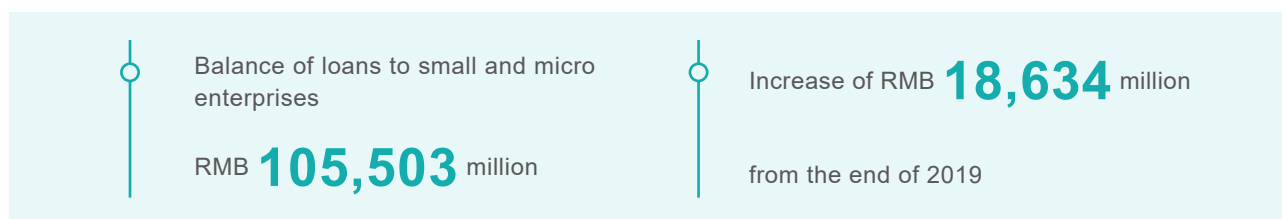
The Bank has always adhered to its mission of serving small and micro enterprises, effectively solved their problems of difficult and expensive financing, and continuously improved small and micro enterprises' financial service quality and efficiency. During the Reporting Period, the Bank formulated a dedicated credit policy for small and micro enterprises and issued the *Bank of Zhengzhou Operation Guide for Small and Micro Enterprises Service 2020* and reduced the financing costs of small and micro enterprises. In order to strengthen the construction of the small and micro enterprises service team, the Bank expanded the small and micro enterprises team with 109 full-time account managers during the Reporting Period with a total of 424 people in the team.

The Bank continuously improves the standardized credit review and approval processes for small and micro enterprises. According to the business authorization, the Bank implements a four-level review and approval system, including branch and sub-branch review and approval, review and approval by an independent reviewer, double-review and approval by small business finance department and review and approval by Small Business Loan Committee to efficiently conduct review and approval for small and micro businesses. By using models to assist human labor, the Bank performs standardized and streamlined approval for supply chain finance and scenario-based consumer credit business and implements the "red, yellow and green" list management for existing customers with differentiated review and approval to ensure its efficiency.

The Bank improves the product system and develops online and offline credit products to satisfy demands of different types of small and micro groups.



As of the end of the Reporting Period, the balance of loans to small and micro enterprises amounted to RMB 105,503 million, representing a year-on-year increase of RMB 18,634 million or 21.45%, the number of small and micro enterprises receiving loans was 66,702, representing a year-on-year increase of 754.



### Case

### "Technological loan" assisted the resumption of work and production of small and micro enterprises

In 2020, the sudden outbreak of the epidemic caused a technology-based SMEs engaged in construction engineering design, municipal engineering design and other services in Zhengzhou to face the difficulties of the suspension of work and production. Having understood the situation, the Bank issued a "technological loan" of RMB 3 million to the company promptly to relieve its difficulties.

## Deepening the Construction of Finance for Residents

The Bank has always adhered to the distinctive positioning of a "boutique bank for residents", constantly innovates personal financial products according to customer needs, enriches the varieties and functions of debit and credit cards, and develops services such as collecting and paying fees on behalf of others, and achieves one-stop financial services for citizens through counters, online banking, telephone banking, mobile banking, self-service facilities and other service channels. At the same time, the Bank continues to enhance customer experiences and provide quality financial services to customers, thus stationing as the boutique bank at the doorstep of citizens. As of the end of the Reporting Period, the total personal deposits of the Bank amounted to RMB 107,775 million, representing an increase of RMB 12,187 million or 12.75% over the end of last year; the balance of personal loans in the Bank amounted to RMB 67,329 million, representing an increase of RMB 7,735 million or 12.98% over the end of last year; issued 6,591.3 thousand debit cards, with an increase of 521,000 issuance over the end of last year, and issued 492,800 Shangding credit cards, with a total purchase amount of RMB 76,500 million.

During the Reporting Period, the Bank issued Taihang Changxin Logistics Card (太行暢興物流卡) and Shangdin Fumin Card (商鼎富民卡), carried out card replacement services with the original card number, launched the low risk, high liquidity net worth wealth management product "Jinwutong Zhengyin Bao" (金梧桐鄭銀寶) and accelerated the development of online insurance services. Exploiting the internet channels for the precious metal agency business and launching the Bank of Zhengzhou's Tmall flagship store, the Bank improved its customer rights and benefits system through digital construction to provide customers with more convenient financial services.





Case

"Bank of Zhengzhou Financial Manager" mini-program went online

During the Reporting Period, the Bank launched the "Bank of Zhengzhou Financial Manager" mini-program to strengthen the three capacity building of product selection, professional services and technological support, to provide customers with a rich and warm one-stop wealth management space. The "Bank of Zhengzhou Financial Manager" mini-program was launched for 6 months, with 65,800 registered customers and sales exceeding RMB 13,000 million. In December 2020, it won the "Annual User Experience Award" in the China Financial Annual Brand Case Competition.



Case

Celebrating the National Day and demonstrating the power of employees – the 2020 "Zhengyin Cup" Trade Union Member Orientation Competition was successfully held

On 28 September 2020, the Bank and the Zhengzhou Federation of Trade Unions jointly held the 2020 "Zhengyin Cup" Trade Union Member Orientation Competition with the theme of "celebrating the National Day and demonstrating the power of employees". More than 1,200 members from the city's trade unions participated in the event.

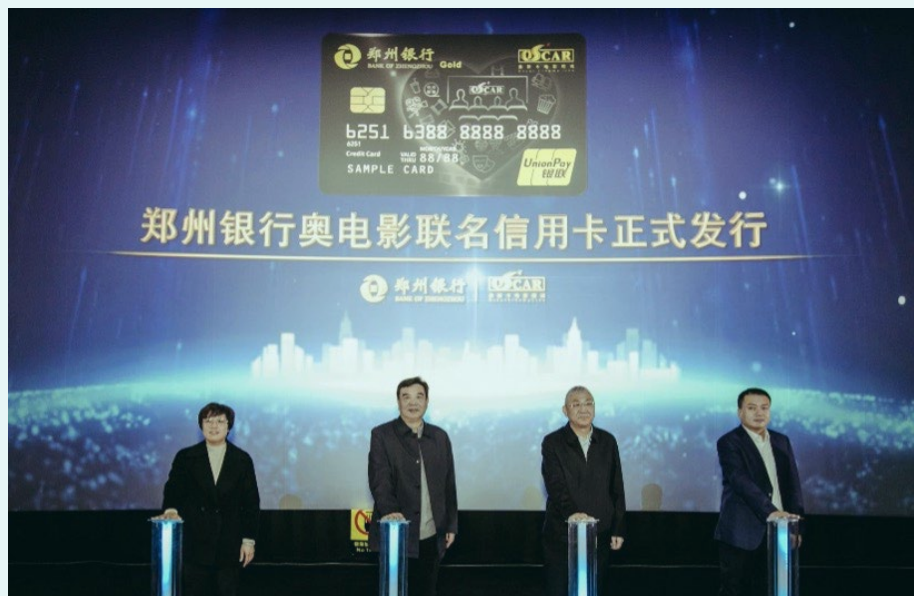
The event consisted of 5 well-designed routes, namely "Weiwei 5 Years Old, the Road to Patriotism, the Road to Environmental Protection, the Road to Civilization and the Road to Zhengyin", which implied the concepts of positive, patriotic, optimistic and sustainable development. The Bank invited a professional team to assist in ensuring the safety of participants, and organized preferential merchants to carry out on-site services. In addition, participants could also take part in fun golf, acupuncture board skipping, pitch-pot and other games.

More than 1.4 million Zhengzhou Trade Union Card was issued, where the card was praised by the majority of union members for its characteristics of "strong functions, multiple discounts and good experience". Bank of Zhengzhou will continue to improve various functions of the trade union card with the "spirit of ingenuity", and provide more quality financial service and turn the trade union card into a new and beautiful business card.



During the Reporting Period, the Bank continued to optimize the environment for credit card use and carried out the following work:

- Enriching rights and interest services: issued new products, created special rights and interests, launched the Zhengyinle Card, Virtual Card and Oscar Card; launched the aviation accident insurance and added business travel characteristics into credit cards to fill the gap in aviation rights and interests



- Optimizing marketing activities: launched discount activities for Zhengzhong City and other ecological scenario credit cards and carried out anniversary brand activities

- Improving business functions: launched the "Bank of Zhengzhou Credit Card" mini-program to realize online operations of the entire process; realized the Alipay repayment function to further enrich the repayment channels

# Benefiting People's Livelihood and Implementing Inclusive Finance





## "Three Rural Sectors" and Targeted Poverty Alleviation

The Bank actively supports the production and operation financing needs of the agricultural industry, rural areas and farmers, helps farmers increase their income, supports the development of township enterprises, and invigorates the rural economy. During the Reporting Period, the Bank connected with platforms such as the Henan Province Financial Service Shared Platform, the Henan Province Financing Integrated Credit Service Platform (Xinyurong) and the Henan Province Rural Credit Information System, and launched its credit services in the platforms to serve the "three rural" customers and support the rural economic development.

Deeply acknowledging financial targeted poverty alleviation as the vital support in conducting poverty alleviation, the Bank has formulated the *Bank of Zhengzhou Work Plan for Targeted Poverty Alleviation through Financial Services in 2020* and the *Bank of Zhengzhou Operation Manual for Cooperative Poverty Alleviation Loan Service*, and continues to improve the financial support and guarantee measures for targeted poverty alleviation, contributing the "power of Zhengyin" to win the battle against poverty. The Bank's targeted poverty alleviation agency regularly organizes targeted poverty alleviation work meetings and conducts research and planning on policies and measures. A targeted poverty alleviation agency has also been established, where the Kaifeng branch is designated as the lead bank in the Lankao region, and Shangqiu branch is designated as the lead bank for the micro-credit for poverty alleviation. In accordance with the requirements of the Zhengzhou Municipal Committee for poverty alleviation, the Bank has selected employees to carry out stationed poverty alleviation in Wolong Village, Jiajinkou Town, Gongyi, and entered the frontline to provide solid assistance for poverty alleviation.



Balance of agriculture-related loans

RMB **56,279** million



Targeted industrial alleviation loans granted

RMB **628.01** million



Driving **3,520**

archived poverty-stricken population to achieve prosperity





## Case

## Targeted poverty alleviation by " cooperative poverty alleviation loan"

Responding to the calling of the government, the Bank actively connected with the Juai Cooperative in Neixiang County, Nanyang, conducted on-site visits to gain an in-depth understanding of its production and operation models, capital turnover needs, financial status and other information, and designed customized "cooperative poverty alleviation loan" products for the cooperative.

In May 2020, the Bank granted poverty alleviation loans of RMB 200 million to 40 village-level cooperatives in Neixiang County, Nanyang, through this product, providing assistance to 1,487 poverty-stricken households. As of the end of 2020, the Bank issued poverty alleviation loans of RMB 400 million to 80 village-level cooperatives, benefiting a total of 3,101 poverty-stricken households.



## Case

## Giving out warmth in the bitter winter – the general Party branch of Xinxiang branch carried out condolences and assistance activities

On 25 November 2020, Wolong Village, Jiajinkou Town, Gongyi was covered in a snowy white carpet after snowing. The general Party branch of the Xinxiang branch went to Wolong Village and carried out condolences and assistance activities, visiting some of the poverty-stricken households in Wolong Village, understanding the effectiveness of target poverty alleviation in the poverty-stricken households in Wolong Village and the development of the village's collective economy, and giving out electric heating fans and other heating equipment to the villagers.



## Caring for and Contributing to the Society

The Bank stays true to its aspiration and keeps in mind the mission of giving back to society, promoting joint development with the society and conveying gratitude and care through social welfare and other charitable activities.

After the outbreak of the COVID-19 epidemic in 2020, the Bank has actively implemented the "six stabilities" and "six guarantees" requirements by the Party Central Committee and the provincial and municipal governments to relieve the impact of the epidemic, focusing on epidemic prevention and control and the resumption of work and production. The Bank has concretely fulfilled its responsibilities as a local bank, putting all effort into financial services and contributing to the battle against the epidemic.

- The Bank introduced a number of measures to benefit residents and corporates, and offered reduction or exemption of service charges during special periods.

- The Bank joined the front line, donated RMB 5.1 million to the Zhengzhou Charity Federation, while employees at all levels voluntarily contributed donations and materials of around RMB 2.1 million to the Red Cross and other charitable organizations, as well as crucial epidemic prevention units such as the public securities, communities and hospitals, specifically donated RMB 0.4 million to support the "Motherland" charity activity, and sending vegetables and fruits to the homes of medical staff in 5 designated hospitals.

- The Bank participated in caring activities for medical staff in the Hubei Province, and organized voluntary blood donation activities with a total blood donation of 37,200 milliliters.

- Implementing the online donation plan through all channels, the Bank realized donations from all channels, including online banking, mobile banking, Ding Rong Yi, WeChat and Alipay to allow easier access to donation activities.

- In order to comprehensively explore the impact of the epidemic on the production and operation of enterprises, the Bank formulated the *Bank of Zhengzhou Guidance on Supporting the Resumption of Work and Production of Enterprises*, issued and distributed the *Bank of Zhengzhou Emergency Notice on Effectively Ensuring Financial Support of Enterprises Under Major Protection for the Prevention and Control of the Epidemic*, and developed categorized assistance plan and policy for each account to ensure adequate financial support for the enterprises under major protection for the prevention and control of the epidemic.

- The Bank introduced 8 preferential policies to small and micro customers to give priority to granting loans for small and micro enterprises related to epidemic prevention and control, and introduced the low interest "work resumption loan" to alleviate small and micro enterprises' imminent needs of financing for the resumption of work, granting the "work resumption loan" of a total of RMB 5,600 million to 3,325 small and micro enterprises throughout the year.

- The Bank applied for an anti-epidemic special re-loan from the People's Bank of China, identified and clarified each enterprise on the list and investigated their financial needs enterprise-by-enterprise, granted the special re-loan of a total of RMB 979 million throughout the year.

- For the customers who were unable to repay principal or interest due to the epidemic, the Bank offered deferred repayment of principal and interest to ease the enterprises' pressure of repayment.





Case

The Henan financial sector fulfilled their unshirkable duties to combat against the COVID-19 epidemic

On 23 February 2020, the "Love Express" jointly carried out by the Bank, the Zhengzhou Women's Federation, the Zhengzhou Charity Federation and the Zhengzhou Municipal Health Commission, officially launched the motherland charity activity to send baskets of vegetables and fruits to the homes of 665 frontline anti-epidemic medical staff, expressing the Bank's care and respect for the frontline medical staff.



On 4 March 2020, the Bank joined the launching of the "One Breath, Thousands of Love" anti-epidemic supplies giving activities for reporters, distributing anti-epidemic materials to frontline reporters in the epidemic and providing free medical protection materials, including hand sanitizer, disinfectant, disposable medical masks, disposable medical gloves, protective clothing for civilian use and medical goggles to offer them with safety and warm protection.



On 31 March 2020, when the first batch of Zhengzhou medical staff assisting Hubei Province were safely released from quarantine, the Bank allocated special funding of RMB 1.5 million and cooperated with the Zhengzhou Federation of Trade Unions to tailor exclusive heart-warming gift packages to all medical staff assisting Hubei Province, paying tribute to "the cutest person in the new era".



In order to alleviate the difficult situation of urgent need of blood for medical use, the Bank organized the voluntary blood donation activity with the Henan Provincial Red Cross Blood Center on 10 April 2020 to contribute to the battle against the epidemic with practical actions.



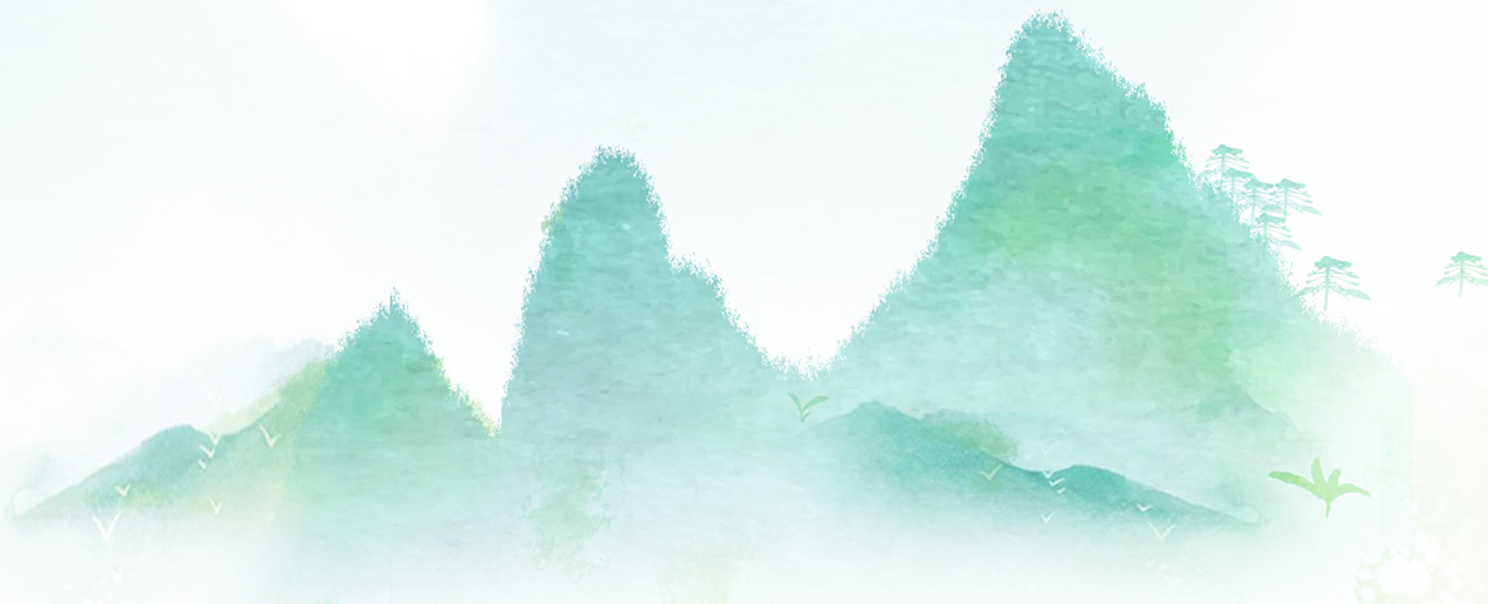
In addition to actively participating in the prevention and control of the epidemic, the Bank continues to carry out various social welfare and charity activities, and effectively assumes its due social responsibilities. During the Reporting Period, the Bank donated RMB 0.1 million to the Henan Women and Children Development Foundation's "Let Children Drink Safe Water" project, participated in Zhengzhou's "Bringing Love to Hometown" 2021 Winter Holiday Children Caring Activity and 2020 "99 Charity Day" Charity Event Launching Ceremony to donate RMB 0.1 million, and participated in the selection of the "Ten Red Flag Units for Assisting in Targeted Poverty Alleviation in Henan Province". On the occasion of the 13th "Zhengzhou Charity Day", the Zhengzhou Charity Federation announced the list of the 5th "Zhengzhou Charity Awards", where the Bank won the title of the "Most Caring Donation Enterprise".



### Case

### The operation division of the headquarter carried out elderly caring activities

On 15 January 2020, some employees from the operation division of the headquarter paid a visit to the elderly in the apartments for the elderly in Henan province before Chinese New Year. They talked cordially with the elderly, asked in detail about their living and physical conditions, brought birthday cakes, flowers and fruits to the elderly who had birthdays that month, and performed songs and Henan opera and other programs for the elderly.





Case

"Zhengyin in Action, Warm Breakfast Week" charity event

The Bank launched the "Zhengyin in Action, Warm Breakfast Week" charity event during October and November 2020. The event consisted of three parts, including "donations", "breakfast delivery" and "giving back love", delivering heartwarming breakfast to the hardworking sanitation worker and traffic police, and paying tribute to the guardians of the urban environment and traffic order.

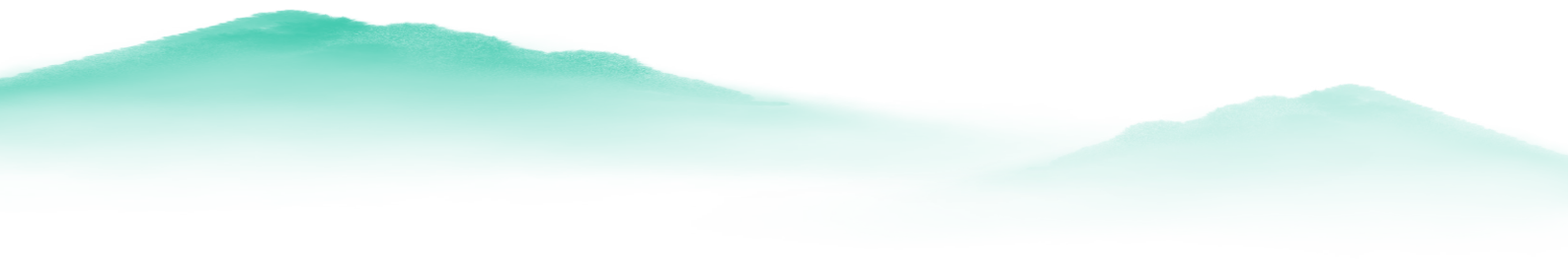


Case

Bank of Zhengzhou carried out a jogging activity with more than 1,000 middle-aged and elderly customers

In the golden autumn surrounded with the fragrance of Osmanthus, the "2020 Middle-aged and Elderly Customer Jogging Competition" hosted by the operation division of the headquarter and undertaken by the Zhengzhou Management Department was successfully held on 11 October 2020. More than 1,500 people from 22 customer teams of the 19 branches under the management of the Zhengzhou Management Department participated in the competition.

This event demonstrated the Bank's care for the middle-aged and elderly customers, demonstrated the Bank's commitment to fulfilling social responsibilities, and further enhanced the Bank's image as a "boutique bank for residents".



## Paying Attention to People's Livelihood Construction

Regarding infrastructure construction, the Bank's credit policy specifies that priorities should be given to national key projects and public utility projects that are closely related to the national economy and people's livelihood (such as urban water supply, heating, gas supply, sewage and waste treatment, underground integrated pipe corridors, etc.), public service projects (such as medical service facilities, elderly care services, ecological construction and environmental protection, education, culture, municipal engineering, etc.), affordable housing projects (such as shanty town renovation, etc.), major infrastructure projects (such as railways, ports, highways, rail transit, etc.) and water conservancy projects, thus providing financial support for the improvement of public infrastructure construction and the life quality of residents.

The Bank continues to increase credit allocation in the infrastructure sector, actively collaborates with local governments at all levels, targeting Zhengzhou's planning of "strengthening the east, moving with the south, preserving the beauty of the west, steadying in the north, prioritizing the middle, connecting with the outside" to strengthen bank-government business cooperation and enhance the support to both old and new infrastructure, including new urbanization construction, municipal infrastructure, park construction and operation, and public service projects for people's livelihood. During the Reporting Period, the Bank implemented projects covering various types of infrastructure construction at the provincial, prefecture, and county levels, and the construction of shanty towns and resettlement areas.

Transaction amount for social infrastructure construction about

RMB **17,400** million



Balance of loans for government-subsidized housing construction

RMB **4,585** million



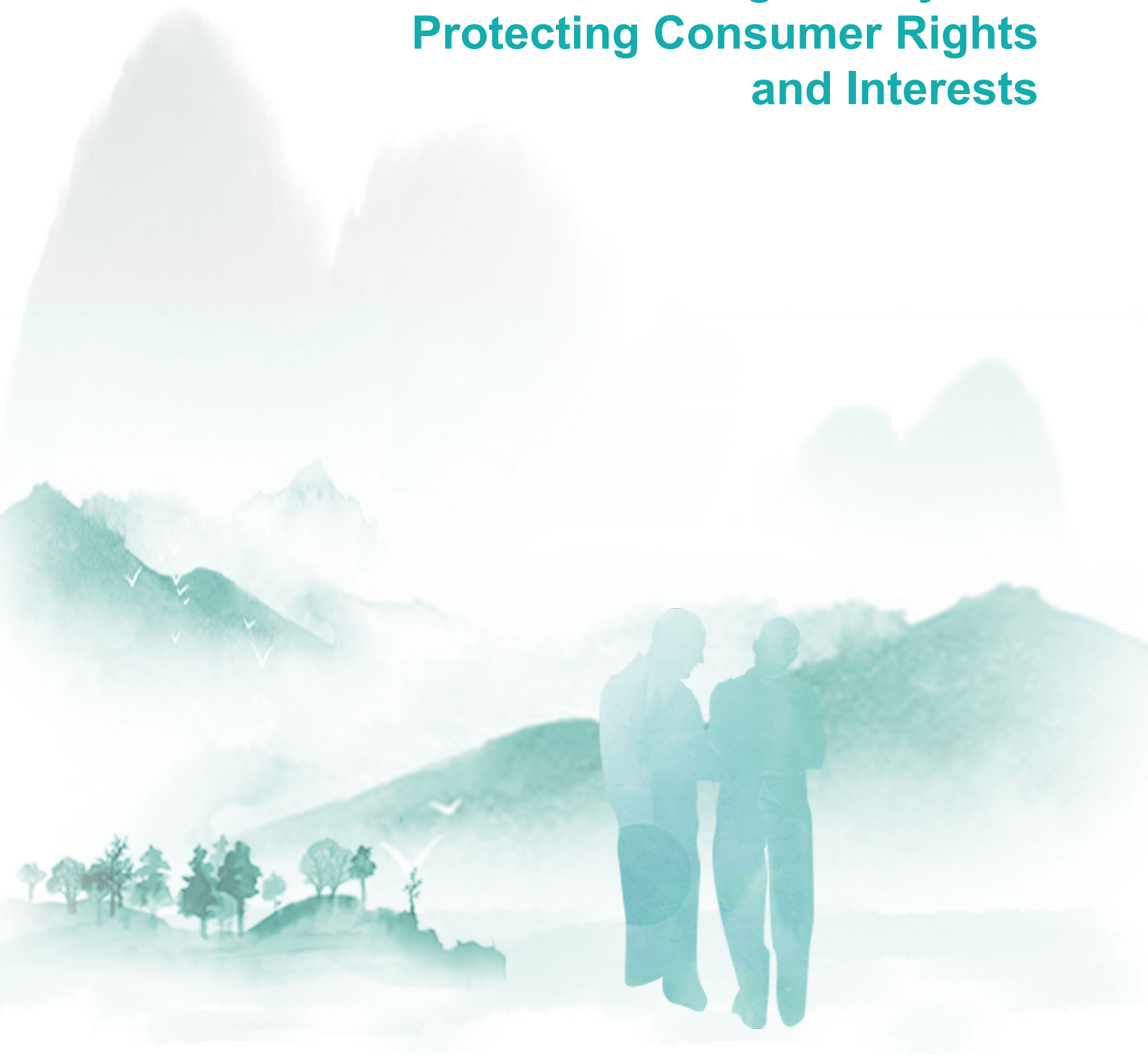
### Case

### Supporting the construction of the Tanghe river training project in a county in Anyang

During the Reporting Period, the Bank issued credit of RMB 200 million to the Tanghe river training project in a county in Anyang, supporting the project to carry out bottom dredging of the reservoir, ecological dredging of river channels, silt cleaning, river widening and flood control reconstruction, ecological bank construction, artificial wetland construction, aquatic plant restoration, construction of shore protection forest and water and soil conservation forest, sewage interception and wetland purification, return of farmland to wetland, patrolling roads, landscape and related supporting facilities construction.



# Prioritizing Quality and Protecting Consumer Rights and Interests





# Improving Financial Service Quality

## Strengthening Service Management

Guided by the high-quality development strategy and technological innovation, the Bank has built a quality service team to pay close attention to customer needs and continuously improves service quality and efficiency. At the same time, the Bank optimizes its internal management mechanisms, strengthens service training and management to provide customers with the best experiences.

### Management Mechanism

### Annual Performance

#### 1. Determine the overall target for quality service

- Formulate the annual quality service plan
- Timely summarize the implementation of quality service work and continuously promote the improvement of services

- Signed the 2020 quality standardized service target responsibility statement
- Convened the 2020 service meeting and the 2020 mid-year service meeting

#### 2. Innovate the service training approach

- Develop an innovative training approach that combines actual needs of branches of the Bank to formulate implementation plans for on-site counselling with quality standardized services for branches, and establish a long-term all-around counselling mechanism

- Carried out targeted training and counselling for 44 branches, with nearly 2,000 employees participated in the training

#### 3. Focus on the promotion of typical experience

- Launch mini-lectures through the WeChat account "Home of Zhengyin" to promote advanced service outlets and service cases and enhance brand management and shaping
- Strengthen the management of external publicity, strictly control the content of publicity, ensure the truthfulness and reliability of information delivered to the public, and prevent the use of misleading information

- Uploaded 38 service etiquette videos, 15 service training courseware and 8 activity clips
- Uploaded 8 videos on topics such as skill display by the winner of the May 1st Labor Medal, cases of outstanding employees' high-quality service and experiences sharing by quality service models

#### 4. Strengthen daily service management

- Carry out service management survey and service slogan collection activities to gradually establish and improve the concept of service culture
- Carry out outlet satisfaction surveys to solicit customer opinions and suggestions and provide guidance for the Bank's service management improvement work in 2021
- Organize and participate in industry service exchange activities, including on-site observation and exchange activities, banking industry civilized and standardized service training, etc.
- Optimize service measures in benefitting the public, and configure shared charging equipment in all outlets of the Bank

- Collected 351 slogans, selected 6 excellent slogans, and selected 8 service image ambassadors
- Established 70 caring stations for outdoor workers in business outlets

During the Reporting Period, the Bank established a new business model for customer-centric online operations. The mobile banking had been fully upgraded and revised, with significant improvements in application response speed, function richness, user interface display and interactive experience, to allow comprehensive enhancement of user experience and operation quality; launched the "Jiujiu Edition" mobile banking exclusively for elderly customers to facilitate online operations for elderly customers. The Bank enriched the ecological construction of the WeChat Bank, built a number of mini-programs, expanded service channels to meet customer needs, leading to continuous increase in the number of customers and transaction amount of online services.

Adhering to the spirit of "serving customers and serving the Bank", the Bank's customer service center explores new approaches to interact with customers, using methods such as face recognition, identity verification and video double recording to actively try to develop video banking. Through the application of artificial intelligence technologies and intelligent robots, bank-enterprise reconciliation notifications and scenario services were introduced to reform the business handling procedures and digitalized offline business to online services, thereby enhancing business handling efficiency while improving customer experiences. During the Reporting Period, the Bank's customer service center successfully passed the "Special Evaluation of Emergency Management Capability" of the China Banking Association, where 2 employees were awarded the titles of "Excellent Customer Service Star" and "Excellent Customer Service Model".



#### Case

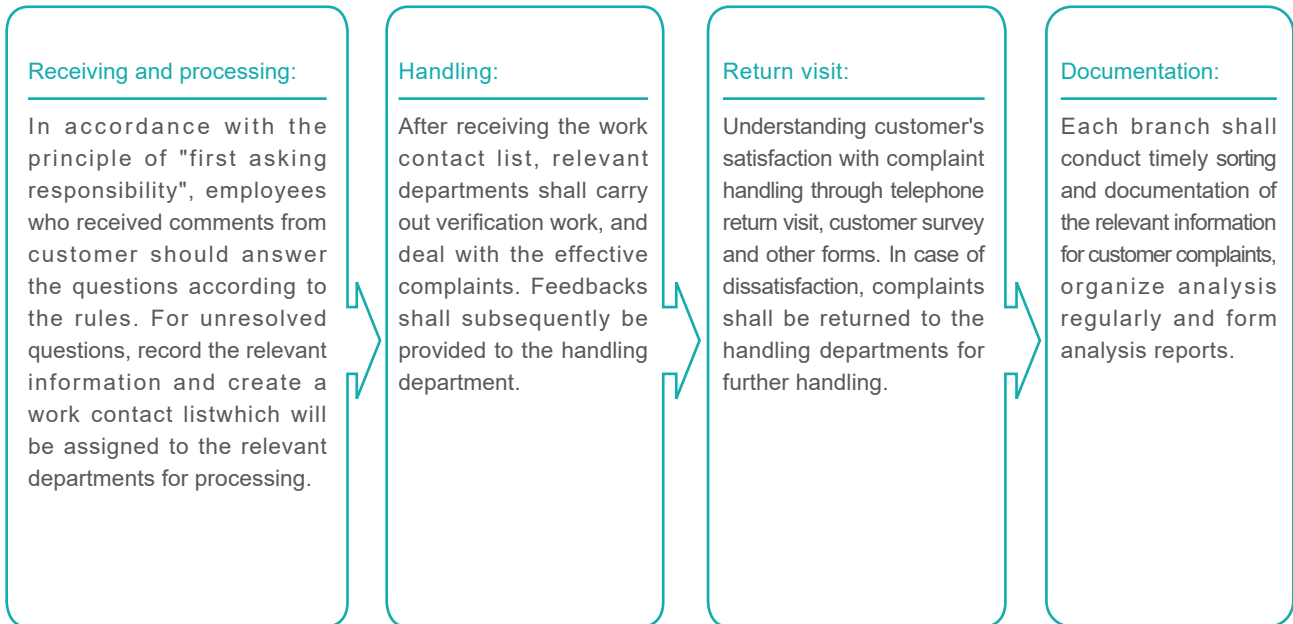
#### Optimized the construction of private banking services

Regarding the private banking customers, the Bank has established an exclusive product system for private banking customers, where the asset scale of the exclusive products for private banking customers had exceeded RMB 3,000 million. The exclusive non-finance services cover aspects such as healthcare, business travel concierge, financial intelligence and taxation, arts and humanities, lifestyle, wealth inheritance and children's education. In July 2020, the Bank's first special regulations *Bank of Zhengzhou Regulations on the Management of Headquarter Level Private Banking Customers* came into effect. During the Reporting Period, the Bank held 15 offline events for private banking customers.



## Strengthening Complaint Management

The Bank continuously improves its complaint coordination and handling mechanism, strictly managing complaints from customers in accordance with the *Bank of Zhengzhou Regulations on Customer Complaints Handling* to effectively meet reasonable demands of customers. At the same time, the Bank has established a wide variety of opinion expression channels for customers, including customer hotline, complaint service line, outlet suggestion boxes, portal website and telephone survey to facilitate customers to express their opinions. The Bank handles their opinions following the following four steps:



During the Reporting Period, the Bank handled 499 customer complaints with a resolution rate of 100%, prepared and issued 13 complaint analysis reports, and put forward 24 comments and suggestions that provided reference for improvement of the Bank's service quality.

## Enhancing Financial Innovation

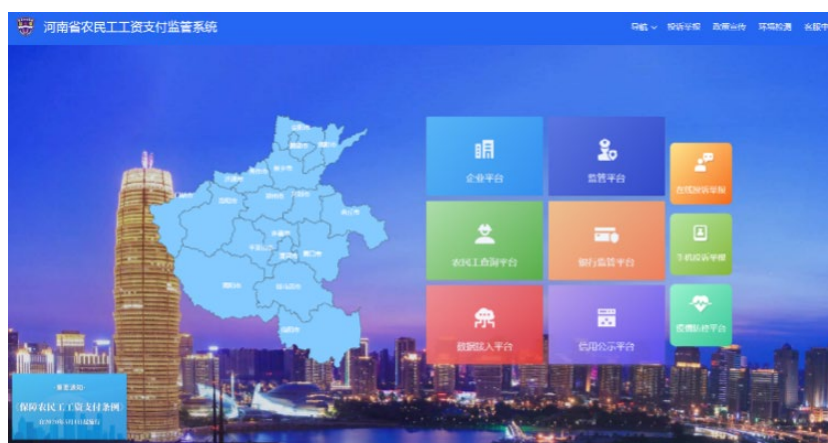
The Bank is committed to continuously innovating financial products and services, taking the path of distinctive and differentiated development, creating higher values for customers with featured products and services, and taking this as the breakthrough to enhance market competitiveness and forming its core competitiveness. During the Reporting Period, the Bank strengthened the innovation management, formulated the *Bank of Zhengzhou Personnel Regulations for the Product Innovation Management Committee* and the *Bank of Zhengzhou Personnel Regulations for the Product Innovation Management Committee Office*, and adjusted the organizational structure to rename the "Innovation Management Committee" as the "Product Innovation Management Committee", specifying the focus on "product innovation" at the top-level structure of innovation management. The Product Innovation Management Committee will be responsible for determining the Bank's innovation system, innovation direction and innovation goals, coordinating the innovation needs of each line, coordinating resources, cooperating with development, and giving full play to the synergy effects.



## Case

## Scenario financial product innovation

Closely following national policies and needs of scenario services, the Bank introduced financial innovative products for four scenarios: school catering easy payment, medical insurance prepayments, migrant worker salary supervision, and home ownership deposits during the Reporting Period. By breaking through the barriers of traditional financial products and providing integrated and innovative financial services and products that align with business scenarios of customers, the Bank provided quality and convenient financial services for customers from industries such as catering, hospitals, construction and real estate, meeting the actual business scenario needs of customers.



## Safeguarding Customers' Health

Facing the severe challenges of the COVID-19 epidemic, the Bank continues to exercise normalized epidemic prevention and control in accordance with relevant national regulations and implements epidemic prevention and control measures to ensure the health and safety of customers.

During the Reporting Period, the Bank established the "Bank of Zhengzhou COVID-19 Epidemic Prevention and Control Working Group", formulated an epidemic prevention and control plan, and issued the *Bank of Zhengzhou COVID-19 Epidemic Prevention and Control Plan*, paid close and strict attention to the planning of epidemic prevention and control from the six dimensions of organizational management, district management, canteen management, personnel management, security management and customer service. At the same time, the Bank strengthened the management of customers inside and outside the business premises by assigning dedicated personnel to frontlines for supervision, conducting spot checks on the video surveillance of customers entering business premises, and checking and verifying registrations. The Bank supervised and inspected the management of epidemic prevention materials and the management of reserves, inspected the safety management of disinfection supplies and whether the use of disinfectant in large areas has been strictly controlled in accordance with the management regulations of hazardous chemicals. All disinfectant of the Bank was managed by designated personnel, stored at designated locations and registered in logbooks to ensure the health and safety of customers and employees.

On 31 March 2020, the Bank conducted training on the resumption of work and production and the prevention and control of epidemic for all employees, and organized self-examination and self-correction of the prevention and control of COVID-19, improving the awareness of epidemic prevention and control of all employees, strengthening the epidemic prevention and control measures, and continuing to fight the battle against the epidemic.

## Safeguarding Consumer Rights and Interests

The Bank strictly complies with relevant laws and regulations such as the *Law of the People's Republic of China on Commercial Banks*, the *Advertising Law of the People's Republic of China*, the *Contract Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*. Having formulated and implemented internal management policies such as the *Bank of Zhengzhou Regulations on Protection of Customer Rights and Interests*, the *Bank of Zhengzhou Regulations on Protection of Personal Financial Information Security*, the *Bank of Zhengzhou Implementation Rules for Quality Evaluation on Work of Protection of Consumer Rights and Interests*, and the *Bank of Zhengzhou Regulations on Customer Complaints Handling*, the Bank has specified responsibilities of each department and developed evaluation indicators, effectively protecting consumer rights and interests.

### Protecting Privacy of Customers

The Bank has formulated the *Bank of Zhengzhou Regulations on Personal Financial Information Protection*, the *Bank of Zhengzhou Regulations on Data Security* and the *Bank of Zhengzhou Regulations on Personal Financial Information Protection Accountability* and other information protection regulations, regularly organizes emergency plan drills, continues to conduct financial information security investigations, effectively protecting privacy of customers.

During the Reporting Period, the Bank amended rules such as the *Bank of Zhengzhou Regulations on Personal Financial Information Protection Accountability*, the *Bank of Zhengzhou Operating Rules on Managing Personal Credit Information* and the *Bank of Zhengzhou Regulations on Data Security*, and organized four bank-wide self-inspections on the credit investigation services, further strengthening the Bank's credit investigation services and improving the employees' awareness of safe operation. The Bank deployed professional network security protection equipment to prevent external attacks, and conducted annual security tests on important internet customer systems and mobile applications to protect customers' data from being stolen illegally. User data were transmitted using an encryption protocol based on risk assessment, while irreversible encryption was applied for the storage of user data. All user data are divided according to security level to strictly control the internal data use, where relevant approval and authorization must be obtained before data operation.



#### Case

#### Carrying out special investigation on the application risks of financial technology

In June 2020, the Bank carried out a special investigation on the application risks of financial technology, and conducted more than 120 special risk assessments for various internet customer systems, including 37 investigations on personal financial information protection and 11 special investigations on transaction security, further strengthening financial technology security management and protection of user data privacy to ensure customer privacy.



#### Case

#### Carrying out drill on the emergency plan for personal financial information leakage

In October 2020, the Bank carried out a drill on the emergency plan for the leakage of personal financial information, sorted out the emergency response procedures, and tested the smoothness and efficiency of information reporting and communication routes at all levels, thereby improving emergency command, decision-making and cross-departmental coordination ability, and maximizing the security of customers' personal financial information.

## Popularizing Financial Knowledge

The popularization of financial knowledge is of great significance to enhancing the self-protection awareness and risk prevention awareness of financial consumers, and building a harmonious financial environment, and is an important guarantee for safeguarding the rights and interests of financial consumers. Actively fulfilling its social responsibilities, the Bank carries out financial knowledge popularization activities for the public to enhance their awareness on preventing risks and using financial service correctly, as to fulfill the responsibilities of building a harmonious financial relationship and promoting financial stability.



### Case

#### "Xiaozheng" helps to popularize financial knowledge

In order to popularize financial knowledge and promote deposit insurance to the public, the Bank produced an animation video of *Xiaozheng Talks about Deposit Insurance*, featuring the lively and lovely mascot of Bank of Zhengzhou "Xiaozheng". By using animations to illustrate the daily scenario of customers going to banking outlets to deposit money, the concept, purpose and significance of deposit

insurance were popularized to the public in a lively manner, helping to create a healthy and stable financial environment. The video won the second prize of animations amongst financial institutions in Henan Province in the "Excellent Original Works Selection of the 2020 Henan Province Banking and Insurance Industry Financial Knowledge Promotion" organized by the Henan Province Bank and Insurance Regulatory Commission.



### Case

#### RMB anti-counterfeiting knowledge promotion campaign

During the period between July to September 2020, the Bank carried out RMB anti-counterfeiting knowledge promotion campaign through daily promotions at outlets, centralized outdoor publicity, internet promotions and other formats, deepening the promotion and popularization of RMB knowledge, such as the management of RMB patterns, trading management of RMB, the rectification of cash rejection and RMB anti-counterfeiting, thereby promoting a better understanding of RMB-related knowledge and the protection of the legitimate rights and interests of the public.





Case

Fighting and managing new types of illegal and criminal activities on telecommunications networks to create a good financial market order

During the period between May and September 2020, the Bank launched the publicity campaign of "fighting and managing new types of illegal and criminal activities on telecommunications networks to create a good financial market order", focusing on "contactless" publicity approaches to enhance promotion effect through multiple channels.



Case

Pingdingshan branch launched the "Little Banker Achieves Big Dreams" experience event

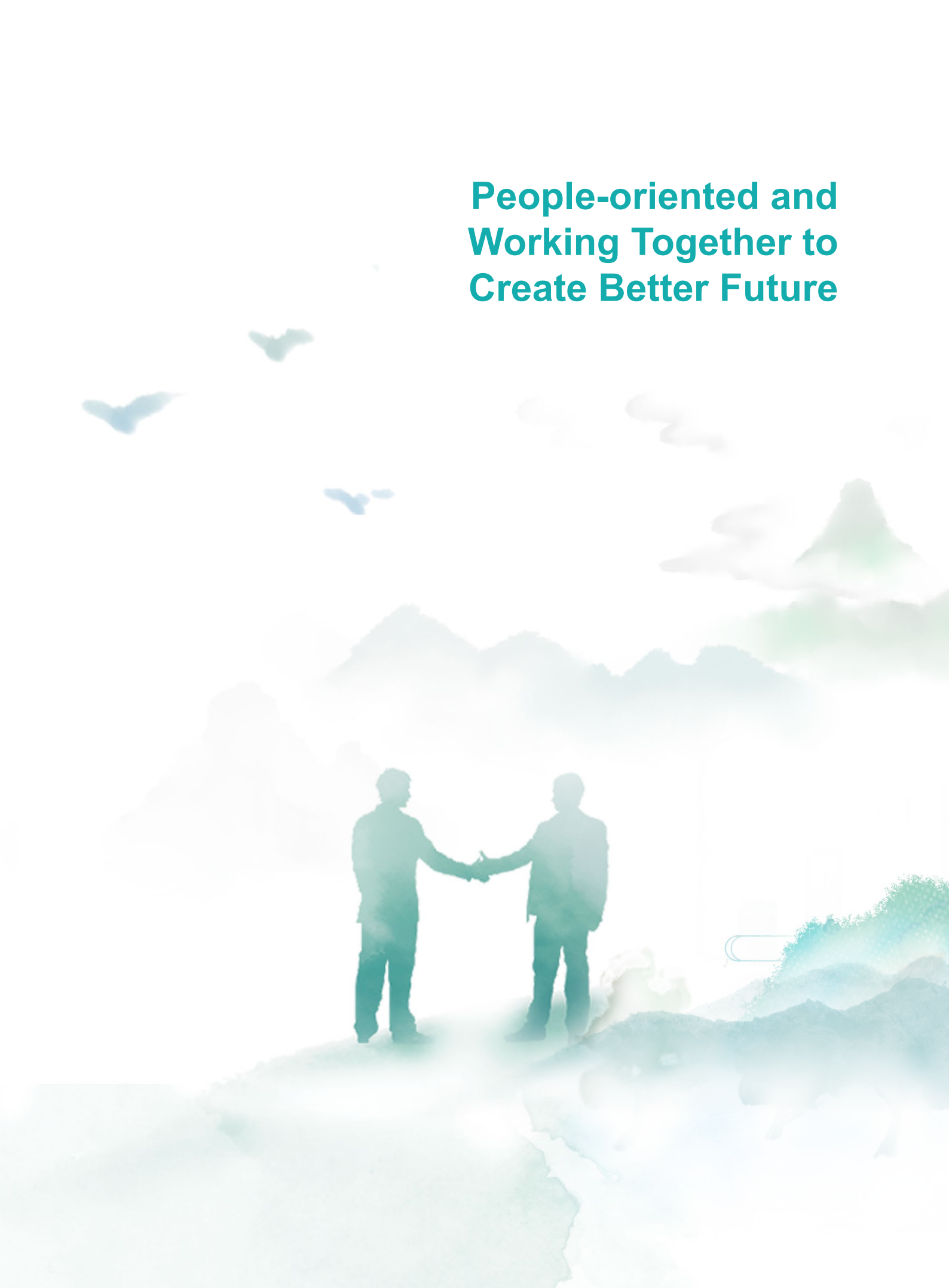
On 13 August 2020, Pingdingshan branch held the "Little Banker Achieves Big Dreams" experience event, where children accompanied by their parents participated in the event, and became "little financial fans". Leading by employees of the Bank, the children visited the VIP room of the branch, the wealth management room and the parent-child corner, learned about banking service etiquette, courtesy language and currency knowledge, and had close contact with equipment including deposit and withdrawal machines, currency detectors, etc., gaining basic understandings of money and currency.



## Conducting Advertising Truthfully

The Bank strictly manages the publicity of business and services, and develops review procedures for publicity materials in accordance with the relevant provisions of the *Bank of Zhengzhou Regulations on Publicity Work*, strengthening the supervision of business marketing and publicity behaviors of third parties in business cooperation. The Bank strictly complies with the publicity behavior standards, where quoted data and materials must be valid and accurate. The Bank forbids the marketing and promotion of products or services in a fraudulent or misleading manner, discloses past performances truthfully, prohibits the offering of guarantees regarding future effects, benefits or related conditions of asset management products, and the expression or implication of a guaranteed capital, risk-free or guaranteed return. Special markings that are sufficient to attract consumers' attention, such as text, symbols, fonts and colors, should be used to explain matters that restrict consumer rights and aggravate consumer obligations, thus protecting the legitimate rights and interests of consumers.

# People-oriented and Working Together to Create Better Future





## Protecting Rights and Interests of Employees

The Bank strictly complies with relevant laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, and has formulated and implemented the *Bank of Zhengzhou Rules on Human Resource Management*, the *Bank of Zhengzhou Procedures for Employee Recruitment Management*, the *Bank of Zhengzhou Regulations on Labor Contract Management*, the *Bank of Zhengzhou Regulations on Remuneration Management*, and the *Bank of Zhengzhou Head Office Regulations on Employee Performance Appraisal Management* to standardize employees' recruitment, salary, dismissal, promotion, working hours, holidays, benefits, codes of conduct, professional ethics and other matters. The Bank respects differences of employees and does not discriminate against them because of their race, gender, age, religion, ethnicity, or any other factors.

During the recruitment process, the Bank strictly examines the applicant's identity information to eliminate child labor and all forms of forced labor. During the Reporting Period, the Bank strictly complied with relevant laws and regulations and internal rules, and there was no incidence of child labor or forced labor.

Following the principle of "fairness, competitiveness, incentivization and economy", the Bank continuously improves its remuneration and promotion system. Aiming at improving market competitiveness and attracting talents, the Bank provides remuneration based on the job value, personal capabilities and performance contribution and with reference to local average wage level, the average level of the financial industry, supply and demand of the labor market, living costs and the price level to ensure fairness. The Bank also continuously optimizes its performance appraisal system, takes the performance appraisal results as the main basis for individual job appointment and removal, salary distribution and post adjustment, and stimulates employees' working enthusiasm through the design of incentive wage units such as variable salary and bonus. At the same time, the Bank has formulated the professional and technical sequence rating management method to provide equal promotion opportunities for non-management employees.

The Bank follows national regulations and implements a working hour system of no more than eight hours per day and 40 hours per week on average. In addition to statutory holidays, employees also have annual leave, sick leave, injury leave, wedding leave, maternity leave, bereavement leave and other paid leaves. Also, the Bank pays full value for social insurance and housing provident funds for employees in a timely manner, and has established supplementary security such as enterprise annuity and supplementary medical insurance, gradually building a multi-level pension and medical security system.

The Bank follows national regulations,  
implements a working hour system of  
no more than **8** hours per day,

And no more than **40** hours  
per week on average.



Category		2020			2019		
		Number (persons)	Percentage (%)	Turnover Rate (%) <sup>7</sup>	Number (persons)	Percentage (%)	Turnover Rate (%)
Total number of employees		4,984	100.00	1.81	4,854	100	2.26
By gender	Male	2,279	45.73	1.85	2,241	46.17	2.48
	Female	2,705	54.27	1.78	2,613	53.83	2.06
By age group	Under 30 years old (inclusive)	2,064	41.41	1.76	1,877	38.7	2.49
	From 31 to 40 years old (inclusive)	2,119	42.52	1.72	2,121	43.70	1.99
	From 41 to 50 years old (inclusive)	592	11.88	1.66	680	14.01	2.16
	Over 50 years old	209	4.19	3.69	176	3.63	3.30
By region	Within Henan Provinc	4,984	100	1.81	4,854	100	2.26
By education level	Associate's degree and below	374	7.50	-	416	8.57	-
	Bachelor's degree	3,667	73.58	-	3,596	74.08	-
	Master's degree	925	18.56	-	826	17.02	-
	Doctoral degree	18	0.36	-	16	0.33	-
By employment type	Full-time	4,984	100	1.81	4,854	100	2.26
New employees		263	5.28	-	525	10.82	-
Employees from ethnic minorities		166	3.33	-	156	3.21	-

Notes: The employee composition shows the data as of the end of the Reporting Period and does not include employees of subsidiaries of the Bank.

<sup>7</sup> Turnover rate was calculated in accordance with "number of turnovers/(number of employees as of the end of the Reporting Period + number of turnovers)".

## Caring for the Well-being of Employees

Employees' health and safety are closely correlated to the sustainable development of a company. The Bank strictly complies with relevant laws and regulations such as the *Law on Prevention and Control of Occupational Diseases of the People's Republic of China* and the *Regulation on Work-Related Injury Insurances* to provide a safe environment for employees and enhance their health knowledge and safety awareness. The Bank holds various recreational activities for its employees' work-life balance and the maintenance of physical and mental health. During the Reporting Period, the Bank did not have any violations of occupational health and safety<sup>8</sup>.

With the aim of ensuring the safety of employees' working environment, the Bank regularly carries out testing and maintenance of the fire control system, continuously carries out fire safety inspections at key fire prevention sites, and carries out fire safety education and firefighting skill training. Adhering to the principle of "combining actual situation, facing actual combat, paying attention to the practical and actual effect", the Bank regularly carries out planned drills for the prevention of sabotage, theft and robbery, terrorist attacks, fire and major safety accidents, comprehensively improving employees' safety awareness and practical skills. During the Reporting Period, all the frontline employees of the Bank participated in the pre-job security education and skill training, and the qualified rate of the training for the counter staff and custodian in the business sites reached 100% with no fire and fire insurance incidents occurred.

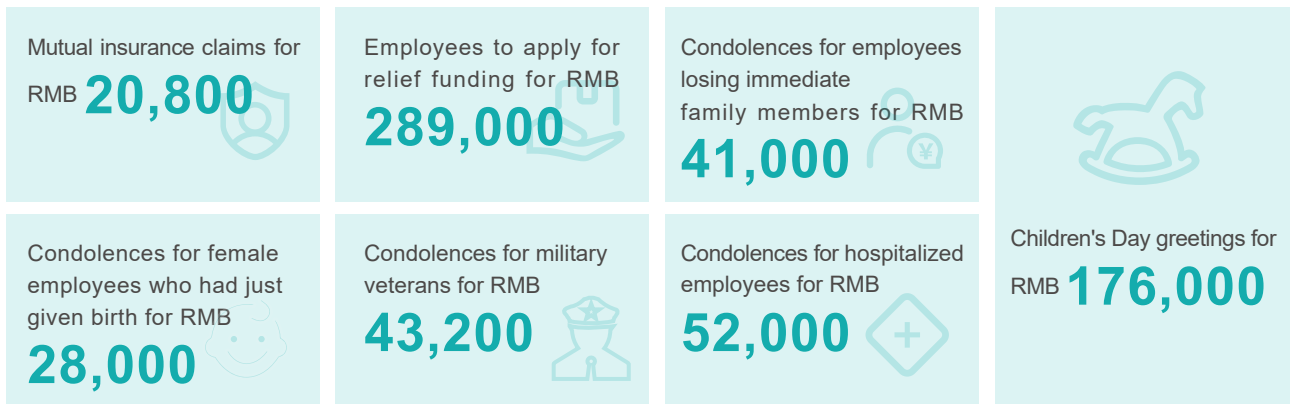
Adhering to the people-oriented principle, the Bank establishes a trade union and provides care for employees' lives from all aspects. The Bank offers mutual insurance, accident injury insurance and critical illness insurance for employees and arranges annual health checks for employees. The Bank has established an e-book reading platform named "Micro Book Store for Bank of Zhengzhou" and has uploaded more than 200 books and journals on occupational safety and physical and mental health guidance. To meet the actual needs of employees, the Bank organizes various recreational activities and networking activities for single and young employees, offers birthday, illness, funeral, childbirth and holiday condolences and greetings, and regularly visits the grassroots level employees to provide special condolences.

During the Reporting Period, all the frontline employees of the Bank participated in the pre-job security education and skill training, and the qualified rate of the training for the counter staff and custodian in the business sites reached

**100%**

**0**

fire and fire insurance incidents occurred.



<sup>8</sup> The Bank actively provides employees with comprehensive safety and health protection. In the past 3 years (including the Reporting Period), there were no work-related fatalities occurred; during the Reporting Period, there were employees suffered from work injury and lost a total of 180 days of working days.

After the outbreak of the COVID-19 epidemic, the epidemic prevention materials were in short supply. The Bank purchased and received supplies from multiple channels, and organized the distribution of epidemic prevention materials such as masks, 75% alcohol and hand sanitizers to ensure adequate anti-epidemic supplies for the Bank. The Bank immediately closed the cafeteria, turned off the central air-conditioning system, and carried out complete disinfection. Daily sterilization and disinfection of halls, elevators, offices, toilets, corridors and trash cans were arranged. The Bank set up dedicated collection bins for waste masks and paper towel, and classified them as hazardous medical wastes for handling. All office vehicles were fully disinfected before and after use. In order to solve the problem of difficulties of employees in having meals during the epidemic, free lunch boxes were provided for employees at the head office every day; after dining was resumed, physical barriers were installed in the staff canteen, and off-peak and orderly dining were arranged. At the same time, the Bank distributed disinfectants and medical masks to frontline employees throughout the year to ensure the safety of employees' work and life with a high sense of responsibility and mission.





## Case

## The fourth "Simple Pie" basketball game

The fourth "Simple Pie" basketball game concluded successfully on 20 September 2020. With the theme of "forging ahead in the face of basketballs and competing to be the Best", 12 teams and 156 players from the headquarter and branches participated in the basketball game. During the fierce two-day competition, the participants united and competed indomitably, demonstrating the positive and courageous spirit of the Bank of Zhengzhou, advancing the spirit of Zhengyin and enhancing the understanding and cohesion among employees.



## Case

## First "Taste of Zhengyin" culinary exchange event was held successfully

In order to enrich the dining menu of employees and accelerate the construction of "Happy Zhengyin", the first "Taste of Zhengyin" culinary exchange event was held successfully at the headquarter on 30 November 2020, where 14 participating chefs from the headquarter and branches competed with featured dishes made on-site. The 14 participating chefs competed fiercely and showed their abilities, presenting the carefully prepared specialties with videos, introducing a number of delightful dishes that blended the features of south and north China and the four seasons. The judges tasted the dishes with employees and shared warm care for labor in the winter.



## Leading the Development of Employees

Regarding the learning and development of employees as the driving force of corporate sustainable development, the Bank continues to improve the training system and enhance the training for talents at all levels to improve employees' abilities to perform their duties from multiple aspects.

The Bank continuously improves its training management system, and has formulated the *Bank of Zhengzhou Regulations on Internal Trainers*, the *Bank of Zhengzhou Regulations on Training Effect Evaluation* and the *Bank of Zhengzhou Regulations on Part-time Training Administrators*, so as to provide clear definition on the training level, department responsibilities and training management process, and supplement management requirements for the period of training service.

During the Reporting Period, the Bank organized projects such as concentrated training for reserve cadres, reserve cadre empowerment training, training for professional officers on the design and development of projects, and marketing skills training for account managers and junior employees, thus promoting the construction of learning organization and highlighting the development of soft skills through continuous improvement of the training system. The Bank launched the "Ding" Academy, using the online learning platform to smoothly connect offline and online training. With the aid of the "Ding" Academy, online learning activities have been set up to inspire enthusiasm and proactivity of employees for learning. The Bank continued to establish a training curriculum system for professionals, including consolidation of curriculums, construction of learning roadmap and development of internal curriculum.

During the Reporting Period, the Bank organized and attended a total of 223 training sessions on various topics with a total of 4,984 trained employees and a total input cost of over RMB 10.5164 million. The input cost per employee was RMB 2,110.03, with a training coverage rate of 100%<sup>9</sup>, achieving full training coverage for all employees.



Employee Category	Number of Trained employees (persons)	Training Coverage Rate <sup>10</sup> (%)	Training Time (Hours)	Average Training Time (hours)
Senior management	20	100	55	2.75
Middle management	560	100	12,479.5	22.28
Junior employees	4,404	100	513,432.83	116.58
Male	2,279	100	114,219.78	50.12
Female	2,705	100	96,129.72	35.54

<sup>9</sup> In accordance with relevant regulatory requirements, the Bank adjusted the calculation method of training coverage rate during the Reporting Period, and the coverage rate was calculated based on "number of trained employees/total number of employees".

<sup>10</sup> In accordance with relevant regulatory requirements, the Bank adjusted the calculation method of training coverage rate during the Reporting Period, and the coverage rate was calculated based on "number of trained employees by employee categories or gender/total number of employees by employee categories or gender".



## Case

## 2020 New Staff Training

On 27 July 2020, the Bank launched a five-day new staff training. Aiming at practicality, the training covered the front, middle and back offices, including corporate culture, integrity practice, risk management, legal compliance, featured services, anti-money laundering, official document writing, service etiquette, career planning, etc. The training content was rich and practical, allowing trainees to gain valuable knowledge.



## Case

## Certified internal trainer certification training program

In August 2020, the Bank launched the two-month "Integrating Teachers and Lectures: Internal Trainer Training Program". Making performances as the starting point, the plan took the development of professional courses as the main mission, and carried out training in a mixed online and offline mode. Trainees were allowed to learn and practice while delivering courses. The purpose of the course was to cultivate a group of professional internal trainers, organize a professional team of trainers and develop quality programs that can effectively support business development to ensure the effective improvement of the Bank's training.



## Case

## The selection of middle-level reserve cadres and the first centralized training were successfully concluded

Starting from May 2020, the Bank had carefully planned the selection of middle-level reserve cadres, and organized the first centralized training of reserve cadres on 6 – 7 November 2020. The selection of middle-level reserve cadres created an atmosphere and environment of "introducing talents with flexible approaches", and established a proper appointment direction, thereby assuring the organization and satisfying the employees at all levels and the public.

The training content for middle-level reserve cadres was rich, covering courses such as the *Future Bank in the Digital Economy Era*, the *Analysis of Macroeconomic and Financial Situation and Interpretation of Regulatory Policies*, which broadened the macro vision of middle-level reserve cadres, improved their investigation and research capabilities to provide talent support for the construction of "leading value bank with high-quality development".



## Promoting Corporate Culture

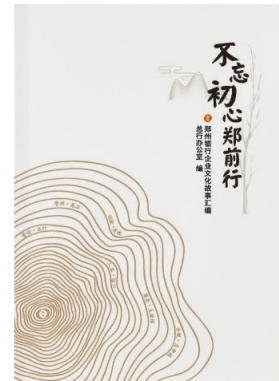
The Bank focuses on cultivating a good corporate culture and gradually establishes a unique corporate character to provide a positive working environment for employees, and presents its good corporate image to the public. During the Reporting Period, the Bank formulated a five-year strategic plan, as well as a three-year corporate culture strategic plan in accordance with the overall strategic plan deployment. Reorganizing and refining the corporate culture system, and enriching the cultural connotations of compliance, innovation, coordination, execution, proactivity and inclusion, the Bank aims to further build an excellent corporate culture, and provide strong spiritual motivation and ideological and cultural guarantee for high-quality development.



### Case

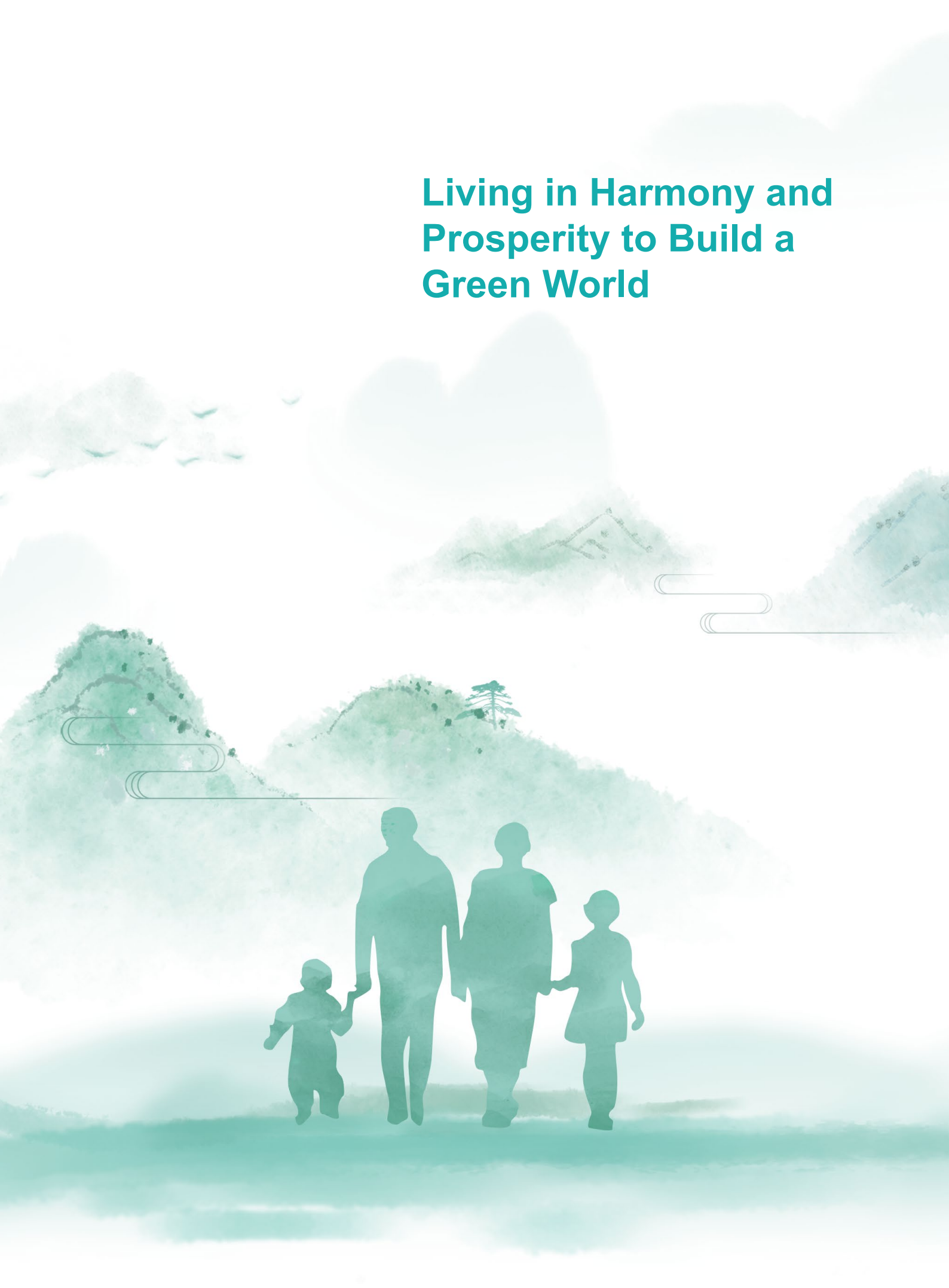
#### Stay True to Aspirations and Walk with Zheng – Collection of Bank of Zhengzhou Bank Corporate Culture Stories

During the Reporting Period, the Bank issued the *Stay True to Aspirations and Walk with Zheng – Collection of Bank of Zhengzhou Corporate Culture Stories* ("**Collection of Bank of Zhengzhou Corporate Culture Stories**"), bringing together corporate cultural stories from all current, pre-retired and retired employees of the Bank. The *Collection of Bank of Zhengzhou Corporate Culture Stories* tells the ordinary and simple real-life stories of the junior employees of Bank of Zhengzhou since 2002, and outlines the simple but unordinary working scenes of the employees, highlighting the value of Bank of Zhengzhou and the behavior of employees, reflecting the innovation and development of Bank of Zhengzhou's corporate culture in the past two decades, displaying the cultural ecosystem constituted by Bank of Zhengzhou philosophy, behavior standard, cultural publicity and brand image identification.





# Living in Harmony and Prosperity to Build a Green World

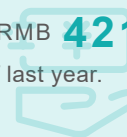


## Developing Green Finance

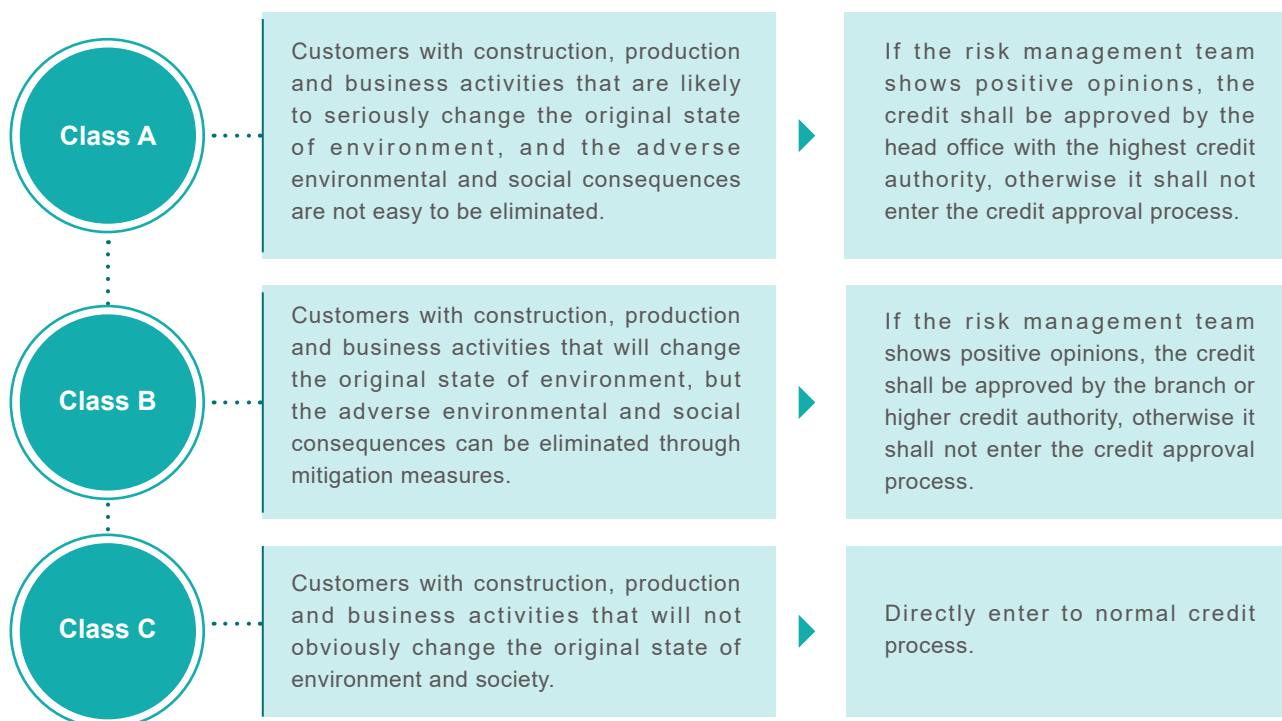
Actively responding to the national policy of preventing the expansion of energy-intensive and high-polluting industries, the Bank adheres to the development concept of "lucid waters and lush mountains are invaluable assets", further improves the green financial service system, and promotes initiative and consciousness of green finance work by following the *Bank of Zhengzhou Green Credit Strategy* to coordinate and arrange related work. Under the leadership of the Green Credit Working Committee, internal documents such as the *Bank of Zhengzhou Management for Green Financial Bonds* has been formulated, specifying the Bank's allocation of green credit towards industries and enterprises with low energy consumption, low pollution, low emissions and low resource consumption. Covering the six aspects of major green industry projects including energy conservation, pollution prevention, resource conservation and recycling, clean transportation, clean energy and ecological protection, and climate change adaptation, the Bank focuses on supporting projects listed in the national key energy conservation technology promotion catalog, the top 10 national key energy conservation and emission reduction projects, and key pollution source treatment projects. The Bank strictly controls the balance of loans to industries with high pollution, high-energy consumption, and overcapacity to accelerate the exit of enterprises with outdated production capacity. As of the end of the Reporting Period, the balance of loans for industries with high pollution, high-energy consumption, and overcapacity amounted to RMB 496 million, representing a decrease of RMB 178 million as compared to the end of last year; the green credit balance amounted to RMB 1,264 million, representing an increase of RMB 421 million as compared to the end of last year.

The balance of loans for industries with high pollution, high-energy consumption, and overcapacity amounted to RMB **496** million, representing a decrease of RMB **178** million as compared to the end of last year;

The green credit balance amounted to RMB **1,264** million, representing an increase of RMB **421** million as compared to the end of last year.



Before credit granting, the Bank divides its customers into three categories based on the environmental and social risks faced by customers or projects. The Bank also conducts a dynamic assessment of environmental and social risks for its customers, and uses the relevant results as an important basis for rating, credit access, management and exit.



**Case****Connecting production and financing of Green Factory**

In order to vigorously promote the development achievements of green manufacturing in Henan Province, help Henan Province to speed up the construction of a green manufacturing system and build a "green channel" for green credit and green manufacturing, the Bank and the Financial Media Platform jointly launched the "Developing Green Finance, Enabling Green Manufacturing – 2020 Train to the Connection of Production and Financing of Green Factory" event. From preparation to the end of the visit, it took more than three months to visit 15 provincial cities, 40 national and provincial green factories, involving building materials, equipment manufacturing, food, electronics, medicine, steel, automobiles and other industries. Through this event, the Bank established an in-depth financing communication mechanism with the interviewed and researched enterprises, effectively alleviating the financing difficulties of green companies.

## Addressing Climate Risks

On 22 September 2020, President Xi Jinping delivered a speech at the 75<sup>th</sup> United Nations General Assembly, emphasizing that strong policies and measures will be adopted to strive for reaching the peak of carbon dioxide emissions by 2030 and achieving carbon neutrality by 2060. In order to achieve the goal of carbon neutrality and coordinate the reduction of air pollutant emissions, the adjustment of the energy mix is imminent. As an important part of the financial institution system, the banking industry has outstanding influence in mobilizing and distributing social resources, guiding and shaping the industrial structure, and playing a major role in responding to climate change.

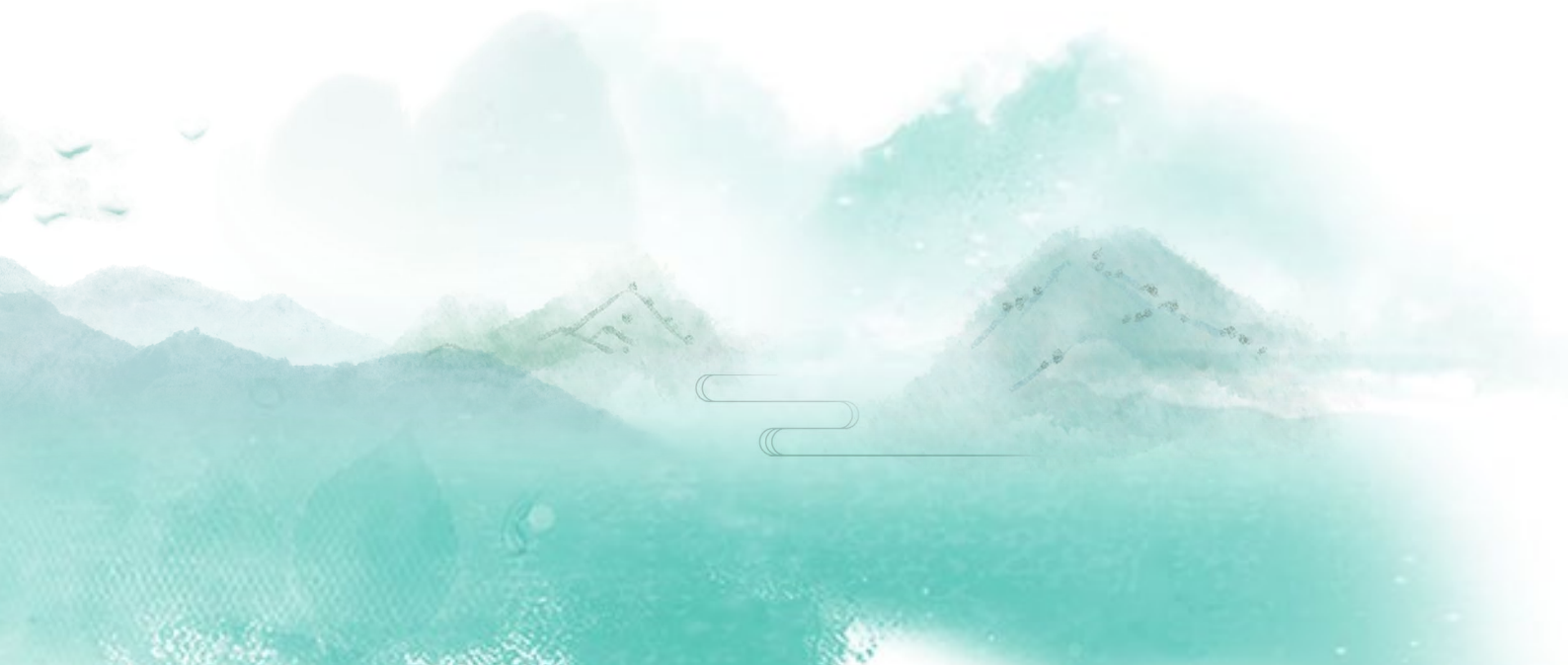
As energy conservation, emission reduction and low-carbon economy have gradually become the general trend of economic development, the financing needs of enterprises to cope with climate change are increasing. The Bank adheres to the concept of green development, seizes opportunities for climate financing, explores the development of green finance to provide strong support for the development of the green industry, and jointly responds to the global challenges brought by climate change.

**Case****Assisting the China Development Bank to successfully issue the first multi-market co-issuance of Green Financial Bonds of "Responding to Climate Change"**

During the Reporting Period, the Bank assisted the China Development Bank to issue the first multi-market co-issuance "Bond Connect" green bonds with the theme of "Responding to Climate Change", with a total of RMB 10,000 million issuances. As one of the 15 underwriters, the Bank assisted the China Development Bank for the first time to successfully issued interconnected green bonds with important and innovative significance, and won the outstanding achievement of the second underwriting amount in the SZSE. Helping the China Development Bank to issue green bonds this time was a beneficial exploration for the Bank to actively fulfill its social responsibilities and support the green environmental protection industry, and is also an innovative measure to implement the concept of high-quality development, promote the transformation of green credit, and cultivate green industry projects.

In response to the potential risks to the Bank's business arising from climate change, the Bank has formulated diversified response strategies to reduce the impact of climate change and related policies on climate change on the Bank.

Risk Category	Response Strategy
<b>Credit Risk</b>	<ul style="list-style-type: none"> <li>Effectively implement the green finance policies and formulate green finance credit policies to actively promote the innovation of green finance products and service methods.</li> <li>Formulate the <i>Bank of Zhengzhou Green Credit Strategy</i> to specify the allocation of green credits towards industries and enterprises with low energy consumption, low pollution, low emissions and low resource consumption, focus on supporting energy conservation, emission reduction, pollution sources and other related engineering and training projects.</li> <li>Conduct dynamic assessment of the environmental and social risks faced by credit customers or projects, and the risks faced by environmental protection policies, etc.</li> </ul>
<b>Market Risk</b>	<ul style="list-style-type: none"> <li>The national energy policy will have an impact on the production and operation of enterprises in the energy industry, where the prices of financial assets of traditional energy industry enterprises may fluctuate greatly. The Bank continues to monitor the prices of bonds and other financial assets, regularly conducts financial asset valuation and impairment, and takes timely measures for assets with large price fluctuations.</li> <li>Extreme climate will affect economic development, which may lead to declines in the credit ratings of other countries and currency depreciation. Taking into account of operating conditions and foreign exchange market fluctuations, the Bank has undertaken foreign exchange hedging work systematically to reduce foreign exchange exposure. The Bank monitors and controls the key indicators of interest rate risk and exchange rate risk to keep the market risk within an acceptable range.</li> </ul>
<b>Operational Risk</b>	<ul style="list-style-type: none"> <li>Develop a comprehensive business continuity management system, covering information technology, customer information protection, major business interruption, outsourcing service interruption, public service incidents and other fields to respond to the possible impact on business continuity brought by severe weather events.</li> <li>Develop special emergency plans and specify the resources and acquisition methods required for business recovery. To improve incident handling capacity, the Bank has formulated differentiated emergency response measures according to the level of the incident and differentiates the corresponding business recovery strategies and procedures for different scenarios.</li> </ul>



## Promoting Green Operations

Strictly complying with the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and the *Water Law of the People's Republic of China*, the Bank actively promotes energy saving and environmental protection, and creates a green and low-carbon living style. The Bank has formulated and implemented the *Bank of Zhengzhou Regulations on Environmental Hygiene Management* to standardize environmental management procedures in the office environment, and define the responsibilities of all departments, thereby reducing energy consumption and effectively controlling pollution emissions.

Carbon reduction is an important leverage to promote a comprehensive green transformation of the economy and society, while reducing energy consumption and improving energy efficiency are key approaches to lower carbon emissions. Recognizing the main resources used by the Bank in the office as water, electricity, natural gas, gasoline, and paper, the Bank has made plans to reduce energy consumption at source and avoid unnecessary energy and resource use on the basis of maintaining operational requirements, thereby further promoting the goal of green operations. During the Reporting Period, the Bank adopted a number of energy-saving and emission-reduction measures, leading to a reduction of total greenhouse gas emissions by 196.94 tons compared with 2019.

The water used by the Bank comes from municipal pipe network, and thus the Bank faces no issues in sourcing water. The wastewater generated in the office goes into the municipal sewage pipeline through the sewage treatment facilities of the building after primary treatment, and does not pose significant environmental impacts. During the Reporting Period, the Bank has adopted a number of water-saving measures in the office area. However, the Bank's water consumption has increased accordingly due to business needs. In the future, the Bank will continue to implement more water-saving measures to reduce unnecessary waste of water resources.

Total greenhouse gas emissions reduced by **196.94** tons compared with 2019.



### ⚡ Management for electricity consumption

- Replace the original incandescent lamps with LED lamps or other energy-saving lamps, and set a timer to control lighting time
- Prohibit using lights in broad daylight and throughout the night, and stop using lightings when natural light is bright enough
- Check and shutdown office equipment, air conditioner and water dispenser after work every day
- Air-conditioning temperature shall not be lower than 26°C during summer and not higher than 20°C during winter
- Forbid opening doors and windows when air-conditioners are switched on, and air-conditioners should be switched off when no one is present
- Regular cleaning, overhaul, maintenance and replacement of old parts for fans, air conditioners, heating and other equipment to improve their efficiency
- When purchasing new equipment, give priority to energy-saving and environment-friendly equipment

## • Management for water consumption

- Adopt the principle of frequently cleaning with a small amount of water, requiring employees to turn off the water timely when scrubbing to avoid excessive washing
- Put up water-saving signs in the room; if an abnormal situation is found, immediately inform the relevant departments for maintenance
- Irrigate plants and flowers according to the weather conditions. Use water rationally to avoid wastage

## • Management for office

- Reduce use of paper document and launch operation platform for centralized counter surface
- Optimize the office automation system for online handling of business approval, contract law review, work communication and supervision
- Develop the conference assistant for online implementation of conference notice and materials
- Activate the electronic seal system to replace the use of some physical seals
- Promote video conference to reduce conference costs and improve efficiency

## • Management for vehicle

- Promote centralized management of official vehicles to improve utilization rate and conditions with regular overhauling and maintenance
- Optimize traveling routes to reduce fuel consumption, where the fuel consumption of official vehicles was about 16,000 litres lower than 2019

## Head office resource consumption<sup>11</sup>

Type	Unit	2020	2019
Water consumption	Tons	80,694	74,733
Water consumption intensity	Tons/ square metre <sup>12</sup>	1.69	1.57
Electricity consumption	kWh in '000s	11,309	10,800
Electricity consumption intensity	kWh in '000s/ square metre	0.24	0.23
Natural gas consumption	Cubic metres	34,707	37,904
Natural gas consumption intensity	Cubic metres/square metre	0.73	0.80
Heating consumption	kWh in '000s	1,292.81	2,716.69
Heating consumption intensity	kWh in '000s/ square metre	0.03	0.06
Vehicle fuel consumption <sup>13</sup>	Litres	73,654	89,648
Vehicle fuel consumption intensity	Litres/vehicle <sup>14</sup>	2,104.41	2,298.67

## Head office greenhouse gas emissions

Type	Unit	2020	2019
Total greenhouse gas emissions	Tons of CO <sub>2</sub> equivalent	6,737.29	6,934.23
Total greenhouse gas emissions intensity	Tons of CO <sub>2</sub> equivalent/ square metre <sup>15</sup>	0.14	0.15
Direct greenhouse gas emissions (Scope 1) <sup>16</sup>	Tons of CO <sub>2</sub> equivalent	264.48	247.73
Indirect greenhouse gas emissions (Scope 2) <sup>17</sup>	Tons of CO <sub>2</sub> equivalent	6,472.81	6,686.50

The Bank cooperates with clearing and transportation companies to build a waste sorting and treatment station for the recycling of waste materials, iron and other items, and transports the non-recyclable waste to the designated power plant for combustion treatment, thus reducing non-hazardous waste generation. The Bank's non-hazardous wastes is mainly generated from activities in the office premises, with a total of approximately 200 tons solid waste at the head office, and the intensity of 0.15 tons/person<sup>18</sup> during the Reporting Period. The Bank's main business does not involve high amount pollution and emissions, and generates no significant amount of hazardous waste. For limited hazardous waste generated in daily operations, such as waste batteries, waste fire extinguishers and waste lamp tubes, the Bank transports them to Zhengzhou Comprehensive Waste Treatment Plant for further treatment.

Wastes containing sensitive information storage medium will be destroyed by specially-assigned personnel using national confidentiality certified demagnetization equipment for information elimination, demagnetization or physical crushing, with corresponding destruction records kept.

<sup>11</sup> The total direct and indirect energy consumption of the Reporting Period listed the table is 13,693.45 kWh in '000s, with the intensity of 0.29 kWh in '000s/square metre.

<sup>12</sup> The area of head office is 47,617.84 square meters.

<sup>13</sup> Including gasoline and diesel consumption on official vehicles.

<sup>14</sup> The head office has 35 vehicles.

<sup>15</sup> In order to comply with the disclosure requirements of relevant regulatory regulations, the Bank adjusted the total greenhouse gas emission density measurement unit to "tons of CO<sub>2</sub> equivalent/square meter" during the Reporting Period, and restated and disclosed the 2019 total greenhouse gas emission intensity according that measurement unit.

<sup>16</sup> Including greenhouse gas emissions from the consumption of natural gas, gasoline, and diesel.

<sup>17</sup> Including greenhouse gas emissions from the consumption of power and municipal heating.

<sup>18</sup> The head office has 1,374 employees.

## Looking Forward

In the future, the Bank will continuously adhere to the overall strategy of steady development, focusing on the coordinated development of three aspects, "speed, efficiency and quality", comprehensively promoting the route to development and transformation, implementing the concept of sustainability, and deepening high-quality development. Throughout its business development, the Bank will continue to maintain close communications with stakeholders, actively understand and respond to expectations of stakeholders in terms of environmental, social and governance aspects, and effectively undertake and fulfill social responsibilities. The Bank will continuously strengthen internal control and management, promote further control of risks and further enhancement of capabilities, strengthen compliance construction, and strictly uphold the bottom line of risks. Meanwhile, the Bank will continue to actively respond to the nation's calling, actively serve the real economy, seize major strategic opportunities, and make every effort to promote the prosperous development of the regional economy. The Bank will focus on product innovation, strengthen the transformation of innovative concepts, improve the organizational structure and workflow of innovation, and increase resources deployment in innovation. The Bank will further deepen characteristic development, continuously support small and micro enterprises, optimize the service system for commerce and logistics, and enhance brand influence as a bank for residents. The Bank will promote inclusive finance, further increase funding for "three rural sectors" and targeted poverty alleviation, and enhance support for the construction of people's livelihood. The Bank will enhance community participation, actively participate in public welfare activities, provide assistance to groups in need, and promote the popularization of financial knowledge. In addition, the Bank will continue to uphold the rights and interests of its employees, strengthen employee welfare, attach importance to humanistic care, and increase talent training. The Bank will actively promote green banking, continuously improve the green financial service system, actively practice environmental protection, deepen the guidance of the green credit strategy, thereby jointly responding to global climate change and contributing to the construction of ecological civilization and low-carbon life.





# Independent Assurance Statement

CECEP (HK) Advisory Company Limited (“**CECEPAC (HK)**” or “**We**”) has been engaged by Bank of Zhengzhou Co., Ltd. (“**Bank of Zhengzhou**”) to conduct an independent limited assurance engagement (“**Assurance Engagement**”) on the information and data related to sustainability in the *2020 Corporate Social Responsibility Report*, and disclosed the findings and conclusions of the Assurance Engagement to the intended users of the *2020 Corporate Social Responsibility Report* in the form of an independent assurance statement.

CECEPAC (HK) assessed Bank of Zhengzhou’s adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness and Impact) set out in the *AA1000 Assurance Standard v3 (“AA1000AS v3”)*. Besides, CECEPAC (HK) provided limited assurance on the reliability and quality of specified performance information disclosed in the *2020 Corporate Social Responsibility Report* that have been selected in accordance with the 2016 edition of *Environmental, Social and Governance Reporting Guide (“ESG Guide”)* published by the Stock Exchange of Hong Kong Limited (“**SEHK**”).

This independent assurance statement has been prepared in Chinese and English versions. Should there be any discrepancies between these versions, the Chinese version shall prevail.

## I. Independence and Competence

CECEPAC (HK) was not involved in collecting and calculating the data in the *2020 Corporate Social Responsibility Report*, or in the development of the *2020 Corporate Social Responsibility Report*. CECEPAC (HK)’s activities are independent from Bank of Zhengzhou. There is no relationship between CECEPAC (HK) and Bank of Zhengzhou beyond the contractual agreement for providing proper assurance service.

The assurance team of CECEPAC (HK) is composed of experienced consultants in the industry who have had professional training on sustainability-related standards such as the *GRI Standards* issued by Global Reporting Initiative, *AA1000AS v3*, the *ESG Guide* of the SEHK, ISO 14064, and ISO 9001, etc.

The assurance team of CECEPAC (HK) has extensive experience in conducting assurance and has sufficient understanding and capabilities of the implementation of *AA1000AS v3*. Besides, the Assurance Engagement related to sustainability issues is carried out in line with CECEPAC (HK)’s internal assurance protocol.

## II. Bank of Zhengzhou’s Responsibilities

Bank of Zhengzhou is responsible for the preparation and presentation of the *2020 Corporate Social Responsibility Report* in accordance with the *ESG Guide* published by SEHK. Bank of Zhengzhou is also responsible for implementing relevant internal control procedures to ensure that the contents of the *2020 Corporate Social Responsibility Report* are free from material misstatement, whether due to fraud or error.

## III. Assurance Provider’s Responsibilities

CECEPAC (HK) is responsible for issuing an independent assurance statement according to *AA1000AS v3* and the *ESG Guide* published by SEHK to the Board of Directors of Bank of Zhengzhou. This

independent assurance statement applies solely to the *2020 Corporate Social Responsibility Report* in the specified scope, expresses a conclusion on the assurance work, and does not serve any other intents or purposes.

CECEPAC (HK) ensures that all personnel involved in assurance work meet professional qualification, training and experience requirements, and are proficient in conducting assurance engagements. All results of assurance are internally reviewed by senior staff to ensure that methodologies used in the process are sufficiently stringent and transparent.

## IV. Assurance Scope

- The scope of the Assurance Engagement is limited to the information and data in the *2020 Corporate Social Responsibility Report* that relate to Bank of Zhengzhou and its subsidiaries only and does not include Bank of Zhengzhou’s suppliers, contractors, and the data or information provided by other third parties;
- Type 2 Moderate Level of Assurance was adopted to evaluate the nature and extent of Bank of Zhengzhou’s adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness and Impact) set out in the *AA1000AS v3*;
- Specified performance information disclosed in the *2020 Corporate Social Responsibility Report* were agreed upon and selected between Bank of Zhengzhou and CECEPAC (HK) for assurance. The selected specified performance information is as follow:
  - o Publicity management policy
  - o Number of customer complaints
  - o Anti-corruption measures
- CECEPAC (HK)’s assurance work was with respect to information disclosed from 1 January 2020 to 31 December 2020 and included in the *2020 Corporate Social Responsibility Report* only. Any information that falls outside this period and disclosed in the *2020 Corporate Social Responsibility Report* is not included within the scope of the Assurance Engagement. Therefore, we do not express any conclusions on this information; and
- The scope of the Assurance Engagement is confined to the information and data provided by Bank of Zhengzhou. Any queries regarding the content or related matters within this independent assurance statement should be addressed to Bank of Zhengzhou only.

## V. Methodology

CECEPAC (HK) conducted Assurance Engagement only within the scope of Bank of Zhengzhou’s headquarters and the Zhoukou Branch, and the assurance works included:

- Evaluating the appropriateness of Bank of Zhengzhou’s stakeholder engagement participation process;

- Conducting interviews<sup>1</sup> with personnel involved in sustainability management, preparation of the *2020 Corporate Social Responsibility Report* and provision of the relevant information in the *2020 Corporate Social Responsibility Report*;
- Assessing whether the reporting and management approach for the *2020 Corporate Social Responsibility Report* responded to the principles of Inclusivity, Materiality, Responsiveness and Impact as defined in the AA1000AS v3;
- Assessing the supporting evidence for selected specified performance information; conducting random sampling of evidence pertaining to data reliability and quality for selected specified performance information;
- Recalculating selected specified performance information;
- Assessing the degree of conformity of the *2020 Corporate Social Responsibility Report* with the *ESG Guide*; and
- Performing other procedures we deemed necessary.

The Assurance Engagement was performed and the conclusions within were based upon information and data provided by Bank of Zhengzhou to CECEPAC (HK), and on assumptions that the information provided was complete and accurate.

#### VI.Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

#### VII.Conclusions

In accordance with the principles of Inclusivity, Materiality, Responsiveness and Impact in the AA1000AS v3, the specified performance information and the *ESG Guide*, our findings and conclusions are as follows:

##### Inclusivity

Bank of Zhengzhou has identified key stakeholders. Regular communication with the key stakeholders is carried out in various ways to understand their expectations and key concerns. On this basis, Bank of Zhengzhou has formulated policies in consideration of key stakeholders' expectations and its impacts on key stakeholders. In our professional opinion, Bank of Zhengzhou adheres to the Principle of Inclusivity.

##### Materiality

Bank of Zhengzhou has established processes for identifying and determining the materiality of environmental, social and governance issues and collected opinions of key stakeholders. Proper methods were used to identify material issues, and the assessment process of material issues and outcome has been disclosed in the *2020 Corporate Social Responsibility Report*. In our professional opinion, Bank of Zhengzhou adheres to the Principle of Materiality.

##### Responsiveness

Bank of Zhengzhou has established channels for its stakeholders to understand their concerns and expectations, and has relevant mechanisms in place to respond to key stakeholders. Moreover, through the *2020 Corporate Social Responsibility Report*, Bank of Zhengzhou has disclosed corporate sustainability vision, management systems, management key points, key stakeholder engagement activities, and has responded to key stakeholders on the material sustainability issues. In our professional opinion, Bank of Zhengzhou adheres to the Principle of Responsiveness.

##### Impact

Bank of Zhengzhou has established processes to understand, measure, evaluate and manage its impacts, and has disclosed the impacts in the *2020 Corporate Social Responsibility Report*. In our professional opinion, Bank of Zhengzhou adheres to the Principle of Impact.

##### SEHK's ESG Guide

Disclosures for general disclosures of environmental and social subject areas and key performance indicators of environmental subject areas have been provided in accordance with the "Comply or Explain" provision, in all material aspects, in alignment with the *ESG Guide* published by SEHK. Bank of Zhengzhou has disclosed the involvement of key stakeholders in the materiality assessment process; impacts caused by business are objectively disclosed; relevant environmental and social data are calculated and disclosed. Our recommendations for the *2020 Corporate Social Responsibility Report* have been either adopted or responded by Bank of Zhengzhou before the issuance of this assurance statement.

##### Specified Performance Information

Based on the procedures CECEPAC (HK) has performed and the evidence we have obtained, nothing has come to our attention that causes us to suspect the reliability and quality of the disclosures of the three selected specified performance information of the *2020 Corporate Social Responsibility Report*.

#### VIII.Recommendations

We recommend that Bank of Zhengzhou considers strengthening the below items in the future:

- Enhance the governance structure of environmental, social and governance matters led by the Board of Directors and expand the scope of risk assessment related to environmental, social and governance matters, strengthening relevant risk management and internal control systems;
- Set long-term goals and action plans to continue to support Bank of Zhengzhou's response to material issues;
- Strengthen the environmental risk management and internal monitoring mechanism, and progressively expand the scope of environmental data to comprehensively manage the environmental impacts of operation.



<sup>1</sup>Being limited by the spread of coronavirus disease (COVID-19), the Assurance Engagement was conducted through online means and interviews were conducted in forms of telephone conference.

# Content Index of the *Guide*

Subject Areas and Aspects	General Disclosures	Disclosure page	KPIs	Disclosure page
<b>A. Environmental</b>				
A1: Emission	Information on the policies and 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	68	A1.1 The types of emissions and respective emissions data	70
			A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	70
			A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	The Bank's principal business does not involve businesses with high energy consumption and pollution, thus no apparent hazardous waste was generated.
			A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	70
			A1.5 Description of measures to mitigate emissions and results achieved	68-70
			A1.6 Description of how hazardous and nonhazardous wastes are handled, reduction initiatives and results achieved	70 The Bank did not generate apparent hazardous waste, and there was no significant reduction in the amount of hazardous and non-hazardous waste generation.
A2: Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials	68	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)	70
			A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)	70
			A2.3 Description of energy use efficiency initiatives and results achieved	68-70
			A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	68-70
			A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	The main business of the bank is financial services, and no apparent packaging materials were used in the course of operation.
A3: Environment and Natural Resources	Policies on minimizing the issuer's significant impact on the environment and natural resources	68	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	68

Subject Areas and Aspects	General Disclosures	Disclosure page	KPIs	Disclosure page
<b>B. Social</b>				
B1 Employment	Information on the policies and 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	56	B1.1 Total workforce by gender, employment type, age group and geographical region	57
			B1.2 Employee turnover rate by gender, age group and geographical region	57
B2: Health and Safety	Information on the policies and 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	58-59	B2.1 Number and rate of work-related fatalities	58
			B2.2 Lost days due to work injury	58
			B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored	58-59
B3: Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	61	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	61
			B3.2 The average training hours completed per employee by gender and employee category	61
B4 Labour Standards	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	56	B4.1 Description of measures to review employment practices to avoid child and forced labour	56
			B4.2 Description of steps taken to eliminate such practices when discovered	The Bank did not employ child labor or forced labor.
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain	26	B5.1 Number of suppliers by geographical region	26
			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	26
B6 Product Responsibility	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress	48, 51-52, 54 The Bank has no finished products and does not involve in health and safety, and labeling relating to products and services provided.	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	The main business of the Bank is financial services, not involving product recall.
			B6.2 Number of products and service related complaints received and how they are dealt with	50
			B6.3 Description of practices relating to observing and protecting intellectual property rights	26
			B6.4 Description of quality assurance process and recall procedures	Not applicable to the main business.
			B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored	52
B7 Anti-corruption	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	23	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	24
			B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	23-24
B8 Community Investment	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	28-46	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	28-46
			B8.2 Resources contributed (e.g. money or time) to the focus areas	28-46

# GRI Content Index

GRI Standard	Disclosure	Page Number
<b>GRI General Disclosures</b>		
GRI 102: General Disclosures	Organizational profile	
	102-1 Name of the organization	1
	102-2 Activities, brands, products, and services	7
	102-3 Location of headquarters	7
	102-4 Location of operations	7
	102-5 Ownership and legal form	7
	102-6 Markets served	7
	102-7 Scale of the organization	7
	102-8 Information on employees and other workers	57
	102-9 Supply Chain	26
	102-10 Significant changes to the organization and its supply chain	There were no significant changes of the Bank and its supply chain during the Reporting Period.
	102-11 Precautionary Principle or approach	21-25
	102-12 External initiatives	28, 40, 65
	102-13 Membership of associations	The Bank will consider disclosing relevant information in the future.
	Strategy	
	102-14 Statement from senior decision-maker	5
	Ethics and integrity	
	102-16 Values, principles, standards, and norms of behavior	12
	Governance	
	102-18 Governance structure	18
	Stakeholder engagement	
	102-40 List of stakeholder groups	13-14
	102-41 Collective bargaining agreements	Not applicable, the Bank has not considered about collective bargaining agreements.
	102-42 Identifying and selecting stakeholders	15
	102-43 Approach to stakeholder engagement	13-14
	102-44 Key topics and concerns raised	13-14
	Reporting practice	
102-45 Entities included in the consolidated financial statements	2	
102-46 Defining report content and topic Boundaries	1	
102-47 List of material topics	16	

GRI Standard	Disclosure	Page Number
GRI 102: General Disclosures	102-48 Restatements of information	No significant changes for this Report compared with past reports
	102-49 Changes in reporting	No significant changes for this Report compared with past reports
	102-50 Reporting period	1
	102-51 Date of most recent report	1
	102-52 Reporting cycle	1
	102-53 Contact point for questions regarding the report	2
	102-54 Claims of reporting in accordance with the GRI Standards	1
	102-55 GRI content index	76-77
	102-56 External assurance	72-73
<b>GRI 103 Management Approach</b>		
GRI 103 Management Approach	103-1 Explanation of the material topic and its boundaries	13-16
	103-2 The management approach and its components	18-25, 48-50
	103-3 Evaluation of the management approach	18-20
<b>GRI 200: Economic Topics</b>		
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	7, 9-10
	201-2 Financial implications and other risks and opportunities due to climate change	65-67
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	28, 46
<b>GRI 300: Environmental Topics</b>		
GRI 302: Energy	302-1 Energy consumption within the organization	70
	302-3 Energy intensity	70
GRI 303: Water and Effluents	303-3 Water withdrawal	70
GRI 305: Emissions	305-1 Direct (Scope 1) Greenhouse gas emissions	70
	305-2 Energy indirect (Scope 2) Greenhouse gas emissions	70
	305-4 Greenhouse gas emissions intensity	70
<b>GRI 400: Social Topics</b>		
GRI 401: Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	56, 58
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	56
	403-5 Worker training on occupational health and safety	56
GRI 404: Training and Education	404-1 Average hours of training per year per employee	61
	404-2 Programs for upgrading employee skills and transition assistance programs	61
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	28, 40-46
	413-2 Operations with significant actual and potential negative impacts on local communities	28, 40-46
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GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	52

# Reader's Feedback

Thank you for reading the 2020 *Corporate Social Responsibility Report of Bank of Zhengzhou Co., Ltd.* In order to meet your needs more efficiently and provide you with more valuable information, we would appreciate your valuable comments and suggestions for our Report by filling out the feedback form below and sending us your comments by any of the following ways.

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1. Which kind of stakeholder are you?

- Government  Regulatory body  Shareholder  Customer  Employee  
 Supplier  Partner  Community  Environment  Other

2. Your general impression of this Report:

- Poor  Average  Good  Excellent

3. Your comment on Bank of Zhengzhou's performance of its social responsibility to its stakeholders:

- Poor  Average  Good  Excellent

4. Do you think this Report reflects the impact of the performance of the social responsibility of Bank of Zhengzhou on the economy, the environment, and society?

- No  Average  Yes

5. Do you think the information disclosed in this Report is complete?

- No  Average  Yes

6. Do you think the content and layout of this Report is clear and easy to understand?

- No  Average  Yes

7. Do you have any other suggestions or comments on this Report or about improving the performance of the social responsibility of Bank of Zhengzhou?

Thank you for your attention and support to Bank of Zhengzhou!



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