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## About this Report

Bank of Jinzhou Co., Ltd.<sup>1</sup> (the “**Bank**”, “**Bank of Jinzhou**” or “**we**”) is delighted to publish our fifth environmental, social and governance (“**ESG**”) report. The aim of the *Environmental, Social and Governance Report* (the “**Report**”) aims to display the Bank’s sustainable strategy and other related work to our stakeholders for all parties to better understand the Bank’s sustainable philosophy, actions, relevant performance, and more. The Report should be read together with the “Corporate Governance Report” of the Bank’s *2020 Annual Report* to allow a comprehensive understanding of the Bank’s ESG performances.

## Basis of Preparation

The Bank has complied with regulations stated in Appendix 27 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “**Listing Rules**”) issued by the Stock Exchange of Hong Kong (“**SEHK**”) and the *Environmental, Social and Governance Reporting Guide* (2016 version) (the “**Guide**”) when preparing the Report. The Report is prepared in accordance with the “comply or explain” provisions of the Guide and based on the four reporting principles set out in the Guide, namely materiality, quantitative, balance and consistency.

During the preparation of the Report, the reporting principles according to the Guide applied by the Bank are as follows:

**Materiality:** adopting a materiality assessment to identify the Bank’s material issues during the reporting period, and compiling this Report based on these material topics;

**Quantitative:** disclosure of the relevant standards and methods used for acquiring data through calculations in the Report, and the disclosure on applicable assumptions.

**Consistency:** the method adopted for the preparation for this Report is fundamentally identical to the previous year, and the data involving changes in the scope of disclosure and calculation methods are explained.

Unless otherwise stated, the currency unit used in this Report is in RMB.

## Scope of Reporting

Unless otherwise stated, this Report focuses on Bank of Jinzhou, and unless the context otherwise requires, this Report covers its subsidiaries, branches, sub-branches and professional institutes. The reporting period of this Report is the same as the Bank’s *2020 Annual Report*, which covers the period from 1 January 2020 to 31 December 2020 (the “**Reporting Period**”), with part of the content exceeds the foresaid time frame.

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

## Report Confirmation and Approval

The board of directors of the Bank (the “**Board**” or “**Board of Directors**”) and all directors (the “**Directors**”) have reviewed and approved this Report, and assure that this Report contains no false representations, misleading statements or material omission, and bears individual and collateral responsibilities regarding the truthfulness, accuracy and completeness of this Report.

CECEP (HK) Advisory Company Limited was appointed to perform independent limited assurance on this Report in accordance with the AA1000 Assurance Standard v3 and issued an assurance statement. For more information on the assurance, please refer to the “Independent Assurance Statement”.

## Access to the Report

This Report is published in traditional Chinese and English. In case of any discrepancies between the two versions, the traditional Chinese version shall prevail. The electronic version of this Report can be viewed and downloaded from the Bank’s website (<http://www.jinzhoubank.com>) and the website of SEHK (<https://www.hkexnews.hk>).

## Feedback

Feedbacks from stakeholders are of utmost importance to the Bank’s continuous improvement in environmental and social performance. If you have any questions or suggestions, you are welcome to contact us through email ([webmaster@jinzhoubank.com](mailto:webmaster@jinzhoubank.com)).



## Chairman's Statement

In 2020, we have experienced the shroud of dark clouds and varying and complex external challenges from the COVID-19 pandemic (the “pandemic”). We witnessed people uniting together under difficult times, the national spirit shining through hardship, and finally welcoming the dawn of hope. In 2020, with the scientific guidance under the Communist Party of China (the “Party”) committees, governmental and regulatory authorities at all levels, the extensive care and support from shareholders and various sectors in the society, and the arduous hard work from all employees of Bank of Jinzhou, we opened up a new game amongst the variations, achieving a successive phase in reform and reorganization, reviving new energy in business development, and highlighting new deeds in serving the society.

**Stringently leading in Party building, organizing compliance development, and strictly protecting the risk baseline.** During the key period in our reform and reorganization, we strengthened the tight integration in Party leadership and operational management. We reformed the comprehensive risk management mechanism, constructed an all-round risk management organizational structure, enhanced the timeliness and progressiveness in risk management. We improved systems in regulations and mechanisms, strengthened internal compliance control, and cultivated compliance culture.

**Responding to the national call, collaboratively combating the pandemic, and assisting in the alleviation of targeted poverty.** We place utmost importance on organizing pandemic prevention and control and business development throughout the year. Through a people-oriented approach, we safeguarded employees' safety and our steady operation extensively. We comprehensively introduced the “Chunjin Plan”, to carry out pandemic prevention and control through financial “running water” to “insert blood and oxygen” to the economic development. We actively responded to the national call on poverty alleviation, and assisted in winning the battle against poverty with practical actions.

**Practising financial duties, serving the real economy, focusing on benefitting the “agriculture, rural areas and farmers”.** We abided by the original intention, assisted in driving the initiation of country-wide and region-wide development strategies, to contribute efforts to district economy and the real economy. We cultivated inclusive finance with diligence, extended basic service features, forged distinctive and inclusive financing services. We placed attention on the “agriculture, rural areas and farmers” financial services, carried out agriculture-benefit policies and products, constantly elevating the service level in “agriculture, rural areas and farmers”.

**Strengthening technological innovation, forging operation quality, and elevating service quality and efficiency.** We are deeply aware that finance technology is a vital support to the development in service elevation and transformation. During a unique period in promoting “no face-to-face contact”, we accelerated our process in transferring services online, strengthened the joint support from key areas and business sectors for financial technology, actively pushed forward the product development and innovative channels for each profession. We held onto the opportunity of building Jinzhou Portal and smart city with the government to liaise on smart venues, created “one-stop” financial services, and delivered “financial warmth” through emerging local development.

**Valuing employee cultivation, upholding talent prosperity, and growing together.** We uphold the philosophy that a talented team is the “most important resource” to promoting development. We executed the “535” talent project and innovated learning and training mechanisms. We created multiple development pathways, accumulated the cultivation of high-quality talent teams, enhanced the forces in internal development and internal vitality. We cared about employees' lives, extensively arranged cultural and sports activities as a means to reinforce corporate cohesion and teamwork, safeguarded the safety and steadiness of the work environment, and encouraged employees to grow together with Bank of Jinzhou.

**Focusing on green development, maintaining peace and co-prosperity, and contributing financial power.** We pushed forward green development ideologies of saving, environmental protection, and low carbon, and actively developed services in green credit business. We promoted low carbon operation, green office, assisted in the local economy's green transition and the civilised construction on ecology, and facilitated sustainable development of the society, to exert stronger power in protecting our lucid waters and lush mountains.

2021 is the opening year for the 14th Five-year Plan, which is also the critical year in which Bank of Jinzhou establishes a three-year plan to achieve transitional development. “Despite the difficulties, we show courage, and the sharpening makes jade”. We will proceed gratefully and courageously and adhere to Xi Jinping's thoughts on Socialism with Chinese Characteristics for a New Era as a guide, to implement new development philosophies and integrate them into a new development structure. We adhere to the working fundamentals of seeking progression under stability, to create greater value for society and celebrate the 100th anniversary of the Party's founding with outstanding performance!

Chairman  
Wei Xuekun  
24 June 2021

## President's Statement

Complex external environments brought numerous challenges to the Bank of Jinzhou's stable operation and reformation development in 2020. Under the immense support from stakeholders, our management maintained strategical stability, adhered to high-quality corporate development, and took on creating economical value, social value and environmental value as our mission, constantly constructing a structure in sustainable development.

**Robustly rooting in main responsibilities and main businesses.** We adhered to our mission and original intention, returned to a “three services” orientation as a city commercial bank, implemented the “Chunjin Plan” project operation, supported corporates in pandemic prevention, anti-pandemic, and resuming work and production; focused on inclusive finance, reasonable transfer of profits, established principal repayment and interest payment extensions, relieved financing difficulties, comprehensively completed the “two additions and two controls” target for inclusive finance, established the “six stabilities” and “six securities” policy, and assisted in promoting a stable development of regional economies.

**Expanding innovative products and services.** We adhered to the idea that customers shall always be our priority. We strive to provide financial services in high quality and high efficiency, strengthened technological innovation, and proposed a “double A” to steer development with constructing smart cities as an entry point. The “double A” included the feature upgrade for the individual platform (APP) and the development of Application Programming Interface (API), so as to enhance the customer experience. We strengthened the protection and governance system and governance ability on consumer rights and interests, promoted the quality and effectiveness in processing complaints, and held financial knowledge popularisation events to ensure customers' financial and information safety.

**Implementing risk governance with strength.** We adhered to the risk baseline and constructed an internal compliance management mechanism, stipulated the power and responsibility of the three lines of defence, carried out full life cycle management for policies, shaped compliance culture, and reinforced law abidance and compliance awareness for all employees; fulfilled responsibilities in anti-money laundering and counter-terrorist financing and inserted requirements on anti-money laundering into the procedures on business operation; strengthened the building of the risk governance mechanism, deepened comprehensive risk management and strictly control credit risk to safeguard the overall stable operation.

**Fostering a happy life with warmth.** We strongly believed in harmonious co-living. We cared about employees' cultivation and development, increased the pool of outstanding talents, established cadre ladder building, broadened training in professional skills and comprehensive abilities, improved performance assessment mechanism, and consolidated the talent base. We upheld the philosophy in green development, promoted green finance, encouraged green office, practised energy-saving and environmental protection, adhered to community charity, assistance, and voluntary activities, and actively dedicated our hearts to society.

In 2021, we will adhere to the new development philosophies of compliance, innovation, coordination, and quality under the guidance of senior management and the Board of Bank of Jinzhou. We will bear economic, social, and environmental responsibilities, and compose a stable and constant new chapter together with heart with our stakeholders.

President  
Guo Wenfeng  
24 June 2021

## About the Bank

### Company Profile

Bank of Jinzhou was incorporated on 22 January 1997 with the approval of the People's Bank of China, with the Headquarters located in Jinzhou City, Liaoning Province, China. The Bank established 15 branches in Beijing, Tianjin, Shenyang, Dalian, Harbin, Dandong, Fushun, Anshan, Chaoyang, Fuxin, Liaoyang, Huludao, Benxi, Yingkou and Jinzhou, China. The Bank also promoted and established 7 village and township banks, namely Jinzhou Taihe Jinyin Village and Township Bank Co., Ltd. (錦州太和錦銀村鎮銀行股份有限公司), Liaoning Yixian Jinyin Village and Township Bank Co., Ltd. (遼寧義縣錦銀村鎮銀行股份有限公司), Liaoning Beizhen Jinyin Village and Township Bank Co., Ltd. (遼寧北鎮錦銀村鎮銀行股份有限公司), Liaoning Heishan Jinyin Village and Township Bank Co., Ltd. (遼寧黑山錦銀村鎮銀行股份有限公司), Liaoning Kazuo Jinyin Village and Township Bank Co., Ltd. (遼寧喀左錦銀村鎮銀行股份有限公司), Liaoning Linghai Jinyin Village and Township Bank Co., Ltd. (遼寧凌海錦銀村鎮銀行股份有限公司) and Liaoning Huanren Jinyin Village and Township Bank Co., Ltd. (遼寧桓仁錦銀村鎮銀行股份有限公司), as well as the Bank of Jinzhou Financial Leasing Co., Ltd. (錦銀金融租賃有限責任公司). As of the end of the Reporting Period, the Bank had 242 branches in aggregate.

The business scope of the Bank includes absorption of public deposit, publication of short-term, medium-term and long-term loans, domestic and overseas settlement, issue of financial bonds and inter-bank borrowing. The H Shares of the Bank were listed on the Main Board of the SEHK, stock code: 0416, on 7 December 2015. On 27 October 2017, the Bank successfully issued US\$1.496 billion of Offshore Preference Shares, which were listed on the SEHK with stock code 4615. As of the end of the Reporting Period, the Bank had registered capital of RMB13,981,615,684, total assets of RMB777.992 billion, loans and advances balances released of RMB496.750 billion and balance of deposits of RMB439.224 billion.

### Honours and Awards

<p><b>February 2020</b></p> <ul style="list-style-type: none"> <li>The Bank was awarded the "2019 Excellent Promotion Contribution for China UnionPay Card Product" (2019年銀聯卡產品推廣突出貢獻獎) by China UnionPay Co. Ltd.</li> </ul>	<p><b>November 2020</b></p> <ul style="list-style-type: none"> <li>The Bank was awarded the "Best Credit Card Cross-industry Cooperation" (年度最佳信用卡跨界合作獎) in the first session of 2020 Top Financial Digital Development hosted by the Financial Digital Development Alliance.</li> </ul>	<p><b>December 2020</b></p> <ul style="list-style-type: none"> <li>The Bank was awarded the "2020 Best Mobile Banking Growth Award" (2020年最佳手機銀行成長獎) at the "2020 Banking Digital Ecology and Inclusive Finance Summit and the 16th China Electronic Banking Annual Ceremony" held by the China Financial Certification Center.</li> </ul> 
<p><b>July 2020</b></p> <ul style="list-style-type: none"> <li>The Bank was granted the title of "2019 Exemplary Organization in Credit System Data Quality" (2019年度徵信系統數據質量工作優秀機構) by the Credit Reference Center, The People's Bank of China.</li> </ul>	<p><b>December 2020</b></p> <ul style="list-style-type: none"> <li>The Bank was awarded as "Jinzhou City's Meritorious Enterprise in 2018-2019" (錦州市2018-2019年度功勳企業) by the Communist Party of China Jinzhou Municipal Committee and Jinzhou Municipal People's Government.</li> </ul>	

### Key Performance Indicators

Type of KPI	Name of KPI	Unit	2020	2019	2018
Economic Performance	Operating income	RMB100 million	93.09	231.70	212.83
	Total assets	RMB100 million	7,779.92	8,366.94	8,459.23
	Total deposits	RMB100 million	4,392.24	4,071.13	4,455.76
	Total loans and advances to customers	RMB100 million	4,967.50	4,891.17	3,707.26
	Non-performing loan ratio	%	2.07	7.70	4.99
	Allowance coverage ratio	%	198.67	115.01	123.75
	Capital Adequacy ratio	%	11.76	8.09	9.12
Social Performance	Total taxes paid	RMB100 million	37.70	47.77	48.94
	Charitable and other donations	RMB10 thousand	-	7.7	17,901
	Social contribution per share <sup>2</sup>	RMB	2.36	4.39	3.57
	Balance of loans to small and micro businesses	RMB100 million	2,624.90	2,330.28	1,736.98
	Responsible complaints handling satisfaction rate	%	100	100	100
	Headcount <sup>3</sup>	person	6,037	6,234	6,132
	Proportion of female employees <sup>3</sup>	%	59.50	59.45	59.40
Environmental Performance	Replacement percentage of e-banking <sup>3</sup>	%	86.25	85.09	82.78
	Power consumption of the Headquarter	kWh	1,180,404	1,263,643	990,655
	Water consumption of the Headquarter	Tonne	9,251	8,772	7,412
	Paper consumption of the Headquarter	Tonne	4.50	5.40	5.26
	Coal gas consumption of the Headquarter	m <sup>3</sup>	10,990	9,671	11,156
	Gasoline consumption of the Headquarter	Litre	97,360	321,965	138,047
	Diesel consumption of the Headquarter	Litre	2,400.00	83,162.00	46,673.20

<sup>2</sup> Social contribution per share = (annual tax paid + staff expenses + loan interest paid to creditors + total outbound donations - other social cost arising from environmental pollution) + total share capital + basic earnings per share.  
<sup>3</sup> The indicator refers to data of the Bank (excluding subsidiaries).



## Governing with “Responsible Heart”, Continuing Development

The Bank always viewed risk management and compliant operation as the basis of our steady development. The Bank improved risk management mechanisms whilst actively committing to understanding the expectations and needs of stakeholders. To fulfil the Bank’s corporate social responsibility, we constructed a social responsibility management system in the hope of strengthening the care and support we have towards ESG aspects.

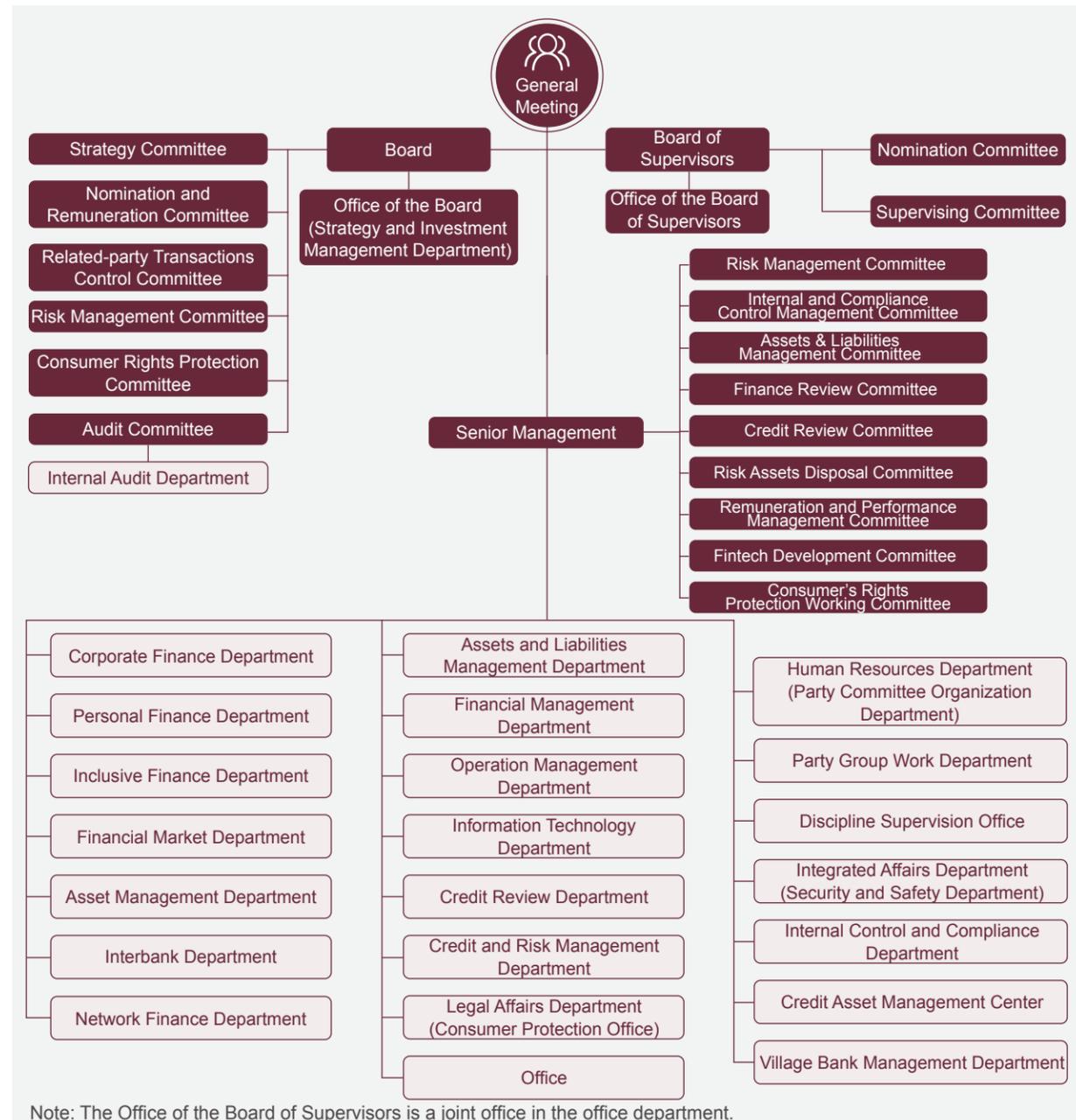
- Corporate Governance
- Risk Management and Control
- Practising Social Responsibilities



## Corporate Governance

The Bank continuously improved its corporate governance mechanism to gradually enhance its corporate governance level. The Bank has adopted relevant requirements set out in the *Corporate Governance Code* set out by the SEHK, and relevant requirements of corporate governance in the administrative measures for commercial banks in China. The Bank has also established a corresponding corporate governance system. In accordance with relevant requirements, the Bank has set up a dedicated and independent Board of Directors, board (the “**Board of Supervisors**”) of supervisors (the “**Supervisors**”) and senior management. All members of the Board of Directors and Board of Supervisors (excluding employee representative Supervisors) were elected to the general meeting by the shareholders of the Bank. The Bank has further improved the information disclosure standards through regulating the management of investor relations activities, and enhanced the transparency and governance standards continuously.

As of the latest practicable date, the organisation structure of the Bank was shown as below. According to the overall institutional reformation plan of the Bank, the Bank integrated and optimised the departments in the Headquarters in 2020, defined the functions of departments, clarified the boundaries of duties, and embodied micromanagement, to empower operational development and promote connotative and high-quality development mode.



### General Meeting

- During the Reporting Period, the Bank convened one annual general meeting and one extraordinary general meeting.

### The Board of Directors

- The Board of Directors is responsible for establishing the management system of the Bank, supervision and control over important matters such as the decisions and performance of the business and financial policies of the Bank, fulfilling corporate governance functions in accordance with the *Corporate Governance Code* set out by the SEHK, and enduring the right and duty of managing the Bank to the management level.
- As at the end of the Reporting Period, the Board of Directors consisted of 15 Directors, including 5 executive Directors, 5 non-executive Directors and 5 independent non-executive Directors. Six special committees, including the Strategy Committee, Audit Committee, Nomination and Remuneration Committee, Related-party Transactions Control Committee, Risk Management Committee and Consumer Rights Protection Committee, have been established under the Board of Directors. The Board of Directors Office has been established as the operating arm of the Board, and is responsible for the preparation of general meetings, meetings of the Board of Directors and meetings of all special committees under the Board, information disclosure and other daily duties.
- During the Reporting Period, the Bank has convened 9 meetings (including teleconference) of the Board of Directors. 66 resolutions have been considered and approved which include the consideration and approval of the 2019 work report of the Board of Directors, the 2019 final financial accounts, the 2020 fixed assets investment budget, the 2019 annual report, the 2019 profit distribution plan, the Proposed Private Placement, the Disposal, and amendments to the Articles of Association, and 10 reports have been heard, including the 2019 annual report on anti-money laundering of Bank of Jinzhou, the 2019 annual report on consumer rights protection and the 2020 work plan, the report on the annual evaluation of substantial shareholders of Bank of Jinzhou, the report on the structure of the Board of Directors and others.

### Board of Supervisors

- As at the end of the Reporting Period, the Bank's Board of Supervisors consisted of 8 Supervisors, including 3 employee representative Supervisors, 2 shareholder representative Supervisors and 3 external Supervisors. The Bank has established 2 committees under the Board of Supervisors, namely the Nomination Committee and the Supervising Committee, which operate in accordance with the laws and regulations such as the *Company Law of the People's Republic of China* and the Articles of Association of the Bank.
- During the Reporting Period, the Board of Supervisors convened 8 meetings (including 7 on-site meetings and 1 communication meeting), primarily for the consideration and approval of 39 resolutions, including the 2019 work report of the Board of Supervisors, the 2019 annual report, the 2020 interim report, profit distribution plan, strategic development plan and 2019 due diligence evaluation report for Supervisors, etc.

### Board Diversity Policy

- The Board of Directors is of the view that having a diversified composition of members in the Board of Directors will improve the decision-making capability of the Board of Directors more effectively to elevate the corporate governance level. The Board of Directors and the Nomination and Remuneration Committee will consider a series of diversity factors as a standard in selecting candidates with reference to the Board Diversity Policy, including but not limited to gender, cultural and education background, race, professional experience and industry experience, in order to achieve diversification in the membership of the Board of Directors. The Nomination and Remuneration Committee will report the composition of the Board of Directors from the perspective of diversification of the Board on annual basis and supervise the implementation of this policy.

Please refer to Chapter 9 “Corporate Governance Report” of the Bank’s *2020 Annual Report* for more detailed disclosures relevant to the Bank’s corporate governance.

## Creating Corporate Culture

The Bank of Jinzhou always adheres to constantly improve and enrich corporate culture in its development, persists on the core values in corporate culture and socialism, strengthens the cohesion of Party-building, loves duty and respects the business, and serves society. During the Reporting Period, the Bank scientifically planned the 2020-2022 strategic development plan, defined the strategic vision of “building an urban commercial bank with high-quality and connotative development”, and proposed new development philosophy of “compliance, innovation, coordination and quality”. The Bank united employees’ minds with ideological and political work, agglomerated team power with humanistic care and characteristic recreational and sports activities, fulfilled social responsibility with the principle of “serving the community and benefiting the public”, safeguarded the consolidation in development foundation with “compliance construction”, comprehensively created corporate culture, promoted the steadiness in the development of corporate reformation, and provided a strong mental motivation to connotative high-quality development.

## Risk Management and Control

The Bank strives to construct and improve a comprehensive risk management mechanism, implements the new development philosophy of “compliance, innovation, coordination and quality”, complies with regulatory requirements, operates in compliance with the law, adheres to the balance between capital, risk, and profit. The Bank constantly improves its risk governance structure and risk management mechanism to effectively identify, measure, control, monitor, and report each material risk, continuously enhancing the ability in comprehensive risk management.

The Bank’s Board of Directors is responsible for coordinating and leading Bank-wide risk management and assumes ultimate responsibility for comprehensive risk management in accordance with the *Guidelines on Comprehensive Risk Management for Banking Institutions* (《銀行業金融機構全面風險管理指引》) and other laws and regulations, as well as the relevant requirements of the SEHK. The Board strengthens policy guidance, instructs the establishment of policies, and further regulates working mechanisms in comprehensive risk management through the review of risk management-related proposals; and simultaneously pays close attention to risks in important areas, tracks and monitors the state of the execution and implementation of decisions, strictly protecting the bottom line of risks.

The internal control of the Bank follows the principles of full coverage, materiality, the balance of powers, matching, prudence and cost-effectiveness to realise the following objectives with the participation from the Board, Board of Supervisors, senior management, and all employees through formulating and implementing systematic measures, procedures, and methods:



With the aim to effectively manage and control various types of risks, the Bank has established an independent internal control organisation structure in accordance with relevant national laws and regulations and the Articles of Association, which delineates the duties and permitted authorities in the areas of decision-making, implementation and supervision, so as to formulate an appropriate management system for the Bank. In terms of the construction and execution of internal control, the Bank has designated the following responsibilities for the Board of Directors, the senior management, the internal control and compliance department, business departments, branches and sub-branches:



### Board of Directors

- Assume ultimate responsibility for the Bank’s internal compliance work;
- Ensure the establishment and implementation of a sufficient and effective internal control system, and ensure the Bank operates with caution within the framework of the laws and policies;
- Define the Bank’s risk levels and basic policies on compliance, promote necessary risk control measures and compliance management action for senior management to take action;
- Promote a good compliance culture in the Bank;
- Instruct senior management in the monitoring and assessing of the sufficiency and effectiveness in internal control, compliance management, and prevention and control of irregularities. Approve annual internal control evaluation reports, compliance management reports, and reports of prevention and control of irregularities, and supervise on whether defects are solved timely and effectively;
- Authorise the Risk Management Committee, a subordinate of the Board of Directors, to carry out daily supervision on the Bank’s internal control and compliance; and
- Other internal control and compliance duties listed on the Articles of Association.

### Board of Supervisors

- Supervise the Board of Directors and senior management in improving the system for internal control, compliance management and irregularity prevention and control; and
- Supervise the Board of Directors and senior management in fulfilling other duties on internal control and compliance management.

### Senior Management

- Establish systematic systems, procedures, and methods in accordance with the acceptable risk levels and basic policies on compliance, determined by the Board of Directors. Define corresponding risk control measures and compliance management actions. Policies and measures will be delivered to all employees to organise the implementation after they are deliberated and approved by the Board of Directors;
- Construct and improve the internal compliance organisational structure and allocate sufficient and suitable persons to fulfil duties, and ensure its independence, to assure all internal and compliance duties are effectively fulfilled;
- Monitor, evaluate, and report the Bank's sufficiency and effectiveness on internal control, compliance management, and prevention and control of irregularities, to ensure incidents of non-compliance can be corrected timely and appropriately when discovered, and investigate the corresponding responsibilities of the responsible person of non-compliance;
- Report important non-compliance incidents and risks of irregularities to the Board of Directors, its subordinate, the Risk Management Committee, and the Board of Supervisors in a timely manner; and
- Other internal control and compliance control duties authorised by the Board of Directors.

### Internal Control and Compliance Department

- Constantly pays close attention to the latest regulatory developments of regulatory rules to provide internal control and compliance recommendations to senior management;
- Assists senior management in formulating systems for the Bank's internal control, compliance management and the prevention and control of irregularities, emergency situations in control defects and risk identification, coordinate in promoting constant improvement of control systems, procedures, and methods for all professions and organisations;
- Undertakes the responsibility to lead in system management, construct system management mechanisms and standards, organise and implement systems' full-lifecycle management, promote the landing of the philosophy in prioritising business development, and review the initiation of new systems;
- Assist senior management in developing the construction of compliance culture, develop compliance promotion and warning education of irregularities, assist relevant training and education departments to conduct internal compliance training for employees;
- Lead the daily job contacts and communication with regulatory authorities, track and evaluate opinions from regulatory authorities and the state of establishment of regulatory requirements;
- Organise and conduct supervision projects such as special compliance inspection, irregularity prevention, problem-solving and evaluation, and internal control self-evaluation. Plan supervision and inspection actions for all divisions and all organisations, collect and summarise external supervision achievements such as from regulatory authorities and external auditors, urge to rectify problems, strengthen accountability in incompliance, implement risk identification and monitoring, release risk alerts, organise and promote all professions and organisations to constantly improve and control defects, and submit relevant reports;

- Responsible for closed-loop management duties for irregularities, focus management on information collection, internal investigation, and external submission of the Bank's irregularities, operate irregularity risk analysis, research on prevention and management measures, initiate irregularity assessments, and report to senior management; and
- Other internal and compliance duties appointed by senior management.

### Internal Audit Department

- Supervise the establishing performances of the Bank's internal compliance management duties fulfilled in each division, operational divisions, and organisation;
- Prepare audit plans and conduct audits according to the Board's requirements, transfer auditing results to the internal control and compliance department promptly, and ensure the transferred auditing results are with clear facts and sufficient evidence; and
- Other internal control and compliance duties appointed by the Board

### Business Departments

- Identify risk control points related to management in all business and control activities in the division according to each division's regulatory rules and management needs. Formulate, implement, and constantly improve the division's control system, procedures and methods in detail;
- Organise and carry out the division's monitoring and inspection, report control defects according to the provided pathway, and establish rectification and accountability;
- Review the responsibility of major incompliance issues from the division, inspect incompliance facts, confirm the responsible person and propose handling suggestions; and
- Other internal control and compliance duties appointed by senior management.

### Branches and Sub-branches

- Implement requirements of internal control according to the instructions of their superior institution; and
- Responsible for daily establishment and implementation of internal control within its own organisation.

The Board analysed and formulated a reputation risk management policy that is in line with the Bank's strategic objectives and applicable to the entire Bank and established the reputation risk management system. During the Reporting Period, the Bank strengthened reputation risk identification, monitoring, control and solution and improved the level and effectiveness of reputation risk control through diversified initiatives such as refining of the system of regulation management, strengthening real-time monitoring of online public opinion, examining and rectifying of potential reputation risks, improving emergency response plan, actively promoted its contribution in reform and restructuring, operation and development, serving the regional economy and social responsibility, as well as continuously improved the management mechanism on reputation risk. At the same time, the Bank emerged its own situation, and adopted a "one-vote veto system" for environmental and social risks during customer marketing and access, Loan support would not be granted to customers and projects violating the national policies on environmental protection, security surveillance, quality inspection, land, immigration and those who do not meet environmental and social compliance requirements. For more details of the Bank's risk management approach in credit risk, market risk, liquidity risk, information technology risk, anti-money laundering management, protection of consumer rights and more during the Reporting Period, please refer to chapter 5 "Management Discussion and Analysis" of the Bank's 2020 Annual Report.

## ● Practising Social Responsibilities

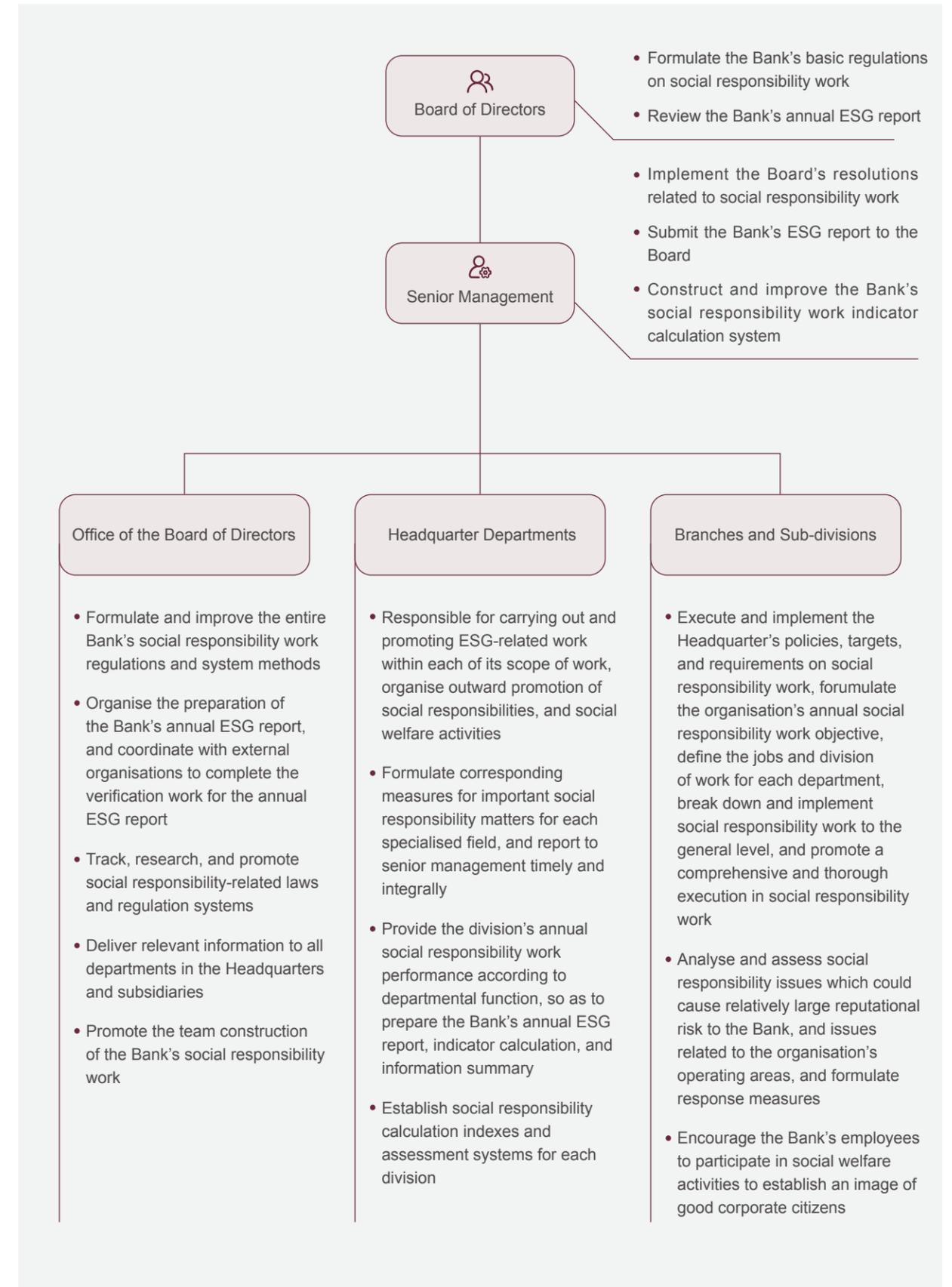
### Concept on Social Responsibility

Adhering to the purpose of “serving the community and benefiting the public”, the Bank holds its “three services” positioning of “serving the local economy, small and micro enterprises, and urban and rural residents”, and adheres to support the real economy. The Bank has “value, honesty, innovation, green and responsibility” as its social responsibility work development philosophy, adhering to the corporate mission of creating value for shareholders, creating wealth for customers, creating benefits for employees, and creating a contribution to society. The Bank undertakes humanistic care and social responsibility, actively fulfilling social responsibilities as a financial organization. The following are the Bank’s key social responsibility work in economic, social, and environmental aspects:



### Social Responsibility Management System

Striving to create values for society, the Bank embeds the concept of sustainable development in its daily operation. During the Reporting Period, the Bank formulated the *Basic Regulation on Social Responsibility of Bank of Jinzhou Co., Ltd.* to further improve the Bank’s social responsibility work mechanism. The Bank integrated the concepts of social responsibility into its daily work according to the Bank’s development strategy. All departments from the Headquarters, branches, and divisions worked cooperatively and divided the work in coordination, jointly carried out and promoted social responsibility work.



## Stakeholder Engagement

Expectations and comments of stakeholders are of utmost importance for the Bank to continuously improve its sustainability strategies. Through diversified and open communication channels, the Bank maintains close communications with stakeholders and listens to their demands patiently. Intending to enhance the level of the Bank's sustainability governance, the Bank continues to improve its social responsibility management system according to the sustainability topics of interest to various stakeholders.

Stakeholders	Expectations and Demands	Communication Channels	Responses and Measures
 Government	<ul style="list-style-type: none"> <li>Support the sound development of the real economy</li> <li>Implement macroeconomic policies</li> <li>Develop inclusive finance</li> </ul>	<ul style="list-style-type: none"> <li>Policy documentation and guidelines</li> <li>Work meetings</li> <li>Information distribution</li> <li>Seminars</li> </ul>	<ul style="list-style-type: none"> <li>Provide financial support for the revitalisation of the old industrial base of northeast China</li> <li>Improve service for "small and micro enterprises" and "agriculture, rural areas and farmers" affair, and support private enterprises</li> <li>Support the development of emerging industries</li> </ul>
 Regulators	<ul style="list-style-type: none"> <li>Operation compliance</li> <li>Maintain financial stability</li> <li>Fulfil social responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory policies</li> <li>Surveys and on-site visits</li> <li>Progress reporting</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen compliance management</li> <li>Improve the comprehensive risk management system</li> <li>Advance targeted measures in poverty alleviation</li> </ul>
 Shareholders	<ul style="list-style-type: none"> <li>Ensure stable operation</li> <li>Increase core competitiveness</li> <li>Increase corporate value</li> </ul>	<ul style="list-style-type: none"> <li>Shareholder meetings</li> <li>Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Improve corporate governance structure</li> <li>Formulate corporate development plans</li> <li>Improve profitability</li> <li>Strengthen the management of investors relation</li> </ul>
 Clients	<ul style="list-style-type: none"> <li>Support the real economy</li> <li>Improve service quality and efficiency</li> <li>Provide quality financial products</li> <li>Ensure information and fund security</li> <li>Expand service channels</li> </ul>	<ul style="list-style-type: none"> <li>Marketing activities</li> <li>Customer service hotline</li> <li>Customer message box at the official website</li> <li>WeChat, online bank, and other digital platforms</li> </ul>	<ul style="list-style-type: none"> <li>Optimise the business procedure</li> <li>Innovate financial products</li> <li>Safeguard rights and interests of customers</li> <li>Improve the distribution of banking outlets</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>Protect employees' rights and interests</li> <li>Provide career development opportunities</li> <li>Enrich activities in spare time</li> </ul>	<ul style="list-style-type: none"> <li>Trade union</li> <li>Seminars</li> <li>President's mailbox</li> <li>Visits and interviews</li> </ul>	<ul style="list-style-type: none"> <li>Improve the compensation and welfare system</li> <li>Enhance democratic management</li> <li>Improve the training system</li> <li>Organise recreational and sports activities</li> <li>Offer care to employees in need</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>Fair procurement</li> <li>Performance in good faith</li> <li>Cooperation for win-win outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Negotiations</li> <li>Contracts and agreements</li> <li>Centralised procurement</li> </ul>	<ul style="list-style-type: none"> <li>Establish a procurement management system</li> <li>Enhance business cooperation</li> </ul>
 Partners	<ul style="list-style-type: none"> <li>Mutually beneficial cooperation</li> <li>Communication and exchanges of ideas with industry peers</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Project cooperation</li> <li>Daily communications</li> </ul>	<ul style="list-style-type: none"> <li>Conduct surveys and on-site visits</li> <li>Enhance exchanges and cooperate with industry peers</li> </ul>
 Community	<ul style="list-style-type: none"> <li>Organise community activities</li> <li>Help vulnerable groups</li> </ul>	<ul style="list-style-type: none"> <li>Visits and interviews</li> <li>Community service activities</li> </ul>	<ul style="list-style-type: none"> <li>Provide financial aid to students</li> <li>Popularise financial knowledge</li> <li>Organise volunteer activities supported by employees</li> </ul>
 Environment	<ul style="list-style-type: none"> <li>Low-carbon and environmental protection</li> <li>Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Policies on energy saving and emission reduction</li> <li>Green public service activities</li> </ul>	<ul style="list-style-type: none"> <li>Provide green credit</li> <li>Create green office</li> </ul>

## Materiality Assessment

The Bank attaches great importance to the needs and expectations of stakeholders, and actively communicates with them throughout the daily operation. During the Reporting Period, the Bank identified material issues of the Bank and its stakeholders through conducting materiality assessment with the approach of review and examination. Firstly, the Bank reviewed its stakeholders to identify the expectations and demands of the Bank's stakeholders during the Reporting Period. Hereafter, the Board of Directors and management of the Bank identified the material issues related to the Bank and stakeholders by focusing on the two aspects of the issue's importance and impact on the Bank and the issue's importance and impact on internal and external stakeholders, and considering national macro policies, the expectations and demands of stakeholders, the impact that ESG topics have respectively on stakeholders and the Bank's operations, latest social responsibility-related disclosure requirements, etc. and taking reference from peers' benchmarking, the *Guide* and other disclosure requirements. After the material issues were identified, the Bank inspected and verified the material issues, and confirmed the following material issues.

	Key Areas	Material ESG Issues Identified
	Environmental Protection	<ul style="list-style-type: none"> <li>Develop green finance</li> <li>Combat climate change</li> <li>Practice green operations</li> </ul>
	Employment Practices	<ul style="list-style-type: none"> <li>Safeguard rights and interests of employees</li> <li>Occupational health and safety</li> <li>Career development of employees</li> <li>Enhance the well-being of employees</li> </ul>
	Product Responsibilities	<ul style="list-style-type: none"> <li>Improve service quality</li> <li>Embrace finance technologies</li> <li>Safeguard rights and interests of consumers</li> <li>Innovative financial products and services</li> <li>Popularise financial knowledge</li> </ul>
	Community Investment	<ul style="list-style-type: none"> <li>Engage in poverty alleviation</li> <li>Support public welfare</li> <li>Normalise pandemic prevention and control</li> </ul>
	Develop Economy	<ul style="list-style-type: none"> <li>Support small and micro enterprises</li> <li>Support the real economy</li> <li>Support private enterprises</li> <li>Promote inclusive finance</li> <li>Serve the "agriculture, rural areas and farmers"</li> </ul>
	Corporate Governance	<ul style="list-style-type: none"> <li>Ensure operation compliance</li> <li>Optimise corporate governance</li> <li>Strengthen risk management and control</li> <li>Anti-corruption and uphold integrity</li> <li>Prevent financial risks</li> <li>Implement national strategies</li> <li>Promote the development of the banking industry</li> <li>Reshape corporate culture</li> </ul>



# 02

## Operating with “Heart of Compliance”, Stable and High-efficiency

The Bank attaches great importance to the establishment of the system, and the Headquarters' internal control and compliance department implemented the life-cycle management of the system. During the Reporting Period, the Bank carried out a new round of system review, and set up a three-tier system of the “regulations, measures, rules for procedures” which elevated working standards, strengthened employees' compliance awareness, constructed unified standards and regulations. The Bank has actively strengthened the awareness of compliance within the Bank, creating a core concept in compliance culture of “legal compliance and sound control, everyone is responsible for the unity of knowledge and practice and risk management with high efficiency and stability”.

- Anti-money Laundering and Counter-terrorist Financing
- Constructing Anti-corruption and Upholding Integrity
- Protecting Intellectual Property Rights
- Procurement Management



## ● Anti-money Laundering and Counter-terrorist Financing

The Bank deeply acknowledges the severe damage caused by money laundering to regular economic activities and the financial order. The Bank attaches great importance to anti-money laundering and counter-terrorist financing by earnestly fulfilling its anti-money laundering obligations and continuously improving the Bank's relevant systems and policies regarding anti-money laundering and counter-terrorist financing and deepening the risk control on money laundering risks.

The Bank strictly abides by the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》), the *Anti-money Laundering Regulations for Financial Institutions* (《金融機構反洗錢規定》), the *Administrative Measures for Large-Scale Transactions and Suspicious Transaction Reports of Financial Institutions* (《金融機構大額交易和可疑交易報告管理辦法》), the *Administrative Methods for the Identification of Customer Identity and Storage of Customer Identity and Transaction Records of Financial Institutions* (《金融機構客戶身份識別和客戶身份資料及交易記錄保存管理辦法》), the *Guidelines for Money Laundering and Terrorist Financing Risk Assessment and Customer Classification Management of Financial Institutions* (《金融機構洗錢和恐怖融資風險評估及客戶分類管理指引》) and other laws and regulations and regulatory requirements. The Bank has also formulated a series of anti-money laundering internal control systems such as the *Anti-Money Laundering and Counter-Terrorist Financing Management Measures of Bank of Jinzhou* (《錦州銀行反洗錢和反恐怖融資管理辦法》), the *Administrative Measures for Large-Scale Transactions and Suspicious Transaction Reports of Bank of Jinzhou* (《錦州銀行大額交易和可疑交易報告管理辦法》) and the *Administrative Measures for the Identification of Customer Identity and Storage of Customer Identity and Transaction Records of Bank of Jinzhou* (《錦州銀行客戶身份識別和客戶身份資料及交易記錄保存管理辦法》) according to relevant laws and regulations.

To strengthen the identification of suspicious transactions, the Bank has formulated policies such as the *Administrative Measures on Anti-money Laundering and Counter-terrorist Financing of Bank Card Business of Bank of Jinzhou* (《錦州銀行銀行卡業務反洗錢和反恐怖融資管理辦法》) and the *Administrative Measures on Anti-money Laundering and Counter-terrorist Financing of Online Banking Business of Bank of Jinzhou* (《錦州銀行網上銀行業務反洗錢和反恐怖融資管理辦法》), as to strengthen customer identity identification and to monitor and analyse suspicious transactions, and has implemented appropriate and effective risk control measures through inventory verification of existing customers. With the aim to further prevent money laundering risks, relevant work procedures and requirements on reporting large amount transactions and suspicious transactions to the China Anti-Money Laundering Monitoring and Analysis Centre, as well as reporting any suspicious information and emergencies to the Bank's senior management, the Anti-money Laundering and Counter-terrorist Financing Office, local branches of the People's Bank of China and Policy Security Bureau, have been stipulated in the Bank's *Administrative Measures on Large Amount Transactions and Suspicious Transaction of Bank of Jinzhou* (《錦州銀行大額交易和可疑交易報告管理辦法》) and the *Administrative Measures on the Reporting of Anti-money Laundering Work of Bank of Jinzhou* (《錦州銀行反洗錢工作報告管理辦法》).

Also, the Bank is dedicated to strengthening the risk and legal awareness of its employees and the public, the Bank actively carries out training and publicity relevant to anti-money laundering, counter-terrorist financing, and anti-tax evasion. During the Reporting Period, the Bank organised a series of anti-money laundering training and publicity activities to promote the spread of knowledge related to anti-money laundering, guide the general public into improving the ability in self-protection, contributing to creating a great atmosphere in jointly participating in combating money-laundering criminal activities.

Case

### Anti-money Laundering Publicity Activity

The bank earnestly fulfils the obligations in anti-money laundering as a financial organisation, actively carrying out anti-money laundering publicity activities. In August 2020, the Bank organised all branches and divisions to hold an anti-money laundering publicity activity with the theme of "Beware of telecom fraud, be cautious of illegal fundraising". A total of 521 employees participated in this publicity activity. Throughout the activity, branches and divisions of the Bank emerged actual conditions, and carried out anti-money laundering publicity activities through methods such as setting up anti-money laundering consultation counters, hanging promotion banners, and placing publicity exhibition boards. Branches and Divisions of the Bank also visited multiple streets and communities, enterprises and institutions, commercial merchants and stores, and remote areas in villages and towns, to promote and explain the characteristics and harmfulness specifically on money laundering activities such as cash loan, telecom fraud, and illegal fundraising, to alert the general public to stay away from illegal criminal activities such as insider dealing, and illegal fundraising, guide the general public to increase their ability to self-protect, fulfilling social responsibility.



Case

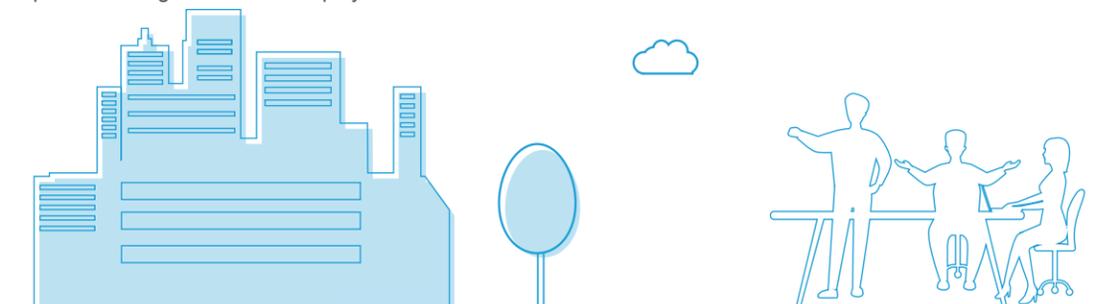
### Anti-money Laundering and International Sanctions Compliance Online Public Lecture

In May 2020, the Bank organised employees from anti-money laundering-related departments to participate in the Anti-money Laundering and International Sanctions Compliance Online Public Lecture held by the China Banking Association. 611 people in total attended the training. Through this training, employees' international perspective on anti-money laundering was broadened, and their cognitive level and ability on risk management and control on anti-money laundering were enhanced. In September 2020, the Bank actively implemented the "Prevent money laundering risks, assist in financial safety" online quiz event jointly held by the People's Bank of China Anti-money Laundering Bureau and the Financial News. The activity calls for all clients and the general public to actively participate in the quiz activity, effectively expanded the impact and coverage for the anti-money laundering activity, further enhanced anti-money laundering awareness on the wider public, and contributed to creating an atmosphere in jointly combating the crime of money laundering.



## ● Constructing Anti-corruption and Upholding Integrity

The Bank attaches great importance to its work in combating corruption and upholding integrity, and strictly complies with national laws and regulations relating to bribery, extortion, fraud and money laundering as well as party policies and regulations such as the *Regulations on Disciplinary Actions of the Communist Party of China* (《中國共產黨紀律處分條例》) and the *Rules for Supervision and Disciplinary Actions of Discipline Inspection Authorities of the Communist Party of China* (《中國共產黨紀律檢查機關監督執紀工作規則》), thus continuously promoting the system construction for punishment and prevention of corruption. The Bank strengthens anti-corruption education, and strives to establish a long-term education system on Party conduct and integrity and build up the anti-corruption awareness of employees through warning education, thematic training and issuing anti-corruption notices on holidays. The Bank ameliorates the anti-corruption system construction and implements the "two responsibilities" on building up Party conduct and integrity by organising Party members and officials to sign the Responsibility Statement on Improving Party Style of Work and Upholding Integrity, thus extending the comprehensive and strict governance over the Party to grassroots employees. The Bank continues to strengthen the daily supervision in fighting against corruption, stringently handle suspicious issues and formulate rectification suggestions or comments regarding problems discovered throughout supervision, so as to set out the discipline of the Party. The Bank strictly implements the rules for supervision and disciplinary actions and strengthens the implementation of the "four patterns" of supervision and disciplinary actions. Through the comprehensive exercise of the "first pattern" by interviews, sending enquiry letters and giving reminder and warning speeches, the Bank detects any signs of irregularities at the earliest, and insists on placing disciplines and regulations as the forefront concerns, thereby preventing corruption. During the Reporting Period, the Bank was not aware of any concluded case of corruption involving the Bank or employees.



Case

**Fushun Branch Organised the Thematic Lecture of “Anti-corruption awareness education”**

To implement the decisions and deployment of the Headquarters, strictly fulfil the requirement of strictly govern the party comprehensively, construct the cogitative defence on rejecting corruption and preventing change, the Fushun branch held an anti-corruption awareness educational lecture with the theme of “Scientific theories as guidance, drive the battle of anti-corruption thoroughly”. The Lecture surrounds the five dimensions in the strategic consideration, leadership, reliance, objectives and strategies, and fundamental of anti-corruption, and conducted an in-depth interpretation on the major discourses of anti-corruption by the General Secretary, Xi Jinping. The lecture is an anti-corruption education to promote the normalisation of the work style and to fulfil the requirement of strictly govern the party comprehensively, and is also an awareness education to nip a vice in the bud, be constantly alert, and educate cadres and employees to be in awe, to fear, and to keep a baseline, as to establish a foundation for the branch’s compliant and steady operation.



**Protecting Intellectual Property Rights**

The Bank respects intellectual property rights, and strictly abides by the *Copyright Law of the People’s Republic of China* (《中華人民共和國著作權法》), the *Advertising Law of the People’s Republic of China* (《中華人民共和國廣告法》) and other laws and regulations relevant to advertising and labelling relating to products and services during daily promotion activities. Intending to effectively prevent legal risks related to intellectual property rights in publicity and marketing activities, the Bank strictly standardises publicity activities by issuing legal risk warnings and carrying out pre-examinations for matters on intellectual property rights, and strictly regulating publicity activities. To protect the intellectual property rights of both parties, inspections are carried out on matters that involve intellectual property rights, to ensure the business operation and proposed contracts have fulfilled laws and regulations relating to intellectual property rights, and that intellectual property rights protection clauses have been signed by both parties.

Also, the Bank has formulated a number of specific requirements for publicity materials to prevent violation against intellectual property rights:

Unless the copyright owners have declared that the materials can be used for commercial purposes, otherwise permissions or authorisations should be sought from copyright owners for using pictures or special fonts in publicity materials designed by the Bank, and the materials should be used within the scope of authorisation after paying the required royalty-fee; and

All publicity materials must come from legitimate sources, while the use of materials with questionable origins is prohibited.

**Procurement Management**

To further strengthen supply-chain management, effectively manage and control the centralised procurement risks in the supply chain, regulate the entire Bank’s centralised procurement activities, strengthen procurement expenditure management, save procurement costs and expenditure, and enhance the efficiency and benefits on centralised procurement, the Bank complied with relevant laws and regulations such as the *Bidding Law of the People’s Republic of China* (《中華人民共和國招標投標法》) and the *Temporary Regulation on Centralised Procurement Management for State-owned Enterprises* (《國有金融企業集中採購管理暫行規定》) and formulated systems such as the *Administrative Measures on Centralised Procurement for Bank of Jinzhou* (《錦州銀行集中採購管理辦法》) and the *Procurement Catalogue for Bank of Jinzhou* (《錦州銀行採購目錄》), which divided the management of procurement categories such as goods (items such as printer paper and pieces of equipment), services (such as business consultation), and software, regulating the Bank’s procurement activities.

During the procurement process, the Bank abides by the principles of open, fair, and just when managing its suppliers:



Projects meeting the requirements in centralised procurement for the entire Bank has to strictly execute procurement procedures;



Projects which require bidding corporates with a specialised third-party tendering agency, set up basic access requirements for suppliers in accordance with specific procurement needs and combining relevant regulations, and stipulate clear requirements for suppliers’ basic fiscal solvency, professional skills, ability to support service channels, and experience in the profession; and



Establish a normalised and standardised supplier bidding, scoring, ranking, and selection procedure.

Dedicated to promoting green procurement, the Bank prioritises domestic and energy-saving environmental protection products, requires the supplied procurement projects to meet national requirements on environmental protection, and refuses suppliers and products with high pollution and high energy consumption; the Bank places emphasis on reducing life cycle cost during equipment procurement, and has included procurement price, consumables cost and other factors in the overall consideration of procurement costs. At the same time, the Bank conducts professional examination when shortlisting suppliers. On top of reviewing suppliers’ qualification and operation status, the Bank also considers their performances in green environmental protection and fulfilling social responsibilities when selecting suppliers, so as to minimise the potential environmental and social impact arising from the Bank’s business operations.

- Business ethics and social moral values of suppliers are emphasised; and
- Suppliers are required to comply with relevant procurement laws and regulations, and follow the principles of honesty, trustworthy and fair competition.





# 03

## Contributing with Heart, Connecting with Society

The Bank is always with the society, by actively responding to the country's call for jointly combating the pandemic, and has placed the organisation of pandemic prevention and control and business development as this year's utmost important work. At the same time, the Bank assisted in targeted poverty alleviation and constantly deepened the participation methods and service span in public welfare, served the people in urban and rural areas, fulfilled social responsibility and drove social sustainability.

- Jointly Fighting the Pandemic
- Participating in Targeted Poverty Alleviation
- Engaging in Charity to Support the Community



## Jointly Fighting the Pandemic

### The “Chunjin Plan”

Since the pandemic occurred in 2020, the Bank of Jinzhou has placed strengthening pandemic prevention and control and supporting the resumption of work and production for enterprises as the utmost important work, continued to strengthen its financial services protection, launched the “Chunjin Plan” comprehensively, and formulated the “2535” measures, which is to maintain and protect the economy from operating stably and healthily on the “two dimensions” of easing the pressure from customers’ existing assets and facilitating stable development of newly increased clients; adopted “five measures” of a specific time, specific mechanism, specific policy, specific product, and specific scale, to enhance the quality and efficiency in financial services and the real economy; support the “three push-ahead” steps of strengthening stratified services, delicate customer categorisation, and strengthen instalments; covered the “five keys” ranges of key areas, key industries, key engineering projects, key projects, and key enterprises, and provided targeted support to the key projects and key enterprise, which are affected by the pandemic.

Furthermore, the Bank implemented and fulfilled the spirit of important speeches and instructions made by General Secretary Xi Jinping with practical actions, actively responded to the work requirements from relevant governmental and regulatory departments, closely kept up with Jinzhou city’s industry development of “8+3” and the “double thousand project” target mission. The Bank carried out pandemic prevention and control through financial “running water” to “insert blood and oxygen” to economic development, assisting local economies to accelerate into “spring”. During the Reporting Period, the Bank provided financial support of RMB258.0 billion towards all customers, contributed to the economic and social development.

#### Case

### “Chunjin Plan” Assisted Enterprise in Overcoming Business Difficulties

A machinery limited company in Jinzhou city is a science and technology enterprise specialising in the production of rail transportation components. During the pandemic, the enterprise’s original orders were affected on varied scales since its suppliers are distributed across the world. This caused a sharp increase in the demand for raw materials, spare parts, and compartments for the enterprise, leading to a liquidity shortage.

As to ease the enterprise’s financial pressure as quickly as possible, the Bank’s branch and division conducted investigations to shorten the investigation procedure, and were able to lend RMB20 million of new governmental secured loan quickly. The Bank also adjusted the enterprise’s loan term on RMB60 million of existing assets and reduced its loan interest. The enterprise’s financial pressure was greatly mitigated with the help and support from the Bank of Jinzhou.



## Normalising Pandemic Prevention and Control

The Bank raised its ideological understanding, strictly implemented pandemic prevention responsibilities, organised to make great efforts on pandemic prevention and control and business development; the Bank reinforced employees’ health management during the pandemic: formulated regulations such as the *Emergency Plan About the Prevention and Control on the COVID-19 Pandemic for Bank of Jinzhou* (《锦州银行关于防控新冠肺炎疫情的应急预案》), did well and detailed in hygiene and pandemic prevention, set up regular disinfection mechanisms in public operating spaces and office areas, maintained a clean environment, adopted staggered peak and diverged dining measures, expanded online operating channels, and reduced human contact; adhered to perform well in the regular monitoring and inspecting work throughout the entire Bank, established stringent internal reporting and management for taking day-off; organised emergency drills, established “AB” role systems for key duties, responded to partial pandemic emergencies promptly and adopted effective handling measures; reinforced promotion and guidance, scientifically assessed the trend, constantly strengthened the cooperative scheduling and supervised in the implementation of normalising pandemic prevention and control work, and ensured the stringent management and control in pandemic prevention to safeguard employees’ safety and a steady business operation.



## ● Participating in Targeted Poverty Alleviation

2020 was the winning year of the battle against poverty. The Bank actively responds to the national call for poverty alleviation and also adheres to the mission of “taking targeted measures in poverty alleviation and poverty eradication”. The Bank assists in the battle against poverty by developing industrialised poverty alleviation and promoting the implementation of primary projects for industrialised poverty alleviation. Upholding the principle of “serving the society and benefiting the hometown”, the Bank gives full play to the joint actions of grassroots branches and grassroots Party organisations, and takes practical measures to help the public solving problems and seeking a better life.

As at the end of the Reporting Period, the poverty alleviation loan balance of the Bank (excluding subsidiaries) amounted to

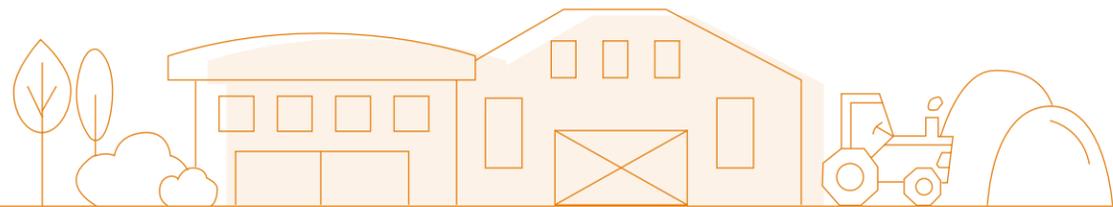
RMB **170.93** million 

### Case

#### Driving Poverty Alleviation, Revitalising Villages

In order to firmly drive poverty alleviation and revitalise villages, consolidate the achievement in poverty alleviation, successfully complete the mission of comprehensively building a well-off society and achieve in striving for the first hundred-year target, the Bank actively participated in targeted poverty alleviation, accomplished in proposing plans for villages, families, and people, and adhered to driving poor households away from poverty.

Since the pandemic occurred in 2020, the Bank organised to promote pandemic prevention and control and financial poverty alleviation work and conducted repeated visits to families for poverty alleviation. Mr. Song who lives in Linghai city, Liaoning Province, has been the Bank’s target of poverty alleviation since 2018. Mr. Song began to engage in cattle rearing after receiving the Bank’s financial support, and had distinctively improved his standards of living. Under the effects of the pandemic, markets for the cattle business were congested with difficulties in recovery, in addition to the costs in cattle rearing occupying private capital, Mr. Song was facing difficulties in cash flow. The Bank implemented the delayed repayment of capital and interest policy benefiting small and micro enterprises, provided financial support in delaying the repayment of capital, relieved the matter of emergency through searching for markets online, popularised and promoted the knowledge in pandemic prevention and control, and helped Mr. Song to overcome the challenges from the pandemic.



## ● Engaging in Charity to Support the Community

The Bank contributes to society by actively encouraging employees to participate in support and rescue activities and various voluntary activities. The Bank continuously strengthened employees’ social awareness, sense of responsibility and sense of dedication, thus fulfilling the Bank’s responsibility as a corporate citizen and giving back to society, especially by making charitable donations to support Wuhan during the pandemic.

During the Reporting Period, the Bank organised employees to contribute donations to support Wuhan, with a total of

RMB **2.6441** million 

### Case

#### Chaoyang Branch Donating Supplies for Community Pandemic Prevention Workers Stationed in the Street

Since the battle of pandemic prevention commenced, grassroots workers from streets and communities paid immense hard work to fully safeguard the health and safety of units and residents. To enhance the companionship between the Bank and the community, the Chaoyang branch visited the Huayun community on 11 February 2020, and donated supplies to the community workers who have been fighting the pandemic from the first line, resolving the pressing emergency in the community. This act further improved the Bank’s reputational image as a good enterprise, dedicating the Bank’s love.



### Case

#### Fushun Branch Launched “Working Party Members Entering the Community” Event to Express Love from Bank of Jinzhou

On 28 June 2020, the Fushun branch promoted positivity and delivered affection and warmth of Bank of Jinzhou through the “Working Party Members Entering the Community” event by visiting and greeting poor Party members in communities. During the event, Party members from the branch visited households of poor Party members in the community, distributed gifts such as rice, noodles, and oil, and asked them in detail about the living and health conditions, and the challenges and issues that had to be solved at the moment.



### Case

#### Yingkou Branch Visited Multiple Co-built Communities, and Greeted First-line Community Workers

To actively practice social responsibility and increase the connection with the communities, Yingkou branch visited a total of 12 communities on 19 and 20 February 2020 and delivered essential supplies for pandemic prevention such as face masks, disposable gloves, and hand warmers to first-line community workers. This fully presented Bank of Jinzhou and co-built units’ care for community residents, and the passion and love in serving community residents.





# 04

## Financing with “Benefiting Heart”, Benefiting the General Public

Throughout the years, the Bank has adhered to its “three services<sup>4</sup>” positioning, coordinated to drive the implementation of national and regional development strategies, drove the development of inclusive finance work, and relieved difficulties for enterprises by constantly improving financial service levels for small and micro enterprises and the “agriculture, rural areas and farmers”, contributing to regional economic development and development of the real economy.

- Supporting the Real Economy
- Focusing on Inclusive Finance
- Driving “Agriculture, Rural Areas and Farmers” Services



<sup>4</sup> Refers to “serving the local economy, serving small and micro enterprises, serving urban and rural residents”.

## Supporting the Real Economy

The Bank takes the initiative to adapt and grasp the new norms in economic development, grasps opportunities in market reformation and policy support, adheres to take reform and innovation as its motivation to constantly improve its financial system, reinforce financial innovation, broaden financing channels, and improve the financial environment to achieve the development in financial services and the real economy.

The Bank focuses on supporting key areas in key projects and major construction projects by coordinating the allocation of credit resources and optimising the credit structure. The Bank further enhances the support in areas such as strategic emerging industries, high-tech enterprises, modern service sector, major technical equipment, and advanced equipment manufacturing, and strives to promote structural reformation in the supply side of the agricultural industry, proactively expands the support towards modernised agricultural business entities and major areas.

The Bank stresses cohesion and mutual promotion, accelerating the win-win cooperation among banks governments and enterprises. The Bank begins by promoting and organising financial organisations, key projects, and key industries, forms a benign interactive cooperative working mechanism, and organises “dot-to-dot” communications with enterprises, governmental departments, and the bank promptly, resolving financing needs. Additionally, the Bank signed strategic cooperation agreements with multiple enterprises and constructed a deeper partnership, whilst formulating specialised financial service proposals for a group of key customers, and stabilising the relationship between banks and enterprises; optimised the Bank’s advantage in services, resources, and products to provide a comprehensive and high-quality financial service as a starting point and carried out in-depth communication with some of the high-quality enterprises to reinforce the consensus, providing an innovative method in business cooperation.

The Bank supports the establishment of smart cities, carrying forward the formation of an “online + offline” unified service. The Bank actively engages with the work requirements of promoting the establishment of modern smart cities by the Jinzhou Municipal Party Committee and Jinzhou Municipal Government, promotes the establishment of cooperation model with the concept of “fully online governmental affairs and services” as a focus, optimises the Bank’s advantage and contributes in the six fields of “smart medical”, “smart commerce”, “smart tendering and bidding”, “smart port affairs”, “smart education” and “consumer finance” through the effective exploration in governmental affairs and people’s livelihood, assisting the Bank in enhancing the financial service ability in the medical field and providing a more complete financial service for different customer groups such as hospitals, pharmacies, and the medical and health service community; meanwhile, with the establishment of smart cities as a starting point, the Bank is stably promoting the development and construction of the feature upgrade for its individual platform (APP) and Application Programming Interface (API), creating an open bank system for Bank of Jinzhou, providing a more comprehensive and high-efficiency service to core enterprises and its upstream and downstream enterprises.

### Case

#### Assisting “Green Factory” Through Supporting the Real Economy

An energy enterprise was established in 2004, and it constantly produces compartments for large listed companies. The output and craftsmanship of its compartments have received a good reputation, and the enterprise was awarded the national honourable title of “Green Factory”, etc. multiple times.

The enterprise’s business faced difficulties in cash flow due to inflation in the raw material market, with the addition of unfavourable conditions from suppliers requiring to pay before receiving the goods, leading to a shortage in the stock for raw materials and difficulties in cash flow. As the first group of key enterprises to receive assistance from the Municipal Party Committee and Municipal Government, the Bank of Jinzhou raised RMB30 million of credit line to the enterprise’s battery cell, an energy industrial limited company manufacturing core compartments, and a technology limited company respectively according to the enterprise’s production features. As the enterprise’s output increased, Bank of Jinzhou increased the addition of RMB5 million of credit to the production line’s upstream and downstream enterprises, achieving the objective of activating the photovoltaic industry cluster to resume production and sales from multiple points.

After receiving cash flow assistance from the Bank, the enterprise’s situation on the supply of raw materials has abundantly improved. As of the end of the Reporting Period, the overall operational ability and production indicators of the enterprise have recovered to the normal level as the same period of last year, and the overall data on its profit were better than the same period of last year.



## ● Focusing on Inclusive Finance

Since its establishment, the Bank has been adhering to the concept of "serving the community and benefiting the public" and insisting on the development of inclusive finance. By extending the joint action of grass-roots branches and grass-roots Party organisations, the Bank extends its basic service functions and innovates its service products and approaches, so as to support the real economy with practical actions.

With the purpose of further implementing the "three services" positioning, coordinating the implementation of national and regional development strategies and pushing forward the development of inclusive finance, the Bank has formulated a major work plan for improving the service level of inclusive finance in accordance with relevant requirements in the *Plan for Advancing the Development of Inclusive Finance (2016-2020)* (No. 74 [2015] of the State Council) (《推進普惠金融發展規劃 (2016-2020年)》 (國發 [2015] 74號)), the *Guiding Opinions of the General Office of the China Banking Regulatory Commission on Advancing the Development of Inclusive Finance in 2016* (No. 24 [2016] of the General Office of the CBRC) (《中國銀監會辦公廳關於 2016 年推進普惠金融發展工作的指導意見》 (銀監辦發 [2016] 24 號)), and the *Notice by the China Banking and Insurance Regulatory Commission of Issuing the Measures for the Regulatory Evaluation of Commercial Banks' Financial Services for Micro and Small-sized Enterprises* (for Trial Implementation) (No.29 [2020] of the CBIRC) (《中國銀保監會關於印發商業銀行小微企業金融服務監管評價辦法 (試行) 的通知》 (銀保監發 [2020] 29 號)). In terms of internal establishment, the Bank increases the assessment weighting in inclusive finance in accordance with the "Five Specialty" requirement, conducting efficient supervision and promoting a "pre-review" mechanism; in terms of marketing, the Bank actively cooperates with the "hundred-banks entering ten thousand enterprises" and the "Chunjin Plan", driving "entire organisation carry out marketing, professional entrance", and launching "Three Ones" inclusive competition. At the Headquarters level of the Bank, the inclusive finance team establishment was reinforced; at the branch level, a mechanism for retailing and credit linkage has been developed to coordinate resources for the implementation of the mechanism for inclusive financial services and the development of innovative inclusive finance in terms of service, products and publicity based on local circumstances, thus creating a framework of inclusive financial services with distinctive practices.

To comprehensively implement the "five specialties" requirements for establishing inclusive finance by the regulatory authorities, the Bank renamed from the original the Three Small Business Management Department to Inclusive Finance Business Department during the Reporting Period, classified and managed "three small" business in accordance with the regulatory agency's directions on inclusive finance so as to enhance refined management levels. Adhering to the "three services" market, the Bank continued to focus on business management and service as a core, and built a distinctive urban commercial bank with high adaptability and strong competitiveness in inclusive financial business. The Bank comprehensively implements the inclusive policy to delay the deadline for principal repayment for small and micro-businesses that are affected by the pandemic, delaying the principle payment for small and micro businesses, extending as much as possible, supporting and benefitting customers to overcome the hardship throughout the pandemic; launched the "Chunjin Plan", lowered interest rates for loans, relieved the interest repayment pressure for small and micro enterprises, and supported the resumption of work and production for enterprises. Furthermore, the Bank responded to the national poverty alleviation loans policy, and increased its support for poverty alleviation loans by setting up fast track approval, executing preferential rates and increasing its nonperforming loans tolerance of poverty alleviation.

During the Reporting Period, the Bank established the "two-wheel drive" management mechanism for inclusive products, established the product administrative measures for product of "Headquarter's core product + branch's innovative product". The Bank continued to optimise loan renewal products without repayment of principals and promoted the business model of loan renewal without repayment of principals. For high-quality customers with sound financial and credit status and temporary difficulties in business operations, loan renewal will be granted to them directly before the expiration of the loan after the Bank's approval. After verifying the customer's ability to continue the business operation, the Bank will grant the renewal of loan without repayment of principals in form of drawdown repayment and rollover, so as to avoid blindly demanding repayment of loans and delay in loans, firmly establishing and achieving the country's mission of "grasp six stability" and "promote six guarantee".

Meanwhile, the Bank has further upgraded its products based on revolving credits and put great effort into promoting the self-service revolving loan business. With the aim to allow small and micro customers to rationally arranging financing plans according to their purpose of loans, customers may recirculate quotas after signing contracts, earnestly implementing "seven forbid" and "four public", and this does not charge extra apart from interests. Disbursements and repayments of loans can be conducted through online banking, mobile banking and other electronic channels at all times by small and micro customers, so as to reduce the effective interest rate and relieve the burden for customers. Furthermore, the Bank strives to promote the development of entrepreneurship loans for women and small-sum secured loans to the laid-off and unemployed, formulated the *Administrative Measures for Women's Entrepreneurship and Employment Loan for Bank of Jinzhou* (《錦州銀行婦女創業就業貸款管理辦法》) and the *Administrative Measures for Laid-Off and Unemployed Individual's Small Secured Loan for Bank of Jinzhou* (《錦州銀行下崗失業人員小額擔保貸款管理辦法》), actively implements regulatory policies, and expands the benefited audience through promoting various types of entrepreneurial loans to achieve "mass entrepreneurship and innovation".

### Case

#### Bank and Governmental Cooperation, Supporting the Resumption of Production and Work at the Flea Market in Mengke New Village

To promote the prosperity of the local economy and elevate the living standards for urban and rural residents, the Bank joined the Bureau of Commerce of Shuangta District, Chaoyang city for a bank and governmental cooperation, jointly strived to assist in the resumption of production and work for individual self-employed individuals at the Shuangta district, drove the night-time economic development of Shuangta district, and nurtured Shuangta district into a night-time economy gathering area with the expansion in consumption and enrichment of the material and cultural life of Shuangta district as a starting point.

During the Reporting Period, the Bank participated in the supporting work for the resumption of production and work at the flea market in Mengke New Village, initiated in contacting relevant governmental departments, and actively participated in designing proposals. The Bank had an in-depth understanding of the customer's business situation, queried merchants regarding potential difficulties during the moving process, and finally issued a business start-up loan guarantee to the customer, ensuring the customer can have sufficient funds to complete the moving work successfully.

The issuance of the business start-up loan drew in the relationship between the Bank and relevant governmental departments, encouraged bank and governmental cooperation, effectively supplemented cash flow needs for surrounding merchants, drove employment, broadened consumption, and contributed to the economic development in Shuangta district. As at the end of the Reporting Period, the Bank issued a total of 26 business start-up loans for the economy in Shuangta district, amounting to approximately RMB4.82 million.

The Bank will continue to uphold the philosophy of serving the hometown's people, widen financing paths for small and micro enterprises, and constantly support small and micro enterprises, contributing to hometown enterprises.



## ● Driving “Agriculture, Rural Areas and Farmers” Services

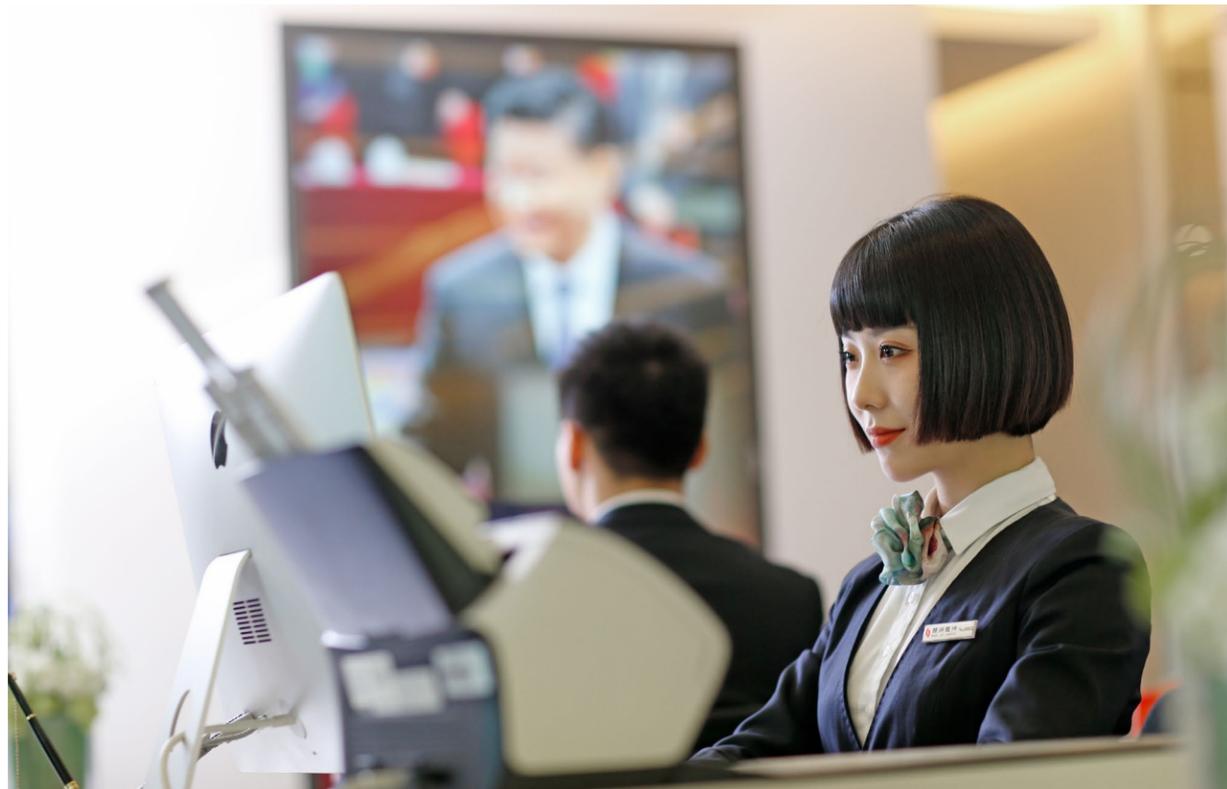
The Bank continuously implements the requirements of the strategic deployment for rural revitalisation, and is committed to satisfying the financing demands of the “Agriculture, Rural Areas and Farmers”. The Bank has formulated a number of policies to benefit agriculture, including interest rate concessions and simplifying loan procedures, thereby improving the Bank’s capacity of “Agriculture, Rural areas and Farmers” financial services, and helping the farmers to develop productions and improve their life quality.

During the Reporting Period, the Bank set an overall target of the Bank’s credit scale for agricultural-related funding based on the actual size of loans. The Bank has also launched a credit product series for “Agriculture, Rural Areas and Farmers” to support agriculture modernisation and promote the healthy development of the agricultural economy. Aiming at serving the “Agriculture, Rural areas and Farmers”, the “Caring Loan for Agriculture, Rural Areas and Farmers” credit product series provides flexible and caring financial products according to the different types of enterprises and farmers of “Agriculture, Rural areas and Farmers”, thus enhancing regional production capacity.

With the aim to further support and serve the “Agriculture, Rural areas and Farmers”, the Bank enhanced its credit services level and simplify its loan disbursement process in accordance with the relevant laws, regulations and requirements, thereby promoting the upgrading and transformation of traditional agriculture.

As at the end of the Reporting Period, the agriculture-related loan balance of the Bank (excluding subsidiaries) amounted to

RMB **87.86** billion



### Case

#### Assisting and Supporting the Poultry Hatchery Industry in Qianshi village

The poultry hatchery industry is a pillar industry at Qianshi village, Biancheng town, Yingkou city. It resolved the employment matter for surrounding villagers, and led the surrounding breeders to increase their production and yield. At the beginning of 2020, since the method for receiving business payments of enterprises was to pay after the sales from downstream breeders’ chicken, and with the payment term of approximately 45 days, enterprises were facing financial shortage. The Bank acknowledged the enterprises’ difficulties during the process of visiting, carried out in-depth communication with enterprises, provided tailor-made “agriculture, rural areas and farmers” service proposals for specific enterprises on-site, assisted enterprises to lead surrounding breeders into actively expanding the scale of breeding, and resolved the worrying issues of enterprises and downstream breeders.

The issuance of loans relieved the cost pressure for the local poultry hatchery enterprises, increased the hatching yield of chicks, expanded employment scale, and conscientiously promoted the revitalisation and development of the village.

### Case

#### Dalian Branch “Tuantuan” Busy in Assisting Agriculture and Commercing

On 30 June 2020, junior representatives from the Dalian branch visited Bijialan village, Jinzhou district, Dalian city, to assist in the sales of local cherries. Dalian branch elected 4 “commerce experts” to Bijialan village, assisted villagers in online commerce through the new media such as WeChat and Douyin, and sold approximately 150kg of cherries within only two hours; during the online commerce, “commerce experts” also integrated countryside tourism and green planting into the commerce, and allowed more people to discover the gorgeous villages and pay attention to pretty villages, assisted in revitalising villages.

During the commerce process in assisting agriculture, the juniors from the Dalian branch also introduced the Bank’s agricultural assistance service of the “Chunjin Plan” to the villagers in detail, guiding the vast villagers to expand their planting business through the method of financing to increase planting yield.





# 05

## “Innovating” Technology, High-quality Service

The Bank insists on putting customers in the first place and providing quality financial services. The Bank actively integrates technology with its financial products and services, develops innovative financial products, and continuously improves customer experiences. Additionally, the Bank stringently fulfils its responsibility in protecting customers' rights and interests. Aiming at providing the most comprehensive protection for customers' rights and interests, the Bank continues to broaden communication channels for customers and actively carries out activities to improve the financial knowledge of the public.

- Improving Service Quality
- Innovating Financial Technology
- Protecting Customers' Rights and Interests



## Improving Service Quality

### Daily Customer Service Management

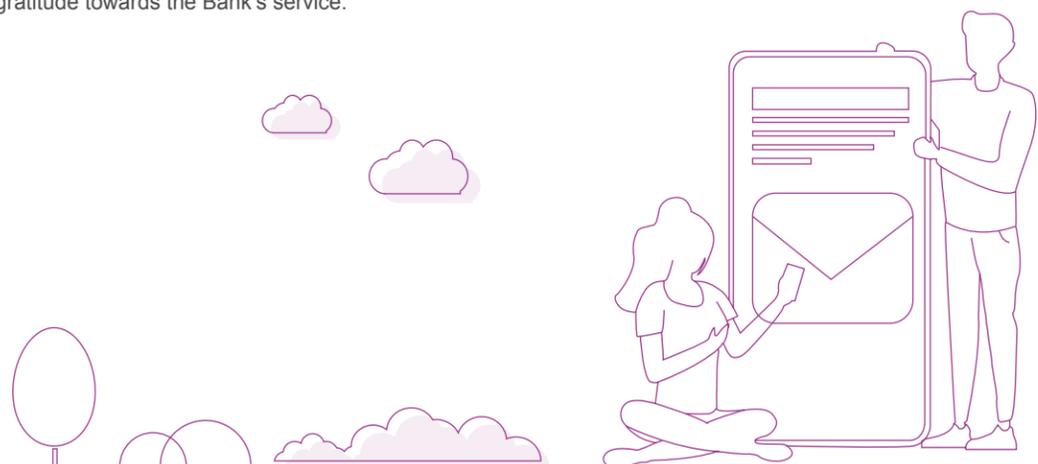
Customers are the foundation for the steady business development of Bank of Jinzhou. Therefore, the Bank adheres to the philosophy of “serving the society and benefiting the public” and is dedicated to providing quality financial services for customers. The *Administrative Measures and Regulations for the Service Work for Bank of Jinzhou* (《錦州銀行服務工作管理辦法及規範》) has been formulated in accordance with the *Assessment and Evaluation System for Civilised and Standardised Service of China Banking Outlets* (《中國銀行業營業網點文明規範服務評價指標體系和標準》). Intending to strengthen all employees’ awareness of the importance of customer service, the Bank carries out regular evaluations on various branches and operational institutions under the sub-branches according to the format and content of evaluation and scoring method set out in the aforesaid administrative measures, so as to provide customers with standardised, unified and high-quality services.

#### Case

#### Caring Customer Service

The Bank has always been upholding the service philosophy of “think what clients think, worry what clients worry”, conscientiously achieving “we extend our services to where the clients need”.

On 9 September 2020, the mother of client Zhao lost her certificate of deposit and had an urgent need for cash. Since the termination service of certificates requires to be handled in person, and the elderly was hospitalised at a hospital, after client Zhao explained the situation to the Bank’s division, the division handled special cases with a special method by temporarily dispatching personnel to the hospital to provide door-to-door service. The employee of the Bank expressed care to the elderly first, and acknowledged that the elderly was in a good mental state and was only experiencing mobility difficulties, and began to verify the identity information and services that have to be handled with the elderly. After collecting audio recording information and signing the authorisation letter, the employee returned with client Zhao and handled the lost certificate, and terminated the service on the day immediately. Client Zhao expressed his/her gratitude towards the Bank’s service.



### Serving Specific Groups

In view of further meeting the needs from different customer groups, the Bank has formulated the *Administrative Measures on the Work of Assisting Vulnerable Groups for Bank of Jinzhou (Temporary)* (《錦州銀行幫扶弱勢群體工作管理辦法(暫行)》) to provide employees at branches and sub-branches with service guidelines regarding customers with special needs, thus fulfilling social responsibilities. The *Guidance and Suggestions About the “Special Cases with a Special Method” for Personal Financial Services* (《關於個人金融業務「特事特辦」服務的指導意見》) sets out the following four major principles for the elderly, patients with serious diseases, disabled persons and pregnant women, so as to provide all customers with the highest quality and caring services:



Build Comprehensive Service Facilities

Improve the design and construction of barrier-free facilities at banking outlets, provide barrier-free ramps and place barrier-free signs at the conspicuous position, so as to ensure the disabled persons are able to handle business smoothly.



Active Service

Actively provide care and services for customers with special needs, and equip employees with relevant skills at banking outlets to meet the needs of customers with special needs.



Humanised Care

Provide individual services for customers with special needs, such as proactively assisting them entering the Bank, filling forms and providing them with priority for business handling.



Care at All Times

Provide continuous attention to customers with special needs throughout the process from entering the banking outlet, waiting in the rest area, handling business and leaving the banking outlet, so as to provide them with prioritised, speedy and convenient services.

### Customer Service Survey

Upholding the business philosophy of “customer-oriented”, the Bank always puts customers first in daily operation, and proactively seeks rooms for improvement. The *Administrative Measures and Regulations for the Service Work for Bank of Jinzhou* (《錦州銀行服務工作管理辦法及規範》) has been formulated in accordance with the *Assessment and Evaluation System for Civilised and Standardised Service of China Banking Outlets* (《中國銀行業營業網點文明規範服務評價指標體系和評分標準》) and other regulatory requirements and actual conditions of the Bank, aiming at enhancing the Bank’s service quality and improving services of the Bank.

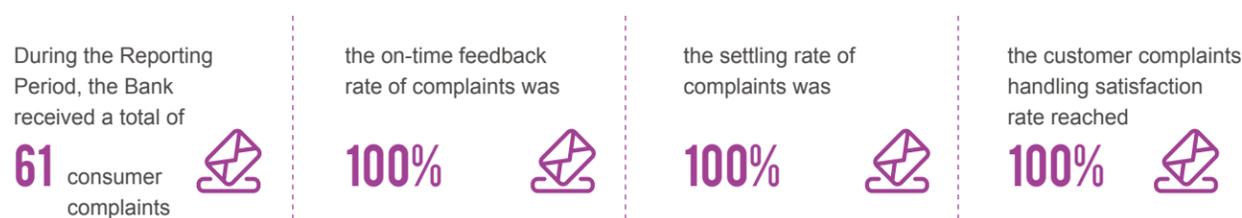
To constantly enhance and improve customer experience, the Bank formulated and adopted the *2020 High-Quality Civilised and Standardised Service Plan for Bank of Jinzhou* (《錦州銀行2020年優質文明規範服務工作計劃》) which stipulates all branches to conduct satisfaction surveys, so as to identify the “pain point” issues in customer experience and improve business procedures. The Bank reinforces the full process management in products and services and enhances consumer satisfaction by identifying the shortcomings in aspects such as online and offline channels, banking, system and procedures, handling complaints, “dual logging” at promotion areas, and publicity lectures by satisfaction surveys.

## Strictly Handling Complaints

The Bank handles customer complaints with a serious and conscientious attitude, and adheres to the principle of “pay special attention to service standards, pay special attention to service efficiency, pay special attention to service complaints”. Throughout the years, the Bank actively optimises the complaint handling mechanism from different dimensions such as the timeliness of complaint handling, complaint handling and tracking and complaint result feedback, so as to further improve the service quality. The Bank has developed the complaint channels as below to facilitate timely feedback from customers:

 <p><b>Hotline Service Centre</b></p> <p>The 4006696178 Hotline Service Centre was established specifically for handling enquiries and complaints from customers. The complaint received will be transferred to the concerned department for handling and track the handling results of the complaint</p>	 <p><b>Dedicated Direct Hotline</b></p> <p>Dedicated direct hotlines are set up in the business hall lobby and self-service areas to receive customer inquiries and complaints at all times</p>
 <p><b>On-site Complaint</b></p> <p>On-site complaints and enquiries are handled by the lobby manager of the business hall to provide immediate assistance for customers</p>	 <p><b>Customer Message Box</b></p> <p>The Bank has set up customer message box at the official website for customers to freely express their enquiries, suggestions, complaints and compliment, ensuring customers are able to feedback their opinions, suggestions and complaints to the President's office</p>

In order to further strengthen the Bank's complaint management, the Bank has formulated the *Administrative Measures for Handling of Consumption Complaints of Bank of Jinzhou* (《锦州银行消费投诉处理管理办法》), which sets out the principles, procedures, time limit and requirements for complaint handling. Attaching great importance in complaints received in the Reporting Period, all branches and sub-branches adhered to the principles of verifying with great attention to detail, apologising with sincerity and visit for follow-up, designating specialised personnel to handle the complaints in accordance with the regulations set out in the *Administrative Measures for Handling of Consumption Complaints of Bank of Jinzhou*. The Bank handles complaints in a timely manner according to the reason of the complaint, the complained target, and consumers' demands when receiving consumer complaints, and the Bank notifies the consumer regarding the result of the complaint within the prescribed time period.



## Innovating Financial Technology

The Bank actively integrates financial technologies into its business to develop innovative financial products and provide customers with more convenient and faster service experiences. Through continually improving the level of e-banking products, service levels and intelligence application level, the Bank provides customers with more user-friendly, higher quality of experience, and safer e-banking services while continuously improving the brand influence and market competitiveness. In addition, the Group actively integrates financial technologies into the community building of Jinzhou city, including public transportation system and public health mechanism, benefitting the public with financial technologies.

### Case

#### Establishing “One-stop” Financial Service Stations

In February 2020, to assist in pandemic prevention and control and to enhance service quality, the Bank cooperated with Jinzhou Municipal Administration for Market Regulation of Liaoning Province, and launched the banking self-service licence printing service points. Clients who registered for digitalised service handling system through the industrial and commercial register in the Jinzhou area, the legal representative or the authorised agent can all carry their identification documents to the Bank's operating service points for self-service business licence printing, solving the issue of the legal collection of business licences after registration. The service gained favourable comments from the general public. As at the end of the Reporting Period, the Bank has set up 8 all-in-one self-service licence printer service points across the Jinzhou area and county areas.

In April 2020, to further improve the Bank's ability to serve enterprises, the Bank collaborated with the tax authority and the municipal administration for market regulation to establish the “one-stop” financial service station, achieving “one-stop” financial services for enterprise clients such as enterprise clients handling online industrial and commercial registration at the Bank's specific service points and self-service printing of business licences. Tax authorities leaders from the province, city, and district visited the Bank's “one-stop” financial service platform respectively, and praised the Bank's work on benefiting the public. As of the end of the Reporting Period, the Bank has set up 5 “one-stop” financial service stations across various districts in Jinzhou city.



## Protecting Customers' Rights and Interests

The Bank strictly abides by the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》), the *Implementation Measures of the People's Bank of China for Protecting Financial Consumers' Rights and Interests* (《中國人民銀行金融消費者權益保護實施辦法》), the *Work Guidance of Protecting the Rights and Interests of Consumers in the Banking Industry* (《銀行業消費者權益保護工作指引》), and the *Guiding Opinions of the China Banking and Insurance Regulatory Commission on Banking and Insurance Institutions Strengthening the Building of Working Systems and Mechanisms for Protection of Consumer Rights and Interests* (《中國銀保監會關於銀行保險機構加強消費者權益保護工作體制機制建設指導意見》) and other laws, regulations and regulatory requirements, and is committed to providing premium services and safeguarding the rights and interests of financial consumers. The Bank continues to drive the establishment in protecting systems for consumer rights and interests, improve the protection system for consumer rights and interests, improve the handling quality and efficiency of complaints, reinforce the protection and management in personal financial information, and expand the popularisation and publicity on financial knowledge, to conscientiously fulfil the primary responsibility in protecting consumer rights and interests.

During the Reporting Period, the Bank provided policy guidance for the protection work on consumer rights and interests through the *Consumer Rights and Interests Protection Policy of Bank of Jinzhou* (《錦州銀行消費者權益保護政策》), which was considered and approved at the fifth meeting of the sixth session of the Board of Directors, and issued a number of regulations, including the *Regulations on Managements of Consumers Rights and Interests Protection for Bank of Jinzhou* (《錦州銀行消費者權益保護管理規定》), the *Administrative Measures for Handling of Consumption Complaints of Bank of Jinzhou* (《錦州銀行消費投訴處理管理辦法》) and the *Measures for Examining and Protecting Financial Consumers' Rights and Interests of Bank of Jinzhou* (《錦州銀行金融消費者權益保護審查辦法》), to guide the standardisation of consumer rights and interests protection of the Bank.

The Bank's *Administrative Measures on Regulations on Managements of Consumers Rights and Interests Protection for Bank of Jinzhou* (《錦州銀行消費者權益保護管理規定》) has stipulated the duties of the Consumer Rights and Interests Protection Committee, senior management, the Consumer Rights and Interests Protection Office, departments at the Headquarters and all branches in safeguarding consumer rights and interests, as well as the inspection, assessment and confidentiality system related to consumer rights and interests protection, so as to ensure comprehensive protection of the legitimate rights and interests of consumers.

### Case

#### Financial Consumers' Rights and Interests Day Event

To enhance financial consumers' risk and responsibility awareness, awareness on rights, and risk management ability, the Bank focused on online publicity as a focus and offline publicity as support by combining the approach in pandemic prevention and control. The Bank organised the financial consumers' rights and interests day event with the theme of "responsibility – rights – risks" on 15 March 2020, and expanded the event's audience and influence through approaches such as displaying publicity posters, animated publicity videos about the eight basic rights for financial consumers, and long images in preventing telecom fraud on its official website and public account on WeChat.



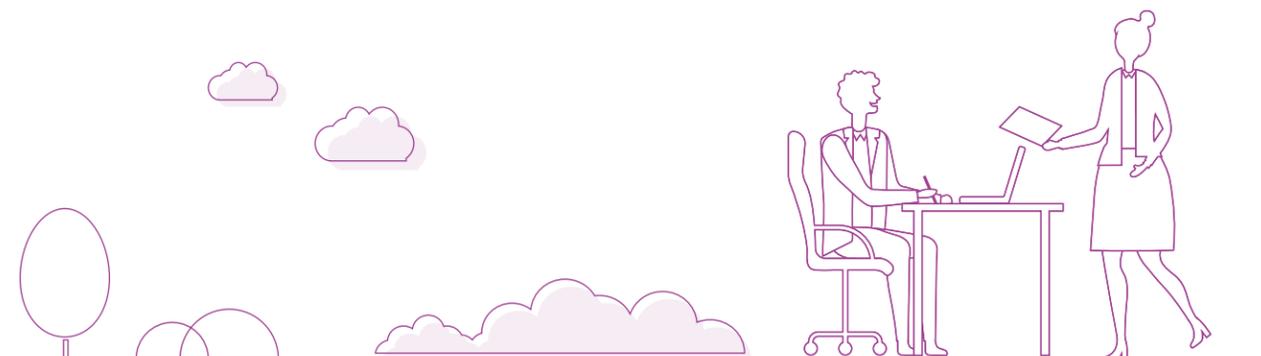
## Safeguarding Customers' Personal Information

The Bank attaches great importance to the protection of customers' privacy to establish long-term and trustworthy business relationships with customers. The Bank stringently abides by the *Law of the People's Republic of China on the Commercial Banks* (《中華人民共和國商業銀行法》), the *Implementation Measures of the People's Bank of China for Protecting Financial Consumers' Rights and Interests* (《中國人民銀行金融消費者權益保護實施辦法》) and other relevant laws and regulations. The Bank continues to improve the *Administrative Measures for Personal Financial Information Protection of Bank of Jinzhou* (《錦州銀行個人金融信息保護管理辦法》) ("Administrative Measures for Personal Financial Information Protection") to further improve the Bank's protection in personal financial information.

In accordance with the *Administrative Measures for Personal Financial Information Protection*, all units in the Bank are required to notify and warn the information owners of the matters on the right side in form of written reminders prior to collection of personal financial information:

-  The purpose, approach, type, content and retention period of personal financial information collected and processed;
-  The scope of use and protective measures for personal information;
-  Personal information manager of the relevant information such as the name, address and contact information;
-  Complaint channels for the information owner; and
-  Potential risks upon providing personal information.

In addition, all units are obligated to strictly abide by the operating rules and regulations of each line of business when internally accessing and using personal financial information, and are forbidden from providing or selling personal financial information to personnel outside the business scope without reasons. In view of further eliminating leakage of personal information, employees are required to supervise each other during daily work. In case of discovering any illegal use, leakage or selling of personal financial information, employees are expected to act forthwith to end relevant situations and report to the superior. All employees who violated the *Administrative Measures for Personal Financial Information Protection*, or were discovered to be illegally using, leaking or selling personal financial information, are subject to disciplinary actions according to relevant regulations in the *Employees' Regulations for Handling the Infringement Acts of Bank of Jinzhou* (《錦州銀行員工違規行為處理規定》). The Bank may also seek remedies available at law if needed.





### Standardising Publicity

Upholding the highest standard of professional ethics and business integrity during operation, the Bank carries out product publicity in a responsible manner. The Bank strictly complies with the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》), the *Regulations on Advertising Management* (《廣告管理條例》) and other laws and regulations relevant to advertising and labelling of products and services, and has formulated the *Administrative Measures on Advertisement Promotions of Bank of Jinzhou* (《錦州銀行廣告宣傳管理辦法》), the *Self-discipline Mechanism on Financial Advertisement Delivery of Bank of Jinzhou* (《錦州銀行金融廣告發佈審查自律機制》), and the *Surveillance Mechanism on the Violations of Laws and Regulations on Financial Advertisement for Bank of Jinzhou* (《錦州銀行違法違規金融廣告監測機制》) to regulate the delivery process of daily advertising and publicity materials. All employees from the Publicity Department are subject to relevant regulations, and are prohibited from overstating, false advertisement, misleading, speculation and other misbehaviours to ensure compliance of the Bank's business.

### Popularising Financial Knowledge

The Bank continuously promotes the popularisation of financial knowledge and improves the public's ability in identifying financial risks. The Bank combined daily publicity with centralised publicity, combined online and offline publicity, combined outward with invitation publicity and organised events including the "3.15 Financial Consumers' Rights and Interests Day" (3.15 金融消費者權益日), "Financial Knowledge Popularisation Month" (金融知識普及月), "Travel of Financial Knowledge" (金融知識萬里行), and "Four In-depth, Full-coverage" (四深入、全覆蓋) and more, to introduce financial knowledge to financial consumers, thereby further raising consumers' awareness of preventing financial risks.

During the Reporting Period, the Bank combined the publicity on pandemic prevention and control with finance, and promoted the audiovisual publicity materials such as on the basic rights of financial consumers, preventing telecom fraud, and identifying illegal financing through its official website and WeChat public account. Also, the Bank utilised its advantage in its numerous and widely distributed service points, and held comprehensive educational publicity activities through various publicity modes such as publicity in halls, financial knowledge salons, educational publicity areas for the public, and "Xiaojin time", expanding the Bank's coverage and influence on the publicity activities of financial knowledge.

#### Case

#### Publicity Event with the Theme of "Financial Knowledge Normalisation Month"

To enhance the financial consumers' awareness of financial literacy and awareness of risk responsibilities, the Bank organised and held publicity events with the theme of "financial knowledge normalisation month", to promote basic financial knowledge and prevention skills for financial risks to financial consumers through various channels, assisting financial consumers in rationally selecting financial products and services that suit them and staying away from illegal financial activities, and delivered financial knowledge to financial consumers.





# 06

## Growing with “Heart of Connection”, Cohesion with Employees

Adhering to the principle of “bringing prosperity with talents”, Bank of Jinzhou continuously improves its human resources management to safeguard and protect the legitimate rights and interests of employees. The Bank actively strengthens cadres building, and continuously promotes the cultivation and development of talents by establishing a reasonable talent and recruitment mechanism and creating a diversified learning and development channel for employees. Being committed to strengthening cohesion and centripetal force within the Bank, the Bank organises a variety of recreational and sports activities to enhance the sense of belonging and cohesiveness of employees and promote the joint development of the Bank of Jinzhou and its employees.

- Safeguarding Employees’ Rights and Interests
- Paying Attention to Employees’ Health
- Fostering Development of Employees
- Key Performance of Employees



## ● Safeguarding Employees' Rights and Interests

Employees are an indispensable cornerstone for the stable development of the Bank's businesses. In view of this, the Bank insists on abiding by employment-related laws and regulations, and is committed to safeguarding the rights and interests of employees. The Bank has formulated a series of internal policies and guidelines in accordance with relevant laws and regulations and actual conditions to regulate matters relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Bank regularly reviews the following employment policies to ensure full compliance with the latest laws and regulations and the needs of employees, thereby promoting the prudent operation of the Bank.

### Labour Employment

◦ **Employment:** The Bank strictly abides by the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labour Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) and other relevant laws and regulations, and recruits talents while adhering to the principles of fairness and justice, merit-based selection and personnel and position matching. The Bank has formulated the *Employee Recruitment Management Measures of Bank of Jinzhou* (《錦州銀行員工招聘管理辦法》) to stipulate regulations on the allocation of human resources, duties of the Human Resources Department, recruitment criteria of employees, recruitment procedures and employment criteria, and has stringently implemented the recruitment plan approval procedures set out in the aforesaid management measures. In accordance with the principle of a "streamlined, unified and efficient" human resource allocation plan and by implementing "fixed post, fixed number and fixed personnel", the recruitment work is organised and implemented within the scope of the annual staffing plan. The human resources department of the Headquarters is responsible for the construction, supervision, establishing recruitment, and training guidance of the system, while the human resource department of branches is responsible for assisting the Headquarters' implementation of the recruitment within the staffing plan. The Bank has established the basic conditions and forms of recruitment based on the needs of different positions.

◦ **Promotion:** The Bank has designed a dual career development path of "professional path" and "management path", and has carried out the career development planning according to personal traits and preferences of employees. The Bank has also formulated the *Management Measures for Career Path of Bank of Jinzhou* (《錦州銀行專業序列管理辦法》) to specify the proportion restrictions for the number of employees at each career path and relevant promotion and assessment requirements, so as to provide employees with a clear promotion ladder.

The Bank has formulated the *Administrative Measures for Selection and Appointment of Leading Cadres of Bank of Jinzhou* (《錦州銀行領導幹部選拔任用管理辦法》) to specify the conditions and procedures for the selection and appointment of cadres, providing the institutional basis for the promotion of cadres and employees.

◦ **Equal opportunity, diversity and anti-discrimination:** Advocating equal opportunities, diversity and anti-discrimination, the Bank strictly complies with the requirements in the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》) and other laws and regulations, treats employees of all ethnicities, genders, religious beliefs and cultural backgrounds equally, and provides employees with employment and promotion opportunities through campus recruitment, social recruitment, internal recruitment and other diversified channels. The Bank has formulated the *Code of Practice for Employees of Bank of Jinzhou* (《錦州銀行從業人員守則》) to advocate mutual respect, mutual understanding, mutual trust and mutual care among employees, maintaining a coordinated internal relationship and creating a united, progressive, harmonious and happy working atmosphere. We require our employees to respect and maintain the reputation and personal dignity of colleagues by not disseminating personal matters and shortcomings of colleagues in any ways that are inappropriate or undesirable to know; and actively participate in creating a good atmosphere of respect for knowledge and talents, to jointly provide good working conditions and environment for talents to play their role.

### Labour Employment

◦ **Labour standards:** Strictly abiding by the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》), the Bank has forbidden the use of child labour and forced labour, and has formulated the *Management Measures of Labour Employment of Bank of Jinzhou* (《錦州銀行勞動用工管理辦法》) to ensure legal employment. To eliminate the use of child labour and forced labour, the Bank inspects the identity document of applicants during the recruitment process, and carries out a background check prior to the onboarding of the applicant to ensure the applicant has reached the legal working age. In addition, a labour contract system is implemented in the Bank, where employees who establish labour relationships with the Bank are required to sign a written labour contract with the Bank in accordance with the law to clarify rights and obligations at both sides.

During the Reporting Period, the Bank did not record any cases related to the use of child labour or forced labour.

◦ **Dismissal:** The Bank has regulated the types of dismissal and applicable conditions, dismissal procedures, the handover of work, the settlement of dismissal, delivery of dismissal documents and transfers of relationships in the *Management Measures for Employee Leaving Employment of Bank of Jinzhou* (《錦州銀行員工離職管理辦法》). All employees are required to strictly abide by the foresaid regulations to ensure the dismissal procedures of all employees comply with relevant laws and regulations and safeguard the rights and interests of employees and the Bank.

### Working Hours

◦ The Bank has formulated the *Attendance Management Measures of Bank of Jinzhou* (《錦州銀行考勤管理辦法》) in accordance with relevant laws and regulations to standardise the standard working hour system implemented by the Bank. The Bank encourages employees to improve their working efficiency and complete their tasks within normal working hours. Overtime working is not encouraged. If it is necessary to work overtime due to special circumstances, employees are required to seek approval from the president in charge in advance, where overtime pay will be distributed according to procedures.

### Rest Periods

◦ The Bank has formulated the *Management Measures for Annual Leaves of Bank of Jinzhou* (《錦州銀行年休假管理辦法》) and the *Management Measures for Rest and Leaves of Bank of Jinzhou* (《錦州銀行休息休假管理辦法》) to provide employees with paid annual leaves, personal leaves, sick leaves, marriage leaves, bereavement leaves, maternity leaves, breastfeeding leaves, paternity leave, and other statutory holidays and welfare holidays according to relevant laws and regulations and actual conditions of the Bank. Relevant approval procedures and regulations has been set out in the aforementioned management measures.

### Remuneration and Welfare

◦ **Remuneration:** The *Remuneration Management Measures of Bank of Jinzhou (Trial)* (《錦州銀行薪酬管理辦法(試行)》) has been formulated in accordance to the *Regulatory Guidelines for the Stability of Remuneration in Commercial Banks* (《商業銀行穩健薪酬監管指引》) and relevant laws and regulations to set out the Bank's salary structure, the responsible organisation for compensation management and its duties, annual remuneration budgets and remuneration-related internal, thus strengthening the Bank's internal risk control and providing reasonable compensation and incentives for employees' efforts.

◦ **Welfare:** Strictly complying with laws and regulations such as the *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》) and the *Regulations on the Management of Housing Provident Funds* (《住房公積金管理條例》), the Bank has developed a welfare system based on "five insurances and one fund" and the *Management Measures of Social Insurance and Housing Fund of Bank of Jinzhou* (《錦州銀行社會保險及住房公積金管理辦法》) to pay the basic endowment insurance, basic medical insurance, unemployment insurance, employment injury insurance, maternity insurance and other basic social insurance, as well as the housing provident fund for employees in accordance with the law.

During the Reporting Period, the Bank did not receive of any violations against laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

## ● Paying Attention to Employees' Health

Viewing employees as the most invaluable assets, the Bank endeavours to protect the health and safety of employees. The Bank strictly abides by the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases* (《中华人民共和国职业病防治法》), the *Fire Protection Law of the People's Republic of China* (《中华人民共和国消防法》) and the *Emergency Response Law of the People's Republic of China* (《中华人民共和国突发事件应对法》) and other relevant laws and regulations related to the provision of safe workplace and protection of employees from occupational hazards, and has formulated the *Suggestions on the Implementation of Safety Management of Bank of Jinzhou* (《锦州银行安全管理工作实施意见》) and other policies to set out regulations on the avoidance of hazards, prevention of disasters and hygiene maintenance. In order to strengthen the employees' awareness of safety and hygiene, education and training on safety and health are provided to all new employees by the Bank. Employees are required to report promptly in case of discovering any unsafe situation. Also, all new employees are required for medical check-up, while preventive examinations on occupational diseases are arranged for employees who work in specific positions. To safeguard the health of employees, the Bank arranges body check for employees from time to time and encourages their active participation. If any employee has been diagnosed with infectious diseases, the Bank will arrange a position transfer for the employee or suspend the employee's work during treatment to prevent disease transmissions in the office environment.

To further enrich and improve the welfare system and promote employees' satisfaction and sense of belonging, the Bank has communicated with authoritative medical institutions for several rounds for innovation of the management ideas for benefits of employees' physical examination in accordance with relevant national laws and regulations. The Bank has adjusted the original relatively single budget management system to a triple management mechanism covering the implementation scope, physical examination plan and cost budget. The Bank has formulated the physical examination implementation plan for employees from Bank of Jinzhou, carried out the physical examination work in a scientific and orderly way, and improved the scientific and professional level of the Bank's welfare management to optimised the health and welfare experience of employees.

Additionally, the Bank provides employees with guidelines when encountering fire or other emergency accidents and incidents, while employees are required to memorise the fire alarm signals, fire escape routes, entry and exit points of the building and the use of fire extinguishing equipment. With the aim to further enhance employees' emergency preparedness, the Bank actively organises fire and explosion prevention emergency drills, training on fire safety knowledge and other activities to strengthen the protection of employee safety.

During the Reporting Period, neither did the Bank violate laws and regulations related to occupational health and safety, nor received any cases of work-related fatalities of the Bank's employees as well as records of lost days due to work injury.



### Case

#### Anshan Branch Carried Out Security and Fire Protection Training and Drill

To implement the work requirements of "security and fire control work" from Headquarters, and further enhance the awareness of all employees on fire control and security protection, on 17 June 2020, Anshan branch organised security and fire protection training and drills. By adopting the form of theoretical learning and practical drills, the employees' on-site emergency handling ability was effectively improved, and their safety awareness was comprehensively strengthened.



### Case

#### Carry Out the Activity of "Healthy Walk, Green Mountain"

To enrich the leisure and cultural life of employees and enhance the communication and exchange between employees, 22 groups and nearly 600 staff cadres of the Bank's Headquarters participated in the activity of "Healthy Walk, Green Mountain". Employees communicated with each other and enhanced the tacit understanding between employees. The hiking competition not only improved the awareness of the employees of the trade union on health, but also played a positive role in promoting the construction of a harmonious and good working atmosphere.



Furthermore, the Bank pays attention to the employees' mental and physical health, advocates work-life balance and encourages employees to relax in their spare time. Therefore, the Bank actively organised a variety of recreational and sports activities, allowing employees to relax during their spare time, elevating cohesiveness within the team and enhancing employees' sense of belonging to the Bank.

Case

The Second "Wantong Cup" Employee Table Tennis Competition

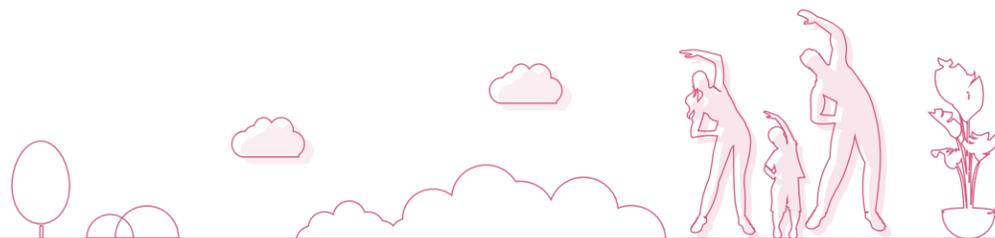
In November 2020, the Bank successfully held the Second "Wantong Cup" Employee Table Tennis Competition, with 146 athletes from 21 teams representing the Headquarters and branches of the Bank attended. The competition enriched the leisure, cultural and sports life of the employees, cultivated the team spirit of striving upward, enhanced cohesion and fighting ability, and promoted communication and cooperation between the branches.



Case

The Bank Carried Out the "Healthy Stay at Home, Happy Taste at Home" Activity for the Collection and Broadcast of Artistic Works

To fight for the battle of prevention and control of the pandemic, the Headquarters of the Bank carried out the "Healthy Stay at Home, Happy Taste at Home" activity for the collection and broadcast of artistic works from 7 February to 7 March 2020. In the activity, all employees of the Bank shot a large number of healthy and progressive videos promoting the fight against the pandemic on cherishing life and loving life with the background on study and life at home. The trade union of the Headquarters produced the inspiring video to broadcast based on 90 works selected. The activity enriched the spiritual and cultural life of the employees during the pandemic prevention and control period, relieved everyone's anxiety, and created a healthy and civilised corporate culture atmosphere.



Fostering Development of Employees

Employees' long-term development is essential for the continuous development of the Bank's business. As such, the Bank continues to deploy resources and provides employees with diversified vocational training, thus enhancing the leadership skills of the management and the level of business skills of employees. The Bank's training system has been divided into three levels at the Headquarters, branches and sub-branches, allowing allocation of education funding and relevant resources according to the needs at each level.

With the aim to improve the training efficiency of employees, the Bank has established a mobile learning platform to put forward the integration of online and offline training system. In addition, the Bank has formulated the *Online Learning Platform Management Measures of Bank of Jinzhou* (《锦州银行线上学习平台管理办法》) and other policies to set out the management responsibilities of the online learning platform, management of employees, precautions in using the platform, training requirement, assessment management, confidentiality and security management of the platform and other matters. "Compulsory" and "Elective" training courses are designed by relevant units of the Bank's human resources department according to the guidance in the *Online Learning Platform Management Measures*. Employees are required to complete the "Compulsory" training course within the specified period and attend post-training examinations according to the requirements of the course.

The Bank actively strengthens the establishment of the part-time internal trainer ("internal trainer") team, and stipulated the qualifications and responsibilities of internal trainers, the selection and promotion of internal trainers, and the divisions of management duties of internal trainers in the *Management Measures of Internal Trainer of Bank of Jinzhou (Trial)* (《锦州银行内训师管理办法(试行)》) to ensure the quality of internal training.

During the Reporting Period, the Bank planned for innovative training, management training and daily training to ensure a sufficient improvement on employees' level of business ability and skills through training. Diversified training programmes were provided to all employees according to the training plan.

Case

Offline Training "Business Lecture Hall" Project

During the Reporting Period, to better implement the "1226" development strategy, thoroughly implement the new development concept of "compliance, innovation, coordination and quality", and effectively improve the pertinence and effectiveness of the training, the Bank carried out 17 training programs such as "business forum" for trainees from different lines and different business backgrounds. The aim was to improve the business level and management ability on the business lines of the Headquarters, and build a professional and high-quality team.



Case

### Launching Online Training for Learning Projects

The Bank has organised and carried out "series learning project on building strategy-oriented endogenous resource construction", with two phases of operation activities as the themes of "let me show my experience" and "let me teach the micro-lessons" respectively, to share business skills, management tips and other work experience in practical work. More than 500 audio-video works and more than 700 micro-courses classified by business in stages, which is carried out in a progressive manner according to the Bank's overall strategic development and the business classification.



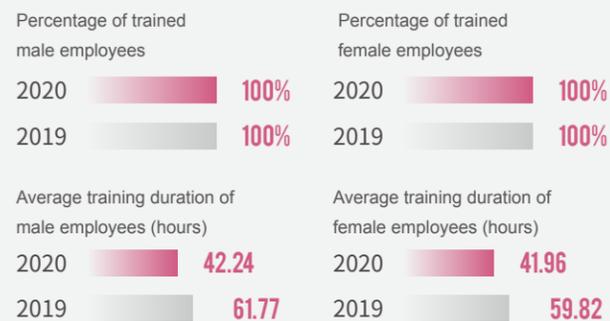
### Key Performance of Employees<sup>5</sup>

As at the end of the Reporting Period, the employee distribution of the Bank is shown as follows:

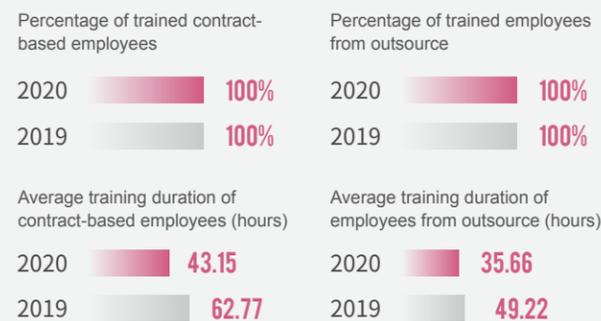
Category	2020			2019		
	Number of employees (persons)	Employee ratio (%)	Employee turnover rate <sup>6</sup> (%)	Number of employees (persons)	Employee ratio (%)	Employee turnover rate <sup>6</sup> (%)
Total number of employees	6,037	100.00	4.42	6,234	100.00	2.09
By gender	Male	2,445	40.50	2,528	40.55	0.94
	Female	3,592	59.50	3,706	59.45	1.15
By employment type	Contract-based employees	5,022	83.19	5,021	80.54	-
	Employees from outsource	1,015	16.81	1,213	19.46	-
By age group	Aged 30 and below	1,748	28.95	2,076	33.30	0.99
	Aged between 31 and 40	2,269	37.59	2,146	34.42	0.36
	Aged between 41 and 50	1,477	24.47	1,460	23.42	0.35
	Aged 51 and above	543	8.99	552	8.86	0.39
By geographical location	Employees within Liaoning Province	5,251	86.98	5,438	87.23	1.70
	Employees outside Liaoning Province	786	13.02	796	12.77	0.39
By educational background	Post-secondary diploma and below	1,762	29.19	1,914	30.70	-
	Bachelor's degree	3,701	61.31	3,724	59.74	-
	Master's degree	569	9.42	590	9.46	-
	Doctor's degree	5	0.08	6	0.10	-

As at the end of the Reporting Period, the key performance of the Bank's training for employees is shown as follows.

#### By gender



#### By employment type



#### By type of employee



<sup>5</sup> Only includes data of the Bank (excluding subsidiaries).

<sup>6</sup> Employee turnover rate = number of employees turnover in the category / (total number of employees + total employee turnover)



## Developing with “Environmental Heart”, Practising Environmental Protection

The Bank always adheres to the concept of environmental protection. We strengthen the implementation of the concept of green finance by continuously deploying resources to develop green credit and e-banking. The Bank is committed to practising energy-saving and environmental protection in its daily activities and advocating a paperless office and digitalisation of documents. The Bank also carries out a number of environmental protection welfare activities to promote the sustainable development of the Bank and society.

- Promoting Green Finance
- Advocating Green Office
- Environmental Key Performance



## Promoting Green Finance

### Green Credit

Adhering to the concept of green development, the Bank actively develops green credit business to encourage environmental protection contribution from various industries and promote sustainable development of the society. To further enhance the Bank's environmental and social performances and promote the healthy development of the Bank's green projects, the Bank has formulated the *Trial Measures on the Implementation of Green Credit of Bank of Jinzhou* (《錦州銀行綠色信貸實施試行辦法》) in accordance with relevant regulations including the *Notice of the China Banking Regulatory Commission on Issuing Green Credit Guidelines* (No. 4 [2012] of the CBRC) (《中國銀監會關於印發綠色信貸指引的通知》(銀監發[2012]4號)), the *Notice of the China Banking Regulatory Commission and the National Development and Reform Commission on Issuing the Guidelines for Energy Efficiency Credit* (No. 2 [2015] of the CBRC) (《中國銀監會、國家發展改革委關於印發能效信貸指引的通知》(銀監發[2015]2號)), the *Guiding Opinions on Building a Green Financial System* (No. 228 [2016] of the People's Bank of China) (《關於構建綠色金融體系的指導意見》(銀發[2016]228號)) and the *Notice on Conducting Green Credit Performance Evaluation of Banking Depository Financial Institutions* (No. 180 [2018] of the People's Bank of China) (《關於開展銀行業存款類金融機構綠色信貸業績評價的通知》(銀發[2018]180號)).



The Bank has set out the organisational management, market access requirements, key service areas, due diligence and review procedures, post-loan management and other matters relevant to the green credit business in the *Trial Measures on the Implementation of Green Credit of Bank of Jinzhou* (《錦州銀行綠色信貸實施試行辦法》). The Bank supports the development of industries and enterprises relating to environmental protection, clean energy, circular economy and other areas through implementing the development strategy of green credit in all lines of work and all departments, thereby fulfilling social responsibilities.

The Bank adopts the "one-vote veto system" for environmental and social risks. Loan support would not be granted to customers and projects violating the national policies on environmental protection, security surveillance, quality inspection, land and immigration and those that are not meeting the environmental and social compliance requirements. The Bank mainly reinforces on serving the sectors below.

#### Industrial sector

Mainly including manufacturing of high-efficiency, energy-saving appliances, manufacturing of advanced environmental protection appliances, manufacturing of resource-recycling appliances, industrial energy-saving alteration, energy-saving electrical facilities, green-building materials, new-energy vehicles, manufacturing of green vessels, and more.

#### Transportation sector

Urban public transport and freight: establishment and operation of non-stop vehicle system, smart traffic mechanism, transport-sharing facilities, and more;  
 Rail transport: establishment and operation of rail freight transportation, alteration in railway energy-saving and environmental protection, and more;  
 Waterway and air transport: establishment of electrical facilities at ports, piers, jet bridges, and more;  
 Supporting facilities for clean energy vehicles: establishment and operation of facilities for charging, battery replacement, hydrogen refill, gas refill, and more.

#### Construction Sector

Construction energy-saving and green-buildings, urban basic environmental facilities, alteration of urban electrical and general facilities, establishment of urban ecosystems, and more.

#### Other major sectors related to green projects, services, technologies and equipment.

### Case

#### Green Credit Business Supporting Renewable Energy Development

A new energy company in Jinzhou has the main business in wind power generation. It is one of the key wind power projects planned and developed in Liaoning Province. The company has eight imported wind turbines which have been put into operation and normally connected to the grid for power supply, in line with the national industrial policy. Due to the company's operating capital shortage, the Bank provided a loan of RMB33.95 million for its continuous operation during the Reporting Period, which was used to support the daily construction and operation capital of the company. It eased the company's difficulties on operating capital and effectively promoted the sound and healthy operation of the company's wind power project.

As at the end of the Reporting Period, the Bank's loan balance related to energy saving and environmental protection projects and services amounted to

RMB **240** million

with no balance of loans related to enterprises with major environmental and safety risks.

### E-banking

The Bank actively integrates the concept of environmental protection into its businesses, and promotes mobile finance and smart finance by developing e-banking, thus enhancing business efficiency and reducing resource consumption and paper wastage from traditional banking. During the Reporting Period, the replacement rate of the e-banking business reached 86.25%. Digital channels provide services such as online transactions and electronic receipts, allowing the Bank to reduce the use of office paper and other resources while decreasing carbon emissions arising from customers' travel to the branch, thereby effectively realising energy saving and emission reduction and minimising the potential adverse environmental impact arising from the Bank's operation.

During the Reporting Period, the replacement rate of the e-banking business reached

**86.25%**

### Mobile Finance

The Bank's current mobile financial products mainly include mobile banking, WeChat banking and quick payment products based upon digital channel business, and online payment and QR code payment products based upon online financial business.

In terms of digital channels, the Bank has officially launched the mobile banking business since 2014. It currently covers mainstream products and services including counter deposit, wealth management, funds, settlement and clearing, and recharge and payment. The Bank has launched services such as online credit card application, regional water bill payment, and business loans and consumer loans during the Reporting Period to further improve customer experiences. In addition, the Bank has introduced the WeChat banking business since 2015, supporting binding of debit card and credit card, investment and wealth management, transfer and remittance, account checking and repayment and other services.

In terms of online financial services, the Bank has introduced the online payment platform to provide customers with the cashier platform for payments, pay college tuition payments, card recharge and other services, so as to fulfil the needs of corporate customers for online settlement and individual costumers for online payment. Additionally, the Bank has launched the QR code payment services to support WeChat, Alipay, UnionPay and other payment methods, thus further facilitating the QR code payment for individual customers. Customers are supplied with paperless, low-cost, high-efficiency and green environmental protection financial services through "more walking" of information and "less walking" for customers, driving the transition of e-banking services into a green and low-carbon economy.

As at the end of the Reporting Period, the number of customers for mobile banking and WeChat banking of the Bank reached

**776.2** thousand

**589.3** thousand

and the transaction amount during the Reporting Period were RMB

**79.831** billion

**4.349** billion



Case

**Product of Tuition Fee Payment for Schools**

The collection method for tuition fees has usually been carried out offline. During the period of tuition payment, students and parents pay tuition fees at designated payment spots on-site on campus, which consumes vast amounts of manpower, material sources, and time costs, along with the potential safety hazard of collecting counterfeit currency. Therefore the Bank offered the school a service proposal of collecting tuition fees from their WeChat public account. Students or parents can complete online payment by following the school's WeChat public account, and entering the student's information in the payment bill. This also provides the school with a management platform. School authorities can inquire for business reports regarding the collection of tuition fees and more. The service significantly improved the payment experience for students and parents, saving manpower, material resources, and time cost for both parties, enhanced work efficiency, and reduced potential safety hazards in collecting cash at the same time. During the Reporting Period, the Bank assisted the school to achieve 9,811 payments, which amounted to RMB74.8941 million.

**Smart Finance**

The Bank adheres to the concept of "smart finance" and actively promotes online businesses to enhance the efficiency of financial services and improve financial service experiences. In addition to the introduction of campus payment on the online payment platform, the Bank took the establishment of a smart city as a stance, and further assisted in Jinzhou city's one-stop convenience service platform, "Jinzhou Portal" application to achieve online payment services such as cable-television fees, phone bills, fines, modern agriculture medical insurance, and non-tax payments, whilst providing a payment data inquiry service, effectively reducing the amount of counter payment service, directly saving vast amounts of fugitive resources such as paper and ink, also reducing customer outings, and saving considerable amounts of travel expenses and time for customers. The Bank strives to improve the replacement rate of e-banking business by comprehensively promoting digitalised bank construction and work with customers to further minimise adverse environmental impact arising from business operations.

**Advocating Green Office**

The Bank is committed to reducing the environmental impact from its operations, and abiding by the *Company Law of the People's Republic of China* (《中華人民共和國公司法》), the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》), the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》) and other relevant laws and regulations while operating businesses, thus promoting the sustainable development of the Bank and the society. During the Reporting Period, the Bank did not violate laws and regulations relevant to environmental protection.

The Bank's significant environmental and natural resources impact mainly include consumption of electricity and office resources, greenhouse gas emissions and air emissions arising from the use of vehicles involved in daily office operations. Since banking and financial industry is the Bank's major business instead of industrial production enterprises, the Bank does not cause a significant negative impact to the environment directly in terms of discharge of pollutants and resource usage. Nevertheless, the Bank always adheres to environmental protection concepts, and adopts a series of measures to improve energy efficiency and reduce resource consumption, actively advocating green office policy and dedicating to practising energy-saving and environmental protection in daily operation. By promoting environmental awareness to employees during work, the Bank encourages employees to extend the concept of sustainability into their daily lives. During the Reporting Period, the Bank's greenhouse gas emissions and energy consumption were reduced by 45% and 57% respectively than that of the previous year..

During the pandemic, the Bank placed waste sorting trash bins and face mask disposal bins in the business hall on the first floor at the Headquarters.



## Green Office Measures

The Bank constantly reviews and updates the green office measures below and continues and minimise the impacts from its business operations to the environment.



- Employees are encouraged to use the office lightings and electrical appliances wisely, and turn off lightings and electrical appliances outside office hours, to achieve the result of saving energy consumption, and reducing greenhouse gas emissions; and
- Employees are required to use vehicles rationally and use public transport as much as possible to reduce the use of energy from vehicle use and reduce air pollutants.



- Employees are not allowed to use the drinking water from the water dispenser to wash their mugs and other belongings; and
- Daily inspections on pipelines are arranged to ensure timely detection and maintenance of malfunctioned or ageing equipment, achieving the effect of reducing waste on water resources.



- The Bank advocates a paperless office and has established an information platform covering all office management sectors to drive the integration of process management, centralised management of office businesses, real-time inquiries on rules and regulations and information publication within the Bank;
- Distribution management for office paper is implemented for the procurement and distribution of office paper. High-quality paper and low-budget paper are purchased respectively according to the 20% and 80% of the actual consumption in the previous year, where the former will be used for printing document for reports sent to regulatory institutions and the latter will be used for daily operation; and
- Employees are required to use paper at both sides.



- Employees are encouraged to sort wastes before disposal;
- Procurement applications for equipment, office furniture and compartments of vehicles from all units are reviewed in strict accordance with the standards at branches and sub-branches, where procurements exceeding the standard are prohibited unless under special circumstances;
- Idle furniture in branches is recorded for allocation within the Bank. Equipment and vehicles in branches that exceeds the standards are re-allocated between branches to sufficiently and effectively utilise the resources; and
- Mobile storage devices are no longer distributed as office supplies; stationery should be traded with the old ones; for office consumables, the type and quantity of consumables to be distributed are restricted to encourage the reuse of resources; batch or sudden applications of office equipment are forbidden unless under special circumstances, reaching the effect of reducing waste generation from the source.

## Environmental Key Performance<sup>7</sup>

As at the end of the Reporting Period, the Bank's environmental key performance is as follows.

Category	Unit	2020	2019	
<b>Energy Consumption</b>				
Direct resource consumption	Gasoline consumption	Litre	97,360.00	321,965.00
	Gasoline consumption intensity	Litre/vehicle	5,124.21	12,383.27
	Diesel consumption	Litre	2,400.00	83,162.00
	Diesel consumption intensity	Litre/vehicle	2,400.00	27,720.67
	Natural gas consumption <sup>8</sup>	m <sup>3</sup>	10,990.00	9,671.00
	Natural gas consumption intensity	m <sup>3</sup> /m <sup>2</sup> area	0.82	0.72
Indirect energy consumption	Total direct energy consumption	000'kWh	1,048.20	3,920.35
	Headquarters electricity consumption <sup>9</sup>	kWh	1,180,403.99	1,263,643.00
	Headquarters electricity consumption intensity	kWh/m <sup>2</sup> area <sup>10</sup>	88.46	94.69
	Total indirect energy consumption	000'kWh	1,180.40	1,263.64
Total energy consumption	000'kWh	2,228.60	-	
Total energy consumption intensity	000'kWh/m <sup>2</sup> area	0.17	-	
<b>Resource Consumption</b>				
Office water consumption <sup>8, 11</sup>	Tonne	9,251	8,772	
Office water consumption intensity	Tonne/m <sup>2</sup> area	0.69	0.66	
Office paper consumption	Tonne	4.50	5.40	
<b>Greenhouse Gas Emissions</b>				
Vehicular greenhouse gas emission (Scope 1) <sup>12</sup>	Tonne CO <sub>2</sub> eq	229.21	947.54	
Electricity greenhouse gas emission (Scope 2) <sup>13</sup>	Tonne	720.16	770.95	
Total greenhouse gas emissions <sup>14</sup>	Tonne CO <sub>2</sub> eq	949.37	1,718.49	
Total greenhouse gas emission intensity	Tonne CO <sub>2</sub> eq/m <sup>2</sup> area	0.07	0.13	
<b>Vehicular Air Emissions<sup>15</sup></b>				
CO emissions	Kilogram	350.32	714.27	
NO <sub>x</sub> emissions	Kilogram	27.03	624.74	
SO <sub>x</sub> emissions	Kilogram	1.49	6.18	
PM <sub>2.5</sub> emissions	Kilogram	1.85	53.07	
PM <sub>10</sub> emissions	Kilogram	1.91	58.93	

<sup>7</sup> The environmental data scope only includes the Headquarters.

<sup>8</sup> During the Reporting Period, the Bank has adopted multiple green measures within its office premise. The number of employees has increased in the Headquarters' office buildings due to business needs, and office appliances have been added correspondingly, and hence leads to the increase in the Bank's environmental performance. The Bank will continue to promote more green measures and reinforce employees' awareness on environmental protection.

<sup>9</sup> The Headquarters electricity consumption includes electricity consumption in the office area and the staff canteen.

<sup>10</sup> The total area of the Headquarters is 13,344.62 square meters.

<sup>11</sup> Due to the use of municipal water for office water consumption, the Bank did not encounter any issues in sourcing water.

<sup>12</sup> Scope 1 emissions refer to greenhouse gas emissions from vehicles owned by Bank of Jinzhou in mainland. The emission data are calculated in accordance with the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions by China Land Transportation Enterprises (Trial)* issued by the Ministry of Ecology and Environment of the People's Republic of China.

<sup>13</sup> Scope 2 emissions refer to greenhouse gas emissions generated from the purchased electricity during power suppliers' production that were used by the Bank. The emission data are calculated in accordance with the 2015 national power grid average emission factor issued by the Ministry of Ecology and Environment of the People's Republic of China.

<sup>14</sup> Total greenhouse gas emissions include Scope 1 and Scope 2 greenhouse gas emissions from the Bank.

<sup>15</sup> Vehicular air emissions are sourced from vehicles owned by Bank of Jinzhou in mainland. The emission data are calculated in accordance with the *Road Vehicles Air Pollutant Inventory Preparation Technical Guide (Trial)* issued by the Ministry of Environmental Protection of the People's Republic of China.

# Independent Assurance Statement

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

CECEPAC (HK) Advisory Company Limited (“**CECEPAC (HK)**” or “**We**”) has been engaged by the Board of Directors of Bank of Jinzhou Co., Ltd. (“**Bank of Jinzhou**”) to conduct an independent limited assurance engagement (“**Assurance Engagement**”) on the information and data related to sustainable development in 2020 Environmental, Social & Governance Report (“**ESG Report**”).

CECEPAC (HK) has been engaged to assure Bank of Jinzhou’s adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness and Impact) set out in the AA1000 Assurance Standard v3 (“**AA1000AS v3**”). CECEPAC (HK) has also been engaged to provide limited assurance on the reliability and accuracy of specified performance information disclosed in the ESG Report that has been selected in accordance with the Environmental, Social and Governance Reporting Guide (“**ESG Reporting Guide**”) published by the Stock Exchange of Hong Kong Limited (“**SEHK**”).

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

## I. Independence and Competence

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

The assurance team of CECEPAC (HK) is composed of experienced consultants in the industry who have received professional training on the standards related to sustainable development, including Global Reporting Initiative Standards (GRI Standards), the *AA1000AS v3*, the *ESG Reporting Guide* of the SEHK, etc.

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

## II. Bank of Jinzhou’s Responsibilities

Bank of Jinzhou is responsible for the preparation and presentation of the *ESG Report* in accordance with the *ESG Reporting Guide* published by SEHK. Bank of Jinzhou is also responsible for implementing relevant internal control procedures to ensure that the 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 in accordance with the *AA1000AS v3* and the *ESG Reporting Guide* published by the SEHK to the Board of Directors of Bank of Jinzhou. 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 work meet professional qualification, training and relevant work experience requirements, and are demonstrably competent. All results of assurance are internally reviewed by senior staff to ensure that methodologies used in the process are sufficiently stringent and transparent.

## IV. Assurance Scope

The scope of the Assurance Engagement is limited to the data and information in the *ESG Report* that relate to the Headquarters of Bank of Jinzhou, its branches and sub-branches only and does not include Bank of Jinzhou’s suppliers, contractors, and the data or information provided by other third parties;

A Type 2 Moderate Level of Assurance was adopted by CECEPAC (HK) to evaluate the nature and extent of Bank of Jinzhou’s adherence to the four principles (Inclusivity, Materiality, Responsiveness and Impact) in accordance with the *AA1000AS v3*;

Specified performance information disclosed in the *ESG Report* was agreed upon and selected between Bank of Jinzhou and CECEPAC (HK) for assurance. The selected specified performance information is as follow:

- Water consumption of the Headquarters
- Number of consumer complaints
- Number of employees within Liaoning Province;

Assure the conformity of disclosures for general disclosures of environmental and social subject areas and key performance indicators of environmental subject areas in the *ESG Report* with the "Comply or Explain" provision in the *ESG Reporting Guide* of the SEHK;

CECEPAC (HK)’s assurance work was with respect to information disclosed from 1 January 2020 to 31 December 2020. Any information that falls outside this period or any other data that is disclosed in the *ESG Report* is not included within the assurance scope. Therefore, we do not express any conclusions on this information;

The scope of the Assurance Engagement is confined to the information provided by Bank of Jinzhou only. Any queries regarding the content or related matters within this assurance statement should be addressed to Bank of Jinzhou only.

## V. Methodology

CECEPAC (HK)’s assurance work was carried out in the Headquarters of Bank of Jinzhou, its branches and sub-branches only. The work included:

Evaluating the appropriateness of Bank of Jinzhou stakeholder engagement participation process;

Conducting online Interviews with employees of the Headquarters of Bank of Jinzhou and Jinzhou Branch involved in sustainability management, preparation of the *ESG Report* and the provision of relevant information;

Assessing whether the reporting and management approach for the *ESG Report* responded to the principles of Inclusivity, Materiality, Responsiveness and Impact as defined in the *AA1000AS v3*;

Assessing the supporting evidence for selected specified performance information; conducting random sampling of evidence pertaining to selected specified performance information;

Recalculating selected specified performance information;

Evaluating the conformity of the *ESG Report* in accordance with the *ESG Reporting Guide*; and

Performing other procedures we deemed necessary.

The conclusions of the assurance work performed were based upon assumptions that the information and data provided by Bank of Jinzhou to CECEPAC (HK) was complete and accurate.

## VI. Limitations

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

## VII. Conclusions

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

### Inclusivity

Bank of Jinzhou has reviewed the key stakeholders identified in the previous year. Regular communication with the key stakeholders is carried out in various ways to understand their expectations and concerns. On this basis, Bank of Jinzhou has fully considered the expectations of, and the impacts on, key stakeholders in formulating its policies. In our professional opinion, Bank of Jinzhou adheres to the Principle of Inclusivity.

### Materiality

Through reviewing the material issues identified in the previous year, Bank of Jinzhou has confirmed its material issues in 2020. The review process included the consideration of national policies, stakeholders’ opinions, peers’ concerns, and other aspects. Lastly, the Board of Directors and management has confirmed the material issues in 2020. Bank of Jinzhou has disclosed the process and result of materiality assessment in the *ESG Report*. In our professional opinion, Bank of Jinzhou adheres to the Principle of Materiality.

### Responsiveness

Bank of Jinzhou has established channels for its stakeholders to understand their concerns and expectations, and has relevant mechanisms in place to respond to the issues concerned by key stakeholders. Moreover, through the *ESG Report*, Bank of Jinzhou has disclosed its corporate sustainability philosophy, management systems, management key points, key stakeholder engagement activities, and has responded to key stakeholders on the material issues related to sustainable development. In our professional opinion, Bank of Jinzhou adheres to the Principle of Responsiveness.

## Impact

Bank of Jinzhou has allocated resources on understanding, measuring, evaluating and managing its impacts that leads to more effective decision-making and result-based management within the corporate. In our professional opinion, Bank of Jinzhou adheres to the Principle of Impact.

## SEHK’s ESG Reporting Guide

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

## Specified Performance Information

Based on the procedures 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 disclosures of the three selected specified performance information in the *ESG Report* is unreliable or inaccurate.

## VIII. Recommendations

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

Strengthen the mechanism for identifying material issues, disclose the ranking for the material issues identified and continuously increase the participation of stakeholders in the process of the materiality assessment, so as to better understand and respond to the expectations and concerns of stakeholders;

Strengthen the understanding, measurement and assessment of the impacts of material issues, so as to better communicate such impacts with stakeholders;

Strengthen the risk management and internal monitoring mechanism, and progressively expand the scope of risk assessment to cover environmental, social and governance aspects to cope with the impacts brought by material issues.



June 24, 2021

Hong Kong SAR, China

# Content Index of the *Environmental, Social and Governance Reporting Guide of SEHK*

Aspect	KPI	Disclosure	Relevant Sections/Remarks
<b>A. Environment</b>			
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.	Advocating Green Office
	A1.1	The types of emissions and respective emissions data.	Environmental Key Performance
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Key Performance
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The wastes generated at the Bank are handled by the property department of the building, thus no relevant data were collected and this aspect is not applicable
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The wastes generated at the Bank are handled by the property department of the building, thus no relevant data were collected and this aspect is not applicable
	A1.5	Description of measures to mitigate emissions and results achieved.	Advocating Green Office
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	The waste generated at the Bank are handled by the property department of the building to ensure legal disposal of wastes and minimise the environmental impact.
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Advocating Green Office
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Key Performance
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Key Performance
	A2.3	Description of energy use efficiency initiatives and results achieved.	Advocating Green Office
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Advocating Green Office Environmental Key Performance
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Since this aspect is not relevant to the Bank's business, so it is not applicable
A3 The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Promoting Green Finance Advocating Green Office
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Promoting Green Finance Advocating Green Office

Aspect	KPI	Disclosure	Relevant Sections/Remarks
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
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	Safeguarding Employees' Rights and Interests
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Key Performance of Employees
	B1.2	Employee turnover rate by gender, age group and geographical region	Key Performance of Employees
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.	Paying Attention to Employees' Health
	B2.1	Number and rate of work-related fatalities.	Paying Attention to Employees' Health
	B2.2	Lost days due to work injury.	Paying Attention to Employees' Health
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Fostering Development of Employees
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Key Performance of Employees
	B3.2	The average training hours completed per employee by gender and employee category.	Key Performance of Employees
B4 Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Safeguarding Employees' Rights and Interests
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Safeguarding Employees' Rights and Interests
	B4.2	Description of steps taken to eliminate such practices when discovered.	Safeguarding Employees' Rights and Interests
<b>Operating Practices</b>			
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Procurement Management
	B5.1	Number of suppliers by geographical region.	The Bank will consider disclosing relevant data in the future.
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Procurement Management

Aspect	KPI	Disclosure	Relevant Sections/Remarks
<b>B. Social</b>			
<b>Operating Practices</b>			
B6 Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Protecting Intellectual Property Rights Improving Service Quality Protecting Customers' Rights and Interests
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Since this aspect is not relevant to the Bank's business, so it is not applicable
	B6.2	Number of products and service related complaints received and how they are dealt with.	Improving Service Quality
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protecting Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	Since this aspect is not relevant to the Bank's business, so it is not applicable
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Protecting Intellectual Property Rights
B7 Anticorruption	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.	Anti-money Laundering and Counter-terrorist Financing Constructing Anti-corruption and Upholding Integrity
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Constructing Anti-corruption and Upholding Integrity
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	The Bank will consider disclosing relevant data in the future.
<b>Community</b>			
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.	Jointly Fighting the Pandemic Participating in Targeted Poverty Alleviation Engaging in Charity to Support the Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Jointly Fighting the Pandemic Participating in Targeted Poverty Alleviation Engaging in Charity to Support the Community
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Jointly Fighting the Pandemic Participating in Targeted Poverty Alleviation Engaging in Charity to Support the Community

## Feedback from Readers

Thank you for reading this Report In order to further improve the Bank's social responsibilities management, we expect valuable comments and suggestions from the readers by filling the feedback form and sending the form to us through any of the chosen ways shown below:

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Fax: +86(416)3220003

E-mail: webmaster@jinzhoubank.com

Address: No. 68 Keji Road, Jinzhou City, Liaoning Province, China

Postcode: 121013

1. Your general evaluation of the Report:

Poor  Average  Good  Excellent

2. Your evaluation of Bank of Jinzhou in performing social responsibilities for stakeholders:

Poor  Average  Good  Excellent

3. Do you think the information disclosed in the Report is complete:

No  Average  Yes

4. Do you think the content and typography of the Report is clear and suitable for reading:

No  Average  Yes

5. Do you have any other comments or suggestions on the Report and on the improvement and development of Bank of Jinzhou for performing social responsibilities:

Thank you for your caring and support for Bank of Jinzhou!



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