

中原人民
自己的银行



2022

**ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT**

Zhongyuan Bank Co., Ltd.

About this Report

Reporting Time

This Report covers the period from January 1, 2022 to December 31, 2022 (the "reporting period"). In order to enhance the contrast and forward-looking nature of this Report, some contents may go beyond the above-mentioned scope.

Reporting Period

This Report is an annual report. It is the annual Environmental, Social and Governance Report released by Zhongyuan Bank for the sixth consecutive year.

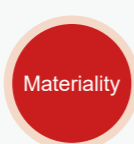
Organizational Scope in this Report


The data and facts involved in this Report cover the head office and 18 branches and 3 branches under direct control of Zhongyuan Bank Co., Ltd. For ease of expression, Zhongyuan Bank Co., Ltd. is referred to as "Zhongyuan Bank", the "Bank", "we" or "us".

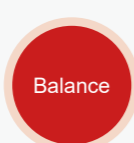
Reporting Principles


This Report has been prepared in accordance with the *Environmental, Social and Governance Reporting Guidelines*, Appendix XXVII to the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (the "Listing Rules"). At the same time, this Report is prepared by reference to the *Sustainability Reporting Standards* issued by the Global Sustainability Standards Board (GSSB), the *Opinions on Strengthening the Social Responsibility of Banking Financial Institutions* issued by the former China Banking Regulatory Commission, and the *Guidelines on Corporate and Social Responsibilities of Financial Institutions* in the Banking Industry Association of China, and the relevant requirements of the *Code of Corporate Governance* for Listed Companies issued by the China Securities Regulatory Commission.

The preparation of this Report follows the principles of materiality, quantification, balance, and consistency.

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The importance of ESG matters of the Bank is determined by the Board of Directors. The process of communication with stakeholders and identification of material issues and the matrix of material issues are disclosed in this Report.
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The statistical standards, methods, assumptions and/or calculation tools for the quantitative KPIs in this Report, as well as the sources of conversion factors, are explained in the interpretation in this Report.
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This Report presents the Bank's performance during the reporting period in an impartial manner and avoids choices, omissions or presentation formats that may unduly influence the decisions or judgments of readers of this Report.
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The statistical methods and calibres used for data disclosure in this Report are consistent with those in previous years unless otherwise specified.

Data Explanation

All the financial data in this Report are from the 2022 audited financial report set out in the 2022 annual report. If the data contained in this Report is inconsistent with the annual report, the annual report shall prevail. The other data statistics scope includes the head office and 18 branches and 3 branches under direct control of the Bank, unless otherwise specified.

The monetary amounts involved in this Report are measured in RMB, unless otherwise specified.

Independent Assurance

In order to ensure the authenticity and reliability of this Report, this report was independently and limited audited by CECEP (HK) Advisory Company Limited in accordance with the AA1000 auditing principles, and an independent auditing statement is issued.

Release Form

This Report is published in both print and electronic formats. The printed version is available at the Office of the Board of Directors of the Bank, and the electronic version can be downloaded from the HKEXnews (website: www.hkexnews.hk) and the Bank's website (website: www.zybank.com.cn). This Report is available in simplified Chinese, traditional Chinese and English. If the three versions are inconsistent, the simplified Chinese version shall prevail.

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About the Bank

Established on December 23, 2014, Zhongyuan Bank Co., Ltd. is a provincial corporate bank with a network of branches covering the whole Henan Province. On July 19, 2017, the bank was listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Since its opening, Zhongyuan Bank has been developing in accordance with the vision of "making Zhongyuan Bank a first-class commercial bank" as proposed by the Henan Provincial Government. On May 25, 2022, Zhongyuan Bank was approved by the China Banking Regulatory Commission to merge with Luoyang Bank, Pingdingshan Bank and Jiaozuo CTS Bank. As of the end of the reporting period, the Bank's total asset size was RMB1,326.74 billion, ranking 8th among domestic city commercial banks, with 18 branches, more than 700 banking offices and 17 affiliated institutions. The Bank has been awarded "Top 10 City Commercial Banks of the Year", "Iron Horse Top 10 Banks", "Best Listed Company" and "Outstanding City Commercial Bank of the Year". It is also ranked 180th among the top 1,000 banks in the world in 2022 by The Banker magazine, and its social reputation and brand influence continue to grow.

the Total assets amounted to RMB

 **1,326.74** Billion

Branches **18** Business outlets more than **710**

Affiliated institutions **17**

During the reporting period, the Bank won the following honors and awards

- People's Daily**
- Case of the 2022 China Brand Innovation**
- Securities Times**
- Tianji Award of the 2022 Golden Bank Brand**
- Caijing Magazine**
- 2022 Evergreen Award for the Most High-Quality Development Value Bank of the Year**
- 2022 China Customer Service Festival hosted by China Information Association**
- Selected into the Top 100 Chinese Service Brands**
- The 5th Digital Finance Innovation Competition**
- Honorable Mention**
- The 6th Retail Banking Innovation Practice Award**
- Top 10 Retail Banks Award of City Commercial Banks**
- The 7th China Customer Contact Center Industry Development Annual Conference**
- The 9th CCF Big Data and Computational Intelligence Competition in 2021**
- Best Customer Experience Innovation Demonstration Unit**
- Best Commercial Value Award**
- China UnionPay**
- UnionPay Credit Card Business Outstanding Contribution Award**
- 2022 Huaying Award BDI Digital Index Selection Activities**
- Outstanding Contribution Award for UnionPay Promotion**
- Awards include: "Wealth Management Award", "Smart Risk Control Award" and "Scenario Financial Innovation Award"**

2022 ESG Key Performance

Economic Performance

| Indicator | Unit | 2022 |
|--|-------------|-----------|
| Total assets | 100 million | 13,267.36 |
| Operating income | 100 million | 256.11 |
| Net profit | 100 million | 38.25 |
| Balance of deposit | 100 million | 8,273.20 |
| Total loan amount | 100 million | 6,840.75 |
| Total tax | 100 million | 35.63 |
| NPL ratio | % | 1.93 |
| Provision coverage | % | 157.08 |
| Capital adequacy ratio | % | 11.83 |
| Balance of inclusive loans for small and micro enterprises | 100 million | 761.97 |
| Balance of agriculture-related loans | 100 million | 1,480.40 |
| Balance of inclusive agriculture-related loans | 100 million | 133.80 |
| Balance of green loans | 100 million | 271.30 |

Environmental Performance

| Indicator | Unit | 2022 |
|---|--|-----------|
| Emissions | | |
| Direct GHG emissions (Scope 1) | Tons of carbon dioxide equivalent | 1,122.27 |
| Indirect GHG emissions (Scope 2) | Tons of carbon dioxide equivalent | 26,424.48 |
| Total GHG emissions (Scope 1 and 2) | Tons of carbon dioxide equivalent | 27,546.75 |
| GHG emissions per million yuan of operating income | Tons of carbon dioxide equivalent / million yuan | 1.08 |
| GHG emissions per capita | Tons of carbon dioxide equivalent / person | 1.40 |
| Amount of waste toner cartridges and ink cartridges | Tons | 2.35 |
| Amount of waste toner and ribbon | Tons | 0.79 |
| Amount of waste lead-acid batteries and other batteries | Tons | 2.66 |

Note: In 2021, the statistics calibre covered the head office, branches, and sub-branches. In 2022, the statistical calibre became smaller only to include the head office and branches, so the amount of waste batteries used dropped significantly.

| Indicator | Unit | 2022 |
|--|--------------------------------------|------------|
| Amount of waste fluorescent tubes | Tons | 1.16 |
| Total amount of hazardous wastes | Tons | 6.96 |
| Amount of hazardous waste per million yuan of operating income | Tons / million yuan | 0.0002 |
| Hazardous waste generation per capita | Tons / person | 0.0002 |
| Total office paper usage | Tons | 100.60 |
| Domestic and office waste generation | Tons | 339.84 |
| Kitchen waste generation | Tons | 396.81 |
| Total amount of non-hazardous waste generated | Tons | 837.25 |
| The amount of non-hazardous waste generated per million yuan of operating income | Tons / million yuan | 0.03 |
| Amount of non-hazardous waste per capita | Tons / person | 0.04 |
| Amount of non-hazardous waste per capita | | |
| Total energy consumption | MWh | 52,729.66 |
| Total direct energy consumption | MWh | 7,248.63 |
| Natural gas consumption | Cubic meter | 439,271.08 |
| Gasoline consumption | Liter | 227,537.20 |
| Diesel consumption | Liter | 6,914.84 |
| Total Indirect Energy Consumption | MWh | 45,481.03 |
| Outsourced power consumption | MWh | 45,481.03 |
| Comprehensive energy consumption | Tons of standard coal | 6,914.86 |
| Comprehensive energy consumption per million yuan of operating income | Tons of standard coal / million yuan | 0.27 |
| Comprehensive energy consumption per capita | Tons of standard coal / person | 0.35 |
| Municipal water consumption | Tons | 411,476.28 |
| Water consumption per million yuan of operating income | Tons / million yuan | 16.07 |
| Water consumption per capita | Tons / person | 20.98 |

Note:

- Unless otherwise specified, the scope of environmental performance statistics includes the Bank's head office and branches and sub-branches.
- Gasoline consumption comes from the use of official vehicles of the Bank.
- Diesel consumption comes from the use of official vehicles of the Bank.
- The main source of natural gas and gas consumption is the use of logistics facilities, such as the use of canteen stoves and gas heating boilers.
- GHG mainly includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, carbon oxide and sulfur hexafluoride, mainly from purchased electricity, natural gas, gasoline, diesel, and gas. The calculation method of GHG emissions refers to the *Greenhouse Gas Accounting System Corporate Accounting and Reporting Standards 2012* (Revised Edition) issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), and the *Fifth Assessment Report* issued by Intergovernmental Panel on Climate Change (IPCC); The grid emission factor used for the Scope 2 calculation refers to the latest *National Unified Grid Emission Factor (2022)* released by the Ministry of Ecology and Environment of China.
- Statistics on non-hazardous waste include office and household waste, office paper, electronic equipment and other non-hazardous equipment discarded. The calculation method of total office and household waste production refers to the *Manual of Coefficient of Pollutants Generated and Discharged from Urban Domestic Source in the First National Pollution Source Census* issued by the State Council.
- Hazardous waste statistics include discarded fluorescent tubes, lead-acid batteries, toner, ribbons, toner cartridges, and ink cartridges, some of which have been recycled.
- The comprehensive energy consumption data is calculated based on the consumption of electricity and fuel with reference to the relevant conversion factors provided in the National Standard of the PRC -- *General Principles for the Calculation of Comprehensive Energy Consumption* (GBT2589-2020), including purchased electricity, purchased heat, natural gas, gas, petrol, and diesel.
- Packaging data is not applicable to the Bank.



Social Performance

| Indicator | Unit | 2022 |
|--|--------|---------|
| Employment related | | |
| Number of employees | Person | 19,610 |
| Turnover rates | % | 3.9 |
| Employee health and safety related | | |
| Number of female employees | Person | 9,759 |
| Number of male employees | Person | 9,851 |
| Number of employee death during the work | Person | 2 |
| Number of working days lost due to work-related injuries during the reporting period | Day | 1,142.5 |
| Training related | | |
| Total number of employees trained | Person | 19,610 |
| Percentage of employees trained by gender | | |
| Percentage of female employees trained | % | 100 |
| Percentage of male employees trained | % | 100 |
| Percentage of trained employees by employee category | | |
| Percentage of senior management employees trained | % | 100 |
| Percentage of middle-level management employees trained | % | 100 |
| Percentage of ordinary employees trained | % | 100 |

| Indicator | Unit | 2022 |
|---|--------------|--------|
| Average training hours per employee by gender | | |
| Average training hours for female employees | Hours | 85 |
| Average training hours for male employees | Hours | 85 |
| Training hours per employee by employee category | | |
| Average training hours for senior management employees | Hours | 133 |
| Average training hours for middle management employees | Hours | 78 |
| Average training hours for ordinary employees | Hours | 87 |
| Supply chain related | | |
| Total number of suppliers | Number | 884 |
| Total number of suppliers of head office | Number | 305 |
| Number of suppliers by region | | |
| Number of suppliers in Henan Province | Number | 532 |
| Number of suppliers outside Henan Province | Number | 352 |
| Supplier Review Coverage | % | 100 |
| Community investment | | |
| Total charitable donations | RMB 10,000 | 435.33 |
| Volunteer activity participants | Person-times | 8,110 |

Note: During the reporting period, the cause of the employee's death was the sudden illness of the employee at work with invalid rescue.

01

CORPORATE GOVERNANCE

2022 was an extraordinary year in the history of the Party and the country. In this year, the 20th CPC National Congress was successfully held, which planned out a grand blueprint for building China into a great modern socialist country in all respects. Zhongyuan Bank has studied the guiding principle of the 20th CPC National Congress in a comprehensive, systematic and intuitive manner. Adhering to the guidance of the Party building, we further promoted the in-depth integration of the Party leadership and corporate governance, striving to build a corporate governance mechanism in which each department performs its own duties, assumes its own responsibilities, coordinates operations, and provides effective checks and balances. By doing so, the Bank's internal management has been significantly enhanced to ensure the high-quality and sustainable development.

- LEAD BY THE PARTY BUILDING
- GOVERNANCE STRUCTURE
- CORPORATE CULTURE
- PROTECT SHAREHOLDERS' RIGHTS AND INTERESTS
- RISK MANAGEMENT IN ALL RESPECTS
- SOCIAL RESPONSIBILITY MANAGEMENT



Lead by the Party Building

The Bank always attaches great importance to the integration of the Party leadership and corporate governance. As early as the beginning of 2018, we have written the work of Party building into the Bank's *Articles of Association*, which clarifies the core position of the Party organization and that we must give full play to the core role of the Party in overall leadership and politics. In 2022, we revised the *Zhongyuan Bank Party Committee Meeting Management Measures*, which further clarifies the responsibilities of the Party committee and standardizes its work procedure. In corporate governance, the leadership system of "concurrent Party/administrative posts" is implemented, which is explicitly written in the Bank's *Articles of Association* that members of the Party committee can hold positions in the Board of Directors, Board of Supervisors, and the Senior Management, and vice versa. By the end of the reporting period, 2 executive directors in Board of Directors are members of the Party committee, so are 5 president assistants in the Senior management. The Bank's chairman was appointed as the secretary of the Party committee and its president as the deputy secretary of the Party committee to ensure that the role of the Party organization is effectively exerted at the management level.

Combined with actual situation, we have created a distinctive culture of Party building to ensure that it is carried out in a standardized, normalized, characteristic way and on a regular basis. At the same time, we integrate of the work of Party building with corporate governance, business development, leadership and team building, and corporate culture cultivation in a coordinated way. By doing these things, we fully mobilize the enthusiasm, initiative, and creativity of the Party organizations as well as corporate leaders and employees at all levels to create a better culture of Party building and to advance the Bank's high-quality development.



Case Zhongyuan Bank Studied the Guiding Principles of the 20th CPC National Congress

After the successful convening of the meeting, the Party Committee of Zhongyuan Bank has organized all grassroots party organizations within the system to conscientiously study, publicize and implement the guiding principle of the 20th CPC National Congress, inspiring employees' enthusiasm for learning. Under the guidance of Party building, the corporate leaders and employees became more conscious to think and act in line with the guiding principles of the 20th CPC National Congress, and forged ahead with a more high-spirited attitude on a new journey.



Case Zhongyuan Bank Carried Out a Study Session of "Welcoming the 20th CPC National Congress, and Forging Ahead on a New Journey"

From September 14th to 16th, 2022, the Party Committee of Zhongyuan Bank head office carried out a themed study session "Welcoming the 20th CPC National Congress, and Forging Ahead on a New Journey" at the Dabieshan Cadre College in Xinxian County of Xinyang City. During this period, members of the study session watched the revolution-themed documentary "Review of the Golden Gate Battle", the stage play "Red Dabie Mountain"; and attended the Party lecture on "The Spirit of Dabie Mountain and Its Value of the Times". They also paid visits to the hometown of Xu Shiyu, Tianpu Dayuan Maker Town in Xinxian County, the Hubei-Henan-Anhui Soviet Capital Martyrs' Cemetery, the Former Site of the Hubei- Henan-Anhui Branch of the CPC Central Committee, the Former Site of the Red Fourth Army Headquarters, and the Memorial Hall of Liu Deng's Army Leaping into the Dabie Mountains. On-site learnings were also conducted during the visit. Through various of activities, they relearnt the history of Chinese revolution, experienced the red culture, and paid respect to deeds at Dabie Mountain and devotions of the older generation of proletarian revolutionaries. This study session has exercised the willpower of the Party members and corporate leaders and enhanced the cohesion, the spirit of struggling, and creativity among them so as to contribute new strengths to the goal of "striving to create a first-class bank and build a century-old foundation".

Governance Structure

Based on the actual situation, Zhongyuan Bank carries out corporate governance strictly in accordance with *the Company Law of the PRC*, *Securities Law of the PRC*, and other relevant laws and regulations, and *Corporate Governance Guidelines for Banking and Insurance Institutions*, *Measures for Performance Evaluation of Directors and Supervisors of Banking and Insurance Institutions (Trial)* and other system guidelines, complying with the relevant policies and regulations of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the "Hong Kong Listing Rules"), and implementing the specific requirements of the *Corporate Governance Code* contained in Appendix 14 of the Hong Kong Listing Rules.

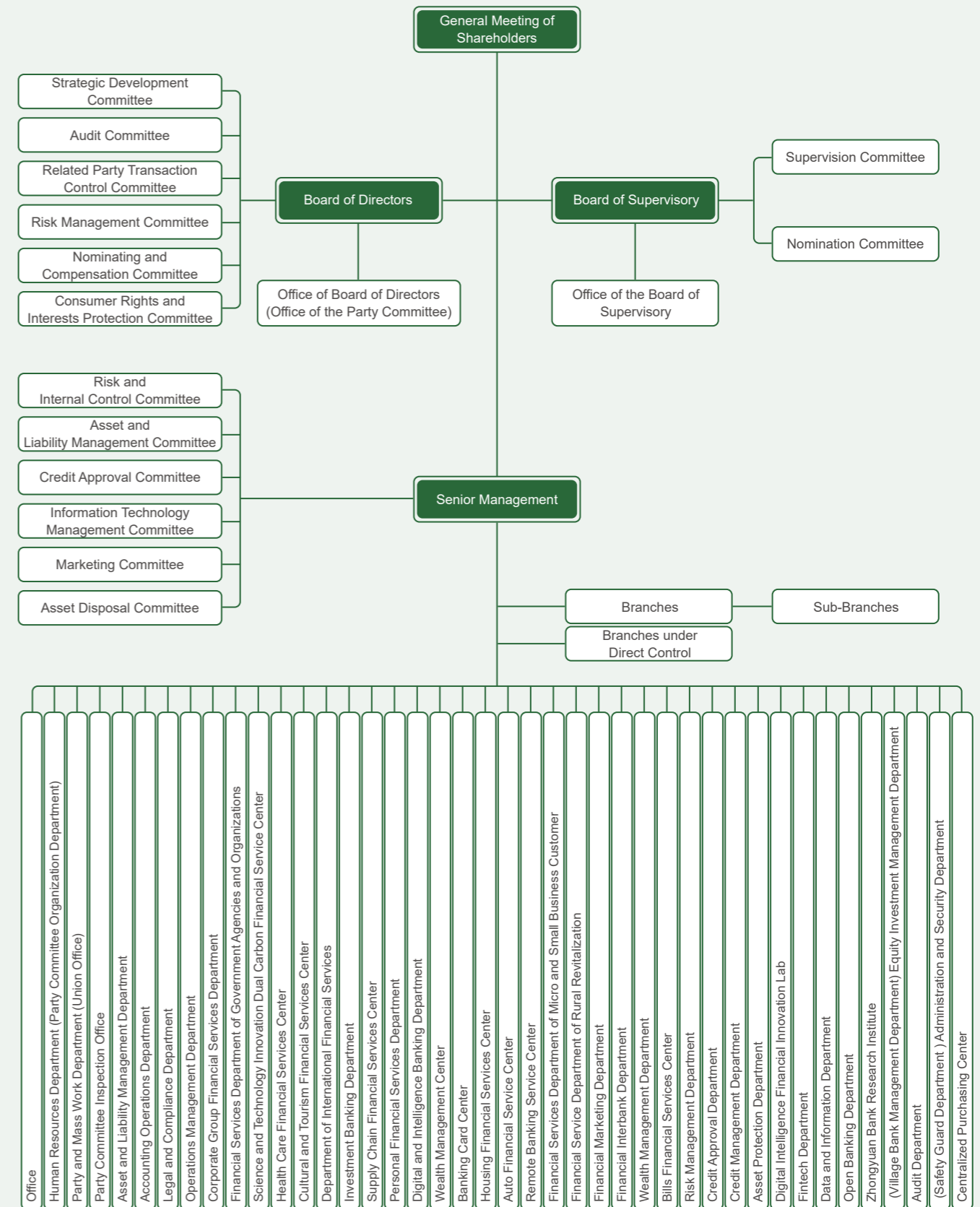
We continue to improve the corporate governance structure, with the Party committee, shareholders' meeting, Board of Directors, board of supervisors and senior management as the main body. We give full play to a modern corporate governance mechanism that "the Party committee acts as the core of the leadership, the general meeting of shareholders exercises the power, the Board of Directors makes scientific decisions, the board of supervisors implements independent supervision, and senior management runs the Bank in accordance with authorized norms". Under this mechanism, each governance body performs its duties, assumes its own responsibilities, coordinates operations, and provides effective checks and balances, in an effort to lay a solid foundation for the steady development of the Bank.



Diversity of the Board of Directors

We adhere to the diversity of the Board of Directors, and take the diversity of board members into account from various aspects when setting the board composition, including but not limited to age, educational background, professional experience, skills, service tenure and gender. As of the end of the reporting period, the board had a total of 9 directors (including 2 female directors), consisting of 3 executive directors, 2 non-executive directors, and 4 independent non-executive directors.

Note: Mr. Xu Nuojin, chairman and Executive Director of the Bank, submitted his resignation to the Board of Directors on April 6, 2023 due to change of work arrangement and resigned from the positions of chairman, Executive Director and chairman of the Strategic Development Committee of the Board of Directors of the Bank.



The organizational structure of Zhongyuan Bank



Corporate Culture

Corporate culture is the spiritual pillar and source of motivation for the sustainable development of an enterprise, and thus strengthening corporate culture construction is a strategic measure to improve management, enhance cohesion, and build competitiveness. In 2022, we carried out a series of culture activities to enhance culture building which is conducive to promoting corporate business operations and motivating employees.

Establish a corporate culture publicity system

We formulated the *2022 Implementation Plan for Corporate Culture Construction of Zhongyuan Bank*, and fostered the building an excellent corporate culture to enhance the sense of honor, pride, and responsibility of all employees, and to provide endogenous driving force for the development of the Bank. By sorting out practices in corporate culture in the new development stage, we have formed a series of corporate culture promotion manuals, which helps set up a corporate culture system and create a good corporate culture atmosphere.

Expand the corporate culture publicity channels

Around “Blowing the Call for Unity and Endeavor”, “Zhongyuan Bank Yidiantong”, “New Zhongyuan, New Service, New Future”, we produced six issues of themed internal publications, covering 148 articles with more than 360,000 words. We tweeted 337 articles on the WeChat public account, with a total of 551,200 views. We published a total of 2,735 articles on the “Cailan Zhongyuan” media platform, with over 16 million views. So far, we have created a corporate culture publicity matrix with multiple channels like “Zhongyuan Bank” internal magazine, the “Dingsheng Zhongyuan” WeChat public account, and the “Cailan Zhongyuan” financial media platform.

Innovate the forms of corporate culture promotion

Through carrying out themed training within the whole Bank, we made the employees gain a deeper understanding of our corporate culture, and let them know its importance in the development of Zhongyuan Bank. Under the theme of “Welcoming the 20th CPC National Congress, and Forging ahead on a New Journey”, we launched a series of photography competitions around Zhongyuan Bank’s corporate culture and business achievements. Through photographic works, we recorded the working spirit of unity and dedication of our employees.

Protect Shareholders’ Rights and Interests

As a H-share listed company, Zhongyuan Bank attaches great importance to the protection of shareholders’ rights and interests. We conscientiously implement the *Securities Law of the PRC* and relevant regulations, and fully comply with the requirements of information disclosure laws and regulations, so as to protect the legitimate rights and interests of shareholders and investors from infringement.

We have established an efficient investor relationship management mechanism to protect the interests of shareholders. Through the combination of fixed information disclosure and temporary information disclosure, we disclose various information in a timely and fair manner to ensure the authenticity, accuracy, and completeness of the disclosed information. During the reporting period, Zhongyuan Bank published 74 H-share announcements.



Risk Management in All Respects

Risk Management

Zhongyuan Bank implements risk management in all respects to ensure its high-quality development. Based on sound risk appetite system, we actively respond to credit risk contagion from external shocks originated from changes in the international situation, and insist on serving the real economy while effectively preventing against and defusing financial risks.

During the reporting period, we established a risk management system, which clarified the division of responsibilities among the Board of Directors, the supervisory committee, senior management, business departments, risk management department and internal audit department, thereby forming a multi-level and interconnected operating mechanism with effective checks and balances. Meanwhile, we also set up professional committees at the operating level, including the Risk and Internal Control Committee, Credit Approval Committee, Large Credit Review and Examination Committee, and Asset Disposal Committee. We also made it clear that each functional department has its responsibility. In this way, a multi-layered risk management structure is established to promote the orderly operation of the risk prevention and control with the separation of the front, middle and back office and the co-management of the three lines of defence.

To improve the Bank's risk-based policy system, we developed a clear decision-making procedure involving risk management strategy, risk appetite, and risk limit management, which can fully reflect the bank-wide risk profile and changes in the market and macro economy. And on this basis, we can assess the total amount of risk we are willing to take in order to achieve our strategic objectives and business plans, and specify the maximum level of each type of risk we are willing to take. For the 13 major categories of risks, we also established risk-based policies and procedures that specify the methods and procedures for identifying, measuring, evaluating, monitoring, reporting, controlling or mitigating each type of risk.

We continue to optimize risk management and information systems that we accelerated the construction of a comprehensive risk management system, a business continuity management system, and an IT risk monitoring platform. By connecting different types of risk management systems, we realized the automotive monitoring of different risk indicators, and achieved the intelligent control and online management by setting reasonable indicator thresholds, greatly improving the quality and efficiency of risk management in an all-around way. In addition, we strengthened the construction of intelligent risk control system, by integrating internal and external data resources to exploit the value of data. Step by step, we also established a full life-cycle credit risk control model and built an internal business management system group, centring around the new credit system, mobile operation, post-loan and collection system. At the same time, based on decision engine, model management platform, machine learning platform, etc, we set up an intelligent decision-making system group which supports online process, automatic data processing, intelligent model approval and pricing, enabling the transformation of digital and intelligent risk control.

To enhanced the capacity building of the teams in the business line of risk management, we optimized the organizational structure, speeded up the construction of an embedded risk management centre, and consolidated the responsibilities of the assigned risk directors. We also strengthened the management of credit access qualifications, and completed the trainings of relevant personnel to enhance their capacity in risk management, with 90.23% of trainees passing the qualification tests. Therefore, personnel in the business line of risk management greatly improved their professional skills and capabilities in coping with risks.



Internal Control and Compliance

In accordance with the principles of full coverage, checks and balances, prudence and matching, we have established a more scientific and standardized internal control system in compliance with the laws and regulations of the *Commercial Banking Law of the PRC*, the *Guidelines on Internal Control of Commercial Banks*, and the requirements of the Hong Kong Stock Exchange.

We continue to optimize the system of three lines of defence for internal control that the first line of defence of internal control is consisted of all branches and operating units, the second line of defence is made up of internal control and risk management departments at all levels, and the third line of defence is composed of the audit and supervision departments.

During the reporting period, guided by the principle of "risk-based and prudent operation", we continued to improve the tools and systems in the aspect of internal control, compliance, and risk management, and stepped up our efforts to integrate the three of them. We made solid progresses in improving internal control, further consolidated the foundation of risk prevention and control, and optimized relevant systems and processes, to ensure a long-term and effective mechanism of internal control and compliance. During the reporting period, 59 new regulations were added, and 124 revised to achieve "rules to follow" in the Bank's operation and management. We launched an annual re-examination of 113 business management procedures within Bank and revised 61 of them, effectively identifying and resolving risks.

In addition, we actively conducted compliance culture building activities to improve the compliance assessment mechanism, through which we created a strong atmosphere of compliance management. We carried out case-based warning education, compliance speech contests, compliance trainings at different levels, and publicity activities throughout the bank. By doing so, we optimized the long-term mechanism of compliance education, strengthened the culture of internal control and compliance, and enhanced the effectiveness of internal control.

Anti-money Laundering and Anti-corruption

Zhongyuan Bank strictly abides by the *Criminal Law of the PRC*, the *Anti-unfair Competition Law of the PRC*, the *Interim Provisions on Prohibition of Commercial Bribery*, the *Anti-Money Laundering Law of the PRC*, the *Administrative Measures for the Reporting of Large-value Transactions and Suspicious Transactions by Financial Institutions*, *Guidelines for Risk Assessment of Money Laundering and Terrorist Financing of Financial Institutions* and *Client Classification Management*, *Guidelines for the Management of Behaviours of Practitioners of Banking Financial Institutions* and other laws and regulations. We hold on to the bottom line of integrity and compliance to prevent the occurrence of various risk events including bribery, extortion, fraud, money laundering and terrorist financing. During the reporting period, not a single lawsuit involving anti-corruption and anti-bribery was reported.

Regarding to anti-money laundering, we further upgraded our anti-money laundering system and money laundering risk screening models, to which we added virtual currency and digital currency money laundering crime monitoring models, and optimized the networking rules to improve the accuracy of the models in detecting suspicious information. We upgraded the functions that capture customer information, customer rating, and information of the transaction objects, and improved the efficiency and intelligent level of data processing.

In respect to anti-corruption, we made our best efforts to ensure that intraparty political activities are carried out in earnest, improved the supervision mechanism, and strengthened discipline and integrity building, in an effort to construct a solid defence line of anti-corruption and to enhance the "self-discipline" of the Party members and corporate leaders of the Bank.



• We strengthen the education on the core socialist values, implement democratic centralism in depth, and practice “the three meetings and one lecture system”, meetings of Party members, activities on exchanging of ideas among Party members, and other systems. Besides, we adopt a “Double A” assessment system for the Party building, and carry out a one-vote veto on the issues of improving conduct and building integrity, and further enforce full, rigorous self-discipline within the Party.



• **Strengthening discipline inspection, Select the best and strengthen discipline inspection personnel**

To improve the management of business lines within the Bank, we strengthened the internal supervision, discipline enforcement, and accountability, and coordinated various supervisory departments involving discipline inspection, make an investigation tour, auditing, and compliance to carry out business inspections, risk investigations, and case prevention and control on a regular basis to prevent against risks, remove all kinds of hazards, eliminate hidden dangers, and plug loopholes in the system.

• **Optimizing the complaint reporting mechanism**

With Revising the *Administrative Measures for Zhongyuan Bank’s Petition Work*, we clarifying that “units or individuals inside and outside the bank may report their situation and express their demands to the Bank through information networks, letters, telephone, fax, visits and other forms, but such actions should be carried out in accordance with the law”. According to work needs and system requirements, the discipline inspection and supervision agencies at all levels of the Bank have opened channels for complaints and visits, and made public the reporting mailboxes, telephones, and e-mails. The discipline inspection and supervision departments of each unit should take the lead in establishing a joint working conference mechanism to do their best in the settling complaints.



• We implement the spirit of the Eight Rules on improving Party and government conduct, strictly managed the “key few” to foster and develop a political atmosphere of integrity within the Bank. We make unremitting efforts to “tackle pointless formalities, bureaucratism, hedonism, and extravagance”, carry out special rectification of typical problems, and remind the corporate leaders and employees to follow the Party discipline to combat corruption within the Bank.



• To build a culture of integrity, we have organized a series of activities like “creating a clean enterprise” “implementing the requirements of four conversions and four integrations to be a clean financial practitioner”, held themed activities like “family values, family education and family building” “button the first button to cultivate good values for young employees”, and stress on the role of warning education and made good use of cases around us to promote rectification.

In 2022

| | | | |
|---|----------|---|---------------------|
| Number of anti-corruption trainings for directors and supervisors | 4 Times | Number of directors and supervisors participating in anti-corruption training | 50 Person-times |
| Number of anti-corruption trainings for employees | 5 Times | Number of employees participating in anti-corruption training | 57,559 Person-times |
| Number of anti-money laundering training | 23 Times | Covered by anti-money laundering training | 19,610 Persons |

Supply Chain Management

The Bank carries out procurement management in strictly accordance with the *Laws of the PRC on Tenders and Bids*, *Bidding Law of the PRC and its Implementing Regulations*, *the Interim Administrative Provisions on the Centralized Procurement of State-owned Financial Enterprises*, *the Administrative Measures for the Release of Bidding Announcements and Public Information*, *the Measures for Electronic Tendering and Bidding*, and *the Administrative Measures of Henan Province for the Supervision and Administration of Tendering and Procurement by Enterprises*, and other laws and regulations. During the reporting period, we revised the *Procurement Management Measures Zhongyuan Bank*, formulated the *Work System of Zhongyuan Bank’s Centralized Procurement Management Committee*, *Procurement Operation Procedures of Zhongyuan Bank Head Office*, *Zhongyuan Bank Supplier Management Rules*, *Specifications for the Implementation of Centralized Procurement Review Management of the Head Office of Zhongyuan Bank*, and other regulations. Putting the system first, we strive to build a procurement mechanism of “unified leadership, centralized management, centralized procurement, and graded implementation”. In purchasing, we separate the procurement requirements, implementation and approval to ensure that the corporate centralized procurement was carried out in a systematic, normalized, and standardized manner.

In accordance with the principles of standardization, efficiency, and transparency, we keep a close eye on the procurement-related policies and trends of the country and Henan Province to ensure openness, fairness, and justice in procurement. In cooperation with suppliers, we always uphold the principles of openness, fairness and integrity and take the initiative to fulfil our social responsibilities. We firmly oppose against commercial bribery, avoid such issues like seeking illegal benefits for the company or individuals through procurement, and prohibit the transfer of benefits to partners or employees in disguised form or any other behaviors that damage the interests of both parties. By doing so, we can create a transparent and compliant procurement environment to ensure that procurement is carried out in a more standardized, transparent, and efficient way.

The Bank practices responsible procurement and pays attention to environmental and social risks in the supply chain. During the procurement process, we insist on taking the suppliers’ qualifications as well as their environment and social performances into account. In terms of supplier management, we carry out process management including supplier qualification review, dynamic maintenance, grade assessment, and exception management in compliance with the principles of “strict access, hierarchical management, and dynamic maintenance”. Based on the business qualifications, corporate credit information and other materials provided by suppliers, we conduct on-site research on the qualifications, scale, and production capacity of those important shortlisted suppliers to proactively avoid environmental and social risks in our supply chain and to enhance mutual trust and strengthen business cooperation. We have also improved the online functions of the procurement management platform step by step to improve risk prevention and control capabilities. While fulfilling social responsibilities, we also encourage our suppliers and partners to fulfil social responsibilities. Trainings are carried out to enhance the awareness of social responsibility of both parties, as we are committed to growing together with our supply chain partners for the purpose of jointly promoting green procurement and improving social responsibility.

Intellectual Property Rights Protection

The Bank attaches great importance to the protection of intellectual property rights (IPR), and strictly abides by the *Patent Law of the PRC*, *the Copyright Law of the PRC*, *the Trademark Law of the PRC*, *the Anti-Unfair Competition Law of the PRC* and other laws and regulations, under which the Bank strengthens the reserve of independent intellectual property rights and builds brand competitiveness. During the reporting period, we have revised and issued the *Intellectual Property Management Measures of Zhongyuan Bank*. We carried out IPR management work in accordance with the principles of “compliance with laws and regulations, respect for innovation, unified management, and division of responsibility”, clarifying the work responsibilities of relevant departments and stipulating the procedures for declaration and use of IPR. By doing this, we advanced the development, protection and utilization of IPR, and promoted brand protection and technological innovation, greatly enhancing the comprehensive competitiveness of the Bank.

We have taken various measures to strengthen IPR protection. Specifically, we solicited application plans for information technology patents and software copyrights across the Bank to strengthen the declaration of information technology assets. To boost IPR applications, we focused on the needs of brand image enhancement and business development to promote the registration and maintenance of core trademarks, such as the Bank’s trademark, LOGO, “Yongxu”, “Yuan e-Loan”, “Zhongyuan Yidiantong”, laying a strong foundation for building the Bank’s brand system. Furthermore, we carried out the transfer and renaming of IPR of the three merged banks to protect intangible assets in all aspects and to realize the unified and effective management of IPR. During the reporting period, we obtained 11 invention patent certificates, 21 work certificates and 24 registered trademarks. Our patent applications have achieved great results, greatly enhancing the innovation drive and the benefits of IP conversion.



During the reporting period, we obtained

Invention Patent Certificates

11

Work Certificates

21

Registered Trademarks

24



Social Responsibility Management

Social Responsibility Management ESG Management Framework

The Bank has established a long-term mechanism for the implementation of corporate ESG from top to bottom. The Strategic Development Committee of the Board of Directors takes the lead in the Bank's ESG management, carries out the researches and formulation of the Bank's ESG strategies and policies, conducts the supervision, inspection, and evaluation of the performance of ESG work. We actively implement ESG development concept and effectively ensure the implementation of various tasks.

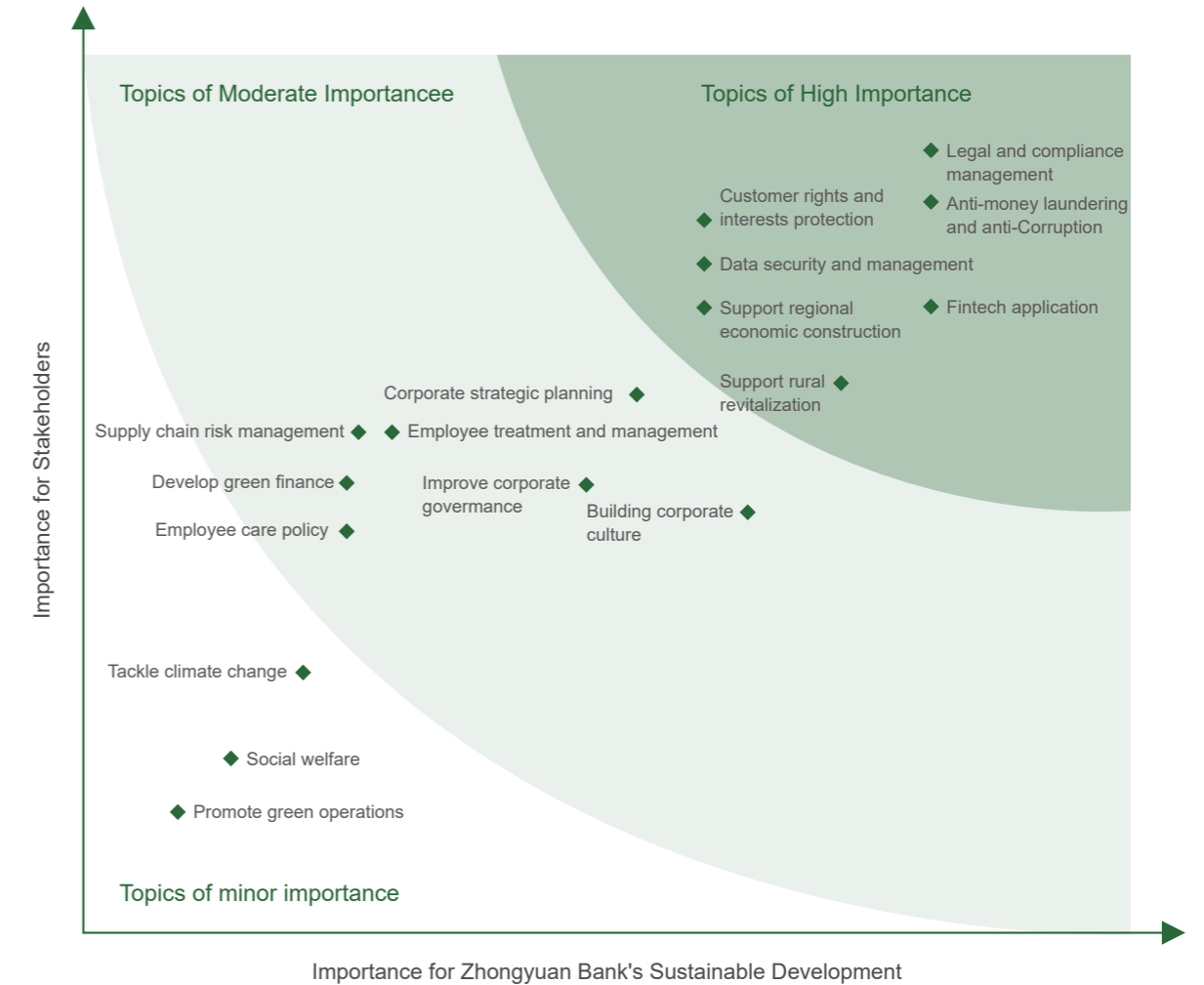
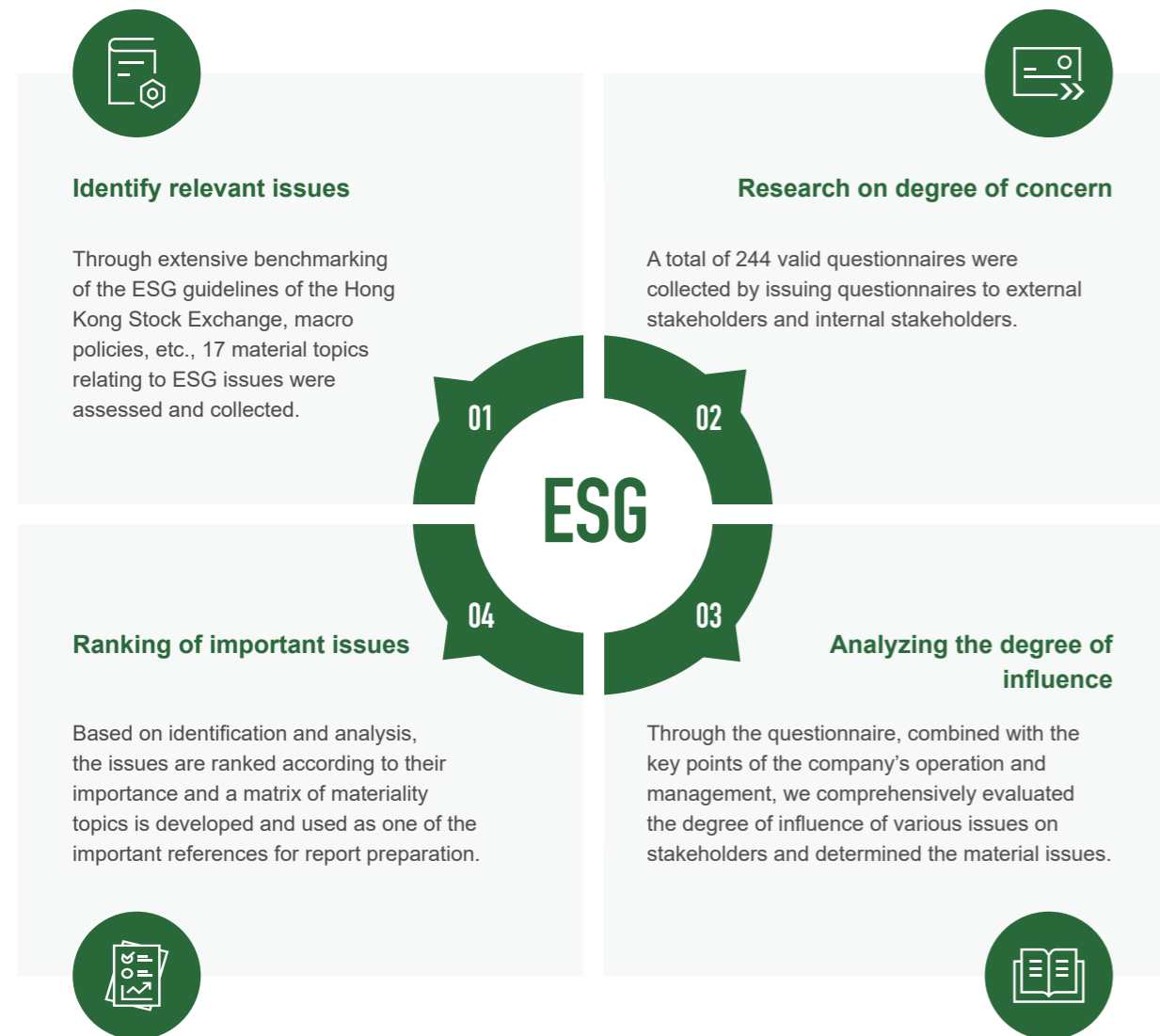
Stakeholder Communication

The Bank attaches great importance to communication with various stakeholders, such as the government, regulatory agencies, shareholders, customers, employees, partners, the public, and the media. We continue to expand our communication channels and exchange more frequently with the stakeholders, and actively listen to and respond to their expectations.

| Stakeholders | Expectations and Demands | Way of Communication | Our Responses |
|--|--|--|---|
|  Government | <ul style="list-style-type: none"> Respond to national strategy Support regional economic development Practice inclusive performance Support rural revitalization Green finance Green operation | <ul style="list-style-type: none"> Policies and regulations Special report Seminar Daily communication report | <ul style="list-style-type: none"> Implement the governments industrial and economic policies Support regional economic development Adhere to serving the real economy In-depth practice of inclusive finance Vigorously develop green finance Promote green office operation |
|  Regulatory authority | <ul style="list-style-type: none"> Operation in compliance with laws and regulations Prevent and defuse financial risks Maintain financial stability | <ul style="list-style-type: none"> Regulatory policy document Daily work report On-site and off-site supervision | <ul style="list-style-type: none"> Strictly follow regulatory policies Do a good job of internal control compliance Comprehensive risk management |
|  Shareholder | <ul style="list-style-type: none"> Decent investment return Sound governance structure Strengthen information disclosure | <ul style="list-style-type: none"> General meeting of shareholders Periodic announcement Phone and email | <ul style="list-style-type: none"> Continued and stable operation Improve profitability Improve corporate governance Do a good job in information disclosure |
|  Customer | <ul style="list-style-type: none"> High-quality financial products and services Safeguard customer rights and interests Popularize financial literacy Protection of consumer rights and interests | <ul style="list-style-type: none"> Customer satisfaction survey Consumer hotline Customer activity Publicity and education activities | <ul style="list-style-type: none"> Accelerate fintech innovation Data security and privacy protection Optimize customer service experience Provide financial literacy training |
|  Employee | <ul style="list-style-type: none"> Competitive salary and benefits Satisfactory working environment and atmosphere Broad room for growth | <ul style="list-style-type: none"> Workers' congress Labor unions Forum Interview | <ul style="list-style-type: none"> Formulate a scientific salary incentive system and promotion system Carry out various forms of training activities Improve the incentive and restraint mechanism Focus on employee welfare and physical and mental health |
|  Partner | <ul style="list-style-type: none"> Integrity and mutual benefit Fair sourcing Managing ESG risks in supply chains | <ul style="list-style-type: none"> Business cooperation Business exchange Bidding meeting | <ul style="list-style-type: none"> Adhere to integrity and mutual benefit Adhere to legal compliance Adhere to insist fair and just Establish good long-term cooperative relations with partners |
|  The Public | <ul style="list-style-type: none"> Perform social responsibility Care for the disadvantaged Build a beautiful community Practice social welfare Popularize financial literacy Environmental protection Public welfare | <ul style="list-style-type: none"> Volunteer service Charity events Sponsored events Green public welfare activities Financial literacy presentation and training | <ul style="list-style-type: none"> Actively carry out volunteer service activities in the community Hold a variety of public welfare activities Sponsor cultural and sports projects Popularize financial literacy |
|  Media | <ul style="list-style-type: none"> Broaden the unified information communication platform Form a communication and dialogue mechanism between enterprises and stakeholders | <ul style="list-style-type: none"> Release report Press conference New media | <ul style="list-style-type: none"> Timely release the annual report of Zhongyuan Bank Timely release the ESG Report Promoting business development information in a timely manner through the media |

ESG Issues Materiality Assessment

In accordance with the new version of the *Environmental, Social and Governance Reporting Guidelines* of the Hong Kong Stock Exchange, regulatory policies and other requirements, we have sorted out a list of material issues in this ESG report based on our own conditions and business characteristics, and identified 17 material topics which are closely related to the Bank and are used as the important references for the preparation of the report.



Board Statement on ESG Governance

In 2022, based on the positioning of a provincial corporate bank, we unwaveringly adhered to the guiding principles of 20th CPC National Congress and focused on the "14th Five-Year Plan". While advancing the building of a new Zhongyuan Bank and its high-quality development, we strictly abided by the *ESG Guidelines* of the Hong Kong Stock Exchange, and actively practiced the corporate social responsibilities.

The Board of Directors is the highest decision-making body for the Bank's ESG work, and bears the ultimate responsibility for our ESG work. The Strategic Development Committee of the Board of Directors takes the lead in ESG management. It is responsible for the deliberation and decision-making of major ESG issues; formulating ESG related work guidelines, strategic plans, annual work plans, and annual work budget; assessing and determining the Bank's ESG related risks and opportunities; supervising the risk management and monitoring system; and regularly reviewing the ESG performance and the progress of achieving goals, and evaluating the implementation results of ESG work.

During the reporting period, the Board of Directors reviewed and monitored policies and measures on ESG-related issues, such as supporting rural revitalization and serving the real economy. This report has disclosed in detail the progress and effectiveness of the above-mentioned work and other ESG issues of the Bank in 2022, and was reviewed and approved by the Board of Directors on March 31, 2023.

02

ECONOMIC RESPONSIBILITY

Zhongyuan Bank practices the responsibilities of a provincial corporate bank. We give full play to our advantages in economy, industry, and location, vigorously supporting the major strategic layout of the country and Henan Province, and integrating financial services with regional characteristics. We provides strong support to the goals of ensuring the high-quality development of Henan and ensuring it achieving a high-level modernization, and also helps to carry out the “Ten Strategies” in Henan Province. To this end, we are determined to serve as the main force for Henan’s economic and social development and to be the “ballast stone” in stabilizing the economy.

- SERVE THE STRATEGIES
- SERVE THE REAL ECONOMY
- SERVE THE ENTERPRISES
- SERVE THE PEOPLE



Serve the Strategies

Serve the “Ten Strategies” of Henan Province

The Bank actively responded to the major strategic plans of the province and heeded the call for its “Ten Strategies”. We formulated the *Three-Year Action Plan of Zhongyuan Bank to Support the “Ten Strategies” of Henan Province* and the details of implementation. Being a responsible financial institution in the local area, we adhered to the concept of “project is king”, and increased the coverage of supports in major projects such as “982 projects” and “three batches of major projects”, particularly on key areas, such as “new infrastructure and new urbanization initiatives and major projects”, industrial transformation and upgrading, and projects of ensuring people’s well-being. We did what we can do to increase credit supply to help stabilize the economy and to promote the high-quality development of Henan province. We made plans to offer no less than RMB 300 billion of credit and financial services to the key sectors of the “Ten Strategies” of Henan Province, and during the reporting period, a total of RMB 69.3 billion in new credit support have been invested in the related projects.



Adopting the concept of “project is king”, we fully implemented the decisions and arrangements of the Party Central Committee, the State Council, the China Banking and Insurance Regulatory Commission, and the Provincial Party Committee and provincial government to stabilize the economy. Focusing on “982 projects” and “three batches of major projects”, we have set up teams at the head office, branches, and sub-branches to carry out projects. To dig out high-quality projects, we followed a work procedure of “project list releasing – project docking – screening out the projects we can serve – appointing personnel in charge of each project – projects included in the closed-loop management of the reserve ledger”, and gradually formed a benign circle of project implementation in a way of “project reserving, project application, and project launching”. At the same time, we strengthened risk coordination and parallel operations, opened green channels for major projects, and assisted Zhongyuan Bank’s branches in promoting business marketing, project establishment, approval and lending throughout the process. As of the end of the reporting period, we provided financing support for 383 projects around the “982 projects” and “three batches of major projects”, with a total credit supply of RMB 47.3 billion.



Rural Revitalization Strategy

The Bank actively promote rural revitalization. To further improve the people’s livelihood, we made more efforts to bring convenience to people’s life through improving our service quality, and thus enhanced the sense of gain, happiness, and security of the new citizens. We developed financial products and services exclusive for the four rural customer groups of “agriculture, rural areas, farmers, and migrant workers”. At the meantime, we also built a “multi-layered service matrix” covering counties, townships, villages, and Yidiantong for the above-mentioned customer groups, allowing them to enjoy Zhongyuan Bank’s inclusive finance services. By the end of the reporting period, we have established a total of 7,246 inclusive finance service stations, covering 90% of townships in 18 prefectures and cities across the province, benefiting more than 20 million farmers. The balance of agriculture-related loans reached RMB 148.04 billion, an increase of RMB 12.24 billion from the beginning of the year, supporting a total of 4,122 agriculture-related enterprises (rural enterprises and various organizations, urban agriculture-related enterprises and various organizations).

Case Zhongyuan Bank, the Department of Agriculture and Rural Affairs of Henan Province, and the Rural Revitalization Bureau of Henan Province Jointly Signed a Strategic Cooperation Agreement for Rural Revitalization

In April 2022, Zhongyuan Bank signed a strategic cooperation agreement on rural revitalization with the Department of Agriculture and Rural Affairs of Henan Province and the Rural Revitalization Bureau of Henan Province to further deepen cooperation and to fully advance rural vitalization, particularly making solid progress in rural development, rural construction, and rural governance.

In the next five years, the Bank will reserve RMB 200 billion in special credit to help achieve “prosperous industries, pleasant living environment, civilized rural customs, effective governance, and affluent life” in the countryside. To promote the effective connection between poverty alleviation and rural revitalization, we will advance agricultural modernization, rural construction, and Internet access to the countryside, contribute to the prosperity of people’ lives.

Ecological Protection and High-quality Development Strategies in the Yellow River Basin

As the birthplace of the Yellow River culture and the support belt of the ecological barrier of the Yellow River Basin, Henan Province takes up a heavy responsibility in the ecological protection and high-quality development of the Yellow River Basin. In 2022, to implement the major strategies of the country and Henan Province, Zhongyuan Bank successfully issued RMB 3 billion of financial bonds for “Yellow River Basin Ecological Protection and High-quality Development”, which was fully subscribed 3.5 times with a coupon rate of 2.95%, and its price dropped by 65 basis points compared with the previous year. The raised funds were used exclusively for advancing the key projects in the area so as to support the ecological protection and high-quality development of the Yellow River Basin.

Innovation-driven Strategy

The report of the 20th CPC National Congress pointed out that we must regard science and technology as our primary productive force, talent as our primary resource, and innovation as our primary driver of growth. The Bank insists on innovation-driven development. Focusing on “Ten Strategies” in Henan Province, we continue to increase financial product innovation, and have successfully innovated many featured products, including “Loan to Enterprises that Apply Special, Sophisticated Techniques to Produce Unique and Novel Products” “IPR Pledge Loan”, “Zhongyuan Talent Loan”, “Green Technology Transformation Loan”, “Carbon Allowance Pledge Loan” and “Green Supply Chain Loan”. Notably, we carried out the first business for products including “Loan to Enterprises that Apply Special, Sophisticated Techniques to Produce Unique and Novel Products”, “Loan with the Pledge of the Right to New Varieties of Plants” and “Loan with the Pledge of Geographical Indications” in the province. By the end of the reporting period, the balance of our science and technology innovation enterprise loans was RMB 42.18 billion, an increase of RMB 4.32 billion from the beginning of the year.




Serve the Real Economy

Build Henan Province into a Strong Manufacturer


The Bank keeps on serving the real economy and makes supporting the high-quality development of the manufacturing industry as our top priority. Around the development of traditional industries, the cultivation of emerging industries, and the layout of future industries, we have created a series of e-chain products like “e-finance for purchase”, “e-finance for sales”, “e-finance for goods”, “e-receipt and payment”, and “e-wealth”. We also step up efforts on our investment banking services such as direct financing, collateralization, and syndicated loans to accelerate the construction of Henan Province into a strong manufacturer. As of the end of the reporting period, balance of the Bank’s manufacturing loans was RMB 64.61 billion.

Carry Out a Special Campaign to Ensure Stable Housing


As a major issue involving the national economy and people’s livelihood, stable housing is an important support for stabilizing the economy and financial stability. On September 7, 2022, the Bank launched a special campaign to ensure the delivery of buildings in Zhengzhou City, having approved a special credit of RMB 10.17 billion, among which RMB 5.83 billion was delivered in place to help more than 100 projects resume construction.



Set up a special team headed by the president of the Bank to take charge of the tasks for “Ensuring the Deliveries of Presold Homes”, and each branch also established the similar team to advance the work. We have opened a green credit channel for the deliveries of presold homes and set up a joint administrative examination and approval system involving the headquarters, the branches, and the sub-branches. To ensure the successful implementation of the work in time, we reported the latest progress on a daily and weekly basis and improved the quality and efficiency of our service.



Under the working mechanism of “One Building, One Policy, One Special Team and One Bank”, we took the initiative to connect with government departments, project special teams, creditor banks, property developers and home buyers. Combined with the financial support in ensuring the deliveries of presold homes, we assumed the responsibility as a facilitator and developed a package of financial service plans under joint research to promote the resumption of unfinished buildings.



For real estate enterprises with cash flow difficulties, we did not withdraw or cut off their loans, but instead granted extensions on the principal repayments for these loans, deferring the payment as they need. On the other hand, for those homebuyers who have temporary difficulties in repayment, we provided a deferment service of up to 36 months to ease their pressure of repayment. By the end of the reporting period, we have handled 3,228 deferred loans with an amount of RMB 2.76 billion.



Serve the Enterprises

The Bank deeply implements the central government’s requirements of increasing financing support for the small and micro business. As a response, we strengthened our financial support to small and micro business as well as rural revitalization by providing better service in inclusive finance, and used our financial resources to help market players develop steadily.

We carried out the “Bank Director Into Ten Thousand Enterprises” campaign, asking for the needs and advices from the enterprises and sending knowledge, policies, products, and services to them. With the advancement of the campaign, we ensured that it could offer preferential policies and bring real results so as to deepen the transformation of business. By the end of the reporting period, we addressed 2,208 financial and non-financial needs of enterprises, with a cumulative amount of new and continued loans amounting to RMB 127.1 billion.


Case

Zhongyuan Bank Boosted the High-quality Development of Enterprises with “Bank Director Into Ten Thousand Enterprises” Campaign

In 2022, Zhongyuan Bank made further efforts to achieve unity in thought, deepen understanding, and plan out measures. Based on the overall development strategy of Henan Province, the Bank carried out the “Bank Director Into Ten Thousand Enterprises” campaign in depth to bring financial resources to the market players.

In March 2022, we conducted a field survey in Angang Group. To meet its financial needs, we designed a package of special financial plans to support its green transformation and high-quality development.


Case

Zhengzhou Branch of Zhongyuan Bank Issued the First Special Loan to Support Economic Recovery

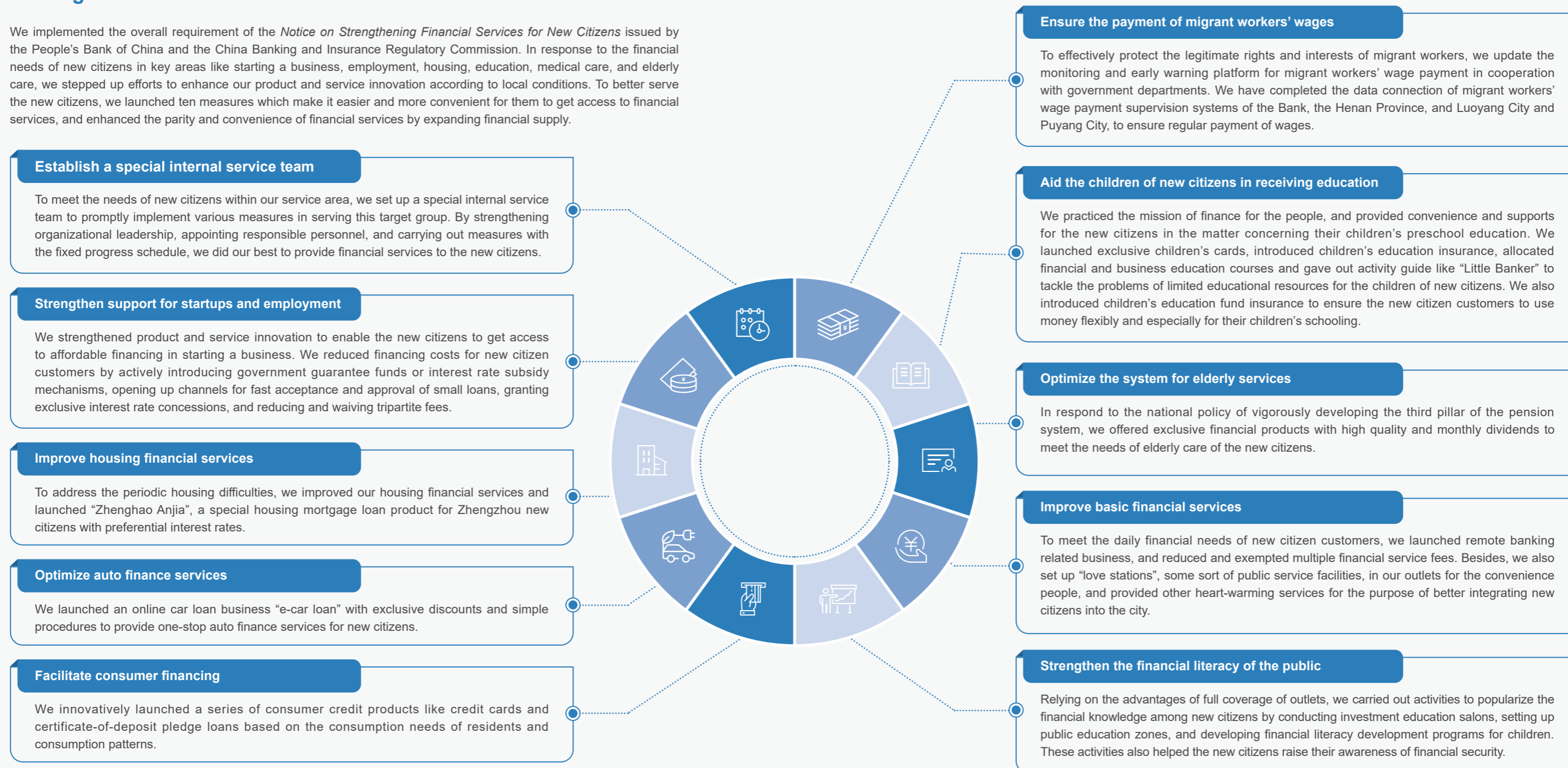
In December 2022, Zhengzhou Branch issued RMB 200 million in a special loan for economic recovery for a state-owned enterprise in Zhongyuan District of Zhengzhou City, providing strong supports for the supply of public goods and local economic development, reflecting the Bank’s actively assuming the responsibility as a Provincial corporate banks.

Serve the People

Adhering to the strategic direction of serving the people, The Bank serves the people whole-heartedly and cares for the people's livelihood. We fully implement the "people-centered" development concept to meet people's financial needs, and constantly improve our service quality to enhance the people's sense of gain, happiness and security.

Serving the New Citizens

We implemented the overall requirement of the *Notice on Strengthening Financial Services for New Citizens* issued by the People's Bank of China and the China Banking and Insurance Regulatory Commission. In response to the financial needs of new citizens in key areas like starting a business, employment, housing, education, medical care, and elderly care, we stepped up efforts to enhance our product and service innovation according to local conditions. To better serve the new citizens, we launched ten measures which make it easier and more convenient for them to get access to financial services, and enhanced the parity and convenience of financial services by expanding financial supply.



Ensure Housing Security

The Bank continues to increase financial support for high-quality real estate enterprises in Henan Province, and we have signed strategic cooperation agreements with more than 80 key property developers. We have also taken effective measures to support residents' rigid and improved housing needs. To this end, we provided a total of over RMB 200 billion in intended financing, which increased support for subsidized rental housing and talent apartments. During the reporting period, we have approved a total of RMB 10.43 billion in new credit for real estate projects, RMB 9.02 billion in personal housing loans, and RMB 500 million in rental loans.

03

CUSTOMER ORIENTED

As serving customers well is the foundation of a bank, the Bank insists on customer-oriented philosophy. Taking the improvement of customer experience as a starting point, we continue to enhance the quality and efficiency of our financial services by integrating internal and external resources and designing differentiated products, continuously making continuous efforts to enhance people's recognition of Zhongyuan Bank.

- PROTECT THE LEGITIMATE RIGHTS AND INTERESTS OF CUSTOMERS
- ACTIVELY RESPOND TO CUSTOMERS' COMPLAINTS
- IMPROVE THE QUALITY AND EFFICIENCY OF FINANCIAL SERVICES
- COORDINATE CUSTOMER TOUCHPOINT MANAGEMENT
- PRIVACY SECURITY AND ADVERTISING POLICY

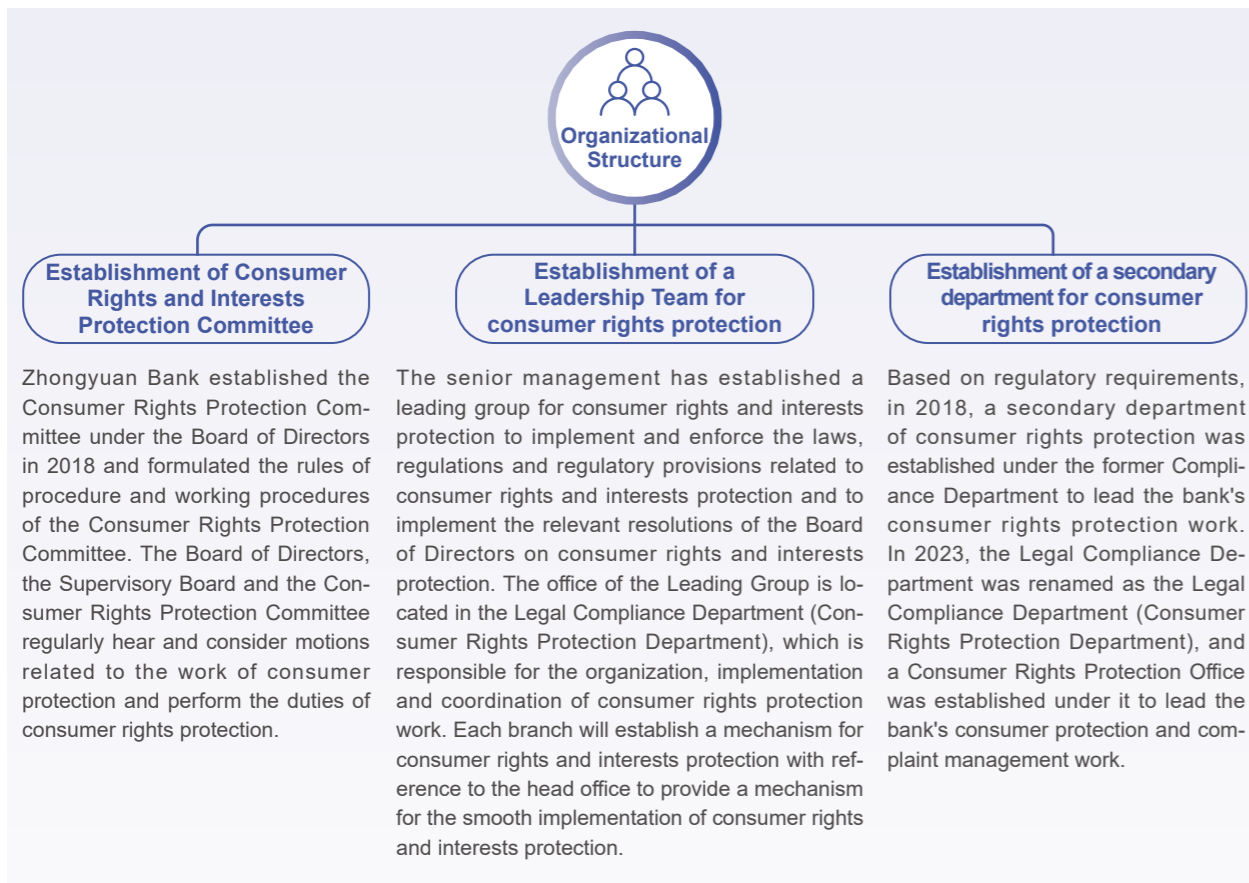


Protect the Legitimate Rights and Interests of Customers

The Bank carries out work related to the protection of consumer rights and interests in strict accordance with the *Consumer Rights Protection Law of the PRC*, the *Administrative Measures for Handling Consumer Complaints in the Banking and Insurance Industry*, the *Implementing Measures of the People's Bank of China for the Protection of Financial Consumers' Rights and Interests*, the *Guiding Opinions of the China Banking and Insurance Regulatory Commission on Strengthening the Construction of Consumer Rights and Interests Protection Work System and Mechanism by Banking and Insurance Institutions* and other laws and regulations.

Organizational Structure for Consumer Rights Protection

The Bank attaches importance to the protection of consumer rights and interests and has formulated the *Management Measures for the Protection of Consumer Rights and Interests of Zhongyuan Bank Limited*, establishing an organizational structure for the protection of consumer rights and interests to effectively protect the rights and interests of consumers.



Case

Zhongyuan Bank Held the 2022 Henan Province Financial Consumer Rights Protection Short Video Creation Competition

In September 2022, the award ceremony of 2022 Henan Provincial Financial Consumer Rights Protection Short Video Creation Competition was held in Zhengzhou. The competition, under the guidance of Zhengzhou Central Sub-branch of the People's Bank of China and Henan Banking and Insurance Regulatory Bureau, was hosted by Henan Financial Consumer Rights Protection Association and undertaken by Zhongyuan Bank. Its purpose was to popularize financial literacy through short videos, micro-movies, MINI dramas, stage plays, and animations, and to enhance the public's awareness of risk prevention and legal rights protection. The competition attracted a total of 209,000 people. After online voting and professional review, the Bank won the Best Organization Award, and its video *Deposit Insurance Protect Your Savings and Save You from Panic* was awarded the first prize in the competition.



Popularizing financial literacy to the public



Financial literacy publicity and education activities carried out

4,263 Times

Distributed promotional materials

123,000 Copies



Times the official WeChat pushed financial knowledge

45 Times

SMS promotions

168,900 Copies



Actively Respond to Customers' Complaints

The Bank attaches great importance to customer complaints, actively meets the customer demands, and take concrete actions to address customers' problems. In strict accordance with the *Administrative Measures for Handling Consumer Complaints in the Banking and Insurance Industry* and other relevant policies and regulations, we formulated the *Administrative Measures of Zhongyuan Bank for Handling Consumer Complaints*. We clarified the division of powers and responsibilities, optimized the complaint handling process, and strengthened accountability assessment from the aspects of the management system of complaint handling, complaint handling norms, rectification implementation requirements, and accountability mechanisms. Accordingly, we optimized our consumer protection system to better protect the legitimate rights and interests of customers.

We strengthened the joint complaint handling management system of the head office, branches, and sub-branches with the former as the leader. The head office establishes a customer complaint management leading group, headed by the leader of the legal compliance department of the head office, responsible for organizing and carrying out the management of customer complaint handling across the Bank. Branches set up a complaint handling management working group with reference to the head office, which is mainly responsible for the acceptance, handling, and complaint risk management of customer complaints within their service areas. The sub-branches set up a complaint handling team headed by the sub-branch president to handle consumer complaints from various channels in a timely and effective manner. Through working together, the system can effectively deal with the consumer complaints.

We open up customer complaint channels for customers to make complaints through on-site channels, hotline and our official website, WeChat public account and mobile banking. After receiving customer complaints, we will handle them within three working days and make return calls as follow-up. In the past three years, we reached a 100% complaint settlement rate.

Case Zhongyuan Bank Held 2022 Service Capability Enhancement Training

The Bank is committed to improving service quality and building a professional service team that can quickly meet the customers' needs. For such purpose, in 2022, we held a service capacity enhancement training, with employees in the position of service management and excellent lobby managers from 18 branches and 3 branches under direct control participated in. The training adopted a form of experiential teaching in the entire course. Through such means as role simulation, game interaction, and scene drills, the training allowed every trainee to participate in different roles and experience it for themselves, enabling them to gain more knowledge and deeper perception and to improve their ability. In the future, we will continue to pay attention to our service quality, improve our customer satisfaction.

In 2022

| | | |
|--|---|--|
|  <p>Number of customer complaints during the reporting period</p> <p>1,456 Times</p> | <p>Complaint settlement rate</p> <p>100%</p> | <p>Time of handling complaints</p> <p>72 Hours</p> |
|  <p>Satisfaction of customer complaint handling</p> <p>100%</p> | <p>Total number of proven lawsuits for breach of customer privacy and loss of customer data</p> <p>0 Cases</p> | <p>Customer Satisfaction – Incoming call satisfaction</p> <p>99.54%</p> |

Improve the Quality and Efficiency of Financial Services

The Bank have initiated our digital transformation since May 2018 and made continuous efforts to increase technology investment in agile organizational transformation, big data application, Two-Speed IT, technology ecology construction, product creation and other aspects, achieving leapfrog development in terms of financial technology and data infrastructure. In 2022, to provide more convenient services for the public and the enterprises, the Bank carried out product innovation and promoted digital and intelligent transformation, which significantly improved the quality and efficiency of its financial services.

Convenience Services for Customers

We always adhere to serving the people and continue to improve services for the customer, optimizing customer experience through digital means.

Yidiantong APP

- In 2022, the development of our “Yidiantong” APP completed the design and construction of platform customer opening and account opening, realizing the transformation from serving customers to users. We continued to bring in high-frequency scenarios in daily life, such as medical insurance electronic certificates, car washing and maintenance, second-hand car, takeaway, and movies to enrich the service capability of the APP. Applying artificial intelligence and multimedia technologies like video and the same screen, we built an integrated online and offline service platform for account managers, and helped update the service model through digital and intelligent tools.

Promote the online processing of real estate mortgage in various cities

- We have been connected with the real estate central systems of various cities, which enables customers to sign contract and apply for real estate mortgage through mobile banking. Compared with the traditional offline way, the online processing cut off the links like on-site mortgage application, certificate making, certificate collection and subsequent collateral storage, and can complete the whole process in one day, greatly improving the convenience for customers. At the same time, the use of electronic mortgage certificates can effectively prevent operational risks in the course of registration.

“Zhongyuan e-Home” community

- Relying on the “Yidiantong” APP of Zhongyuan Bank’s mobile banking, we developed “Zhongyuan e-Home” community. Based on the Bank’s credit and technological advantages, we can provide one-stop services of property purchasing for our customers. Up to now, “Zhongyuan e-Home” has served 900,000 customers in total.
- To enhance the vitality of real estate market, we have increased cooperation with high-quality property developers. For customers with home purchase needs, we provide services such as online home viewing, property reservations, real estate housekeepers, information inquiries, and mortgage loan applications while remaining within doors. We continue to increase cooperation with local high-quality real estate enterprises. During the reporting period, we signed strategic cooperation agreements with 11 key property developers in Henan Province, including Lvdu, Prochina, and Morsun, to deepen cooperation in the field of real estate development loans, personal housing mortgage loans, letters of guarantee, cash management, and personal finance. By integrating the advantageous resources of both parties, we can provide customers with online property viewing, reservation, discount, and credit services for more than 100 high-quality properties in Zhongyuan Bank Mobile Banking APP. Users can enjoy one-stop housing-related financial services through cell phones anytime and anywhere.
- Zhongyuan Bank keeps innovating its mortgage products to meet the needs of different customers. Adhering to the “customer-oriented” service concept, we have launched several special mortgage products to meet the home purchase needs of different customer groups, particularly those with immediate residential needs and improving housing needs.

Services Provided for Enterprises

Taiyi Platform Intelligent Warehouse Management Financing

In exploration of solutions for grain purchase and storage customer groups, we launched the Taiyi Platform featuring “smart warehouse management + security precautions through manpower and technology” to address the problems of storage and capital occupation of grain enterprises. The platform promotes the transformation of grain enterprises in Henan, solves the difficulties of the small and medium-sized enterprises in financing, and creates a new path for building the financial ecology of grain industry.

This platform is an industrial chain financial service platform with SaaS service function independently developed by the Bank. This platform is directly connected with the regulator’s storage system, and under its help, the intelligent transformation of the warehouse has been completed, thereby realizing the whole process of grain collection and storage inventory supervision business online. The platform supports the loan releasing after goods entry into the warehouse, repayment after goods out of the warehouse, online warning, online reconciliation, and dynamic control, which solve the pain points triggered by small and high-frequency withdrawals, complicated business operations, and large workload of inventory pledge business, and significantly improves customer experience.

Performance insight platform

In recent years, we made intensive efforts in the field of digital transformation. In order to use digital and smart technologies to empower the strategic transformation of the whole bank, we have independently developed a performance insight platform, an enterprise-level performance measurement management platform, which can run more than 10 measurement model and over 70 measurement indicators. It supports more than 160 R&D teams across the Bank to carry out researches and developments in areas of measurement analysis, scenario management, and measurement decision-making, effectively identifying the R&D performance bottlenecks and helping R&D delivery to improve quality and efficiency. In 2022, the platform was selected as a “Model Case for Digital Transformation” issued by the Digital Transformation Forum of the Council of Trade and Services.

Case

Zhongyuan Bank won the “2022 China Digital Finance Golden Award - Best Corporate Online Banking Award”

The Bank created a corporate online service brand, “Yidiantong” service platform for enterprises. By integrating corporate online banking, supply chain platform, Taiyi Platform, and merchant service platform, we built a digital intelligence service matrix that integrates users, products, data, online operation, business process, customer experience, and brand packaging, and covers the entire customer groups, all channels and product types, and the whole process. The platform provides one-stop financial and non-financial services for corporate customers, and won the “2022 China Digital Finance Golden Award - Best Corporate Online Banking Award”.



In 2022



Number of individual Internet banking customer

1.64 Million People



Number of corporate online banking customers

0.23 Million Companies



Number of individual mobile banking customer

12.03 Million People



Number of corporate mobile banking customer

55,500 Companies



Corporate e-banking business replacement (diversion) rate

88.19%

Coordinate Customer Touchpoint Management

Multi-Layered Service Matrix

We insist on “customer-oriented” philosophy, and has created a multi-layered service matrix which is consisted of physical outlets, inclusive finance service stations, “Yidiantong” APP, and remote banking. Using it as a touchpoint, we always accompany our customers and keep moving towards the mission and vision of “developing better finance, serving a better society, and building the most trusted bank for people in Central Plains”.



As required by the Bank’s service strategy, we created some featured outlets, built some outlets as “financial supermarkets” with product shelves and physical layout, which further highlights the value proposition of outlets that focus on the main business of finance.

Case Zhongyuan Bank “Yidiantong Financial Supermarket” officially launched

On September 21, 2022, Zhongyuan Bank “Yidiantong Financial Supermarket” was officially launched, which marked the first of its kind. Positioning as “small supermarket with full range of financial services”, it is the detailed demonstration of Zhongyuan Bank in reshaping the service logic of physical outlets and building a multi-layered service matrix. “Yidiantong Financial Supermarket” adopts a brand-new product shelf form, takes improving customer experience as the starting point, and organically combines physical display of financial products with multimedia interaction. Through Yidiantong Financial Supermarket, customers can visually observe various financial products, and experience the one-stop financial service from getting to know a financial product, experiencing it, and purchasing it. To better present our financial products, the main shelf of “Yidiantong Financial Supermarket” is set up with six exhibits, namely the smart counter with interactive screen, deposit shelf, loan shelf, wealth management shelf, bank card shelf and precious metal shelf, which show the whole series of financial products of Zhongyuan Bank in all aspects. Through different types of product shelves, customers can visually observe various stable savings deposit products, and convenient loan products, as well as popular wealth management, funds, insurance, and precious metal products, thereby presenting financial products in a visual way and offering diversified choices.

As the widely distributed bank outlets is the main channel to serve customers offline. Physical outlets have always been a traditional advantage for small and medium-sized banks to expand customer service coverage, and they are also what distinguish us from the Internet banks. However, with the development of financial technology, bank outlets are gradually “slimming down”, and many banks are exploring the transformation of asset-light operations.

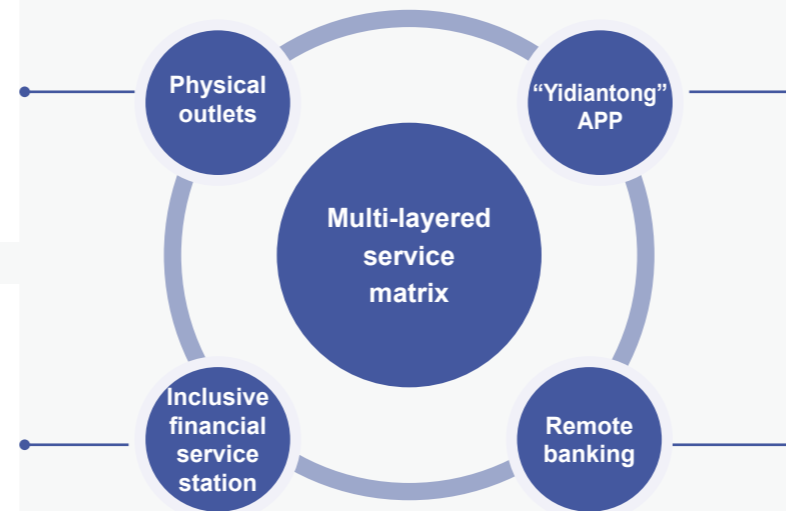
After completing the merger by absorption, we made an overall planning of the distribution of the Bank’s outlet to exploit their new values. We hoped to build a face-to-face emotional interaction platform with customers through outlets and made them as an important hub connecting online and offline, so as to provide customers with more warming, considerate and comfortable services. We also optimized the value positioning of our physical outlets according to customer classification, regional characteristics, business layout, etc. In our outlets, “red, yellow, and green” are used to mark different zones which guide customers to different business sections and help enhance their awareness of risk prevention. We hope to set an industry benchmark with this model.

In recent years, we have always adhered to the development strategy of “Internet access to the countryside”. After six years of deployment, we have established a total of 7,246 inclusive finance service stations covering 90% of townships in 18 cities across the province. By doing this, we remove the final obstacles of providing financial services to rural customers, allowing farmers to enjoy basic financial services such as transfers, remittances, inquiries, and loan recommendations while staying indoors. Focusing on the four rural customer groups of “agriculture, rural areas, farmers, and migrant workers”, we created a service model of rural vitalization featuring one station, one card, one product, one platform and one system. At the same time, by improving the construction of systems and mechanisms, we have enriched rural financial products, increased loans to the agricultural industry, promoted rural online platforms, built non-financial service scenarios, and created brand activities.

Targeting at individual users, we use “Yidiantong” APP to build a one-stop service matrix covering all scenarios of life like wealth management, deposit, loan, paying for bills, shopping, news, food and drink, etc. At the same time, we continue to build easy-to-use online scenarios to bring new services and experiences to customers.

For enterprise users, we make the most use of “Yidiantong” culture and develop a “Yidiantong” service platform for enterprises, which can make operations “simpler”, funds “safer”, settlement “more efficient”, investment “more profitable”, financing “easier”. It aims to provide corporate customers with one-stop financial and non-financial services.

In 2022, we established the customer service center of remote banking and proposed the positioning of “air banking”, which focuses on the areas of active remote service and remote customer management. Through remote banking, we hope to serve a wider range of customers by making full use of our advantages in smart technology, intensive operation, and mass processing. With the help of intelligent technology, we change “passive service” into “active service”, and realize the two-way running of “passive service + active service” with customers. At the same time, we also plan to build a progressive service management platform with intelligent robots, call center, and expert services to improve remote service capabilities, to our reach customers in a more effective way and to create real value.



Elder-friendly Financial Services

The bank have built a dedicated and warm service system for the aged who can enjoy a more thoughtful, considerate, and convenient financial service provided by us. In this way, we allow the elderly to have a greater sense of gain, happiness, and security while using smart facilities.



Provide privilege for the elderly

Providing privileges for the elderly customers and enables them to enjoy various financial services, for example, charging no fees for inter-bank withdrawals; birthday benefits; building a foodie map, a platform of specialties from different areas, to launch exclusive specialties for elderly customers; “Love Traveling” platform providing the aged with tickets for various tourist attractions in the province; “Love Health” providing elderly health insurance products and free specialist clinic appointment service of Grade-A tertiary hospitals.



Convenience service facilities

Setting up convenience service facilities exclusive for the elderly customers in our outlets, which includes flower mirrors, magnifying glasses, wheelchairs, crutches, love seats and other facilities in the lobby, to meet their special needs. At the same time, we provide personalized “companion” services. While serving the aged, we appropriately increase the volume and slow down the speaking speed in talking with them, and support them by holding their hands if needed. All of these reflect our care and respect for elderly customers.



Popularize financial literacy

Leveraging the advantages of our outlets and hold various forms of financial literacy lectures on a regular base. In view of the weak financial security awareness among the elderly customers and their vulnerability to financial fraud and illegal fund-raising, we explain in detail various financial security knowledge to elderly customers in detail, improve their financial literacy, and enhance their ability in preventing against frauds.



Warm service experience

Considering the special needs of elderly customers, we expand door-to-door service items that we provide. Through mobile PADs, portable card machines, and other equipment, we provide on-site services for those special elderly customers who are seriously ill or have limited mobility. By doing this, we make them feel the warmth of our service.



Create exclusive APP

Developing an elderly-friendly mobile banking app featuring “bigger fonts, voice search, one-key calling, and video handling services” to solve the difficulties encountered by the aged in using smart technology, allowing them better enjoy the convenience brought by science and technology. The “Happiness” version of mobile banking developed exclusively for the elderly customer group enables the intelligent voice search function so that those who cannot type Chinese characters on the smartphone are able to express their needs directly by speaking it out. It can also provide such services like business consultation and business handling with one-click online call to the exclusive account manager, which is convenient and fast. Besides, handling business via video of the remote banking is also available, and the elderly customers can initiate audio and video calls with remote tellers through mobile banking to tell what they need. Most importantly, we also provide anti-fraud real-time risk monitoring functions through the APP to protect the safety of funds for elderly customers.

Privacy Security and Advertising Policy

The Bank attaches great importance to customer privacy and information security, and strictly abides by the *Circular of the General Office of the China Banking Regulatory Commission on Matters Relating to Strengthening Network Information Security and Customer Information Protection*, *Network Security Law of the PRC*, *Commercial Bank Information Regulations*, and *Guidelines for Technology Risk Management* and other laws and regulations. In order to ensure the safe and stable operation of the Bank's information system and further implement the requirements of practical, systematic, and normalized security protection, a comprehensive security defense system is built based on attack chain and threat matrix. Big data, machine learning, user and entity behavior analysis, automatic choreography, threat intelligence and other technologies are used to build a security operation technology platform and data security intelligent perception platform, which improves the Bank's end-to-end security supervision at three levels: pre-active perception and early warning; in-process monitoring, control and post-event tracking and tracing.

Trading Information Safety

The Bank carries out APP security control based on the concept of the full life cycle management. In the process of system construction, regular work such as security needs assessment, source code security scanning, application vulnerability scanning, security penetration testing, and system vulnerability scanning was carried out successively to reduce the risks before the trading system is put into operation. For key electronic channels and key transactions, authentication of remote face recognition and SMS verification codes is used. HTTPS+ full packet encryption at the application layer + password keyboard is used to ensure the confidentiality and integrity of sensitive data. In addition, we conduct security inspections on APP's operating environment. Combined with the anti-fraud platform, we monitor or block high-risk transactions of customers in a timely manner to ensure safe transactions. In the process of system operation, we build a security operation technology platform (SOC) and an enterprise-level anti-fraud platform through using big data, artificial intelligence, and other technologies, and set up a security operation team to carry out 7*24 regular security operations to ensure the safety of the trading system.

Customer Privacy Protection

The Bank adheres to the principles of lawfulness, transparency and necessity in the collection and use of customer privacy information, strictly observes the regulatory requirements related to personal information collection, and formulates agreements on the collection and use of user privacy information. For key transactions, the Bank's App carries out “mobile financial client application software security testing and filing” and further ensure the safety and compliance of customer privacy protection through the professional assessment of the third party. During the reporting period, no violations of laws and regulations related to breach of privacy security and information security occurred.

Fair Advertising Policy

In accordance with *the Advertising Law of the People's Republic of China* and other laws and regulations and the relevant regulations of the head office, The Bank has formulated and implemented *the Advertising Management Measures of Zhongyuan Bank*, aiming to promote the brand image building, market expansion and product marketing of Zhongyuan Bank, serve the strategic transformation of the whole bank, strengthen the intensive management of the Group's advertising work, form a unified image and label, centralized advertising situation of resources, and further enhance the standardized management level of the bank-wide advertising work.

04

ENVIRONMENTAL RESPONSIBILITY

The Bank actively fulfills the environmental responsibility and incorporates the concept of green and low-carbon development throughout the entire process of business development. In response to climate change, we actively develop green finance business and implement low-carbon operations to contribute our share to achieve the national goals of “carbon neutrality” and “carbon peak”.

- PAY ATTENTION TO CLIMATE AND ENVIRONMENTAL RISKS
- PRACTICE GREEN FINANCE
- IMPLEMENT LOW-CARBON AND GREEN OPERATIONS



Pay attention to Climate and Environmental Risks

Climate change has caused unprecedented impacts on a global scale that changes in weather patterns have led to increased risks of extreme weather disasters, food crisis, and energy shortages, and therefore addressing climate change has become a core issue for global sustainable development. As the potential financial risks brought about by global climate change are rising with each passing day, the stability of the financial market is also under threat so that it has become increasingly prominent for financial institutions to carry out climate and environment-related risk analysis and make full preparations for potential risks.

The Bank thoroughly implements the guiding principles of the 20th CPC National Congress, takes the initiative to promote harmony between humanity and nature and build a human community with a shared future, and follows the national strategy of “carbon neutrality” and “carbon peak”. In accordance with the *14th Five-Year Plan for National Economic and Social Development of the PRC and the Outline of Vision 2035*, the *Opinions on Completely and Accurately Implementing the New Development Concept and Doing a Good Job in Carbon Neutralization*, the *Carbon peak Action Plan before 2030* and other policy documents, we unwaveringly implement the new development ideas of innovation, coordination, green, open, and sharing. We actively respond to the call of the national policy and carry out the “green and low-carbon transformation strategy” of Henan Province. To help Henan Province in the development of green finance, we focus on green finance and low-carbon green operation. While promoting the adjustment of investment and financing structure and increasing investment in key green fields, we advocate the low-carbon concept and promote energy conservation and emission reduction in our business operations.



Case

Zhongyuan Bank Launched the First Rooftop Photovoltaic Power Generation Enterprise Project Loan in Henan Province

To gain an in-depth understanding of the development of rooftop photovoltaic power generation project in Luohe City, Luohe Branch of Zhongyuan Bank paid many on-site visits, in coordination with the government of Zhaoling District and state-owned enterprises in the district. The branch set up a professional service team, and improved our financial services to better address the difficulties, pain points, and obstacles around enterprise operation and project promotion. In June 2022, we successfully launched the first rooftop photovoltaic power general enterprise project loan in Henan Province, adding “green power” to the development of enterprises.

Environmental and Social Risk Management

The Bank actively responds to the national carbon peaking and carbon neutrality goals and strengthens environmental and social risk management. In the process of credit project review, we increase the assessment of environmental risk indicator such as energy consumption. Specifically, we apply list-based access system for key industries with high pollution, high energy consumption and overcapacity, and apply credit access list management for enterprises involving the industry of cement, steel, coke, and electrolytic aluminium. We continue to pay attention to industrial development and changes of policy, adjust relevant industry credit policies and procedures in a timely manner. In managing customer credit business, we also incorporate environmental and social risk management and environmental protection requirements, and continuously adjust the credit structure of the industry and customers in adapting to green development.

Practice Green Finance

We resolutely implement the decision-making and arrangements of the Party Central Committee and actively practice the national carbon peaking and carbon neutrality goals, accelerating the promotion of green finance and improving our green financial system and service around top-level design, business transformation, and local characteristics. Meanwhile, we are striving to build professional and characteristic brand featuring “green and low-carbon” and contribute our financial strength to the sustainable and healthy development of the economy and society.

Top-level Design

We are committed to promoting top-level design and better serving the development of green finance in Henan Province. Being the first among its counterparts in the province to set up a Science and Technology Dual Carbon Financial Service Center, a professional department of green finance, It is mainly responsible for planning of green finance, industry policy research, industry orientation, and formulating marketing guidelines. Through our innovative products and forward-looking development suggestions in the field of green finance, we provided our customers with services, such as carbon finance, emission reduction calculations, and environmental benefit calculations, and kept track the footsteps of corporate green and low-carbon transformations.

Strategic Guidance

The Bank has formulated a *Three-year Action Plan and Service Plan of Zhongyuan Bank* to support the “Ten Strategies” of Henan Province around the key areas such as energy security, energy saving, carbon reduction, renewable energy, green upgrading of infrastructure, ecological protection, and high-quality development of the Yellow River Basin, as well as comprehensive advancing the reform of water sources, water rights, water conservancy, water industry, and water utilities. Serving the green and low-carbon transformation has become a vital area of focus for the Bank, and we plan to provide no less than RMB 50 billion in financing support to this area within three years, and continue to increase financial support for Henan Province in this course.

During the reporting period, we formulated the *Green Finance Development Strategic Plan of Zhongyuan Bank*, the *Green Loan Credit Guidelines of Zhongyuan Bank*, and the *Administrative Implementing Measures of Zhongyuan Bank for Green Credit*. Guided by green and sustainable development, we increased credit allocation, optimized credit structure and reduced credit costs to fully support the construction of major local green projects. To better carry out the green development strategy, we intensified our support in key areas such as energy-saving, cleaner production, clean energy, ecological environment industries, green infrastructure upgrading, and green services, and clarified the entry requirements for green finance business. In addition, we made more efforts to develop credit business in the fields of green economy, low-carbon economy, and circular economy.



Green Business

We accelerated the innovation and practice of green financial products, and actively explored innovative business varieties such as Carbon Allowance Pledge Loan, Clean Energy Loan, Waste Treatment Loan, Green Technology Transformation Loan, and Green Supply Chain Loan. We optimized credit scale guarantee, priority review and approval, and preferential interest rate support. By the end of the reporting period, around the green industries and green projects listed in the “Three Batches of Major Projects” and the “982 Projects”, we increased our support and completed a total of 425 green credit grants, with a total amount of RMB 15.02 billion; the balance of green loans was RMB 27.13 billion, an increase of RMB 12.73 billion over the beginning of the year, with a growth rate of 88.4%.



Case Zhongyuan Bank Helped Clean Energy Development and Green Upgrading of Traditional Industries in Henan Province

To meet the financing needs of energy companies for low-carbon transformation, Zhongyuan Bank fully supported projects, such as, energy conservation and carbon reduction, resource recycling, and energy transformation in Henan Province:

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We supported the energy-saving and carbon-reducing projects of 835 key energy-consuming units in Henan Province, stepped up efforts in promoting the development of the hydrogen energy industry in Zhengzhou, Kaifeng, Luoyang, Xinxiang, and Puyang. We support the creation of the equipment manufacturing industry for the entire hydrogen energy industry chain. For green and low-carbon industries with good development prospects and high technology, we provided financial support for project construction and technological transformation.
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We supported enterprises to optimize the energy structure and to develop renewable and clean energy, such as, water energy, wind energy, solar energy, hydrogen energy, and biomass energy according to local conditions. As of the end of the reporting period, we have provided a total of RMB 3.485 billion in financial support for the clean energy industry.
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We supported the green upgrading of traditional industries, and provided credit support for green urban public transportation, new energy vehicle industry, green upgrading of industrial parks, hazardous waste treatment and resource utilization. By the end of the reporting period, we have accumulatively provided RMB 8.71billion in credit support for industries of energy conservation, environmental protection, and cleaner production.

Case Zhongyuan Bank Launched the First Sustainability-linked Bond in Henan Province, supporting in Green Finance Development

In 2022, Zhongyuan Bank co-lead underwriter of Pingdingshan Tianan Coal Co., Ltd. 2022 second phase medium-term notes (sustainable linked/technology innovation notes) was successfully issued, marking the successful issuance of the first green “sustainability-linked” and “science and technology innovation note” composite medium-term note in Henan Province. The bond issue size was RMB 800 million. Through a special structural design, the bond terms are linked to the issuer’s sustainable development goals. While providing financial support for enterprises, we kept a close eye on the issuer’s overall emission reduction targets, urging it to achieve sustainable development in a planned and targeted manner, and encouraging it to invest funds in high-tech fields.

Implement Low-carbon and Green Operations

Zhongyuan Bank strictly abides by the *Environmental Protection Law of the PRC*, the *Energy Conservation Law of the PRC* and other regulation. Acting in unified thought, we pay close attention to “Four Services”, promote “Four Transformations”, and advocate the concept of low-carbon and environmental protection across the Bank.

In terms of green culture, through various forms such as internal and external training, expert lectures, and online courses, we spread the green finance policies, advocate the green and low-carbon concept, cultivate low-carbon and green office for employees, and shape a corporate green culture, in an effort to create a good atmosphere for low-carbon operations.

Regarding to green operation, we advocate green office, including video conference, collective office, reducing standby consumption of electronic equipment, and implementing an office supplies approval and application system. In this way, we reduce the total amount of carbon emissions and the intensity of carbon emissions per capita, and strive to reduce the negative impact of our own operations on the environment.

05

EMPLOYMENT RESPONSIBILITY

Adhering to the people-oriented principle, the Bank is committed to protecting the rights and interests of employees, listening to employees' voices, and focusing on staff training, so that we can grow together with our employees to build a new Zhongyuan Bank.

- EQUALITY IN RECRUITMENT AND COMPLIANCE IN EMPLOYMENT
- PROTECT THE LEGITIMATE RIGHTS AND INTERESTS OF EMPLOYEES
- EMPLOYEE CAPACITY ENHANCEMENT
- CARING FOR THE HEALTH AND SAFETY OF EMPLOYEES





Equality in Recruitment and Compliance in Employment

The Bank strictly abides by the *Labor Law of the PRC*, the *Labor Contract Law of the PRC* and other laws and regulations, based on which we continue to standardize employment procedures and have formulated policies and systems such as the *Administrative Measures of Zhongyuan Bank for the Labor Contract System*, the *Administrative Measures of Zhongyuan Bank for Personnel Recruitment*, the *Administrative Measures of Zhongyuan Bank for Resignation* to regulate recruitment, dismissal, equal employment, and prohibition of child labor and forced labor, etc. Recruitment practices are regularly reviewed to avoid child labor and forced labor, and if such cases occur, they will be handled in accordance with the requirements of our laws and regulations. We resolutely oppose employment discrimination and ensure that employee recruitment is not affected by factors such as nationality, gender, ethnicity, age, marital status, religious belief, and cultural background. During the reporting period, all our official employees signed labor contracts, and no case of child labor or forced labor occurred.

Protect the Legitimate Rights and Interests of Employees

In 2022, we held up to the principle of “smooth transition, overall planning” and “employee-centered, benefit-oriented, performance-linked, and fairness”. To this end, we formulated and issued the *Zhongyuan Bank Employee remuneration Management Measures* and *Zhongyuan Bank Welfare System Management Measures* to build a sound remuneration system that offers competitive remuneration in the labor market and ensure fairness within the Bank.

For marketing personnel, we designed a remuneration structure based on the concept of “paying for ability, responsibility, and contribution” that the closer the position of employees is to the market, the higher the proportion of performance compensation they will get, which fully mobilize their work enthusiasm. For senior executives, in accordance with the *Guidelines for the Supervision of Steady Remuneration in Commercial Banks* and other regulations, the Bank formulated a system for the assessment and remuneration management of senior executives in line with the actual situation, and implemented market-based employment and remuneration.

In addition, we formulated the *Administrative Measures for Deferred Payment and Withholding of Performance Remuneration of Zhongyuan Bank* to defer performance-based remuneration for employees who have caused risks or made mistakes. For those who have caused serious negligence, the performance remuneration within the corresponding period will be deducted, and all unpaid portions will be withheld.

Zhongyuan Bank's Remuneration and Welfare System



Arranging working hours and implementing paid vacations in a rational manner

- We have formulated the *Administrative Measures of Zhongyuan Bank for Leave and Attendance* to clarify the working hours and various holidays of the employees.
- We encourage employees to take annual leave, require all departments to reasonably coordinate and arrange employees to take leave in turn, and extend the deadline for using annual leave until June 30 of the following year. For those employees who cannot take the annual leave, we will provide corresponding subsidies according to the number of vacation days that should be taken.



Establishing enterprise annuity, supplementary medical pension and other welfare systems

- We have revised the *Administrative Measures of Zhongyuan Bank for Supplementary Medical Security* to establish a comprehensive and multi-level medical security system that fully covers group commercial insurance and supplementary medical insurance to better meet the health needs of employees.
- According to the *Enterprise Annuity Measures* and *Administrative Measures of Henan Province on Annuity of Local State-owned Financial Enterprises*, we revised the *Administrative Measures of Zhongyuan Bank for Enterprise Annuity* to achieve a smooth transition of the enterprise annuity plan and ensure the pension benefits for employees.

Employee Capacity Enhancement

Employee Promotion and Motivation

We have established a “management + professional” dual-channel position sequence system to give full play to the advantages of employees and increase the possibility of employee career development. For such purpose, we formulated the *Administrative Measures for the Assessment of the Management Department of the Head Office of Zhongyuan Bank*. The employees' performance-based remuneration is linked with the department evaluation results to make the staff growth in consistent with the company's goals, which cultivates the team spirit and sense of collective honor and gives full play to the incentive role of assessment.

Staff Training

The Bank continues to strengthen the reserve and construction of talent teams, and formulate a diversified and multi-level training system. To carry out scientific and standardized training, we revised and issued *Measures of Zhongyuan Bank for the Training and Management of New College Students*, *Measures of Zhongyuan Bank for the Training and Management of Staff*, *Measures of Zhongyuan Bank for the External Vocational Qualification Certification* and *Measures of Zhongyuan Bank for the Management of Internal Trainers*. A training center was established, a corresponding training system was set up, capacity enhancement training projects were carried out to improve the working competence of key personnel, and a learning platform was constructed to promote the integration of concepts, cultures, and businesses of the staff team. During the reporting period, the proportion of our total trained employees reached 100%, and the total training hours of all employees reached 1.79 million hours.



During the reporting period, the proportion of our total trained employees reached

100%



the total training hours of all employees reached

1.79 Million Hours



Case

Zhongyuan Bank Built an Online Learning Platform

The Bank have established an online training platform. In 2022, we carried out more than 700 online training courses and more than 1,300 online platform-supported exams. We adopt a dynamic management method to manage online courses, and there are currently more than 3,000 online courses, with 977 new courses updated in 2022. The total number of effective users in the Bank is 19,000, the learning coverage rate is 100%, the total number of learning times is 3.11 million, and the total learning hours are 770,000.



Case

Zhongyuan Bank Held New Staff Training

Zhongyuan Bank launched the “Qihang” new employee training program for 154 college graduates recruited by the company in 2022. Through training, we enhanced new employees’ sense of identity with corporate culture and business philosophy, and helped them integrate into the team faster.



Case

Zhongyuan Bank Held Employee “Transformation” Training

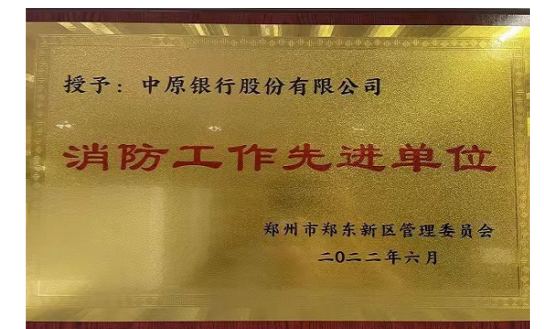
On May 25, 2022, Zhongyuan Bank was approved by the CBRC to merge with Luoyang Bank, Pingdingshan Bank and Jiaozuo CTS Bank. In order to speed up the integration of employees, the Bank conducted training on the topic of transformation in stages, with a total of 600 participants from key groups such as middle and senior management, so as to drive the majority by a few and set off a learning trend in the whole bank.



Caring for the health and safety of employees

The Bank focuses on providing a safe working environment for employees to protect them from occupational hazards, organizing safety campaigns covering firefighting, emergency response and rescue, etc., and strengthening the exchange of safety work experience. Regular emergency drills and fire safety drills are conducted. We continuously protect the occupational health and safety of our employees, purchase medical insurance for them, and organize them to participate in physical examination, sports and fitness, and psychological counseling activities.

The Bank attaches importance to humanistic care, pays continuous attention to employees' requirements, advocates work-life balance, and carries out colorful employee activities to enhance employees' happiness, sense of belonging and cohesion.



Case

Online Knowledge Contest of “A gift to the New Zhongyuan Bank, All Staff Come to Challenge”

From July to August 2022, the Bank launched an online knowledge contest of “A gift to the New Zhongyuan Bank, All Staff Come to Challenge”. A total of more than 11,000 people participated in the contest, with a total of more than 2.81 million participations, more than 240 participations per capita and 4 hours of participation per capita. Through this activity, we have enhanced employees’ learning and understanding of our new concepts, new businesses, and new cultures, accelerating the integration of employees, and creating a good atmosphere for learning.

06

SOCIAL RESPONSIBILITY

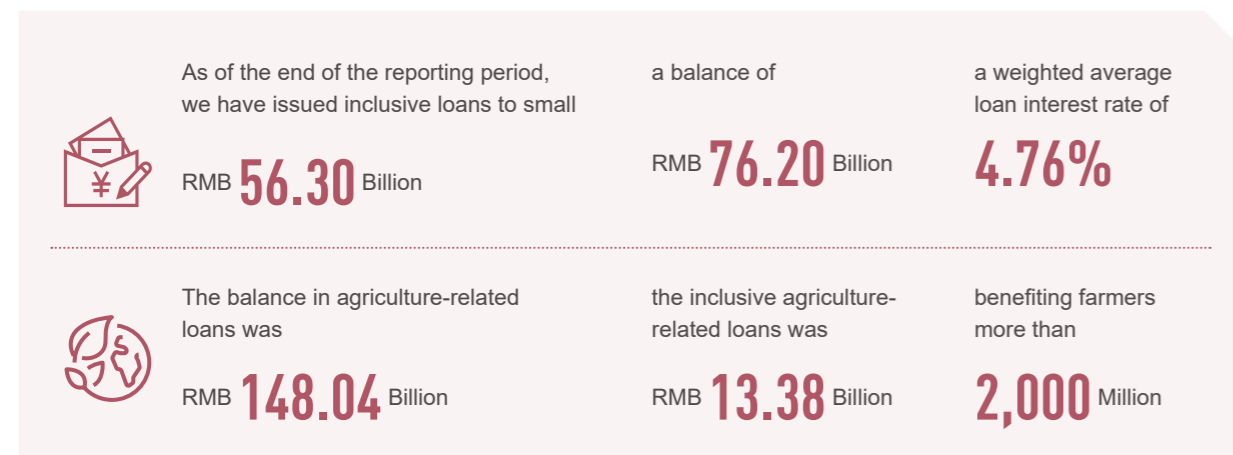
The Bank actively fulfills its social responsibilities, continuously expands the coverage of inclusive finance, further actively supports the development of small and micro enterprises, innovates products while focusing on improving service quality, continues to pay attention to education, poverty relief and other public welfare fields, and organizes various forms of public welfare activities such as charitable donations, education assistance, and agricultural assistance to help achieve the goal of common prosperity.

- INCLUSIVE FINANCE
- CHARITABLE DONATION
- PUBLIC WELFARE ACTIVITIES



Inclusive Finance

We stick to the positioning of serving the small and micro business, support their development, and expand the coverage of inclusive finance. As of the end of the reporting period, we have issued RMB 56.3 billion inclusive loans to small and micro enterprises, with a balance of RMB 76.2 billion and a weighted average loan interest rate of 4.76%. The balance in agriculture-related loans was RMB 148.04 billion, and the inclusive agriculture-related loans was RMB 13.38 billion, benefiting more than 2,000 million farmers.



Optimize the Inclusive Finance Mechanism

To better serve the small and micro businesses, we have set up a special business line of inclusive finance in 2022, with the purpose of encouraging the whole bank to carry out work in serving the small and micro businesses and advancing rural revitalization. At the head office, the Financial Service Department for Small and Micro Business enterprises is set up to coordinate the overall work, and business management departments and special teams are established at the branches to cooperate with the head office in providing customers with customized products and services. As of the end of the reporting period, the Financial Service Department for Small and Micro Business enterprises were set up in 18 branches in our service areas and in 3 branches under direct control. At the meantime, we also set up 51 teams exclusively to serve the small and micro businesses, and established 7,246 inclusive finance service stations that cover 90% of townships in 18 cities across the province, making inclusive finance service much easier to access.



- We formulated detailed rules to promote the establishment of a long-term mechanism for boosting the Bank's confidence, willingness, capability, and expertise in leading to micro and small businesses, and optimized the due diligence exemption system to clarify the positive and negative lists and to establish objective and quantifiable due diligence exemption identification standards, which improve our willingness, capability, and sustainability in serving them.
- For enterprises in difficulty, we set up a mechanism of "loan renewal and extension", and implemented the deferment tolerance. We simplified the application process, enabled the online processing, clarified the requirements for renew loans that will be granted to the small and micro businesses that are still stable in operation, guarantee, and risk exposure.



- We have strengthened inclusive risk control of the head office and branches. We implement embedded risk management at the head office by establishing a dedicated approval team and setting a unified risk appetite. We established an inclusive finance risk center in the branch to advance the process of loan approval, lending, administration, and collecting in relevant to inclusive finance business.

Develop Innovative Products

We continue to develop inclusive financial products, launching "Shangyi Loan" "Urban Youth Mortgage Loan" "Loans to enterprises that apply special, sophisticated techniques to produce unique and novel products" "Henan Farmer E Loan" and other special credit products, creating the Zhongyuan Bank's unique inclusive service model and broaden the coverage of financial services .

We also spare no effort to help the rural revitalization by focusing on the four rural customer groups of "agriculture, rural areas, farmers, and migrant workers". For such purpose, we launched inclusive loans for industries relating to rural revitalization. This sort of product can flexibly allocate loans according to industrial characteristics, realizing scenario-based customer acquisition and batch reporting, and serve customer groups such as village collective economic organizations, new agricultural management entities, cooperatives, and those self-employed engaging in planting and breeding.

We explored the "Internet + Rural Finance" model to channel inclusive finance services down to the countryside. We introduced Henan Farmer E Loan, an exclusive loan product for farmers targeting at those with good credit record and a need for fund to start business. We offer them credit loans, up to RMB 100,000, with the characteristics of one-time credit, pay-as-you-go, dynamic adjustment, and revolving in use. Since its launch in June 2022, the product has served 14,148 rural households with a loan balance of RMB 394 million.



- Through in-depth market research and full communication with small and micro enterprises, we come to know their actual demands and carry out product reformation with reference to the similar products of our competitors. We attach great importance to the construction of the headquarters-to-headquarters channel, and the feedbacks from customers and account managers, gradually streamlining the operation process, and striving to create better online experience of our inclusive financial products.



- We formulated the *Management Measures for Credit Granting to Small and Micro Business* to clarify the responsibilities of each position. We have established a three-level credit authorization system for the head office, branches, and sub-branches, and implemented the independent approval officer system to shorten the decision-making process and to improve the approval efficiency.

Improve Service Quality and Efficiency of Inclusive Finance

The Bank strengthens financial support for weak links and improves the service quality and efficiency for small and micro businesses. In response to the call for helping the small and micro businesses, we successively issued policies such as the *Work Plan of the Zhongyuan Bank on Deferred Repayment of Principal and Interest for Credit*, and *Differentiated Extension Plan for Small and Micro Businesses*. We established a mechanism allowing the absence of some non-critical materials in loan extension application. We also added the video application, enabled the online processing, and simplified the business handling process to ensure the extension can be granted as much as possible to the customers' need. At the meantime, we have also made a work plan for phased interest rate cut of loans and did our best to help the small and micro businesses, and loan interest up to RMB 75 million of 25,000 small and micro enterprises in our service areas were reduced or exempted.

Case Zhongyuan Bank Actively Developed Products to Improve Business Quality and Efficiency

In 2022, the Bank launched "Shangyi loan for enterprises" and "Shangyi loan for individuals", two basic products in common use, to meet the differentiated financial needs of small and micro enterprises. "Shangyi loan for individuals" innovatively introduces government financing guarantee, which can mitigate business risks while acquiring customers in bulk online. "Shangyi loan for enterprises" introduces tax data to provide credit guarantee to small and micro businesses that pay taxes in full, and supports them in applying loans online, electronic contract signing, and obtaining pay-as-you-go loans. As of the end of the reporting period, "Shangyi loan" products have accumulatively provided funds of RMB 1.3 billion to small and micro enterprises.

Being customer-oriented, we actively respond to changes in customers' demand and improve the effectiveness of business handling. "Shangyi loan for enterprises" is our first corporate loan product signed through an online electronic contract, which simplifies the business handling process and shorten the time of contract signing from an average of 1-2 days to 30 minutes.



As of the end of the reporting period, "Shangyi loan" products have accumulatively provided financial support to small and micro enterprises of

RMB **1.30** Billion



simplifies the business handling process and shorten the time of contract signing from an average of 1-2 days to

30 Minutes

Case Yidiantong App (Rural Online Edition) Help Improve the Digital Level of Rural Governance

Concerning issues relating to agriculture, rural areas and farmers, the "Yidiantong" APP (rural online edition) helps address pain points like difficult in rural governance, hard for villagers to handle affairs and do business, limited access of the rural households to credit from financial institutions. It helps improve the digital level of rural governance, builds a "financial + non-financial" ecological system that benefits farmers, makes up for the shortcomings of rural financial security, and effectively promotes the safety, compliance, and high-quality development of financial services for rural areas. As a comprehensive service platform providing services covering rural finance, party building, village affairs, life, social networking, and e-commerce, the "Yidiantong" APP (rural online edition) strives to build a bridge between the digitalization of government rural governance and the convenience of villagers' life management, and realize the interactive communication between the government and the grassroots. It strives to build a bridge between the digital rural governance and the convenience of villagers' lives to realize the interaction between the government and the grassroots. Through the APP, we have expanded our services to every corner of countryside in Henan Province. We have established an online credit system in rural areas, so that ordinary people can enjoy the most reassuring, convenient, and guaranteed "financial + non-financial" services while remaining within doors. By doing this, we use digital technology to empower villagers in their production, life, and social contacts, so as to continuously inject digital momentum into the national strategy of rural revitalization.

Charitable Donation

The report of the 20th CPC National Congress clearly points out, "Guidance and support will be provided for enterprises, social organizations, and individuals who have the desire and ability to actively participate in charitable and public-interest initiatives." The Bank attaches great importance to public welfare and social undertakings, and as of the end of the reporting period, the total amount of our charitable donations reached approximately RMB 4.35 million.



As of the end of the reporting period, the total amount of our charitable donations reached approximately

RMB **4.35** million

Case Jiaozuo Branch of Zhongyuan Bank Made Donations to Education

In 2022, the Jiaozuo Branch donated RMB 65,000 to help 13 needy students realize their dreams of going to university. In addition to giving material assistance, it also focused on helping the needy students in the intellectual aspect of life, and a case in point was that it held a symposium on student fund distribution of the Dream Fulfillment Action of Project Hope, holding a discussion with the students on how to prevent financial fraud and how to make career planning in college, etc., and guided the students to develop good qualities of self-esteem, self-confidence, gratitude, self-reliance, and self-improvement. It marked the 11th consecutive year that Jiaozuo Branch has donated money to support students. Because of its outstanding performance in aiding education, the Jiaozuo Branch was awarded the "Caring Unit in 2022 Dream Fulfillment Action of Project Hope".

Public Welfare Activities

To fulfill our social responsibilities, we actively carry out various public welfare activities like helping the poor to make our contribution to achieve of rural revitalization and common prosperity.

Case Zhongyuan Bank Assumed Social Responsibility and Provided Targeted Service to Help Farmers

In the winter of 2022, in response to the call of the government to cope with the sluggish sales of agricultural products in some areas of Henan Province, Zhongyuan Bank immediately launched the *Proposal for Aid to Farmers*, and all branches and county-level sub-branches quickly communicated with local governments, village committees, and large planters and came with a solution of promoting the sales of vegetables by through the method of "replacing assistance with purchase", which helped farmers relieve the problem of sluggish sales. we helped farmers sell more than 150,000 kilograms of vegetables in Xinmi City of Zhengzhou City, Luyi County of Zhoukou City, Shangshui County, Fugou County, Xiangcheng County of Xuchang City, Neixiang County of Nanyang City, Huaxian County of Anyang, and other places.

Case Zhongyuan Bank Made Good Achievements in Paired Assistance to Rural Areas

The Bank resolutely implemented the relevant requirements of the Party Central Committee, the Provincial Party Committee, and the Provincial Government on the work of "issues relating to agriculture, rural areas, and farmers" and carried out the strategy of rural revitalization. The corporate leaders made on-site visits many times a year to the villages under paired assistance of the Bank to help solve practical problems and to supervise the implementation of assistance measures. Since 2017, we have successively selected and dispatched three middle-level backbones to serve as the first secretaries of villages receiving our assistance. By expanding the planting area of sweet potatoes, developing rural tourism, strengthening industrial assistance, conducting skill training, and implementing inclusive finance, etc., we made solid progress in our assistance work to the villages and help them embark on the fast track of rural revitalization. At the meantime, we adopted the method of "paired assistance" to help impoverished students in villages to complete their schooling. By doing all these things, we actively fulfilled mission as a responsible enterprise.

Appendix

Appendix 1 Independent Assurance Statement

To the Board of Directors of Zhongyuan Bank Co., Ltd.,

CECEPAC (HK) Advisory Company Limited (“**CECEPAC (HK)**” or “**We**”) has been engaged by Zhongyuan Bank Co., Ltd. (“**Zhongyuan Bank**”) to conduct an independent limited assurance engagement (“**Assurance Engagement**”) on the information and data related to sustainability development in *Zhongyuan Bank’s 2022 Environmental, Social and Governance Report* (“**ESG Report**”).

CECEPAC (HK) has been engaged to assure Zhongyuan Bank’s adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness and Impact) set out in the *AA1000 Assurance Standard v3* (“**AA1000AS v3**”). Meanwhile, CECEPAC (HK) has also been engaged to provide limited assurance on the reliability and quality of specified performance information disclosed in the *ESG 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**”).

If there is any inconsistency or ambiguity between the English version and the Chinese version of this assurance statement, the Chinese version shall prevail.

I. Independence and Competence

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

The assurance team of CECEPAC (HK) is composed of experienced personnel in the industry who have received professional training in sustainability-related standards such as *GRI Sustainability Reporting Standards* issued by Global Reporting Initiative, AA1000AS v3, the *ESG Reporting Guide* of the SEHK, ISO 14001, and ISO 9001, etc.

The assurance team of CECEPAC (HK) has rich experience in conducting Assurance Engagement and has a full understanding and practical ability of AA1000AS v3. Meanwhile, the assurance team of CECEPAC (HK) carries out Assurance Engagement on sustainable development issues in accordance with the internal assurance protocol of CECEPAC (HK).

II. Zhongyuan Bank’s Responsibilities

Zhongyuan Bank is responsible for the preparation and presentation of the *ESG Report* in accordance with the SEHK’s *ESG Reporting Guide*. Zhongyuan Bank is also responsible for implementing internal audit procedures and ensuring that contents of the *ESG Report* are free from material misstatement, whether due to fraud or error.

III. Assurance Provider’s Responsibilities

CECEPAC (HK) is responsible for issuing an independent assurance statement according to AA1000AS v3 to the Board of Directors of Zhongyuan Bank. This independent assurance statement applies solely to the *ESG 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 Engagement meet professional qualification, training and experience requirements, and are proficient in conducting assurance engagements. The results of all assurance and certification audit are internally reviewed by senior staff to ensure that methodologies used in the process are sufficiently stringent and transparent.

IV. Scope of the Assurance Engagement

- The scope of the Assurance Engagement is limited to the *ESG Report* only, and the data and information only involve Zhongyuan Bank head office, its 18 branches and 3 branches under direct control of Zhongyuan Bank. The scope of the Assurance Engagement does not include Zhongyuan Bank’s suppliers, contractors, and data or information provided by other third parties;
- AA1000AS’ Type 2 Moderate Level of Assurance was adopted to evaluate the nature and extent of Zhongyuan Bank’s adherence to the four AA1000 Accountability Principles set out in the AA1000AS v3;
- Zhongyuan Bank and CECEPAC (HK) reached an agreement to select the specified performance information in the *ESG Report* as part of the content for Assurance Engagement. The selected specified performance information are as follows:
 - Number of directors and supervisors participating in anti-corruption training
 - Number of customer complaints during the reporting period
 - Total training hours of all employees
- CECEPAC (HK)’s assurance work was with respect to information disclosed from January 1, 2022 to December 31, 2022 only. Any information that falls outside this period that is disclosed in the *ESG 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 is confined to the information and data provided by Zhongyuan Bank. Any queries regarding the content or related matters within this Independent Assurance Statement should be addressed to Zhongyuan Bank only.

V. Methodology of the Assurance Engagement

CECEPAC (HK)’s Assurance Engagement was conducted at Zhongyuan Bank and the assurance work included:

- Evaluating the appropriateness of Zhongyuan Bank’s stakeholder engagement participation process;
- Conducting online interviews¹ with Zhongyuan Bank’s sustainability management and other personnel involved in the preparation and provision of the content and information in the *ESG Report*;
- Assessing whether the reporting and management approach disclosed in the *ESG Report* responded to the principles of Inclusivity, Materiality, Responsiveness, and Impact as defined in the AA1000AS v3;
- Conducting random sampling of evidence pertaining to data reliability and quality for selected specified performance information;
- Recalculating and verifying selected specified performance information; and
- Performing other procedures we deemed necessary.

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

VI. Inherent 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.

¹ CECEPAC (HK) and Zhongyuan Bank have agreed on the format of the interviews.

VII. Conclusions

In accordance with the principles of Inclusivity, Materiality, Responsiveness and Impact in the AA1000AS v3, our conclusions are detailed as follows:

Inclusivity

Zhongyuan Bank has identified key stakeholders and continuously communicated with key stakeholders through various channels to understand their expectations and concerns. On this basis, Zhongyuan Bank has fully considered the expectations of and the impacts on key stakeholders, and combined the key stakeholders' expectations with the actual situation of Zhongyuan Bank to formulate policies and action plans. In our professional opinion, Zhongyuan Bank adheres to the Principle of Inclusivity.

Materiality

Based on its own industry characteristics, legal and regulatory requirements, Zhongyuan Bank has established a database of ESG issues and carried out the materiality assessment. Zhongyuan Bank invited key stakeholders to participate in the assessment to collect their opinions, and has identified its material issues through appropriate methods. Zhongyuan Bank has also disclosed the methodology, process and results of materiality assessment in the *ESG Report*. In our professional opinion, Zhongyuan Bank adheres to the Principle of Materiality.

Responsiveness

Zhongyuan Bank has established channels for its stakeholders to understand their concerns and expectations, and also provided timely response to the expectations and inquiries from key stakeholders. Meanwhile, through the *ESG Report*, Zhongyuan Bank has disclosed corporate sustainability strategies, management systems, management key points, key stakeholder participation activities as well as major sustainable development related issues to respond to key stakeholders. In our professional opinion, Zhongyuan Bank adheres to the Principle of Responsiveness.

Impact

Zhongyuan Bank has considered and evaluated its impacts and realised its impacts on stakeholders, so as to make a more effective decision-making and to implement management measures within the organisation. In our professional opinion, Zhongyuan Bank adheres to the Principle of Impact.

Specified Performance Information

Based on the procedures that CECEPAC (HK) has performed and the evidence we have obtained, no specific issue has come to our attention that causes us to believe that the disclosure of the three selected specified performance information in the *ESG Report* is unreliable and unqualified or not been prepared in all material respects in accordance with the basis of reporting.



April 20, 2023

Hong Kong SAR, China

Appendix 2 Index to the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong

| Aspects, general disclosures, and key performance indicators (KPI s) | Summary | Relevant sections |
|--|---|---|
| Aspect A1: Emissions | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste | 2022 ESG Key Performance-Notes |
| KPI A1.1 | Types of emissions and related emissions data. | 2022 ESG Key Performance |
| KPI A1.2 | Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tons) and, if applicable, intensity (per unit of production, per facility) | 2022 ESG Key Performance-Environmental Performance |
| KPI A1.3 | The total amount of hazardous waste generated (in tons) and, if applicable, the density (e.g., per unit of production, per facility). | 2022 ESG Key Performance-Environmental Performance |
| KPI A1.4 | Total non-hazardous waste generated (in tons) and, if applicable, density (e.g., per unit of production, per facility). | 2022 ESG Key Performance-Environmental Performance |
| KPI A1.5 | Description of the emissions targets set and the steps taken to achieve them. | Environmental Responsibility |
| KPI A1.6 | Description of how hazardous and non-hazardous waste is handled, and description of the waste reduction goals set and the steps taken to achieve them. | 2022 ESG Key Performance-Notes |
| Aspect A2: Resource usage | | |
| General Disclosure | Policies for the efficient use of resources, including energy, water, and other raw materials. | Environmental Responsibility |
| KPI A2.1 | Total direct and/or indirect energy consumption (e.g., electricity, gas, or oil) by type (in thousands of kWh) and intensity (e.g., per unit of production, per facility). | 2022 ESG Key Performance-Environmental Performance |
| KPI A2.2 | Total water consumption and density (e.g., per unit of production, per facility). | 2022 ESG Key Performance-Environmental Performance |
| KPI A2.3 | Description of the energy efficiency goals set and the steps taken to achieve them. | The Bank is committed to improving energy efficiency and has implemented a number of initiatives to reduce energy consumption, as described in "Environmental Responsibility". |
| KPI A2.4 | Description of any problems that may arise in obtaining suitable water sources, as well as water efficiency targets set and steps taken to achieve them. | The Bank uses water from the municipal tap and has no problems in obtaining suitable water sources. The Bank promotes water conservation, uses water-saving devices, and focuses on improving water efficiency. |
| KPI A2.5 | The total amount of packaging material used in the finished product (in tons) and, if applicable, per production unit. | The Bank is not a manufacturing company. This indicator is not applicable. |
| Aspect A3: Environment and Natural Resources | | |
| General Disclosure | Policies to reduce the issuer's significant impact on the environment and natural resources. | Environmental Responsibility |
| KPI A3.1 | Description of the significant impacts of business activities on the environment and natural resources and actions taken to manage those impacts. | Environmental Responsibility |

| Aspects, general disclosures, and key performance indicators (KPI s) | Summary | Relevant sections |
|--|--|---|
| Aspect A4: Climate Change | | |
| General Disclosure | Policies for identifying and responding to material climate-related matters that have and may have an impact on the issuer. | Environmental Responsibility |
| KPI A4.1 | Description of material climate-related issues that have and may have an impact on the issuer, and actions to address them. | Environmental Responsibility |
| Employment and Labour Practices | | |
| Aspect B1: Employment | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Employment Responsibility |
| KPI B1.1 | Total number of employees by gender, employment type (such as full-time or part-time), age group, and region. | 2022 ESG Key Performance-Social Performance |
| KPI B1.2 | Employee turnover rate by gender, age group and region. | 2022 ESG Key Performance-Social Performance |
| Aspect B2: Health and Safety | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | Employment Responsibility |
| KPI B2.1 | The number and rate of work-related fatalities in each of the past three years (including the reporting year). | 2022 ESG Key Performance-Social Performance |
| KPI B2.2 | Number of days lost due to work-related injuries. | 2022 ESG Key Performance-Social Performance |
| KPI B2.3 | Description of the occupational health and safety measures adopted, and how they are implemented and monitored. | Employment Responsibility |
| Level B3: Development and Training | | |
| General Disclosure | Policies on enhancing employees' knowledge and skills in performing their job duties. Description of the training activity. | Employment Responsibility |
| KPI B3.1 | Percentage of employees trained by gender and employee category (e.g., senior management, middle-level management). | 2022 ESG Key Performance-Social Performance |
| KPI B3.2 | Average number of hours of training completed by each employee by gender and employee category. | 2022 ESG Key Performance-Social Performance |
| Aspect B4: Labour Code | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | Employment Responsibility |
| KPI B4.1 | Description of measures to review recruitment practices to avoid child labour and forced labour. | Employment Responsibility |
| KPI B4.2 | Description of the steps taken to eliminate a violation when it is discovered. | Employment Responsibility |

| Aspects, general disclosures, and key performance indicators (KPI s) | Summary | Relevant sections |
|--|--|--|
| Operating Practices | | |
| Level B5: Supply Chain Management | | |
| General Disclosure | A policy for managing environmental and social risks in the supply chain. | Governance Responsibility-Supply Chain Management |
| KPI B5.1 | Number of suppliers by region. | 2022 ESG Key Performance-Social Performance |
| KPI B5.2 | Description of the practices regarding the engagement of suppliers, the number of suppliers to whom the practices are enforced, and how they are enforced and monitored. | Governance Responsibility-Supply Chain Management |
| KPI B5.3 | Description of the practices for identifying environmental and social risks at each stage of the supply chain, and how they are implemented and monitored. | Governance Responsibility-Supply Chain Management |
| KPI B5.4 | Description of the practices that promote the use of environmentally friendly products and services when selecting suppliers, and how they are implemented and monitored. | Governance Responsibility-Supply Chain Management |
| Aspect B6: Product Liability | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress. | The Bank is not a production company, so "Health and safety" is not applicable. "For information on relevant laws and regulations", please refer to this report on economic responsibility, customer responsibility and environmental responsibility. |
| KPI B6.1 | The percentage of total products sold or shipped that are recalled for safety and health reasons. | The Bank is not a manufacturing company. This indicator is not applicable. |
| KPI B6.2 | Number of complaints received about products and services and how to deal with them. | Customer Oriented |
| KPI B6.3 | Description of practices related to safeguarding and safeguarding intellectual property rights. | Governance Responsibility-IPR Protection |
| KPI B6.4 | Description of the quality verification process and product recovery procedures. | The Bank is not a manufacturing company. This indicator is not applicable. |
| KPI B6.5 | Description of consumer data protection and privacy policies, and how they are enforced and monitored. | Customer Oriented |
| Aspect B7: Anti-corruption | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud, and money laundering. | Governance Responsibility |
| KPI B7.1 | The number and outcome of concluded corruption lawsuits brought against the issuer or its employees during the reporting period. | Governance Responsibility |
| KPI B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | Governance Responsibility |
| KPI B7.3 | Description of anti-corruption training provided to directors and employees. | Governance Responsibility |
| Community | | |
| Level B8: Community Investment | | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Social Responsibility |
| KPI B8.1 | Focus on areas of contribution (e.g., education, environmental issues, labour needs, health, culture, sports). | Social Responsibility |
| KPI B8.2 | The resources (such as money or time) expended in the area of focus. | Social Responsibility |

Appendix 3 Index to Standards of Global Reporting Initiative (GRI)

| GRI indicator | Related explanation | Related section |
|---|--|----------------------------|
| GRI 2 General Disclosure 2021 | | |
| Organization and its reporting practices | | |
| 2-1 | Organization Details | About the Bank |
| 2-2 | Entities included in organizational sustainability report | About the Bank |
| 2-3 | Reporting period, reporting frequency and contact person | About the Report |
| 2-4 | restatement of information | About the Report |
| 2-5 | external assurance | About the Report |
| Activities and workers | | |
| 2-6 | Activities, value chains and other business relationships | Social Responsibility |
| 2-7 | Employees | Employment Responsibility |
| 2-8 | Workers other than employees | Social Responsibility |
| Governance | | |
| 2-9 | Governance structure and composition | Governance Responsibility |
| 2-10 | Nomination and selection of the highest governance body | Governance Responsibility |
| 2-11 | Chairman of the highest governing body | Governance Responsibility |
| 2-12 | Oversight role of the highest governance body in terms of management influence | Governance Responsibility |
| 2-13 | Delegate responsibility for managing impacts | Governance Responsibility |
| 2-14 | Role of the highest governance body in sustainability reporting | Governance Responsibility |
| 2-15 | Conflict of interest | Not covered in this report |
| 2-16 | Communication on key concerns | Governance Responsibility |
| 2-17 | Common knowledge of the highest governance body | Governance Responsibility |
| 2-18 | Performance evaluation of the highest governance body | Governance Responsibility |
| 2-19 | Salary policy | Not covered in this report |
| 2-20 | Procedures for determining salary | Not covered in this report |
| 2-21 | Annual total compensation ratio | Not covered in this report |
| Strategy, policy, and practice | | |
| 2-22 | Statement on sustainability strategy | Board Statement |
| 2-23 | Policy commitment | Board Statement |
| 2-24 | Inclusion policy commitment | Not covered in this report |
| 2-25 | Procedures for remedy negative impacts | Not covered in this report |
| 2-26 | Mechanisms for seeking advice and raising concerns | Not covered in this report |
| 2-27 | Comply with laws and regulations | Not covered in this report |

| GRI indicator | Related explanation | Related section |
|--|---|---|
| 2-28 | Membership of association | Not covered in this report |
| Stakeholder engagement | | |
| 2-29 | Stakeholder engagement approaches | Governance Responsibility- Social Responsibility |
| 2-30 | Collective bargaining agreement | Not covered in this report |
| GRI3 Material Topics 2021 | | |
| 3-1 | Process for identifying material topics | Governance Responsibility- Social Responsibility |
| 3-2 | List of material topics | Governance Responsibility- Social Responsibility |
| 3-3 | Management of material topics | Governance Responsibility- Social Responsibility |
| GRI 201 Economic Performance 2016 | | |
| 201-1 | Directly generated and distributed economic value | Economic Responsibility |
| 201-2 | Financial impacts and other risks and opportunities of climate change | Not covered in this report |
| 201-3 | Defined benefit plan obligations and other retirement plans | Not covered in this report |
| 201-4 | Financial subsidies from the government | Not covered in this report |
| GRI 202 Market Performance 2016 | | |
| 202-1 | Ratio of standard starting salary level salary to local minimum wage by gender | Employment Responsibility |
| 202-2 | Percentage of executives hired from local communities | Employment Responsibility |
| GRI203: Indirect Economic Impact 2016 | | |
| 203-1 | Infrastructure investment and supporting services | Economic responsibility |
| 203-2 | Significant indirect economic impact | Economic responsibility |
| GRI204 Procurement Practices 2016 | | |
| 204-1 | Proportion of purchase expenditure from local suppliers | Governance Responsibility |
| GRI205 Anti-corruption 2016 | | |
| 205-1 | Operations that have undergone a corruption risk assessment | Governance Responsibility |
| 205-2 | Communication and training on anti-corruption policies and procedures | Governance Responsibility |
| 205-3 | Confirmed incidents of corruption and actions taken | Governance Responsibility |
| GRI206 Anti-Competitive Behavior 2016 | | |
| 206-1 | Legal actions against competitive misconduct, antitrust and antitrust practices | Not covered in this report |
| GRI207 Taxation 2019 | | |
| 207-1 | Tax policy | Not covered in this report |
| 207-2 | Tax governance, control, and risk management | Not covered in this report |
| 207-3 | Stakeholder engagement and management related to tax concerns | Governance Responsibility- Social Responsibility |
| 207-4 | Country report | See Annual Report |

| GRI indicator | Related explanation | Related section |
|--|---|--|
| GRI 301 Materials 2016 | | |
| 301-1 | Weight and volume of material used | Not covered in this report |
| 301-2 | Recycled feed used | Not covered in this report |
| 301-3 | Recycled products and packaging materials | Not covered in this report |
| GRI 302 Energy 2016 | | |
| 302-1 | Energy consumption within the organization | 2022 ESG Key Performance-Environmental Performance |
| 302-2 | Energy consumption outside the organization | Environmental Responsibility |
| 302-3 | energy intensity | Environmental Responsibility |
| 302-4 | reduce energy consumption | Environmental Responsibility |
| 302-5 | Reduce energy demand for products and services | Environmental Responsibility |
| GRI 303 Water and Wastewater 2018 | | |
| 303-1 | Interaction of organizations and water as a shared resource | Not covered in this report |
| 303-2 | Manage impacts related to drainage | Not covered in this report |
| 303-3 | Water withdrawal | Not covered in this report |
| 303-4 | Water drainage | Not covered in this report |
| 303-5 | Water consumption | Not covered in this report |
| GRI 304 Biodiversity 2016 | | |
| 304-1 | Organizations own, lease, manage operations located in or adjacent to protected areas and biodiversity-rich areas outside protected areas | Not covered in this report |
| 304-2 | Significant impacts of activities, products and services on biodiversity | Not covered in this report |
| 304-3 | Protected or restored habitat | Not covered in this report |
| 304-4 | Species in habitats affected by operations that have been included in the IUCN Red List and national conservation lists | Not covered in this report |
| GRI 305 Emissions 2016 | | |
| 305-1 | Direct (Scope 1) GHG emissions | 2022 ESG Key Performance-Environmental Performance |
| 305-2 | Energy indirect (Scope 2) GHG emissions | 2022 ESG Key Performance-Environmental Performance |
| 305-3 | Other indirect (Scope 3) GHG emissions | 2022 ESG Key Performance-Environmental Performance |
| 305-4 | GHG emissions intensity | 2022 ESG Key Performance-Environmental Performance |
| 305-5 | GHG emission reduction | 2022 ESG Key Performance-Environmental Performance |
| 305-6 | Emissions of ODS | 2022 ESG Key Performance-Environmental Performance |
| 305-7 | NO _x , SO _x , and other significant gas emissions | 2022 ESG Key Performance-Environmental Performance |

| GRI indicator | Related explanation | Related section |
|--|--|--|
| GRI 306 Waste 2020 | | |
| 306-1 | Generation of waste and significant waste-related impacts | 2022 ESG Key Performance-Notes |
| 306-2 | Management of significant impacts related to waste | 2022 ESG Key Performance-Notes |
| 306-3 | Waste generated | 2022 ESG Key Performance-Environmental Performance |
| 306-4 | Waste diverted from disposal | 2022 ESG Key Performance-Environmental Performance |
| 306-5 | Waste entering disposal | 2022 ESG Key Performance-Environmental Performance |
| GRI 308: Supplier Environmental Assessment 2016 | | |
| 308-1 | New suppliers screened using environmental criteria | Governance Responsibility-Supply Chain Management |
| 308-2 | Negative impacts of the supply chain on the environment and actions taken | Governance Responsibility-Supply Chain Management |
| GRI 401: Employment 2016 | | |
| 401-1 | New hires and employee turnover | Employment Responsibility |
| 401-2 | Benefits provided to full-time employees (excluding temporary or parttime employees) | Employment Responsibility |
| 401-3 | Parental leave | Employment Responsibility |
| GRI 402: Labour Relations 2016 | | |
| 402-1 | Minimum notice period for operational changes | Not covered in this report |
| GRI 403: Occupational Health and Safety 2018 | | |
| 403-1 | Occupational health and safety management system | Employment Responsibility |
| 403-2 | Hazard identification, risk assessment and incident investigation | Employment Responsibility |
| 403-3 | Occupational health services | Employment Responsibility |
| 403-4 | OH&S matters: Worker engagement, consultation, and communication | Employment Responsibility |
| 403-5 | Occupational health and safety training for workers | Employment Responsibility |
| 403-6 | Promote worker health | Employment Responsibility |
| 403-7 | Prevent and mitigate occupational health and safety impacts directly related to business relationships | Employment Responsibility |
| 403-8 | Workers covered by the occupational health and safety management system | Employment Responsibility |
| 403-9 | Work injury | Employment Responsibility |
| 403-10 | Work-related health problems | Employment Responsibility |
| GRI 404: Training and Education 2016 | | |
| 404-1 | Average hours of training per employee per year | Employment Responsibility |
| 404-2 | Employee upskilling programs and over-assistance programs | Employment Responsibility |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | Employment Responsibility |

| GRI indicator | Related explanation | Related section |
|---|---|---|
| GRI 405: Diversity and Equal Opportunity 2016 | | |
| 405-1 | Diversity of governing body and staff | Employment Responsibility |
| 405-2 | Ratio of basic wages and remuneration for men and women | Employment Responsibility |
| GRI 406: Anti-Discrimination 2016 | | |
| 406-1 | Incidents of discrimination and corrective actions taken | Employment Responsibility |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | | |
| 407-1 | Operations and suppliers where freedom of association and collective bargaining rights may be at risk | Not covered in this report |
| GRI 408: Child Labour 2016 | | |
| 408-1 | Operations and suppliers at significant risk of child labour incidents | Not covered in this report |
| GRI 409: Forced or Compulsory Labour 2016 | | |
| 409-1 | Operations and suppliers at significant risk of incidents of forced or compulsory labour | Not covered in this report |
| GRI 410: Security Practices 2016 | | |
| 410-1 | Security personnel trained in human rights policies or procedures | Not covered in this report |
| GRI 411: Aboriginal Rights 2016 | | |
| 411-1 | Incidents involving violations of aboriginal rights | Not covered in this report |
| GRI 413: Local Communities 2016 | | |
| 413-1 | Operations with local community engagement, impact assessment and development plans | Social Responsibility |
| 413-2 | Operations with actual or potential significant adverse impacts on local communities | Social Responsibility |
| GRI 414: Supplier Social Assessment 2016 | | |
| 414-1 | New suppliers screened using social criteria | Governance Responsibility-Supply Chain Management |
| 414-2 | Negative impacts of supply chains on society and actions taken | Governance Responsibility-Supply Chain Management |
| GRI 415: Public Policy 2016 | | |
| 415-1 | Political donation | Not covered in this report |
| GRI 416: Customer Health and Safety 2016 | | |
| 416-1 | Assessment of health and safety impacts on product and service categories | Customer Oriented |
| 416-2 | Violations involving health and safety impacts of products and services | Not covered in this report |
| GRI 417: Marketing and Identity 2016 | | |
| 417-1 | Requirements for product and service information and labelling | Customer Oriented |
| 417-2 | Violations involving product and service information and labelling | Not covered in this report |
| 417-3 | Non-compliance incidents involving marketing | Not covered in this report |
| GRI 418: Customer Privacy 2016 | | |
| 418-1 | Substantiated complaints involving violations of customer privacy and loss of customer data | Customer Oriented |

Appendix 4 Reader Feedback Form

Thank you for taking the time to read this Report. In order to strengthen communication with you and other stakeholders, and continue to improve the Bank's environmental and ESG performance and Environmental, Social and Governance Report preparation, we sincerely hope to listen to your valuable opinions and suggestions, and sincerely look forward to your feedback opinions in the following ways:

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Please provide specific feedback:

- Your overall evaluation of this Report is
 - Good
 - Relatively good
 - Fair
 - Poor
- How the clarity, accuracy and completeness of the information and data disclosed in this Report in your opinion?
 - Good
 - Relatively good
 - Fair
 - Poor
- How comprehensive do you think this Report reflects the economic responsibilities undertaken by the Bank?
 - Good
 - Relatively good
 - Fair
 - Poor
- How comprehensive do you think this Report reflects the Environmental Responsibility undertaken by the Bank?
 - Good
 - Relatively good
 - Fair
 - Poor
- How comprehensively do you think this report reflects the social responsibility of the Bank?
 - Good
 - Relatively good
 - Fair
 - Poor
- How comprehensive do you think this Report reflects the ESG undertaken by the Bank?
 - Good
 - Relatively good
 - Fair
 - Poor
- Are the design and layout of this Report easy to read in your opinion?
 - Good
 - Relatively good
 - Fair
 - Poor
- What needs to be improved most in this Report in your opinion?
 - Operation
 - Servic
 - Environment
 - Employees
 - Society
- What do your you want to know but are not disclosed in this Report?
- Your opinions and suggestions on the Bank's ESG work and report preparation:



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