

2021

CORPORATE SOCIAL RESPONSIBILITY REPORT

Environment Society Governance

H Shares Stock Code:6196

Preference Shares Stock Codes:4613

A Shares Stock Code:002936



About This Report

Bank of Zhengzhou Co., Ltd. (“**Bank of Zhengzhou**”, “**Bank**” or “**we**”) is delighted to issue this corporate responsibility report (the “**Report**”) to illustrate our social responsibility performance in 2021. Through the 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

1 January 2021 to 31 December 2021 (“**Reporting Period**”).

Reporting Cycle

The Bank’s corporate social responsibility report is annually published. The most recent report was published in March 2021.

Reporting Scope

The Report covers the same scope as the most recent report, including the head office, branches and sub-branches, and subsidiaries of Bank of Zhengzhou. The financial data in the Report are originated from the data of the consolidated financial statements of the Bank and its subsidiaries.

Basis of Preparation

The Bank has prepared the Report in accordance with the Appendix 27 *Environmental, Social and Governance Reporting Guide* (the “**Guide**”) of the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* and referred to the *No. 1 Self-Regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange - Standardized Operation of Main Board Listed Companies*. The Report complies with all “comply or explain” provisions stated in the *Guide* and is prepared based on the four reporting principles of “materiality”, “quantitative”, “balance” and “consistency” to ensure the quality of the data presented.

Materiality: The Bank identified this year’s material issues by reviewing the results of the materiality assessment with stakeholder engagement in 2020, and then prepared the Report based on the material issues. The Board has confirmed the results of the material issues.

Quantitative: The Bank’s disclosure of key performance indicators in respect of historical data is measurable and, where practicable, discloses information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used.

Balance: The Report presents the Bank’s performance for the reporting period in an unbiased manner, avoiding selections, omissions or presentation formats that might improperly influence the decisions or judgments of report readers.

Consistency: Unless otherwise stated, the methods used in the Report are consistent with those used in previous reports to ensure meaningful comparisons.

The Report is also prepared with reference to the *GRI Sustainability Reporting Standards* (GRI Standards) issued by the Global Reporting Initiative, the *Opinions on Strengthening the Social Responsibility of Banking Financial Institutions* issued by the former China Banking Regulatory Commission, the *Guidelines on the Corporate Social Responsibility of Banking Institutions of China* issued by the China Banking Association.

Data Collection

The financial data in the Report is derived from the Bank's 2021 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 the Report in accordance with the above standards. The Bank's 2021 financial statement has been audited by an accounting firm.

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

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

Report Assurance

The Board of Directors ("**Board of Directors**" or "**Board**") and all directors of the Bank ("**Directors**") ensure that there are no false records, misleading statements, or material omissions in this Report, and they are jointly and severally liable for its authenticity, accuracy and completeness. The Report has been independently reviewed by CECEP (HK) Advisory Company Limited in accordance with the AA1000 Assurance Standard, and an Independent Assurance Statement has been issued.

Form of Issuance

The Report is issued in the form of online versions and is available for access and download from the website of the Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") (www.hkexnews.hk), the website of the Shenzhen Stock Exchange ("**SZSE**") (www.szse.cn), CNINFO (www.cninfo.com.cn) and the website of the Bank (www.zzbank.cn). The Report is prepared in simplified Chinese, attached in English and traditional Chinese versions, and in case of any discrepancy between versions, the simplified Chinese version shall prevail.

Preparer of the Report

The Bank of Zhengzhou Board of Directors Office

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Chairman's Statement

Over the past year, the Communist Party of China (“CPC” or the “Party”) has celebrated its 100th birthday, demonstrating unprecedented vitality. I cannot help but recall that in a cave in Yan'an, Comrade Mao Zedong gave the first answer to the question of how the Party could break out of the historical cycle of rise and fall that "only let the people supervise the government can the government dare not relax."

After a century of struggle and practice, the Party has now given a second answer, which is self-revolution. Closely following the pace of the Party, Bank of Zhengzhou has also completed a self-revolution based on "heart" through self-analysis, self-subversion, and self-innovation at the juncture of historical intersection, and fulfilled its responsibilities to society, shareholders, customers, and itself.

We are in harmony with the people. Over the past year, Zhengzhou City has been severely tested by the heavy rain disaster and the recurring pandemic. As a local bank, Bank of Zhengzhou was obliged to be on the front line of disaster resistance and pandemic prevention. We initiated volunteer services, and donated disaster supplies. We opened green channels for waiving customer fees and investing relief funds. In the face of such a major natural disaster and epidemic, we stood by the people and overcome difficulties together.

We are loyal to the local economy. Over the past year, we have, as always, fully supported major deployments of the province and city, put forward the "Five Clouds and Four New Finance Strategies", and supported 503 science and innovation enterprises. The scale of our "Zheng Tech Loan" has steadily ranked no.1 in the Zhengzhou market. We supported 14 ecological protection projects in the Yellow River Basin and the Grand Canal construction projects, and dovetailed with over 100 key micro and small enterprise parks in Zhengzhou. We have elevated rural finance to a strategic level, seizing opportunities, firmly focusing on targets, and complementing regional development.

We are of one mind with ecological construction. Over the past year, we have consistently implemented the concept of green finance, issued the first carbon emission rights quota pledge loan for a city merchant bank in Henan Province, and signed the *Joint Announcement on Supporting Biodiversity Protection by Banking Financial Institutions* to build an eco-friendly bank. We have stepped up efforts to promote green and environmental protection, advocating low-carbon travel, water and electricity conservation, civilised dining, garbage sorting and moderate packaging, and contributing more financial resources to realize harmony between human and nature.

2022 is the Year of the Tiger in the lunar calendar, and the tiger symbolises courage and strength in Chinese tradition. Bank of Zhengzhou will carry forward the spirit of being bold as a tiger, inherit the spirit of Jiao Yulu, the spirit of the Red Flag Canal, the spirit of Dabie Mountain, and the spirit that where there is a will, there is a way, unremitting in the reform of success!

Chairman

Wang Tianyu

President's Statement

2021 has been a crucial and extraordinary year. In the face of complex and severe external environment and challenges of risks, the Bank of Zhengzhou has risen to the challenge and overcome difficulties. In the big test of fighting against the pandemic, flood as well as transformation and development, the Bank of Zhengzhou has realized the dual improvement of comprehensive value creation ability and social service ability, and made efforts to fully fulfill social responsibilities.

Implanting ESG concept and continuously improving corporate governance mechanism. We have carried out the re-election of the Board of Directors and the Board of Supervisors of the Bank ("**Board of Supervisors**") in an orderly manner to enhance the effectiveness of the "Three Boards and One Management". We have completed the upgrading of the corporate culture system, implanted ESG concept, clearly defined the "Five-Heart" value led by "delete the space Fearfulness", emphasized to take the customer as the center, and developed new spiritual strength into the high-quality development of the Bank with high-quality cultural construction. We attach great importance to effective communication with stakeholders, fully implement the central, provincial and municipal strategies, serve the real economy, continue to operate steadily, improve service quality and efficiency, protect the rights and interests of employees, and pursue value sharing with stakeholders.

Developing green finance and vigorously supporting the green and low-carbon economic transformation. We have signed the *Joint Announcement on Supporting Biodiversity Protection by Banking Financial Institutions* to leverage the role of finance in regulating resource allocation in supporting green development, and provide more financing support for ecological civilization construction and biodiversity conservation. We issued the *Bank of Zhengzhou Credit Policy for 2021*, formulated relevant policies on green credit support and key areas, The balance of our green financial bonds is all invested in green industries, covering six major areas, which are energy conservation, pollution prevention and control, resource conservation and recycling, clean transportation, clean energy and ecological protection, and adaptation to climate change. We have formulated the *Bank of Zhengzhou Regulations on Carbon Quota Pledge Loans*, and resolutely implement the "One-vote Veto System for Environmental Protection" for projects and enterprises that do not meet environmental standards.

Promoting the "Four New Finance" to continuously improve the quality and efficiency of serving the real economy. With the strategy of "Four New Finance" (Technology Innovation Finance, Small and Micro Enterprise Park Finance, Rural Finance and Citizen Finance) as the carrier, we strive to contribute our Zhengyin Power to the scientific and technological innovation and high-quality economic and social development of the province. "Technology Innovation Finance" sent "Financial Resources" to 503 science and technology enterprises in the province, and the business scale of "Zheng Tech Loan" (鄭科貸) ranked first among more than 20 cooperative financial institutions. The accumulated investment and approved investment of "Small and Micro Enterprise Park Finance" amounted to nearly RMB 15 billion, forming unique characteristics and advantages. "Rural Finance" aimed to boost farmers' livelihood, vigorously develop rural service outlets, expand online service channels. In terms of "Citizen Finance", the Bank focused on people's livelihood, integrated smart financial services into citizens' life, and opened a "green channel" for more than 14,000 small and micro merchants around the community to reduce the operating costs of small and micro merchants.

Shouldering social responsibility and resolutely winning the battle against the pandemic and flood. In July, when a severe rainstorm hits, we promptly launched measures such as "double-proof loan", "work resumption loan", credit protection, deferred repayment of principal and interest, etc., to work together with the enterprises. We promoted the targeted implementation of the post-disaster reconstruction re-loan of RMB 3,000 million to help enterprises solve difficulties with practical actions. In the superimposed tests of flood and pandemic, none of the Bank's employees were infected and there were no casualties, and made multiple contributions to fighting against the pandemic and flood and ensuring uninterrupted service. We voluntarily donated money and materials to disaster-stricken areas and public welfare organizations, contributing to the early restoration of regional economic and living order.

Keep the original aspiration and founding mission in mind at all times. Bank of Zhengzhou will always adhere to the concept of contributing at present and benefiting all parties, practice the corporate mission of "Finance with heart, to make life better", and make greater contribution to the 20th National Congress of the Communist Party of China!

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.

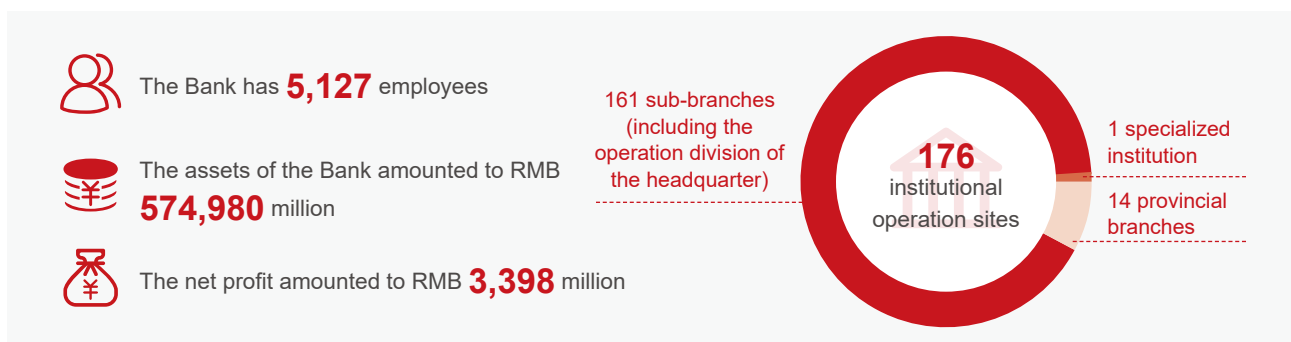
The Bank's principal businesses mainly include corporate banking, retail banking and treasury businesses. The Bank provides corporate banking customers with a diversified range of financial products and services, including corporate loans (including trade financing), international business and services, corporate deposits, as well as products and services involving transaction fees and commissions. The Bank provides retail banking customers with 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.

The Bank closely followed the major decisions and arrangements of the central and local governments, and regarded the "Five Clouds and Four New Finance Strategies" as an important starting point for high-quality development.



▲ "Five Clouds and Four New Finance Strategies"

As at the end of the Reporting Period, the Bank has 5,127 employees and 176 institutional operation sites, including 14 provincial branches, 161 sub-branches (including the operation division of the headquarter) and one specialized institution. The Bank established Henan Jiuding Financial Leasing Co., Ltd. and managed 7 county banks at Zhongmu, Xinmi, Yanling, Fugou, Xinzheng, Xunxian and Queshan. The assets of the Bank amounted to RMB 574,980 million, representing an increase of 4.69% as compared to the beginning of the year; the balance of deposits amounted to RMB 318,813 million, representing an increase 1.46% as compared to the beginning of the year; the total loans amounted to RMB 289,028 million, representing an increase of 21.46% as compared to the beginning of the year; and the net profit amounted to RMB 3,398 million, representing an increase of 2.32% as compared to the corresponding period of the previous year. The non-performing loan ratio was 1.85%. The allowance coverage ratio was 156.58% and the capital adequacy ratio was 15.00%, which met the regulatory requirements.





鼎鑄中原

鄭州銀行

己丑年
沈中

Honors and Awards

Time of Award

Awarding Bodies

Honors and Awards



January 2021

People's Government of Zhengzhou

Advanced Unit for Enterprise Listing and Banking Financial Institutions Supporting Local Economic Development

February 2021

People's Government of Zhengzhou

Advanced Unit for Prevention and Disposal of Illegal Fund Raising and Prevention and Mitigation of Financial Risks



March 2021

China Banking Association

Ranked **48**th among the Top 100 China Banking Institutes in 2020

April 2021

Zhengzhou Zhengdong New District Management Committee

2020 Advanced Enterprise Award for Economic Contribution



April 2021

CPC Zhengzhou Discipline Inspection Committee

2020 Advanced Unit for Discipline Inspection and Supervision in the City

May 2021

Zhengzhou Enterprise Confederation, Zhengzhou Entrepreneur Association, Zhengzhou Federation of Industrial Economics

Zhengzhou Outstanding Enterprise in Transformation and Innovation



June 2021

China Cooperative Trade Enterprise Association

China **AAA** Credit Enterprise



September 2021

China Enterprise Confederation, China Entrepreneur Association

Ranked **222**nd among the Top 500 Service Enterprises in China in 2021

September 2021

Zhengzhou Association for Justice and Courage

Caring Enterprise with Justice and Courage



December 2021

International Financial News

Social Responsibility Contribution Enterprise of the Year

December 2021

Chinese Securities Journal

2021 Green Development "Star" Company



Key Performance

Indicator Type	Indicator	Unit	2021	2020
Economic Performance	Operating income ¹	RMB 100 million	148.11	145.80
	Net profit	RMB 100 million	33.98	33.21
	Basic earnings per share ²	RMB	0.33	0.36
	Total assets	RMB 100 million	5,749.80	5,478.13
	Total deposits	RMB 100 million	3,188.13	3,142.30
	Total loans	RMB 100 million	2,890.28	2,379.59
	ROA	%	0.61	0.63
	Weighted average ROE	%	7.17	8.37
	Non-performing loan ratio	%	1.85	2.08
	Allowance to NPL ratio	%	156.58	160.44
	Capital adequacy ratio	%	15.00	12.86
Social Performance	Total taxes paid	RMB 100 million	25.77	26.29
	Charity donations	RMB 100 million	757.94	907.68
	Balance of loans to small and micro enterprises	RMB 100 million	1,276.05	1,055.03
	Balance of agriculture-related loans	RMB 100 million	734.43	562.79
	Customer satisfaction rate	%	97.9	95.2
	Customers' complaints solution rate	%	100	100
	Total headcount	person	5,127	4,984
	Percentage of female employees	%	54	54
Environmental Performance	Balance of green credit	RMB 100 million	21.06	12.64
	Balance of loans to high-pollution, high-energy-consumption or overcapacity industries	RMB 100 million	5.33	4.96
	Personal e-banking replacement ratio	%	98.87	98.45
	Video conferences	Times	146	113
	Head office power consumption	kWh in '000s	10,356	11,309
	Head office water consumption	Tons	167,736	80,694
	Head office natural gas consumption	kWh in '000s	273.90	375.33

¹ The operating income in the chart is calculated in accordance with International Financial Reporting Standards. The operating incomes calculated in accordance with the Chinese Accounting Standards for 2021 and 2020 were RMB 14,801 million and RMB 14,607 million, respectively

² 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, and the basic earnings per share of comparison period was recalculated based on the number of shares after the capitalization issue

Topic: Financial Guarantee to Fight Local Flood and Pandemic

Since July 2021, Zhengzhou has been hit by the severe rainstorm disaster and the COVID-19 pandemic. Adhering to the corporate mission and responsibility concept of "Finance with heart, to make life better", the Bank actively fulfilled its social responsibilities while promoting the high-quality development of operation and management, and contributed "Zheng energy" to promoting the economic and social recovery.

Targeted investment in financial resources was implemented. The Bank issued special loans such as "Emergency Loans for Flood Control and Disaster Relief" and "Home Loans", opened up a green approval channel in an emergency manner, and arranged special personnel to track the progress of loan approval throughout the whole process. Meanwhile, the Bank strengthened its inclusive financial services in disaster-hit areas by appropriately lowering the loan interest rate, reducing service charges, adjusting the arrangement of capital repayment and interest payment for farmers, small and micro enterprises, individual businesses and individuals who were unable to repay the capital and interest in time due to flood disasters, and provided certain credit protection measures according to the actual situation. During the flood control period, the relevant policies of the Bank benefited more than 1,950 enterprises, involving more than RMB 45 billion, and the accumulative reduction of fees and profits exceeded RMB 300 million.

Love helps charity. The Bank cooperated with Zhengzhou Red Cross Society and Zhengzhou Charity Federation to create the "Smart Red Cross Society" and "Smart Charity Platform" respectively, and advocated employees to donate money and materials to the community about RMB 1.58 million. The Bank supported the flood relief efforts in Shanxi and organized employees to donate RMB 150,000.

the relevant policies of the Bank benefited more than **1,950** enterprises, with an amount of more than RMB **45** billion, and the accumulative reduction of fees and profits exceeded RMB **300** million.

advocated employees to donate money and materials to the community approximately RMB **1.58** million

organized employees to donate RMB **150,000**

Case

The Bank helps small and micro enterprises to resume work and production

Under the impact of the disaster, the Bank responded quickly, efficiently used the monetary policy tools of the People's Bank of China to grant special re-loans for post-disaster reconstruction, actively fulfilled the responsibilities of local banks, and provided financial guarantees for the rapid recovery and reconstruction of enterprises in the affected areas.

In July 2021, a small and micro enterprise in Zhengzhou experienced difficulties due to the flood and the pandemic. The Bank think about the enterprise by deferring its due loans and quickly approving the loan renewal procedures, so that the enterprise could timely rebuild after the disaster. With the support of the Bank's credit support and preferential policies, the enterprise has rapidly carried out orderly production and operation.

During the pandemic prevention and control period, the Bank has successively introduced a number of measures for the convenience of the people and enterprises to open up a "green channel" :



Banking charges were reduced or exempted for cross-bank business related to the pandemic, such as donations, financial allocations, and material purchases and so on.



For small and micro enterprise customers whose loans were overdue due to the pandemic, credit protection measures had been taken after verification, which will not be included in the list of defaulting customers, and will not affect the credit record, and the compound interest, penalty interest, liquidated damages, etc. will be waived on a discretionary basis.



Donated money and materials to important pandemic prevention units such as Zhengzhou Charity Federation, hospitals, and communities.

01 Implementing and Strengthening the Concept of Responsible Management



Implementing
Responsibility Concept



Responsibility
Management System



Strengthening Responsible
Communication



Materiality Assessment



Implementing Responsibility Concept

Business Philosophy

Standardized operations, innovative development and operating with integrity

Responsibility Philosophy

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

Strategic Goals

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

Vision

High-quality development to build a value-leading bank

Mission

Finance with heart, to make life better

Core Values

Fearfulness, professionalism, inquisitiveness, altruism, responsibility

Responsibility Management System

In order to implement ESG work, the Bank established a social responsibility promotion mechanism with clear responsibilities and linkage between the upper and lower levels, and formed a management system with hierarchical implementation and management by the Board of Directors, senior management, leading departments, departments of the head office, branches and sub-branches of the Bank, so as to realize the harmonious unity of ESG management concept and the Bank's operation, and continuously improve the professional level of ESG management. The Board of Directors and the senior management of the Bank are responsible for reviewing and making decisions on major ESG issues of the Bank, including evaluating material issues, reviewing the annual social responsibility report, etc., and promoting the integration of ESG concepts with development strategies and operation management. The Board Office is the leading department responsible for organizing and coordinating all relevant departments to collect ESG-related performance indicators and typical cases, and preparing social responsibility reports. All departments of the head office and branches and sub-branches are responsible for carrying out various relevant activities, recording and regularly submitting relevant materials.

The Board of Directors assumes overall responsibility for the Bank's ESG management and approves major ESG matters. The Board is responsible for evaluating and determining ESG-related risks and opportunities, and will continue to carry out relevant work to ensure that appropriate and effective ESG risk management and internal control systems are in place. The Bank will also continue to improve ESG management, set ESG-related targets, and regularly review progress towards achieving these targets.

Strengthening Responsible Communication

The Bank attaches great importance to the management of stakeholder relations, and actively builds diversified and timely communication channels with various stakeholders to understand their expectations and demands, to better formulate action plans and respond to their demands in a timely manner, which in turn drives us to continuously improve our ESG management level and seeks for harmonious, win-win and sustainable development with the society. The Bank identifies and determines key stakeholders, including shareholders and investors, customers, partners, employees, etc., by considering their influence on the Bank and the Bank's influence on stakeholders.

Stakeholders	Expectations and Concerns	Communication Channels	Response Methods
 Government	<ul style="list-style-type: none"> • Support strategic planning of the government • Serve real economy • Develop inclusive finance • Assist in combating against pandemic 	<ul style="list-style-type: none"> • Documents and guidelines on policies • Specific topic reports • Information distributions • Seminars 	<ul style="list-style-type: none"> • Support the implementation of government strategic planning • Serve private, small, and micro enterprises • Support "Three Rural Sectors"
 Regulators	<ul style="list-style-type: none"> • Operate in accordance with laws and regulatory requirements • Maintain financial stability • Promote industry development 	<ul style="list-style-type: none"> • Regulatory Policies • Research and inspections • Report data 	<ul style="list-style-type: none"> • Carry out prudent compliance management • Enhance risk management systems • Participate in industry association events
 Shareholder and investor	<ul style="list-style-type: none"> • Maintain steady operations • Enhance overall abilities • Improve investment returns 	<ul style="list-style-type: none"> • General meetings • Information disclosure • Roadshows 	<ul style="list-style-type: none"> • Improve corporate governance structure • Implement development strategies • Offer reasonable returns for shareholders • Fulfill obligations on information disclosure • Strengthen investor relations management
 Customers	<ul style="list-style-type: none"> • Improve service quality and efficiency • Provide diverse financial products • Protect consumer rights and interests 	<ul style="list-style-type: none"> • Marketing activities • Customer service hotline • Business handling 	<ul style="list-style-type: none"> • Optimize operation workflows • Innovate financial products • Improve service quality • Strengthen compliance review
 Employees	<ul style="list-style-type: none"> • Improve employees' salaries and benefits • Protect employees' rights and interests • Provide career growth opportunities 	<ul style="list-style-type: none"> • Labour union • Employee's Representative Congress • Suggestion mailbox • Professional training 	<ul style="list-style-type: none"> • Improve the remuneration system • Deliver benefits from labour union • Improve employee training • Organize various activities
 Suppliers	<ul style="list-style-type: none"> • Fair procurement • Honesty and compliance • Win-win Cooperation 	<ul style="list-style-type: none"> • Negotiation • Cooperation agreement • Tendering and bidding 	<ul style="list-style-type: none"> • Establish procurement management system • Fair tendering • Enhance business cooperation
 Partners	<ul style="list-style-type: none"> • Mutual beneficial cooperation • Industry Communication 	<ul style="list-style-type: none"> • Seminars • Project cooperation 	<ul style="list-style-type: none"> • On-site visits • Enhance business communication



Communities

- Support Community Development
- Care for vulnerable groups
- Community visits
- Community service activities
- Popularize financial knowledge
- Set up community sub-branches
- Carry out charity activities



Environment

- Support low-carbon economy
- Promote Green Banking business
- Energy conservation and emission reduction
- Green procurement
- Green finance
- Implement green credit policies
- Insist on green office
- Promote e-Banking

Materiality Assessment

In order to gain an in-depth understanding of the expectations and concerns of different stakeholders on the Bank's sustainable development and to provide a targeted report on the Bank's ESG performance during the Reporting Period, the Bank made reference to the relevant requirements of the *Guide* of the Hong Kong Stock Exchange, fully considered the Bank's corporate characteristics and development strategies, and carried out materiality assessment based on the principle of "materiality" in combination with the concerns of stakeholders.

During the Reporting Period, after comprehensively considering factors such as the main business and operating environment, business strategies and the situations of key stakeholders, the Bank conducted the materiality assessment by reviewing the material issues, and finally identified 7 issues as material issues during the Reporting Period. These results have been reviewed and confirmed by the Bank's Board of Directors.

Aspects	Material Issues
 <p>Product Responsibility</p>	<ul style="list-style-type: none"> • Service Quality • Customer Complaint Management
 <p>Governance</p>	<ul style="list-style-type: none"> • Economic Performance • Risk Prevention • Operation Compliance • Market Presence • Anti-corruption/bribery/fraud/money laundering

The Report focuses on reporting on the above materiality assessment results. The Bank will continue to broaden the communication channels with stakeholders, maintain good and unimpeded communication with all parties, and extensively listen to the opinions and suggestions of stakeholders on the Bank's sustainability work.

02 Carrying out Governance Scientifically and Improving Risk Management



Governance Structure



Investor Communications

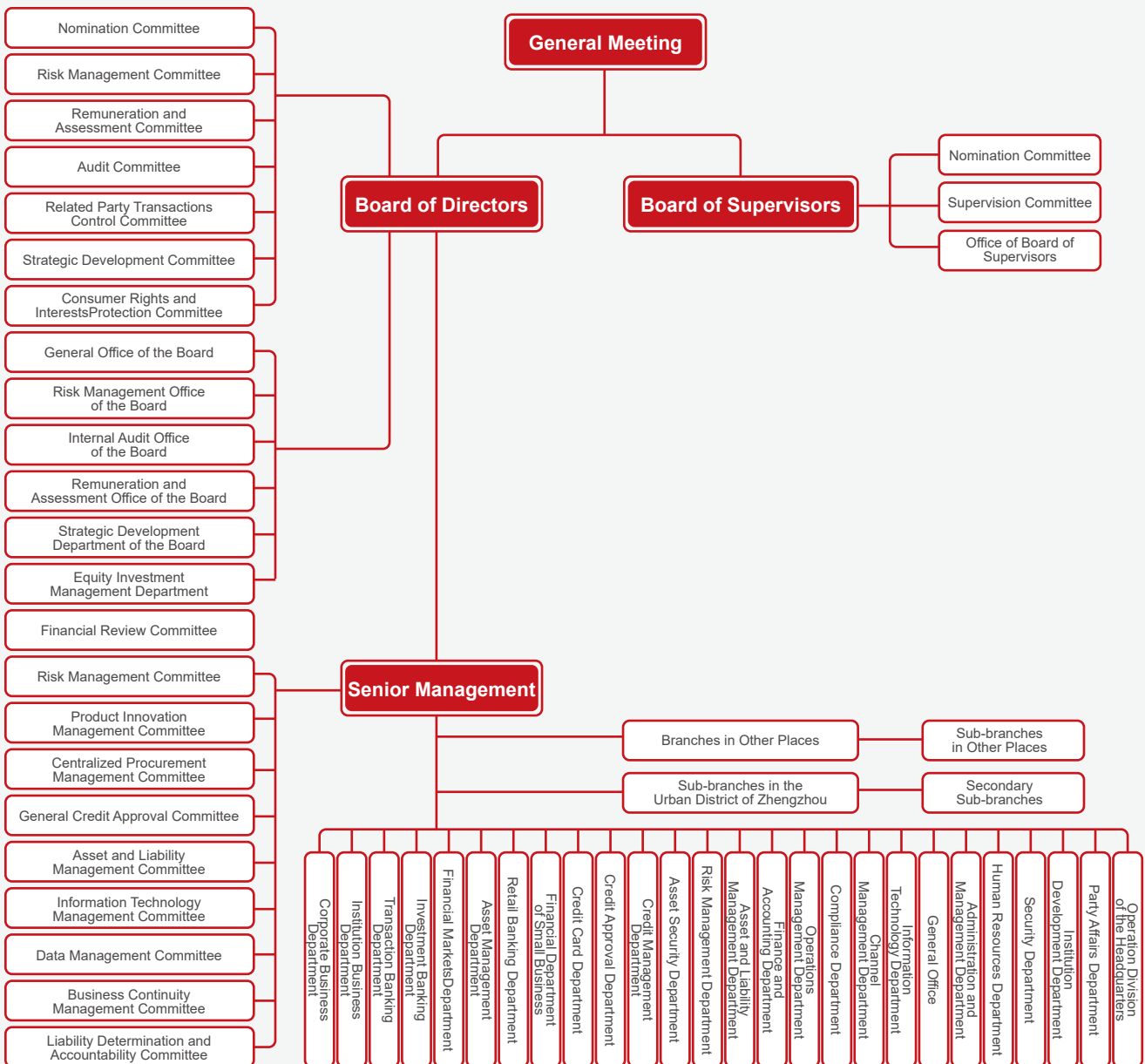


Internal Control and Compliance

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 *Corporate Governance Standards for Banking or Insurance Institutions* issued by the China Banking and Insurance Regulatory Commission (the "CBIRC"), the *Guidelines on Standardized Operation of Companies Listed of the SZSE*, and the *No. 1 Self-Regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange - Standardized Operation of Main Board Listed Companies* to establish a comprehensive corporate governance structure and management system. The general meeting, the Board of Directors, the 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:

Company Structure Diagram



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 the 2020 annual general meeting, the 2021 first A Shareholders' class meeting and the 2021 first H Shareholders' class meeting, the 2021 first extraordinary general meeting, the 2021 second A Shareholders' class meeting and the 2021 second H Shareholders' class meeting, respectively, at which a total of 29 proposals were reviewed and considered.

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 background 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 and accounting.

During the Reporting Period, the Bank held 11 Board meetings in total, at which 95 proposals were reviewed and considered.

As at the end of the Reporting Period, the Board members were as follows:

Name	Position
Mr. Wang Tianyu	Chairman, Executive Director
Mr. Shen Xueqing	President, Executive Director
Mr. Xia Hua	Vice Chairman, Executive Director
Ms. Wang Dan	Non-executive Director
Mr. Liu Bingheng	Non-executive Director
Mr. Su Xiaojun	Non-executive Director
Mr. Ji Hongjun	Non-executive Director
Mr. Wang Shihao	Non-executive Director
Ms. Li Yanyan	Independent Non-executive Directors
Mr. Li Xiaojian	Independent Non-executive Directors
Mr. Wu Ge	Independent Non-executive Directors
Ms. Li Shuxian	Independent Non-executive Directors

Among them, on 19 January 2022, after the reporting period, Mr. Song Ke's qualification as an independent non-executive director was approved, and Mr. Wu Ge was no longer an independent non-executive director of the Bank.

During the Reporting Period, directors of the sixth session of the Board of Directors of the Bank, namely Mr. Ji Hongjun, Mr. Wang Shihao, Mr. Xie Taifeng, Mr. Wu Ge and Ms. Li Yanyan, went to Xinyang Branch for investigation and guidance. Mr. Li Xiaojian, Mr. Song Ke and Ms. Li Shuxian, the newly elected independent non-executive directors of the seventh session of the Board of the Bank, participated in the training for the qualification of independent directors held by the SZSE and obtained the qualification certificates for independent directors. The directors of the seventh session of the Board of Directors of the Bank actively participated in the online training on policy Interpretation of the *Standards for the Corporate Governance of Banking and Insurance Institutions* and the *Measures for the Performance Evaluation of Directors and Supervisors of Banking and Insurance Institutions (Trial)* organized by the China Banking Association. The directors of the seventh session of the Board of Directors of the Bank participated in the training on interpretation of compliance trading rules conducted by the sponsor.



Some directors visited branches and sub-branches for investigation

Board of Supervisors

As the supervisory body of the Bank, the Board of Supervisors aims to protect the legitimate rights of the Bank, shareholders, employees, depositors, and other stakeholders. Being responsible for 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 supervision function to ensure that the level of governance meets its expectations.

The member 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 8 Board of Supervisors meetings, at which 33 regulations were reviewed or considered.

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, which all of them shall be appointed or dismissed 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 for regular reporting to the Board of Directors and is supervised by the Board of Supervisors. The management makes timely, accurately and completely reports on issues relating to the Bank's business performance, important contracts, financial status, risk status and business prospects.



Investor Communications

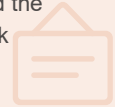
Information Disclosure

In accordance with the relevant regulations of the CSRC, CBIRC, the SZSE and the Hong Kong Stock Exchange, the Bank has formulated a complete information disclosure management system. The Bank carries out information disclosure in accordance with laws and regulations and continuously standardize the information disclosure work procedures, thereby improving the management level and the quality of information disclosure, and ensuring the truthfulness, accuracy, completeness and timeliness of information disclosure.

Guided by the needs of investors, the Bank truthfully discloses its operating conditions and major events to ensure that investors have full access to information that has a significant impact on investment decisions.

During the Reporting Period, the Bank disclosed a total of

235 announcements on the SZSE and the Hong Kong Stock Exchange.



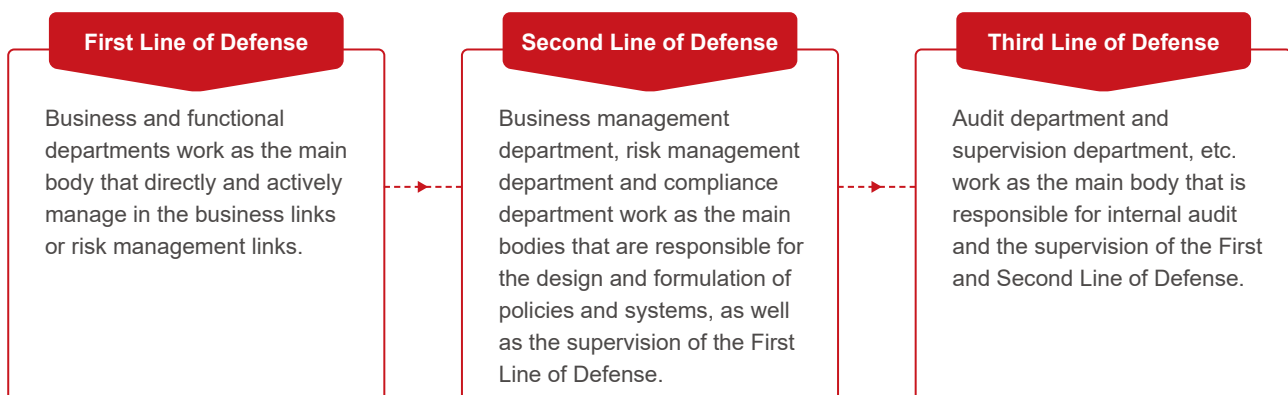
Management of Investor Relations

The Bank responded to investors' concerns with a proactive and open attitude and communicates with investors through multiple channels. During the Reporting Period, the Bank held the 2020 online performance briefing session, participated in the online collective reception day for investors of listed companies in Henan Province, and actively responded to 40 questions from investors through the SZSE "CN Info" platform. The Bank continuously strengthened the management of investor relations through answering calls 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.



During the Reporting Period, in order to strengthen risk management and control, the Bank carried out various risk prevention measures:

Risk Categories	Risk prevention measures
 <p>Credit Risk</p>	<ul style="list-style-type: none"> • Optimize the organizational structure of the risk management committee of the senior management to improve the efficiency of decision-making on major credit risk matters • Prepare review and approval manuals to improve the standardization of industry review and approval • Establish and improve the group and customers with large deposits management mechanism • Strengthen the management and control of government financing platforms and real estate business • Improve the three-level post-loan management system and the vertical management system of branches and sub-branches and improve the quality and effect of post-loan management • Layout the asset disposal plans scientifically and accelerate the disposal of non-performing assets
 <p>Market Risk</p>	<ul style="list-style-type: none"> • Consolidate the special reporting and decision-making mechanism, and smoothen the financial market business and market risk reporting mechanism • Optimize the market risk management system, establish a market risk emergency management mechanism, and improve the management system • Specify standardized templates and reporting paths for regular market risk reports, and further smooth risk transmission • Further improve management tools such as limit monitoring, internal statements, and tool valuation
 <p>Liquidity Risk</p>	<ul style="list-style-type: none"> • Strengthen fund position management and fund movement monitoring to minimize the cash flow gap and ensure the safety of fund position • Establish a sound liquidity risk monitoring system and continuously improving liquidity risk assessment and monitoring capabilities • Adjust the structure of assets and liabilities, reasonably increasing high-quality liquid assets at the asset end and improving the stability of liabilities at the liability end • Continuously carry out stress tests and emergency drills to find out weak links in liquidity management and improve the ability to respond to liquidity crisis • Improve technological support for liquidity risk
 <p>Operational Risk</p>	<ul style="list-style-type: none"> • Carry out special internal control and compliance activities, deepen the construction of compliance culture • Use Risk and Control Self-Assessment (RCSA) management tools to identify and evaluate weak links in process management and control, and give timely warnings • Strengthen the internal control system and improve the operability of the system • Consolidate the pre-event risk prevention mechanism, fully mobilize the subjective initiative of rectification and correction throughout the Bank, and empower business development

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

Compliance Operation

The Bank actively promotes compliance construction and has established a stringent system implementation and supervision mechanism to provide guarantee for legal and compliant operations. Firstly, the Bank improves the system, organizes the whole Bank to sort out the system make up for the deficiencies in internal control, and implements various requirements for compliance management. Secondly, the Bank continuously improves the internal control and compliance operational risk management system and optimizes off-site monitoring and management indicators. Thirdly, the Bank improved the accountability system and mechanism for duty performance and dereliction of duty, and revised the management system for non-compliance points and accountability for non-performing credit business. Fourthly, the Bank improves the system of case prevention and control, reporting and accountability, and establishes a long-term mechanism for case risk investigation. During the Reporting Period, the Bank strengthened the management of the internal control system and coordinated the implementation of the two-tiered system of the head office and branches. Through making up for shortcomings in the system process and eliminating blind spots in risk management and control, the Bank built a solid institutional foundation and mechanism guarantee for operation in accordance with laws and regulations. A total of 302 systems were reviewed and issued throughout the year.

The Bank is committed to cultivating a distinctive internal control and compliance culture, continuously improving the construction of the compliance management team, and establishing the examination mechanism of “advocating compliance and punishing violations”, and persistently promoting the compliance culture. During the Reporting Period, the Bank formulated the *Implementation Plan for Compliance Culture Construction Exchange Activities of Bank of Zhengzhou in 2021*, edited and distributed the *Special Issue on Legal Compliance*, collected compliance suggestions, and carried out compliance culture activities such as legal compliance publicity and training, competitions, theme writing, warning education, etc. At the same time, taking the opportunity of the “Year of Internal Control and Compliance Management Construction” activity of the CBIRC, the three lines of defense worked together to strengthen internal control and compliance management and improve financial risk prevention and control capabilities.

Case

Promoting the “Six Gu” spirits to win the “battle against non-performing” and “battle against risk defense”

On February 25, 2021, the Bank held the Risk Compliance Meeting of 2021. The meeting was the largest compliance warning meeting with the highest specifications in the year. The meeting clarified the annual work tone of “moving forward the risk threshold, optimizing the mechanism against problems, and strictly managing the control process to comprehensively improve the risk control ability”, and urged the cadres and employees of the Bank to adhere to the bottom line, keep the red line, and carry forward the spirits to win the “non-performing battle” and “risk defense battle”.



Anti-corruption and Anti-money Laundering

The Bank strictly implements the requirements of anti-corruption work, strictly abiding by the Regulations of the *Communist Party of China on Disciplinary Actions*, the *Supervision Law of the People's Republic of China*, the *Law of the People's Republic of China on Anti-money Laundering* and other laws and regulations. The Bank has formulated relevant internal systems such as the *Bank of Zhengzhou Basic System for Anti-Money Laundering and Anti-Terrorism Financing Management*, and 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 implemented 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 and did a good job in daily training and education, so as to prevent corruption and improve the integrity awareness of cadres and employees. The Bank formulated the *Practical Manual for Criminal Case Management* to carry out case warning education on illegal crimes such as bribery to further improve the institutionalization and standardization of anti-corruption work. In the future, the Bank will further strengthen the training of the Board of Directors and employees, continue to promote the anti-corruption work of the Bank, and continue to enhance the awareness of integrity.

Case

“Taking history as a mirror to keep the original aspiration and guarding the bottom line with compliance” education activity

On May 28, 2021, the employees of the Bank went to the Integrity Culture Education Center in Hehan Province to carry out the education activity of "Taking history as a mirror to keep the original aspiration and guarding the bottom line with compliance". During the activity, participants reviewed the admission oath of the Communist Party of China, kept in mind the purpose of the Party, and stayed true to the original mission. They visited a number of themed exhibition halls in turn, learning the thoughts, characters, and stories of integrity, as well as the history of building a clean and honest Party, and the achievements of comprehensively governing the Party with strict discipline.



The Bank timely revises the anti-money laundering system, and continues to improve and optimize the money laundering risk management structure in a timely manner. With clarifying the responsibilities of the Board of Directors, the Board of Supervisors, senior management, the anti-money laundering working group and the member departments of the leading group and all branches and sub-branches, the Bank establishes a top-down money laundering risk management structure with clear division of responsibility and a hierarchical and responsible operation mechanism. The members and departments of the leading group of the head office set up anti-money laundering posts to formulate the goals of money laundering risk management culture construction, and money laundering risk management strategies, policies and procedures, as well as regulations of subsidiaries.

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



The Bank built a professional publicity team to carry out anti-money laundering promotions in an all-round way through the combination of special promotions and daily promotions. The branches/sub-branches went to the community to carry out special anti-money laundering promotions to the public.



The Bank carried out trainings in an orderly manner in accordance with the principle of “different objects, different methods, different levels and different contents”. The Bank organized special training on anti-money laundering regulatory situation and work points, customer money laundering risk rating and beneficiary owner identification points, and anti-money laundering and customer false identity identification. New employees were required to participate in trainings on basic knowledge of anti-money laundering.



The Bank strengthened business supervision and guidance. The Bank carried out on-site business supervision for 5 branches in different places and sub-branches under their jurisdiction.



The Bank will continuously conduct in customer identification and reporting of large-sum and suspicious transactions. The Bank optimized the customer money laundering risk rating system and the independent monitoring model of suspicious transactions, and properly monitored the blacklist of money laundering and terrorist financing.

Through the anti-money laundering system, the Bank conducts money laundering risk rating and reports large and suspicious transactions among customers, and the data information is kept confidential. The Bank took the initiative to accept the supervision of the external parties. Channels such as the official website's mailbox, telephone and letter complaint address have been published. The Bank designated certain departments to establish an internal whistle-blowing mechanism, investigate and deal with Party members and cadres' violations of Party and government discipline, employees' violations of laws and regulations and abnormal behaviors, case clues, etc., and protect whistle-blowers. During the Reporting Period, the Bank did not have any proceedings against the Bank and its employees regarding corrupt practices that have been concluded.

Managing Intellectual Property Rights

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 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

Seven self-developed software of the Bank obtained computer software copyright certificates

During the Reporting Period, the Bank's self-developed data asset management platform, database historical data clearing software, the new generation of intelligent customer relationship management system, the Bank of Zhengzhou automated testing platform, the Bank of Zhengzhou unified supervision and submission platform, the Bank of Zhengzhou micro-service development platform and the Bank of Zhengzhou front-end development platform all obtained the computer software copyright registration certificate from the National Copyright Administration, which further improved the independent research and development capability of science and technology.



Improving Supply Chain Management

The Bank follows the principles of openness, fairness and impartiality in procurement, establishes external procurement standards and procedures. The Bank formulated internal policies such as *Bank of Zhengzhou Regulations on Centralized Procurement* to supervise procurement activities. The Bank requires bidders to have no record of bribery, no record of being included in the list of dishonest persons, no complaints from users due to major quality problems in the past three years. The bidders neither should have any record in violations of laws, disciplines or bad-performing in business activities, or any bad-performing loans or other disputes with the Bank. The Bank has established a centralized procurement supplier database, following the principles of survival of the fittest and dynamic management. The Bank conducts qualification reviews and performance evaluations on the suppliers in the database, and evaluates the performance of suppliers. At the same time, the Bank gives priority to domestic, energy-saving, and environmental-friendly products to promote green procurement.

The Bank's major suppliers include technology systems and hardware, self-service equipment, engineering decoration, office equipment, front-end equipment, consulting services, media and other fields. As at the end of the Reporting Period, the Bank had 375 major suppliers, including 156 suppliers in Henan Province and 219 suppliers outside Henan Province.

As at the end of the Reporting Period,

The Bank had
375 major suppliers,
 including **156** suppliers in Henan Province
 and **219** suppliers outside Henan Province.



03 Adhering to the Origin and Serving the Real Economy



Promoting Regional Development



Building A Commerce and Logistics Bank



Supporting Private, Small and Micro Enterprises



Accelerating the Construction of Citizens' Finance

Promoting Regional Development

The Bank thoroughly implements the national regional development strategy, and increases financing support for the economy of Henan Province through credit policy and credit structure adjustment. The Bank actively grasps the industrial development trend in line with the transformation and upgrading of the manufacturing industry in Henan Province, steadily increases the proportion of medium and long-term project loans in related fields, and vigorously supports the construction of key fields such as advanced manufacturing and strategic emerging industries.

The Bank gives full play to its supporting role in major strategies, seizing the new development opportunities in logistics and water conservancy industries in Henan Province arising from the "One Belt and One Road" strategy, and highly focusing on projects related to infrastructure, industrial investment, resource development, economic and trade cooperation, cultural exchanges, and ecological protection, etc. The Bank continues to increase its support for bank-government cooperation business, regarding government bond investment, investment in urban investment bonds, and government infrastructure construction project financing as key investment targets. Moreover, the Bank actively participates in the transformation of local governments at all levels to promote the sustainable development of regional economy.

Case

Carrying out "Assisting in enterprises" Activities Through Visiting the Park and Releasing Policies

On July 15, 2021, chairman Wang Tianyu and president Shen Xueqing went to the ZTE Intelligent Industrial Park and Zhengzhou Linkong Biomedical Park to carry out "Assisting in enterprises" activities to understand the financial needs of enterprises and tailor financial assistance solutions. The series of investigations carried out by the Bank into enterprises are the concrete practice of in-depth implementation of the major decisions and deployments of the "Assisting in enterprises" activities by the Henan Provincial Party Committee and the Zhengzhou Municipal Party Committee and Municipal Government. The Bank will focus on its unique positioning, fully support the high-quality development of small and medium-sized enterprises in the province, and contribute the "Zhengyin Power" to the construction of a national central city.



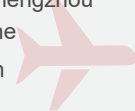
Case

Supporting the construction of Sino-German Industrial Park

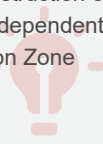
In order to fully support the high-quality development of small and micro enterprises parks, during the Reporting Period, the Bank granted a total credit of RMB 460 million to Sino-German Industrial Park (a key industrial park project in Henan Province) to support the development and construction of the park and to support the entrance and "development" of enterprises in the park in terms of factory mortgage cooperation.

Supporting Regional Economy in 2021

Balance of loans to support the construction of Zhengzhou Airport Economy Zone
RMB **4,861** million



Balance of loans for construction of Zhengluoxin National Independent Innovation Demonstration Zone
RMB **7,956** million



Balance of loans for construction of Henan Free Trade Zone
RMB **13,494** million



Case

Supporting the construction of digital industrial parks for technological innovation

To increase financial supports for the construction of science and technology innovation and digital industrial parks, during the Reporting Period, the Bank provided a credit of RMB 400 million for the key project Science Valley-Kunpeng Town (Digital Town) Project in Henan Province, a key project in the *List of Key Construction Projects in Henan Province in 2021*, to promote the construction of the Digital Town Industrial Park Project.

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

Obtaining the awards of "Excellent Financial Institution in the Ecosystem of China's Supply Chain Finance" and the "2021 Excellent Case Award in China's Logistics and Supply Chain Finance"

In March 2021, the Bank was awarded the title of "Excellent Financial Institution in the Ecosystem of China's Supply Chain Finance" at the 8th China Supply Chain Finance Innovation Summit Forum. In October, the Bank's case *A Digital Solution of Supply Chain Finance Based on Online Freight Scenarios* was awarded the "2021 Excellent Case Award in China's Logistics and Supply Chain Finance" at the 2021 China Logistics and Supply Chain Finance Annual Conference.

Supporting Private, Small and Micro Enterprises

Supporting Private Economy

The Bank continues to optimize the systems and mechanisms for serving the development of private economy, supports the development and growth of private enterprises, and increases investment in serving private enterprises. As at the end of the Reporting Period, the Bank's balance of loans to private enterprises was RMB 91,031 million, representing an increase of RMB 1,901 million from the beginning of the year.

During the Reporting Period, the Bank vigorously supported the development of private enterprises at the policy level, and strengthened analysis, research and judgment and classified guidance in business. Moreover, the interest rates of loans and loan conditions of private enterprises and state-owned enterprises under the same conditions were fully aligned. The Bank timely introduced a series of temporary measures such as supporting policies for resumption of work and production, implementing special re-loans, implementing credit protection, and increasing interest rate and fee reduction. The Bank increased product research and development, provided diversified services, gave full play to the role of the "Five-Clouds" commerce and trade financial platform, and made full use of investment banking products such as debt financing instruments and debt financing plans to support the expansion of direct financing. The Bank promoted credit granting in advance and repaying old loans by new loans, increasing supports for measures such as adjusting interest payment cycle, deferring principal and interest repayment, renewing loans without repayment of principal and repaying old loans by new loans during the pandemic. The Bank established a long-term mechanism of "Dare to Lend, Willing to Lend, Can Lend", and gave exemption and positive incentives to grass-roots customer managers who carried out credit granting for private enterprises.

the Bank's balance of loans to private enterprises was RMB **91,031** million, representing an increase of RMB **1,901** million from the beginning of the year.



Case

Supporting the development of industrial park projects in the province

An industrial park development company is engaged in the development and construction of a packaging industrial park project. The digital packaging industrial park, which is integrated by business, life and ecology, is a key construction project in Henan Province. The project is planned to include research and development factory and office, exclusive buildings for enterprises, industrial conference exhibition hall, industrial incubator, industrial ancillary, living ancillary and ancillary facilities for modern commercial office, etc. During the Reporting Period, the Bank provided credit of RMB 500 million to the company.

Serving Small and Micro Enterprises

The Bank has always been committed to serving small and micro enterprises, continuously improving the quality and efficiency of financial services for small and micro enterprises and formulating internal management systems such as the *Bank of Zhengzhou Operation Rules for Loan Acceptance*, the *Bank of Zhengzhou Management Measures for Small and Micro Enterprise Credit Loans*, and the *Bank of Zhengzhou Operation Rules for Small and Micro Enterprise (Individual) Production and Operation Loans*.

During the Reporting Period, the Bank continued to increase its support for small and micro enterprises, participating in a number of activities to meet the financing needs of small and micro enterprises, and using online loan products such as “E-Tax Financing” and “Micro Business Loan” to meet the financing needs of small and micro enterprises in a convenient and efficient manner. In response to the pandemic and flood, the Bank provided assistance to small and micro enterprises through opening approval channels, special loans and the policy of “Deferring the Repayment of Principal and Interest” to overcome difficulties together with small and micro enterprises.



Offline products

- House e-Financing-Operations
- E-Purchase Loan
- Technology Loan
- Zheng Tech Loan
- Simple Loan
- Corporate Business Loans
- Personal Business Loan
- Loans for production and operation



Online products

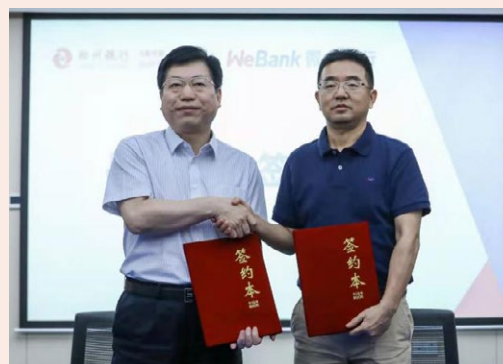
- E-tax Financing (Enterprise Version)
- E-tax Financing (Individual Version)
- Micro-enterprises Loan

As at the end of the Reporting Period, the Bank's balance of loans to small and micro enterprises was RMB **127,605** million, representing an increase of RMB **22,102** million or **20.95%** from the beginning of the year; the number of loans to small and micro enterprises was **66,762**, representing an increase of **60** from the beginning of the year.

Case

Data scenario product innovation

Closely following national policies and needs of scenario-based business, the Bank launched E-tax Financing (enterprise version and personal version) and data scenario-based product series of Micro-enterprises Loan. E-tax Financing (corporate version and personal version) provided online credit products for taxpayers, meeting the needs of enterprises to quickly apply for loans. Micro-enterprises Loan is an online working capital loan jointly funded by the Bank and WeChat Public Bank for small, medium and micro enterprises to effectively achieve the sinking of financial services for small and micro enterprises and solve the problems of people's livelihood.



Accelerating the Construction of Citizens' Finance

The Bank has always adhered to the distinctive positioning of "Boutique Bank for Residents". The Bank constantly innovates personal financial products according to customers' needs, enriches the variety and functions of debit cards and credit cards, and develops businesses such as collection, payment and remit agency for convenience and to benefit people, realizing one-stop financial services for citizens through online banking, telephone banking, mobile banking, self-service equipment and other service channels. At the same time, the Bank continuously improves customer experience, provides customers with high-quality financial services, and becomes a boutique bank at the door of citizens. As at the end of the Reporting Period, the balance of personal deposits of the Bank amounted to RMB 1,211,680 million, representing an increase of RMB 13,906 million or 12.90% as compared to the end of the previous year. The balance of personal loans amounted to RMB 76,138 million, representing an increase of RMB 8,809 million and 13.08% as compared to the end of the previous year. The total number of debit cards issued was 7,153,200 and increased by 561,900 (including digital accounts) as compared to the end of the previous year. The total number of Shangding credit cards issued amounted to 563,100, and the accumulated consumption amounted to RMB 99,600 million.

During the Reporting Period, the Bank issued the Rural Revitalization Theme Card and Shangding Cloud Logistics Card and issued the social security cards integrating financial functions and social security functions. The Bank cooperated with provincial and municipal social security units to promote social-banking integration and issued a new generation of social security cards with financial functions. Moreover, the Bank assisted the municipal social security bureau to develop the social security reservation management system, simplified the processing of social security business for citizens, and continuously improved the service level of social security business processing.



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



Enriched equity services

Continued to optimize and upgrade equity services; upgraded housekeeping and beauty services; launched the rights and benefits of high-end business travel; issued public service cards, Visa foreign currency cards, UnionPay boundless cards, and special themes cards of branches.



Optimized market activities

The Bank built a panoramic card ecosystem, promoted the incubation of business circle models and the expansion of brand scenarios, built a total of 10 consumer service scenarios, and cooperated with more than 4,000 high-quality merchants.



Improved business functions

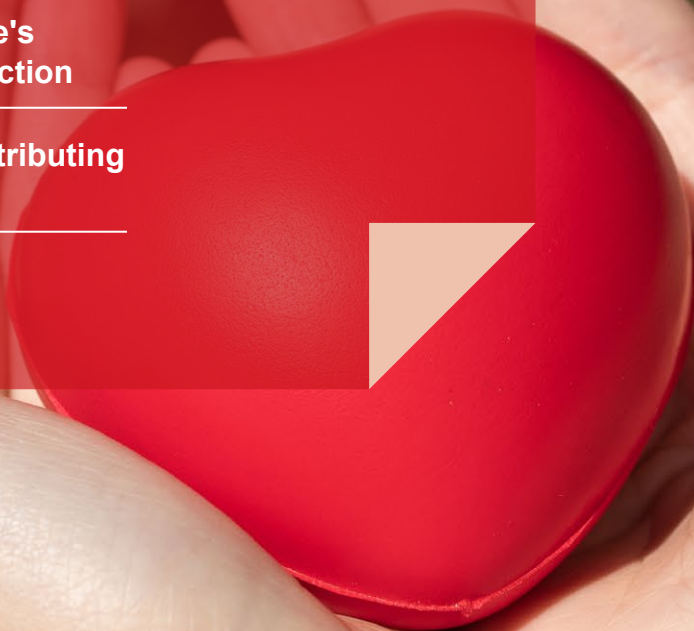
Launched real-time approval function to improve approval efficiency; realized the atomic service of Harmony system in Z card and realized the main functions of Z card credit card application, activation, password setting in the mobile phone of the Harmony system; relocated and launched "Zheng Good Life" credit card new mall.

04 Alleviating Worries and Difficulties and Benefiting People's Livelihood

 **Assisting in Rural Finance**

 **Focusing on People's Livelihood Construction**

 **Caring for and Contributing to the Society**



Assisting in Rural Finance

The Bank actively responds to the call for financial services helping rural revitalization. During the Reporting Period, in order to comprehensively promote the development of businesses favouring farmers, the Bank established a leading group for rural financial work, and built a comprehensive management platform for businesses favouring farmers, and accelerated the construction of diversified scenarios construction and product innovation, formulated mechanisms for the promotion, system construction and operation guarantee of businesses favouring farmers. More than 180 rural financial payment service points in the province were promoted. The Bank also selected and assigned personnel to form a working team in the village, and the branch also dispatched pair-up assistance teams.

Technology empowers rural financial development. The Bank promoted the layout of stations of businesses benefiting farmers, issued rural financial cards and the exclusive products of Zheng Benefit Deposits for customers of businesses favouring farmers, and built a management platform for business benefiting farmers. Moreover, the Bank realized online process and online inspection mini programs, improved the operation efficiency of stations, and realized multiple functions through the special POS system for businesses benefiting farmers and promoted the application of rural revitalization mobile banking, promoting payment services to benefit the people.

As at the end of the Reporting Period, the balance of agriculture-related loans was RMB 73,443 million, representing an increase of RMB 17,164 million from the beginning of the year.

the balance of agriculture-related loans was RMB

73,443 million

representing an increase of RMB **17,164** million from the beginning of the year.

Case

Issuance of “Rural Revitalization Card”

On July 29, 2021, the Bank issued the “Rural Revitalization Card” for the first time in city commercial banks in the Henan Province. The card adopted the temporary exemption of small account management fees, SMS notification fees, cross-bank handling fees for ATM withdrawal and other reduction and exemption measures. The card also combined characteristic services to enrich financial application scenarios in rural areas and promote financial services to rural areas. As at the end of the Reporting Period, a total of 18,564 “Rural Revitalization Cards” were issued.



Case

Opening the first rural inclusive financial payment service point successfully

On June 18, 2021, the opening ceremony of the Bank's first rural inclusive financial payment service point, Nanpu Rural Payment Service Point, was successfully held in Nanpu Community, Changwon City.

At present, the country is vigorously promoting the rural revitalization strategy, and it is the Bank's social responsibility to expand the scope of services in the field of agriculture, the countryside and farmers and practice the concept of inclusive finance. Based on the rural inclusive financial payment service points, the Bank will vigorously extend the "tentacles" of modern financial services, and deliver inclusive financial services to the fields. The Bank improves the rural payment environment through door-to-door services, fee waivers, optimization of bank card functions, and strengthening financial knowledge propaganda, etc. The Bank solidly promotes the work of rural revitalization and actively supports the high-quality development of local economy a With pragmatic attitude, honest concept and high quality service.



Focusing on People's Livelihood Construction

The Bank's credit policy clarifies that in terms of infrastructure construction, it gives priority to supporting national key projects, public utility projects, public service projects, affordable housing projects, major infrastructure projects, and water conservancy projects, etc., which are closely related to the national economy and people's livelihood, to provide financial guarantee for improving public infrastructure construction and improving the quality of life of residents.

The Bank took the initiative to cooperate with local governments at all levels, strengthened bank-government business cooperation, and increased support for new and old infrastructure fields, including new-type urbanization construction, municipal infrastructure, park construction and operation, public service livelihood projects, etc.

Case

Supporting the construction of long-distance transmission pipeline network of Anyang City of "Bringing Heat into the City"

A company in Anyang is mainly engaged in the production and supply of heat, heating service, and land pipeline transportation, etc. The company has built a long-distance pipeline network heating project (Anyang section) of "Bringing Heat into the City". The project will enhance the comprehensive carrying capacity of the city after completion. During the Reporting Period, the Bank provided a credit of RMB 286.1 million to the company to support the construction of the long-distance pipeline network of "Bringing Heat into the City" and supporting projects.



Caring for and Contributing to the Society

The Bank remains true to its original aspiration and keeps in mind its mission of giving back to the society. By carrying out public welfare and charity activities, the Bank makes progress together with the society and conveys gratitude and care. In addition to actively participating in pandemic prevention and control and fighting against major natural disasters, the Bank continued to carry out various social welfare and charity activities to earnestly fulfill its social responsibilities. During the Reporting Period, the Bank donated RMB 3 million to Zhengzhou Charity Association and RMB 1.5 million to Zhengzhou Charity Federation. The charity donation was about RMB 7.58 million.



Case

Building "Love Stations" for outdoor workers

During the Reporting Period, 70 "Love Stations" of the Bank were completed and put into use, of which 7 were rated as five-star Love Stations for Outdoor Workers in Zhengzhou. Under the guidance of Zhengzhou Federation of Trade Unions, the Bank relied on the business halls of branches and sub-branches in Zhengzhou City to provide public welfare services for outdoor workers, and set desks and chairs, drinking water and other facilities to provide outdoor workers with a "Warm Harbor" for sheltering wind and rain and temporary rest, so as to effectively solve the real problems of "Having Difficulties in Meals, Drinking Water, and Rest" for outdoor workers such as sanitation workers and construction workers.



05 Providing High-quality Services, and Protecting Customers' Rights



Improving Services Management



Safeguarding Customers' Rights and Interests

Improving Financial Services Quality

Improving Services 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
<p>1. Enhance the capability of operational staff</p> <ul style="list-style-type: none"> Promote learning through training, promote application through learning, and improve the professional skills of operators Strengthen the talent pool and management of operation to provide talent support for high-quality services 	<ul style="list-style-type: none"> Held 25 online training, 2 management improvement training and 2 vocational skills improvement training, with a total of 30,000 participants, and issued 3 <i>Operation Briefings</i> and 11 <i>Operation Management Monthly Reports</i> Carried out the talent pool qualification examination for the general manager (manager of operation department) of the operation management departments of branches and sub-branches and registered 55 people; Carried out two talent pool examinations for accounting supervisors, and registered 249 people
<p>2. Strengthen daily management of services</p> <ul style="list-style-type: none"> Improve the adaptability of service examination Regular on-site service counseling Introduce a public visit project and arrange service experts to visit branches and sub-branches Continue to carry out on-site personal customer satisfaction surveys at business outlets of the Bank 	<ul style="list-style-type: none"> Improved the customer satisfaction in service outlets

During the Reporting Period, the Bank continued to make efforts to build mobile banking, telephone banking and WeChat banking, and continuously improved the service capabilities of electronic channels. Mobile banking further promoted the transformation towards aging and helped the elderly to improve the ability and level of the application of intelligent technology. The telephone banking focused on the elderly-friendly and caring services and opened an exclusive service menu for elderly customers to provide services in a more timely and convenient way. The Bank continued to enrich the ecological construction of WeChat banking and the ecosystem of mini programs, expanded channels by using corporate WeChat to accurately serve customers. The number of online channel customers and transactions continued to increase. The online customer service process was reshaped and the online intelligent customer service solution rate reached 90%.

Enhancing Financial Innovation

The Bank constantly innovates financial products and services, creates higher value for customers with distinctive products and services, and takes this as a breakthrough point to improve market competitiveness.

During the Reporting Period, the Bank strengthened the innovation system and management mechanism. The Bank consolidated and revised relevant systems and incorporated the original contents of the *Bank of Zhengzhou Working Rules of the Office of the Product Innovation Management Committee* into the *Bank of Zhengzhou Working Rules of the Product Innovation Management Committee*. The Bank continuously optimized the innovation management mechanism: firstly, set up an innovation fund to provide continuous financial guarantee for new business expansion, new technology research and development, and new product operation; secondly, a cross-departmental agile operation team integrating technology and business was established for specific products, scenarios or customer groups to promote the integration and innovation of technology and business; thirdly, the Bank held the first creative competition, set up an innovation credit system, established an innovation talent pool, and continued to create an innovation atmosphere; fourth, established a normalized work mechanism for innovation acceptance review and post-evaluation, and strictly controlled innovation risks; fifthly, established a dedicated team for user experience, formulated user experience design specifications, and strengthened user experience management and control.

Safeguarding Customers' Rights and Interests

The Bank attaches great importance to the protection of consumer rights and interests, strengthens system construction, and actively responds to customer opinions, and strengthens the protection of personal information privacy and security, and takes multiple measures to protect consumer rights and interests. During the Reporting Period, the Bank did not have any violations of laws and regulations related to health and safety, advertising and privacy of products and services.

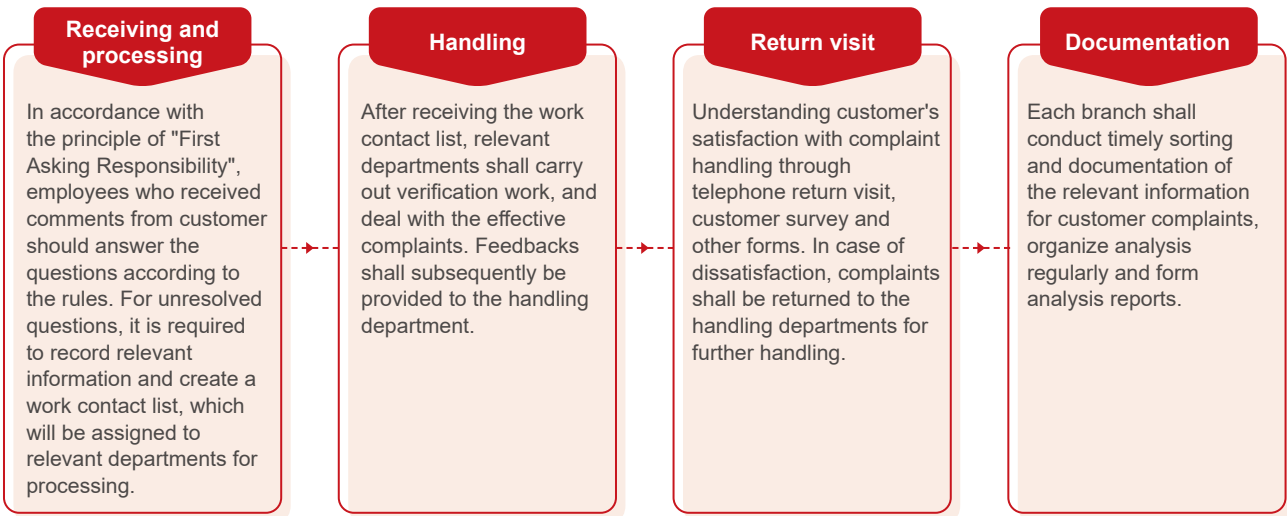
The Bank strictly complies with relevant laws and regulations such as the *Law of the People's Republic of China on Commercial Banks*, the *Advertising Law of the People's Republic of China*, the *Contract Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*. Having formulated and implemented internal 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.

Conducting Advertising Truthfully

The Bank strictly manages the marketing and promotion of the products and services provided. According to relevant provisions of the *Bank of Zhengzhou Regulations on Publicity Work*, all external publicity must be true with rigorous expression, and have correct political views and public opinions. At the same time, the Bank strengthens the supervision of business marketing and publicity activities of third parties of business cooperation to jointly ensure the legal compliance of business marketing and publicity. It is required that business marketing promotion refers to true and accurate data and information and makes disclosure in an appropriate form that enables consumers to pay sufficient attention and receive easy understanding to protect the legitimate rights and interests of consumers.

Strengthening Complaint Management

The Bank continuously improves the complaint coordination and handling mechanism, strictly manages customer complaints, and efficiently meets the reasonable demands of customers. At the same time, the Bank has established various channels for customers to express their opinions, including customer hotline, complaint service hotline, outlet suggestion box, portal website, and telephone survey, etc., to facilitate customers to reflect their opinions and handle them through the following four steps:



During the Reporting Period, the Bank handled 712 customer complaints, with a complaint resolution rate of 100%. The Bank compiled 12 complaint analysis reports and put forward 15 opinions and suggestions to provide reference for the improvement of the Bank's service quality.



Protecting Customer Privacy

The Bank has formulated internal systems such as the *Bank of Zhengzhou Administrative Measures for Financial Information of Personal Customers*, the *Bank of Zhengzhou Administrative Measures for Accounting Archives*, the *Bank of Zhengzhou Administrative Measures on Data Security*, and the *Bank of Zhengzhou Administrative Measures on Information Security Accountability*. The Bank regularly conducts emergency drills and continuously conducts financial information security inspections to effectively protect customer privacy.

During the Reporting Period, the Bank revised the *Bank of Zhengzhou Regulations on Personal Credit Information*, the *Bank of Zhengzhou Operating Rules on Managing Personal Credit Information*, the *Bank of Zhengzhou Administrative Measures on Data Security*, the *Bank of Zhengzhou Administrative Measures on Computer Equipment and other systems*. The Bank organized four bank-wide special self-inspection work for credit information business and organized all employees to participate in information security awareness-related training. The Bank also deployed professional network security protection equipment, strictly followed the principle of reasonable and legal collection to encrypt and store sensitive information. Additionally, security tests on important Internet customer systems and mobile applications were conducted. In addition, we strictly control the use of internal data and obtain relevant authorization and approval before data operation.

Case

Carry out an emergency drill for personal financial information leakage

In September 2021, the Bank carried out an emergency drill for personal financial information leakage. Through on-site simulation, the Bank further tested the smoothness and efficiency of information reporting and communication routes at all levels, improved the level of emergency command and decision-making and cross-departmental collaboration capabilities, and guaranteed the personal financial information security of customers to the greatest extent.

Case

Data security assessment

In April 2021, by completing the data security risk assessment and evaluating the current situation of the Bank's data security management, the Bank further strengthened the Bank's data security management. The Bank strictly managed its use behavior of data, and ensured the security of customer privacy.

Popularizing Financial Knowledge

The Bank continued to carry out and promote financial customer education and financial knowledge popularization, improving self-protection awareness and risk prevention awareness of customers, and helping build a harmonious financial environment.

Case Doing practical things for the public, and holding the Anti-counterfeit currency promotion and exchange activities

In September 2021, the Bank and the Zhengzhou Central Branch of the People's Bank of China jointly organized an anti-counterfeit currency promotion and exchange campaign. The Bank prepared a large number of banknotes, money counting machines, exchange tools, and promotional materials for the exchange of change and defective coins for merchants in the park where the campaign was held. The Bank also organized a team to exchange the banknotes for the merchants in the park. At the same time, the propaganda service team distributed promotional leaflets to passers-by and park merchants, explaining how to identify counterfeit currency and how to care for RMB, so as to improve people's ability to identify counterfeit currency. More than 400 copies of promotional leaflets were distributed, and more than 40 transactions of exchange of residual coins and change bills were handled, with a total amount of more than RMB 40,000.



Case Prevention and disposal of illegal fund-raising publicity activities

From January to June 2021, the Bank carried out 100-day publicity and special publicity month activities to prevent and handle illegal fund-raising. With the theme of "Learning and Using Laws and Regulations to Protect Small Homes, Relying on Everyone to Prevent and Handling Illegal Activities", the Bank guided the public to enhance their ability to identify and prevent illegal fund-raising, to establish a correct concept of investment and financial management, and to consciously keep away from and resist illegal fund-raising.



Case Puyang Branch launched the "Little Banker" experience activity

In the "Financial Knowledge" activity, Puyang Branch invited teenagers and kids to participate in the "Little Banker" financial knowledge publicity activity. The activity adopted the form of fun classroom. The staff explained how to identify money and other related financial knowledge. The activity achieved the effect of popularizing financial knowledge through education and entertainment.



06 Consolidating the Heart and Soul and Growing Together with Employees



Protecting Employees' Rights and Interests



Caring for the Well-being of Employees



Leading the Development Employees



Promoting Corporate Culture

Protecting Employees' Rights and Interests

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 the *Bank of Zhengzhou Fundamental 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 the management of employee recruitment and promotion, compensation and dismissal, working hours, holidays and other benefits and welfare. The Bank abides by the employment policy of equal employment and equal pay for equal work, and does not treat employees differently due to race, gender, age, religion, ethnicity and other factors. The Bank strictly reviews the identity information of applicants during the recruitment process and resolutely eliminates the employment of child labor. If violations are found, they will be dealt with in a timely manner in accordance with legal and regulatory requirements. During the Reporting Period, there was no incidence of child labor.

The Bank continues to improve its remuneration and promotion systems, aiming to enhance market competitiveness and attractiveness to talents. The Bank allocates remuneration based on job value, personal capabilities, and performance contributions, and with reference to factors such as local and industry standards, labor market supply and demand, living expenses and price levels, to achieve fairness and justice. The Group also continues to optimize the performance appraisal system, taking the results of performance appraisal as the main basis for job appointment, dismissal, promotion, salary distribution and post adjustment, and stimulating the enthusiasm of employees through incentive salary forms such as floating wages and bonuses. At the same time, the Bank has formulated the *Administrative Measures for the Grading Assessment of Professional Technical Sequences* to provide equal promotion opportunities for non-management employees.

The Bank implements a working hour system of no more than 8 hours per day and no more than 40 hours per week on average. During the Reporting Period, there was no incidence of forced labor. In addition to statutory holidays, employees can enjoy paid holidays such as annual leave, sick leave, marriage leave, maternity leave and funeral leave. At the same time, the Bank pays various social insurance and housing provident funds for employees, and establishes supplementary guarantees such as enterprise annuity and supplementary medical insurance to gradually build a multi-level pension and medical security system.

Case

Sending holiday greetings to all female employees of the Bank

On the occasion of the International Working Women's Day of 2021, the Bank's chairman, Mr. Wang Tianyu, President, Mr. Shen Xueqing and supervisor, Ms. Zhao Iijuan sent their best wishes to the female employees in the form of a joint letter of sympathy, thanking them for their hard work and outstanding contributions. In addition, the Party and Government leadership and the labor union committee sent flowers and blessings to the female employees. The labor union of the head office also carried out an activity of "one carnation per person" in the canteen to express its care for female employees and enhance organizational cohesion and centripetal force.



As at the end of the Reporting Period, the Bank's employee-related data were listed as follows:

Category		2021			2020		
		Number (persons)	Percentage (%)	Turnover Rate ³ (%)	Number (persons)	Percentage (%)	Turnover Rate ³ (%)
Total number of employees		5,127	100.00	2.42	4,984	100	1.81
By gender	Male	2,346	45.76	3.02	2,279	45.73	1.85
	Female	2,781	54.24	1.90	2,705	54.27	1.78
By age group	Under 30 years old (inclusive)	1,415	27.60	3.15	2,064	41.41	1.76
	From 31 to 40 years old (inclusive)	2,862	55.82	2.32	2,119	42.52	1.72
	From 41 to 50 years old (inclusive)	597	11.64	1.65	592	11.88	1.66
	Over 50 years old	253	4.93	1.17	209	4.19	3.69
By region	Within Henan Province	5,127	100.00	2.42	4,984	100	1.81
By education level	Associate's degree and below	321	6.26	-	374	7.5	-
	Bachelor's degree	3,795	74.02	-	3,667	73.58	-
	Master's degree	994	19.39	-	925	18.56	-
	Doctoral degree	17	0.33	-	18	0.36	-
By employment type	Full-time	5,127	100.00	2.42	4,984	100	1.81
New employees		305	5.95	-	263	5.28	-
Ethnic minority employees		199	3.88	-	166	3.33	-

Note: The employee composition shows the data of the Bank but does not include the data of subsidiaries.

³ 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

The Bank insists on providing employees with a healthy and safe working environment, strictly abides by the *Law on Prevention and Control of Occupational Diseases of the People's Republic of China* and the *Regulation on Work-Related Injury Insurances* and other laws and regulations, protects the basic rights, physical and mental health and life safety of employees in safe office and production, and organizes various recreational activities to balance employees' work and life. During the Reporting Period, the Bank did not have any violations of occupational health and safety⁴.

The Bank regularly carried out fire protection system testing and maintenance, continuously conducts fire safety inspections on key fire prevention areas, carries out fire protection knowledge educations and fire prevention skills trainings. The Bank strengthened the normalized pandemic prevention and control and daily safety management during the "720" severe rainstorm and strengthened the safety management of all types of office areas and business premises. The Bank implemented various protective measures in strict accordance with the Bank's emergency mechanism, taking practical and effective measures to prevent all kinds of cases and accidents and ensuring the safe operation of business premises. By doing so, it was able to ensure the safety of employees and customers. In 2021, the Bank successfully achieved the goal of "Zero Case and Zero Accident".

Under the continuous impact of the pandemic, the Bank adopted several measures to ensure the safe production and life of employees. The Bank organized the distribution of pandemic prevention materials, disinfected the lobby, elevators, offices, meeting rooms, etc. every day, and set up collection bins for waste masks and special paper towels, and sorted them according to medical hazardous waste. The Bank also disinfected the vehicles before and after use. In the severe situation of the pandemic, the Bank provided free meal boxes for employees of the head office, installed desktop partitions in the employee canteens, and arranged staggered and orderly dining.

The Bank adheres to the people-oriented principle and has established a labor union to care for the life of employees in all aspects. The Bank purchased mutual insurance for employees' accidental injury insurance and critical illness insurance, and arranged annual health check for employees; established the E-book Reading Platform of "Zhengyin Micro Book House", and launched more than 200 types of books and periodicals for occupational safety and physical and mental health guidance; organized cultural and sports activities and social activities for single young employees; the Bank did a good job in employees' birthdays, diseases, funerals, education and festival greetings, and regularly went to grassroots special condolences.

Part of employees right activities carried out by head office unions:

Mutual insurance claims
of RMB **36,900**

Employees apply for
relief funds of RMB
95,000

Condolences for employees
losing immediate family
members for RMB **35,000**

Condolences for
marriage for RMB
16,500

Condolences for female
employees who had just given
birth for RMB **18,000**

Condolences for
military veterans for
RMB **45,000**

Condolences for hospitalized
employees RMB **74,000**

Children's Day greeting
for RMB **194,600**

Case

"Let's name the youth, bloom the light of the Bank of Zhengzhou" walking competition

In April 2021, the walking competition, "Let's name the youth, bloom the light of the Bank of Zhengzhou", for celebrating the 100th anniversary of the founding of the Communist Party of China organized by the labour union of head office of the Bank of Zhengzhou was held in Zhengzhou Forest Park. More than 1,500 employees and their families participated in the delegation of the grass-roots labor union of the Bank. The competition showed the unity, cooperation and optimistic spirit of the Bank's employees, which enhanced the cohesion and centripetal force of employees.



⁴ There were no work-related fatalities in the past three years (including the Reporting Period). During the Reporting Period, the number of lost days due to work injury was zero

Leading the Development Employees

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 carried out various forms of capacity improvement training, improved the capacity building of talent echelon, and upgraded and iterated the "Ding" College of Zhengzhou Network College, and enriched the experience and content of online training and learning, achieving full coverage training.

Types of Training	Annual Performance of 2021
<p>Training for middle-level and reserve officers</p>	<ul style="list-style-type: none"> • Online ability improvement training of <i>Innovation Online</i> series of courses for middle-level officers • General manager level and deputy general manager level backup online training • Online training on "Orange Leadership" and "Winning the Battle to Open the Door-Retail Marketing" • Training for reserved employees of the head office
<p>Teams building for internal trainers</p>	<p>Combined with competition and trainings, dual-line parallel and multi-level selection:</p> <ul style="list-style-type: none"> • In terms of training, the Bank completed 2 training sessions with more than 100 participants, 58 new internal trainers and 66 new excellent courses and micro courses. • In terms of competition, the Bank won one "Excellent Organization Award", one "First Prize" and one "Second Prize" in the "Alliance Cup" Internal Trainer Competition. The Bank won the organization award of "Golden Cradle Award" in the Master Craftsmanship 2021 Enterprise Internal Trainer Competition. Four internal trainers passed the "Gold Internal Trainer" certification, and seven internal trainers passed the "New-generation Internal Trainer" certification
<p>Online and offline special ability improvement training for tier-2 sub-branches</p>	<ul style="list-style-type: none"> • Completed courses on "risk characteristics and risk control policies of key industries", leadership, team management, employee performance, macroeconomic situation analysis, etc.
<p>Upgrade the learning platform system of Ding College</p>	<ul style="list-style-type: none"> • Upgraded and iterated, added new functions such as anti-screenshot, anti-cutting screen and learning assistant • Carried out platform operation and promotion activities such as "Points Competition" and "Party's History Learning" • New courses such as innovative courses, cadre courses, micro-courses in retail sector and Party courses delivered by the chairman
<p>Orientation training for new employees</p>	<ul style="list-style-type: none"> • The courses included outward bound training, corporate culture, warning education, and career planning, and professional knowledge of various lines and on-board operation, etc., with a total of 168 people and more than 200 hours



Orientation training for new employees in 2021



Capacity improvement training program for tier-2 sub-branch presidents



A certification training program for certified internal trainer

During the Reporting Period, the Bank held and participated in 131 sessions of training of various types, with a total of 5,127 trainees and a training coverage rate of 100%⁵.



the Bank held and participated in **131** sessions of training of various types



a total of **5,127** trainees



a training coverage rate of **100%**

Employee Category	Number of Trained Employees (person)	Training Coverage Rate ⁶ (%)	Training Time (hours)	Average Training Time (hours)
Senior employees	22	100	550.0	25.0
Middle employees	263	100	12,548.5	47.7
Junior employees	4,842	100	197,426.0	40.8
Male	2,346	100	93,290.2	39.8
Female	2,781	100	110,588.3	39.8

Promoting Corporate Culture

The Bank attaches great importance to the construction of corporate culture, explores the gradual establishment of unique corporate personality, provides employees with a positive working atmosphere, and shows the Bank's good corporate image to the public. During the Reporting Period, the Bank reconstructed and upgraded the corporate culture system, and formed the *Research and Diagnosis Report on Corporate Culture*, the *Analysis Report on Corporate Culture Positioning*, the *Corporate Culture Concept System*, the *Corporate Culture Manual* and the *Administrative Measures for Corporate Culture Examination*. The Bank clarified the tasks of the Bank's culture construction work and the cultural construction tasks at all levels, to realize the upgrading of the concept level of the corporate culture system.

Case

"Xin Yue of Bank of Zhengzhou"- publication of a new version of corporate culture manual

During the Reporting Period, the Bank comprehensively upgraded the corporate culture concept system, releasing the new corporate culture manual of Bank of Zhengzhou – "Xin Yue of Bank of Zhengzhou". It clearly defined the roles and responsibilities of the corporate mission in social and economic development, elaborated the requirements for high-quality development and the methods to achieve the vision of "Building A Leading Bank with Value", and further explained the core values of Bank of Zhengzhou.



⁵ The coverage rate is calculated based on "the number of employees trained/total number of employees"

⁶ The coverage rate is calculated based on "the number of employees trained by employee type or gender/the total number of employees by employee type or gender"

07 Green Development, Protecting Lucid Waters and Lush Mountains

 **Developing Green Finance**

 **Addressing Climate Risks**

 **Promoting Green Operation**

 **Advocating Green Actions**






Developing Green Finance

With the proposal of the national “Dual Carbon Goals” and the “Green and Low-carbon Transformation Strategy” of Henan Province, the transformation of economic structure, energy structure and industrial structure of Henan Province will be further deepened. The Bank actively responds to the call, further improves the green financial service system, explored new green financial services and product models, and coordinates relevant work in accordance with the *Bank of Zhengzhou Green Credit Strategy* to improve the initiative and consciousness of green financial work.

Under the leadership of the green credit working committee, the Bank formulated internal documents such as the *Bank of Zhengzhou Management for Green Financial Bonds*, which clarified the allocation of green credit resources to industries and enterprises with low energy consumption, low pollution, low emissions and low resource consumption. The main green industry projects invested include green industry projects such as energy conservation and environmental protection, clean production, clean energy, ecological environment, green upgrading of infrastructure, and green services, with a focus on supporting projects listed in the National Key Energy Conservation Technology Promotion Catalogue, national top ten key projects of energy conservation and emission reduction, and key pollution source treatment projects.

As at the end of the Reporting Period, the Bank's green credit balance was RMB **2,106** million,

representing an increase of RMB **842** million and **66.61%** from the beginning of the year

 Class A	<p>Customers with construction, production and business activities that are likely to seriously change the original state of environment, and the adverse environmental and social consequences are not easy to be eliminated.</p>	<p>If the risk management team shows positive opinions, the credit shall be approved by the head office with the highest credit authority, otherwise it shall not enter the credit approval process.</p>
 Class B	<p>Customers with construction, production and business activities that will change the original state of environment, but the adverse environmental and social consequences can be eliminated through mitigation measures.</p>	<p>If the risk management team shows positive opinions, the credit shall be approved by the branch or higher credit authority, otherwise it shall not enter the credit approval process.</p>
 Class C	<p>Customers with construction, production and business activities that will not obviously change the original state of environment and society.</p>	<p>Directly enter to normal credit process.</p>

On October 15, 2021, the Bank signed the *Joint Announcement on Supporting Biodiversity Protection by Banking Financial Institutions* (the “*Announcement*”). The *Announcement* was initiated by China Banking Association and was signed and published at the first stage of the 15th United Nations Conference on Biodiversity (CBD COP15) Ecological Civilization Forum. The contents of the *Announcement* mainly include seven aspects, namely formulating the “Biodiversity Strategy”, strengthening the “Biodiversity Risk Control”, establishing the “Biodiversity Preference”, increasing the “Biodiversity Investment and Innovation”, doing a good job in the “Biodiversity Disclosure”, improving the “Biodiversity Performance”, and promoting the “Biodiversity Cooperation”.

Case

Innovation of carbon emission rights pledged financing products

Adhering to the customer-centric service concept, the Bank focused on scenario ecology and data empowerment to actively explore and innovate in the field of green finance. The Bank set up a professional team to innovate the pledge financing mode of carbon emission rights, gave full play to the role of carbon emission rights trading in the connection between financial capital and the real economy, broadened corporate financing channels, and revitalized the “carbon assets” of enterprises, and drove the green and innovative development of enterprises.

Addressing Climate Risks

In September 2020, China pledged to achieve carbon dioxide emissions peak by 2030 and carbon neutrality by 2060. In 2021, Chinese government issued the *Opinions on Completing the Work of Carbon Peak and Carbon Neutrality in A Complete and Thorough Implementation of the New Development Concept*, the *Action Plan for Carbon Peak by 2030* and the *Guiding Opinions on Promoting the High-quality Development of Central Enterprises to Achieve Carbon Peak and Carbon Neutrality*, and deployed the work of “carbon peak” and “carbon neutrality”. As an important part of the financial institution system, the banking industry has outstanding influence in mobilizing and allocating social resources, guiding and shaping the industrial structure, and also plays a major role in tackling 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 have been increasing. Adhering to the concept of green development, the Bank seizes the opportunities of climate financing, deeply develops green finance, vigorously supports the development of environmental protection industry, and spares no effort to respond to the global challenges brought by climate change.

Case

Supporting China Development Bank in issuing the first "Carbon Neutral" Green Bond

In 2021, the Bank participated in China Development Bank's first "carbon neutral" green financial bond issue for global investors. The issuance size of this bond is RMB 20 billion, which is the largest green bond issued in the market to help achieve the goal of carbon peak and carbon neutrality. The bond is the first carbon neutral bond certified by the Climate Bond Initiative (CBI) in China, and has been certified by the third-party certification agency United Equator in China. The funds raised from the bond will be used for wind power, photovoltaic and other carbon emission reduction projects, effectively promoting renewable energy substitution, deepening reform of the power system and building a new power system with new energy as the mainstay. As one of the 15 underwriters, the Bank worked closely with China Development Bank to respond to the important instruction of President Xi Jinping at the ninth meeting of the Central Finance and Economics Commission to achieve the goal of carbon peaking and carbon neutrality.



The issuance of "carbon neutrality" green bonds by China Development Bank is an important event for the Bank to take social responsibility and support green industries, which is in line with the Bank's philosophy of high-quality development, promotion of green credit transformation and cultivation of green industrial projects. The successful issuance of this bond will actively help fight the battle for environmental protection, support sustainable economic and social development, promote the attraction of more social capital to the deep low-carbon transition industry, and help enhance international recognition and participation in China's green financial policies, standards, products and markets.

Risk Type

Response strategy

Credit risk

- Implement green finance policies and actively promote the innovation of green financial products and service methods
- Formulate the *Bank of Zhengzhou Green Credit Strategy* to clarify the direction of green credit resource allocation
- Conduct dynamic assessment on the environmental and social risks faced by credit customers or projects, and the risks faced by environmental protection policies

Market risk

- Continuously monitor the prices of financial assets such as bonds, regularly carry out valuation and impairment of financial assets, and take timely measures for assets with high price fluctuations
- Take into account the operating conditions and fluctuations in the foreign exchange market, carry out foreign exchange hedging in a planned manner to reduce foreign exchange exposure, monitor and control key indicators of interest rate risk and exchange rate risk

Operational risk

- Establish a sound business continuity management system to cope with the impact of adverse weather events on business continuity
- Formulate special emergency plans, formulate emergency response measures, carry out emergency drills, and improve the ability to deal with emergencies





Promoting Green Operation

The Bank strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Water Law of the People's Republic of China* and other laws and regulations, actively promotes energy conservation and environmental protection, and creates green and low-carbon operations. The Bank has formulated the *Bank of Zhengzhou Regulations on Environmental Hygiene Management* to standardize the environmental management process in the office, save resources, reduce energy consumption, and effectively control pollution emissions. During the Reporting Period, the Bank strictly managed pollutant emissions in accordance with the requirements of relevant laws and regulations.

The main resources used by the Bank include water, electricity, natural gas, gasoline, diesel fuel and paper. On the basis of maintaining operational needs, the Bank insists on reducing energy consumption from the source in a planned manner and reducing unnecessary use of energy and resources, so as to achieve the goal of further promoting green operation.

The Bank's water is sourced from the municipal pipe network, and there is no issue in sourcing water. The wastewater generated from the Bank's office operation is initially treated by the sewage treatment facilities of the building's property, and then discharged into the municipal sewage pipeline, which will not have a significant impact on the environment.

The Bank set energy conservation and emission reduction targets and corresponding measures at the head office level to further promote green operations.

Aspect	2022 Target	Measure taken
 Exhaust gas and greenhouse gas emissions	Decrease in total	<ul style="list-style-type: none"> • Use gasoline with less sulphur content • Advocate green travel to reduce vehicle use
 Waste disposal	Decrease in total	<ul style="list-style-type: none"> • Do not use or use less equipment that generates hazardous waste • Use office equipment correctly to extend its service life and reduce solid waste generation. For example, turning on equipment when needed at work, and turning off the computer host, monitor, etc. when leaving
 Energy use	Reduction in annual per capita electricity and heat consumption	<ul style="list-style-type: none"> • Avoid daytime lights and long-light lights. Turn off lights when natural light is sufficient and leaving • The temperature of airconditioners shall not be lower than 26 degrees Celsius in summer and not higher than 20 degrees Celsius in winter. The airconditioners shall not be opened at doors and windows, and no airconditioners shall be turned on when no one is in use
 Water use efficiency	Annual water consumption per capita decreased	<ul style="list-style-type: none"> • Turn off water timely when washing to avoid long-term flushing • Regular inspections are carried out to avoid dripping and leakage of water

The Bank adopted the following energy conservation and emission reduction measures:



- Replace the original incandescent lamps with LED lamps or other energy-saving lamps, and set timers to control the lighting time
- Eliminate daytime lights and permanent lights, and turn off lights when natural light is sufficient
- Check the closure of office equipment, air conditioners and water dispensers after work every day
- Advocate the air-conditioning temperature not lower than 26 degrees Celsius in summer and not higher than 20 degrees Celsius in winter
- Advocate to close doors and windows when air conditioners are turned on, and turn off air conditioners when no one is in use
- Conduct regular cleaning, repair, maintenance, and replacement of old parts for fans, air conditioners, heating, and other equipment to improve efficiency
- Give priority to energy-saving and environmental-friendly equipment when purchasing new equipment



- Adopt the principle of using clean water for multiple times, and employees turn off the water in time when washing hands and washing hands to avoid long-term flushing
- Post water-saving signs and carry out maintenance immediately if abnormal conditions are found
- Irrigate flowers and trees according to weather conditions, use water reasonably and avoid wastage



- Reduce the waste of paper documents and launch a centralized counter operation platform
- Optimize the office automation system to achieve online processing of business approval, seal approval, legal review, work communication and supervision
- Develop a conference assistant to realize online inspection of meeting notices and meeting materials
- Launch an electronic seal system to replace the engraving and use of some physical seals
- Promote video conferences to reduce conference costs



- Implement unified management of official vehicles, conduct regular repairs and maintenance, and improve the utilization rate and integrity rate of vehicles
- Optimize traveling routes to reduce the use of vehicle fuel



Head office use of resources

Type	Unit	2021	2020
Water Consumption	Tons	167,736	80,694
Water consumption intensity	Tons/ square meter ⁷	4.01	1.69
Electricity consumption	kWh in '000s	10,356	11,309
Electricity consumption intensity	kWh in '000s/ square meter	0.25	0.24
Natural gas consumption	kWh in '000s ⁸	273.90	375.33
Natural gas consumption intensity	kWh in '000s/ square meter ⁹	0.0066	0.0079
Heating consumption	kWh in '000s	1,521.43	1,292.81
Heat consumption intensity	kWh in '000s/square meter	0.04	0.03
Vehicle fuel consumption ¹⁰	kWh in '000s ¹¹	708.01	716.31
Vehicle fuel consumption	kWh in '000s /vehicle ¹²	20.23	20.47



Head office GHG emissions

Item	Unit	2021	2020
Total GHG emissions	Tons of CO ₂ equivalent	6,942.53	6,737.29
Total GHG emissions intensity	Tons of CO ₂ equivalent/square meter	0.17	0.14
Direct GHG emissions (Scope 1) ¹³	Tons of CO ₂ equivalent	246.92	264.48
Indirect energy greenhouse gas emissions (Scope 2) ¹⁴	Tons of CO ₂	6,695.62 ¹⁵	6,472.81

⁷ Office area of the head office is 41,778.82 square meter

⁸ To comply with the disclosure requirements of relevant regulatory requirements, the Bank adjusted the measurement unit of natural gas consumption to "kWh in '000s" during the Reporting Period, and re-calculated and disclosed the natural gas consumption in 2020 according to the measurement unit.

⁹ To comply with the disclosure requirements of relevant regulatory requirements, the Bank adjusted the measurement unit of natural gas consumption intensity to "kWh in '000s/square meter" during the Reporting Period, and re-calculated and disclosed the natural gas consumption intensity in 2020 according to the measurement unit.

¹⁰ Including gasoline and diesel consumption of office vehicles

¹¹ To comply with the disclosure requirements of relevant regulatory requirements, the Bank adjusted the measurement unit of fuel consumption of office vehicles to "kWh in '000s" during the Reporting Period, and re-calculated and disclosed the fuel consumption of office vehicles in 2020 according to the measurement unit.

¹² To comply with the disclosure requirements of relevant regulatory requirements, the Bank adjusted the measurement unit of fuel consumption intensity of office vehicles to "kWh in '000s/vehicle" during the Reporting Period, and re-calculated and disclosed the fuel consumption intensity of office vehicles in 2020 according to the measurement unit. As at the end of the Reporting Period, the head office had a total of 35 office vehicles

¹³ Including greenhouse gas emissions from consumption of natural gas, gasoline and diesel

¹⁴ Including greenhouse gas emissions from electricity consumption and municipal heating

¹⁵ Calculated in accordance with the Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Enterprises Power Generation Facilities (2021 Revision). During the Reporting Period, the grid emission factor was adjusted to 0.5839 kgCO₂/kWh



Head office non-hazardous waste

Item	Unit	2021	2020
Domestic waste	Tons	120	200
Intensity of domestic waste generation	Tons/person ¹⁶	0.08	0.15
Disposed equipment	Pieces	728	1,195

The Bank's non-hazardous waste is mainly the waste generated in office and daily life. The Bank cooperates with a cleaning company to build a waste sorting and disposal station to recycle waste production supplies and iron items, and transport non-recyclable items to designated power plants for combustion.

The Bank's main business does not involve high pollution and high emissions, and does not generate significant hazardous waste and exhaust gas. For a limited amount of hazardous waste generated in daily operations, such as waste batteries, waste fire extinguishers and waste light tubes, the Bank delivers them to Zhengzhou Waste Comprehensive Treatment Plant for disposal. For wastes containing sensitive information storage media, special personnel will use the magnetic elimination equipment that has passed the national confidentiality certification to carry out information elimination, magnetic elimination, physical crushing and other sales processes, and keep sales records.

Advocating Green Actions

During the Reporting Period, the Bank actively fulfilled its social responsibilities, organized and carried out the "Energy Conservation and Emission Reduction" themed publicity activities, produced a series of publicity posters which were broadcasted on the multi-media platform of the business hall of branches and sub-branches and released on the official WeChat public account, created a green and low-carbon publicity atmosphere, and contributed to environmental protection.



¹⁶ As at the end of the Reporting Period, the head office had a total of 1,561 employees

Future Outlook

In the future, the Bank will adhere to the general tone of steady development, comprehensively promote the development and transformation path, implement the concept of sustainable development, and deepen high-quality development. The Bank will continue to maintain close contact with stakeholders, actively understand and respond to stakeholders' expectations in ESG, and strive to undertake and fulfill social responsibilities. The Bank will continue to strengthen risk and internal control management, strengthen compliance construction, adhere to the bottom line of risk, and continue to pay attention to and manage ESG risks. The Bank will continue to promote the "Four New Finance", help small and micro enterprises, build scientific and technological finance, build a brand of citizen finance, promote rural financial construction, continuously improve the quality and efficiency of inclusive finance, and fully promote regional economic prosperity. In addition, the Bank will continue to care for and give back to the society, protect the rights and interests of employees, build a green bank, help achieving the national strategic goals of carbon peaking and carbon neutrality, and jointly address global climate change.



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 2021 Corporate Social Responsibility Report, and disclosed the findings and conclusions of the Assurance Engagement to the intended users of the 2021 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 2021 Corporate Social Responsibility Report that have been selected in accordance with the 2019 edition of Environmental, Social and Governance Reporting Guide (“ESG Reporting 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 2021 Corporate Social Responsibility Report, or in the development of the 2021 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 Reporting 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 2021 Corporate Social Responsibility Report in accordance with the ESG Reporting Guide published by SEHK. Bank of Zhengzhou is also responsible for implementing relevant internal control procedures to ensure that the contents of the 2021 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 Reporting Guide published by SEHK to the Board of Directors of Bank of Zhengzhou. This independent assurance statement applies solely to the 2021 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 2021 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 2021 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:
 - Number of suppliers by geographical region
 - Average training hours of middle employees
 - Gasoline and diesel consumption
- CECEPAC (HK)'s assurance work was with respect to information disclosed from 1 January 2021 to 31 December 2021 and included in the 2021 Corporate Social Responsibility Report only. Any information that falls outside this period and disclosed in the 2021 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 head office, and the assurance works included:

- Evaluating the appropriateness of Bank of Zhengzhou's stakeholder engagement participation process;
- Conducting interviews¹ with personnel involved in sustainability management, report preparation and provision of the relevant information for the 2021 Corporate Social Responsibility Report;
- Assessing whether the reporting and management approach for the 2021 Corporate Social Responsibility Report responded to the principles of Inclusivity, Materiality, Responsiveness and Impact as defined in the AA1000AS v3;
- Conducting random sampling of supporting evidence pertaining to data reliability and quality for selected specified performance information;
- Recalculating selected specified performance information;
- Assessing the degree of conformity of the 2021 Corporate Social Responsibility Report with the ESG Reporting Guide;
- 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 Reporting 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' concerns and its impacts on key stakeholders. In our professional opinion, Bank of Zhengzhou adheres to the Principle of Inclusivity.

¹ 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.

• Materiality

Bank of Zhengzhou has established processes for identifying and determining the materiality of environmental, social and governance issues, based on the concerns of key stakeholders, its own industry characteristics, and the requirements of the ESG Reporting Guide etc., proper methods were used to identify material issues, and the assessment process of material issues and outcome has been disclosed in the 2021 Corporate Social Responsibility Report. In our professional opinion, Bank of Zhengzhou adheres to the Principle of Materiality.

• Responsiveness

Bank of Zhengzhou has established regular channels for its stakeholders to understand their expectations and concerns, and has relevant mechanisms in place to respond to key stakeholders. Moreover, through the 2021 Corporate Social Responsibility Report, Bank of Zhengzhou has identified material topics for disclosure to respond to the requests for information from key stakeholders. 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 that lead to more effective decision-making and management, and has disclosed the impacts in the 2021 Corporate Social Responsibility Report. In our professional opinion, Bank of Zhengzhou adheres to the Principle of Impact.

• SEHK's ESG Reporting 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 mandatory disclosure requirements and "Comply or Explain" provision, in all material aspects, in alignment with the ESG Reporting 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 2021 Corporate Social Responsibility Report have been either adopted or explained 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 2021 Corporate Social Responsibility Report.

VIII. Recommendations

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

- Strengthen relevant risk management and internal control systems, expand the scope of risk assessment related to cover environmental, social and governance matters;
- Continuously refine the data management process to further improve data accuracy through regular communication, consolidation and analysis of data performance, progressively expand the scope of social and environmental data to comprehensively manage the impacts of its operations.



Indicators Index of the Guide

Subject Areas and Aspects	General Disclosure	Disclosure Page	Key Performance Indicators	Disclosure Page
A. Environment				
A1: Emissions	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	47	A1.1 The types of emissions and respective emissions data	49
			A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	49
			A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	The Bank's main business does not involve high pollution and high emission, and does not generate significant hazardous waste
			A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	50
			A1.5 Description of emission target (s) set and steps taken to achieve them	47
			A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target (s) set and steps taken to achieve them	47,50
A2: Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials	47	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)	49
			A2.2 Water consumption in total and intensity (e.g. per unit of production volume per facility)	49
			A2.3 Description of energy use efficiency target (s) set and steps taken to achieve them	47
			A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target (s) set and steps taken to achieve them	47
			A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced	The Bank's main business is financial services, and no obvious packaging materials are used in the operation process

Subject Areas and Aspects	General Disclosure	Disclosure Page	Key Performance Indicators	Disclosure Page
A. Environment				
A3: The Environment and Natural Resources	Policies on minimizing the issuer's significant impact on the environment and natural resources	47	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	47
A4: Responding to Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	45-46	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	45-46
B. Social				
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	39	B1.1 Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region	40
			B1.2 Employee turnover rate by gender, age group and geographical region	40
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	41	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	41
			B2.2 Lost days due to work injury	41
			B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	41
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	42	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	43
			B3.2 The average training hours completed per employee by gender and employee category	43
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	39	B4.1 Description of measures to review employment practices to avoid child and forced labour	39
			B4.2 Description of steps taken to eliminate such practices when discovered	39
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain	24	B5.1 Number of suppliers by geographical region	24
			B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	24

Subject Areas and Aspects	General Disclosure	Disclosure Page	Key Performance Indicators	Disclosure Page
B. Social				
		24	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	24
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, labelling and privacy matters relating to products and services provided and methods of redress	35, 36 The bank has no finished products and does not involve in health and safety, and labelling relating to products and services provided.	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	The Bank is mainly engaged in financial services and does not involve product recycling
			B6.2 Number of products and service related complaints received and how they are dealt with	35
			B6.3 Description of practices relating to observing and protecting intellectual property rights	24
			B6.4 Description of quality assurance process and recall procedures	The Bank is mainly engaged in financial services and does not involve quality testing and product recycling
			B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	36
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	22-24	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	22-24
			B7.3 Description of anti-corruption training provided to directors and employees	22
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	11,25-32,37	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	11,25-32,37
			B8.2 Resources contributed (e.g. money or time) to the focus area	11,25-32,37

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Readers' Feedback

Thank you for reading the 2021 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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Email: ir@zzbank.cn

Address: Bank of Zhengzhou Mansion, No. 22, Shangwu Waihuan Road, Zhengdong New District Zhengzhou City, Henan Province, China

Postcode: 450018

1. Which kind of stakeholder are you:

Government Regulators Shareholders Customers Employees

Supplier Partner Community Environment Others

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 the 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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