



# 2022

## SOCIAL RESPONSIBILITY REPORT

Environment Society Governance

Bank of Zhengzhou Co., Ltd.

H share code: 6196

A share code: 002936



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# 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 2022. Through the Report, we seek to disclose the Bank’s vision, strategies 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 2022 to 31 December 2022 (“Reporting Period”).

## Reporting Cycle

The Bank’s corporate social responsibility report is annually published. The most recent report was published in March 2022.

## 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 “Social Responsibility” Chapter of 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
<p>The Bank identified this year’s material issues by reviewing the results of the materiality assessment with stakeholder engagement, and then prepared the Report based on the material issues. The Board has confirmed the results of the material issues.</p>
Quantitative
<p>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.</p>
Balance
<p>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.</p>
Consistency
<p>Unless otherwise stated, the methods used in the Report are consistent with those used in previous reports to ensure meaningful comparisons.</p>

The Report is also prepared with reference to the *GRI Sustainability Reporting Standards (2021)* (GRI Standards 2021) 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 2022 financial statements calculated in accordance with the Chinese Accounting Standards For Business Enterprises 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 2022 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](http://www.hkexnews.hk)), the website of the Shenzhen Stock Exchange ("SZSE") ([www.szse.cn](http://www.szse.cn)), CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the website of the Bank ([www.zzbank.cn](http://www.zzbank.cn)). The Report is prepared in simplified Chinese, 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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## President's Statement



Time can never stop, as the water flows. The year 2022 was an extraordinary year. Looking back on this year, at the critical moment when China was entering a new journey of building a socialist modern country and going towards the second hundred-year goal, the 20th Communist Party of China National Congress was held triumphantly, making important strategic plans for building a socialist modern power and promoting the great rejuvenation of the Chinese nation. At this important historical point full of changes and transformations, Bank of Zhengzhou took the initiative to respond to the development needs of the new era, and with the belief of being responsible to all stakeholders in the society, it innovated and revolutionized itself to deliver its own answer of the age.

**The original heart of the Bank is like a rock, and the Bank sticks to its mission of serving the local real economy.** The Bank first issued the *Bank of Zhengzhou's Implementation Opinions of on Supporting Stable Economy, Promoting Growth and Preserving Employment*, and formulated and introduced 27 measures in eight areas to stabilize the economy, which precisely helped address the financial needs of local enterprises and fully assist in stabilizing the economy and promoting development. The Bank deeply implemented the series of national, provincial and municipal decisions on promoting the stable and healthy development of the real estate market and formulated the *Bank of Zhengzhou's Policy and Measures to Support the Stable and Healthy Development of the Real Estate Market*. The Bank introduced the "22 Measures of the Bank of Zhengzhou" to support the steady and healthy development of the real estate market, actively formulated special marketing and credit programs for "Ensuring the Delivery of Property", completed project approval of 6.4 billion yuan, and signed strategic cooperation agreements with 7 real estate enterprises. The Bank has played the role of the main force of the financial army in such important tasks as "Ensuring the Delivery of Property" and has been awarded "Henan Social Responsibility Enterprise of the Year" by many departments of the provincial government, showing the high responsibility of Zhengzhou Bank to the whole society.

**The Bank continues to carry out its vision of high-quality development.** Facing the more severe and complicated development situation, the Bank maintained concentration to carry out the "Five and Four Strategy", seized the historical opportunity of the development of policy-based innovation finance in the province, and made every effort to build a first-class characteristic bank of policy-based technology and innovation finance. The Bank built "six specialized" mechanisms, launched 10 exclusive products such as

talent loan, Research & Development loan and intellectual property pledge loan and focused on supporting enterprises that “converted from individual business to enterprises, promoted from small and micro enterprises to enterprises above designated size, changed from enterprises above designated size to incorporated company, and changed from incorporated company to listed company” and innovative subjects such as “Specialized and Specialized New”, “Little Giant”. By the end of 2022, the Bank supported 2,640 enterprises with science and innovation loans with a balance of RMB 24,100 million, providing financial “sunshine and rain” for the construction of national innovation development. The Bank strictly controlled the credit access, strengthened risk control in key areas, increased support for local key projects and advanced manufacturing, and significantly improved asset quality and business structure. The Bank connected with the province's 85 projects of “three batches”, key projects, and post-disaster reconstruction. Besides, the Bank opened the public and the private lines, and interconnected with business, unwaveringly promoting the gradual implementation of strategic planning. The Bank strengthened asset and liability management, established long-term mechanism of asset circulation, and continued to promote capital light transformation. Taking the coordinated development of regional economy and resources and environment as the responsibility, the Bank has done a good job in green credit and green bonds, successfully issued 3 billion yuan of green finance bonds, and created a local “green bank” business card. The Bank continued to improve the smart financial service system, enriched business scenarios, and made key progress in digital transformation.

**Adhere to innovation, the Bank continues to practice the concept of creating value for customers.** The Bank sorted out and optimized the system and mechanism, customized multi-dimensional and multi-level products for technology and innovation enterprises, and successfully landed the first “Research and Development Loan” business in Henan Province. The Bank comprehensively promoted the “Partner Project” plan of the small and micro enterprise park finance and implemented the “Four Whole” action plan. The Bank developed inclusive long-term mechanism to help small and micro enterprises gather together. The Bank increased the supply of financial products in rural areas and launched the “Rural Revitalization-version” of the mobile banking APP to serve thousands of rural residents and individual businesses and help build a beautiful countryside. Centering on citizens' daily consumption scenes, such as food, clothing, housing and transportation, the Bank established online and offline consumption scenes, innovated to benefit the people, relieve their worries and promote consumption, and concentrated on optimizing characteristic scenes and rights and interests' activities, striving to improve the quality and effectiveness of financial services for citizens. Besides, the Bank successfully launched Cloud Business 2.0, realizing the iterative upgrading of platform functions. The Bank “rescued” small, medium and micro enterprises, connected to the manufacturing industry, unimpeded modern logistics, strengthening the tendon and bones of the upstream and downstream of the industrial chain of enterprises.

All the past is a prelude to the past. Standing at the new starting point of the new era and new journey, the Bank will spare no pains to keep on adhering to the development vision of “high-quality development and building a leading value bank”. Together with the public, shareholders, customers, employees and other stakeholders, the Bank will take more social responsibilities in the social, economic and environmental aspects with pragmatic style and solid performance. The Bank will pave the way forward with wisdom and perseverance and contribute to the greater strength of Zhengzhou Bank for the Central Plains to be more colorful!

# About Bank of Zhengzhou

## Company Profile

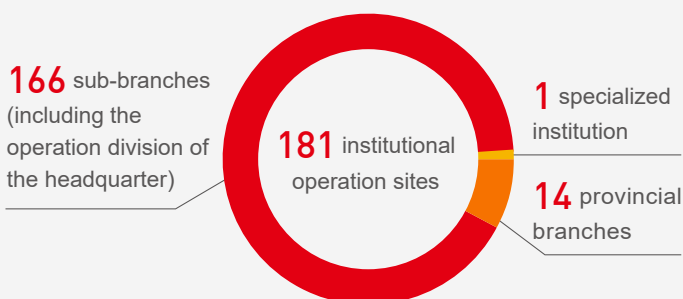
Bank of Zhengzhou is a regional joint stock commercial bank in November 1996 upon the approval by the People's Bank of China based on 48 city credit cooperatives in Zhengzhou City. The headquarter is located in Zhengzhou City, Henan Province, China. The Bank was renamed as Zhengzhou Commercial Bank Co.,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

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

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



As of the end of the Reporting Period, the Bank has 5,331 employees and 181 institutional operation sites, including 14 provincial branches, 166 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 591,514 million, representing an increase of 2.88% as compared to the beginning of the year; the balance of deposits amounted to RMB 337,708 million, representing an increase 5.93% as compared to the beginning of the year; the total loans amounted to RMB 330,921 million, representing an increase of 14.49% as compared to the beginning of the year; and the net profit amounted to RMB 2,600 million, representing a decrease of 23.48% as compared to the corresponding period of the previous year. The non-performing loan ratio was 1.88%. The allowance coverage ratio was 165.73% and the capital adequacy ratio was 12.72%, which met the regulatory requirements.







## Honors and Awards

January 2022	China Banking Association	2021 Banking Good News Award
June 2022	PY Standard	Bank with Excellent Operation and Management Capability and Bank with Annual Development Potential for Wealth Management
July 2022	Jointly Granted by Henan Daily, State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government, the Henan Local Financial Supervision and Administration Bureau, and Department of Industry and Information Technology of Henan Province	Henan Social Responsibility Enterprise of the Year
September 2022	China Banking and Insurance News	2022 Outstanding Group Award for News Publicity
	The Banker	Top Ten Retail Banking Innovation Award, Top Ten Mobile Banking Innovation Award
October 2022	Daily economic news	Golden Tripod Award – Annual Award for Supporting Local Economic Development
November 2022	China Business	2022 Outstanding Competitive Brand Construction Bank Award
	Modern Bankers	Iron Horse — Small and Medium Bank with the Best Business Features
December 2022	Finance Union	2022 Financial Union Zhiyuan Award • Corporate Governance (G) Pioneer Enterprise Award
	Securities Times	Tianji Award for Inclusive Financial Service Banks
	Interface News	Annual ESG Green Finance Award
	Hexun.com	2022 Regional Service Leading Bank Award
	Securities Market Weekly	2022 Best Corporate Management Listed Company Award
	Dazhong Securities News	2022 Social Responsibility "Star" Company Award
	Zhengzhou Daily	2022 Regional Economy Pioneer Award
	Finance.com	Product Innovation Enterprise of the Year

## Key Performance

Indicator Type	Indicator	Unit	2022	2021
 Economic Performance	Operating income <sup>1</sup>	RMB 100 million	152.26	148.11
	Net profit	RMB 100 million	26.00	33.98
	Basic earnings per share	RMB	0.17	0.33
	Total assets	RMB 100 million	5,915.14	5,749.80
	Total deposits	RMB 100 million	3,377.08	3,188.13
	Total loans	RMB 100 million	3,309.21	2,890.28
	ROA	%	0.45	0.61
	Weighted average ROE	%	3.53	7.17
	Non-performing loan ratio	%	1.88	1.85
	Allowance to NPL ratio	%	165.73	156.58
	Capital adequacy ratio	%	12.72	15.00

<sup>1</sup> 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 2022 and 2021 were RMB 15,101 million and RMB 14,801 million, respectively.

Indicator Type	Indicator	Unit	2022	2021
 Social Performance	Total taxes paid	RMB 100 million	22.62	25.77
	Charity donations	RMB 10 thousand	110.50	757.94
	Balance of loans to small and micro enterprises	RMB 100 million	1,546.03	1,276.05
	Balance of agriculture-related loans	RMB 100 million	808.71	734.43
	Customer satisfaction rate	%	94.8	97.9
	Customers' complaints solution rate	%	100	100
	Total headcount	person	5,331	5,127
	Percentage of female employees	%	54	54
 Environmental Performance	Balance of green credit	RMB 100 million	28.54	21.06
	Balance of loans to high-pollution, high-energy-consumption or overcapacity industries	RMB 100 million	12.37	5.33
	Personal e-banking replacement ratio	%	99.20	98.87
	Video conferences	Times	1,682	146
	Head office power consumption	kWh in '000s	11,710	10,356
	Head office water consumption	Tons	165,404	167,736
	Head office natural gas consumption	Cubic meters	261.91	273.90



# 01

## Steady and Long-Term Development and Strengthening Responsibility Management

- Implementing Responsibility Concept
- Responsibility Management System
- Strengthening Responsibility
- Communication Materiality Assessment

# Implementing Responsibility Concept

## 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

## Business Philosophy

Standardized operations, innovative development and operating with integrity

## Vision

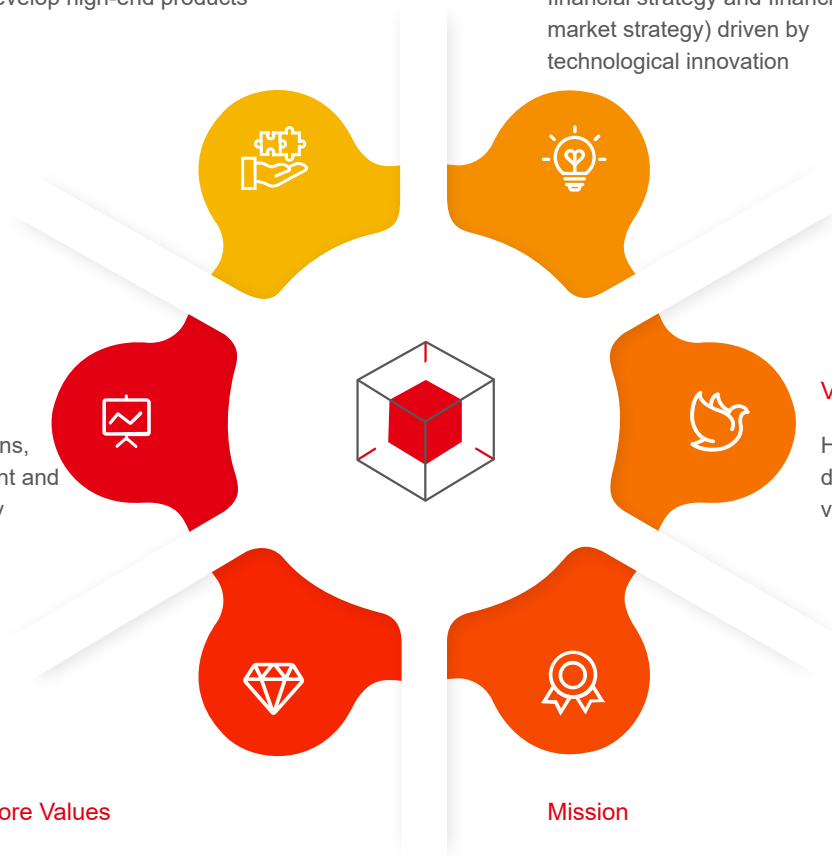
High-quality development to build a value-leading bank

## Core Values

Fearfulness, professionalism, inquisitiveness, altruism, responsibility

## Mission

Finance with heart, to make life better

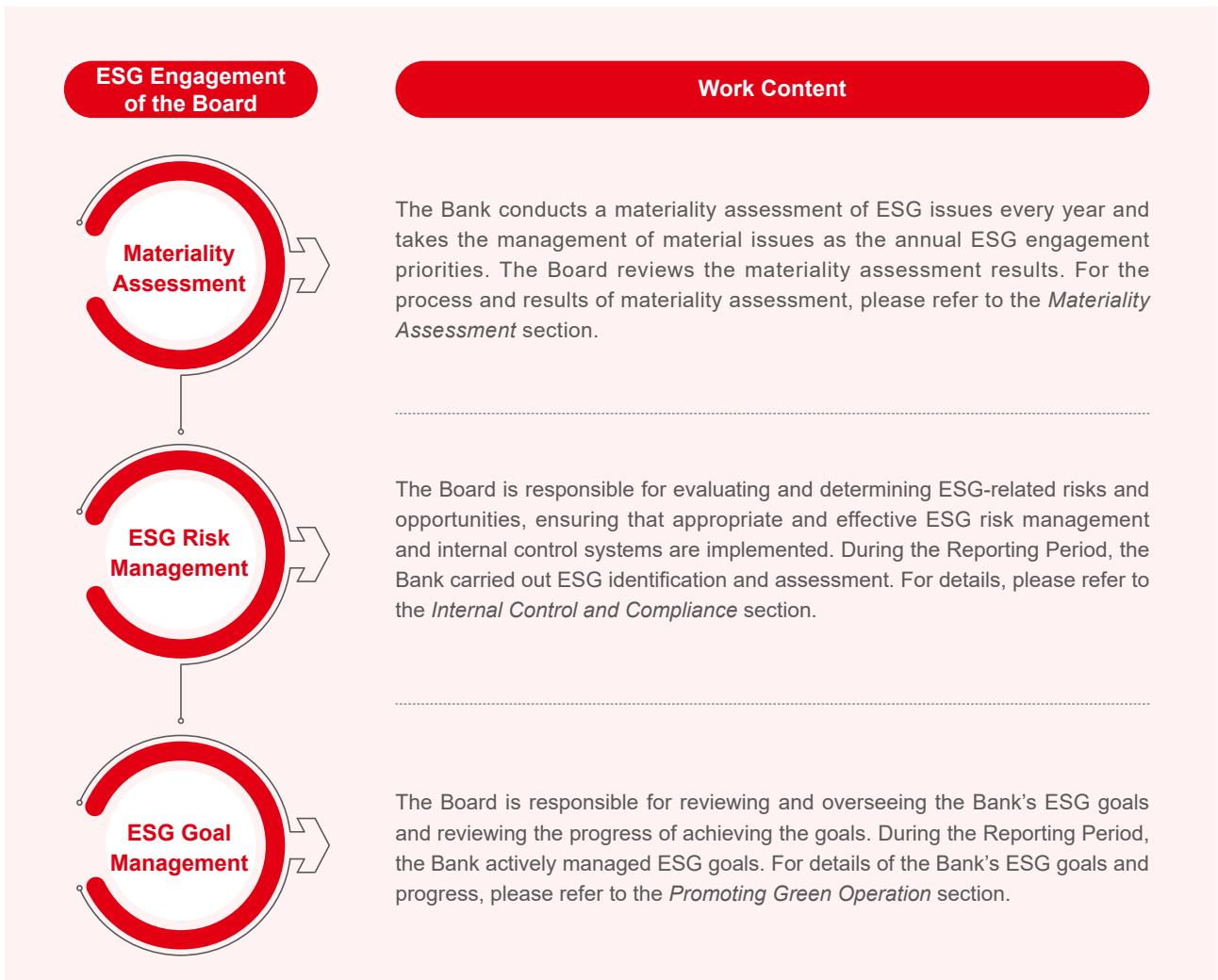


# Responsibility Management System

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.



# Strengthening Responsibility 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 seek 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
 <b>Government</b>	<ul style="list-style-type: none"> <li>• Support strategic planning of the government</li> <li>• Serve real economy</li> <li>• Develop inclusive finance</li> </ul>	<ul style="list-style-type: none"> <li>• Documents and guidelines on policies</li> <li>• Specific topic reports</li> <li>• Information distributions</li> <li>• Seminars</li> </ul>	<ul style="list-style-type: none"> <li>• Support the implementation of government strategic planning</li> <li>• Serve private, small, and micro enterprises</li> <li>• Support "Three Rural Sectors"</li> <li>• Establish Science and Technology Finance department, empowering Science and Technology enterprises with precision</li> </ul>
 <b>Regulators</b>	<ul style="list-style-type: none"> <li>• Operate in accordance with laws and regulatory requirements</li> <li>• Maintain financial stability</li> <li>• Promote industry development</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory policies</li> <li>• Research and inspections</li> <li>• Performance briefings</li> </ul>	<ul style="list-style-type: none"> <li>• Carry out prudent compliance management</li> <li>• Enhance risk management systems</li> <li>• Participate in industry association events</li> </ul>
 <b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>• Maintain steady operations</li> <li>• Enhance overall abilities</li> <li>• Improve investment returns</li> </ul>	<ul style="list-style-type: none"> <li>• General meetings</li> <li>• Information disclosure</li> <li>• Performance briefings</li> </ul>	<ul style="list-style-type: none"> <li>• Improve corporate governance</li> <li>• Implement development strategies</li> <li>• Offer reasonable returns for shareholders</li> <li>• Fulfill obligations on information disclosure</li> <li>• Strengthen investor relations management</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Improve service quality and efficiency</li> <li>• Provide diverse financial products</li> <li>• Protect consumer rights and interests</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing activities</li> <li>• Customer service hotline</li> <li>• Business handling</li> </ul>	<ul style="list-style-type: none"> <li>• Optimize operation workflows</li> <li>• Innovate financial products</li> <li>• Improve service quality</li> <li>• Strengthen compliance review</li> </ul>

Stakeholders	Expectations and Concerns	Communication Channels	Response Methods
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>• Improve employees' salaries and benefits</li> <li>• Protect employees' rights and interests</li> <li>• Provide career growth opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Labor union</li> <li>• Employees' Representative Congress</li> <li>• Suggestion mailbox</li> <li>• Professional training</li> </ul>	<ul style="list-style-type: none"> <li>• Improve the remuneration system</li> <li>• Deliver benefits from labor union</li> <li>• Improve employee training</li> <li>• Organize various activities</li> </ul>
 <p><b>Suppliers</b></p>	<ul style="list-style-type: none"> <li>• Fair procurement</li> <li>• Honesty and compliance</li> <li>• Win-win Cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Negotiation</li> <li>• Cooperation agreement</li> <li>• Tendering and bidding</li> </ul>	<ul style="list-style-type: none"> <li>• Establish procurement management system</li> <li>• Fair tendering</li> <li>• Enhance business cooperation</li> </ul>
 <p><b>Partners</b></p>	<ul style="list-style-type: none"> <li>• Mutual beneficial cooperation</li> <li>• Industry Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Seminars</li> <li>• Project cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• on-site visits</li> <li>• Enhance business communication</li> </ul>
 <p><b>Communities</b></p>	<ul style="list-style-type: none"> <li>• Support community development</li> <li>• Care for vulnerable groups</li> </ul>	<ul style="list-style-type: none"> <li>• Community visits</li> <li>• Community service activities</li> </ul>	<ul style="list-style-type: none"> <li>• Popularize financial knowledge</li> <li>• Set up community sub-branches</li> <li>• Carry out charity activities</li> </ul>
 <p><b>Environment</b></p>	<ul style="list-style-type: none"> <li>• Support low-carbon economy</li> <li>• Promote Green Banking business</li> </ul>	<ul style="list-style-type: none"> <li>• Energy conservation and emission reduction</li> <li>• Green procurement</li> <li>• Green finance</li> </ul>	<ul style="list-style-type: none"> <li>• Implement green credit policies</li> <li>• Insist green office</li> <li>• Promote E-Banking</li> </ul>



## Materiality Assessment

In order to deeply understand the expectations and demands of different stakeholders on the Bank's sustainable development, so as to specifically report the Bank's ESG performance during the Reporting Period, the Bank carried out materiality assessment based on the principle of "materiality" by referring to the relevant requirements of the *Guide*, fully considering the Bank's corporate characteristics and development strategies, and combining 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 major stakeholders, the Bank conducted the materiality assessment by reviewing material issues, and finally determined 10 issues as material issues for the Reporting Period. Compared with the results of the materiality assessment in 2021, the Bank newly added four important issues at the social issues level, namely "Supporting Small and Micro Enterprises", "Poverty Alleviation with financing" and "Customer Privacy Protection" and "Inclusive Finance", while reducing one important issue "Market Presence" at the governance issues level.

Aspects	Material Issues
Product responsibility	Service Quality
	Customer Complaint Management
Social	Supporting Small and Micro Enterprises
	Finance "Poverty Alleviation"
	Customer Privacy Protection
	Inclusive Finance
Governance	Economic Performance
	Financial Risk Prevention and Control
	Operation Compliance
	Anti-Corruption/Bribery/Fraud/Money Laundering

The Board of the Bank has reviewed and confirmed the materiality assessment results. 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 sustainable development work.





# 02

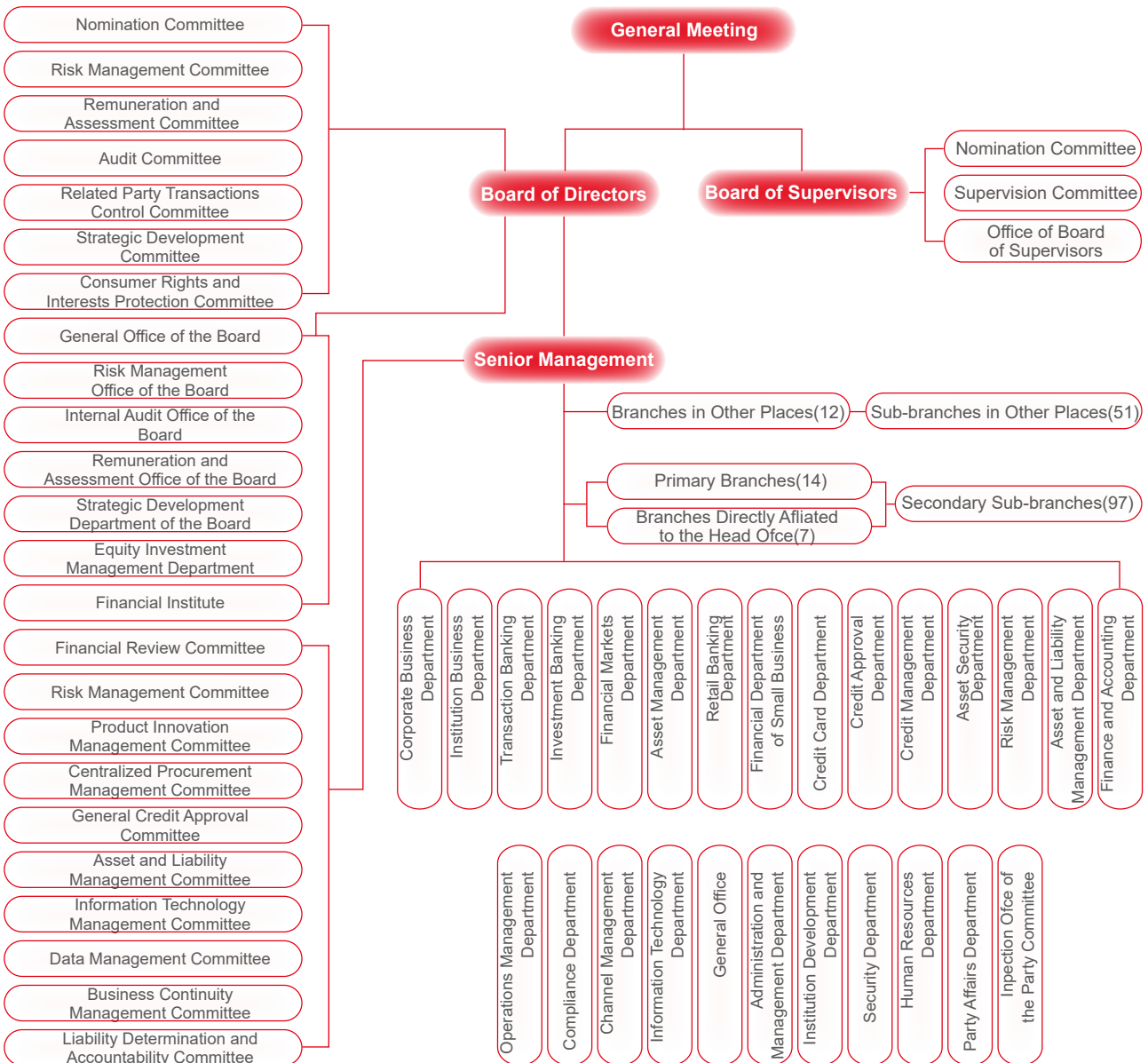
## Operating Steadily and Strengthening Risk Management

- Governance Structure
- Investor Communication
- 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 *No. 1 Self-Regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange - Standardized Operation of Main Board Listed Companies*, and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* 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:

# Organization Structure



## 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 2021 annual general meeting, at which a total of 19 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 disciplines and considered their gender, qualifications, region of origin, industry experiences, skills, knowledge, and educational background during the selection of Board members. The current Board members possess industry backgrounds and work experiences in economics, finance, accounting and auditing.

During the Reporting Period, the Bank held 14 Board meetings in total. 69 proposals including work reports of the Board and profit distribution plans, were reviewed and considered.

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



Among them, after the Reporting Period, Mr. Wang Tianyu resigned as executive director and Chairman of the Board of Directors of the Bank, effective from March 21, 2023, in accordance with the relevant regulations and organizational work arrangement for financial leaders to take up new positions.

During the Reporting Period, with the requirements from Shenzhen Stock Exchange, the Directors of the seventh session of the Board of the Bank actively participated in various online special topic training projects. In order to promote the corporate governance, protect the legitimate rights and interests of investors, and strengthen direct and effective communication with investors, the Directors participated in the online special training on the new regulations on delisting and the *Work Guidelines for the Investor Relations Management of Listed Companies*. In order to learn the relevant policies and regulations on the standards of performance of duties by Directors, Directors participated in the training on performance of duties by Directors, Supervisors and senior management and compliance transactions.

## 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 composition of the Board of Supervisors is sufficiently professional and independent to ensure the effective performance of its supervisory role. During the Reporting Period, the Bank held a total of 4 Board of Supervisors meetings, at which 21 regulations including the work reports of Board of Supervisors were reviewed or considered.

## Investor Communication

### 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.

### Management of Investor Relations

The Bank maintains communication with investors through multiple channels and listens to their voices. During the Reporting Period, the Bank held 2021 online performance briefing session to actively interact with investors and earnestly answer their questions. The Bank conducted daily interaction with investors through the "CN Info" platform and other channels, actively replied 48 questions from investors on the platform, and timely responded to investors' concerns. continuously strengthened the management of investor relations through answering calls from investors on a daily basis.

## 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 senior management establishes a system of regular reports to the Board, accepts the supervision of the Board of Supervisors, and reports timely, accurately and completely on the operating performance, important contracts, financial condition, risk status and business prospects of the bank.

During the Reporting Period,  
the Bank disclosed a total of

**218** announcements

on the SZSE and the Hong  
Kong Stock Exchange



The Bank conducted daily  
interaction with investors through  
the "CN Info" platform and other  
channels, actively replied

**48** questions from

investors on the platform



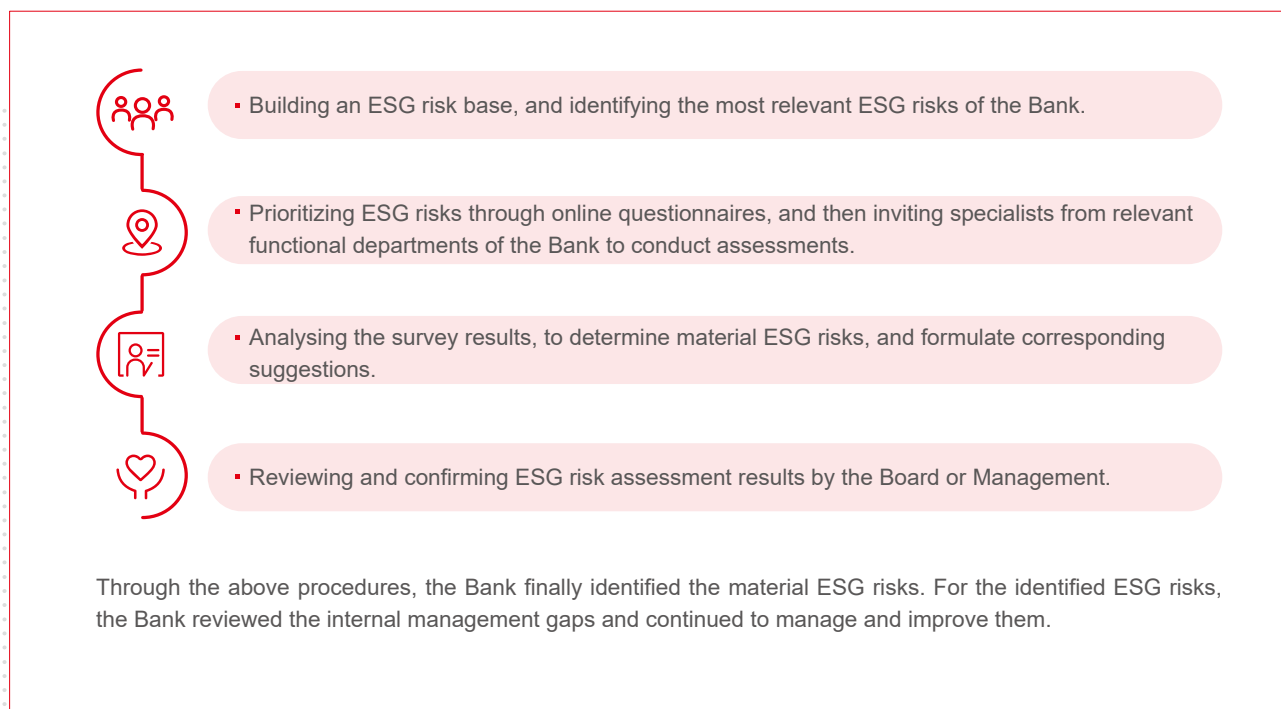
# Internal Control and Compliance

## 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*, and the *Bank of Zhengzhou Overall Plan on Emergency* and various sub-plans, covering major risk categories such as credit risk, liquidity risk, market risk, operational risk, information technology risk and reputational risk.



ESG risk is an important management element in risk management. During the Reporting Period, the Bank carried out ESG risk identification and assessment, and the process of ESG risk identification and assessment is as follows:



ESG risks	Internal Management
 <p><b>Consumer Financial Protection</b></p>	<p>Formulated consumer financial protection related policies, including marketing and promotion, to protect the legitimate rights and interests of consumers.</p> <p>Continued to regularly carry out financial knowledge popularization and special publicity activities, and the publicity results were well recognized.</p> <p>Continued to improve the internal control mechanism for anti-telecom network fraud, strengthened publicity and education, and deepened bank-police collaboration.</p>
 <p><b>Cyber Security Risk</b></p>	<p>Established cybersecurity policies and other internal policies to ensure compliance with industry standards and requirements.</p> <p>Strictly controlled the internal data use process and obtained relevant authorization and approval before data operation.</p> <p>Organized special self-inspection work, and organized employees to participate in information security awareness training.</p> <p>Deployed professional network security protection equipment to encrypt and store sensitive information and conduct security tests. Regularly carried out emergency plan drills and continuously conducted financial information security inspections.</p>
 <p><b>Digital Economy Risk</b></p>	<p>Initiated the Five &amp; Four Strategy (Four New Types of Finance, Five Clouds). Focusing on industrial digital finance, the Bank continuously upgraded the Five Clouds Internet platform and innovated the Five Clouds product system.</p>
 <p><b>Infectious Diseases</b></p>	<p>Organized the distribution of materials, conducted comprehensive disinfection, classified and disposed of relevant garbage.</p> <p>Provided free meal boxes for employees of the head office and arranging staggered dining.</p>

## Compliance Operation

The Bank actively promotes compliance construction and establishes a strict system implementation and supervision mechanism to provide guarantee for legal and compliant operation. Firstly, the Bank improves the system, organizes the whole bank to sort out the system, making up for the deficiencies in internal control, and implementing various requirements for compliance management. Secondly, the Bank organizes and carries out process streamlining and risk identification and assessment, continuing to optimize control measures and strengthening internal management. Thirdly, the Bank continues to improve the internal control and compliance operational risk management system, optimizing off-site monitoring and management indicators. Fourthly, the Bank dynamically improves the accountability mechanisms for due diligence and dereliction of duty, continuously optimizing the management of non-compliance points and the accountability system for non-performing credit business. Fifthly, the Bank improves the system of prevention and control, reporting and accountability of cases to establish a long-term mechanism for case risk investigation. During the Reporting Period, the Bank actively implemented various financial regulatory policies, blocked system loopholes, refined management processes, and continued to sort out the internal control system. A total of 178 systems were revised and improved throughout the year.

A total of

# 178

systems were revised and improved 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 persevering in promoting the compliance culture. During the Reporting Period, the Bank issued the *Notice on Carrying out the "Compliance is Around You" Publicity Month Activity*, carried out theme speech activities, and organized compliance culture activities such as legal compliance knowledge lectures, competitions and assessments. Besides, the Bank issued the *Legal Compliance Special Issue*. The Bank carried out compliance and case prevention training at different levels to continuously update compliance information such as regulatory trends and warning education and carried out compliance evaluation and priority and violation accountability and punishment.

## 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, with which the Bank actively cooperated to perform political supervision duties.

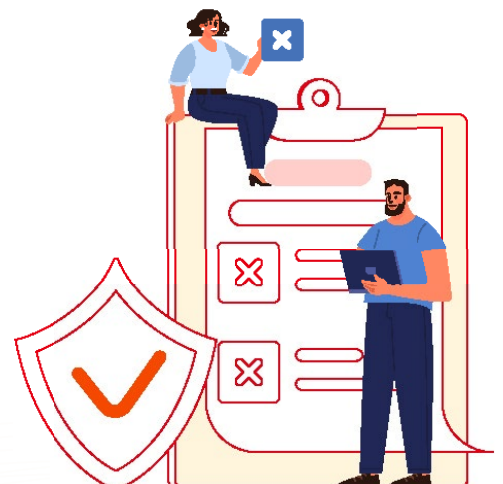
During the Reporting Period, the Bank actively carried out various anti-corruption work and did a good job in daily training and education to enhance the vigilance and sensitivity of the Directors, management and employees to corruption. On February 18, the Bank held the integrity work meeting and the promotion meeting of the "Capacity Building Year" activity. More than 300 middle-level and above leaders of the Bank including the Directors attended the meeting. In September, the Bank carried out a warning education activity of "Knowing Discipline and Law-abiding" and published a special issue of publicity and education month. Meanwhile, the Bank carried out special training on the Dingxueyuan platform with more than 5,000 participants, expecting to raise employees' awareness of integrity and self-discipline and anti-corruption ability, and create a clean and positive atmosphere. In the future, the Bank will further strengthen the training of the Board of Directors and employees, continuously promoting the anti-corruption work of the Bank, and enhancing the awareness of integrity.



Integrity Work Conference and Promotion Meeting of "Capacity Building Year"



Specialized Training on The Dingxueyuan Platform





In accordance with anti-money laundering laws and regulations, business normative documents and actual work needs, the Bank has established a sound and revised internal control system for anti-money laundering, improved and optimized the money laundering risk management structure, clarified the responsibilities of each level, and established a top-down and well-defined money laundering risk management structure and a hierarchical and responsible operation mechanism.

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

- Carried out self-assessment of money laundering and terrorist financing risks of legal entities, to effectively identify, assess and control their own money laundering and terrorist financing risks, further improving the quality and efficiency of anti-money laundering work.
- Strengthened business supervision and guidance, and organized business lines and branches and sub-branches to carry out anti-money laundering self-inspection and business inspection.
- Continued to do a good job in customer identification and reporting of large-sum and suspicious transactions, optimized the independent monitoring model for suspicious transactions, and upgraded the functions of customer money laundering risk rating and anti-money laundering and anti-terrorist financing list monitoring.
- Comprehensively carried out anti-money laundering publicity through a combination of centralized publicity and daily publicity. The Bank organized branches and sub-branches to carry out special anti-money laundering publicity for the public, and actively used online channels to carry out diversified publicity, striving to improve the depth and effectiveness of anti-money laundering publicity.
- Carried out training in an orderly manner in accordance with the principle of “different groups, different methods, different levels and different contents”. The Bank organized special training such as customer due diligence and suspicious case analysis and screening, comprehensively improving the anti-money laundering knowledge, skills and awareness of all employees. The training targets involved middle and senior management personnel, anti-money laundering personnel (part-time), business line personnel, new recruits, etc.

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 society, media and employees. 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.

## Respecting 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.





### The Bank's self-developed software obtained the computer software copyright certificate

During the Reporting Period, the Bank independently developed the Bank of Zhengzhou Demand Management Platform, the Bank of Zhengzhou Risk Asset Visualization Management System, the Bank of Zhengzhou Enterprise Visualization Management System and applied for computer software copyright registration, among which the Bank of Zhengzhou Demand Management Platform has obtained the computer software copyright registration certificate from the National Copyright Administration. In April, the Bank was awarded the title of "National Copyright Demonstration Unit (Software Authentication)", which filled the gap in the field of software authenticity of national copyright demonstration units in Henan Province.

## 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 adopts the same management policies and systems for all suppliers.

The Bank has established a centralized procurement supplier database, following the principle of survival of the fittest and dynamic management. The Bank conducts qualification review and performance assessment of incoming suppliers, and monitors and evaluates the performance of suppliers to reduce potential environmental and social risks. The Bank evaluates the qualifications and risks of suppliers by reviewing supplier qualification documents, technical documents, supply quality while combining with peer feedback, news reports, industrial and commercial inquiries, etc. The Bank evaluates at least once a year, and classifies the suppliers into four levels of I–IV based on the assessment risks from low to high. For III suppliers, the Bank supervises them and orders them to improve within a time limit, and reduces or suspend procurement. For IV level suppliers, i.e. unqualified suppliers, are put into disqualified list. The Bank gives priority to domestic and energy-saving and environmentally 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 315 major suppliers, including 129 suppliers in Henan Province and 186 suppliers outside Henan Province.





# 03

## Adhering to the Origin and Serving the Local Economy

- Topic: Empowering the Science and Technology Innovation Enterprises by Science and Technology Finance Precisely
- Promoting Regional Development
- Building a Commerce and Logistics Bank
- Supporting Private, Small and Micro Enterprises
- Supporting the Citizens' Finance

## Topic: Empowering the Science and Technology Innovation Enterprises by Science and Technology Finance Precisely

“

Technology and innovation enterprises plays an important role in promoting innovation and development. Continuously strengthening financial support for technology and innovation enterprises is of great significance for building a world-class technology power and achieving high-quality financial development. City commercial banks are important financial forces to support the development and growth of local small and medium-sized technology and innovation enterprises.

”

In April 2022, Bank of Zhengzhou was selected by the Henan Provincial Party Committee and Provincial Government as the local policy-based science and technology innovation financial business operation entity. Focusing on the financial services for science and technology innovation, the Bank streamlined and optimized its systems and mechanisms, and strived to solve the financing difficulties of science and technology innovation enterprises. During the Reporting Period, the Bank has:



Created a **"1 + 9 + N"** operation model. The Bank established the Science and Technology Innovation Finance Department at the head office to guide and lead the development of the Bank's policy-based science and technology innovation finance business. The Bank set up special sub-branches for science and technology innovation, namely Financial Intelligence Valley and Zhongyuan Science and Technology City, and set up 9 special teams, which were mainly operated by the local branches and sub-branches.



Established an operation mechanism of **"three-specialties, five-separateparate"**, that is, specialized institutions, dedicated teams, focusing on scientific and technological innovation, and separate account management, performance assessment, risk tolerance, customer access, and credit approval, so as to improve the ability to serve scientific and technological innovation enterprises.



Implemented **"special authorization + full-time approval"** to optimize the approval process. The Bank fully promoted the construction of online loan products and risk control models, and opened online application and green approval channels, with an average loan approval time limit of 5 working days.



Strived to build a financial product and service system covering the whole life cycle of science and technology innovation enterprises. The Bank launched the **"Science and Technology Talent Loan"** and **"Option Loan"** in Henan, customized "Science and Technology Loan, Specialized and Specialized New Loan, and Zheng Tech Loan" for science and technology innovation enterprises, and launched multi-dimensional and multi-level products such as "Listing Loan" for mature enterprises.



### The Bank successfully launched the first "R & D Loan" business in Henan Province

According to the needs of an information technology company, the Bank customized the plan of "Research and Development Loan", which was pure credit loan with an annualized interest rate of 3.7%. The company can flexibly use it according to the Research and Development cycle. The customized-plan greatly met the needs of scientific research and operation.



### The Bank's "Science and Technology Loan" won the "Annual Science and Technology Financial Service Product" award

In September 2022, the Bank's "Science and Technology Loan" won the "Annual Science and Technology Financial Service Product" award in the 2022 (4th) Henan Province Financial Knowledge Network Competition.



Accurately carried out science and technology innovation financial services, carried out full coverage of sub-contracting services for more than **130** key enterprises in Zhengzhou and more than **140** key enterprises in other cities, fully connected with the "white list" technology enterprises recognized by relevant government departments, established a pre-credit mechanism, and assigned special personnel to serve enterprises throughout the process.

From the start of policy-based science and technology innovation finance operation in Henan Province to the end of 2022, the Bank has supported 1,390 types of science and technology enterprises with a total amount of RMB 8,000 million. Besides, the Bank has provided a total of RMB 16,060 million to 1,250 enterprises that were converted from individual business to enterprises, promoted from small and micro enterprises to enterprises above designated size, changed from enterprises above designated size to incorporated company, and changed from incorporated company to listed company. In total, the Bank supported 2,640 types of enterprises with a total amount of RMB 24,060 million.

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**1,390** types  
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In total, the Bank supported  
**2,640** types of  
 enterprises with a total amount  
 of RMB **24,060**  
 million

## Promoting Regional Development

With the goal of serving the high-quality development of the real economy, the Bank closely follows the national strategy, implements the “two guarantees” and “ten strategies” of Henan Provincial Committee and explores advantageous industries and key supporting industries in Henan Province. The Bank focuses on the optimization of liability structure, the transformation of assets steadily, the improvement of customer base construction, and the iteration of system products with the goal of adjusting structure, stabilizing growth, and promoting transformation. The Bank realizes the stable transformation of assets and liabilities through a package of measures, contributing to the regional stable economic development.

The Bank gives full play to its supporting role in substantial strategies, and focuses on the strategic directions of international and domestic “dual circulation”, ecological protection and high-quality development of Yellow River Basin, new infrastructure and new urbanization initiatives and major projects, high-quality development of manufacturing industry, carbon peaking and carbon neutrality goals finance, rural revitalization, the “14th Five-Year Plan” of Henan Province, and financial support for the revitalization and development of old revolutionary base areas, so as to promote the sustainable development of regional economy.

### Supporting Regional Economy in 2022



Balance of loans to support the construction of Zhengzhou Airport Economy Zone

RMB **4,655** million



Balance of loans for construction of Zhengluoxin National Independent Innovation Demonstration Zone

RMB **9,436** million



Balance of loans for construction of Henan Free Trade Zone

RMB **17,290** million



### Supporting the stable and healthy development of the real estate market

In order to thoroughly implement the national, provincial and municipal decisions and arrangements on promoting the stable and healthy development of the real estate market and supporting the stable development of the real estate market, the Bank formulated the *Bank of Zhengzhou's Policy and Measures to Support the Stable and Healthy Development of the Real Estate Market*.

#### Signed strategic cooperation agreement

The Bank entered into strategic cooperation agreements with seven real estate enterprises. Pursuant to the agreement, the Bank would give full play to its advantages in capital, channels and services, actively integrate financial resources, and propose to provide comprehensive financial services in various aspects and at multiple levels, such as real estate project development loans, mergers and acquisitions, upstream and downstream of the industrial chain supply chain, and personal housing mortgage, with a total amount of over RMB 20,000 million.

#### Promoting the implementation for ensuring timely deliveries of presold homes

The Bank increased credit support by launching a special “special loan for ensuring the delivery of properties”, which was dedicated to the delivery of properties to ensure the resumption of work and production of projects. As of the end of December, the Bank’s special financial support for “ensuring timely deliveries of presold homes” has completed the approval of RMB 6,447 million, of which RMB 2,162million.

### Improving the quality and efficiency of financial services for new citizens

During the Reporting Period, the Bank issued two special policy notices to ease the repayment pressure of home buyers by deferring principal and interest repayment policy. Based on the financial needs of new citizens in housing and other fields, the interest rate of housing loans would be lowered according to different groups, and the proportion of down payment would be lowered. The Bank continuously enriched residential mortgage loan products and provided preferential policies. In order to provide flexible employment personnel with housing provident fund payment and deposit services, the Bank launched the online withdrawal of housing provident fund to repay commercial housing mortgage loans to ease the pressure of citizens on monthly housing fund supply.



### Adhering to supporting the local economy and winning the “Golden Tripod Award”

On October 28, the 13th “Golden Tripod Award” ceremony held by *National Business Daily* was held in Beijing. The Bank won the “Golden Tripod Award for Supporting Local Economic Development of the Year” for its outstanding achievements in serving local economy.



## Building a Commerce and Logistics Bank

As the provincial capital of Henan Province, Zhengzhou is a comprehensive transportation hub connecting domestic and overseas markets and radiating eastern and western China. It is the intersection area of land and bridge roads and Beijing-Guangzhou Road in the national “two-horizontal and three-vertical” urbanization strategy. As a local bank with deep roots in Zhengzhou, the Bank firmly grasps the regional advantages. The Bank is guided by “integrated financial services”, “integrated service platform”, “ecological platform services” and “professional logistics finance”, actively to respond to the new industry pattern. The Bank builds an information service platform in a scientific way, vigorously promotes the construction of commerce and logistics banks to make contributions to better taking root in local areas, prospering local economic development and serving customers.



### Empowering supply chain finance with technology to support the healthy development of small and medium-sized enterprises

The Cloud Business Platform is a one-stop online supply chain financial service platform provided by the Bank to customers. Through the combination of big data, blockchain and other financial technology means, and with the issuance and split circulation of electronic settlement certificate – “Ding e Xin”, the Bank extends the credit of high-quality core enterprises to small and medium-sized enterprise customers, and provides high-quality payment and settlement and financing services for the holders of “Ding e Xin” certificates. As of the end of the Reporting Period, the Bank completed the brand-new upgrade of the cloud business platform and supported more than 3,000 customers with a financing balance of over RMB 7,000 million, fully supporting the high-quality development of enterprises.



The Bank supported more than

**3,000**

customers with a financing  
balance of over RMB

**7,000** million

# 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 906,87 million, representing a decrease of RMB 344 million from the beginning of the year.

As at the end of the Reporting Period, the Bank's balance of loans to private enterprises was RMB

**906,87** million

Representing a decrease of RMB

**344** million

from the beginning of the year

During the Reporting Period, the Bank vigorously supported the development of private enterprises at the policy level, strengthened analysis, judgment and classification guidance during business development, and treated state-owned enterprises, foreign enterprises and private enterprises equally. At the institutional level, the composition of enterprises was not distinguished, and there was no discriminatory and differentiated guidance in the credit approval process and post-loan management process. The loan interest rates, and loan conditions of private enterprises and state-owned enterprises were exactly the same under the same conditions. Besides, the Bank provided diversified services, increased product research and development efforts, comprehensively promoting the integration of supply chain finance with industry and technology, further empowering the real economy, and providing more convenient, efficient and comprehensive financial services for private enterprises. The Bank strengthened financial support for people's livelihood, continued to carry out extended policies for customers in difficulties, and increased support for measures such as adjusting interest payment cycle, deferring principal and interest repayment, renewing loans without repayment of principal and repaying old loans to help private enterprises affected tide over the difficulties as soon as possible. The Bank established a long-term mechanism of "dare to lend, willing to lend, and able to lend" to provide exemption and positive incentives for the grassroots customer managers who granted credit to private enterprises.



### Supporting the development of science and technology companies in the province

A technology network company in Henan is a National Equities Exchange and Quotations (NEEQ) high-tech enterprise engaged in software research and development and information services and is recognized as a specialized and sophisticated small and medium-sized enterprise in Henan Province. During the Reporting Period, the operation of enterprises was negatively affected. The Bank provided RMB 5 million of technology loans to enterprises, which solved the problem of insufficient cash flow of the company, stabilized the employees of the company, guaranteed sufficient funds for project construction, and improved the company's ability to resist risks.

The Bank provided RMB

**5** million of technology loans to enterprises





## Supporting Small and Micro Enterprises

In recent years, focusing on the vision of financial service experts for small and micro enterprises, the Bank has embarked on a path of inclusive finance with regional characteristics. The Bank has always been committed to serving small and micro enterprises and continuously improved the quality and efficiency of financial services for small and micro enterprises. During the Reporting Period, the Bank optimized the *Bank of Zhengzhou Operating Procedures for Review and Approval of Small Business and Personal Credit Business* to improve the efficiency of review and approval of small business. The Bank set up a small and micro business support team to ensure that the services of small and micro enterprises would not be interrupted.

During the Reporting Period, the Bank continued to increase its support for small and micro enterprises, met the financing needs of small and micro enterprises through online bank-enterprise matchmaking meetings and offline visits, and served small and micro enterprises efficiently and conveniently through online loan products such as “E-Tax Financing”, “Micro Business Loan” and “Preferential Business Loan”. Providing deferred repayment of principal and interest for small and micro enterprises that were temporarily difficult and overcoming difficulties together.



### Infiltration of bank services drips, to support the development of medium, small and micro enterprises

During the Reporting Period, “Zheng Hao Financing”, a comprehensive financial service platform for medium, small and micro enterprises in Zhengzhou, was successfully launched. The platform connected markets and financial institutions to solve the problem of information asymmetry between banks and enterprises, low efficiency and high cost of pre-loan investigation for financial institutions, and difficult and expensive financing for small and micro enterprises.

The Bank launched six inclusive financial products including “Preferential Business Loan”, “E-Purchase Loan”, “Housing E-Finance”, “Zheng Tech Loan”, “Entrepreneurship Guarantee Loan” and “Priority Loan” in the financial service zone of the “Zheng Hao Financing” platform. Relying on financial technology, the Bank brought financial-related products and service to micro, small and medium-sized customers, assisting them in resuming work and production. As one of the key products of the Bank’s inclusive finance, “E-Purchase Loan” was specially tailored for small and medium-sized enterprises participating in government procurement. “E-Purchase Loan” was used for the government procurement contracts, and took the collection of government procurement proceeds as the source of repayment, so as to help the successful bidder to obtain bank funds quickly, efficiently and conveniently.



In addition, since 2021, the Bank has actively responded to the call of “Assisting in enterprises” activity, and the leaders led teams to visit the industrial park and provide benefits. The Bank implemented the “Partnership Project Plan”, created exclusive product packages for small and micro enterprises industrial parks, and launched a series of products such as enterprise industrial park development loans, business assistance loans, and engineering guarantee letters. The Bank has connected all 91 small and micro enterprises industrial parks in Zhengzhou.

**As at the end of the Reporting Period,**

the Bank's balance of loans to small and micro enterprises was RMB

**154,603** million

The number of loans to small and micro enterprises was

**67,574**

representing an increase of RMB

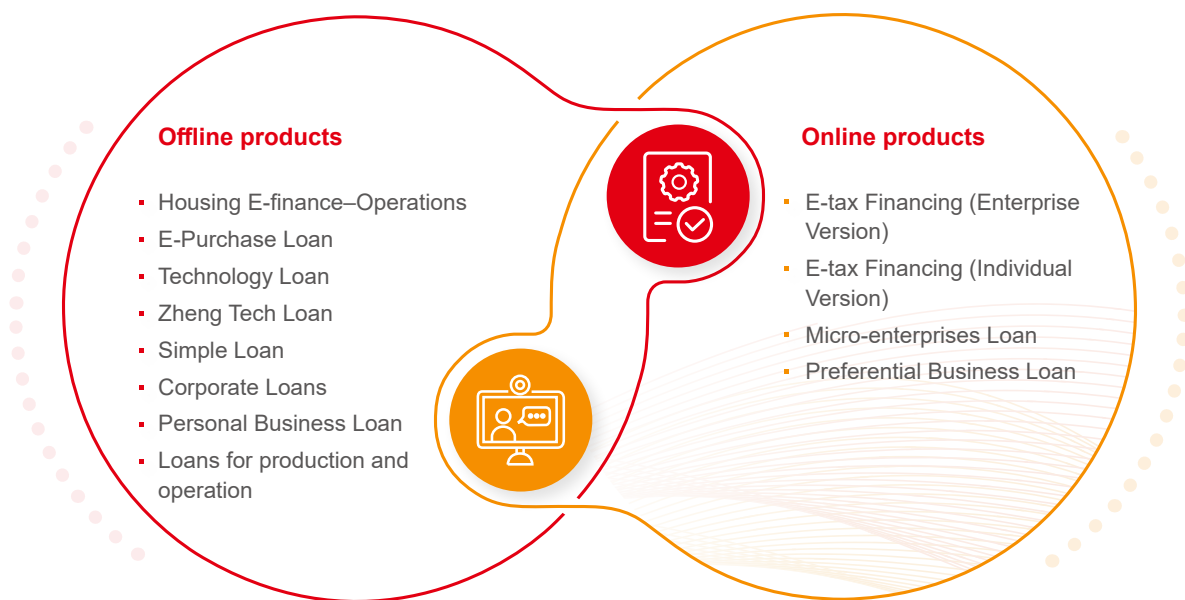
**26,998** million

representing an increase of

**812** from the beginning of the year

**21.16%** from the beginning of the year

In response to the needs and characteristics of small and micro enterprises, the Bank continues to develop innovation-related credit products and services. During the Reporting Period, the financing demand of small and micro enterprises has the characteristics of “short, frequency and urgent” and lack of effective collateral. Based on the mentioned financing needs and characteristics, the Bank developed the online small and micro credit loan product “Preferential Business Loan”, which was applied through online channels such as mini programs. The Bank conducted automatic approval through the risk control models. After approval, customers could withdraw their loans through mobile banking, which was quick and unsecured, meeting the capital needs of small and micro business owners and individual business owners.



**Optimizing the settlement account services for small and micro enterprises**

In order to further strengthen the financial services for small and micro enterprises and solve the problems of small and micro enterprises such as “difficult, complicated and slow to open accounts”, the Bank provided one-stop account opening services for small and micro enterprises. Through implementing the service standards of “three openness”, implementing simple account opening services, opening green channels for small and micro enterprises to open accounts, and optimizing the account opening process, the Bank continuously optimized customer experience, and comprehensively improved the banking account service level for small and micro enterprises.

## Supporting the Citizens' Finance

The Bank always adheres to the characteristic positioning of “Boutique Bank for Citizens”, and adheres to the responsibility of high-quality services. The Bank actively builds channels among basic necessities of life of citizens, continuously improves the product system, improves customer rights, and provides citizens with convenient and intelligent financial services, to being a true “financial steward for citizens”. As at the end of the Reporting Period, the balance of personal deposits of the Bank amounted to RMB 141,063 million, representing an increase of RMB 19,382 million or 15.93% as compared to the end of the previous year. The balance of personal loans amounted to RMB 81,316 million, representing an increase of RMB 5,178 million or 6.80% as compared to the end of the previous year. A total of 7,411,900 debit cards were issued, representing an increase of 258,700 (including electronic accounts) as compared to the end of the previous year. A total of 631,300 Commercial-Ding credit cards were issued by the Bank, and the proportion of online transactions continued to increase, and the online transaction amount reached RMB 3,500 million, representing an increase of 25.49% as compared to the previous year.

During the Reporting Period, the Bank deeply participated in the construction of the third-generation social security card project in Zhengzhou. The Bank has issued the third-generation social security card integrating financial function and social security function. The Bank also cooperated with provincial and municipal social security units and municipal medical insurance units to promote social-banking integration. As at the end of the Reporting Period, 62 social-banking integrated outlets have been established in the province to continuously improve the service level of social security business. In addition, the Bank obtained the qualification as an entrusted financial institution of the “one card solution” of financial subsidies for benefiting the residents and the peasantry in Henan Province. The Bank assisted the Finance Department of Henan Province to issue various financial subsidies, continuously improving the ability to serve urban and rural residents.

The Bank continues to optimize activities with special scenarios and rights and interests, steadily promoting the construction of the financial ecosystem for citizens by visiting thousands of communities and the market business circle, and building smart scenarios, with various forms. During the Reporting Period, 1 million people participated in citizen financial rights activities.



**During the Reporting Period, the Bank further improved the financial service level of Commercial-Ding credit card by carrying out the following work:**

### Accelerating product innovation

The Bank upgraded and issued ten credit card products, and designed and launched the Home Love Card to meet the needs of community customers for daily payment and other scenario-based consumption, which attracted a total of 27,000 customers, effectively satisfying the diversified needs of customers for card use.

### Enriching brand activities

The Bank continued to build three major consumer brands, namely “Zhengzhou Bank 12-hour”, “Happy Friday to Sunday” and “Zheng Happy Every week”, with a total of over 500,000 participants. The Bank promoted the marketing strategy of “One place, One strategy”, and launched the construction of “One city, One card” of local branches to innovate the activity mode. Besides, the Bank built a credit card customer rights service system to provide customers with better experience by providing a brand-new grading and rights model.

### Serving citizens' finance

To help economic recovery, and in line with the government's housing purchase tax subsidy policy, the Bank timely launched special discounts for the instalment of urban purchase tax. The Bank launched products such as comprehensive consumption instalment and decoration instalment based on customers' financial consumption needs, and actively carried out special activities to improve the coverage and convenience of citizens' financial services.



# 04

## **Benefiting People's Livelihood and Promoting Inclusive Finance**

- **Supporting the Rural Finance**
- **Focus on People's Livelihood Construction**
- **Caring and Contributing to the Society**

## Supporting the Rural Finance

As a financial institution based in a large agricultural province, the Bank is deeply rooted in the rural financial strategy, actively responding to the call of finance to help rural revitalization, and to accurately focus on “agriculture, rural areas, and farmers”. The Bank set up the Rural Finance Department at the head office level to carry out the construction of rural inclusive financial service stations in the province. Besides, the Bank issued the theme card for rural revitalization in the province and takes multiple measures to promote the high-quality development of rural financial business.

During the Reporting Period, in order to promote financial services to rural areas, the Bank continued to enrich the card use environment of rural residents, through vigorously carrying out the construction of “rural inclusive financial payment service stations”, holding the “financial knowledge into rural areas” activity, developing and launching the “rural revitalization version” of mobile banking. In addition, the Bank also launched the mobile management function of farmers-favouring business and built a post-warning analysis model for farmers-favouring business to improve the risk prevention and control ability and efficiency of farmers-favouring business. During the Reporting Period, the Bank established a total of 713 rural inclusive financial payment service stations and issued 88,800 rural revitalization theme cards. As at the end of the Reporting Period, the balance of agriculture-related loans was RMB 80,871 million, representing an increase of RMB 7,428 million from the beginning of the Reporting Period.



During the Reporting Period, the Bank established a total of

**713** rural inclusive financial  
payment service stations



issued

**88,800**  
rural revitalization theme cards



As at the end of the  
Reporting Period, the  
balance of agriculture-  
related loans was RMB

**80,871** million



representing an increase

of RMB **7,428**  
million from the beginning  
of the Reporting Period



## Focus 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, low-income 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 takes the initiative to cooperate with local governments at all levels, strengthens bank-government business cooperation, and increases support for new and old infrastructure fields, including new-type urbanization construction, municipal infrastructure, industrial park construction and operation, public service livelihood projects, etc.



### Supporting the construction of sewage treatment project in Luoyang city

A company in Luoyang city is mainly engaged in the investment and construction of urban and rural infrastructure projects. The company's overall sewage treatment project is located in a district of Luoyang City. Upon completion, the project will enhance the urban sewage treatment capacity and expand the scope of urban reclaimed water recycling. During the Reporting Period, the Bank provided a credit of RMB 1,200 million to the company to support the construction of a regional sewage treatment project in Luoyang.

During the Reporting Period, the Bank provided a credit of RMB **1,200** million to the company



## Caring 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 strongly supports people's livelihood and social welfare undertakings, making progress together with the society, and delivering gratitude and care. In the 15th "Zhengzhou Charity Day" celebration and donation ceremony themed on "Supporting Rural Revitalization and Promoting Common Prosperity", the bank donated RMB 1 million to Zhengzhou Charity Federation.



The bank donated RMB

**1**

million to Zhengzhou Charity Federation



### Delivering vegetable package with love

The Zhengtong Road sub-branch became aware of that the daily life of some elderly people with low income and limited mobility was affected. The sub-branch communicated and coordinated with corporate customers supplying agricultural products in the first time and collected more than 10,000 catties of vegetables around the night. Then the "vegetable package with love" were delivered to community residents with the help of community staff. The sub-branch helped those in need to overcome difficulties and fulfilled social responsibilities.





# 05

## **Providing High-quality Services and Optimizing Customer Experience**

- Improving Financial Services
- Protecting Customer Interests and Rights

# Improving Financial Services

## Strengthening Financial Innovation

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

During the Reporting Period, the Bank focused on improving innovation efficiency and continued to deepen the construction of innovation management mechanism.

1

We optimized the mechanism

The Bank has revised the *Bank of Zhengzhou Working Rules for the Product Innovation Management Committee*, the *Bank of Zhengzhou Measures for the Management of Innovative Projects*, the *Bank of Zhengzhou Measures for the Management of Innovative Funds* and other internal systems.

2

We strengthened access threshold

The Bank established an expert review team composed of business lines, risk lines and technology lines to conduct classification and grading and preliminary feasibility assessment before project approval.

3

We simplified the process

The Bank introduced business expert members to the product innovation management committee, and further optimized the efficiency of project approval through methods such as joint review.

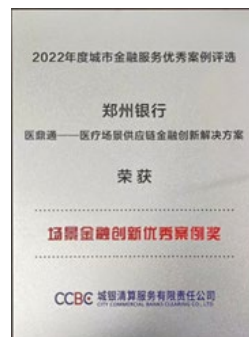
4

We promoted integration

The Bank set up full-time project management positions, to deeply participate in and track and review key projects, so as to timely discovered and solved various problems in the process of project research and development, improving the speed of research and development.

**Winning the "Excellent Case Award for Scenario Financial Innovation"**

Since 2021, the Bank has vigorously promoted the construction of digital scenario-based finance. The head office has set up a scenario-based finance team to continuously build and improve medical scenario-based solutions. With Yidingtong products as the core and digital risk control as the means, the Bank has deeply served the whole industry chain financing and settlement in the medical industry. In 2022, the Bank's case of "Yidingtong Medical Scenarios Supply Chain Financial Innovation Solution" won the "Excellent Case Award for Scenarios Financial Innovation".





## Promoting Digital Services

Guided by the high-quality development strategy and scientific and technological innovation, the Bank builds a high-quality service team and pays close attention to customer needs, so as to improve the quality and efficiency of services. Meanwhile, the Bank optimizes the internal management mechanism and strengthens service training and management, providing customers with the best experience.

The Bank continues to improve its e-channel service capabilities. During the Reporting Period, the Bank's mobile banking continued to optimize financial related functions such as wealth management, credit cards and loans, and enriched online financial products while continuously enriching non-financial scenarios. The Bank promoted online migration of important businesses such as password replacement, and satisfied customers' demands for working from home by using authentication methods such as face recognition and remote video. The Bank continued to enrich the WeChat ecosystem and helped customer managers to efficiently manage customers by focusing on WeCom and exploring marketing scenarios. The Bank gave full play to the role of WeChat banking in marketing and promotion, promoted important businesses and products, and launched 306 articles throughout the year.

In addition, the Bank actively created intelligent online services. The online text robot improved "quality" with "intelligence" and deepened customer service. In 2022, the average monthly service volume exceeded 50,000 people, and the problem-solving rate exceeded 90%, continuously providing customers with convenient, comprehensive, intelligent and accurate services. The video customer service, together with the Bank's operation, retail and credit lines, continued to expand the service scenarios, and launched the bank-enterprise reconciliation information modification, password reset scenarios, as well as the supporting certification scenarios for credit business and high-risk mobile banking business, which further expanded the service scope.

In 2022, the average monthly service volume exceeded

**50,000** people



the problem-solving rate exceeded

**90%**



### Promoting the digitization and centralization of bank confirmation business

In order to improve the efficiency of bank confirmation service and realize the standardized and process-oriented processing of bank confirmation business, the Bank used new technologies such as blockchain technology, intelligent collection of big data, intelligent analysis and visualization to build the Bank's digital confirmation business system. The Bank realized the online operation of five major processes, namely issuance of letters from accounting firms, authorization by audited units, bank acceptance, bank reply, and accounting firm receipt, which effectively improves the bank confirmation service level and reduces the cost of customer confirmation.

## Protecting Customer Interests and Rights

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.

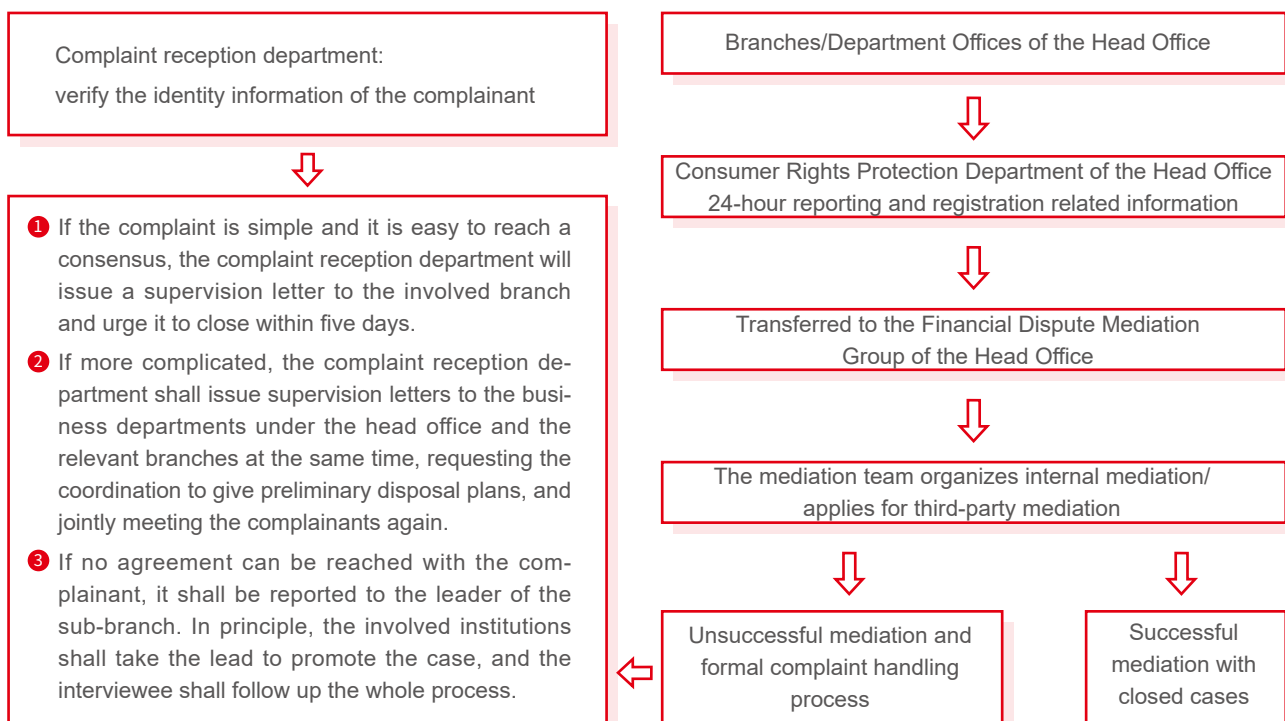
The Bank strictly complies with relevant laws and regulations such as the *Law of the People's Republic of China on Commercial Banks*, the *Advertising Law of the People's Republic of China*, the *Contract Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Protection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

### Trustworthy Advertising

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 Handling

The Bank continuously improves the complaint coordination and handling mechanism, strictly manages customer complaints, and efficiently meets the reasonable demands of customers. Meanwhile, 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.



During the Reporting Period, the Bank handled **891** customer complaints, with a complaint resolution rate of **100%**. The types of complaints mainly focused on debit cards, credit cards, loans and other businesses, and the complaint areas were mainly concentrated in Zhengzhou, Nanyang and other regions. The Bank compiled and issued **12** complaint analysis reports and put forward **13** 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*, and the *Bank of Zhengzhou Administrative Measures on Data Security*. The Bank 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 require relevant authorization and approval before data operation.



### Completing the security certification of personal mobile financial customer application software

In June 2022, the Bank completed the security certification of personal mobile financial customer application software. Through security technical testing and manual on-site review, the Bank conducted "application security", "user privacy security" and "user data security" testing and certification on the customer end of the Bank's personal mobile financial APP to further strengthen the security protection of customer information and ensure customer privacy security.



### Carrying out emergency drills for personal financial information leakage

In September 2022, the Bank carried out the 2022 special emergency drill of "leakage of customer information by third-party personnel" of the Bank of Zhengzhou. Through on-site simulation, the Bank further improved its ability to deal with major emergencies in consumer rights protection, and guaranteed the security of customer personal financial information to the greatest extent.





## 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.

During the Reporting Period, in accordance with the *Law of the People's Republic of China on Combating Telecom and Online Fraud* and regulatory requirements, the Bank actively fulfilled its main responsibilities, continued to improve the construction of the Bank's internal control mechanism for anti-telecom and Internet fraud and continued to optimize technological support, promoting the anti-telecom and Internet fraud management. In addition, the Bank comprehensively and continuously promoted financial knowledge through a combination of centralized publicity and daily publicity. During the Reporting Period, the Bank carried out 100-day publicity and special publicity month activities for the prevention and disposal of illegal fund-raising from January to June, with the theme of "Guarding the Purse to Protect the Happy Home", guiding the public to enhance their ability to identify and prevent illegal fund-raising. In June, the Bank launched a one-month special publicity campaign of "Promoting Financial Knowledge and Guarding the Purse". In order to further strengthen the anti-counterfeit currency work in rural areas and effectively prevent the illegal circulation of counterfeit currency in rural areas, the Bank formulated and issued the *Rural Area Anti-Counterfeit Currency Rectification Plan of Bank of Zhengzhou* to build a "four-in-one" anti-counterfeit currency bank line of defense consisting of personnel, machinery, systems and policies, strengthen publicity and education, and protect the people's asset.

 **Winning Award for financial knowledge popularization**

In September 2022, the Bank was awarded the third prize of the 2022 Financial Consumer Rights Protection Short Video Creation Competition of "Guarding the Purse to Protect the Happy Home" organized by the Henan Financial Consumer Rights Protection Association.

In November 2022, the Bank won the Public Concern Award in the Financial Knowledge Popularization Month organized by the Henan Banking Association.





## Promoting financial knowledge to protect people's asset

In June 2022, the Bank carried out special publicity activities. In addition to the promotion of original articles and comics, the Bank added the "Sunset Zone" section in the event folding page to remind the elderly to improve their anti-fraud awareness with typical cases and warmth. By using short videos as the carrier, the content of publicity and education was interpreted in new forms, and the main theme of publicity was implemented, which were spread through TikTok account and other media.





# 06

## **People-Oriented and Growing together with Employees**

- **Protecting Employees' Interests and Rights**
- **Caring for Employee Well-being**
- **Leading Employee Development**
- **Promoting Corporate Culture**

## Protecting Employees' Interests and Rights

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.

<b>Recruitment and Dismissal</b>	<p>The Bank has formulated the <i>Bank of Zhengzhou Recruitment and Probation Management</i> to specify the process specifications, such as division of responsibilities, recruitment qualifications and standards, and procedures. The Bank adheres to the principles of "Appointing people by abilities, and employing on the basis of competitive selection" and regulates basic conditions and forms of recruitment based on different positions.</p> <p>For resigned employees, the Bank assists employees in the resignation procedures and implements the resignation treatment in accordance with the <i>Bank of Zhengzhou Regulations on Employee Resignation Management</i>.</p>
<b>Labor Standards</b>	<p>During the recruitment process, the Bank strictly reviews the identity information of applicants to resolutely eliminate the use of child labor. In addition, the Bank strictly complies with the written labor contract to clarify the rights and obligations of both parties. If any violation is found, it will be dealt with in a timely manner in accordance with the requirements of laws and regulations. During the Reporting Period, there was no incidents of child labor or forced labor.</p>
<b>Equal opportunities, diversity and anti-discrimination</b>	<p>The Bank advocates equal opportunities, diversity and anti-discrimination. We never treat employees differently due to race, gender, age, religion, ethnicity and other factors, so as to achieve the diversified construction of talent pool.</p>
<b>Remuneration and promotion</b>	<p>The remuneration of the Bank adheres to the principles of fairness, competitiveness and incentives.</p> <ul style="list-style-type: none"> <li>• Remuneration system is oriented towards boosting market competitiveness and talent attraction. Meanwhile, according to the survey of market salary level, the remuneration of different positions with a large gap in market level will be adjusted accordingly.</li> <li>• Remuneration system is oriented towards increasing the incentive of wages. Employees are motivated to work through the design of incentive salary units such as floating salary and bonus.</li> <li>• Opening different remuneration channels to provide equal promotion opportunities for employees in different positions.</li> <li>• In accordance with regulatory requirements and operational management needs, the Bank has established a mechanism related to deferred payment of remuneration and recovery of performance-based remuneration, so as to improve the incentive and restraint mechanism of remuneration and mitigate various operational and management risks.</li> </ul> <p>The Bank clarifies the promotion ladder of employees. In order to define the criteria for the selection and to establish a foundation for the promotion and advancement of cadres and employees, the Bank formulated the <i>Bank of Zhengzhou Regulations on Cadres Management</i> and other systems.</p>
<b>Working hours and holidays</b>	<p>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. In addition to statutory holidays, employees can enjoy paid holidays such as annual leave, sick leave, marriage leave, maternity leave and funeral leave.</p>
<b>Other welfare benefits</b>	<p>In accordance with applicable Chinese laws, rules and regulations, the Bank pays social insurance and housing provident funds and certain other employee benefits for employees. Besides, the Bank establishes supplementary guarantees such as enterprise annuity and supplementary medical insurance, to increase the level of pension benefits and medical security for employees.</p>

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

Classification		2022			2021		
		Number (person)	Percentage (%)	Turnover rate (%) <sup>2</sup>	Number (person)	Percentage (%)	Turnover rate (%)
Total number of employees		5,331	100.00	1.84	5,127	100.00	2.42
By gender	Male	2,462	46.18	1.83	2,346	45.76	3.02
	Female	2,869	53.82	1.85	2,781	54.24	1.90
By age group	Under 30 years old (inclusive)	1,251	23.47	3.17	1,415	27.60	3.15
	From 31 to 40 years old (inclusive)	3,189	59.82	1.51	2,862	55.82	2.32
	From 41 to 50 years old (inclusive)	607	11.39	1.14	597	11.64	1.65
	Employees aged above 50	284	5.33	1.05	253	4.93	1.17
By geographical region	Employees in Henan Province	5,331	100.00	1.84	5,127	100.00	2.42
By education level	College degree and below	303	5.68	-	321	6.26	-
	Bachelor degree	3,917	73.48	-	3,795	74.02	-
	Master degree	1,091	20.47	-	994	19.39	-
	Doctor degree	20	0.38	-	17	0.33	-
By employment type	Full-time employees	5,331	100.00	1.84	5,127	100.00	2.42
New employees		351	6.58	-	305	5.95	-
Ethnic minority employees		213	4.00	-	199	3.88	-

Note: The employee composition is the data of the Bank excluding its subsidiaries as at the end of the Reporting Period.

<sup>2</sup> Turnover rate is calculated based on the number of employees leaving the Company/(number of employees at the end of the year + number of employees leaving the Company)



## Caring for Employee Well-being

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. The Bank formulates and implements the *Bank of Zhengzhou Special Emergency Response Plan for Social Security Emergencies* and other regulations to protect the basic rights, physical and mental health and life safety of employees. During the Reporting Period, the Bank did not have any violations of occupational health and safety<sup>3</sup>.

The Bank regularly carried out fire prevention system testing and maintenance, continuously conducts fire safety inspections on key fire prevention areas, carries out fire protection knowledge educations and fire prevention skills training. The Bank 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 2022, the Bank successfully achieved the goal of "Zero Petition, Zero Case and Zero Accident".

The Bank adopted several measures to ensure the safe production and life of employees. The Bank organized the distribution of 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. 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 arranged annual health examination for employees. Besides, the Bank pays attention to employees' demands. The Bank invited provincial and municipal experts to take 10 sessions of health knowledge popularization lectures on theme of "Caring for physical and mental health to make happy work and life". The Bank built multi-functional employee care rooms in which integrate first aid, breastfeeding and psychological counseling to create a new position for employee care.



<sup>3</sup> 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.

The Bank continued to make efforts in employees' birthdays, sickness, funerals, education and festival greetings, and regularly made special condolences through regular grassroots visits.

Some employee rights and interests activities carried out by labor unions of the Head Office were listed as follows:

Mutual insurance claims	Employees apply for relief funds	Condolences for employees losing immediate family members	Condolences for marriage
<b>37,600</b> yuan	<b>227,000</b> yuan	<b>32,000</b> yuan	<b>13,000</b> yuan
Condolences for female employees who had just given birth	Condolences for military veterans	Condolences for hospitalized employees	Children's Day greeting
<b>9,500</b> yuan	<b>46,800</b> yuan	<b>48,000</b> yuan	<b>116,000</b> yuan

## Leading Employee Development

The Bank continuously improves its training management system. The Bank has revised and carried out the *Bank of Zhengzhou Regulations on Reimbursement of Professional (Vocational) Qualification Certificate Expenses* to increase the reimbursement for professional qualification certificates. During the Reporting Period, in order to improve the comprehensive ability and innovation ability of cadres and employees, the Bank carried out various forms of capacity improvement training, enriched the experience and content of online training and learning, achieving full coverage training.

### Types of Training Annual Performance in 2022

#### Training for middle-level and reserve cadres

- Middle-level and above cadres were trained to improve their comprehensive quality in terms of political literacy, legal compliance awareness and strategic interpretation.
- General manager level and deputy general manager level backup online training.
- Improvement of comprehensive ability and quality of reserve at supervisor level.

#### Teams building for internal trainers

- Combined with competition and trainings, dual-line parallel and creation of excellent courses:
- In terms of training, the Bank completed 2 training sessions with **110** participants and **42** excellent works selected.
  - In terms of competition, the Bank won the "Organization Award for Enterprise Micro Course Competition" and "Group Award for Micro Course Works" in the 2022 "China Cup" scene-based enterprise micro course competition. **Five** internal trainers won the honor of Top 100 Excellent Micro Course/Best Animation Micro Course/Best Hybrid Video Micro Course. **Four** internal trainers participated in the 2022 "Alliance Cup" Internal Trainer Competition organized by Asia-Link Financial Research Institute and won the special prize/first prize/second prize.

## Types of Training Annual Performance in 2022

Fully utilizing the Dingxueyuan platform to stimulate online learning enthusiasm

- Online training product optimization was carried out on the Dingxueyuan platform, and the function of “supervisor promotion” was launched.
- Held the Practical Training-21-day Card Training Camp operation activity with the theme of financial science and technology innovation and practice.
- Launched **14** special courses on Party building activities, **19** courses on Innovative Business and 6 courses on Emergency Response. Besides, the Bank added special sections and e-books, and carried out a number of cross-department and cross-line training such as corporate culture training and publicity, anti-money laundering training, prevention of illegal fund-raising and outlet transformation training, achieving full coverage of training.

Orientation training for new employees

- A 22-day online training camp was held, with a total of **203** participants and **40** courses completed, including seven topics.
- In the front-office counter operation training, the urban sub-branches accumulated 9 days of offline training, with **98** participants. County Areas and branches recorded online classes to explain counter business operations, with a total of **8** training hours and **105** participants.



### During the Reporting Period,

the Bank held  
**179** training sessions  
of various types,

with a total of  
**5,331** trainees

and over RMB  
**306.7** million.

The per capita  
expenditure was RMB  
**575.32**,

and the training  
coverage rate was  
**100%**<sup>4</sup>.

<sup>4</sup> The coverage rate is calculated based on “number of trained employees/total number of employees”.

Employee type	Number of trainees	Coverage Rate <sup>5</sup>	Training hours	Average training hours
	(person)	(%)	(hours)	(hours)
Senior employees	23	100	812.5	35.3
Middle-level employees	278	100	17,034.6	61.3
Junior employees	5,030	100	317,537.2	63.2
Male	2,462	100	154,889.5	62.9
Female	2,869	100	180,494.8	62.9

## 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 presents the good corporate image of the Bank to the public. During the Reporting Period, in accordance with the *Corporate Culture Manual and the Administrative Measures for Corporate Culture Examination*, the Bank carried out a self-evaluation of corporate culture construction, evaluated the development of corporate culture across the Bank, and systematically completed the first investigation of corporate culture construction in the Bank.

### In terms of the corporate culture system construction

The Bank mainly completed the promotion and implementation of the new corporate culture manual *Xin Yue* of Bank of Zhengzhou, achieving a comprehensive understanding and awareness of the Bank's corporate culture concept among all employees, forming a corporate culture management system and model, making a good cultural atmosphere, and promoting cultural and ideological consensus among the Bank.

### In terms of visual construction

The Bank completed the daily renewal of the Bank's new corporate culture concept plaque, exhibition hall and photo and cultural wall on the fourth floor. The Bank produced and installed a total of **1,468** corporate culture plaque throughout the year.

### In terms of culture cultivation activities

**5** implementation activities were carried out, including collecting corporate culture stories, internal learning and publicity of corporate culture, and publishing code of conduct wall paper posters.

### In terms of publicity and implementation

The Bank organized the members of the corporate culture publicity team to conduct 11 publicity activities at different levels and from different perspectives, followed up the results, and released **18** presentations and feelings through the OA corporate culture forums.

<sup>5</sup> The coverage rate is calculated based on "number of trained employees by employee type or gender/total number of employees by employee type or gender".



# 07

## **Green Development, and Protecting the Ecological Environment**

- **Developing Green Finance**
- **Addressing Climate Risks**
- **Promoting Green Operation**

## Developing Green Finance

The Bank actively responds to the call for achieving the goal of “Carbon Peak and Neutrality”, earnestly fulfils the social responsibility of supporting green development, and actively promotes the steady implementation of the Carbon Peak and Neutrality strategy.

**During the Reporting Period, the Bank took multiple measures to promote the development of green finance:**



The Bank participated the concept of green finance development

We took the coordinated development of regional economy and environment as its responsibility, and sustainable development as its core value to clarify the allocation of green credit resources to industries and enterprises with low energy consumption, low pollution, low emissions and low resource consumption.



Under the leadership of the green credit working committee

The Bank coordinated relevant work in accordance with the Bank of Zhengzhou Green Credit Strategy. The Bank actively aligned credit policies with economic policies, industrial policies and environmental protection policies, clarified green credit policies, and implemented green credit requirements in the industry credit requirements.



The Bank improved the green financial service system

Explored new green financial service and product models and strengthened green credit management, continuing to focus on key fields such as energy conservation and environmental protection industries, clean production industries, clean energy industries, ecological environment industries, infrastructure and green industry upgrading, green services, and continuing to increase the support for green economy, low-carbon economy and circular economy.



The Bank broadened financing channels by making good use of financial bond financing instruments

Supported green industry projects by raising funds through the bond market to increase the Bank's effective supply in the field of green credit, and improve the Bank's financial services capacity for the green finance development.

**As at the end of the Reporting Period,**

the Bank's green credit balance was RMB

**2,854** million,



representing an increase of RMB

**748** million



**35.52%**

from the beginning of the year.



Before granting credit, the Bank divides credit customers into three categories according to the environmental and social risks faced by customers or projects and conducts dynamic assessment of their environmental and social risks. The relevant results are used as an important basis for rating, credit access, management, and withdrawal.

- |  |   |  |
|--|---|--|
| <p><b>Class A</b></p> <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> |
| <p><b>Class B</b></p> <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>             |
| <p><b>Class C</b></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>                                       | > | <p>Directly enter to normal credit process.</p>  |



### Issuing the first tranche of green financial bonds successfully in 2022

On September 15, 2022, the Bank issued the first green financial bonds in 2022 in the interbank bond market. The issue scale of the bonds was RMB 3,000 million, with AAA rating for both main body and debt, a term of 3 years, and a coupon rate of 2.65%. The coupon rate was the minimum issuance rate of financial bonds of the Bank. The proceeds raised from this tranche of bonds would be fully used for the green projects specified in the *Catalogue of Projects Supported by Green Bonds (2021)*. The proceeds raised was of great significance for further expanding the financing channels for green projects, increasing the support for green credit and promoting the steady and healthy development of green credit business.

The issue scale of the bonds was RMB

**3,000** million






with **AAA** rating

for both main body and debt



## Addressing Climate Risks

In response to the potential risks brought by climate change, the Bank will formulate diversified response strategies to mitigate the impact of climate change.

Risk Type	Response strategy
 <p>Physical risk (e.g. extreme weather)</p>	<ul style="list-style-type: none"> <li>Establish a sound business continuity management system that covers both regular organizational and emergency organization structure. Information technology, customer information protection, major business interruptions, emergencies and other areas are covered by the plan. The special emergency plan clarifies the resources and acquisition methods required for business recovery, formulates differentiated emergency plans according to the severity of the incident, and then clarifies the corresponding business recovery strategies and processes according to different scenarios, and improves the ability to deal with emergencies through emergency drills.</li> </ul>
 <p>Credit risk</p>	<ul style="list-style-type: none"> <li>Implement the concept of green finance development, clarify the allocation of green credit resources to industries and enterprises with low energy consumption, low pollution, low emission and low resource consumption.</li> <li>Align credit policy with economic policies, industrial policies and environmental policies, in accordance with the Bank of Zhengzhou Green Credit Strategy.</li> <li>Conduct dynamic assessment on the environmental and social risks faced by credit customers or projects, and the risks faced by environmental protection policies.</li> </ul>
 <p>Market risk</p>	<ul style="list-style-type: none"> <li>Carry out price monitoring of financial assets, valuation and impairment of financial assets and management and control of key indicators to timely identify and alert related risks.</li> <li>Carry out foreign exchange hedging to hedge exchange rate risks.</li> </ul>

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.

### Supporting corporate carbon emission rights pledged financing

A paper company in Henan Province is principally engaged in the manufacture and sale of paper products. The Bank is customer-centric and provides unique support to enterprises through the pledge financing mode of carbon emission rights. During the Reporting Period, the Bank's carbon emission rights pledge guarantee credit of RMB 18 million, which was secured by the pledge of carbon emission rights quota, giving full play to the role of carbon emission rights trading in the connecting between financial capital and the real economy, broadening corporate financing channels and driving the green and innovative development.

During the Reporting Period, the Bank's carbon emission rights pledge guarantee credit of

RMB **18** million



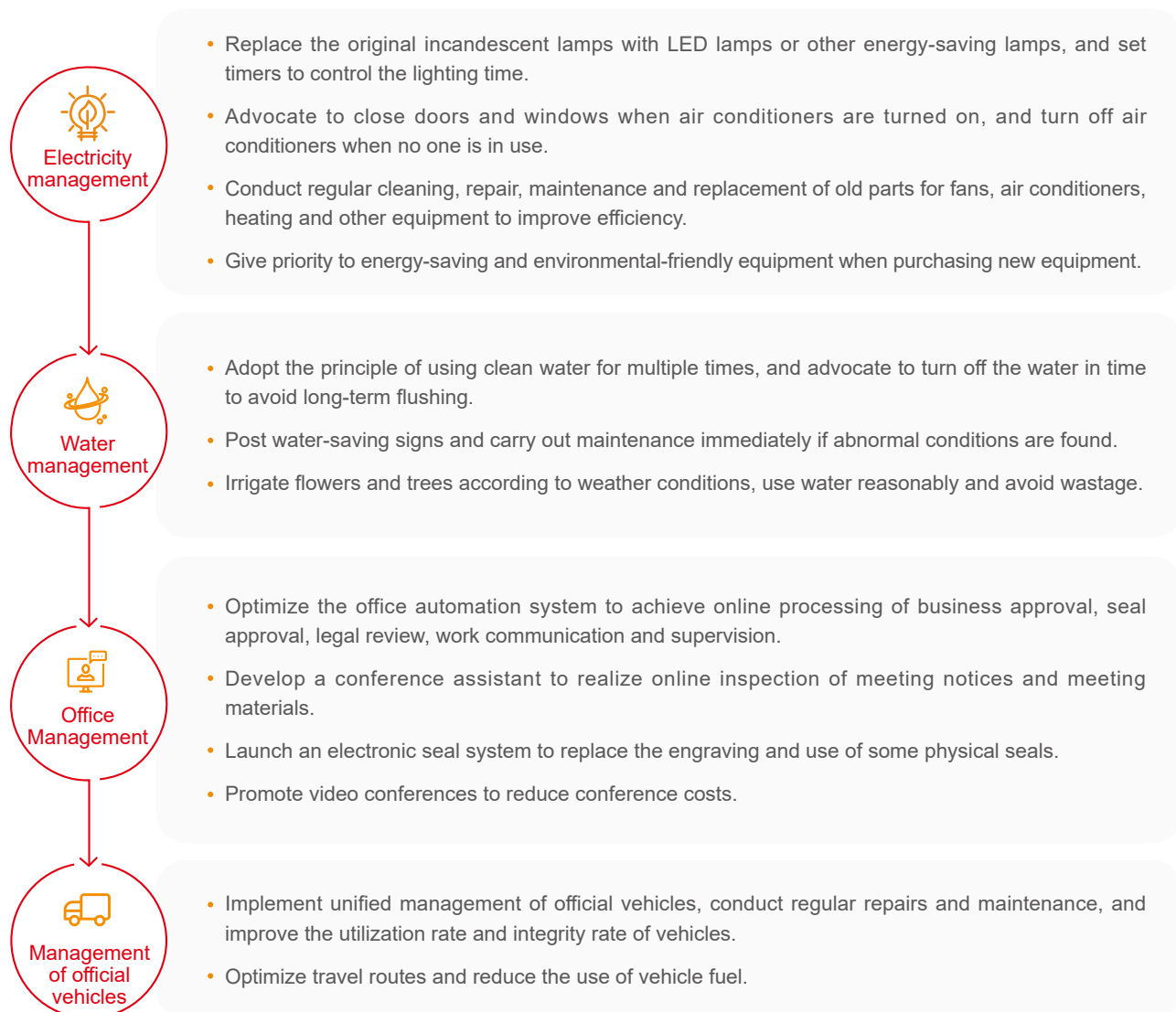


## Promoting Green Operation

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.

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 adopts the following energy conservation and emission reduction measures:



The Bank set energy conservation and emission reduction targets and corresponding measures at the head office level to further promote green operations. During the Reporting Period, the Bank actively implemented the action plans to achieve the environmental objectives and reduce the negative impacts on the environment and ecology. The following are the progress and records of the Bank’s target achievement and improvement measures. The Bank will continue to conduct environmental management.

Scope	2022 Targets	Progress achieved during the Reporting Period	Next steps to be taken
Exhaust gas and greenhouse gas emissions	Decrease in total	Have basically completed	<ul style="list-style-type: none"> <li>Use gasoline with less heavy metal.</li> <li>Advocate green travel to reduce vehicle use.</li> </ul>
Waste disposal	Decrease in total	Completed	<ul style="list-style-type: none"> <li>Do not use or use less equipment that generates hazardous waste.</li> <li>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 computer mainframes, monitors, printers, fax machines, copiers, water dispensers, etc. when leaving.</li> </ul>
Energy use	Reduction in annual per capita electricity and heat consumption	Have basically completed	<ul style="list-style-type: none"> <li>Avoid daytime lights and long-light lights. Turn off lights when natural light is sufficient and leaving.</li> <li>The temperature of air conditioners shall not be lower than 26 degrees Celsius in summer and not higher than 20 degrees Celsius in winter. The air conditioners shall not be opened at doors and windows, and no air conditioners shall be turned on when no one is in use.</li> </ul>
Water use efficiency	Annual water consumption per capita decreased	Completed	<ul style="list-style-type: none"> <li>Turn off water timely when washing to avoid long-term flushing.</li> <li>Waste should be removed from the trash passageway regardless of size and volume and should not be washed from toilet water.</li> <li>Regular inspections are carried out to avoid dripping and leakage of water.</li> </ul>

### Head Office Use of Resources

Item	Unit	2022	2021
Natural gas consumption	kWh in '000s	261.91	273.90
Natural gas consumption intensity	kWh in '000s/square meter	0.0058	0.0066
Vehicle fuel consumption <sup>6</sup>	kWh in '000s	607.93	708.01
Vehicle fuel consumption intensity	kWh in '000s/vehicle <sup>7</sup>	17.37	20.23
Total direct energy consumption	kWh in '000s	869.84	981.91
Total direct energy consumption density	kWh in '000s/square meter	0.02	0.02
Electricity consumption	kWh in '000s kWh	11,710	10,356
Electricity consumption intensity	kWh in '000s/square meter	0.26	0.25
Heating consumption	kWh in '000s	1,597.50	1,521.43
Heat consumption intensity	kWh in '000s/square meter	0.04	0.04
Total indirect energy consumption	kWh in '000s	13,307.49	11,877.23
Total indirect energy consumption density	kWh in '000s/square meter	0.29	0.28
Water Consumption	Tons	165,404	167,736
Water consumption intensity	Tons/square meter <sup>8</sup>	3.65	4.01

### Head Office GHG Emissions

Item	Unit	2022	2021
Total GHG emissions	Tons of CO <sub>2</sub> equivalent	7,570.49	6,942.53
Total GHG emissions intensity	Tons of CO <sub>2</sub> equivalent/square meter	0.17	0.17
Direct GHG emissions (Scope 1) <sup>9</sup>	Tons of CO <sub>2</sub> equivalent	210.97	246.92
Indirect energy greenhouse gas emissions (Scope 2) <sup>10</sup>	Tons of CO <sub>2</sub>	7359.52 <sup>11</sup>	6,695.62

<sup>6</sup> Including gasoline and diesel consumption of official vehicles.

<sup>7</sup> As at the end of the Reporting Period, the Head Office had a total of 35 office vehicles.

<sup>8</sup> Office area of the Head Office was 45,353.19 square meter, representing an increase of 3,574.37 square meter over the previous year.

<sup>9</sup> Including greenhouse gas emissions from consumption of natural gas, gasoline and diesel. The calculation of road mobile sources and natural gas emissions refer to the *Greenhouse Gas Emission Accounting Methodology and Reporting Guide for Land Transportation Enterprises (Trial)* and *Greenhouse Gas Accounting System - Guide to Greenhouse Gas Emission Calculation Tool due to Energy Consumption (Version 2.1)* issued by the Ministry of Environmental Protection of China, respectively.

<sup>10</sup> Including greenhouse gas emissions from electricity consumption and municipal heating. Heat is calculated using a reference from the *GHG Accounting System - Guidelines for Calculating Greenhouse Gas Emissions from Energy Consumption (Version 2.1)*.

<sup>11</sup> Calculated in accordance with the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Enterprises Power Generation Facilities (2023 Revision)*, the emission factor of the power grid during the Reporting Period was adjusted to 0.5703 kgCO<sub>2</sub>/kWh.

**Head Office Non-Hazardous Waste<sup>12</sup>**

Item	Unit	2022	2021
Domestic waste	Tons	105	120
Intensity of domestic waste generation	tons/person <sup>13</sup>	0.07	0.08
Waste equipment	pieces	522	728
Intensity of waste equipment	pieces/person	0.36	0.47

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.



<sup>12</sup> The unit of discarded equipment is the unit of common indicators of the Bank. The main non-hazardous waste of the bank is household garbage, which has been disclosed by weight (ton).

<sup>13</sup> As at the end of the Reporting Period, the Head Office had a total of 1,451 employees.

## Future Outlook

ESG has become an important tool for the Bank to pursue sustainable development and achieve the goal of effective integration of economic, social and ecological benefits, which is an organic element of the Bank's governance and management. In the future, the Bank will practice the concept of sustainable development and continuously improve the professional level of ESG management. The Bank will continue to maintain close contact with stakeholders, actively understand and respond to stakeholders' expectations in terms of ESG, and strive to undertake and fulfil social responsibilities. The Bank will continue to strengthen risk and internal control management, following and managing ESG risks. The Bank will continue to promote the Four New Types of Finance, help small and micro enterprises, build scientific and technological finance, build a financial brand for citizens, 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 the national strategic goals of carbon peaking and carbon neutrality, and jointly respond to 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 *2022 Corporate Social Responsibility Report*, and disclosed the findings and conclusions of the Assurance Engagement to the intended users of the *2022 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 *2022 Corporate Social Responsibility Report* that have been selected in accordance with the *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.

## 1 Independence and Competence

CECEPAC (HK) was not involved in collecting and calculating the data in the *2022 Corporate Social Responsibility Report*, or in the development of the *2022 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.

## 2 Bank of Zhengzhou’s Responsibilities

Bank of Zhengzhou is responsible for the preparation and presentation of the *2022 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 *2022 Corporate Social Responsibility Report* are free from material misstatement, whether due to fraud or error.

## 3 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 *2022 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.

## 4 Assurance Scope

- The scope of the Assurance Engagement is limited to the information and data in the *2022 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 *2022 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:

• Head office electricity consumption

• Number of ethnic minority employees

• Number of customer complaints

- CECEPAC (HK)'s assurance work was with respect to information disclosed from 1 January 2022 to 31 December 2022 and included in the *2022 Corporate Social Responsibility Report* only. Any information that falls outside this period and disclosed in the *2022 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.

## 5 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 interviews<sup>1</sup> with personnel involved in sustainability management, report preparation and provision of the relevant information for the *2022 Corporate Social Responsibility Report*;
- Assessing whether the reporting and management approach for the *2022 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 *2022 Corporate Social Responsibility Report* with the *ESG Reporting Guide*; and
- Performing other procedures we deemed necessary.

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

<sup>1</sup> The Assurance Engagement was conducted through online means and interviews were conducted in forms of telephone conference.

## 6 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.

## 7 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.

### 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 *2022 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 *2022 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 *2022 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 *2022 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 *2022 Corporate Social Responsibility Report*.



## 8 Recommendations

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

- Increase the participation of stakeholders in the process of the materiality assessment, so as to better understand and respond to the expectations and concerns of stakeholders;
- Enhance the monitoring system of sustainability-related targets, regularly record the target process in order to precisely manage the target implementation process;
- Strengthen the environmental data collection system, so as to expand the scope to branches and sub-branches.



## Indicators Index of the *Guide*

Subject Areas and Aspects	General Disclosure	Disclosure Page	Key Performance Indicators	Disclosure Page
<b>A. Environment</b>				
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	P54	A1.1 The types of emissions and respective emissions data	The Bank's main business does not involve high pollution and high emission, and does not generate significant hazardous waste
			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)	P56
			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)	P57
			A1.5 Description of emission target (s) set and steps taken to achieve them	P55
			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	P55
A2: Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials	P54	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)	P56
			A2.2 Water consumption in total and intensity (e.g. per unit of production volume per facility)	P56
			A2.3 Description of energy use efficiency target (s) set and steps taken to achieve them	P55
			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	P55
			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
A3: The Environment and Natural Resources	Policies on minimizing the issuer's significant impact on the environment and natural resources	P51-P52, P54	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	P51-P52,P54
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	P53	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	P53
<b>B. Social</b>				
B1: Employment	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	P44	B1.1 Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region	P45
			B1.2 Employee turnover rate by gender, age group and geographical region	P45

Subject Areas and Aspects	General Disclosure	Disclosure Page	Key Performance Indicators	Disclosure Page
<b>B. Social</b>				
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	P46	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	P46
			B2.2 Lost days due to work injury	P46
			B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	P46
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	P47	B3.1 The percentage of employees trained by gender and employee category (e.g., senior management, middle management)	P49
			B3.2 The average training hours completed per employee by gender and employee category	P49
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	P44	B4.1 Description of measures to review employment practices to avoid child and forced labour	P44
			B4.2 Description of steps taken to eliminate such practices when discovered	P44
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain	P23	B5.1 Number of suppliers by geographical region	P23
			B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	P23
			B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	P23
			B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	P23
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	P22 P39-P40	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
			B6.2 Number of products and service related complaints received and how they are dealt with	P39-P40
			B6.3 Description of practices relating to observing and protecting intellectual property rights	P22
			B6.4 Description of quality assurance process and recall procedures	The main business of the bank is financial services, which does not involve quality and product
			B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	P40
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	P21-P22	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	P22
			B7.2 Description of preventive measures and whistle blowing procedures, and how they are implemented and monitored	P21
			B7.3 Description of anti-corruption training provided to directors and employees	P21
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	P24-35 P41-42	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	P24-35,P41-42
			B8.2 Resources contributed (e.g. money or time) to the focus area.	P24-35,P41-42

## GRI Content 2021 Index

GRI Standard	Disclosure Requirements	Pages
GRI 2: General Disclosure 2021	2-1 Organizational details	P05
	2-2 Entities included in the organization's sustainability reporting	P01
	2-3 Reporting period, frequency and contact point	P01-P02
	2-4 Restatements of information	There are no significant changes in the scope of the report compared with previous reports
	2-5 External assurance	P59
	2-6 Activities, value chain and other business relationships	P05
	2-7 Employees	P45
	2-8 Workers who are not employees	P45
	2-9 Governance structure and composition	P16
	2-10 Nomination and selection of the highest governance body	P17
	2-11 Chair of the highest governance body	P17
	2-12 Role of the highest governance body in overseeing the management of impacts	P18
	2-13 Delegation of responsibility for managing impacts	P17-P18
	2-14 Role of the highest governance body in sustainability reporting	P11
	2-16 Communication of critical concerns	P12-P14
	2-22 Statement on sustainable development strategy	P11
2-27 Compliance with laws and regulations	P16	
2-29 Approach to stakeholder engagement	P12-P14	
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## Readers' Feedback

Thank you for reading the *2022 Corporate Social Responsibility (Environment, Society and Governance) 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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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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