



ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT
2021

FinVolution Group



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About the Report

Overview

This report is the fourth Environment, Social and Governance (ESG) Report of FinVolution Group Inc. (hereinafter referred to as “FinVolution,” the “Company,” “we” or “us”). This report discloses the ESG performance of FinVolution in an open and transparent manner for stakeholders to develop a more comprehensive understanding of the management and operations of FinVolution.

Reporting Period

This report mainly covers the operations from January 1, 2021 to December 31, 2021 (hereinafter referred to as the “Reporting Period”). Parts of the report may cover content beyond the Reporting Period.

Reporting Boundary

This report covers the operations of FinVolution’s interest entities and subsidiaries.

Reporting Standards

The report is prepared in accordance with the core option of the Global Reporting Initiative’s Sustainability Reporting Standards (GRI Standards). GRI Standards Index can be found in the Appendix of this report.

Sources of Information and Reliability

The policies, information, and data in this report are from official documents, statistical reports and public information of FinVolution, and are reviewed by relevant departments. We undertake that this report does not contain any false representation or misleading statements and take responsibility for the truthfulness, accuracy, and completeness of the contents of this report. Consistent methodologies have been applied to allow for meaningful comparisons of quantitative data over time.

All monetary amounts quoted in the report are shown in Renminbi (“RMB”), the legal currency of China.

Report Language and Access

This report is published in Simplified Chinese and English. For Simplified Chinese version, please visit the official website of FinVolution Group (<https://www.finvgroup.com/>) under the ESG section; for English version, please visit the Investor Relations website of FinVolution Group (<https://ir.finvgroup.com>) under the News and Events section.

Safe Harbor Statement

This report contains forward-looking statements. These statements constitute “forward-looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “is/are likely to,” “potential,” “continue” or other similar expressions. Such statements are based largely upon management’s current expectations and projections about future events that may affect the Company’s financial condition, results of operations, business strategy and financial needs. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to be materially different from those expressed or implied by any such statements. Potential risks and uncertainties include, but are not limited to, uncertainties as to the Company’s ability to attract and retain borrowers and investors in its marketplace, its ability to increase the volume of loans facilitated through the Company’s marketplace, its ability to introduce new loan products and platform enhancements, its ability to compete effectively, laws, regulations and governmental policies relating to the online consumer finance industry in China, general economic conditions in China and elsewhere, and the Company’s ability to meet the standards necessary to maintain the listing of its ADSs on the NYSE, including its ability to cure any non-compliance with the NYSE’s continued listing criteria. Further information regarding these and other risks, uncertainties or factors is included in the Company’s filings with the U.S. Securities and Exchange Commission. All information provided in this report is as of the date of the report release, and FinVolution undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events, except as required under applicable law.

CEO's Message



As the inaugural year of the 14th Five-Year Plan, 2021 has been full of major changes and challenges, including the sporadic outbreaks of COVID-19 in different parts of the world as well as developments in inclusive finance, digitalization, rural revitalization, decarbonization, and the networked security, to name a few. FinVolution also found itself at a critical stage, encountering intertwined and complex risks and opportunities. With our mission "To leverage innovative technology to make financial services better" clearly in mind, we have committed long-term and sustained effort to empower the financial sector with advanced technology, promote inclusive finance, accelerate technological innovation, uphold employee rights, and deliver on our commitment to improve society and achieve environmental sustainability. In this regard, we contributed extensively to the Sustainability Development Goals of the United Nations, as well as internationally endorsed the Ten Principles of the United Nations Global Compact.

Looking back on 2021, FinVolution successfully navigated through both the uncertainty of economic recovery and the volatility of global markets to demonstrate a robust financial performance. In 2021, we achieved total transaction volume of RMB 137.4 billion, and an operating revenue of RMB 9.5 billion. As of December 31, 2021, we had over 140.3 million registered users and a cumulative loan origination volume of RMB 439.2 billion. These Key Performance Indicators (KPIs) are positive proof that we have been developing the company in the right direction and prudently mitigated risk when conditions were perilous.

We have established a rigorous risk-based compliance system that ensures that our business practices comply with applicable laws and guidelines, as well as a top-down integrity governance framework to oversee business ethics and integrity. Furthermore, we have leveraged our financial technology innovations to maintain systematic and efficient risk management throughout the life cycles of all of our loans. In addition, we promote rational consumption decision-making among borrowers through a variety of means and initiatives. We have also taken measures to foster a heightened awareness of cybersecurity risks and bolster our corporate culture against ever-evolving cybersecurity threats, thereby ensuring the security of company data and customer privacy.

Committing ourselves fully to the national policy of inclusive finance, FinVolution made great strides in providing the real economy with reliable financial services and strengthening services to small business owners. We continue to strive for equitable access to safe and affordable financial services for all households and entrepreneurs and, by doing so, make a material impact on the social and economic development of the country. In 2021, we served approximately 826,000 small business owners in China, and the total loan origination amount of our small business loan products reached RMB 27.0 billion, accounting for 19.7% of total loan origination volume for the year.

As fintech transforms the landscape of the financial sector, we have proactively harnessed our innovative technologies to drive the development of inclusive finance and reshape financial service scenarios while protecting our partners' legitimate rights and interests. We are able to

maintain the Company's competitive advantages and future-fit capabilities primarily due to six critical competencies, namely intelligent marketing, intelligent operations, intelligent risk control, intelligent post-loan management, intelligent quality assurance, and model management service. We have launched new intelligent products and technologies to further propel the digital transformation process in our organization. We have also brought together a wide range of stakeholders, forging collaborative relations with the government, institutional funding partners, suppliers, academia, and other entities and driving industry-wise advances and sustainable development. These bridge-building efforts resulted in several achievements in 2021: we signed a Memorandum of Understanding of FinVolution BaaS Services with six banks; we authored and published the essay Financial Fraud Detection on Micro-credit Loan Scenario via Fuller Location Information Embedding, which was awarded the Best Paper by the Web Conference 2021.

We have also made substantial progress in delivering on our promises of sustainability: gradually achieving carbon-neutral operational emissions (scope 1 and 2) since 2020; achieving carbon peak emission by 2030; and achieving GHG net-zero emission by 2060. To these ends, we have methodically mapped out a pathway to reach these goals and taken an array of initiatives to adapt to climate change. In 2021, we significantly improved our energy efficiency and cut down energy consumption. Subsequently, our total energy consumption intensity shrank by 9% year-on-year. Moreover, the 2021 PUE of our GDS data center was no more than 1.4, outperforming the global average of 1.57. Finally, we reduced waste and minimized our environmental impact, consuming 18% less water and 55% less paper in intensity than the previous year.

We have emphasized the value of maintaining an inclusive and diverse working

environment and aim to ensure that all of our employees are uniquely valued, fairly compensated and clearly heard. We appreciate our employees' views and opinions as a barometer for a healthy work environment, offer attractive remuneration and incentive plans, respect human rights and diversity, and ensure the health and safety of every team member in the Company. In 2021, we optimized our performance management system, which enabled a more comprehensive performance appraisal framework, provided additional financial support to employees for medical care, and offered a wide array of networking events to staff to strengthen bonds and boost morale. Regarding COVID-19, we updated our emergency plans and offered health education and consultation programs to ensure our employees' physical safety and mental health.

As a company founded with the objectives "for the benefit of others", we have been promoting charities and philanthropic activities to uphold our own sustainability commitments and the United Nations Sustainable Development Goals (SDGs). These activities encompass combating the COVID-19 epidemic, providing disaster relief, promoting rural development, and improving education for the underprivileged. We're also proud to maintain our "Group of Knights", consisting of 58 members who have undertaken community service projects that have raised more than RMB 11 million in cash or kind and contributed over 599 employee volunteer hours to our public welfare initiatives in 2021.

The right way forward for FinVolution means pursuing a sustainable future that embraces robust business growth, justice and integrity, inclusion and diversity, technology and innovation, partnership and collaboration, as well as climate resilience and a circular economy. In the days ahead, we'll strive to stay at the forefront of the fintech field and position ourselves at the head of this long, winding, yet undeniably worthy road.



Feng Zhang,
CEO of FinVolution Group

2021 Highlights

Business Highlights



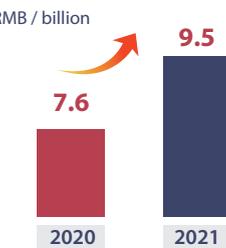
 Loan origination volume in China



 Loan origination volume in overseas markets



 Operating revenue



ESG Highlights

• ESG Rating

Rated Low Risk by Morningstar Sustainalytics

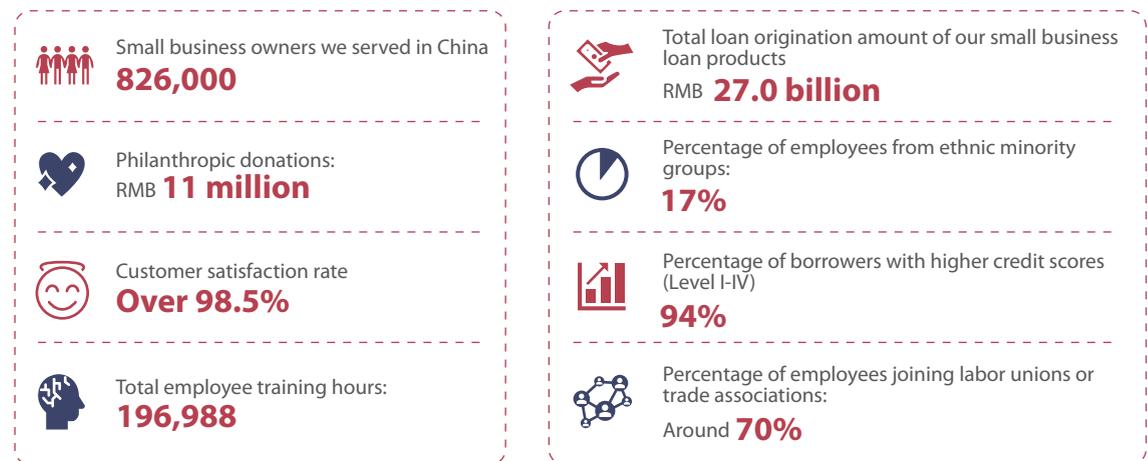
ESG Risk Rating
Low Risk

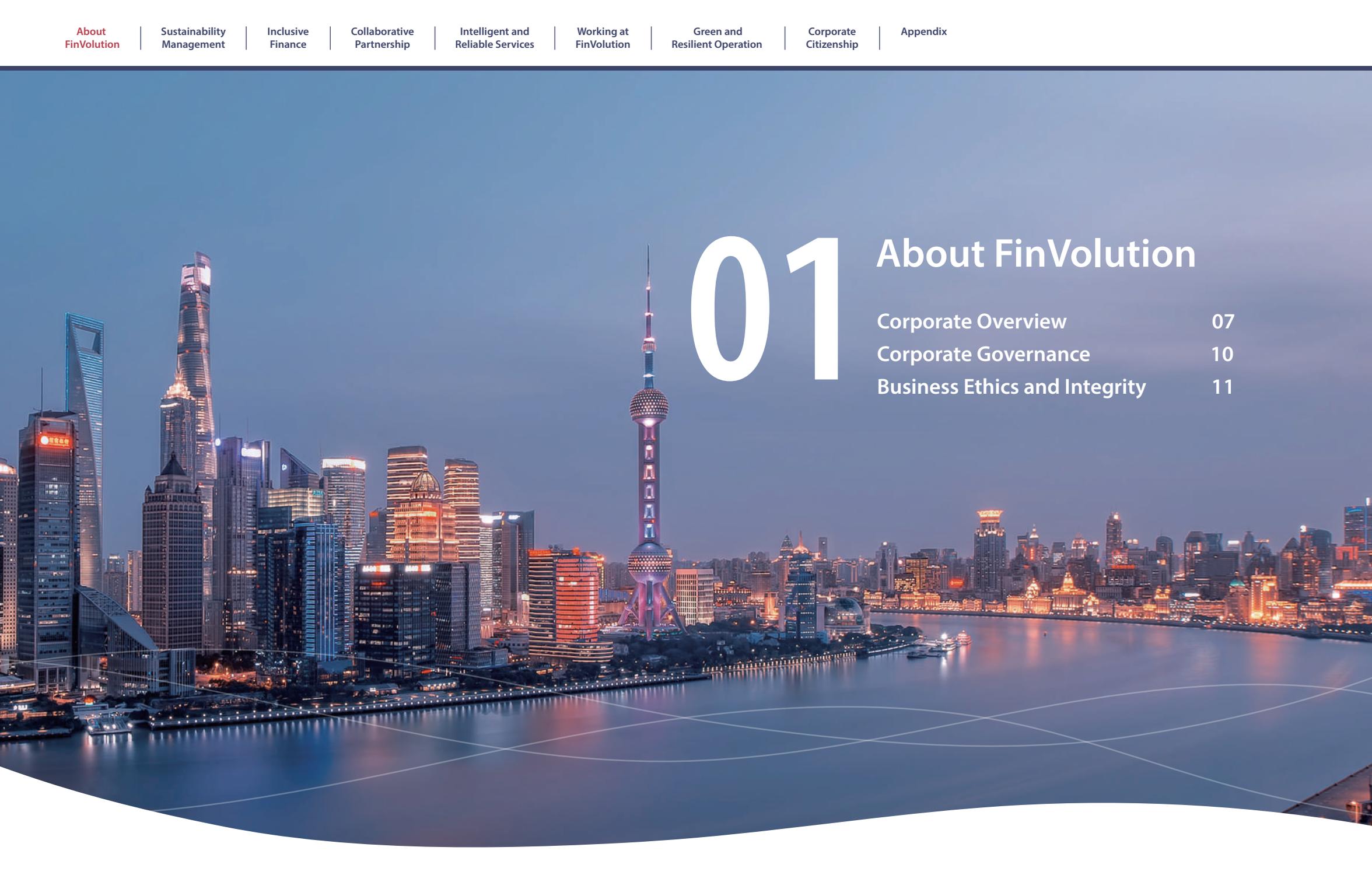


• Environmental Performance



• Social Performance





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Corporate Overview

FinVolution is a leading NYSE-listed fintech platform in China, under the ticker symbol "FINV." Established in 2007, the Company is a pioneer in China's online consumer finance industry and has developed innovative technologies and accumulated in-depth experience in the core areas of credit risk assessment, fraud detection, big data and artificial intelligence. The Company's platform, empowered by proprietary, cutting-edge technologies, featuring a highly automated loan transaction process that, enables a superior user experience. As of December 31, 2021, the Company had over 140.3 million cumulative registered users.

FinVolution deems technology as its key growth engine and sticks to the strategy of technological innovation. Years of business experience have led to our stable and robust development and driven the core strategy of "Platform and technological capabilities" to harness opportunities in the future.

Focusing on the three main business segments of Technology-driven Consumer Finance, International Business and Technology Incubation, FinVolution has constantly endeavored to serve its stakeholders, empower institutions with innovative technology, and fuel the real economy. FinVolution acts as an intermediary between funding institutions and borrowers to build an open financial ecology domestically while exploring overseas growth opportunities to support inclusive finance in Southeast Asia countries, allowing us to expand our business globally.



• Membership of Association

We are members of numerous industry associations and organizations, bolstering our commitment to the financial industry's sustainable development.

- National Internet Finance Association of China

- China Academy of Information and Communications Technology (CAICT) Confidential Computing Consortium

- China Digital Financial Cooperation Forum

- Shanghai Internet Finance Association

- Shanghai Internet Association

- Shanghai Software Association

- Shanghai Information Service Industry Association

- Shanghai AI Industry Association

- Shanghai High-tech Enterprise Association

- Lujiazui Internet Finance Association

- Shanghai Financial Information Association

- Shanghai Credit Promotion Center

- Shanghai Union Laboratory of Credit Big Data

- Shanghai Information Network Security Administration Association

- Hainan Province Guarantee Association

- Hainan Province Software Association

- Tianjin Financing Guarantee Association

- Pudong R&D Institute Association

- Pudong Science and Technology Association

- Mobile Application (APP) Security Committee

- Shanghai IT Entrepreneur Association

- Pudong Chamber of Commerce and Industry (Executive Committee)

- Tsinghua University 40 Forum on Consumer Finance

- China University of Political Science and Law Rule of Law and Sustainable Development Research Center

- CEIBS Lujiazui Institute of International Finance

- New Financial Alliance of China Finance 40 Forum

• Major Honors and Awards

- The Time Weekly: The Fifth Golden Tangerine Award of The Time Weekly-Technological Empowerment Financial Institution Award

- Phoenix WEMONEY: Outstanding Fintech Institution

- Shanghai Federation of Trade Unions, Shanghai Economic and Informatization Working Committee of the Communist Party of China, and Shanghai Municipal Commission of Economy and Information Technology: first and third place in the 2021 Digital Transformation of Shanghai "Smart Craftsman" competition

- Shanghai Economy and Information Technology Commission: the 4th Shanghai Artificial Intelligence Conference "AI + Retail Digital Transformation Most Innovative Technology Award" and the 4th Shanghai Artificial Intelligence Conference "AI + Fintech Best Practice Award"

- Information Times: Best Social Responsibility Companies of the Year

- The "Outstanding Economic Contribution Award of Pudong New Area" for four consecutive years

- China Times: Jin Chan Award - Outstanding Investor Relations of the Year Award

- CAIXIN: 2021 New Insights- Best Financial Services Pioneer of the Year Award

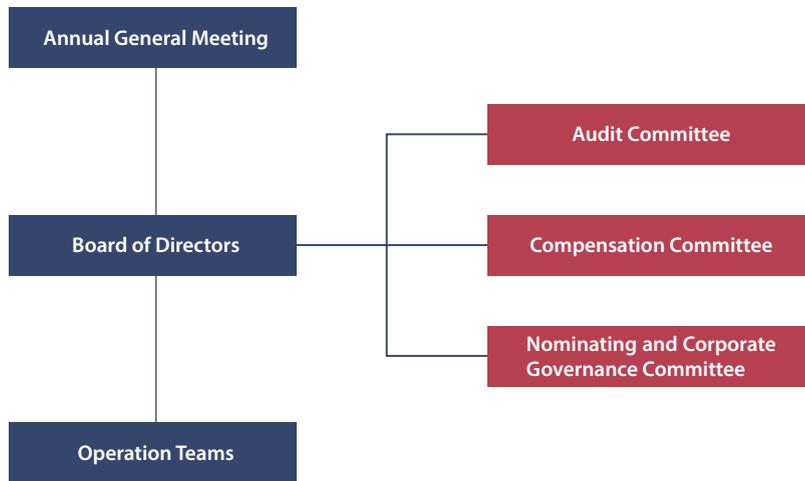
- 01 CAIJING: 2nd place in the Top 30 Digital Small and Micro Financial Service Institutions of 2021



[Honors and awards above were awarded in 2021.]

Corporate Governance

FinVolution has established a sound corporate governance structure and formed a decision making and operating system built on shareholders' meetings, the Board of Directors (the "Board") and the management staff of the Company. We have also established three committees under the Board: an audit committee, a compensation committee and a nominating and corporate governance committee. These special committees report to the Board and perform supervisory duties in accordance with the Articles of Association and to the respective charters of each committee.



The audit committee, compensation committee and nominating and corporate governance committees consist of independent directors with relevant experience and sufficient resources to effectively discharge their duties and seek independent professional advice where appropriate. The effectiveness of our internal control system over our financial reporting has been audited by our principal external auditor PricewaterhouseCoopers Zhong Tian LLP for the past five consecutive years since our initial public offering.

In line with the Company's long-term development strategy, we've developed an operation team comprised of departments and professionals with a wide variety of relevant skillsets and expertise:



The Company recognizes and embraces the benefits of having a diversified governance structure. We believe that such a diversified organization enables us to access to a wider range of experiences, viewpoints, cultural perspectives and educational backgrounds, all of which will inspire a more effective leadership and long-term sustainable growth for the Company. When reviewing potential Board nominees, the Nominating and Corporate Governance Committee considers the diversity of the Board, including, but not limited to, gender, age, race, ethnicity, knowledge, cultural background and educational background.

As of the reporting date, our Board comprised the following demographics:

Name	Nationality	Gender	Age	Tenure (years)	Financial Expert	Industry Expert	Risk Management Expert
Shaofeng Gu	China	Male	43	10		Y	Y
Tiezheng Li	China	Male	37	7	Y	Y	Y
Honghui Hu	China	Male	44	10		Y	Y
Jun Zhang	China	Male	44	10		Y	Y
Simon Tak Leung Ho	Hong Kong, China	Male	48	2	Y	Y	
Jimmy Y. Lai	America	Male	65	5	Y		
Bing Xiang	Hong Kong, China	Male	59	5	Y		

Business Ethics and Integrity

We adhere to the UN's Sustainable Development Goal 16, which relates to "peace, justice and strong institutions."



We also endorse Principle 10 of the Ten Principles of the United Nations Global Compact (UNGC):

Principle 10 of the Ten Principles of the UNGC:

"Businesses should work against corruption in all its forms, including extortion and bribery."

At FinVolution, we believe that an ethical and honest business culture is a prerequisite for consistent growth. Thus, we are committed to nurturing integrity and building trust in all of our decisions and actions. We strictly abide by the laws and regulations where we operate, such as the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China and the Interim Provisions on Banning Commercial Bribery.

We have formulated a set of internal policies on business ethics and integrity, such as the Code of Business Conduct and Ethics, the Code for the Management of Business Ethics and Integrity Building, and the Management Policy of Anti-Money Laundering, Preventing Insider-Trading Policy and Anti-Terrorist Financing, that apply to directors, management and all employees of the Company wherever we operate. All these policies are available on the Company's office automation system, and employees are able to access them through their individual accounts to expand their knowledge on the topics. Further information is available on the Company's investor relations website under the corporate governance section.

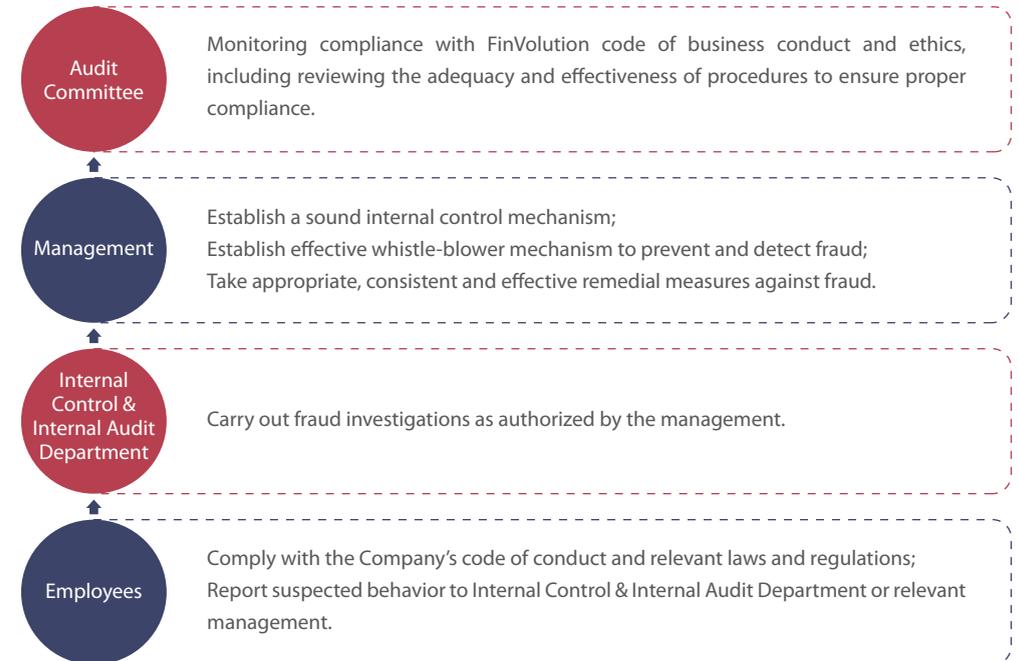
These rules and principles outline how people at FinVolution are expected to behave and the obligations they are bound to in regards to bribery, discrimination and harassment, money laundering, conflicts of interests, as well as corrupt practices, such as gifts and entertainment or the sharing of business secrets. Any breach of these rules will be subject to appropriate disciplinary actions, including termination of employment and referral to law enforcement authorities.

A top-down integrity governance framework has been established with a dedicated Compliance Officer appointed by the Board to oversee business ethics and integrity. The Internal Control and Internal Audit Department are responsible for investigating any allegedly fraudulent practices and business ethics misconduct. Moreover, all our employees are obligated to report any suspected or actual violations of unethical behavior in the workplace.

We've formulated the Anti-Fraud Policy and set up several whistleblower channels for any party to report wrongdoing within the Company.

 **Whistleblower hotline:**
021-80303391

 **Whistleblower e-mail:**
jubao@xinye.com



With a zero tolerance policy against retaliation against whistleblowers or witnesses in mind, we have established a complete procedural and institutional protections to safeguard the safety and rights of whistleblowers. As clearly stated in the Code of Business Conduct and Ethics, those who engage in retaliation against whistleblowers will be subject to disciplinary actions, including dismissal. Cases reported via our whistleblower channels are directly reviewed and, as necessary, investigated by the Internal Control and Internal Audit Department of the Company. For substantiated cases, the relevant departments will be notified regarding the corresponding situation and advised on the investigation process. In the most severe cases, the CEO will be informed as well. The identity of whistleblowers will be kept strictly confidential throughout the entire procedure.

No fraud cases were reported in 2021; however, we are constantly considering approaches to raise awareness and share knowledge about this issue, including:

- Articles disseminating knowledge about anti-corruption are circulated via emails to all members of FinVolution, including interns and outsourced staff.
- FinVolution's code of conduct and policies are regularly publicized through animated videos, emails, and posters.
- Anti-corruption training sessions are incorporated into the induction program of the "Rice Seeds University" platform for new employees.
- Every year the Company holds a management integrity commitment ceremony.
- Internal control and compliance tests are conducted annually, and the results are factored into the performance evaluations of all employees. Such schemes encouraged employees to increase their knowledge of compliance and internal control issues. In 2021, the participation rate on such test was 98%.

The Internal Control and Internal Audit Department audits the Company's expenses semi-annually, covering all aspects of procurement and reimbursement expenses, and prioritizing high-risk job scopes, such as client acquisition, marketing, collection outsourcing, and procurement. We also conduct semi-annual inspections on our various suppliers of customer traffic, modeling, and outsourcing, including a review of their sites, their employees, business premises, scope of business, etc., to maintain our supply chain standards. In 2021 alone, we conducted random inspections on 21 of our suppliers.



Posters Sharing Internal Control Knowledge



Anti-Corruption Email



Anti-Corruption Training on the "Rice Seeds University" Platform



Annual Internal Control Test



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ESG Strategy

With the mission “to leverage innovative technology to make financial services better,” FinVolution has deeply integrated ESG into our business model. We incorporate aspects of ESG across a wide spectrum of our business strategy, including corporate governance, risk management, customer service, employee development, green operation and social welfare. Committed to the ideology of “finance at the convenience of your fingertips and every little bit of money helps,” we leverage our signature, innovative technologies to promote inclusive finance, contribute to society, and extend our positive influence on the community in a more sustainable way.

We publicly endorse and advocate the United Nations Sustainable Development Goals (SDGs) and the Ten Principles of the UNGC and instilled these principles into every aspect of our business, company culture, and operating model. We also partnered with the government, international organizations, non-governmental organizations, industry associations, and academia to promote synergistic sustainable development.

In 2021, we took another step forward by formulating a four-year (2022-2025) ESG strategic action plan, a new level in our commitment towards contributing to the digital economy, data security, green and low-carbon initiatives, employee care, corporate citizenship, and cooperation with external organizations and institutions with a focus on sustainable development.

Our ESG performance has been recognized by our broader stakeholders. We have been included in the ESG rating scope by several international ESG rating agencies such as Sustainalytics (a Morningstar Company), Refinitiv (a London Stock Exchange Group Business) and ESG Enterprise, and we were rated Low Risk by Sustainalytics, for example.

- Digital construction of services and products
- Help local digital construction
- Conducted rural visits to help the rural development of financial technology

Digital Economy



- Promote ISO 27001 certification
- Apply for ISO 27701 certification
- Complete the filing of the third-level classified protection of cybersecurity
- Acquire the filing certificate of Ministry of Industry and Information Technology

Data Security



- Establish personal carbon account
- Green data center construction
- Low-carbon activities
- Daily low-carbon propagation

Low-Carbon Initiatives



- International Seminar on Corporate Social Responsibility Reporting in China
- United Nations Internet Governance Forum (IGF)
- China Internet Corporate Social Responsibility Forum

Interaction for sustainable development



ESG Governance Structure

In 2021, we upgraded our ESG governance framework by establishing the ESG Committee and ESG Working Group, ensuring that the entirety of our ESG issues is effectively managed and implemented.



Supervisory Level

• Board

- The highest decision maker
- Nominate the ESG Committee
- Comprehensively monitor ESG matters
- Review and approve ESG-related goals

Management Level

• ESG Committee

- Develop ESG strategies and goals
- Develop ESG risk management framework
- Develop ESG management policies
- Guide and monitor the operation of ESG information system and the progress towards ESG-related goals
- Review ESG disclosure

Implementation Level

• ESG Working Group

- Implement ESG policies
- Carry out ESG-related working procedure
- Manage ESG information system
- Coordinate ESG-related work
- Prepare the annual ESG report

• FinVolution Staff

- Carry out ESG-related work
- Collect and report ESG information
- Promote ESG practices

Stakeholder Communications

FinVolution's success is defined by the strong bridges of communication it has built with its stakeholders, who are critical to our business operations. By understanding the needs of our stakeholders and developing

communication methods that cater to them, we are able to effectively address their varying ESG expectations.

Stakeholder	Issues of Concern	Communication Mechanism	Frequency
Government Organizations and Regulators	<ul style="list-style-type: none"> • Legal compliance • Cyber security • Risk management • Inclusive finance 	<ul style="list-style-type: none"> • Policy seminars • Government affairs • Supervision and inspection • Industry meetings • Reports 	Multiple times per month
Customers	<ul style="list-style-type: none"> • Inclusive finance • Protecting customers' rights and interests • Data security and privacy protection 	<ul style="list-style-type: none"> • Social media • FinVolution official website • Email and telephone communications • APPs 	Multiple times per month
Suppliers and Partners	<ul style="list-style-type: none"> • Win-Win cooperation • Equal, open and fair procurement 	<ul style="list-style-type: none"> • Email and telephone communications • Supplier conference • Investigation and evaluation of suppliers • Public tendering and bidding • Complaints hotline 	Multiple times per month
Non-Governmental Organizations	<ul style="list-style-type: none"> • Public welfare • Business integrity and anti-corruption • Climate change 	<ul style="list-style-type: none"> • Industry association • Seminar • Working meeting • Email and telephone communication 	Multiple times per quarter

Stakeholder	Issues of Concern	Communication Mechanism	Frequency
Communities and the Public	<ul style="list-style-type: none"> • Public welfare • Business impact on society • Diversity and inclusion 	<ul style="list-style-type: none"> • Participation in social public benefit activities • Cooperation in community projects 	Ad hoc
Media	<ul style="list-style-type: none"> • Inclusive finance • Business impact on society 	<ul style="list-style-type: none"> • Press releases and announcements • Interviews • FinVolution official website 	Multiple times per year
Peers and Industry Associations	<ul style="list-style-type: none"> • Intellectual property management • Cyber security • Technology innovation • Industry communication 	<ul style="list-style-type: none"> • Industry summits and association meetings • Round-table conferences • Site investigation 	Ad hoc
Shareholders and Investors	<ul style="list-style-type: none"> • Financial performance • Legal compliance • Risk management • Information disclosure • Financial product safety 	<ul style="list-style-type: none"> • Shareholders' meeting • Quarterly earnings release • Investor roadshows • Sell-side conferences • Email and telephone communications • Annual report 	Multiple times per year
Employees	<ul style="list-style-type: none"> • Compensation and benefits • Employee health and safety • Talent development and training • Diversity and inclusion 	<ul style="list-style-type: none"> • Remuneration management • Employee training • Employee activities • Interview with employees • Employee satisfaction survey • Access to senior management 	Multiple times per month

Materiality Assessment

• Identify ESG Issues

We begin by identifying relevant ESG issues according to the following factors:

- FinVolution ESG strategic goals
- Policy and industry focus areas
- External sustainability reporting frameworks, including GRI Standards
- ESG rating methodology

ESG Pillar ▶

ESG Issues ▶

Economy

- Corporate Governance
- Risk and Crisis Management
- Business Ethics
- Financial Performance
- Market Performance

Society

- Inclusive Finance
- Financial Product Safety
- Privacy and Data Security
- Product and Service Innovation
- Consumer Rights Protection
- Compliance Operation
- Supply Chain Management
- Labor Management
- Occupational Health and Safety
- Training and Education
- Diversity and Equal Opportunity
- Human Rights
- Public Charity

Environment

- Climate Change
- Green Operation

• Identify Stakeholders

Relevant stakeholders are identified and invited to participate in the materiality assessment based on the extent of their involvement in our business.

• Formulate Materiality Assessment Matrix

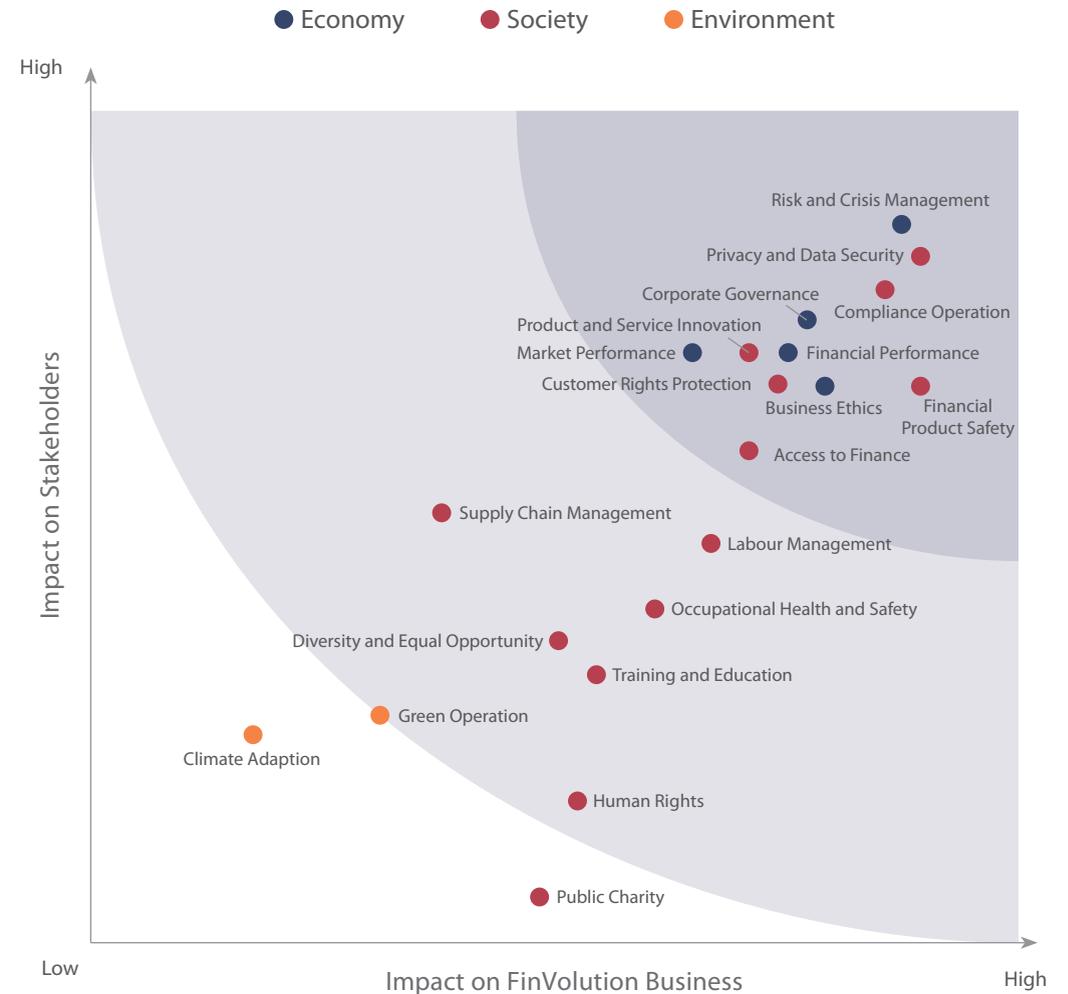
Then, we conduct survey questionnaires focused on ESG topics, group them by economic, environmental, and social aspects, and formulate the materiality assessment matrix based on the results of the survey results.

• Confirmation

The materiality assessment matrix is reviewed by the ESG Working Group and confirmed by the ESG Committee.

In 2021, we refined the 2020 materiality assessment matrix primarily by increasing the emphasis on Consumer Rights Protection (previously Customer Relations), Green Operation and Climate Adaption (Previously Climate Action) based on stakeholder communications, external guidelines, policy implications, and industry trends.

Materiality Assessment Matrix



In 2021, we also reinforced the connection of our material sustainability topics to the SDGs in the ESG report:

SDGs	Topics	SDGs	Topics
<p>SDG1</p>  <ul style="list-style-type: none"> • Inclusive Finance • Corporate Citizenship 		<p>SDG5</p>  <ul style="list-style-type: none"> • Working at FinVolution 	
<p>SDG3</p>  <ul style="list-style-type: none"> • Working at FinVolution • Corporate Citizenship 		<p>SDG8</p>  <ul style="list-style-type: none"> • Inclusive Finance • Working at FinVolution • Corporate Citizenship 	
<p>SDG4</p>  <ul style="list-style-type: none"> • Working at FinVolution • Corporate Citizenship 		<p>SDG9</p>  <ul style="list-style-type: none"> • Intelligent and Reliable Services 	

SDGs	Topics	SDGs	Topics
<p>SDG10</p>  <ul style="list-style-type: none"> • Inclusive Finance • Working at FinVolution 		<p>SDG13</p>  <ul style="list-style-type: none"> • Green and Resilient Operation 	
<p>SDG11</p>  <ul style="list-style-type: none"> • Green and Resilient Operation 		<p>SDG16</p>  <ul style="list-style-type: none"> • Collaborative Partnership • Working at FinVolution • Business Ethics and Integrity 	
<p>SDG12</p>  <ul style="list-style-type: none"> • Green and Resilient Operation 		<p>SDG17</p>  <ul style="list-style-type: none"> • Collaborative Partnership 	

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TECHNOLOGY

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Appendix

We contribute to the following SDGs:



Currently, 1.7 billion adults are excluded from the formal financial system. Financial exclusion is the greatest among low-income individuals, especially in emerging and developing countries, including the rural households that account for more than 70% of global poverty (Global Findex 2017). In addition, more than 200 million small and medium-sized enterprises in emerging markets alone lack access to finance, limiting their ability to grow and thrive, according to the UN Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA). Consequently, policymakers and regulators around the world are actively working on promoting financial inclusion. China stressed supply-side structural reform in the financial sector in its 14th Five-Year Plan, which aims to improve the inclusiveness of financial services and establish a modern financial system that is adaptive, competitive, and inclusive.

With these global and national initiatives in mind, we strive to enhance equitable access to safe and affordable financial services for all households and entrepreneurs and help to make a material impact on the economy and society.

We facilitate loans between borrowers whose needs are either unserved or underserved by traditional financial institutions and institutional funding partners through our convenient, simple, and fast loan transaction process. Currently, our financial service has expanded from China to overseas markets, including the Philippines, Indonesia, and Vietnam.

	Number of Users (million)	Loan Origination Volume (billion RMB)
New Registered Users and Originations in China for FY 2021	15.10	133.60
New Registered Users and Originations in Overseas Markets for FY 2021	5.1	3.70
Unique Borrowers in China for FY 2021	5.6	/
Cumulative Number of Borrowers in China in FY 2021	22.0	/
Cumulative Registered Users in the Overseas Markets in FY 2021	9.0	/

From founding till December 31, 2021, we have facilitated loans with over **24.2** million borrowers globally.

Current and prospective borrowers can instantly access our services and products through social media, search engines, App stores, referral campaigns, and other online channels. Borrowers can apply for loan products on mobile or PC devices and usually only need to provide basic information, such as business license, self-employed license, identity card number and mobile phone number.

Social media



Search engines



App stores



Referral campaign



Inclusive finance helps small and micro businesses bridge the gaps during challenging times

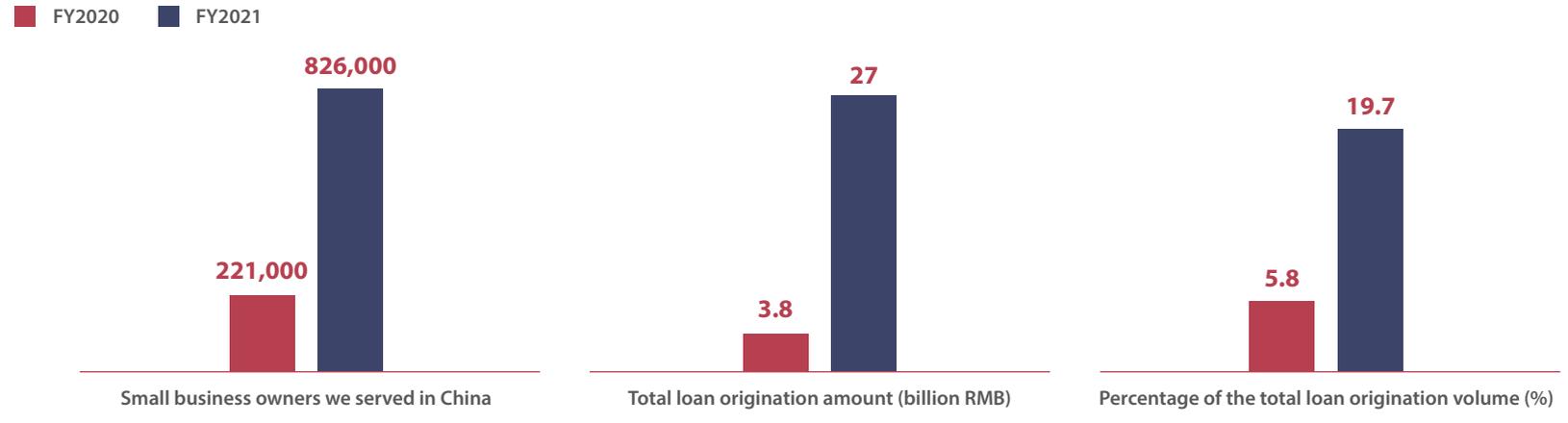
Small and micro businesses are essential parts of the economy. They outnumber large firms, employ a vast labor force and help shape innovation. However, their inadequate assets, collateral, and weak credit history make it difficult for them to access mainstream financial services, and their ability to survive the economic downcycle and grow in the long-term is severely limited.

In support of the national policy for inclusive finance, FinVolution has promoted a comprehensive plan for rural revitalization and kickstarting "mass entrepreneurship and innovation". We started offering loan products to small business owners in 2020 to help them get their businesses off the ground and to help them weather difficulties during challenging times.

The principal amount of our small business loan products varies from RMB 500 to RMB 104,000, with a term ranging from 1 to 24 months. We have incorporated advanced technology into every step of the transaction process on our platform to provide a streamlined experience to our borrowers. Our platform leverages sophisticated, proprietary technology to make the entire process simple, seamless, and speedy for borrowers.

In 2021, we served approximately 826,000 small business owners in China on our platform and the total loan origination amount of our small business loan products was RMB 27.0 billion, accounting for 19.7% of the total loan origination volume for the year. Validating our support for small business owners, loan origination for this segment grew to RMB 27 billion. The loan origination of this segment accounted for 19.7% of the total loan origination volume for the year, validating our support for small business owners.

Selected small business loans data



Interest-free goodwill loans

In April 2022, we announced a partnership with the national weightlifting team of China to provide over RMB 100 million of interest-free goodwill loans for small businesses, micro businesses, and farmers.



Borrower stories

"I own a cattle farm in my hometown in Guizhou, a southwest province of China. My business became cash-strapped when the swine fever raged through the region, leading to rigorous traffic control of livestock and a sharp decrease in my income. Thanks to the financial products on PPDAl, FinVolution's online consumer finance marketplace platform, I was able to achieve sufficient cash flow that helped sustain my business. My farm is now running healthily and continuing to scale up, which helped me to take one step closer to achieving my ambition of introducing my hometown cattle to the world."



"I am a member of the post-90s generation, and I operate a few clothing stores with my colleague. We used to regularly run into seasonal and year-end cash flow turnover problems until one day I found out about the PPDAl platform from one of my friends. We decided to give it a try and followed the simple application procedure. We were then quickly offered loans that met our financial needs at a low interest rate. We are truly grateful to the PPDAl platform for offering a lifeline to us when we were at our wits' end, and now we know that we have an ally that can shield us from adverse shocks and keep our business running smoothly."



"I had a child in 2018, and I wanted to give her a better life. So, I decided to open a restaurant. Thanks to the funds raised on the PPDAl platform, I secured the cash flow I needed to open my first restaurant! Business was great at first, but we were getting so busy that it affected our home life. Thanks again to the loans provided on the PPDAl platform, we were able to transition to an operational model that enabled better work-family balance. The future of our restaurant is looking bright, and we are now preparing to open our second restaurant!"



"We started our one-stop cultural, sports, teaching, and tutoring platform from scratch with a founding team of only three members, which has now grown to a staff of 30. Ever since the company was founded, we have been constantly under stress due to the COVID-19 pandemic. Staying true to our aspiration to establish the best platform of its kind, we discovered this loan platform and received a great loan offer even though we hadn't been operating for long and had very low turnover. It was because of this loan that we could withstand the economic difficulties facing us without laying off any of our team members and allowed us to expand afterward."



"It has always been my dream to put down my roots in my hometown and contribute to its rural development. I played a major part in popularizing online shopping in our town by setting up a Cainiao delivery pickup station in May 2019. I enjoy serving my community with the busy but rewarding work of my business, and it has grown from handling just twenty packages a day in 2019 to over two hundred a day in 2021. All of this wouldn't have been possible without the PPDAl loan platform and the timely and adequate capital it provided me for during the past three years. Now I'm confident that I can expand my business to the neighboring town and contribute even more to rural development in the future."





04

Collaborative Partnership

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Green and Resilient Operation

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Appendix

We contribute to the following SDGs:



Working with stakeholders across a wide variety of domains, we have maintained constant dialogue with the government, institutional funding partners, suppliers, academia, and other entities. By doing so, we have forged collaborative relationships that have driven industrial progress while maintaining sustainability.

Cooperation with Public Authorities

As a responsible fintech platform, FinVolution has applied its cutting-edge advantages in big data, AI, and Internet technologies to support public authorities in their battle against telecommunications fraud and ensure compliance with all relevant laws and regulations.



Preventing Fraud

Although modern technology has enabled a revolution of change in finance, an unfortunate side effect of this progress has been a sharp increase in cybercrime and telecom fraud. These criminals have caused immense economic loss to victims and undermined the foundations of the economy and society. In 2020, the total losses due to telecom and network fraud cases nationwide amounted to a staggering RMB 35.4 billion. We are doing our part in the fight against these crimes by ratcheting up our resources and capabilities, integrating greater automation and intelligence to catch suspicious behavior before it can cause greater financial harm and supporting public authorities in combating cybercrimes and telecom fraud.

Since April 2020, we have been strengthening our technological countermeasures against telecommunications fraud by utilizing our advantages in sophisticated big data, AI and risk control and in partnership with the Shanghai Public Security Bureau. We have deepened our collaboration with the government by developing a comprehensive anti-fraud initiative that has raised the public's anti-fraud awareness, raised red flags over security risks, intercepted funds from dubious sources, and tracked illegal account activity. On top of all this, FinVolution regularly reports fake WeChat customer service accounts and phone numbers of possible victims to the Public Security Bureau, publishes anti-fraud videos on our WeChat public account, and conducts anti-fraud campaigns to warn the public about security risks.

As of the end of 2021, we have cumulatively intercepted 17,000 high-risk, potentially fraudulent transactions, amounting to RMB 230 million. We have also sent over 350,000 text-message alerts to high-vulnerability users prior to loan funding. In addition, the anti-fraud popup windows on our APP warning users of high-risk transactions totaled 250,000 and involved RMB 1.8 billion of funds. The rate of fraudulent transactions on our platform dropped dramatically to 0.000097% in 2021, down by 53% from 2020.

In September 2021, we supported the Hefei Public Security Bureau in its crackdown on internet fraud. By leveraging our database of tens of millions of blacklisted users and millions of grey-listed users, as well as our highly-refined intelligent risk control system, we were able to provide the authorities with a list of defrauded users from our system and the numbers of suspicious accounts. This valuable information helped the police locate and apprehend the perpetrators and further demonstrated our commitment to cooperating with government agencies in the fight against telecom and online fraud.



FinVolution is also a major contributor to the smart public affairs service of the Pudong Market Supervision Bureau through our development of the "Intelligent Annual Reporting System" which has been in operation for the past three years.

This system has helped the Pudong New Area government improve the efficiency of its annual reporting work by leveraging FinVolution's technological advantages to effectively analyze and sort through a massive number of enterprises in a wide array of industries that have lapsed in their reporting to the government.

In October 2021, the "Corporate Annual Report Consulting" function of the "Intelligent Annual Reporting System" was so successful in helping the Pudong New Area government that it became the only mini-program recommended by the Pudong Market Supervision Bureau to be featured on the Shanghai Public Services Online (Sui Shen Ban) system.

Other projects we worked on in 2021 to fight against fraud include:

Working with the Shanghai Anti-Fraud Center to design anti-fraud reminders

Conducting surveys on the number of downloads and degree of satisfaction of National Anti-Fraud APP campaigns for the Zhangjiang Area Police Force



• Ensure Compliance Institutional Funding Partners

We also cooperate with authorities to help improve our risk management systems and minimize regulatory and compliance risks not only to the Company but to the wider financial community and the general public as a whole.

a) In July 2018, we were one of the first 15 online lenders and consumer finance companies to sign up and share data with Baihang Credit Information Co., Ltd., China's first licensed, market-based personal credit agency operating under the supervision and guidance of the Chinese central bank, the People's Bank of China (PBOC).

b) In December 2019, the PBOC approved the connection of our online micro-lending subsidiary to the PBOC Credit Reference Center, which allowed us to access and update borrowers' credit records within their system.

We primarily cooperate with commercial banks, private banks, consumer finance companies, micro-loan companies, and trust management companies. We maintain multiple channels of communication to maintain close contact with these institutional funding partners and keep them up to date on our financial performance, strategies, compliance, risk management, and data security.

We offer the following quality assurance commitments to our institutional funding partners:

a) We engage licensed third-party financing guarantee companies, which are obligated to repay the full overdue amount to the institutional funding partner if a borrower defaults.

b) We incorporated three financing guarantee companies in Fujian, Tianjin and Hainan in 2019 and 2020. In some cases, our own financing guarantee companies provide financing guarantee services directly to our institutional funding partners for loans funded by them.

With the digital economy poised for further growth due to the 14th Five-Year Plan, we have begun to apply special emphasis on boosting cooperation with our institutional partners on concerning the development of financial technology. We hope to leverage our state-of-the-art technological capabilities and build bridges with like-minded institutional partners through conferences, events, and services to speed up the construction of fintech infrastructure, drive the digital transformation of small and medium-sized banks, and contribute to the financial services industry.

• On April 15th, 2021, the first FinVolution Partner Conference was held in Shanghai, with the theme of Business Innovation at the forefront. We displayed our core capabilities, including big data, artificial intelligence, automation, and scalability, as well as our in-depth experience in providing digitalization solutions to licensed financial institutions. We signed a Memorandum of Understanding on FinVolution BaaS Services with six banks, namely AI Bank, Haixia Bank, Z-Bank, Yillion Bank, ShrBank and Jilin Jiutai Rural Commercial Bank, which covered fields ranging from fintech and intelligent marketing to intelligent modeling and risk control data. The launch of BaaS Services was another critical step in the Company's strategic plan and marked our new To B services structure. As a leading player in China's online consumer finance platform market, FinVolution can maximize opportunities like this to make more impactful and insightful fintech initiatives.



Memorandum of Understanding on FinVolution BaaS Services

• On August 11th, 2021, we entered into a partnership with Yillion Bank and Ocean Engine, a digital marketing service platform. FinVolution would work with Ocean Engine to provide comprehensive solutions covering marketing, operation, risk control, system, targeted marketing and ecology building to Yillion Bank. It helped this regional bank better handle the challenges it was facing in its digital transformation process and offer its clients better Internet scenario-based financial services.



In-depth cooperation with Yillion Bank and Ocean Engine

Supply Chain Partners

We ensure that our suppliers provide products and services of the required quality and comply with our ethical, environmental and social standards, while continuously working with suppliers to enhance shared sustainable processes and practices throughout the entire supply chain.

Our suppliers include companies that deal with digital marketing, IT, risk control, human resource, news distribution agencies, and telecommunications. We have formulated policies such as the Procurement Management Policy and supplier life-cycle management procedures to reduce risk at every step of the process, from supplier sourcing and onboarding to evaluation and performance management:

- We maintain an approved supplier list and, prior to approval, review supplier certifications such as licenses for opening accounts and business licenses.

- We assess supplier compliance through annual reviews and ad-hoc onsite evaluations to measure the performance of suppliers against production and quality parameters.

- We rate suppliers based on evaluation results, and several of the more important criteria include: prohibition on child labor, prohibition on forced labor, and dormitories provided must meet acceptable living conditions, among others.

- We conduct procurement activities with existing suppliers in the approved supplier list. New suppliers shall be subject to an onboarding process.

We categorize the approved suppliers into different classes based on performance evaluation and supplier qualification results. We prioritize suppliers with high scores by awarding them more contracts, while for those that fall short of our standards, we give them fewer contracts and require them to address the issues we raise in a timely fashion; otherwise, the partnership will be terminated. Suppliers that fail to satisfy our minimum requirements will be disqualified and blacklisted. In 2021, 21 suppliers were evaluated against our standards. Of these, two were rated exceptional, and 19 were rated excellent.

To ensure consistent supplier quality in our overseas business, we have been working on standardizing supplier management in Indonesia and the Philippines. For example, we updated the Procurement Management Policy in 2021 to better monitor supplier quality and better control the potential risks of our suppliers based in Indonesia.

Supplier compliance with sustainability standards is a crucial factor in our supply chain management process, and we are constantly integrating additional social and environmental aspects into this process. In 2021, we updated and refined several dimensions of the supplier performance scorecard, specifically how the supplier performs in social aspect, such as

prevention of child labor, job opportunities for the disabled, and helping drive charitable causes, and in environmental aspects, such as greenhouse gas (GHG) emission monitoring, plans for GHG reduction, and carbon verification. In 2021, about 15% of our suppliers assessed were evaluated against these updated social and environmental standards and 100% were rated qualified.

We opt to work with suppliers who share our views on sustainability and work with them to facilitate continuous carbon reduction. For example, we sourced materials for self-service vending machines that met the government standard for heat-insulating plastics so that these machines would consume lesser electricity.

To ensure that the way we conduct business within the supply chain is in line with our high ethical standards, we formulated the Letter of Commitment on Compliance and Work Ethics which featured an anti-commercial bribery clause in our purchase agreements. All our suppliers are obliged to observe and report violations of these rules and principles and have a zero-tolerance attitude towards unfair or unethical conduct of any form. Furthermore, this policy stipulates that procurement department personnel are subject to regular rotation to avoid unethical commercial practices.

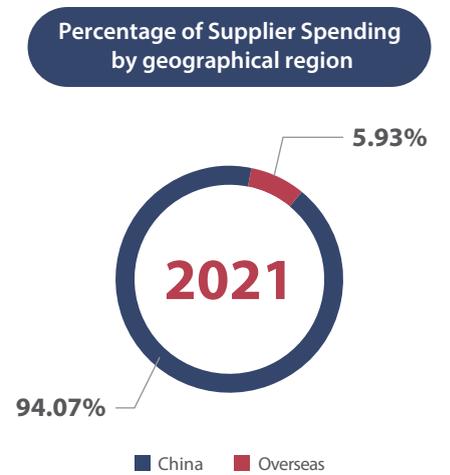
We have high standards for our suppliers and require them to up to these sustainability expectations. In support of this, we regularly invite them to participate with us in our sustainability initiatives through interactive seminars, onsite visits, and supplier conferences.

• On October 25th, 2021, we launched the third Supplier Conference in Shanghai with the theme of “Creating the Future with FinVolution.” We shared our best practices, outlined our sustainability strategy, and expressed our expectations for suppliers to commit to a more sustainable future. We also stressed the importance of business ethics and integrity.



Supplier Conference

As of the end of the reporting period, we had 822 supplier partners in total:



Academia Partners

Our academic partners are at the forefront of scientific research and innovation, and we've been joining forces with leading universities to conduct innovative industry research programs and knowledge exchange. These enterprise-university programs included nearly 800 university students. These efforts aim to raise the standards of human tech capital in China, increase innovation capabilities, and improve economic productivity.

In 2018, we co-founded the FinVolution-Zhejiang University AI United Laboratory with Zhejiang University, which has since resulted in substantial advances in areas such as graphical cognitive computing. In 2021, we renewed our cooperation with the Laboratory and laid out our plans for future AI paradigms with the academic group from the College of Computer Science and Technology. We held a very fruitful exchange of ideas and shared some of our anonymized commercial data with researchers to enable faster learning and boost research progress.



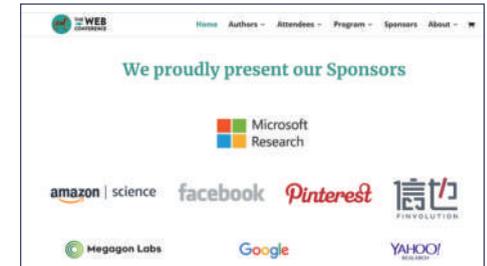
Technology Seminar with FinVolution-Zhejiang University AI United Laboratory

In 2019, we entered into a strategic partnership with the Renmin University of China to explore the impact of enterprise behavior on society and the public from an economic point of view.

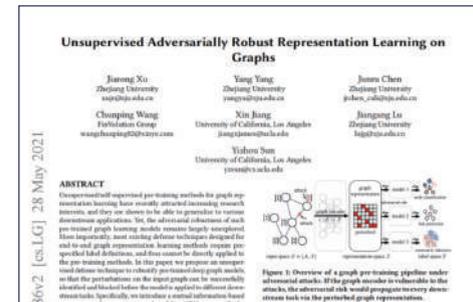
In 2021, we worked with East China Normal University on the Immersive Image Research Center project.

These efforts strengthened our research focus and generated positive external effects for our academic partners as well.

The essay Financial Fraud Detection on Micro-credit Loan Scenario via Fuller Location Information Embedding, authored by FinVolution, was rated Best Paper by the Web Conference 2021.



Two essays, Unsupervised Adversarially Robust Representation Learning on Graphs and Blindfolded Attackers Still Threatening: Strict Black-Box Adversarial Attacks on Graphs, co-authored by FinVolution researchers and professors from Zhejiang University and the University of California at Los Angeles (UCLA) were selected by the Conference on Artificial Intelligence 2022. This honor is bestowed upon only 15% of papers submitted to this CCF (China Computer Federation) Class A academic conference.



To further facilitate the mutual exchange of ideas between universities and the fintech industry, we regularly offer university students the opportunity to visit our offices and provide platforms to display their ideas and thinking, such as competitions. We also have several staff members serving as part-time tutors who offer lessons in theoretical and practical concepts to postgraduate students at the Shanghai University of Finance and Economics, Wuhan University, and East China University of Science and Technology.

- The FinVolution Cup is our annual event and aims to cultivate technological talent and explore technology empowerment. The latest iteration of this event, concluded on August 21st, 2021, under the theme of "AI Life, Smarter Life." A total of 509 teams and 1,036 contestants participated in the competition, many with masters and doctorates from top domestic and international universities, such as Beijing University, Tsinghua University, and UCL, and many others who work as engineers for famous enterprises such as Alibaba and Huawei. This contest generated deeper insights in the application of image recognition technology into our smart retail brand, Gou Ya, and helped realize a smarter retail environment.



- FinVolution chief scientist deliberated on how AI techniques could make a contribution to the financial domain at the Academy of Artificial Intelligence of Shanghai Jiao Tong University.



- Two FinVolution algorithm scientists presented case studies and demonstrated innovative application at School of Statistics and Management of Shanghai University of Finance and Economics.



- FinVolution professionals, together with the Department of Computer Science in the School of Information Science and Engineering of East China University of Science and Technology, discussed translation of the technology into industrial application.



Together with our academic partners, we have also been proactively pushing the boundaries of financial knowledge and expanding the coverage of fintech digital services domestically and internationally. With our rapidly increasing presence in Southeast Asia, we organized a range of roadshows and other interactive events to familiarize local stakeholders with fintech concepts.

On April 25th, 2022, FinVolution was invited to attend the China-Thai Fintech Forum as a representative of China's fintech enterprises. The Forum was held by the Beijing Frontier Institute of Regulation & Supervision Technology, the Zhejiang Association of Fintech, the Beijing Fintech Industry Alliance and the Thailand Fintech Alliance. To a crowd of local enterprises and government representatives attending the Forum, FinVolution delivered a roadshow speech not only to share its business model, technical competencies, and risk control systems, but also to present an in-depth analysis of fintech development trends in Thailand.



Industry Partners

We are members of a number of industry associations, such as the National Internet Finance Association of China. Combining our advanced technology capabilities with the collective power of these associations, we are well equipped to effectively manage credit risk and capture the unique opportunities in China's consumer finance sector. We have also tapped into many opportunities to share ideas and spur inspiration within the industry to lay a new foundation of shared technology.

ArchSummit 2021

The ArchSummit Global Architect Summit is a technology conference for high-end technical managers and architects. The theme of the 2021 event was "Upgrading Architectural Thinking to Support Business Development" and attracted more than 1,000 technical experts and 200 enterprises. Six senior FinVolution architects attended the summit and delivered themed speeches on topics varying from microservice framework to voice conversation robots.



We shared knowledge with our peers while also being inspired to forge new pathways in directions not previously considered and discover new technologies, services, ecosystems, and architectures that we could integrate into FinVolution.

The FinVolution Technology Salon

In 2021, the FINV Technology Evangelist (FSE) group successfully held the 4th and 5th FinVolution Technology Salons, which respectively focused on "Low-Code Full-scene Landing Practices" and "Distributed Database and Data Middleware." These salons invited technical experts from companies such as Kuaishou Technology, SphereEX, and PingCAP to share their experiences and discuss technical challenges, which helped to facilitate industry dialogues and concerted exploration into several technological innovation areas.



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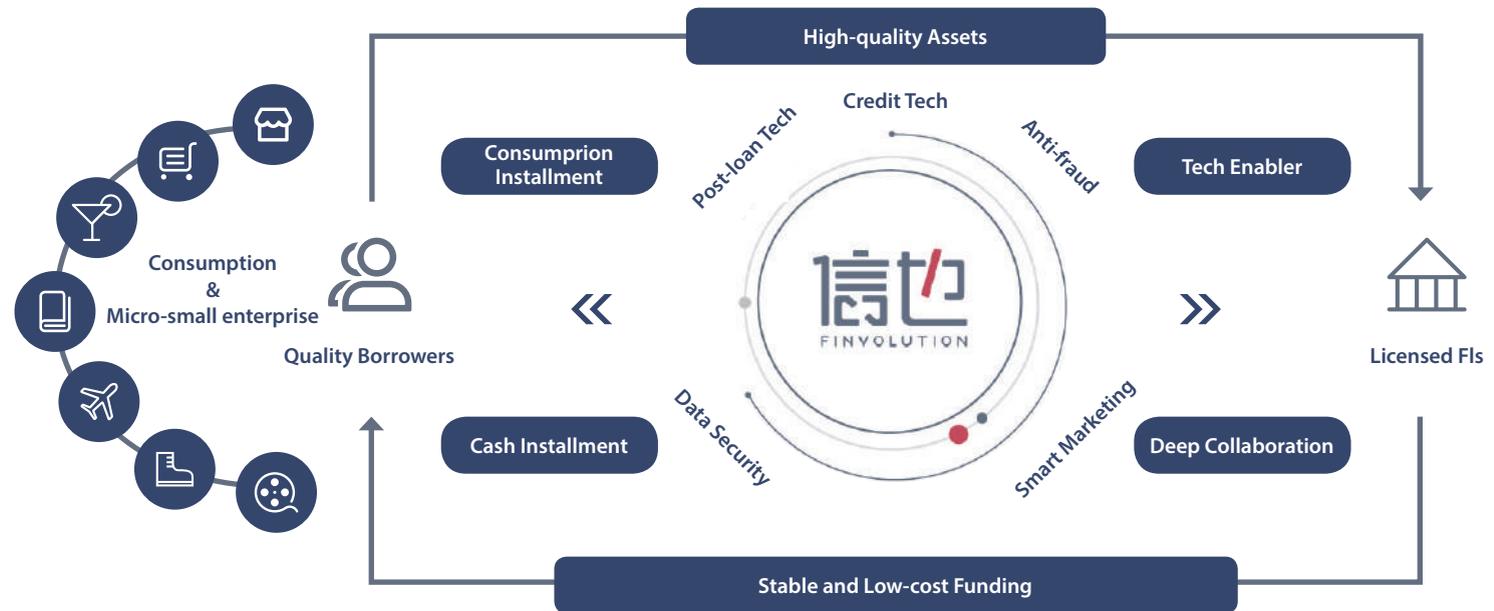
Corporate Citizenship

Appendix

We contribute to the following SDG:



As fintech drastically changes the landscape of the financial sector, we have been aggressively harnessing our tech-based innovation to fuel the development of inclusive finance and reshape financial service scenarios, while preserving our partners' legitimate rights and interests.



FinVolution financial products and services

Innovative Technology

• Intelligent Operations

Given the booming performance of the fintech sector and the rapid pace of digitalization, FinVolution is undoubtedly investing more resources and blazing new trails in financial technology. We have kept the Company competitive and future-fit primarily due to six critical competencies, namely intelligent marketing, intelligent operations, intelligent risk control, intelligent post-loan management, intelligent quality assurance, and model management service.



Intelligent Marketing:

• Octopus Platform

Connecting to APIs such as Ocean Engine, Tencent Ads, and Google, the Octopus Platform functions as an advertising management center, material center, strategy center, and analysis center that can monitor full path chain indicators, adjust strategy, auto-create advertisements in batches, keeping videos, and enable highly effective and efficient advertising.

• RTA Platform

Our proprietary RTA (Real-Time Application Programming Interface) platform went live in 2021, which connects us to multiple giants in the information feeds space, including Bytedance, Tencent, Baidu, and Kuaishou. It is a rapidly deployed, high traffic capacity, low-latency system with a strategic, customized configuration and massive data storage abilities, which significantly reduces the cost of data transfer and enables more precise marketing.

• Smart Bull Platform

The “Smart Bull” Outbound Call Platform ensures prompt and standardized answers to customers, promoting a more streamlined user experience, reducing staffing costs, and increasing service efficiency.

• Ling Xi Platform

Ling Xi Platform is a multi-functional smart marketing platform that can reach and manage a vast number of registered users and spur the transaction rates of registered users.

• PMS Platform

PMS (Precision Marketing Service) Platform is an all-in-one automated marketing platform designed to manage the full user life cycle through universal user profiles, visual rules engines, smart dispatching and RPA (Robotic Process Automation) techniques.



Intelligent Operation:

• Magic Pen Platform

Magic Pen Platform is an all-in-one activity design platform focused on managing front-end activities such as customer acquisition, activation, and transactions. This platform cuts back acquisition costs and increases operational efficiency through real-time advertising, channel selection and strategy adjustment.

• Magic Cube Platform

The Magic Cube Platform is an all-in-one fund management platform that supports a wide variety of protocols and effectively matches funds to capitals in real-time. It can operate 55 fund management projects simultaneously, with a daily processing capacity of 50,000 cases, 100% of which can be completed online.

• RMS System

The RMS (Resource Management System) allows for full life cycle management of servers. It leverages proprietary Quark components to collect science-based data to support capacity planning and cost control, thereby increasing resource utilization and stability.

Intelligent Risk Control:

• Feng Chao Platform

The Feng Chao Platform is able to monitor the business process and risk control rules, accurately track data fields, and evaluate data source performance, which increases business operational efficiency by 120%.

• Magic Mirror Platform

Leveraging on the big data we have accumulated over years of operation, the Magic Mirror Platform can conduct risk ratings and risk pricing on borrowers from thousands of dimensions. It can also accurately predict the loan default rate, allowing our institutional partners to strictly control loan risk.

• Ming Mirror System

The Ming Mirror is an anti-fraud system based on knowledge graphs. Through complex network computing, machine learning and carefully selected rules, the system can identify fraudulent organizations, provide visual network and anti-fraud images, and uncover up to 65% of intermediary fraud.

Intelligent Post-Loan Management:

• Li Jian Platform

Li Jian Post-Loan Management Platform is an intelligent management platform that improves the overall efficiency of the entire loan collection process, increasing loan repayment rates and reducing customer complaints.

Intelligent Quality Assurance:

• Rhino Platform

The Rhino Platform is an intelligent quality assurance platform that integrates allocation center, quality assurance center, quality control center, and data analysis center among others. Leveraging on our mature technologies such as speech recognition and big data text analysis, the platform greatly increased efficiency and optimized service strategies.

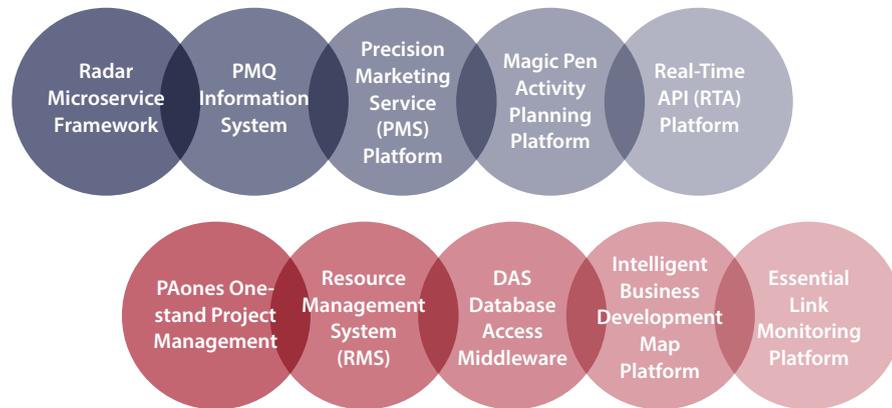
Model Managing Service:

• 9³/₄ Platform

The AI-enabled 93/4 Platform provides all-in-one AI modeling services to promote integrated innovation in the fintech industry. It supports the vast majority of our modeling and algorithm services and is scheduled totally by machines with a daily average deploy volume of nearly 30 million times.

• Innovation Outcomes

The passionate pursuit of technological innovation is written in our DNA and this has driven us to bring about diversified and high-quality innovation outcomes, all aiming to serve the real economy and accelerate digital transformation. We are proud to have rolled out the following financial instruments and technologies in the past year:



10 Intelligent Products and Technologies Launched in 2021

• It is also worth mentioning that Gou Ya, our Smart Retail operations, has achieved a fully digitalized retail model, from front-end customer acquisition to back-end equipment scheduling and management, thanks to our proprietary IoT technologies.

We have also brought several groundbreaking financial technologies to key overseas markets and strengthened our foothold in these countries.

• In harmony with the "One Belt and One Road" initiative, FinVolution developed the multilingual intelligent product Blu, our overseas equivalent of Smart Bull. Blu specializes in handling intelligent outbound calling and empty number detection, which has helped deliver better customer service in our international markets. Blu has over 6.5 million users in Indonesia, the Philippines, and Vietnam, with a grand total of nearly 28 million outbound calls in 2021.

Our innovation efforts and outcomes have won numerous awards from the municipal level all the way to the international level, which have given us recognition for our hard work and creativity in the realm of innovation.

Competition	Award-winning Project	Award Name
Yangtze River Delta Fintech Innovation and Application Global Competition	Octopus Management Platform	Leading Enterprise Award
	Intelligent Voice Robot	Best Application for Fintech Companies Award
2021 Xiamen International Bank Cup	Ming Mirror Anti-fraud System	Outstanding Entrepreneurship Award
	Ming Mirror Anti-fraud System	2 nd prize
Zhangjiang Cup Technology Innovation Talent Competition	9¾ Model Management Platform	3 rd prize
	Octopus Management Platform	3 rd prize
	Ming Mirror Anti-fraud System	5 th place
Xiamen Fintech Innovation and Entrepreneurship Competition	Ming Mirror Anti-fraud System	5 th place
	Intelligent Voice Robot	12 th place

(Additional awards can be found in "Major Honors and Awards" of "Corporate Overview" of this report.)

We prepared the Intellectual Property Management Policy to systematically manage and protect the application, management and maintenance of the Company intellectual property rights such as patents, trademarks, and copyrights. We encourage innovation and reward those within the Company who have made great achievements in the application and implementation of intellectual property rights. As of March 31, 2022, we have registered 20 patents, 252 trademarks, 201 domain names, and 189 software copyrights.

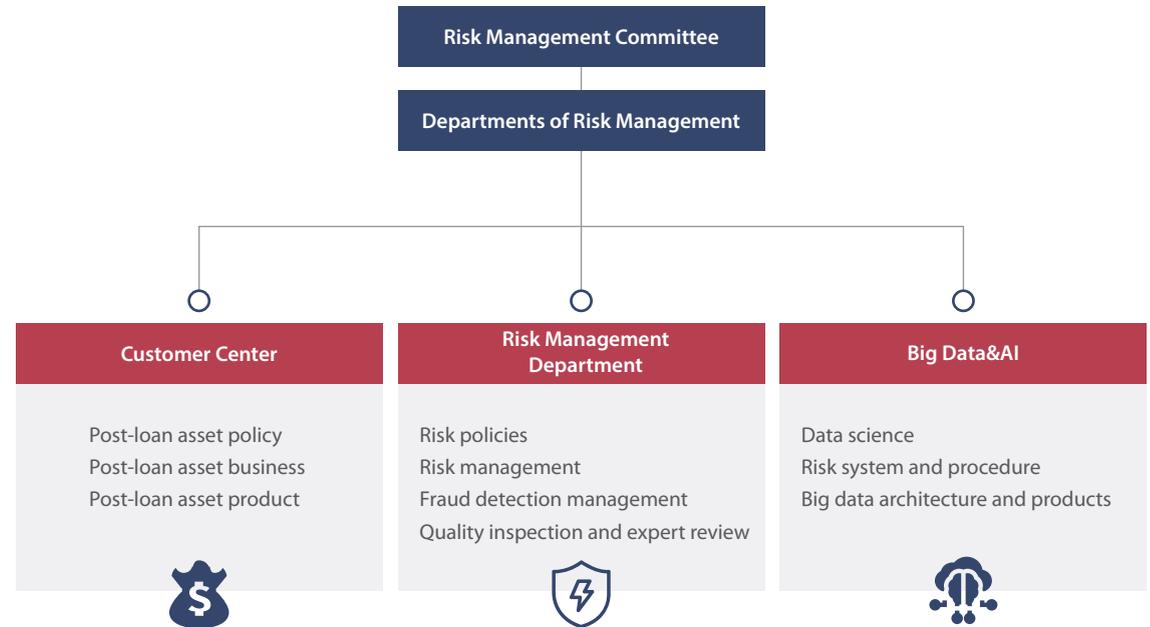
Risk Management

Our robust risk management capabilities are one of our key competitive advantages. They have enabled us to make credit available to the large market of unserved or underserved borrowers in China whose credit histories have not yet been recorded in the country's developing credit system, while at the same time, maintaining a financially sustainable business with a healthy level of profitability.

• Risk Management Structure

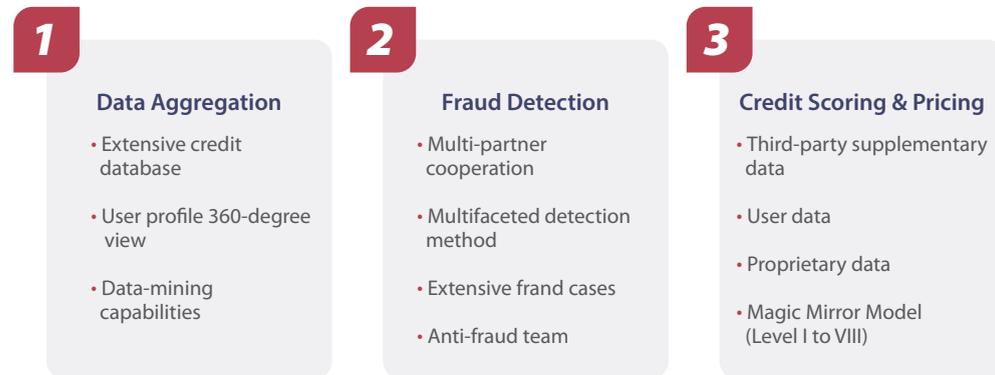
We established a Risk Management Committee, chaired by our Head of Risk Management, responsible for managing risk governance, risk oversight, and risk appetite. Under the Risk Management Committee, is a risk management team comprising the customer center, the risk management department, and the Big Data & AI division, with more than one hundred professionals to support our risk management and control framework.

We have formulated our risk management policies and risk control assessment processes, including Regulations on the Borrowing Business, Guidelines for Borrower Management, and Regulations on Fraud Detection Management, to further improve how we manage risk. We have also reviewed the effectiveness of these policies through regular auditing and regulatory evaluations. In 2021, we revised and released Risk Management Regulations (version 4.0), which adjusted our loan approval process according to our updated risk strategy, further standardized our risk management policies and prevented major risks.



• Risk Management System

We have relied heavily on financial technology innovations to maintain systematic and efficient risk management processes throughout the life cycle of our loans. Our system helps to aggregate the data, run our anti-fraud analyses, conduct credit assessments, and decide whether or not to extend credit to borrowers. In 2021, we upgraded our risk management tools and processes, which include over 50 risk identification models, over 1,000 risk profile dimensions, and other new methods to spot suspicious borrowers.



Risk Management Capabilities

Data Aggregation

Since our founding, we have invested significant resources in building a comprehensive credit database. Hence today, we possess an extensive database that has recorded several thousands of variables for all of our borrowers, covering a wide range of information pertinent to a borrower's creditworthiness and presenting a holistic user profile. Data has been aggregated from many sources, including a number of industry organizations of which we are members, that have granted access to their respective data.

Our strong data-mining capabilities, differentiate us from many other players in the online consumer finance industry, and enable us to collect a large amount of data concerning prospective borrowers. We have developed a number of proprietary, automated programs that are capable of searching, aggregating, and processing data from the Internet in a short period of time. Another important component of our credit database is the payment histories of our prior and existing borrowers, and various measures have been taken to ensure a high level of reliability and accuracy of this data.

Fraud Detection

We have been working closely with multiple partners in a joint effort to identify emerging fraudulent schemes, scams, trends, threats, and criminal organizations, allowing us to accumulate a massive database of information related to fraud. The database we maintain helps us to fine-tune the rules we set for fraud detection, enhancing our fraud detection capabilities.

The aggregated data we have collected is processed by our anti-fraud model to identify fraudulent behaviors. This anti-fraud model uses a multifaceted detection method that combines sophisticated data integration with a hybrid analytical approach:

- a) We set up rules based on known fraud cases to identify fraudulent behavior.
- b) We apply advanced networking techniques to identify relationships pertinent to fraud and connect individual fraudulent activities, thereby uncovering complex fraud schemes and identifying criminal organizations.
- c) We run anomaly detection programs to detect individual and aggregated abnormal patterns in order to catch unknown or novel fraud behavior.
- d) Suppose the available information in our system is insufficient to draw a conclusion. In that case, the relevant loan applications will be forwarded to our anti-fraud team for offline verification, which involves interviewing applicants and clarifying any inconsistencies in their loan applications.

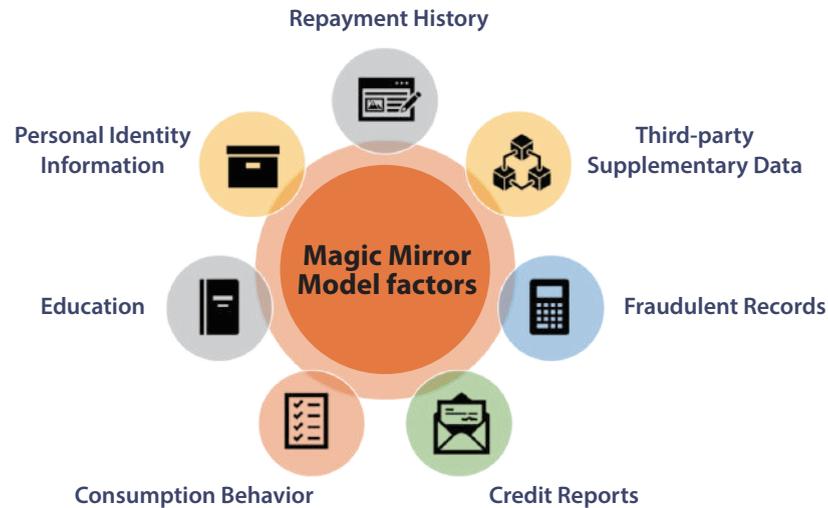
Once the anti-fraud detection process is completed, the prospective borrower's loan application may either proceed to the next phase or if we decline the application the prospective borrower is notified of the decision.

Credit Scoring and Pricing

Our Magic Mirror Model leverages a huge database that we have gradually built up throughout our years of operation. Such a vast amount of data lays a strong foundation for our use of machine learning to optimize the Magic Mirror Model on a continuing basis.

Different algorithms are applied to prospective borrowers with different features when assessing their potential loan risks. Our credit scoring model generates Magic Mirror scores for each prospective borrowers based on these assessment results. A new Magic Mirror credit score is generated each time a borrower applies for a loan, which may change the borrower's credit limit for that type of loan.

The following factors are associated with the variables that we consider to be important for assessing the probability of delinquency:



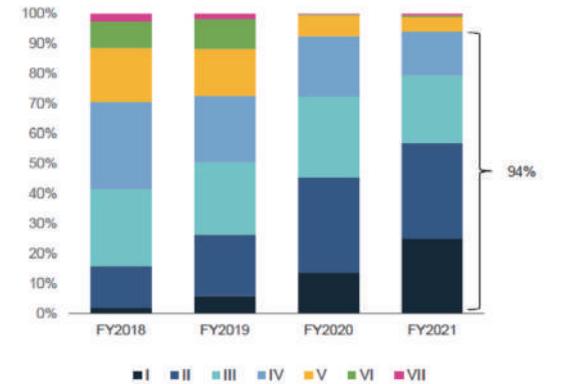
Each Magic Mirror score corresponds to a credit level in the range of I to VIII, with Level I representing the lowest risk and Level VIII representing the highest risk. Prospective borrowers classified as Level VIII will be declined, and those categorized under the other credit levels will be assessed by our risk pricing system and associated approved credit limits, maximum loan terms, applicable interest rates, and other loan characteristics which are determined based on their respective Magic Mirror scores.



We review and modify our segmented pricing from time to time, taking into consideration not only the borrower credit risk but also other factors, such as market interest rates, the effectiveness of investor protection measures, and market competition.

With our strong risk management ability, we are attracting more and more borrowers with higher credit scores, resulting in better quality loans. The proportion of transaction volume by credit rating is shown in the chart at the right.

Shift towards Better Quality Borrowers



Operational Risk Management

We have formulated a systematic operational risk control mechanism, which includes:

- Feed-forward control system of business admission and processing
- Concurrent risk alerts, solutions, and handling of compliance and regulations issues encountered by various lines of business
- Quarterly and monthly compliance risk reviews, investigation, and ratification of our business entities
- In 2021, we provided training for newly hired employees of the risk management department to share basic knowledge of risk models, scenarios, and methods to avoid model errors.



Consumer Rights Protection

We view our customer experience very seriously and are committed to serving every customer with high service standards. We follow stringent procedures to respond to customers' needs and complaints, and we leverage our technological prowess to augment our service level. As a rule, we have a very high level of

• Customer Services

To maintain our high standards of service, we comply with relevant laws and regulations including formulating the Customer Service Management Policy. In this document, we outline our service terms, commitments, responsibilities, service standards, complaint management process, governance process, and accountability system to guarantee the rights of our customers.

We have established an omnichannel approach to foster a consistent and reliable system for customers to contact us: a 400 hotline, online customer service, web, app, WeChat, Weibo, forum, community, H5, email, and SMS. Our professional customer service team is always on duty to interact with customers and to promptly respond to their requests. Our customer service agents are required to strictly follow our service standards, adhere to follow-up scripts, and utilize the company's complaint handling knowledge base to efficiently resolve customer issues.

borrower stickiness. In 2019, 2020, and 2021, **78.1%**, **88.2%** and **80.0%** respectively of total loan origination volume on our platform in China was generated from repeat borrowers who had at least one previous drawdown with the Company.

Supplementing our human team of customer service agents, FinVolution also deploys an AI-powered, self-service system that helps give quick answers to basic questions and educate users on a broad range of topics. A Customer Relationship Management (CRM) that is more user-friendly has also been adopted to provide personalized services to our customers.

We conduct periodic, in-depth call-backs to customers to gain actionable consumer insights and collect other useful feedback.

We measure our customer satisfaction against industry benchmarks to drive continuous self-improvement. As of the end of 2021, we handled 7.6 million online queries and answered 1.42 million incoming calls. We achieved a 94% call completion rate on our 400 hotline with over a 98.5% customer satisfaction rate.

• Loan Collection

Loan collection is a core part of our risk control process. To avoid credit risk due to delinquent repayments, we have employed an AI-assisted team of over 700 employees as of December 31, 2021 and developed a systematic process to handle the collection of delinquent loans. Upon becoming delinquent, a loan enters our collection process, which is divided into stages based on the severity of the delinquency.

We prepared the Asset Preservation Business Management Process to ensure that our loan collection process is legal, effective, and efficient; while strictly prohibiting the forceful or otherwise coercive collection. We also enhance customer experience and loan collection efficiency using a combination of machine and human intelligence in the form of a smart loan collection agent and predictive outbound calls:

a) Smart Loan Collection Agent (Tie Niu)

Tie Niu is a smart, cloud-based, interactive AI agent that integrates big data, intelligent speech, natural language processing and Free-Switch elements. It convincingly reproduces the voices of human agents to ensure the best quality support. Specifically, Tie Niu helps to:

- Formulate strategies
- Classify loan collection cases into different levels of difficulty
- Serve as the first line of customer service contact



✓ The first 90-day collection period is typically handled in-house by our collection team, although we might also engage third-party payment collection service providers to assist us from time to time. Primary collection measures, including text message reminders, phone calls, legal letters, and legal proceedings, are progressively applied in succession as a loan becomes increasingly overdue.

✓ If a loan remains overdue after the 90-day period, we then outsource loan collection to third-party service providers to optimize collection efficiency.

b) Predictive Outbound Calls

AI technology allows for intelligent automation of the number of outbound calls to customers dynamically and in real-time. This enables a seamless connection between our service agents and the call center system, thus boosting the efficiency of outgoing calls.

Although we rely heavily on technology in our customer service operations, we also invest substantial resources in developing and improving the human elements as well. We arrange online and offline courses to help our loan collection agents improve their overall proficiency and compliance. We also have an Employee Assistance Program (EAP) that organizes emotional management talks, provides an employee de-stress room, and operates an employee care hotline to help alleviate stress and maintain a healthy mental and emotional state.

Monthly Skills Training

We provide monthly trainings to share diverse knowledge and techniques from customer service and quality control to mental health maintenance.



Compliance Training

Handling difficult customers is challenging for loan collection agents. Therefore, we invited third-party experts to deliver know-how as to how to deal with those who refuse to repay.



• Customer Empathy

Our excellent customer service is ultimately founded on the human elements of our agents. Speed and knowledgeability are vital to success, but empathy is no doubt a crucial component as well. Thus, we always try to put ourselves in the customers' shoes and extend compassion to them; by doing so, we aim to establish a long-term customer relationship.

A few examples of such acts of kindness would be the deferral of repayments and waiving of fees due to force majeure like the COVID-19 pandemic and natural disasters. From January 2020 to the end of 2021, we offered to repayment deferrals for 16,209 users.

• Suspension of payment collection for disaster-stricken customers

Henan Province suffered severe flooding due to the extremely heavy rainfall in July 2021. In addition to making immediate donations in cash and in kind, we also suspended loan collection calls to hundreds of thousands of borrowers who lived or worked in the affected areas and delayed their repayment schedules in our system to prevent late fees from accruing.

In 2021, we rolled out the "heartwarming marketing call", a mode of customer communication that tries to see things from the customers' perspective, gives meaningful assistance, and shows sympathy for troubled customers in particular.

Since its launch in April 2021, the "heartwarming marketing call" has served 500,000 customers. We motivate our service agents by awarding the Service Star award to those who bring warmth and comfort to customers.

We keep track of the quality of outbound calls using various methods, including:

a) Real-time Quality Inspection

Our real-time quality inspection system is an integrated AI-empowered system that includes speech recognition and semantic analysis. It processes outbound call recordings on a day-to-day basis and raises red flags over sensitive words and relevant risks, which leads to improved discovery of issues. Managers can thus rapidly solve problems and reduce customer complaints. Red flags are also graded according to a graduated scale so that problems can be efficiently prioritized for managers to handle in sequential order.

b) Offline Quality Inspection

We assess and prioritize complaints with the most immediate risk and review the relevant outbound call recordings every day to check whether risky cases have been sufficiently investigated and resolved within the expected timeframe. Any issues found in this review process will be reported to responsible supervisors for subsequent remediation.

Complaint Handling

We aim to deliver excellence in customer service and our Norm of Handling Customer Service Complaints underpins our commitment to receive, investigate, respond to, and appropriately resolve customer complaints. We actively encourage customers to submit their complaints through a variety of convenient channels, including our nationwide customer service hotline (400-184-8888) and after-sales service email (kefu@ppdai.com).

When a complaint is lodged by a customer, we contact the associated staff member or team and work together to collect information about the incident. We provide regular reports on customer complaints which are presented at the various periodic Group-level meetings. We also take complaints into consideration when conducting performance evaluations of staff whose execution of their principal duties has generated complaints.

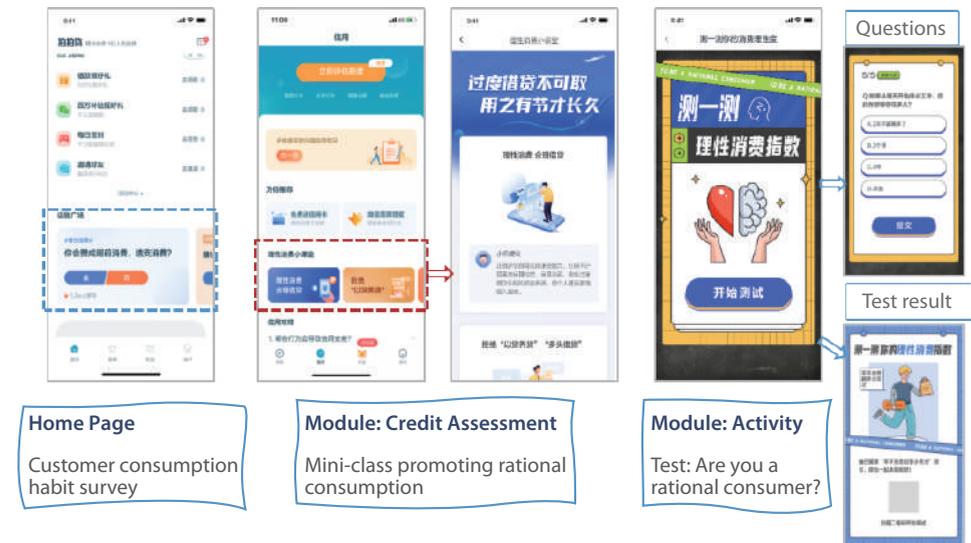


We are eager to improve our customer service systems and procedures. In 2021, we upgraded our complaint management system to improve the efficiency, flexibility, and clarity of our policies for our staff and customers, which helped reduce the rate of complaints due to operational errors. We also train new staff by presenting case studies and teaching them the best practices we have developed for handling complaints.

As of the end of 2021, we received 37,366 customer complaints, 60% less than that of 2020. The customer complaint rate and successful complaint handling rate were 0.05% and 100%, respectively.

Customer Education

We strenuously prohibit false, deceptive, and misleading advertising in all our marketing platforms, including our website, APP, and WeChat official account. We clearly specify the details of our lines of credit, terms, interests, and fee to ensure that customers are perfectly clear about the features of our loans. We have also been scaling up efforts to educate customers on how to use debt wisely and better manage their personal credit: we remind customers of the responsibilities and potential risks related to financial products, and reminders are sent via multiple channels to remind them of their upcoming repayments and payment obligations, and we feature community discussion topics and mini-classes on our APP that teaches customers about making rational purchase decisions.



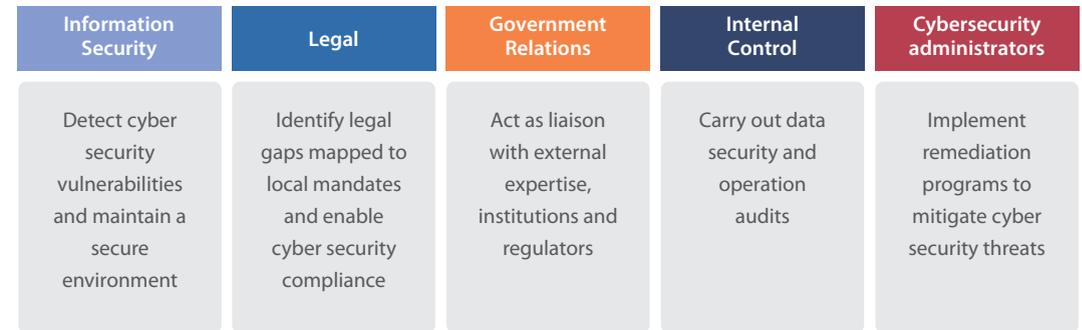
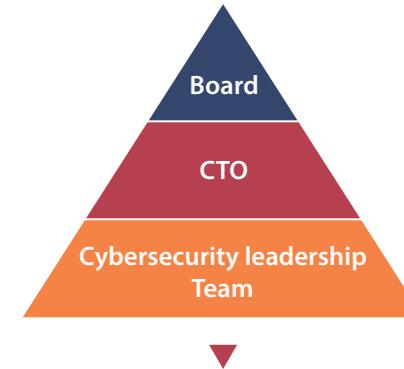
Information Security

We recognize the critical role of information security in our business, as our platform collects, stores, and processes data from our borrowers and institutional funding partners. We have taken steps to protect the information that we have access to and maintain high standards of protecting information of individual users and corporate partners, in accordance with applicable laws and regulations such as the Cyber Security Law of the PRC, the Data Security Law of the PRC, and the Personal Information Protection Law of the PRC. In October 2021, by virtue of our accomplishments in data security, we were awarded the “Top 10 Data Security and Governance Benchmarking Enterprises” at the 1st China Credit Economy Development Summit and the 3rd Annual Conference on Digital Credit and Risk Control in 2021.

Information Security Governance

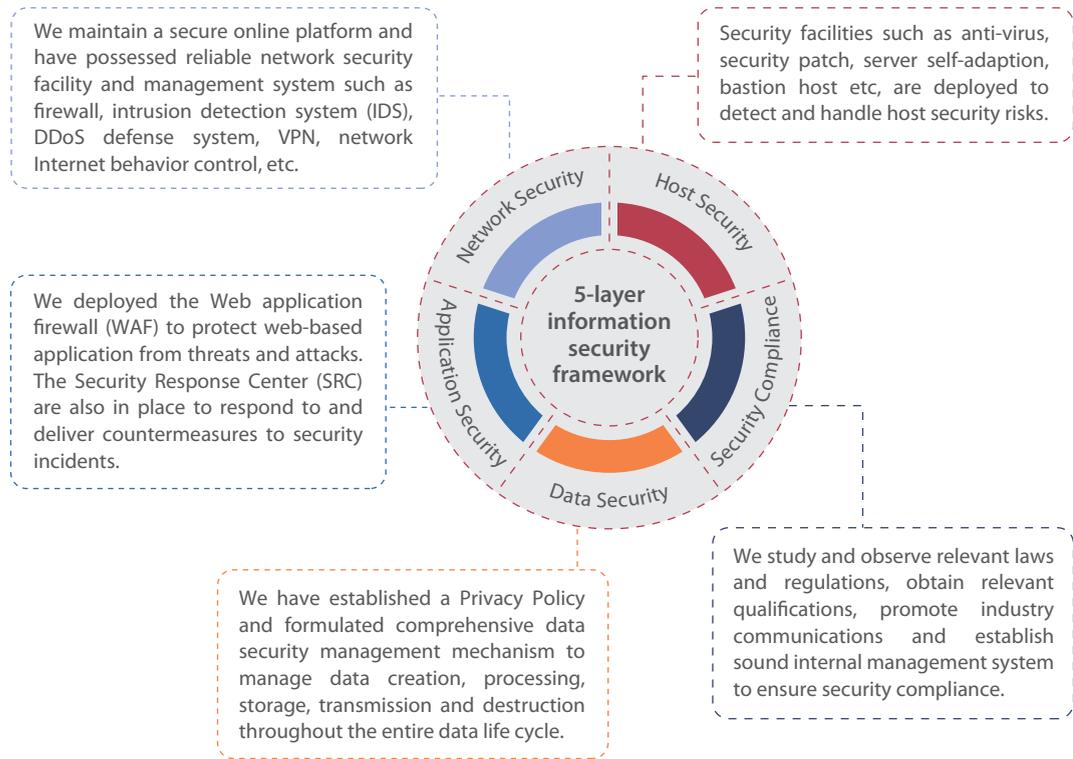
Information security is of fundamental importance to our company and our business. That’s why we are constantly enhancing our governance framework to consolidate our system of cyber threat detection, security alerts, incident response plans, and mitigation strategies.

The Board has overall responsibility for cyber security and data protection, and the Chief Technology Officer (CTO) is the responsible person of cybersecurity, reporting directly to the Board. In 2021, we established a Cybersecurity Leadership Team, comprising Information Security, Legal, Government Relations, and Internal Control functions, and appointed Cybersecurity administrators in various departments.

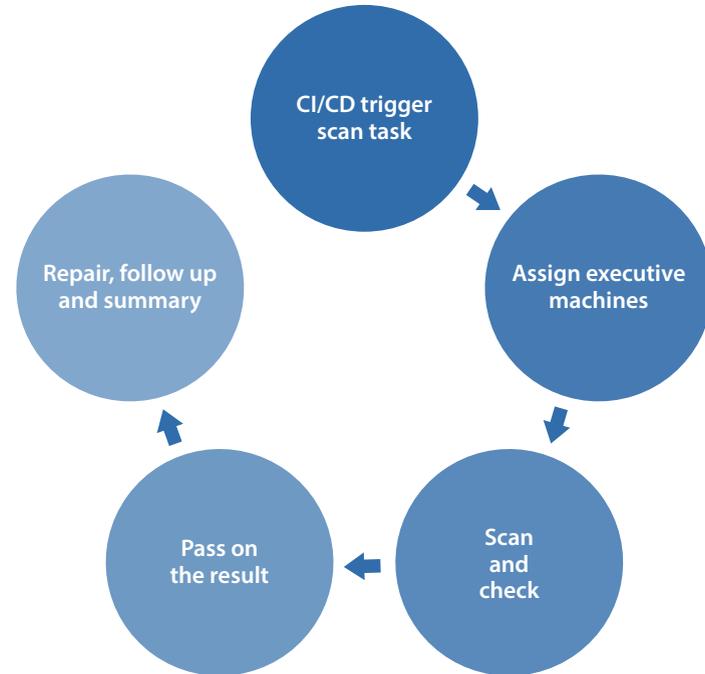


The team is staffed by a strong core of information security veterans with extensive practical experience in fields ranging from Internet and finance to consulting and the public sector. They are also certificate holders of CISSP, CISA, CISP, CCNP, and ISO27001-LA, among other credentials.

To guarantee the safe and stable operation of our networks and respond to information security incidents effectively, we are continually reinforcing our policies and procedures, such as User Information Management Policy, PPDAI Standard for Data Classification and Distribution, Management Rules for Sensitive Information Protection of Information System, and PPDAI Source Code Security Management Regulations. From these policies, we have developed a 5-layer information security framework:



In 2021, we developed the Titan security platform following the DevSecOps concept, to address the challenges of security risks within an agile development and Microservice framework. We integrate security inspection and alerts into the CI (Continuous Integration)/CD (Continuous Delivery) process to support the collaboration across teams.



• Security Compliance

We pay close attention to the latest developments in information security, both domestically and abroad, and obtain relevant qualifications prescribed by local laws and regulations to ensure our compliance. We have also joined the following industry associations to stay up-to-date and exchange ideas on existing and future policies and standards:

- Mobile Application Security Committee – executive member (PPDAI)
- National Information Security Standardization Technical Committee (WG7 Information Security Management Working Group, SWG-BDS Big Data Security Standards Task Force) – member (PPDAI)

Within our organization, we have established mature information security management systems, infrastructure, and incident response mechanisms as per the third level security requirements of the Basic Principles for Classified Protection of Information Security Technology Cybersecurity.

• Network Security

Our infrastructure is hosted in data centers at two separate locations in Shanghai. To ensure the reliability of our data, we maintain redundancy through a real-time, multi-layer data backup system and connect to multiple operators to ensure the reliability of our network.

Our platform adopts a modular architecture that consists of multiple connected components, each of which can be separately upgraded and replaced without compromising the functioning of other components. This makes our platform both highly reliable and scalable.

We have deployed a set of firewalls that monitors and controls incoming and outgoing traffic on our platform around the clock. Once any abnormal activity is detected, our system will immediately notify the technology team while simultaneously and automatically initiating relevant counter-measures, such as third-party traffic control services, to prevent any harm to our platform. Regulatory authorities, customers, or other stakeholders are notified within the timeframe specified by applicable laws and regulations.

We conduct periodic reviews of our technology platform, identifying and correcting problems that may undermine our system security. Besides these reviews, we conduct internal quarterly confrontation drills that simulate external malicious attacks to test our resilience and enhance our competency at mitigating cyber-attacks. Interdepartmental "Red/Blue battle drills" and unannounced phishing software drills are also organized to sharpen our readiness and maintain our vigilance against cyber risks.

• Data Security

We have established a Privacy Policy, which is available on the PPDAl official website and APP platform, that clearly outlines how we collect, use, store, transmit, and delete users' personal information, our data protection measures and user privacy rights.

Our comprehensive data security management mechanism enables us to effectively work with our data across all stages of the data life cycle:

- We collect user information within the scope of necessity with user consent for collecting and processing such information.
- Only authorized employees have access to user data to prevent unauthorized access.
- The third parties we work with are required to sign a confidentiality agreement that outlines the reasonable usage of user information.
- We have a specialized team that develops a variety of security technologies and procedures. Key personnel are subject to background investigation processes.
- We employ data slicing and distribute the storage of a user's data points across several servers and maintain redundancy through a real-time multi-layer data backup system to prevent loss of data resulting from unforeseen circumstances.
- We ensure the security of user data through industry-standard measures as well as cutting-edge technology such as TLS/SSL (Transport Layer Security/Secure Socket Layer), Back-End System API Connection Mode, Web Application Firewall, and Data Loss Prevention (DLP) technology.
- When user information must be transmitted, we use data encryption to ensure confidentiality.
- Registered users may close their accounts directly through the service or APP. User personal information will be deleted or anonymized after being retained for as long as required by regulations.

• Security Audit and Assessment

We periodically perform internal reviews of our information security and also invite third-party organizations to conduct audits on information security every year:

- As a company listed on the New York Stock Exchange, we are required to conduct an annual evaluation of the effectiveness of the Company's internal controls according to the requirements of section 404 of the Sarbanes Oxley Act. Our IT and information security-related controls have passed the effectiveness evaluation after being reviewed by a third-party auditor.
- The PPDAl website and APP were rated as Level III Information Security Protection by the Ministry of Public Security in March 2018. This evaluation covers items such as physical security, network security, host security, application security, data security, backup and recovery, and security management.
- In June 2020, the PPDAl loan APP obtained the APP Security Certificate and APP Information Security Certificate issued by the National Computer Virus Emergency Response Center. According to these certificates, the PPDAl loan APP achieved "Level III Product" certification (the highest level) in two tests of security and privacy.
- In October 2020, the PPDAl loan APP passed the background big data cluster security test organized by the CAICT of the Ministry of Industry and Information Technology, which validated our platform's excellent information security protection. Furthermore, we joined the "Zhuoxin Chain" ecosystem created by CAICT with active participation in the system, thus promoting the healthy development of the industry.

• In 2021, our Federal Learning Platform obtained a Trusted Privacy Preserving Computation certificate from the CAICT, the recognized evaluation system for computerized privacy protection in the country. We joined CAICT's affiliated Privacy Preserving Computation Association to boost the synergy between technology and the real economy. We also passed two application privacy compliance audits conducted by China Telecommunication Technology Labs, a subsidiary of CAICT.



Big data Security Test Certificate



APP Security Certificate



APP Information Security Certificate

In accordance with the Personal Information Protection Law of the PRC and our Personal Information Security Impact Assessment Management Policy, we organized a comprehensive personal information security assessment in 2021 on how we collect, process, share, transfer, and disclose user information and our precautions for eliminating hidden dangers and safeguarding personal information. From the results of this assessment, we prepared the Personal Information Security Impact Assessment Report on our privacy protection status.

We also conducted an assessment of big data security in 2021 based on T/ISEAA 002-2021 Big Data Basic Requirements on Information Security Technology Network Security Level Protection. We focused on ten key areas, such as physical environment, telecommunications networks, and secure

boundaries, and were able to address several issues based on the feedback of this assessment, thereby further strengthening our data compliance system.

In 2021, we did not have any incidents related to user data breaches.

• Information Security Culture

With the ever-changing environment of cyber threats, we believe that it is imperative to nurture a culture of cybersecurity for the Company. As a result, we have organized several initiatives to promote cybersecurity, such as a poster campaign, email prompts, and a week-long cybersecurity quiz event to cultivate awareness and build the company culture on cybersecurity.

We are well aware that training can be a meaningful driver of robust cybersecurity culture, so we provide diverse education programs with the aim of cultivating the concept of data security into our staff.



- Presentations, trainings, and exams on information security for new employees
- Monthly information security reports to update mid and senior-level employees detailing the current state and progress of the Company's information security
- Mandatory annual information security exams for all staff that assesses their knowledge of cybersecurity
- Specialized educational courses focusing on security breach case studies, security programming, data and privacy protection, and laws and regulations

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About FinVolution

Sustainability Management

Inclusive Finance

Collaborative Partnership

Intelligent and Reliable Services

Working at FinVolution

Green and Resilient Operation

Corporate Citizenship

Appendix

We contribute to the following SDGs:



We endorse the following principles of the Ten Principles of the UNGC:

Principles 1-6 of the Ten Principles of the UNGC:

Principle 1: *Businesses should support and respect the protection of internationally proclaimed human rights.*

Principle 2: *Businesses should make sure that they are not complicit in human rights abuses.*

Principle 3: *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.*

Principle 4: *Businesses should aim for the elimination of all forms of forced and compulsory labor.*

Principle 5: *Businesses should aim for the effective abolition of child labor.*

Principle 6: *Businesses should aim for the elimination of discrimination in respect to employment and occupation.*

An inclusive and diverse workforce is crucial to supporting the Company's ambitions to grow and increase its impact on society. Therefore, we aim to ensure that all of our employees, endearingly called the "rice seeds", are uniquely valued, fairly rewarded, and clearly heard. This is reflected in our commitment to contribute to the SDGs and the Ten Principles of the UNGC and in our efforts to create an equal, safe, and thriving work environment.

Employee Management

The Company strictly abides by the laws and regulations of the countries in which it operates. In keeping with our core values and job requirements, we evaluate the professional competencies, skills, experience, personality, and professionalism of applicants and offer employment based on merit. We select talent through traditional recruitment platforms, social platforms, headhunter recommendations, internal referral programs, and other methods.

Compensation and Benefits

We have developed attractive remuneration and incentive plans where employees receive equal pay for work of equal value. These plans include a base salary, subsidies, performance-based bonus, year-end bonus, plus benefits. For employees in China, we contribute to their government-managed retirement insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance, and housing fund. Employees serving 2 or more months also enjoy supplementary medical insurance. For overseas employees, we provide all necessary insurance as per local laws and regulations. Employees meeting specific qualifications are also entitled to supplementary commercial medical insurance.

We also offer Employee Stock Options Plans (ESOP) that grant share-based compensation awards to eligible employees, directors, and consultants to incentivize their performance and align their interests with the Company's.

To keep employees motivated, we conduct periodic employee performance evaluations and adjust their compensation packages based not only on the outcome of this evaluation but also on their knowledge, experience, professional skills, and time with the Company.

We review our compensation structure annually to assess the interplay between pay, performance, and the external environment, and make the appropriate adjustments based on this review. In 2021, we engaged a third-party advisory firm to review our remuneration structure and perform an analysis on potential areas of inequality within the workplace and benchmark the Company compared to the market. This evaluation provided substantial insights that enabled us to make improvements and adjustments that ensured that our employees were being effectively and equally paid.

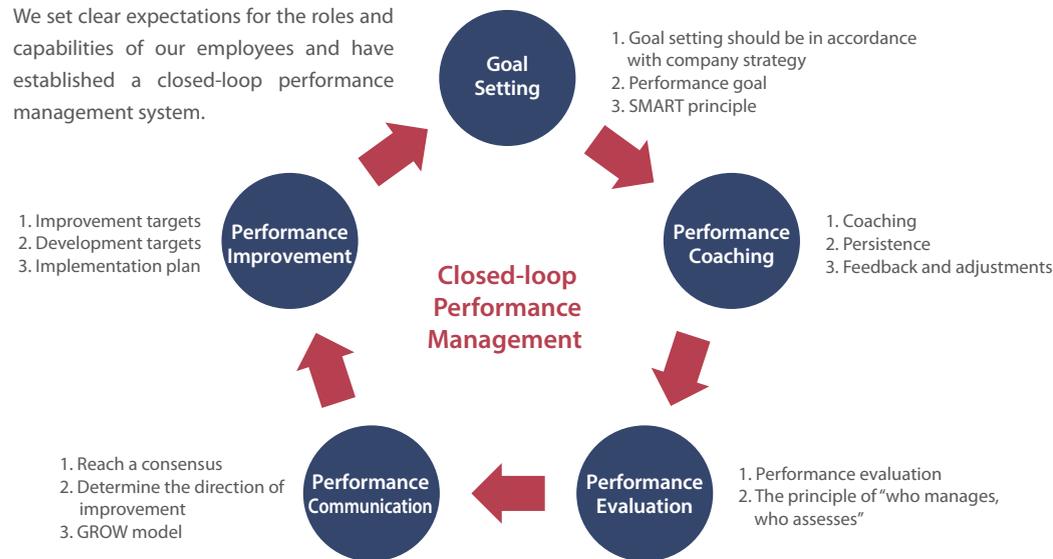
Working hours and holidays

Our employees are entitled to weekends, public holidays, personal leave, sick leave, work injury leave, marriage leave, parental and breastfeeding leave, paternity leave, bereavement leave, annual leave, as well as other statutory holidays in China, as outlined in relevant laws and regulations, as well as our Employee Handbook and Holiday and Attendance Management Policy.

The standard working hours at FinVolution is from Monday to Friday between 9am to 6pm. Flexible work arrangement is also available at FinVolution, where employees can choose between alternative work schedules and remote work agreements that vary according to their positions.

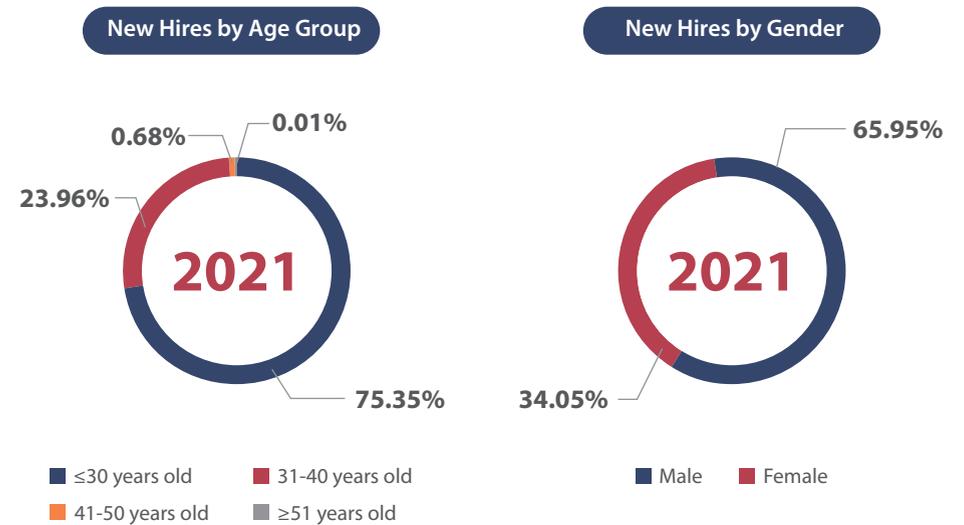
Performance Management

We set clear expectations for the roles and capabilities of our employees and have established a closed-loop performance management system.



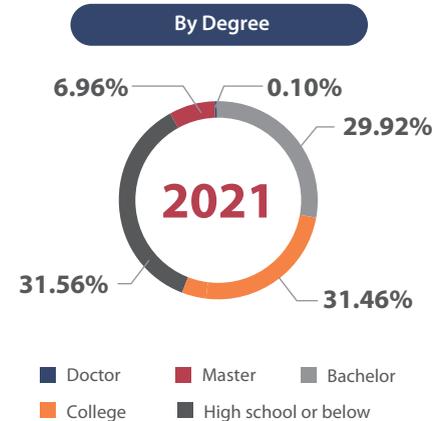
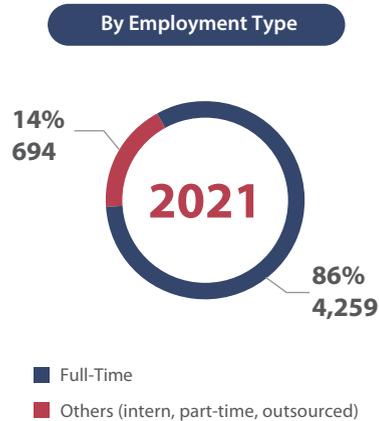
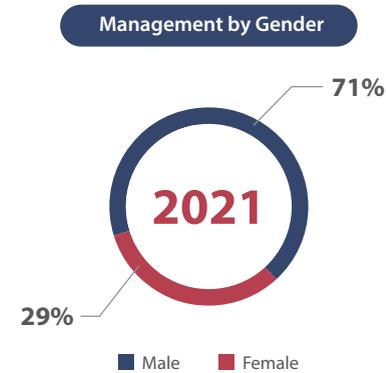
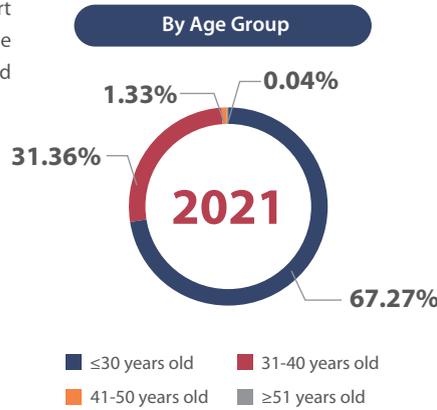
In 2021, we optimized our performance management system, which enabled us to perform more comprehensive performance appraisals. We also conducted specialized training for certain employees to help them improve their personal performance. 100% of our employees were subjected to performance review in 2021.

Selected FinVolution Employees Management Data for 2021

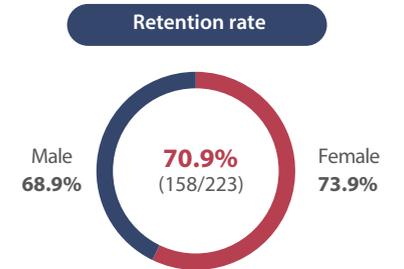
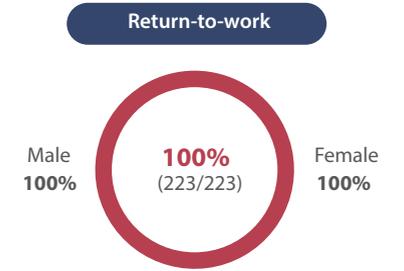
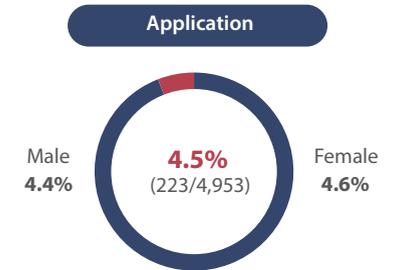


Employees by Type

The workforce in this report includes full-time staff, part-time staff, interns, and outsourced staff at home and abroad.



Parental Leave



Human Rights and Wellbeing

• Respect Human Rights

We are continuously striving towards realizing a working environment that respects the human rights of everyone who works with and for us. We foster inclusion and equality by hiring employees from all backgrounds, genders, religions, ages, minorities, disabilities, sexual orientations, citizenship status, parental status, and employment type (full or part-time.) All employees are fairly treated in terms of recruitment, salary, benefits, performance assessment, training, and development.

Any form of human rights violation, such as discrimination, bullying, intimidation, sexual and harassment, are stringently prohibited. As of December 31, 2021, we employ 3 physically challenged employees and 830 employees from ethnic minority groups in China and overseas.

We promote gender equality at FinVolution. All female employees are treated equally in terms of job rotation, transfer, and promotion. We also proudly exhibit our respect for women to the wider public.

We strictly prohibit child labor, forced labor, and coerced labor. In 2021, there was no forced labor or child labor at FinVolution. We also support employee rights to freedom with regards to associations and actively consult and engage with the labor union and employee representatives. Around 70% of our employees are members of the various labor union or trade associations.

- On September 27th, 2021, FinVolution participated in Promoting Gender Equality in AI Algorithm, an event organized by Mana Data Foundation. Female representatives from FinVolution explored how to eliminate gender discrimination in application scenarios of AI algorithms with experts from all circles, including UN WOMEN, Xiaomi, Thought Works, and Zhejiang University.

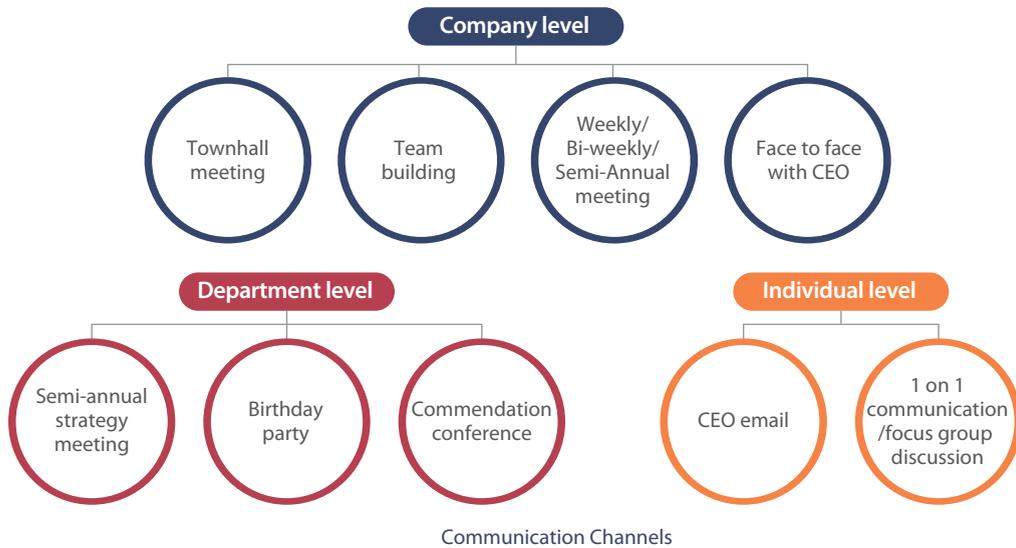


• Employee Wellbeing

We have pledged to nurture our "rice seeds" and do all we can to enhance their wellbeing, such as encouraging them to express opinions, offering financial aid, conducting engagement surveys, organizing networking events, and providing nursery rooms.

a) Two-way Dialogue

We are always concerned about how our employees feel about their daily lives in the workplace and empower them to speak up through a variety of channels, which help to build an open and democratic culture where employee voices can be heard.



We value the views and opinions of our employees and actively listen for feedback on how we can build a better work environment. Employees are encouraged to express their feelings and ideas directly to the CEO by email. Their comments are read, replied to, and corresponding measures are taken as necessary. Any problems raised in this manner are addressed monthly. Employees presenting the most valuable feedback of the year will also be rewarded for contributing to an even better workplace at FinVolution.

Face to Face With CEO

To stimulate ideas and feedback from our employees, we hold a face-to-face with CEO event to open a dialogue between the employees and the top leaders at FinVolution.

In 2021, we held face-to-face with the CEO event for three times with over 500 attendees. Our CEO Zhang Feng and President Li Tiezheng presided over the event to present aspects of the Company's financial performance and business growth and directly responded to questions from the audience.



Townhall Meeting

In 2021, we held two Townhall Meetings where the CEO and other members of the senior management presented the company's performance and the next steps of its strategic development plan. An employee development plan was also discussed and outstanding employees were honored at this event.



Fundraising Activities

b) Financial Aid

We established the "Care for Rice Seeds" Employee Aid Foundation in October 2016, which provides financial support to employees for medical care. Any "rice seed" who joins the foundation can apply for healthcare financial assistance for themselves or their parents, children, and spouses. The "Group of Knights", a team that consists of the CEO and senior managers, runs this foundation with the goal of helping employees who have suffered from a medical emergency or accident, thus showcasing one of the key company values: "All for one and one for all." As of the end of 2021, the foundation has been in operation for over 5 years, with 5,500 participants, and 130 employees and their family members have been supported with more than RMB 600,000 of financial assistance.

c) Employee Engagement Survey

To understand the extent to which employees feel valued and involved in their everyday work, we conduct an employee engagement survey annually. In 2021, we engaged an external employee engagement solutions provider to conduct the "One Family, Different Voices" survey. The results showed that high employee satisfaction centered around cultural values, leadership, team atmosphere, strategy realization, and communication. These dimensions exceeded the industry average, as well as the survey results from the previous year. We also developed an action plan to improve the employee experience based on the results of this survey.

d) Networking Events

We organize a wide array of networking events to bring together employees from different functional units and organizational levels to build rapport and foster a stronger company spirit.

Domestic employee activities



Christmas Party



Annual Convention



Team building



14th Anniversary Celebration



Football Match



Tennis Club Match

Overseas employee activities



Idul Fitri Holiday (Lebaran Holiday)



Chinese Spring Festival



Ramadan Celebrations



March 8 Women's Day in Vietnam

Training and Development

Supporting employees' career and professional development lies at the heart of our human capital strategy. We build a high-quality talent pool and offer plenty of career advancement opportunities. We also heavily invest in people and assure that everyone can have access to our creative training system.

For employees new to the company, our human resource department will arrange our senior management to conduct a training session for them to understand our company history, culture, and values and to gain deeper insights to the company's strategic directions. At various departmental levels, there is a buddy program whereby a more senior employee will provide on-the-job training for them.

• Talent Pool

To ensure that we maintain a strong internal pool of future company leaders, we maintain a database of potential internal job candidates to refer to when looking to fill a managerial position in the Company. This allows us to have a clear picture of current staff whose skills, expertise, and potential alignment with company competencies and values and to prioritize these internal candidates before hiring external candidates.

We have designed several capability assessment models and tools for the four major business areas of our company, namely business analysis, big data, R&D and product development, each covering 7-8 "Professional" topics and 7 "Potential" topics.

We constantly monitor and measure the "depth" of the talent pool by periodically evaluating our employees and reviewing their performance, ability, and potential dimensions to identify key talents that meet the needs of our growing organization. Gou Ya, for example, provided specific requirements for the models of RM (Regional Manager)- CM (City Manager)- BDM (Business Development Manager)-BD (Business Development)-KA (Key Account) and found highly qualified internal candidates with great potential, thus laying a solid foundation for dynamic and sustainable development for this business segment.

• Career Advancement

We have laid out various career paths and plans for our employees according to the nature of their work. Qualified employees are promoted based on evaluation results, tenure with the company, competence, and values.

We continue to refine our promotion policies so that talented staff members can efficiently move up the Company's corporate ladder. In 2021, we evaluated whether the current corporate structure and positions complemented our future strategy, and as a result of the review, we finetuned the promotion qualifications, percentage, and data analysis methods.

• Training and Education

At FinVolution, we help employees realize their greatest potential by enabling constant acquisition of new learnings, skills, and knowledge through on-the-job and off-the-job training, such as induction training, e-learning, corporate university courses, workshops, and degree programs.

We have developed multi-level training systems that serve employees from entry-level positions all the way up to senior management. A key result of these efforts is the "Rice Seeds University", our internal staff learning institution, which consists of the College of Leadership, the College of Big Data, the College of Product, the College of Business Analysis, and the College of Technology, each catering to the training needs of different target groups:



The "Rice Seeds University" features well-designed training systems for employees of different domains and ranks with the objective of imparting knowledge and techniques to improve how they perform their roles and preparing them for the varying needs of the job and organization. The College of Leadership, for example, has divided leadership training courses into five levels according to different requirements, and utilizes a customized training curriculum to methodically develop an employee's management ability.

"Rice Seeds University" also hosts an online learning platform, allowing employees to take more than 400 courses anytime and anywhere.

In 2021, we provided training programs across a spectrum of technical, leadership, and business courses in the form of online and offline.

Sugarcane for VP level

- MBA & EMBA
- AC assessment center
- Senior management trainer 1v1
- Private council

Sorghum for director level

- External leadership coach
- Customized 1v1 IDP coaching
- Customized leadership courses and workshops

Highland barley for reserve director

- Leadership & Effective communication
- Best performance coaching
- Impact

Corn for manager level

- Online: CEIBS classic curriculum
- Offline: Management skills courses

Rice Seeds for everyone

- Personal management series



Leadership College Program

Big Data programs

The College of Big Data provides big data & AI professionals with access to data products and knowledge to help them enhance their technical skills and encourage them to innovative ways of thinking. In 2021, 312 trainees learned about data products, data tools, and high-order systems through our themed coaching series, innovation incubation class and empowerment public class. These classes generated a satisfaction score of 94 in post-class surveys, demonstrating the educational and inspirational value that the students gained from the classes.



Themed Class



Innovation Incubation class



Empowerment

Business Analysis Programs

The College of Business Analysis nurtures the holistic and creative thinking of our employees and equips them with analytical and modelling skills. In 2021, we structured entry and advance training camps for 42 employees of our business analysis, data mining, data development, and anti-fraud audit departments. Trainees sharpened their business agility, data mindsets, and abilities to solve problems and rated the course as 97% rewarding.



Entry Training Camp



Advance Training Camp

Leadership Programs

The College of Leadership offers targeted training to train the next generation of proficient and skilled leaders. In 2021, we held a four-month Corn Development Camp program for 33 new leaders, project coordinators, and high potential successors to help them adapt to the changing needs of the roles and prepare themselves for a more complex and demanding jobs.

Corn Development Camp

Technology Programs

The College of Technology delivers extensive and focused training programs with the aim of cultivating full stack developers. In 2021, having reviewed the effectiveness of our existing training programs, we developed a curriculum that was better suited to our staff's needs for achieving mastery of both frontend code and backend code. We set up the "Full Stack Upgrade" camp and "Innovation Research" camp, which provided 60 participants with theoretical and practical skills of VUE, JAVA, and WeChat mini-app programming.



"Full Stack Upgrade" Camp



"Innovation Research" Camp

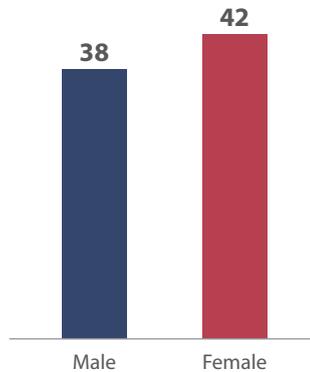


Our employee training efforts are supplemented by a pool of internal lecturers who spread their knowledge and help to share resources. We offer "Train the Trainers" courses and trainer certification to sharpen their lecturing skills and widen their career paths. In 2021, we held two Gou Ya "Train the Trainers" courses and certified 35 internal lecturers from 12 cities in North China, East China, and Central China.

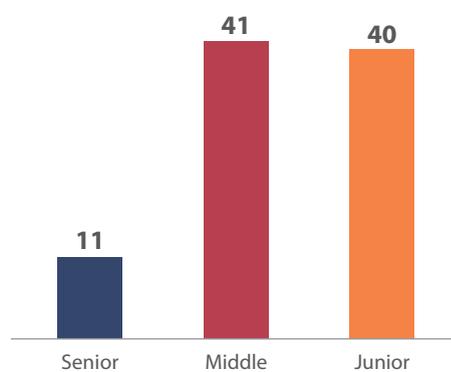
We also support employee degree and certification programs. In 2021, we funded 6 employees to take off-the-job training programs, and three of them completed their studies, acquiring relevant certificates including MBA degree.

In 2021, 89% of our employees dedicated 196,988 hours to training curriculum throughout the year, which averages to around 40 hours of training per employee. The average training hours by gender and level are as follows:

Average Training Hours by Gender



Average Training Hours by Level



Health and Safety

It is our duty to maintain a safe workplace with a clean environment for our employees, especially in the context of COVID-19. We have implemented compliance, mitigation, education and consultation programs to ensure our employees' physical safety and mental wellbeing.

As of December 31, 2021, there has been zero case of work-related fatality and zero case of occupational disease. Thirteen work-related injuries were reported. Details were summarized as follows:

Indicator	Female	Male	Total
The number and rate of fatalities as a result of work-related injury	0	0	0
The number and rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
The number of recordable work-related injuries	8	5	13
The rate of recordable work-related injuries	2.68	1.29	1.89
The number of fatalities as a result of work-related ill health	0	0	0
The number of cases of recordable work-related ill health	0	0	0

$$\text{Injury rate} = (\text{Number of recordable work related injuries}) * 1,000,000 / \text{total number of hours worked}$$

• Pandemic Prevention

We have been doing our part to strengthen workplace preparedness to shelter our employees from the hazard of COVID-19 under all circumstances. So far, we have taken the following actions:

- Set up a pandemic working group responsible for managing pandemic-related work and emergency response
- Set up a health information reporting platform to track the health and vaccination status of employees
- Set up a 24/7 psychological counseling hotline to help employees handle COVID-19 related stress
- Proper disinfection of workspace areas, provide masks, hand sanitizers, and other necessary personal protective equipment on a daily basis
- Arrange work-from-home modes for employees, especially those overseas
- Keep safe social distancing
- Order meals for employees when necessary

In 2021, we refined our emergency plan to address new scenarios that could potentially occur, such as escalation of government epidemic control measures and suspected cases at the workplace, in order to increase our readiness in a disciplined and effective manner.

Nucleic Acid Testing

In response to the frequent outbreaks in Shanghai in late 2021, we witnessed increasing numbers of our customer service center staff subjected to home quarantine because of close or indirect contact with COVID-positive individuals. For the sake of their safety, we organized on-site nucleic acid testing for the entire center to prevent the spread of the virus.



• Physical Health

We arrange annual physical examinations for our employees to help them closely monitor their health conditions. We also invite experts and doctors to explain the reports to our employees. In 2021, we upgraded our insurance plan to cover more high-incidence diseases based on the feedback from our employees' satisfaction survey.

In 2021, we prepared emergency plans, including Fire Special Emergency Plan and Comprehensive Emergency Plan for Production Safety Accidents, which specify rescue personnel and equipment, alarm systems, and response procedures to effectively deal with such contingencies.

We have also improved the safety knowledge, awareness, and skills of our employees by setting up posters sharing first-aid procedures in the workplace, organizing regular safety training sessions, and conducting fire and earthquake drills.

First-Aid Training

In October 2021, we arranged a first-aid training event to improve the safety and health knowledge of our staff. This training combined theoretical and practical knowledge to familiarize employees with the functions and use of AEDs (Automated External Defibrillators.) Attendees received certificates for their training after passing a post-class practical exam.



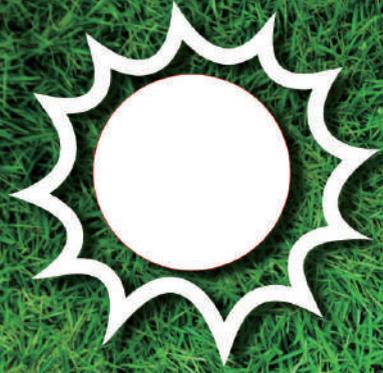
Fire Drill



• Mental Health

Pressure, anxiety, and isolation are known to adversely impact the performance, health, and wellbeing of employees. To help them manage these negative feelings, we have set up the EAP counseling station to help resolve the myriad of issues that are troubling them, from work-induced pressures and relationships, to parenting and marriage problems. We have setup mental health lectures, face-to-face consultations, mental health assessments, and a 24/7 psychological counselling hotline to provide our staff with the best mental health support.

In 2021, the EAP counseling station provided 43 employees/immediate relatives of employees with psychological counseling services to address their problems, of which, 28% were work-related issues.



07 Green and Resilient Operation

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We contribute to the following SDGs:



Upholding the principles of green and sustainable development, FinVolution takes all environmental considerations into account in our overall strategy and have made sustained efforts to achieve carbon neutrality in our operations and businesses.

We comply with all relevant national laws and regulations regarding sustainability, including, but not limited to, the Environmental Protection Law of the People's Republic of China and the Energy Conservation Law of the People's Republic of China, and endorse the following principles of the Ten Principles of the UNGC:

Principles 7-9 of the Ten Principles of the UNGC:

Principle 7: *Businesses should support a precautionary approach to environmental challenges.*

Principle 8: *Businesses should undertake initiatives to promote greater environmental responsibility.*

Principle 9: *Businesses should encourage the development and diffusion of environmentally friendly technologies.*

Climate Resilience

"Achieving carbon peak and carbon neutrality are the intrinsic requirements of China's own high-quality development and a solemn pledge to the international community", announced by Chinese President Xi Jinping at the 2022 World Economic Forum .

To reach this goal, China has unveiled a series of implementation plans and supporting measures, such as the Action Plan for Carbon Dioxide Peaking Before 2030 in 2021 and will faithfully transform these policies into concrete actions. Corporate entities are also expected to do their part in achieving this end.

As a responsible fintech company, FinVolution greatly embraces the concepts of low carbon and green development. We have established and clearly defined governance, processes, and criteria for climate-related issues, developed decarbonization targets and strategies, and consolidated our decarbonization initiatives.

We also have set up a top-down climate governance framework, comprising of the Board of directors, the ESG Committee, and the ESG Working Group to ensure that our implementation of climate-related goals, policies, and plans are successful.

Our operations as a fintech company do not consume a large amount of energy nor do they generate massive GHG emissions since we leverage our innovative digital businesses through online platforms, rather than paper-based, brick-and-mortar businesses which consume far more energy, paper, and other resources. Our digital and intelligent products and services allow us to serve our customers anytime and anywhere, and our carbon emissions due to travelling is limited. Despite all of this, we periodically review our actual and potential impact on the climate and keep a close eye on the related risks to our business.

Risk Type	Climate-Related Risks	Risk Level
Physical Risks	Flood	High
	Typhoon	
	Rising Mean Temperatures	
	Rising Sea Levels	
Transition Risks	Policy and Legal	Low
	Technology	
	Market	
	Reputation	

We thus review and modify our targets and mitigating measures to strengthen our resilience to the potential adverse effects of climate change.

• Targets and Pathway

We have established climate-related targets and mapped pathways to achieve these targets and guide our actions to addressing climate change.

Carbon Neutrality Targets	
<p>We're committed to:</p> <ul style="list-style-type: none"> Achieving carbon-neutral operational emission (scope 1 and 2) step by step since 2020; Achieving carbon peak emission in 2030, and; Achieving GHG net-zero emission in 2060. 	

Carbon Neutrality Pathway			
<p>GHG Inventory</p> <ul style="list-style-type: none"> Conduct annual GHG inventory Plan to perform third-party GHG audit 	<p>Strengthen In-House Green Governance</p> <ul style="list-style-type: none"> Form in-house environmental alliance Advocate low-carbon office and green travel Drive Energy-saving and emission-reduction transformation for creating a green supply chain 	<p>Promote Green Finance</p> <ul style="list-style-type: none"> Advance green and low-carbon innovative digital business Empower financial institutions with technology that facilitate green finance 	<p>Improve Carbon Inclusion Mechanism</p> <ul style="list-style-type: none"> Merge carbon inclusion elements into business operations Widely publicize carbon neutral to encourage user low-carbon behaviour

• Actions

To honor the commitments we have made, we have taken a hybrid approach to lowering our GHG emissions.

Firstly, we have reduced our carbon footprint by leveraging our proven advantage in technology and innovation. Our proprietary RMS (Resource Management System) uses Quark components, AI and Deep Learning to optimize capacity planning and control cost, thereby increasing resource utilization and minimizing server purchases and energy usage.

Secondly, we acknowledged that our offices and data centers result in GHG emissions, and, to that end, we have continued to improve energy efficiency and reduce energy consumption in the following ways:

- Contracted data center solution providers with excellent operational and sustainability qualifications to install cold aisle containment systems for our data center facilities, which help to maximize cooling efficiency and reduce PUE¹. The PUE of our GDS data center, for example, was less than 1.4 in 2021, outperforming the global average of 1.57 for data centers².



GDS Data Center

1. PUE (Power Usage Effectiveness) is calculated by comparing the total power used by a data center to the actual power delivered to a computing device. A PUE value closer to 1 indicates a more efficient data center.

2. Uptime Institute- 2021 Annual Data Center Survey Results

- Installed IBOX Smart Modules that enables intelligent functions for the air conditioning system, such as scheduled ON/OFF, temperature range setting, and periodic resetting.
- Adopted energy-saving equipment such as LED lamps in work areas.
- Specify the use of air conditioners according to specific room temperature; Assigned staff to patrol the office once an hour and turn off unused electrical devices to avoid electricity wastage.
- Turned off water dispensers at night. The 47 water dispensers in the Shanghai office were switched off from 10 pm to 8 am the next morning, saving about 85,000 kWh of electricity in 2021.
- Encourage teleconferencing and online conferencing to reduce unnecessary business travelling.
- Encourage employees to use public transportation.
- Post energy-saving tips in office areas.



Last but not least, we understand that our efforts alone will not suffice to achieve the goal of averting climate change, so we have also joined hands with users, industry associations and organizations to promote the transition to a greener economy and society.

On 19 February 2021, we launched the "Every Step We Take, Every One We Help" initiative on our PPDAl platform, to encourage our registered users to adopt low-carbon actions in everyday life. Every 1,000 steps the users take would later translate into RMB 0.01 yuan in donations from FinVolution to the Daliang Mountains etc. As of the end of 2021 since its launch, nearly 400,000 of our users donated more than 3.13 billion steps, contributing to RMB 31,400 philanthropic funds and the green, low-carbon initiatives.



On March 8, 2022, we entered into a strategic cooperation with China Financial Information Center (CFIC). This strategic cooperation combines the comprehensive strength of the CFIC and the solid innovation capabilities of FinVolution to promote low-carbon lifestyles to the public, encourage financial institutions to join the green movement, advocate green technology innovation and lead the way in green finance.



During the Reporting Period, the Company's KPIs for energy consumption and greenhouse gas emissions were as follows:

Key Performance Indicators ^{1,2}	2021	2020
Total energy consumption (MWh)	16,322.04	14,514.53
Energy consumption intensity (MWh/million RMB revenue)	1.72	1.92
Total greenhouse gas emissions (tCO ₂ e)	7,033.30	10,171.43
Greenhouse gas emissions intensity (tCO ₂ e/ million RMB revenue)	0.74	1.34

Notes:

1. The key performance indicators above represent the energy efficiency of our corporate headquarters and data centers located in Shanghai and all other office space in mainland China, as compared to Shanghai, Changsha, Hefei, and Zhengzhou in 2020.

2. The greenhouse gas emissions of the Company only include the Scope 2: energy indirect greenhouse gas emissions (emissions from purchased electricity) and do not include Scope 1: direct greenhouse gas emissions. Greenhouse gas emissions are presented as CO₂ equivalent. The greenhouse gas calculation method and conversion factors are based on the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from China Public Building Operation Units (Enterprises) issued by the China Development and Reform Commission.

As compared to 2020, the GHG emission factor for electricity of our workplace in Shanghai has been updated as per the "Notice of Shanghai Municipal Bureau of Ecology and Environment on Adjusting the Emission Factors of Shanghai in the Guidelines for Accounting Greenhouse Gas Emissions" in 2021, contributing to the decrease of GHG emissions and intensity.

Resource Conservation

We use tap water and generate a small amount of non-hazardous waste throughout our daily operations. In order to conserve water and reduce waste, we have taken the following measures:

- Regularly maintain the water equipment and prevent water leakage through regular inspection



Water-saving reminders

- Post water-saving reminders in dishwashing rooms and restrooms to remind employees to minimize water use
- Encourage double-sided printing of documents and transfer information by electronic documents whenever possible
- Post reminders to reduce paper towel use in restrooms

- Setup waste bins for different categories of trash and post guides for defining trash classifications to raise employee awareness of trash sorting



Paper towel-saving reminders



Waste bins for different categories of garbage

During the Reporting Period, the Company's KPIs for water and paper usage were as follows:

Key Performance Indicators ^{1,2}	2021	2020
Total water consumption (tons)	28,491	27,768
Intensity of water consumption (tons/million RMB revenue)	3.01	3.67
Total paper consumption (tons)	1.5	2.5
Intensity of paper consumption (tons/million RMB revenue)	0.00015	0.00033

Notes:

1. The key performance indicators above represent the water efficiency of our corporate headquarters located in Shanghai and other office areas in mainland China (excluding Beijing and Hainan), as compared to Shanghai, Changsha, Hefei, and Zhengzhou in 2020.

2. The key performance indicators above represent the paper consumption of our corporate headquarters located in Shanghai and all other office areas in mainland China, as compared to Shanghai, Changsha, Hefei, and Zhengzhou in 2020.



08 Corporate Citizenship

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We contribute to the following SDGs:



As a company founded on the principles "for the benefit of others", we have been promoting charities and philanthropic activities not only to uphold our own commitments to sustainability but also to those of the UN Sustainable Development Goals (SDGs). These activities encompass combating the COVID-19 pandemic, providing disaster relief, promoting rural development, and improving education for the underprivileged. We're proud to maintain our "Group of Knights", consisting of 58 members who have undertaken community service projects that have raised more than RMB 11 million in cash or kind and contributed over 599 employee volunteer hours to our public welfare initiatives in 2021.

Our achievements in community engagement in 2021 were acknowledged by several awards granted by media authorities, which have strengthened our beliefs to continue acting as a model of corporate citizenship.



Beijing Top 10 Financial Brands Appraisal



the Best Social Responsibility Financial Company

Disaster Relief

• Flood Relief

In July 2021, severe flooding struck central China's Henan Province, shattering the peaceful life and business of the local populace. We took swift action to help those who were affected in the following ways:

- We donated RMB 10 million in Cash to the Zhengzhou Red Cross Society for rescue operations, disaster-relief supplies, and post-disaster reconstruction.
- Our Gou Ya smart retail machines and warehouses in Henan offered food and beverages free of charge to local citizens, totaling RMB 130,000 in products.
- Stocks of our Gou Ya machines were replenished without any delays, thereby allowing consumers to have continued access to supplies.
- All Gou Ya orders paid during the flood period were fully refunded.
- We mobilized all of our local employees to join government emergency rescue teams and channeled all of our technical and product resources to relief work.



• Combat against COVID-19

Despite sporadic COVID-19 resurgence in 2021, we remained stalwart in our efforts to support the fight against the pandemic. We organized employee volunteers to support impacted communities while practicing social distancing with appropriate equipment to ensure the safety of our staff.

Anti-Pandemic Volunteer Service

On December 8th, 2021, a community in Zhangjiang Town was locked down due to a new confirmed positive COVID-19 case. Answering to the call of the Youth League Committee of Zhangjiang Town, FinVolution immediately sent out a team of 42 volunteers to the affected community to attend to the basic needs of the residents. Our staff committed 164 hours of volunteer work at the frontline of the pandemic, demonstrating our dedication and commitment to the fight against COVID-19. A Letter of Appreciation was awarded by the Zhangjiang Town Government to praise our contribution.



Rural Vitalization

As rural vitalization has taken a top spot in the country's agenda, FinVolution has strengthened its efforts in promoting its civic responsibility programs and boosting rural development by improving rural education and infrastructure.

• Rural Education

Education is pivotal to advancing agricultural competitiveness, and we have worked continuously to provide better access to inclusive, equitable, and high-quality education for children in the countryside.

• In 2021, a kindergarten we built in 2020 continued to provide quality pre-school education to children, preparing them up for success in their later studies. We also visited the Daliang Mountains together with the Liangshan Rural Revitalization Bureau and Meigu County Government and donated RMB 100,000 worth of supplies, including televisions, audio equipment, and teaching tools, to enable digital teaching in their classrooms. We have also donated clothing, blankets, and other supplies to the children to help them maintain physically and mentally healthy.



• Rural Construction

- In February 2021, we donated RMB 270,000 in cash and nearly RMB 100,000 worth of sports equipment to the Sports Bureau of Midu County in Yunnan Province, providing the county's children with better access to education.



FinVolution has helped take the beautiful future of the countryside one step closer to reality by bolstering rural digital construction.

- In October 2021, together with our financing guarantee subsidiary, Fujian Zhiyun Financing Guarantee Company, we donated 6 pieces of outdoor fitness equipment, one color TV, 22 office desks and chairs, and two sets of air conditioners to Chafengxia village in Fujian. These donations helped to improve the working conditions of the village committee, as well as cultural and sports activities.



- In 2021, we donated 115 computers to Nanyang Town in Shandong Province and Zhuchang Town in Guizhou Province, helping township government drastically improve the digital infrastructure.

Care for the Elderly

We are actively fostering a social environment in which senior citizens are respected, and we demonstrated this ideal vision we have of society by setting good examples during several festivals throughout the year.

- During the Dragon Boat Festival in 2021, the Party branches and labor unions of our local offices organized our staff to visit old people's homes and brought gifts of rice dumplings and festive blessings.
- On September 17, 2021, we organized a visit to Puhumingchuan, an elderly living facility in Shanghai, and brought gifts of mooncakes to the elderly residents there.

Appendix I – GRI Content Index

The report responds to the core option of to the GRI Standards. The table below shows where you can find the information required for each Standard Disclosure.

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102-49	Changes in reporting	No significant changes	/
102-50	Reporting Period	About the Report	P2
102-51	Date of most recent Report	July 2021	/
102-52	Reporting cycle	About the Report	P2
102-53	Contact point for questions regarding the Report	Appendix II – Readers	P82
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	P2
102-55	GRI content index	Appendix I – GRI Content Index	P78-81
102-56	External assurance	/	/
-Management Approach			
103-1	Explanation of the material topic and its boundary	Sustainability Management	P18
103-2	The management approach and its components	Sustainability Management	P16-19
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	2021 Highlights	P5

Disclosure No.	Disclosure Title	Section	Page No.
GRI 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	7. Inclusive Finance Collaborative Partnership 8. Intelligent and Reliable Services Intelligent and Reliable Services	P22-25, P27-29, P32-35, P38-40, P76-77
203-2	Significant indirect economic impacts	Inclusive Finance Collaborative Partnership Intelligent and Reliable Services Intelligent and Reliable Services	P22-23, P27-29, P35, P40, P45-46, P75-77
GRI 204: Procurement Practices			
204-1	Proportion of spending on local suppliers	Collaborative Partnership	P31
GRI 205: Anti-corruption			
205-2	Communication and training about anti-corruption policies and procedures	About FinVolution	P11-13
205-3	Confirmed incidents of corruption and actions taken	About FinVolution	P13
GRI 301: Anti-corruption			
301-1	Materials used by weight or volume	Green and Resilient Operation	P73
GRI 302: Energy			
302-1	Energy consumption within the organization	Green and Resilient Operation	P72
302-3	Energy intensity	Green and Resilient Operation	P72
302-4	Reduction of energy consumption	Green and Resilient Operation	P72

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GRI 303: Water Consumption			
303-5	Water Consumption	Green and Resilient Operation	P73
GRI 305: Emissions			
305-2	Energy indirect (Scope 2) GHG emissions	Green and Resilient Operation	P72
305-4	GHG emissions intensity	Green and Resilient Operation	P72
305-5	Reduction of GHG emissions	Green and Resilient Operation	P72
GRI 306: Effluents and Waste			
306-2	Waste by type and disposal method	Green and Resilient Operation	P73
GRI 307: Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	No non-compliance	/
GRI 401: Employment			
401-1	New employee hires and employee turnover	Working at FinVolution	P55-56
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Working at FinVolution	P54
401-3	Parental leave	Working at FinVolution	P55
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	Working at FinVolution	P65-67
403-3	Occupational health services	Working at FinVolution	P66-67

Disclosure No.	Disclosure Title	Section	Page No.
403-4	Worker participation, consultation, and communication on occupational health and safety	Working at FinVolution	P67
403-5	Worker training on occupational health and safety	Working at FinVolution	P66-67
403-6	Promotion of worker health	Working at FinVolution	P66-67
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Working at FinVolution	P67
403-8	Workers covered by an occupational health and safety management system	Working at FinVolution	P65
403-9	Work-related injuries	Working at FinVolution	P65
403-10	Work-related ill health	Working at FinVolution	P65
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	Working at FinVolution	P65
404-2	Programs for upgrading employee skills and transition assistance programs	Working at FinVolution	P62-65
404-3	Percentage of employees receiving regular performance and career development reviews	Working at FinVolution	P55
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	About FinVolution Working at FinVolution	P11, P57
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Working at FinVolution	P57

Disclosure No.	Disclosure Title	Section	Page No.
GRI 407: Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Working at FinVolution	P57
GRI 408: Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	Working at FinVolution	P57
GRI 409: Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Working at FinVolution	P57
GRI 412: Human Rights Assessment			
412-2	Employee training on human rights policies or procedures	Working at FinVolution	P57
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Working at FinVolution	P75-77
GRI 417: Marketing and Labeling			
417-1	Requirements for product and service information and labeling	Intelligent and Reliable Services	P49-51
GRI 418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Intelligent and Reliable Services	P52
GRI 419: Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	No non-compliance	/

Appendix II – Readers Feedback Form

Thank you for reading the FinVolution ESG Report 2021. In order to provide valuable information to our Company's stakeholders and develop our ability to fulfill on our ESG responsibilities, we would welcome any feedback or suggestions you may have about this Report.

You can send this form to the email: ir@xinye.com, or the mailing address: Building G1, No. 999 Dangui Road, Pudong New District, Shanghai, the People's Republic of China.

1. How would you rate your opinion of this Report?

Very High High Neutral Low Very Low

2. How would you rate your opinion of the Company's level of economic, social and environmental responsibility?

Economic responsibility	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low
Social responsibility	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low
Environmental responsibility	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low

3. How would you rate the effectiveness of this Report in reflecting the economic, social and environmental impact that the Company has brought about through undertaking its ESG responsibility commitments and practices?

Excellent Good Fair Poor Extremely Poor

4. How would you rate your opinion of the clarity, accuracy and completeness of the information, data and indicators disclosed in this Report?

Clarity	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low
Accuracy	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low
Completeness	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low

5. Do you find this Report in easy-to-read in terms of content and formatting?

Yes Neutral No

6. Feel free to share any comments or suggestions you may have on the Company and this report:

Thank you very much for your gracious gesture and valuable time!



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