



# FINVOLUTION

ENVIRONMENTAL, SOCIAL and GOVERNANCE REPORT 2019



# CONTENTS

- **About this Report**
- **Message from CEO**
- **Company Profile**
  - About Us ..... 07
  - Organizational Structure ..... 09
  - Diversified Governance ..... 10
  - Market Performance ..... 10
  - Association Memberships ..... 11
  - Major Honors & Awards ..... 11
- **ESG Governance**
  - ESG Concept ..... 13
  - ESG Management ..... 13
  - Stakeholder Engagement ..... 14
  - Materiality Assessment ..... 15
- **Responsible Operation**
  - Comprehensive Risk Management ..... 18
  - Business Ethics & Integrity ..... 23
  - Supplier Management ..... 24
- **Customers & Partners**
  - Access to Finance ..... 27
  - Placing the Customer First ..... 30
  - Protect the Interests of Partners ..... 32
  - Information Security & Privacy Protection ..... 32
- **Employees**
  - Legal Employment ..... 38
  - Training & Development ..... 44
  - Health & Safety ..... 47
- **Environment**
  - Managing Sustainable Business ..... 49
  - Reducing Our Carbon Footprint ..... 50
  - Reducing Waste & Conserving Water ..... 51
- **Industry & Community**
  - Contribute to Industry Development ..... 53
  - Serving Communities ..... 54
- **Appendix**
  - GRI Content Index ..... 57
  - Readers Feedback Form ..... 61

# About this report

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## ▪ Overview

The report is the second Environmental, 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 period from January 1, 2019 to December 31, 2019 (hereinafter referred to as the "Reporting Period"). Our efforts towards supporting the fight against COVID-19 in 2020 has also been highlighted under chapter Industry & Community.

## ▪ Reporting scope and boundary

Unless otherwise stated, this report discloses operations of FinVolution's interest entities and subsidiaries.

## ▪ Reporting standards/guiding principle

The Report is prepared in compliance with the core option of the Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards), and in the reference with the MSCI ESG rating Methodology. 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. We adopted coherent statistical disclosure methods to ensure that key performance indicators are quantified and subject to meaningful comparison.

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

## ▪ Report access

This report is published on the official IR website of FinVolution Group (<https://ir.finvgroup.com/Home>).

## ▪ 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 terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "target," "confident" and similar statements. Such statements are based upon management's current expectations and current market and operating conditions, and relate to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond the Company's control.

Forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from those contained in 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 on its marketplace, its ability to increase 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 the Company's ability to meet the standards necessary to maintain 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 press release is as of the date of this press release, and FinVolution does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under applicable law.

# Message from CEO

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2019 was an extraordinary year for us filled with challenges, growth and emerging new realities. In November, in order to accurately reflect our evolvement in the dynamic marketplace, we renamed the PPDAl Group Inc. to the FinVolution Group. Our new name represents a combination of terminology "Financial" and "Evolution", conveying our mission of continuous evolution of financial services leveraging upon technology and innovation. We believe this name change marks a milestone in our corporate journey and showcases our leading technology capabilities to the market which underpin our continuous brand enhancement as an open and diversified FinTech platform.

During the year, we made numerous positive strides in key areas across the organization. Most importantly, we successfully repositioned our business by transitioning the funding sources on the platform from being primarily facilitated by individual investors to being fully funded through our institutional partners. In 2019, our loan origination volume grew by 33.6% year-over-year to RMB82.2 billion, contributing to a 31.2% year-over-year growth in operating revenue to RMB6.0 billion and a 43.3% year-over-year increase in operating income to RMB2.6

billion for the year. These impressive results demonstrate the resilience and flexibility of our business, our decisive management execution, and exceptionally strong brand equity that enabled us to rapidly grow our number of partnerships with financial institutions.

The cornerstone of our business success in 2019 clearly rests in our continued commitment towards responsible operations and sustainable development. These core values continuously guide our efforts to enhance our corporate governance and implement risk management protocols that mitigate financial risks. Our innovative and advanced technologies enable us to effectively manage credit risks and better serve our borrowers and institutional funding partners in a challenging operating environment. In 2019, we served approximately 6.7 million borrowers. We continuously seek to improve and optimize our user experience and achieve a higher level of borrower satisfaction. With this objective in mind, we will continue to develop innovative loan products and enhance our engagement with our borrowers. In 2019, our online micro lending subsidiary was approved to connect to the PBOC Credit Reference Center. This not only enhances our own risk assessment capabilities but also demonstrates our commitment to being a positive contributor to the national credit ecosystem and bringing about greater transparency in credit-related transactions.

Our workforce of 3,883 employees is our largest and most important asset. We firmly believe that the best way to support our business is to protect, care for, and prioritize our employees, whom within our organization we affectionately refer to as "rice seeds". As we grow our business, we embrace innovation, compassion, collaboration and equality in our workplace to develop and promote an inclusive culture that help our rice

seeds to grow, thrive and realize their fullest potential. We pay close attention to talent development and this year, we further identified our professional capacities of job sequences by establishing a talent pool. Our upgraded E-learning platform and Enterprise University also help our rice seeds excel at their expertise and empower them with leadership skills. In addition, we have also implemented a diversified development scheme such as MBA program, internship programs, etc., and have cumulatively helped over 1,000 students and rice seeds.

We strive to be deeply involved in the communities we serve. Committed to the ideology of "finance at the convenience of your fingertips and every little bit of funds helps", we seek to improve the accessibility of our services for our customers, the wider community, and to extend our engagement in the communities we serve by participation in poverty alleviation activities, contributing to the fight against the COVID-19 pandemic and initiating village youth supporting program. In 2019, we continued our initiatives targeting village youth through special loan assistance programs tailored to their unique needs, during which a total of RMB 12 million interest free loans have been issued to over 1,200 qualified borrowers. To support the fight against the COVID-19 outbreak, we launched a global supply procurement plan to purchase medical supplies for those medical institutions in need, and made donations of over RMB1 million to assist targeted communities. We recognize our responsibility to protect and preserve the environment, promote green operation, actively

improve the environmental awareness of our employees, and purchased energy-efficient equipment to continuously reduce our carbon footprint.

Over the past twelve years, FinVolution has grown from a small start-up into an industry-leading, fast-growing and publicly listed company. We have accumulated rich industry experience and technological strength, which provides a basis for our future progress and development. In the years to come, we will remain committed to our mission, "To leverage innovative technology to make financial services better", unwaveringly forging ahead to empower efficiency and safety in finance upon technology and innovation.



Feng Zhang,  
CEO of FinVolution Group

# 1

## COMPANY PROFILE

- About Us
- Organizational Structure
- Diversified Governance
- Market Performance
- Association Memberships
- Major Honors & Awards



# About Us

## ■ Corporate introduction

Headquartered in Shanghai, FinVolution Group is a leading FinTech platform in China, connecting underserved individual borrowers with financial institutions. 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 such as credit risk assessment, fraud detection, big data and artificial intelligence. The Company's platform, empowered by proprietary cutting-edge technologies, features a highly automated loan transaction process, which enables a superior user experience.

As of March 31, 2020, the Company had over **108.3** million cumulative registered users.

- **Mission** : To leverage innovative technology to make financial services better.
- **Vision** : To become the most popular FinTech platform among users and trusted by partners
- **Values** : Reform and innovation; Pursuit of excellence; Simple and reliable; Make others great.

## ■ Our business strategy

In November 2019, our group brand was upgraded to FinVolution from formerly adopted name PPDAL, expressing our mission of continuous evolution and development of financial services through technological innovation. The brand of PPDAL is currently reserved for our subsidiary, Shanghai Paipaidai Financial Information Service Co., Ltd, which focuses on FinTech business.

FinVolution operates three main business sectors: FinTech Business Sector, International Business Sector, and Science and Technology Ecosystem Incubation Business Sector, covering a wide array of areas including consumer finance, technology-as-a-service, business incubator and investment. It adheres to serving the public interest and enabling institutions with innovative technology, ultimately helping solidify roles of finance in serving the real economy. With a solid footing in China, FinVolution is dedicated to facilitating the connections between business institutions and consumers to create an open and transparent ecosystem both on a domestic and global basis. FinVolution has also been expanding its presence in Indonesia, Philippines and exploring other countries.



### FinTech Business Sector

- **FinTech Service:** Based on consumption scenarios and real economy needs, FinVolution cooperates with financial institutions to serve consumers, small and micro enterprises with borrowing needs, and bring convenient financial services to the under penetrated markets.
- **FinTech Enabling:** Carry out BOT (Build-Operate-Transfer) and other to B (Business) technology business requirements, and drive the development and evolution of financial industry.



### International Business Sector

- Explore new business opportunities in Indonesia, Philippines and other countries to bring our experience to the world to facilitate financial inclusion and technology innovation.



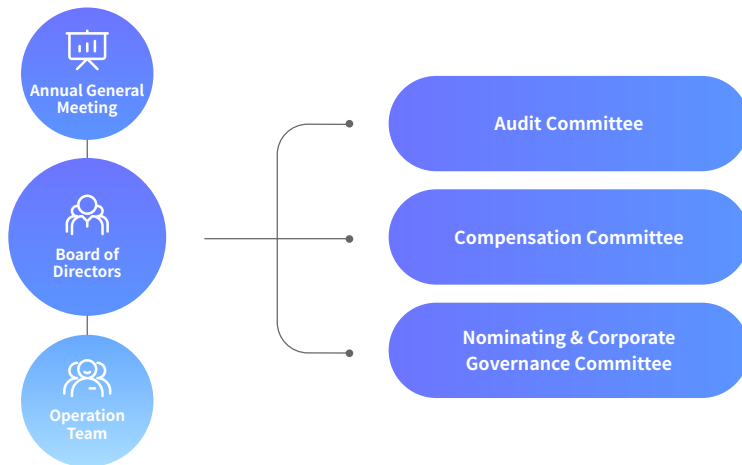
### Science & Technology Ecosystem Incubation Business Sector

- Support new business start-ups with growth potential, while continuing investment for the future and building an open science and technology ecosystem.



# Organizational Structure

FinVolution has an established and clear corporate governance structure, including shareholders' meeting and Board of Directors. The annual shareholders' meeting is composed of all shareholders in the Company. We also established an audit committee, a compensation committee, and a nominating and corporate governance committee. The shareholders' meeting, Board of Directors and all committees function are in strict accordance with relevant laws and regulations.



The audit committee, the compensation committee, and the nominating and corporate governance committee are all composed of Independent Non-executive Directors who have relevant industry experience. In addition, each committee member has sufficient resources to discharge their duties and is able to seek independent professional advice where appropriate. Since IPO, the Company's independent auditors report has been issued by an external audit firm PricewaterhouseCoopers Zhong Tian LLP.

In alignment with the Company's long-term development strategy, we've built an operation team composed of different functional departments with diversified skills.



## Diversified Governance

The Company recognizes and embraces the benefit of having diversified governance. We believe such composition reflects a diversity of experiences, viewpoints, cultural and educational backgrounds, all of which enable effective leading 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 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	41	8		Y	Y
Tiezheng Li	China	Male	35	5	Y	Y	Y
Honghui Hu	China	Male	42	8		Y	Y
Jun Zhang	China	Male	42	8		Y	Y
Ronald Cao	U.S.A	Male	46	6	Y	Y	
Jimmy Y. Lai	U.S.A	Male	63	3	Y		
Bing Xiang	Hong Kong, China	Male	57	3	Y		

## Market Performance

As of December 31, 2019, the Company's performance were as follows:

- FinVolution had **105.91** million registered users, **17.93** million cumulative borrowers and over 30 institutional funding partners active on our platform;
- Loan origination volume was RMB **82,167** million in 2019, compared with RMB **61,498** million in 2018, loans funded by institutions were RMB **51.0** billion;
- Operating revenue in 2019 increased by 31.2% to RMB **5,962.8** million from RMB4,543.7 million in 2018;
- Net profit was RMB **2,374.5** million in 2019;
- Income tax expenses were RMB **482.0** million in 2019, compared with RMB151.2 million in 2018.

# Association Memberships

We actively participate in recognized industry associations and are devoted to promoting the industry development in a sustainable way.

- National Internet Finance Association of China
- Shanghai Internet Finance Association
- Shanghai Software Association
- Shanghai Information Service Industry Association
- Shanghai Artificial Intelligence Development Alliance
- Shanghai High-tech Enterprise Association
- Lujiazui Internet Finance Association
- Shanghai Financial Information Association
- Shanghai Credit Promotion Center
- Shanghai Union Laboratory of Credit Big Data
- Pudong R & D Institute 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
- CEIBS Lujiazui Institute of International Finance
- New Financial Alliance of China Finance 40 Forum

## Major Honors & Awards



- Innovation in FinTech;
- Influential FinTech Companies 2019;
- Inclusive FinTech Institutions 2019;
- "The Best Innovative New FinTech Institutions 2019" of the 8th Golden Lion Award;
- Top 50 of Digital Technology Spectrum;
- Annual Trustworthy Innovative FinTech Companies;
- WISE 2019 King of the New Economy held by 36Kr;
- Top 20 of Intelligent Risk Management Weapon Spectrum;
- Certificate of Vice Chairman of Shanghai Information Service Association;
- Annual Excellent Case of Internet Public Welfare;
- Top 50 Innovative FinTech Companies in China;
- Annual Smart Financial Service Institution;
- Top 100 of Hurun New Finance 2019;
- "2019 Best Partner" awarded by Shanghai Zhangjiang National Innovation Demonstration Zone Focused Talent Training Base (Lujiazui Park).

\* The above honors and awards were granted in 2019.

# 2

## ESG GOVERNANCE

- ESG Concept
- ESG Management
- Stakeholder Engagement
- Materiality Assessment



# ESG Concept



With a mission of "To leverage innovative technology to make financial services better", FinVolution has deeply integrated ESG into our business model, and continues to leverage innovative technology to promote inclusive finance. We believe that the community as a whole benefits when more people have access to formal financial service. Committed to the ideology of "finance at the convenience of your fingertips and every little bit of funds helps", we actively make contributions to the society and extend our influences to the community in a more sustainable way.

# ESG Management

In order to achieve the social and economic benefits under long-term sustainability strategy, FinVolution has established an ESG working group.

- The highest decision-maker of corporate governance

- Develop ESG strategies and goals
- Develop risk control structure of ESG
- Develop ESG management policies
- Monitor the operation of ESG information system

- Implement ESG policies
- Carry out ESG working procedure
- Manage ESG information system
- Coordinate ESG related work

- Carry out ESG work
- Gather and report ESG information
- Promote ESG practices



# Stakeholder Engagement

We build strong relationships with our stakeholders. Based on their influence on our business activities and regular engagement processes, we have identified the significant stakeholder groups. We actively adopted various communication mechanisms to communicate with all significant stakeholders to meet their expectations and enhance our business operation in a sustainable way.

Stakeholder	Government organizations & Regulators	Customers	Suppliers & Partners	Non-governmental organizations	Communities & the Public	Media	Peers & Industry associations	Shareholders & Investors	Employees
<b>Issues of Concern</b>	<ul style="list-style-type: none"> <li>• Legal compliance</li> <li>• Cyber security</li> <li>• Risk management</li> <li>• Financial inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Financial inclusion</li> <li>• Protecting customers' rights &amp; interests</li> <li>• Data security &amp; privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>• Win-Win cooperation</li> <li>• Equal, open &amp; fair procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Public welfare</li> <li>• Business integrity &amp; anti-corruption</li> <li>• Climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Public welfare</li> <li>• Business impact on society</li> <li>• Diversity &amp; inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Financial inclusion</li> <li>• Business impact on society</li> </ul>	<ul style="list-style-type: none"> <li>• Intellectual property management</li> <li>• Cyber security</li> <li>• Technology innovation</li> <li>• Industry communication</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Legal compliance</li> <li>• Information disclosure</li> <li>• Financial product safety</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation &amp; benefits</li> <li>• Employee health &amp; safety</li> <li>• Talent development &amp; training</li> <li>• Diversity &amp; inclusion</li> </ul>
<b>Communication Mechanism</b>	<ul style="list-style-type: none"> <li>• Policy seminars</li> <li>• Government affairs</li> <li>• Supervision &amp; inspection</li> <li>• Industry meetings</li> <li>• Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Social media</li> <li>• FinVolution official website</li> <li>• Email &amp; telephone communications</li> <li>• APPs</li> </ul>	<ul style="list-style-type: none"> <li>• Email &amp; telephone communications</li> <li>• Supplier conference</li> <li>• Investigation &amp; evaluation of suppliers</li> <li>• Public tendering &amp; bidding</li> <li>• Complaints hotline</li> </ul>	<ul style="list-style-type: none"> <li>• Industry association</li> <li>• Seminar</li> <li>• Working meeting</li> <li>• Email &amp; telephone communication</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in social public benefit activities</li> <li>• Cooperation in community projects</li> </ul>	<ul style="list-style-type: none"> <li>• Press releases / announcements</li> <li>• Interviews</li> <li>• FinVolution official website</li> </ul>	<ul style="list-style-type: none"> <li>• Industry summits/ Association meetings</li> <li>• Round-table conferences</li> <li>• Site investigation</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Quarterly earnings release</li> <li>• Investor roadshows</li> <li>• Sell-side conferences</li> <li>• Email &amp; telephone communications</li> <li>• Annual report</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration management</li> <li>• Employee training</li> <li>• Employee activities</li> <li>• Interview with employees</li> <li>• Employee satisfaction survey</li> <li>• Access to senior management</li> </ul>
<b>Frequencies</b>	Multiple times per month	Multiple times per month	Multiple times per month	Multiple times per quarter	From time to time	Multiple times per year	From time to time	Multiple times per year	Multiple times per month

# Materiality Assessment

## Identify ESG Issues

Comprehensively considering the consumer finance industry, operating characteristics and strategic direction, we selected 20 ESG issues based on the following content:

- ESG strategic objectives of FinVolution;
- GRI Standards;
- MSCI ESG Rating methodology.

Economy	Society			Environment
<ul style="list-style-type: none"> <li>▪ Corporate Governance</li> <li>▪ Risk &amp; Crisis Management</li> <li>▪ Business Ethics</li> <li>▪ Economic Performance</li> <li>▪ Market Performance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Access to Finance</li> <li>▪ Financial Product Safety</li> <li>▪ Privacy &amp; Data Security</li> <li>▪ Product &amp; Service Innovation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Customer Relationship Management</li> <li>▪ Supply Chain Management</li> <li>▪ Compliance Operation</li> <li>▪ Labor Management</li> <li>▪ Occupational Health &amp; Safety</li> </ul>	<ul style="list-style-type: none"> <li>▪ Training &amp; Education</li> <li>▪ Diversity &amp; Equal Opportunity</li> <li>▪ Human Right</li> <li>▪ Public Charity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Climate Response</li> <li>▪ Green Operation</li> </ul>

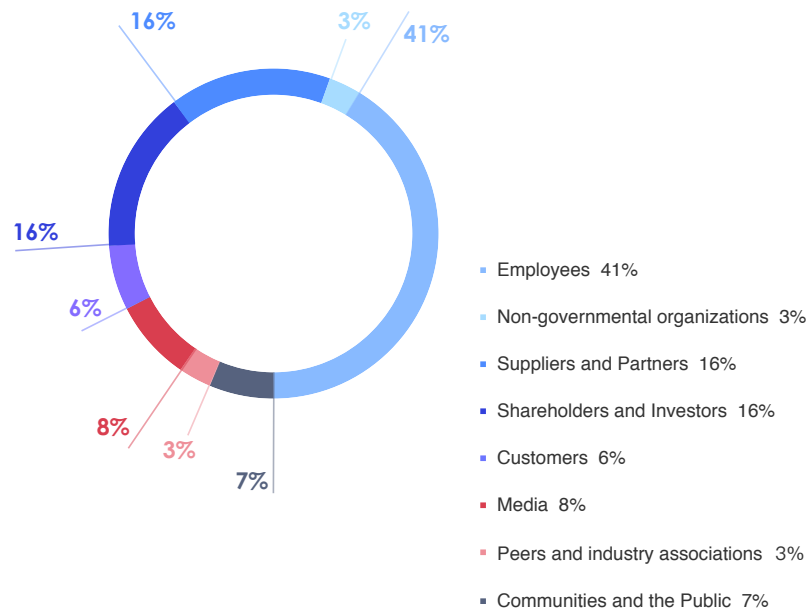
## Identify Key Stakeholders

Considering the extent of the stakeholders affected by our businesses and affecting our businesses, we identified relevant stakeholders to participate in the materiality assessment.

## Conduct Survey Activities

FinVolution invited representatives of the internal and external stakeholders identified to participate in the materiality assessment of the ESG issues. Such survey activities were conducted from two perspectives, namely Importance to Corporate Business and Importance to Stakeholder, to understand the stakeholders' expectations and concerns on our ESG issues.

The pie chart below showcases the key stakeholder engagement in the survey activities.



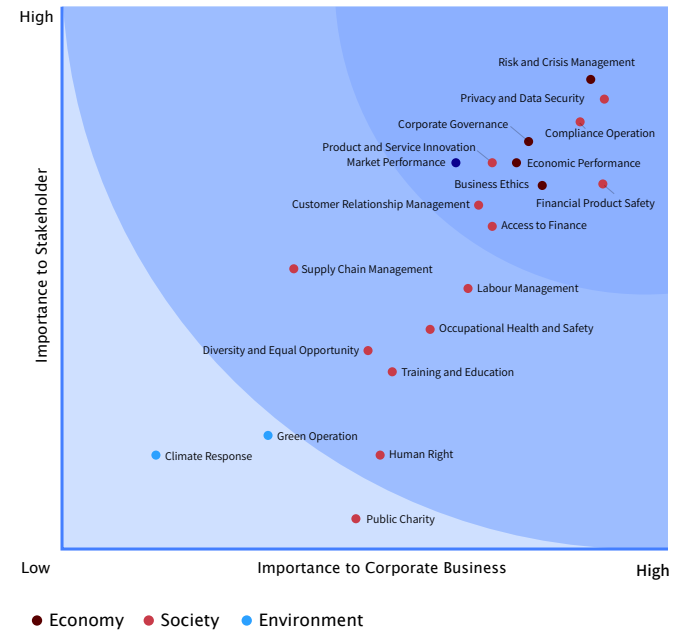
## Formulating Materiality Assessment Matrix

Through analysing the results of materiality assessment questionnaires completed by internal and external stakeholders, we identified the priority of materiality of economic, environmental and social issues, and formulated materiality assessment matrix.

## Internal Confirmation

The results of the materiality assessment were reviewed and confirmed by the ESG working team and the ESG leading team.

MATERIALITY ASSESSMENT MATRIX





# 3

## RESPONSIBLE OPERATION

- Comprehensive Risk Management
- Business Ethics & Integrity
- Supplier Management





## Comprehensive Risk Management

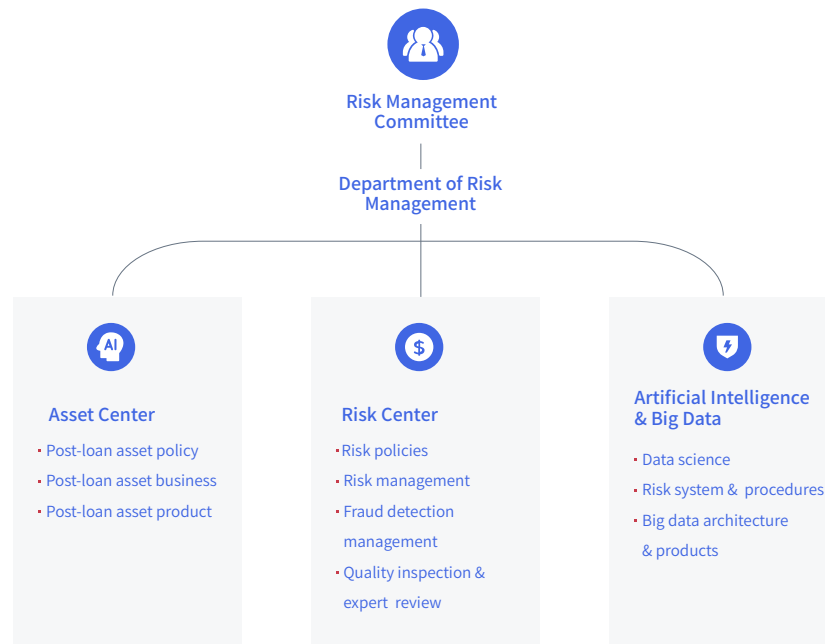
The cornerstone of our business success clearly rests in our continued commitment towards responsible operations and sustainable development. These core values continuously guide our effort to enhance our corporate governance and implement risk management protocols that

mitigate financial risks. Our innovative and advanced technologies enable us to effectively manage credit risks and better serve borrowers and institutional funding partners in a challenging operating environment.

## ■ Risk Control Structure & Policy

We established a Risk Management Committee, chaired by our Chief Risk Officer. The Risk Management Committee is the highest-level management committee to oversee group-wide risks, and is responsible for risk governance, risk oversight and risk appetite. Under the Risk Management Committee, we have created a combined risk management department, involving asset center, risk center and artificial intelligence and big data division, to further improve the way we manage risks.

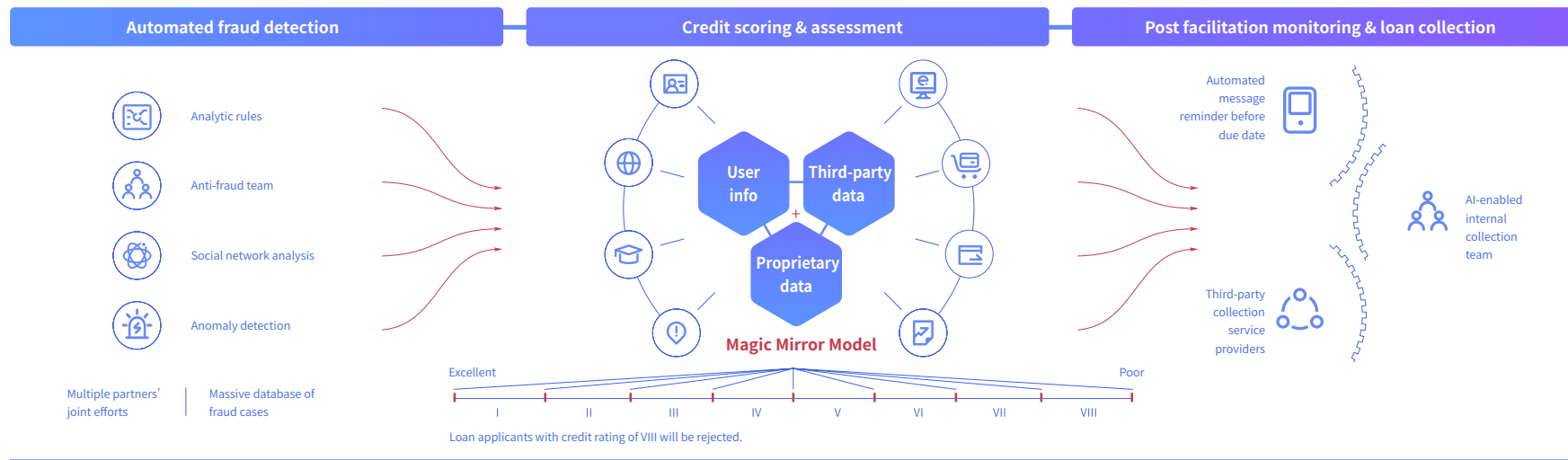
We formulated risk management policies and risk control assessment processes, including *Regulations on the Borrowing Business*, *Guidelines for Borrower Management*, and *Regulations on Fraud Detection Management*. We also review the effectiveness of these policies through regular audit conducted by our risk management team.



## Risk Control System

We have all along been emphasizing on our strong capability and prudent culture of risk management in the Company. Through years of development, we've established systematic and highly effective risk management procedures through loan lifecycles, including automatic fraud detection, credit scoring, assessment, and post-facilitation loan collection. Our strong risk management capability is one of the key competitive advantages that enable us to make credit convenient and available to the underserved population in China and overseas, whose credit histories have yet been recorded in the country's developing credit system, while maintaining a sustainable business.

## SOPHISTICATED RISK MANAGEMENT TECHNOLOGIES & CAPABILITIES



### Automated 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 and have accumulated massive data as related to fraud. The database we maintain helps us to fine-tune the rules we set which enhance our fraud detection capabilities.

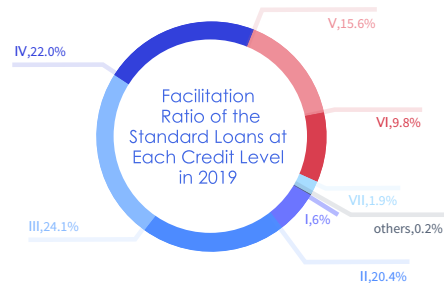
We adopt a multifaceted fraud detection method. First, we set up rules based on known fraud cases to filter activities for fraudulent behaviors. Afterwards, we apply advanced network techniques to identify relationships pertinent to fraud and connect the individual fraudulent activities to uncover complex fraud schemes and criminal organizations. In addition, we run anomaly detection to detect individual and aggregated

abnormal patterns in order to catch unknown fraud behaviors. If available information is insufficient for our system to draw a conclusion, the relevant loan applications will be forwarded to our anti-fraud team for further offline verification, which involves members of our anti-fraud team speaking with applicants to inquire after any inconsistencies in a loan application.

## ▪ Credit scoring & assessment

In August 2014, we developed and launched a proprietary credit scoring model, known as Magic Mirror Model, which we believe represents one of our key competitive advantages. Our Magic Mirror Model leverages on a huge database that we have built up gradually through our years of operations. Such a vast amount of data lays the strong foundation for our use of machine learning to optimize the Magic Mirror Model on a continuing basis.

In the credit assessment phase, different algorithms are applied to prospective borrowers with different features when assessing the potential risks associated with them and based on the assessment results, our credit scoring model generates Magic Mirror scores for each of our prospective borrowers. 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.

We apply various machine learning techniques to the data collected. Through monitoring model performance as well as variable consistency, our system is able to evaluate the effectiveness of existing variables while discovering new ones

at eight different segments. The Magic Mirror Model then is optimized by adjusting the group of variables used.

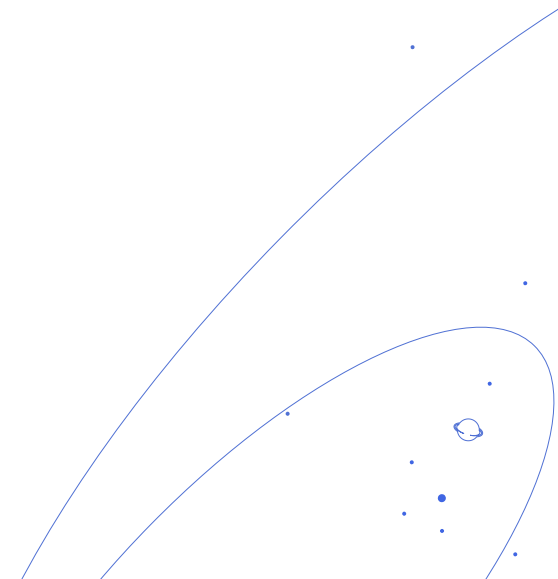
For applicants of our standard loan products, the Magic Mirror score derived from our proprietary credit scoring model is used to determine which of the eight categories in our existing credit grid the applicants will fall into. Among the eight categories, Level I represents the lowest risks associated with the borrowers, while Level VIII represents the highest risks. Level VIII loan applications will be rejected. Once a credit level is assigned to a specific loan, it will not be changed during the tenor of the loan. We continuously 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, adequacy of investor protection mechanism and competition in the market.

## ▪ Post facilitation monitoring & loan collection

We have developed a post facilitation monitoring system, which automatically sends message reminders to the borrower before the due date. Additionally, we have a collection team of over 1,600 employees as of December 31, 2019 and have developed a systematic process to handle the collection of delinquent loans.

Upon becoming delinquent, a loan enters into our collection process, which is divided into stages based on the severity of delinquency. The first 90-day collection period is typically handled by our in-house collection team, although we also engage third-party paid 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 taken 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. Any amount recovered from the borrower will be remitted first to cover third-party collection expenses, then to repay overdue principal and interest. Any remaining amount will be used to pay the late payment penalty and the collection fee charged to the borrower.



## ▪ Partnership with financial counselors or relevant community organizations

### ▪ Partnership with authority

In addition to the establishment of a complete risk management system, we continue to closely cooperate with authorities to ensure compliance for our business and enhance our risk management capabilities.

- In July 2018, we were one of the first 15 online lenders and consumer finance companies to sign up and connect to 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).
- In December 2019, our online micro-lending subsidiary was approved by the PBOC to be connected to the PBOC Credit Reference Center, which will allow our subsidiary to access and update borrowers' credit records to the Credit Reference Center.

Together with the access to the National Internet Finance Association's credit information system, and with our advanced technology capabilities, we are well equipped to effectively manage credit risk and capture the opportunities in China's consumer finance sector.

### ▪ Partnership with universities

FinVolution's strength in technology has been proven through its full spectrum of loan business

operation process, in addition to its remarkable operating efficiency and cost control measures. In recent years, FinVolution has continuously increased its investment in the field of smart finance. After the establishment of Smart Finance Research Institute in the early 2018, FinVolution has also established in-depth cooperation with Zhejiang University and Renmin University of China to actively explore the applications of artificial intelligence in financial services and digital inclusive finance, building a platform featuring industry-teaching-research collaboration to achieve synergies among technologies, nurture talents and university research, which can foster the breakthrough and development of artificial intelligence and other advanced technologies.

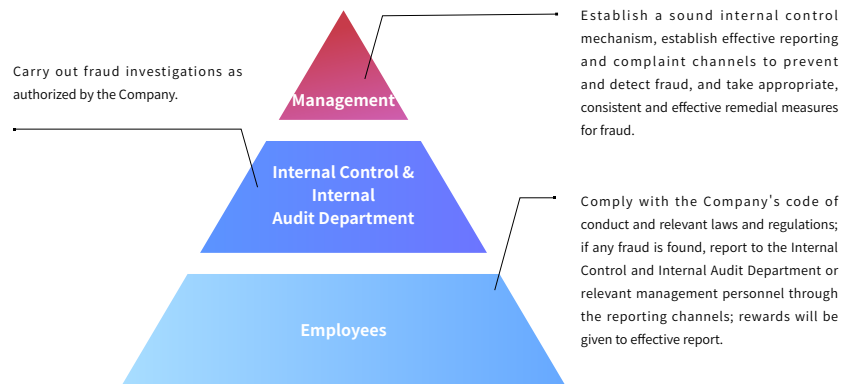
### ▪ Partnership with industry associations

We have invested significant resources in building up a comprehensive credit database since our inception. Today, we own an extensive database with several thousands of variables for our borrowers, covering a wide range of information pertinent to a borrower's creditworthiness and presenting a user profile from a 360-degree view. We have cooperation with a number of organizations, such as industry associations, who grant us the access to their respective data. Our strong data-mining capabilities, which we believe differentiate us from many other players in the online consumer finance industry, also enable us to gain unique insights relating to prospective borrowers. We have developed a number of proprietary automated programs that are capable of searching, aggregating and processing massive data from the internet in a short period of time.

# Business Ethics and Integrity

We attach great importance to business ethics and integrity. We strictly abide by the laws and regulations 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*, and formulated the internal systems 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*, etc., to standardize the Company's operation and employees' business activities. These internal systems are applicable to all the directors, officers and employees of the Company, and stipulate their liabilities and obligations regarding a range of key issues and business practices, including anti-corruption, gift giving, travel and entertainment expenses, identify money laundering, conflict of interests, etc. Any employee violating against these policies will be subject to appropriate disciplinary actions, including termination of employment.

A Compliance Officer has been appointed by the Board to oversee the business conduct and ethics. We set up Internal Control and Internal Audit Department to supervise the business ethics and integrity of the Company and our employees and enhance integrity culture by carrying out relevant promotion work.



We formulate the *Anti-fraud Policy*, set up special anti-fraud reporting channels, and take strict measures to protect the whistle-blower's information. The reporting channel is directly hosted by the Internal Control and Internal Audit Department of the Company. Once the report is submitted, all concerns are forwarded to certain staff of the Internal Audit Department who promptly review, and, if necessary, investigate the report. An employee inflicting reprisal or retaliation against the reporter will be subject to disciplinary action, including termination of employment. In 2019, no fraud cases have been reported.

Whistle blower hotline: 021-80303391  
Report e-mail: jubao@xinye.com

We frequently publicized internal integrity regulations and integrity culture to all employees through e-mail reminders and other ways. We have also carried out the annual internal control compliance examination, and the results will be used for staff performance evaluation covering all employees. We also carried out the integrity publicity meeting for the management, so as to continuously enhance the business ethics and integrity among all employees.

### Case: Integrity Publicity Meeting

In 2019, the Company held an Integrity Publicity Meeting and the CEO dictated the Company's position of "resolutely crack down on fraud and bribery". The management of the Company signed the letter of integrity commitment and jointly pledged to comply with the ethical standards in this meeting.

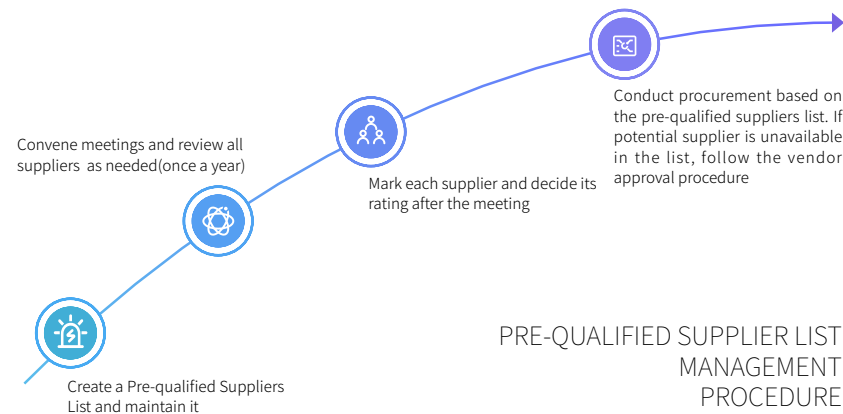


This Integrity Publicity Meeting reflects the Company's focus on the integrity building, showcases the Company's determination to fight against fraud, and plays a leading role and positive guidance for other employees, calling on all employees to work together to promote integrity at work.

# Supplier Management

To ensure the quality of suppliers' products and services, we established a strict supplier development and evaluation system and actively communicate with suppliers, to jointly establish a sustainable supply chain system.

We have established a full-lifecycle management of suppliers through internal documents such as the *Procurement Management System*, to regulate the screening and maintenance of suppliers. We have set up a pre-qualified supplier database to engage the qualified ones through reviewing their account permits, business license and other necessary documents, and check on the production environment, product quality and other aspects of suppliers through impromptu on-site visits and reviews to ensure the quality of the products and services of suppliers.



We conduct a hierarchical management of the reviewed suppliers. We will make priority inquiries and price comparisons and sign purchase contracts with suppliers with excellent ratings. For suppliers with poor ratings, we will reduce the number of orders and notify them for rectification within a specified period of time; if there is no obvious effect within the time limit, the cooperation

relationship will be terminated. For suppliers who cannot reach the bottom score, they will be eliminated directly and blacklisted.

In order to establish a fair and transparent supply chain and prevent commercial bribery or other corruption, we require all suppliers who have signed contracts with us to comply with the *Anti-Commercial Bribery Clause*, which stipulates that suppliers shall not have any unjust economic relations with us or other related personnel interest exchanges.

We attach great importance to the communication with suppliers and maintain interaction and exchanges with them through meeting invitations, project proposal introductions, bid presentations, business negotiations, irregular field visits and supplier conferences.

#### Case: Supplier Conference

On October 24, 2019, FinVolution launched the first supplier conference in Shanghai with the theme "Embrace Change and Build the Future Together", to enhance the mutual understanding and deepen the bond with our suppliers.







# 4

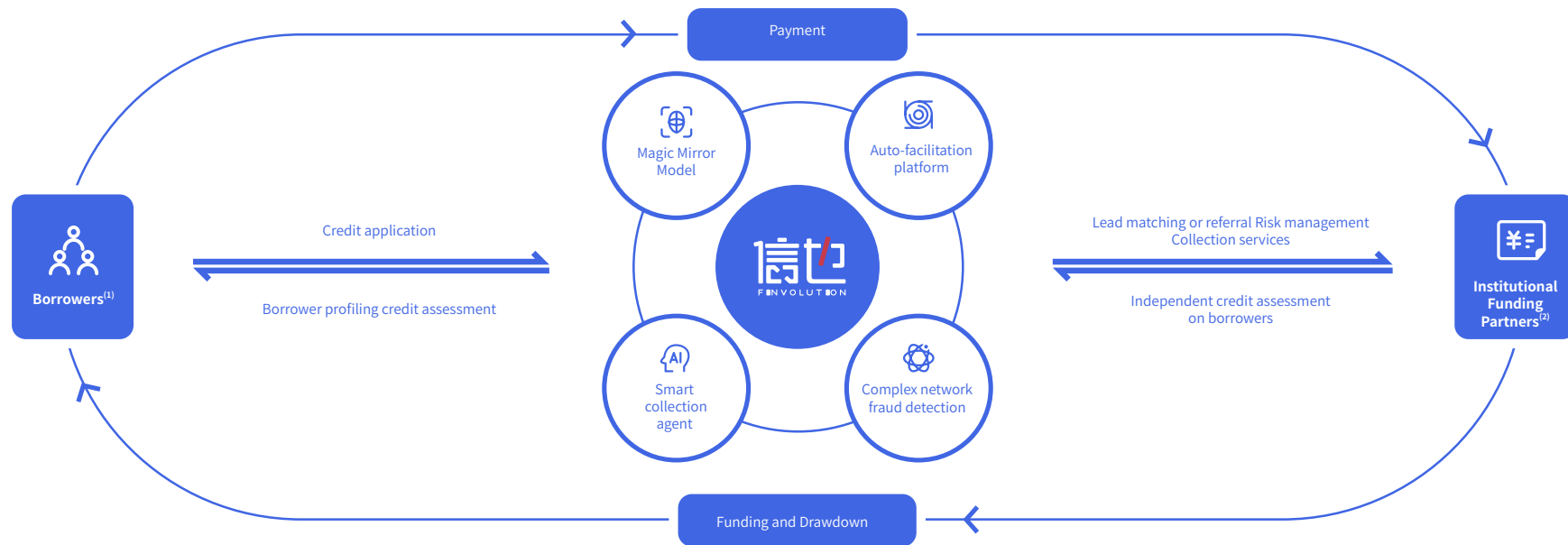
## CUSTOMERS & PARTNERS

- Access to Finance
- Placing the Customer First
- Protect the Interests of Partners
- Information Security & Privacy Protection

# Technology Enabled Model Facilitating Customers & Partners

We stay true to the concept of financial inclusion through leveraging our FinTech proprietary technologies to explore new models that are "beneficial to all economy". We continued to integrate advanced technologies into the development of inclusive finance, while optimizing financial service scenarios and protecting the legitimate rights and interests of customers. Our commitment enables

more people to experience the convenience brought by smart finance with better products and services. As transition of our funding sources from individual investors to institutional partners, we have accordingly enhanced our risk control measures to continue providing users with diversified and high-quality inclusive products.



1. Borrowers are mainly individuals.

2. Institutional funding partners include banks, consumer finance companies, trusts and other online lending intermediaries.

# Access to Finance

We acknowledge that enhancing financial inclusion requires continuous efforts, and we are carrying out a number of initiatives to promote accessible financial services to more customers. We believe that when more people have access to quality financial services, the community as a whole will benefit.

We provide a safe, efficient and reliable online lending platform for individuals with financing and lending needs. Our strong risk management capability is one of the key competitive advantages that enable us to make credit available to the large underserved population in China, while maintaining a sustainable business at a healthy profit level.

Since our inception and as of December 31, 2019, we have facilitated loans connecting over **17,900,000** borrowers from 96% of the cities and counties in China, including users from the State Poverty Counties and SME borrowers.

	Number of Users (million)	Loan Origination Volume (billion RMB)
Incremental Registered Users&Originations in 2019	<b>16.98</b>	<b>82.17</b>
Unique borrowers in 2019	<b>6.68</b>	/
Cumulative Number of Borrowers as of Dec 31,2019	<b>17.93</b>	/
Cumulative Registered Users&Originations as of Dec 31,2019	<b>105.91</b>	<b>236.39</b>
Cumulative Users from State Poverty Counties <sup>1</sup> &Originations as of Dec 31,2019	<b>0.23</b>	<b>2.46</b>

1.The state poverty counties were identified and disclosed by the State Council Leading Group Office of Poverty Alleviation and Development, and we calculate by including users from state poverty counties in China by March 5, 2020.

## Online Distribution Channels

Prospective borrowers generally get access to us through various channels, including app stores, online advertising, search engine marketing and customer referrals, etc., and are able to initiate applications online anytime, anywhere through our mobile applications, WeChat official account or our website. Potential borrowers can generally complete the application process for our standard loan products within a few minutes by providing information such as personal details, related information required for a loan application and taking a selfie of holding the applicant's PRC identity card in real time if the loan application is initiated via mobile apps.

Online advertising



App store



Search engine marketing



Customer referrals



## Support for small business

Small- and medium-sized enterprises (SMEs) are the backbone of the economy, playing key roles in driving innovation and technological advances, leading to economic development and jobs creation. Despite their importance, their access to financing is relatively limited compared with large firms and the limited access to financing is a major operating constraint for many SMEs. In the Government Work Report of the State Council dated March 2019, it was clearly stated that finance should serve the real economy and solve the key problem of low access to and expensive financing for developing SMEs. In response to the national initiative of helping SMEs to meet their financing needs, we've launched a merchant loan business providing SMEs with small credit loans for their daily operations since May 2018.

Cooperating with industry peers and a well-known domestic food delivery platform, we've established a complete SME identification process for the merchant loan business. It relies on our self-developed Magic Mirror Model, integrating artificial intelligence and big data technology, to comprehensively assess the credit and potential delinquency risks of prospective SME owners. The SME owners can get access to the loans within a few minutes when their uploaded information has been automatically reviewed and processed by our system, which greatly improves the financing efficiency and provides greater flexibility to SME owners.

The borrowers of the merchant loans are distributed in more than 1,000 counties in over 30 municipalities, provinces, and autonomous regions across the country, of which about 80% were from third, fourth and lower-tier cities. For loan utilization, the majority of the loans were used for working capital and shop renovation, accounting for 48% and 28%, respectively.

As of December 31, 2019, our cumulative merchant loan amount has exceeded RMB **850** million, benefiting more than **50,000** SME owners, effectively serving the "backbone" of the Chinese economy.

Going forward, we will continue to rely on technology, optimize the business, broaden our customer base, and provide enhanced financing services to more SME owners, so as to promote comprehensive financial inclusion.

## Services for underserved communities

We are a pioneer in China's online consumer finance industry connecting borrowers, whose needs are unserved or underserved by traditional financial institutions, with investors and financial institutions.

### Striving Fund

In February 2019, we launched the "Ten Million Striving Fund Plan for a Thousand Village Youths"<sup>1</sup> ("Striving Fund"), a public welfare plan that provides full interest-free loan (the interest expense is fully subsidized by us), to empower village youth and help them grow. It provides the new generation of Chinese village youth who are eager to change their own destiny with monetary support in their study, job seeking, entrepreneurship startup, and others. Since the Striving Fund officially went online in April 2019, a total of RMB12 million interest-free loans have been issued to over 1,200 users.

### WARMING STORIES OF STRIVING FUND

#### Ms. Zhang

From Heze City, Shandong Province, is in the education industry and runs a tutoring institution. She applied for a loan from the Striving Fund to overcome the shortage of funds due to high rental fees when she started her business. She has since found a suitable place for her tutoring institution.

“

I am very grateful for receiving the Striving Fund when I was in need the most. I hope to help more children in need by providing affordable tutoring, and I am inspired to pass on striving spirit to more people.

”

#### Mr. Wang

From Diqing City, Yunnan Province, has been operating a small business of soy products for 4 years. He applied for a loan from the Striving Fund to expand the business, so as to deliver his product to cover all the surrounding rural markets.

“

I used the Striving Fund to upgrade the delivery equipment of the store and provided my staff with several new electric trucks. I am going to grow the business further and let more people enjoy the healthiest soy products.

”

#### Mr. Zhang

from Chifeng City, Inner Mongolia, is an attending physician in sports rehabilitation. He applied for a loan from the Striving Fund for his further education, through which he can make improvements in his professional skills and communicate with peers in the industry.

“

with the help of the Striving Fund, I am fortunate to get the opportunity to pursue further education. I am going to enhance the awareness of sports rehabilitation, and let more people benefit from it.

”

### Young Plan

In order to better empower young people and help them grow, we initiated the "Youth Talk" in April 2019. Youth Talk is a platform for experience exchange and skills sharing provided by the "Young Plan" for young people. We invited entrepreneurs who have made achievements in different industries and businesses to the platform for sharing. Most of the presenting guests are "ordinary people" who have successfully operated



small businesses such as franchise restaurants, social e-commerce, innovative pet stores, etc. Their successful experience is highly

replicable for most people. In the "Youth Talk" platform, these young people share the story of their entrepreneurship and hard work experience.

In 2019, three "Youth Talk" offline sharing activities were held in Changsha and Shanghai, respectively. A total of 10 guests were invited to share their stories and experiences, and nearly 300 users participated in the activities. We recorded and launched a course encompassing 9 videos of entrepreneurs' speeches, which were published online. It had an exposure of over 20 million views, inspiring nearly 5 million people.

1. Village Youth refers to 18 to 35-year-old youth born in the third, fourth and lower-tier cities, who are distributed in their hometown to work or travel to big cities.

# Placing the Customer First

It is our responsibility to set high standards of customer care and always put ourselves in the shoes of our customers. We established procedures to effectively respond to customers' needs and complaints, providing high-quality services to our customers.

## ■ Strict service standards

We strictly abide by the relevant laws and regulations related to the protection of consumers' rights and interests, and have formulated a customer service management system to timely understand customers' needs and opinions, and better fulfill our commitments to customers to protect their legitimate rights and interests. We have set up a Customer Service Department to monitor customers' opinions and continuously improve customer service quality.

Our customer service agents communicate with our customers according to the specified service standards and follow-up scripts to improve the overall service level. We have established a knowledge base of complaint handling where our customer service agents can refer to, so they can know how to give better solutions. It also enables them to coordinate with relevant departments to handle complaints in a timely and efficient manner.

We benchmark against leading players in the industry and impose stringent requirements on ourselves. Customer service satisfaction is measured objectively to enhance our service level.

In 2019, we handled **17,133,289** online queries, answered **4,073,398** incoming calls and achieved a 98.5% customer satisfaction rate.

## ■ Systematic service assurance

### ■ Intelligent Service Enhancement

- Introduce intelligent systems to categorize customer inquiries. Guide customers to solve problems by themselves while offering customer education.

### ■ Transparent and Informed Transaction

- Our service term clearly outlines our commitments, responsibilities, standards in service delivery, grievance redress mechanism, good governance and transparent accountability of our services so as to ensure well-informed and fair transaction to reassure our customers.

### ■ Software and Hardware Service Enhancement

- Continuously optimize the call system. Purchase a customer relationship management (CRM) system that suits the habits of our users;
- Deploy professional communication equipment, update knowledge graph architecture, and upgrade hardware and software to provide convenient, smart and personalized services for our users.

### ■ Assurance of Communication Channels

- Establish a platform to support users to contact us via different channels (including 400 hotline, online customer service, web, app, Wechat, Weibo, forum, community, H5, email, SMS, etc.) in a more flexible way;
- Conduct return visits to different categories of customers on a regular basis. Listen to the needs of customers and optimize our products and services accordingly to improve customer experience.

## ▪ Sustainable loan collection

Once a loan is granted, the most important thing will be the prevention of credit risk, where loan collection is the key. We have continuously improved our collection system through the use of intelligent tools to facilitate loan collection efficiency and prevent collection by means of inappropriate behavior.

We issued the Asset Preservation Business Management Process to ensure that our loan collection process is legal, effective and efficient. Primary collection measures, including text message reminders, phone calls, legal letters and legal proceedings, are taken in succession as a loan becomes increasingly overdue.

We adopted advanced technologies including the smart loan collection agent and predictive outbound call to improve our collection efficiency.

### ▪ Smart loan collection agent (Tie Niu)

Tie Niu is mainly a smart service platform based on a cloud platform, integrated with big data, intelligent voice, Natural Language Processing and Free-switch technologies. Tie Niu is highly anthropomorphic, with intelligent interaction performance. It can:

- Establish strategies;
- Carry out intelligent classification of collection cases according to difficulty levels;
- Help collection agents to complete preliminary communication with customers.

### ▪ Predictive outbound call

We use artificial intelligent algorithms to automatically and dynamically adjust the number of outbound calls to customers in real time. The collection agents can seamlessly connect with the call center system, saving resource investment and improving the efficiency of outgoing calls.

We also provide monthly trainings and sharing, arrange exams for our collection agents, so as to improve the overall collection efficiency and avoid collection by means of violence. The performance of the collection agents is aligned with collection performance by monitoring the behavior of agents in using outbound calls quality inspection methodology.



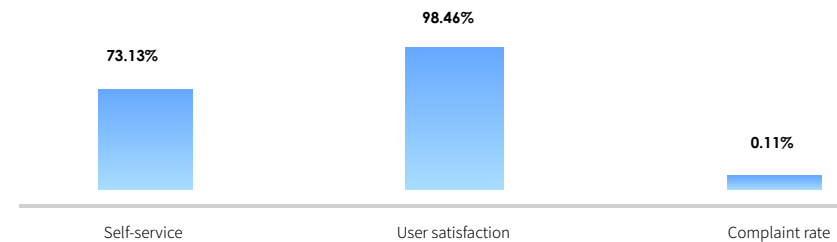
Training and Sharing for Collection Team

## ▪ Complaint processing

We constantly improve complaint management, establish complaint handling procedures and norms, and solve every customer's complaint with a professional, patient and responsible attitude. The Company has set up a national unified customer service hotline, after-sales service email and other communication channels to receive and handle customer consultation and complaints.

In 2019, we received 73,185 customer complaints. The customer complaint rate and the customer complaint handling rate are **0.11%** and **100%**, respectively.

### SERVICE QUALITY INDICATORS





## Protect the Interests of Partners

We attach great importance to our partners involving our investors, the institutional funding partners and third-party service providers. To uphold accuracy and transparency, we regularly communicate with our partners regarding the Company's business performances and strategies, regulatory compliance, risk management, data security, etc.

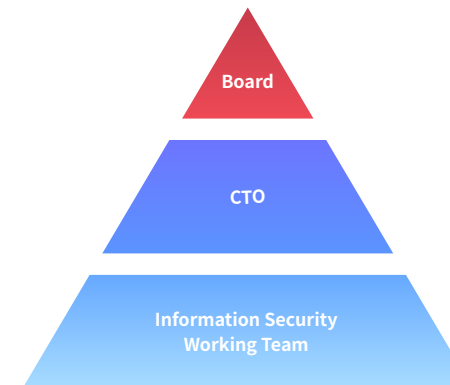
In order to protect the interests of our institutional funding partners, we have established cooperation with third party guarantee companies as a form of quality assurance commitment.

## Information Security & Privacy Protection

As our business advances digitally, it is unavoidable that we will operate in an environment where information security is critical than ever. In response, we have invested in tools, technologies and measures to confront the challenges.

### ■ Information security

Information security is paramount to our business, so we prioritize this issue by taking it to a high managerial level. The Chief Technology Officer (CTO) is the top executive in charge of information security. The information security working team led by the CTO is responsible for initiating information security policies, rules and produce information security-related applications and technologies against cyber threats.



**notes:** The working experiences of our team members are very diverse, covering Internet, finance, software, consulting, government and other fields. The certifications held by our team members include: CISSP, CISA, CISP, CCNP, ISO27001-Ia, etc.



We have established *User Information Management Method*, *PPDAI Standard for Data Classification and Distribution*, *Management Rules for Sensitive Information Protection of Information System*, and *PPDAI Source Code Security Management Regulations* to regulate data life-cycle protection management in the processes of data generation, processing, storage, transmission and destruction. We also set up a 5-layer information security framework to deal with information security threats from the system level.

## 5-LAYER INFORMATION SECURITY FRAMEWORK



### ▪ A secure information platform

It is our duty to maintain the safety of our online platform and keep users' data safe. We have built a 3-layer firewall that monitors and controls incoming and outgoing traffic on our platform. Upon the detection of any abnormal activities, our system will immediately notify our information security experts and concurrently take relevant measures automatically, such as activating third-party traffic

control service, to prevent any harm to our platform. We deploy data slicing and distribute the storage of users' data points across several servers. We have also developed a multi-layer data backup system to prevent loss of data due to unforeseen circumstances. On the hardware level, our platform adopts a modular architecture that consists of multiple connected components, each of which can be separated and upgraded without compromising the functioning of other components, which makes our platform highly stable.

## ▪ System audit

We perform periodic review about the system security by ourselves and also invite third-party organizations to conduct system audit every year:

- The PPDAl website and APP were rated as Level III Information Security Protection by the Ministry of Public Security in March 2018. The evaluation covers items such as physical security, network security, host security, application security, data security, backup and recovery, security management, etc.
- As a listed company on the New York Stock Exchange, we are required to conduct annual evaluation on 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 professional organization.

## ▪ Network attack and defense drilling

In 2019, we successfully completed a number of crisis management simulations and tests that aimed at testing the readiness of our business systems to withstand cyber-attacks against critical functions. We effectively identified, analyzed, and controlled information system security risks through simulating hacker intrusions and attacks against business systems. Our system showed excellent ability to manage simulated attacks, presenting strong resilience to disaster.

## ▪ Information security training

An important part of our strategy in defending information security threats is to raise our employees' awareness and implement relevant education programs. Our education programs are diverse:

- Carry out information security training and exams for new employees so as to raise and enhance the awareness of information security protection.
- All employees are required to take the annual information security exam to constantly update their knowledge.
- Regularly deliver specialized courses for employees such as case sharing, security programming, data and privacy protection, regulation interpretation, etc.

We have joined the following industry associations to exchange know-how:

- Mobile Application Security Committee – executive member (PPDAI)
- National Information Security Technology Standardization Committee (WG7 information security management working group, SWG-BDS big data security standards task force) – member (PPDAI)



## ■ Privacy Protection

It's essential that our customers can maintain their trust in our procedures for handling their personal information. We strictly abide by privacy laws and regulations and have established the [Privacy Policy](#) to protect the personal information of our customers. In the policy, we clearly specify the scope and use rights of user information, rules for disclosure of users' personal information, users' rights and information protection measures to protect the privacy of our customers. In addition, we will only collect service-related customer information with a customer's authorization.

We protect the privacy of our users in the following ways:



We will do our best to protect users' information during our services. Users have the right to cancel their account data at any time, and we will delete or anonymize user's personal information without violating the minimum retention period required by the regulation.

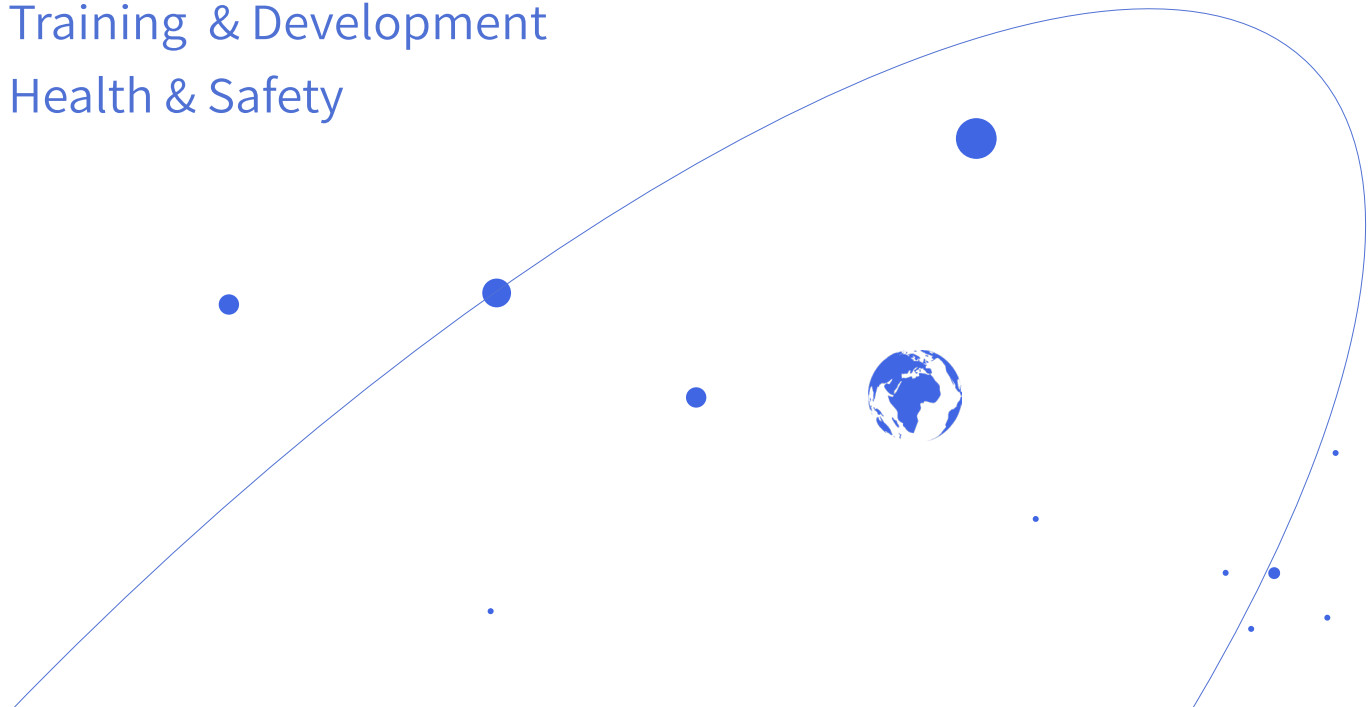
We implemented procedures that clearly articulate the action to be taken when dealing with a data privacy breach, including notifying regulators, our customers or other data subjects, as required under applicable laws and regulations.

In 2019, we did not have any incidents related to user information breaches.

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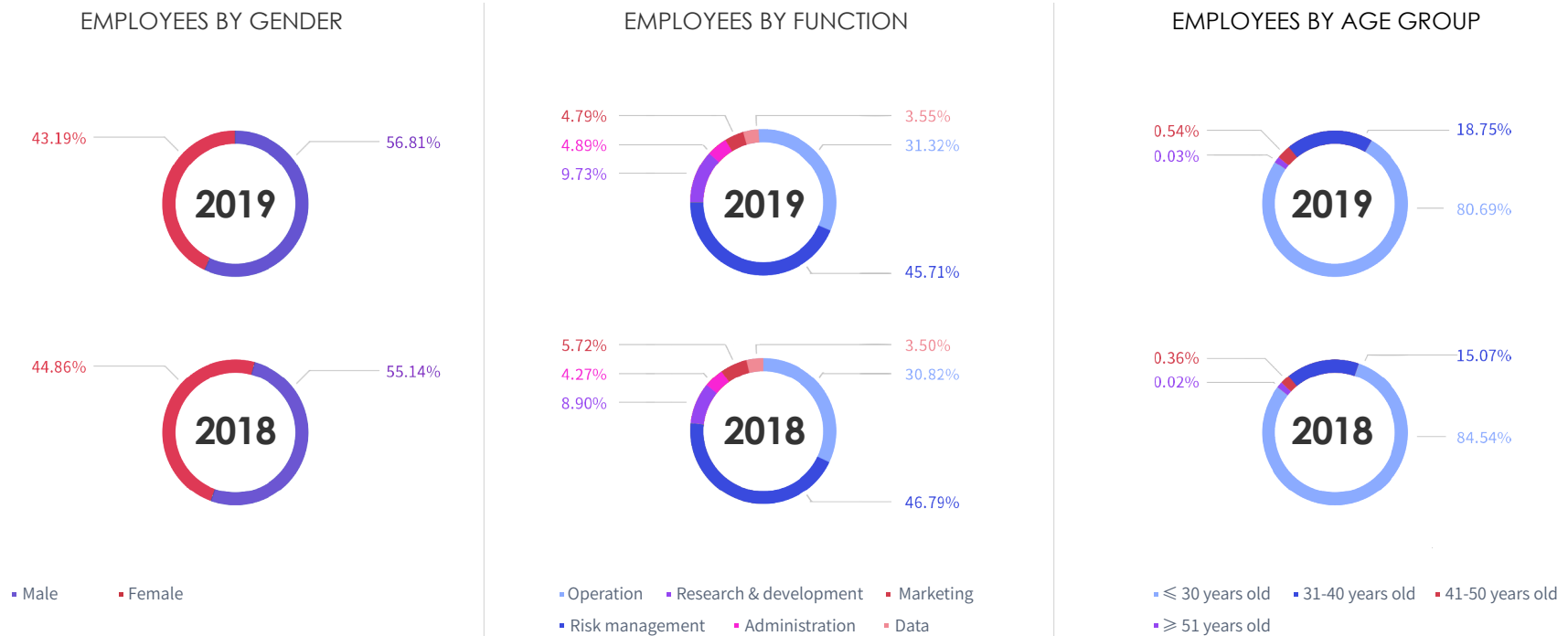
## EMPLOYEES

- Legal Employment
- Training & Development
- Health & Safety



FinVolution regards its employees as family members and affectionately calls them "rice seeds". As of December 31, 2019, we had a workforce of **3,883** rice seeds, which are our most important and valuable assets. We adhere to embrace innovation, compassion, collaboration and equality in our workplace, and develop opportunities that help our rice seeds to realize their fullest potential.

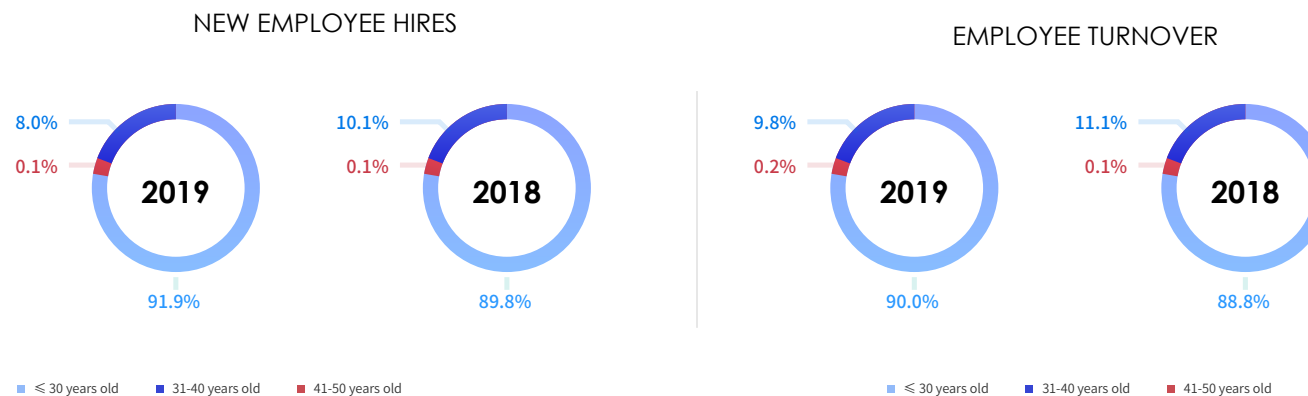
As of December 31, 2019, our employee structures in comparison with 2018 were as follows:



# Legal Employment

The Company strictly abides by the laws and regulations of the place where it operates. In light of our core values and job requirements, we evaluate the professional competencies, skills, experience, personality, and professionalism of applicants and employment is based on meritocracy. We select talents through traditional recruitment platforms, social platforms, headhunter recommendations, internal recommendations and other ways to meet our business needs.

As of December 31, 2019, the rates of our new employee hires and employee turnover by age group were as follows:



## ■ Compensation & benefit

### ■ Compensation component

We have a fair, reasonable and market-competitive compensation system to ensure our employees receive the compensation that he or she deserves. Employee compensation consists of basic

monthly salary, subsidy, performance-based bonus and year-end bonus. We regularly evaluate the performance of our employees, and adjust the salaries according to an employee's knowledge and experience, professional skills, service term, performance evaluation results and other factors.

According to the nature of work, we set up a variety of career paths for our employees, each of which consists of different professional levels with corresponding career promotion channels. 100% of our employees receive assessments from multiple dimensions every year, and qualified employees will be promoted.

### ▪ Share incentive plan

According to Employee Stock Holding Rules, we also offer employee stock ownership plans to eligible employees, officers, directors and consultants as a way to incentivize their performances and align their interests with us. We believe the granting of share incentive awards is of significant importance to attract and retain talents.

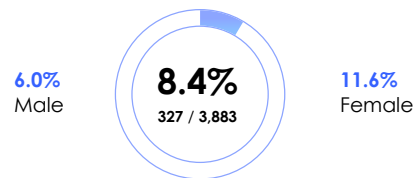
### ▪ Working hours & holidays

A flexible working hour system has been established for our employees. They can choose the work schedule or location flexibly and independently according to the job categories.

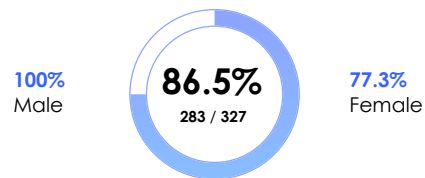
Our employees are entitled to weekends, public holidays, personal leave, sick leave, work injury leave, marriage leave, parental leave and breastfeeding leave, paternity leave, bereavement leave, annual leave, as well as other statutory holidays in China. Employees have flexibility in making use of their leaves to pursue a work-life balance lifestyle.

As of December 31, 2019, the application rate for parental leave, return to work rate, and retention rate, by gender, are as follows:

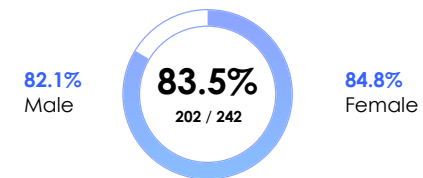
#### PARENTAL LEAVE APPLICATION RATE



#### RETURN-TO-WORK RATE



#### RETENTION RATE



### ▪ Pay equity

We sign the labor contract with all employees according to laws, and specify the work content and corresponding labor remuneration. We ensure that employees with the same level of expertise and working achievements will not be treated differently when they are engaged in corresponding types of work. A robust annual compensation review process has been established to monitor if there are pay gaps. We will close the gap to ensure our employees are being compensated equitably.

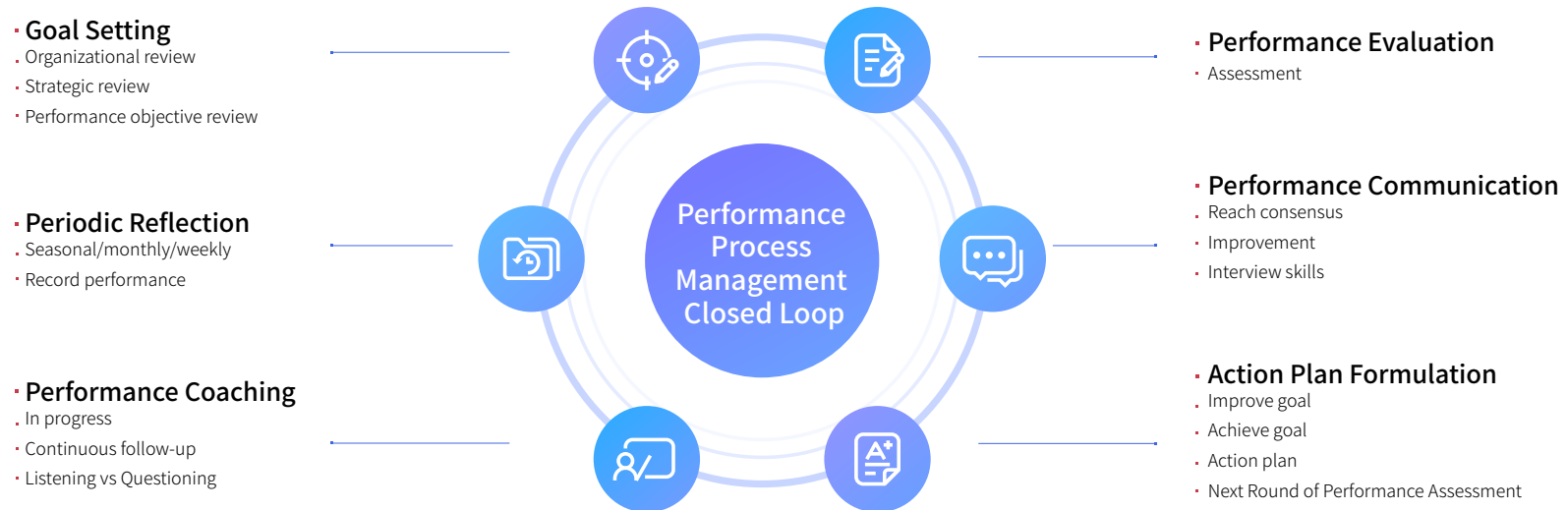
### ▪ Social insurance

We provide retirement insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance, and housing provident fund for all employees. In addition, employees can enjoy supplementary medical insurance 2 months after entering the Company.

## Appraisal mechanism: performance based incentive payment

We recognize our employees' hard work and have established a closed-loop performance management system. The performance appraisals are conducted in the middle of a year and at the end of the year.

The assessment rate for the employees was 100% in 2019.



## Human rights

FinVolution is committed to respecting human rights while operating our business. We attach great importance to the human rights of employees and prohibit all acts of discrimination, bullying, intimidation, sexual harassment, etc.

Forced labor and child labor is strictly prohibited in FinVolution. We will not force nor threaten any non-willing personnel to carry out work-related tasks. Employee consent must be obtained first if there is a need for overtime. We only accept applicants over 18 years old and double-check the age of new employees so as to avoid child labor. In 2019, there was no forced labor or child labor at FinVolution.

In FinVolution, we advocate an inclusive, diversified, fair and just working environment, and encourage cooperation and sharing. We ensure that employees will not be treated differently due to gender, region, color, age, nationality, race, religious belief, family and physical quality, etc., so that all employees can enjoy equality in terms of employment, salary and welfare, leave, promotion, personal development, etc. As of December 31, 2019, we had 6 employees with disabilities and 158 employees from ethnic minorities groups.

We respect our employees' right to freedom of association, and actively consult and engage with labor union and employee representative groups on a range of issues. 100% of our workforces in headquarter have joined the labor union and are covered by collective bargaining agreements.



## Employee care

We are committed to providing a safe and comfortable workplace for our rice seeds through various employee care initiatives and programs.

### The "Care for Rice Seeds" Internal Charity Foundation

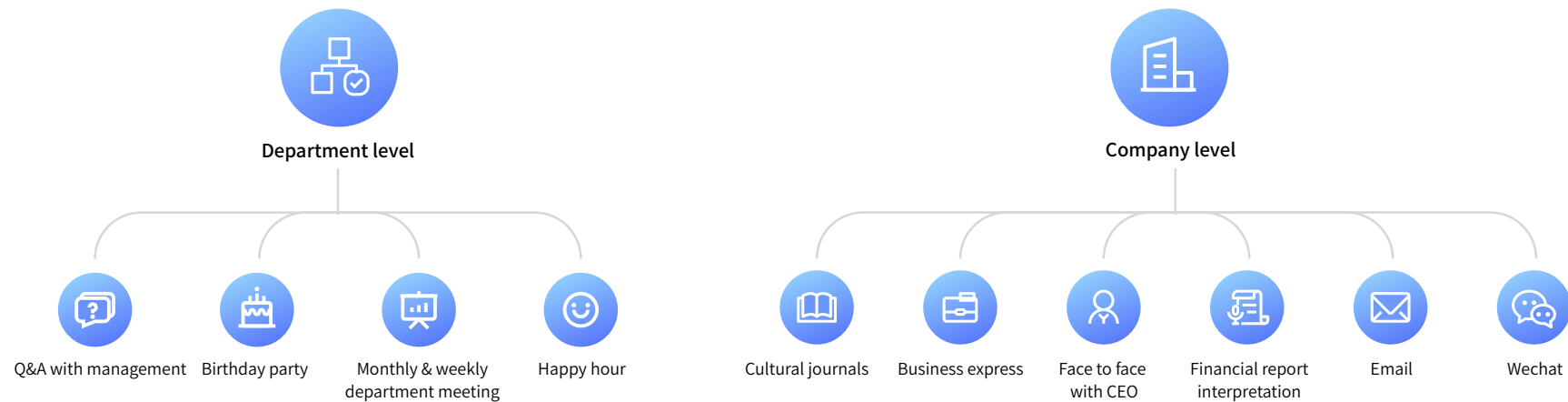
In October 2016, we established the "Care for Rice Seeds" Internal Charity Foundation with the aim to help rice seeds with financial difficulties. Any the rice seed who participates in the fund can apply for the fund assistance to help themselves or their parents, children and spouses for their medical expenses. In 2019, the fund raised an additional RMB386,000 and the size of the fund reached RMB486,000.

Since its establishment, the "Care for Rice Seeds" Internal Charity Foundation has helped 64 people from 57 rice seeds families with a total amount of RMB447,231.61.

### Employee communication

FinVolution respects the right of employees to speak out at work, encourage them to make suggestions for the improvement of the Company. To ensure the fairness of labor relations, we established multiple channels for employee communications and encouraged them to express their opinions or suggestions in a timely manner. A senior management mailbox (CEO mailbox) and face-to-face symposiums for employees and management (Face to Face with CEO) are deployed as direct channels for the employees to communicate with the senior management.

## COMMUNICATION CHANNELS FOR EMPLOYEES





#### ■ Case: CEO Mailbox

The CEO mailbox allows employees to send their views and suggestions to the CEO at any time. In terms of employee feedback, the person in charge of the mechanism will request appropriate senior managers to respond to the feedback and take action to address the issues. The results will be disclosed on a monthly basis. The employee providing the most valuable feedback in each year will be rewarded.

In 2019, the CEO mailbox received feedback on employee training, employee benefits, product suggestions and other aspects from our employees, which helped us improve the Company operation.

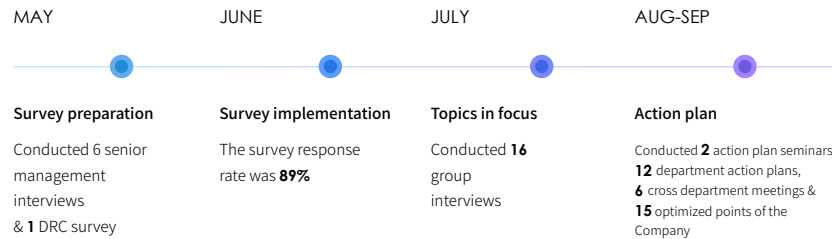


#### ■ Case: Face to Face With CEO

Face-to-face activities are held regularly between CEO and employees in the form of forums, including the quarterly selection of outstanding employees, CEO afternoon tea, CEO luncheon, etc. In 2019, we held 7 face to face with CEO activities with a total of nearly 2,000 participants.

## Employee engagement survey

To create a positive workplace culture, increase employee productivity and create a happier and satisfactory workplace, we conducted an employee engagement survey in 2019. The survey results showed that the most our employees' concerns centered around work support, communication and cooperation, welfare and talent development. Corresponding action plan has been made to improve the overall human resource management of the Company.



## Care for female employees

Female employees are an important group of our workplace, accounting for 43% of the total workforce and 15% of the managerial level team. In order to extend our respect and care for female employees, we provide them with a series of exclusive benefits, including "Love Mommy cottage", "March 8 Women's Day", and other activities.



### Case: Love Mommy Cottage

Since its establishment in January 2018, Love Mommy Cottage has been committed to creating a warm and convenient rest place for female employees, where our nursing mothers can relax and take rest comfortably. It also provides necessary supports for our nursing mothers in need. In 2019, it has served more than 50 lactating female employees.



### Case: March 8 Women's Day Activities

Our labor union held lipstick making activity for women employees in the Women's Day.

## Employee activities

We organize various activities annually to enrich employees' life, aiming to create a work-life balance workplace.



Christmas Celebration



Mid-Autumn Festival Celebration



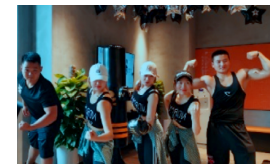
Soccer game



Halloween Party



Basketball Competition



Gym



Rice Seeds Family Members' Open Day

# Training & Development

Supporting our employees' professional development is a core focus of our human capital strategy. We have developed diversified training and development programs to help our employees in building their knowledge, skills and experience.

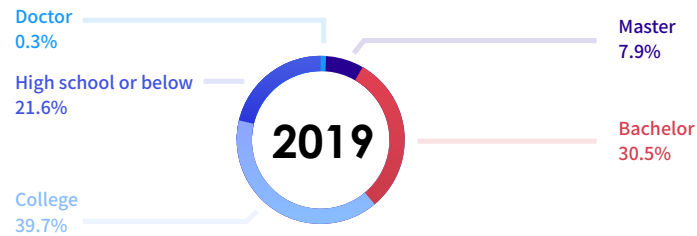
## Establishment of talent pool

In 2019, we established capability assessment models for four types of career paths in our company, namely business analysis, big data, R&D and product development. Each capability assessment model covers 7-8 professional capability items and 7 potential items, all of which contributed to a comprehensive capability evaluation tool.

With nearly 800 employees participating in the capability evaluation, we had a better understanding of the capacities and potentials of our professional talents. Key talents were identified and included in our talent pools so as to lay a solid foundation for their dynamic and sustainable development.

As of December 31, 2019, the pie chart below showcases our talents by different academic background:

EMPLOYEES QUALIFICATION DISTRIBUTION

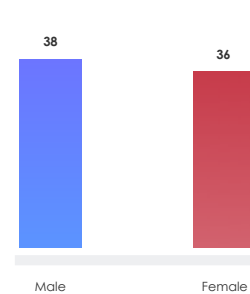


## Development programs for employees

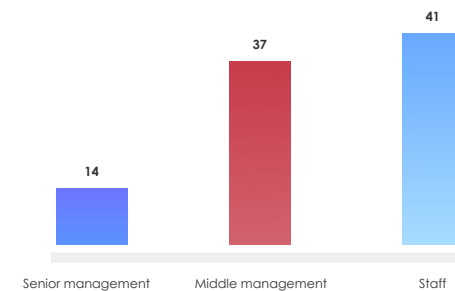
To help employees fit in and unlock their maximum potential, we continuously improve our training system. We have built a multi-level training system that consists of internal and external training channels for our employees, from entry to management level.

In 2019, 90% of our employees benefited from our employee training system, with total training hours of 82,957, or 37 training hours per capita. The training hours by gender or employee type are as follows:

AVERAGE TRAINING HOURS BY GENDER



AVERAGE TRAINING HOURS BY EMPLOYEE TYPE

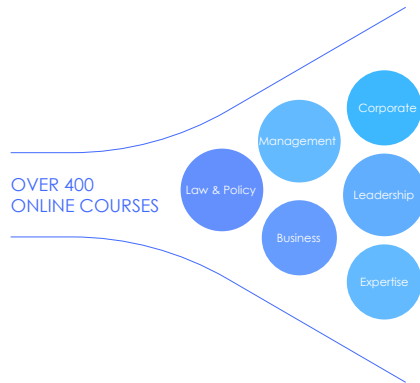


## Internal training

We have developed the Enterprise University training program for our rice seeds. The Enterprise University consists of online and offline courses oriented for new employee knowledge expansion, professional skill enhancement and leadership development.

▪ **E-learning platform**

Our own online learning platform, "Rice Seeds University On-line", provides convenient access for employees enabling them to study anytime and anywhere. More than 400 courses are provided on this platform. Employees are encouraged to learn at their own pace according to their individual interests.



▪ **Training for Young Rice Seeds**



In order to help young rice seeds quickly fit in, the specific program "Training for Young Rice Seeds" is designed to help them better understand our company profile, our business and services, our corporate culture, talent development, and industry trends, etc. In 2019, 570 employees participated in "Training for Green Rice" with 4,560 training hours in total.

Big Data	Product	Business Analysis	Technology
Empower all rice seeds with data ability, cultivate data thinking	Improve the overall product concept of product personnel, and then improve customer satisfaction	Cultivate leading business analysis experts in the industry to continuously improve the competitiveness of our company	Develop basic technology know-how & sort out and unify the internal operation process & standards

▪ **Specialized Colleges**



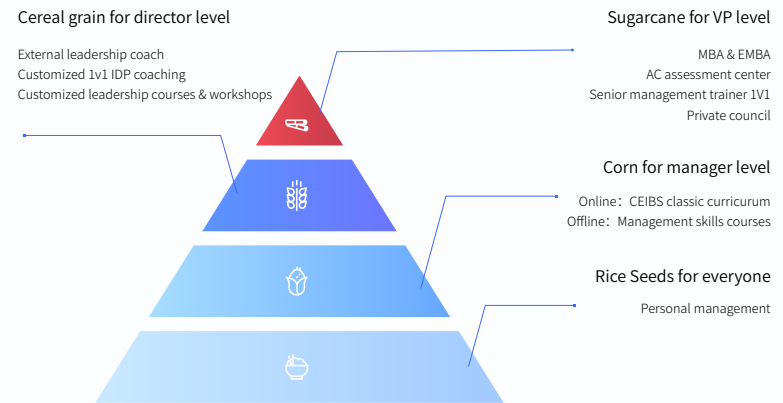
We actively promote performance improvement and build up employee professional capacities through our Enterprise University program which contains four specialized colleges, namely College of Big Data, College of Product, College of Business Analysis, and College of Technology. In 2019, the four colleges offered 36 courses and had an enrollment of 2,370 employees.

▪ **Leadership College**



We pay close attention to the leadership development of our managerial staff. Leadership College is set up under our Enterprise University training program to offer comprehensive and tailored leadership trainings for senior managers, middle managers, junior managers and strategic managers.

**LEADERSHIP COLLEGE PROGRAM**



## External training

Besides the well-established Enterprise University training program, we also provide external training opportunities for our employees to further expand their horizons. In 2019, we funded several employees for continuing education for an MBA program.

### Case: Customized leadership training program



In 2019, cooperating with Development Dimensions International, we customized a leadership training program for our employees. 65 employees, including front-line managers, directors, executives and other managers, were engaged in this program, and participated in various leadership development projects such as interactive workshops, executive coaches, etc.

## Development programs for students

We believe that young talents can bring new perspectives and energy to us and will shape the future of our business. Thus, we offer a variety of development programs intended to help our young talents gain more professional experience and nurture their interests.

**Corporate-college Cooperation program:** cooperate with key universities in China to promote talent development and have helped more than 1,000 students.

**Bangbangbing program:** 8 courses, including workplace etiquette, general skills, company level industry introduction, were delivered for all the interns in the 8-week Bangbangbing program.

**Summer Intern program:** In order to help graduates in 2020 to have a smooth transition into the workplace, 31 students from 28 universities were recruited in the summer intern program of 2019.

### Case: The Fourth "Magic Mirror" Cup



On July 24, 2019, a science and technology related competition with the theme of "cash flow forecast" for Internet financial credit business was jointly sponsored by the Smart Finance Research Institute and PPDAL.

The competition lasted for two months and attracted 576 teams and 946 contestants from well-known universities such as the Chinese Academy of Sciences, Tsinghua University, Columbia University, etc. as well as from famous enterprises such as Alibaba, Tencent, Oracle, etc.

# Health & Safety

We highly value occupational health and safety, and strive to provide a safe and healthy workplace for our employees. We protect the health and safety of our employees by carrying our safety education, providing our employees with safety benefits and occupational health care measures.

As of December 31, 2019, there has been zero case of work-related fatality and zero case of occupational disease. The number of work-related injuries reported was 6. Details were summarized as follow:

Indicator	Female	Male	Total
The Number of Work-related Fatality	0	0	0
The Number of Occupational Disease	0	0	0
The Number of Work-related Injury	3	3	6
Injury Rate <sup>3</sup>	0.85	0.72	0.78
Lost workdays (days)	27	54	81
Severity Rate <sup>4</sup>	7.64	13.0	10.53

3. Injury rate = (The number of work-related injury + The number of work-related fatalities) \* 1,000,000 / total number of hours worked

4. Severity Rate = (The actual number of lost work days \* 1,000,000) / total number of hours worked

## ■ Training & drill

In order to improve employees' safety knowledge and awareness, safety trainings are arranged from time to time and a fire drill is regularly conducted on a yearly basis.

## ■ Annual physical examination for employees

Annual physical examination is arranged for our employees to closely monitor their health conditions. We also invited experts and doctors to give a comprehensive explanation and answer to our employees' physical examination reports, so as to help them understand their own health conditions.

## ■ Care for employees' mental health [EAP]

We pay great attention to employees' mental health development because we understand the front-line employees need to bear more pressure at work. The EAP counseling station services have been offered to our employees to improve their mental well-being.

EAP counseling station provides various services pivoting around work pressure, intimate relationship, parenting, interpersonal relationship, physical health. It helps solve the problems for employees and their loved ones by means of mental health lectures, mental health assessment, face-to-face psychological consultation, 7 \* 24 hours psychological support hotline, etc.

In 2019, the EAP counseling station held 23 trainings and 8 activities for our employees, and provided 72 employees and their immediate relatives of employees with psychological counseling services to address their problems, of which 44.5% were work-related issues.

# 6

# ENVIRONMENT

- Managing Sustainable Business
- Reducing Our Carbon Footprint
- Reducing Waste and Conserving Water





Environment matters because Earth is the only home that we have. As an active advocate for environmental protection, we promote green operations and is committed to improving the sustainability of our business. We strictly abide by laws and regulations such as the *Environmental Protection Law of the People's Republic of China*. We actively improve the environmental awareness of all employees. We also take measures to reduce greenhouse gas emissions, reduce the wastes, and scale down possible negative impact of our operation on the surrounding environment.

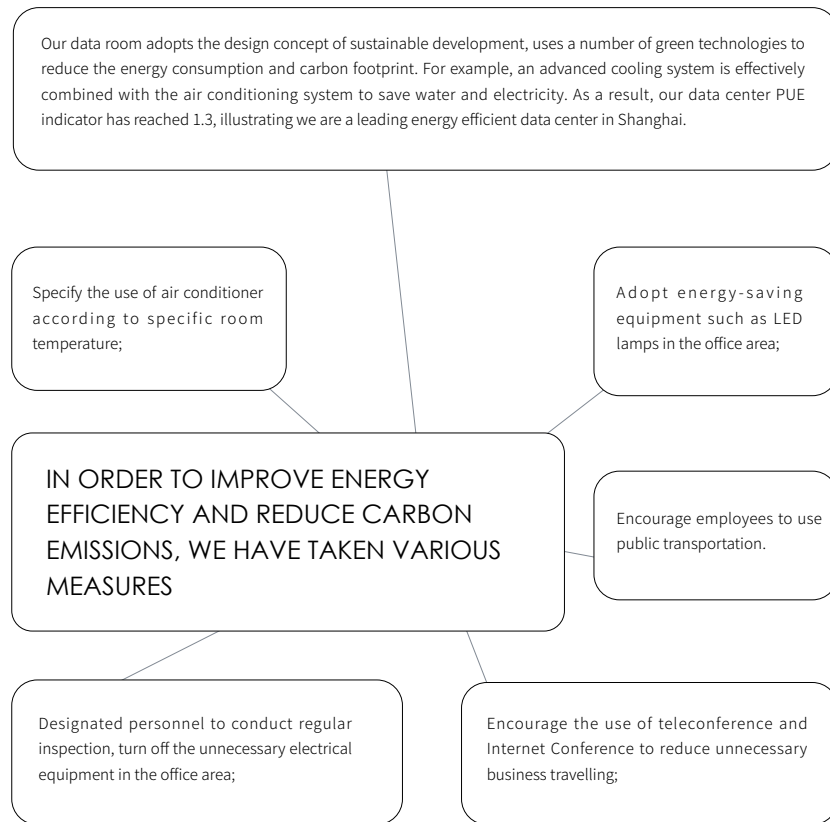
# Managing Sustainable Business

Our innovative digital business features a low-carbon business model, which relies on online platform instead of brick-and-mortar branches and paper-based business, enabling us substantially reduce carbon footprint by utilizing less resources including energy and papers. The 7\*24 nature of our business, services and products ensure our customers can access to us anytime and anywhere, which also greatly reduce traveling-related carbon emissions.



# Reducing Our Carbon Footprint

Based on the characteristics of our business, we do not generate a large amount of carbon emissions or other air emissions. The main carbon emissions come from the indirect greenhouse gas emissions from the power consumption in our offices and data center.



## KEY PERFORMANCE INDICATORS IN 2019<sup>1,2</sup>



**Notes:**

- The key performance indicators above represent the energy efficiency of FinVolution Group headquarter office and its data center in Shanghai, the office of Zhengzhou Platinum-Zinc Information technology Co., Ltd and the office Hefei Platinum-Tin Information Technology Co., Ltd..
- 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 CO<sub>2</sub> equivalent. The greenhouse gas emissions 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 National Development and Reform Commission.

# Reducing Waste & Conserving Water

Our operation in the office and data center will consume municipal water and generate some non-hazardous waste. In order to reduce waste generation and conserve water, we have taken the following measures:

- Put up environmental awareness slogans and green plants in the office area to improve the environmental protection awareness of employees;
  - Regularly maintain the water equipment, strengthen the regular inspection, and prohibit water leakage;
  - Encourage the double-sided printing of office paper and the use of electronic documents to transfer information, so as to reduce the use of paper;
- Promote waste classification in the office to ensure wastes are disposed in a proper manner.

## Case: Waste Classification

In 2019, to further standardize the Company's waste classification work, and improve the recycling rate of garbage, we initiated several waste classification measures at the headquarters.

Four types of special garbage cans, namely, "dry waste", "wet waste", "recyclable waste", and "hazardous waste", are adopted in the office areas to enhance the implementation of waste classification initiative. We also posted guidance labels for garbage classification, arranged cleaning workers to guide employees and carry out fine classification of office garbage, continuously improving the surrounding environment and reducing the pollution generation to the environment.

## KEY PERFORMANCE INDICATORS IN 2019<sup>1</sup>



### Notes:

1. The key performance indicators above represent the consumption in the headquarter office of FinVolution, the office of Zhengzhou Platinum-Zinc Information technology Co., Ltd and the office of Hefei Platinum-Tin Information Technology Co., Ltd.

# 7

## INDUSTRY & COMMUNITY

- Contribute to Industry Development
- Serving Communities



Committed to the ideology of "finance at the convenience of your fingertips and every little bit of funds helps", we want to be deeply involved in the communities and industry we serve. We seek to provide financial support to more people and hopefully extend our influences in the community and industry in a more sustainable way.

# Contribute to Industry Development

We actively respond to relevant national regulations and policies, actively participate in the professional exchanges within industry, and promote industry self-discipline, continuously contributing values to China's financial inclusion spread and facilitating the industry development.

## ■ Village Youth Program

Under the guidance of the Youth and Social Issues Research Office of the Sociology Research Institute of the Chinese Academy of Social Sciences, FinVolution Group (formerly known as PPDAl) and the South Weekly for the second consecutive year jointly launched the *2019 village youth development survey of China's small towns*, and published the 2019 White Paper on Village Youth Development of China's Small Towns, presenting the changes in consumption, values, outlook on life and other aspects. A total of 1,406 youths in small towns across China participated this survey in the last three years.

According to the survey, 91% of young people have made plans for the future and set goals related to their work for the next three years. More than 50% of young people think that the top three obstacles are: inadequate personal skills, limited funds, and uncertainty about the unknown situation. According to the survey, 75% of young people have participated in various of training activities to improve their personal skills, while fund problem becomes the biggest issue that hold up young people from pursuing more education and gaining more opportunities. Thus, we have established loan programs assisting young people to grow and achieve success.

## ■ Partner with Regulatory Authorities



In 2019, we held more than 10 seminars with the People's Bank of China, China Banking and Insurance Regulatory Commission, and other central and local regulatory authorities. The key topics were namely internet loan of commercial banks, development of FinTech, revolution of internet finance, globalization of FinTech companies, and development of online small ticket size loans, were being deeply discussed in these seminars. Discussions were held on the current situation of the industry, market trend, regulatory policies, policy suggestions, etc. By actively joining such seminar discussions, we hope

to deepen our cooperation with regulatory authorities and promote the development and innovation of FinTech industry.

In 2019, we also worked with the Shanghai Anti-telecom Fraud Department of the Public Security Bureau by providing more than 4,000 outbound calls and 90 suspected fraud clues to counter against telecom frauds. We have also identified over 500 APP and phone fraud clues and helped more than 6,000 potential high-risk users to effectively maintain the information security of users.

# Serving Communities

We are committed to making a difference by helping more people in a sustainable way. We also encourage employees to actively participate in different volunteer activities. In 2019, we have donated materials and funds equivalent to nearly RMB4 million to various charitable events.

## ■ Supporting the fight against the Pandemic

At the beginning of the outbreak of COVID-19, FinVolution immediately established a Public Welfare Working Group to pay close attention to social needs and mobilize our resources to support the fight against the pandemic.

### ■ Cash Contribution

We donated RMB1 million to the Pudong Glory Society to support the fight against the pandemic in Feb. 2020.



We opened the donation channel for our "rice seeds" to provide their support to Wuhan. As of February 2, 2020, a total amount of RMB74,200 was raised from 651 rice seeds, and fully donated to Wuhan Leishengshan hospital, representing our concerns about the well-being of people in Wuhan.

Our HR School of Enterprise Cooperation Group has always maintained a good cooperative relationship with Wuhan University and Huazhong University of Science and Technology in terms of employment and scientific research. We also have made donations of RMB100,000 to the students and their families affected by the pandemic in these two universities.

### ■ In-kind Giving

The shortage of medical devices and medical supplies had been a big challenge in China during the outbreak of COVID-19. To help medical staff whom were fighting against COVID-19 at front line, the Company launched the global supply allocation plan, opening up procurement channels in Indonesia, Germany and South Korea respectively, purchasing medical supplies such as medical masks, protective clothing, and goggles.



As of February 27, 2020, we have donated approximately 15,000 N95 respirators, 5,000 FFP2 respirators and 200 items of protective clothing to the Jinyintan Hospital, Xiehe Hospital, Shanghai Seventh People's Hospital, Shanghai Fudan Affiliated Huashan Hospital and other medical institutions to protect the frontline medical personnel.

### ■ Support for small & micro enterprises

In the wake of the impact of the Pandemic on the small and micro enterprises, FinVolution, together with Baixin bank, launched a RMB50 million low interest loan project at the end of March 2020. The project aims to support small and micro enterprise owners affected by the pandemic and help them weather the pandemic. The unified borrowing period of the low interest loan project is 6 months, and the annual comprehensive interest rate of the loan is as low as 3.9%.

Moreover, considering the adverse impact of the Pandemic, we have provided appropriate overdue relief measures to help the borrowers in certain affected areas in Hubei Province.

## ■ Liangshan Poverty Alleviation

Liangshan Yi Autonomous Prefecture, Sichuan Province, is one of the main battlegrounds in China's fight against poverty. Although the Liangshan area is about 2,400 kilometers away from Shanghai, the distance does not influence our decision and passion to deliver our love. "Children in poor families cannot decide in their place of birth, but they can achieve their dreams through hard work", said Mr. Jun Zhang, the advisor and director of the Board of FinVolution. With the belief that every ordinary change will eventually change the modest present, we strive to help these children and young people to realize their dreams. In 2019, we donated a total of 3,193 supplies items to around 1,000 children in the Liangshan area, and initiated a series of poverty alleviation programs there.



### Case: "Love Kindergarten" donation activity

According to the statistics, 49% of the preschool children in the Liangshan area can't speak Mandarin. After knowing the fact that there was no kindergarten for Mandarin teaching in Jiwei village of Meigu County, we decided to donate RMB1 million to build a "PPDAI Love Kindergarten" in Jiwei to provide formal Mandarin education for 3 to 6-year-old school age children in September 2019. It is estimated that it can meet the preschool education needs of about 166 school-age children, fully covering the school-age children in the whole village of Jiwei.

### Case: TV donation activity

Remote location, limited information and poorly connected roads have always been the main reasons for the poverty in the Liangshan area. With the intentions to alleviate the information inequality in poverty-stricken areas, we donated 1,204 TV sets with a total value of RMB993,200 to local poor families in Butuo county and Meigu County of Liangshan Prefecture in 2019.

## ■ Walk for Charity

In 2019, for the second consecutive year, we once again participated in the "E.G.G WALKTHON" activity hosted by Shanghai United Foundation, and organized employees to raise fund from their networks by completing a 50-kilometer hike within 12 hours. Through various creative ways, we raised money from various networks to help children aged below 18 with nutrition, education, safety and social integration issues. RMB110,000 was raised by 32 volunteers from FinVolution in 2019. 75 employees participated in the two consecutive annual events, raising RMB230,211.67 in total.

## ■ Laptop Donation

In 2019, we donated laptops to the people's Government of Zhuchang Town, Qixingguan District, Bijie City, Guizhou Province, to support the information technology development of local community. The donated laptops will be used for primary and secondary school students' education, medical institutions and information development of the front-line governmental departments of Zhuchang Town.

## ■ The Knights as the Symbol of Philanthropic Spirit

Since 2015, we have selected and assessed capable employees who have been working with us for more than a year to form "The Knights". The Knights is the spokesperson for our corporate values, who not only help support their colleagues but also deliver our charity concept externally.



After holding two philanthropic events for autistic children with Xingle Home Autism Volunteers Association in Minghang District in 2018, the Knights held another 5 events for them in 2019, namely, spring outing of Chenshan Botanical Garden, production of music boxes 99 public welfare fund-raising, one-day Disneyland tour and red song activity. We hope to pass on our love for autistic children through caring activities and, at the same time, we call on more people to show compassion towards autistic children and perhaps get to know them better.

### Case: One-day Disneyland tour

During Christmas Eve, our volunteer team brought autistic children to Disneyland, a dreamland for all children. Accompanied by our loving volunteers, children had lots of fun and unforgettable moments in this magical park.

# APPENDIX

- GRI Content Index
- Readers Feedback Form





# Appendix I – GRI Content Index

The report responds to the Core Options of the Global Reporting Initiative (GRI) Standards reporting guidelines. The table below shows where you can find the information required for each Standard Disclosure.

Disclosure No.	Disclosure Title	Page No.
GRI 102: GENERAL DISCLOSURES		
Organizational Profile		
102-1	Name of organization	About the Report, P3
102-2	Activities, brands, products, and services	Company Profile, P7-8
102-3	Location of headquarters	Company Profile, P7
102-4	Location of operations	Company Profile, P7
102-5	Ownership of legal form	2019 Annual Report/20-F, P4, P125-136
102-6	Markets served	Company Profile, P8
102-7	Scale of the Organization	About the Report, P3
102-8	Information on Employees and Other Workers	Employees, P37
102-9	Supply chain	Responsible Operation, P24
102-10	Significant changes to the organization and its supply chain	No significant change
102-11	Precautionary Principle or approach	Responsible Operation, P18-22

102-12	External initiatives	/
102-13	Memberships of associations	Company Profile, P11
Strategy		
102-14	Statement from senior decision-maker	Message from CEO, P4
102-15	Key impact, risks, and opportunities	ESG Governance, P13
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Company Profile, P7
102-17	Mechanisms for advice and concerns about ethics	Responsible Operation, P23
Governance		
102-18	Governance structure	Company Profile, P9
102-20	Executive-level responsibility for economic, environmental, and social topics	ESG Governance, P13
102-21	Consulting stakeholders on economic, environmental and social impacts	ESG Governance, P14
102-22	Composition of the highest governance body and its committees	Company Profile, P9
102-25	Conflicts of interest	Responsible Operation, P23
102-26	Role of highest governance body in setting purpose values, and strategy	ESG Governance, P13
102-29	Identifying and managing economic, environmental, and social impacts	ESG Governance, P15

102-30	Effectiveness of risk management processes	Responsible Operation, P18
102-31	Review of economic, environmental, and social topics	ESG Governance, P15
102-32	Highest governance body's role in sustainability reporting	ESG Governance, P13
102-33	Communicating critical concerns	ESG Governance, P13
102-34	Nature and total number of critical concerns	ESG Governance, P16
Stakeholder Engagement		
102-40	List of stakeholder groups	ESG Governance, P14
102-41	Collective bargaining agreements	Employees, P40
102-42	Identifying and selecting stakeholders	ESG Governance, P14
102-43	Approach to stakeholder engagement	ESG Governance, P14
102-44	Key Topics and Concern Raised	ESG Governance, P16
Reporting Practice		
102-45	Entities included in the consolidated financial statements	2019 Annual Report/20-F, P94
102-46	Defining report content and topic boundaries	About the Report, P3
102-47	List of material topics	Materiality Assessment, P16
102-48	Restatements of information	About the Report, P3
102-49	Changes in reporting	No significant changes

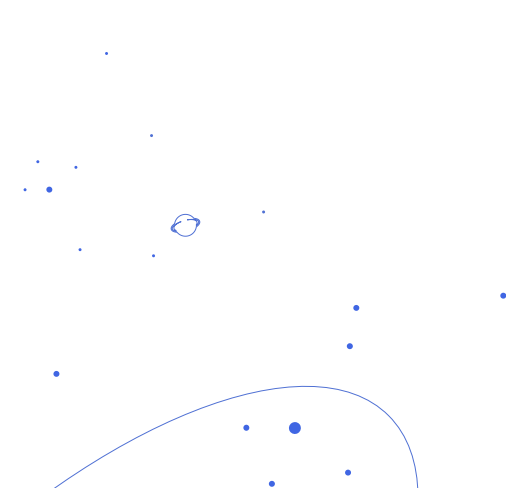
102-50	Reporting period	About the Report, P3
102-51	Date of most recent report	August 2019
102-52	Reporting cycle	About the Report, P3
102-53	Contact point for questions regarding the report	Appendix II – Readers Feedback Form, P61
102-54	Claims of Reporting in Accordance with GRI Standards	About the Report, P3
102-55	GRI content index	Appendix I – GRI Content Index, P57-60
102-56	External assurance	/
GRI 201: ECONOMIC PERFORMANCE		
Management Approach		Company Profile, P7-8
201-1	Direct economic value generated and distributed	Company Profile, P10
GRI 203: INDIRECT ECONOMIC IMPACTS		
Management Approach		Customers and Partners, P26-32 Industry and Community, P53-55
203-1	Infrastructure investments and services supported	Customers and Partners, P26-32 Industry and Community, P53-55
203-2	Significant indirect economic impacts	Customers and Partners, P26-32 Industry and Community, P53-55;
GRI 204: PROCUREMENT PRACTICES		
Management Approach		Responsible Operation, P24
GRI 205: ANTI-CORRUPTION		
Management Approach		Responsible Operation, P23

205-2	Communication and training about anti-corruption policies and procedures	Responsible Operation, P21
205-3	Confirmed incidents of corruption and actions taken	Responsible Operation, P21
GRI 302: ENERGY		
Management Approach		Environment, P50
302-1	Energy consumption within the organization	Environment, P50
302-3	Energy intensity	Environment, P50
302-4	Reduction of energy consumption	Environment, P50
GRI 303: WATER		
Management Approach		Environment, P51
303-3	Water recycled and reused	Environment, P51
GRI 305: EMISSIONS		
Management Approach		Environment, P50
305-2	Energy indirect (Scope 2) GHG emissions	Environment, P50
305-4	GHG emissions intensity	Environment, P50
305-5	Reduction of GHG emissions	Environment, P50
GRI 306: EFFLUENTS AND WASTE		
Management Approach		Environment, P51
306-2	Waste by type and disposal method	Environment, P51

GRI 307: Environmental Compliance		
Management Approach		Environment, P50
307-1	Non-compliance with environmental laws and regulations	No non-compliance
GRI 401: EMPLOYMENT		
Management Approach		Employees, P37-43
401-1	New employee hires and employee turnover	Employees, P37-38
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employees, P38-39
401-3	Parental leave	Employees, P39
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
Management Approach		Employees, P47
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Employees, P47
403-3	Workers with high incidence or high risk of diseases related to their occupation	Employees, P47
GRI 404: TRAINING AND EDUCATION		
Management Approach		Employees, P44-46
404-1	Average hours of training per year per employee	Employees, P44
404-2	Programs for upgrading employee skills and transition assistance programs	Employees, P44-46

404-3	Percentage of employees receiving regular performance and career development reviews	Employees, P40
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
Management Approach		Employees, P10, P37-40
405-1	Diversity of governance bodies and employees	Employees, P10, P37-40
GRI 406: NON-DISCRIMINATION		
Management Approach		Employees, P40
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
Management Approach		Employees, P40
GRI 408: CHILD LABOR		
Management Approach		Employees, P40
GRI 409: FORCED AND COMPULSORY LABOR		
Management Approach		Employees, P40
GRI 412: HUMAN RIGHTS ASSESSMENT		
Management Approach		Employees, P40
GRI 413: LOCAL COMMUNITIES		
Management Approach		Industry and Community, P53-55
413-1	Operations with local community engagement, impact assessments, and development programs	Industry and Community, P53-55

GRI 418: CUSTOMER PRIVACY		
Management Approach		Customers and Partners, P32-35
GRI 419: SOCIOECONOMIC COMPLIANCE		
Management Approach		Responsible Operation, P18-23
419-1	Non-compliance with laws and regulations in the social and economic area	No non-compliance



# Appendix II – Readers Feedback Form

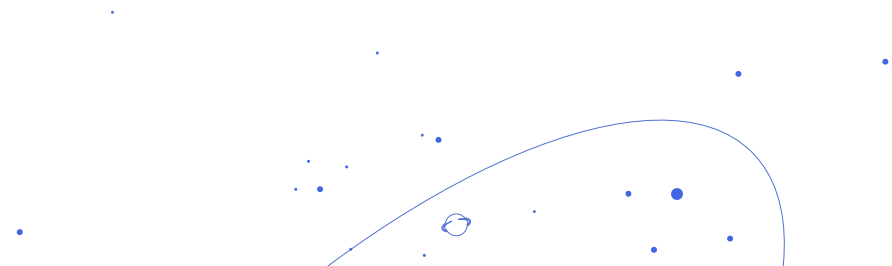
Thank you for reading the FinVolution ESG Report 2019. In order to provide more valuable information to the Company's stakeholders and improve its ability and level of fulfilling ESG responsibilities, we would welcome any feedback or suggestions you might have about this report.

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?
<input type="checkbox"/> Very High <input type="checkbox"/> High <input type="checkbox"/> Neutral <input type="checkbox"/> Low <input type="checkbox"/> Very Low
2. How would you rate your opinion of the economic, social and environmental responsibilities of the Company?
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. Please rate the effectiveness of this Report in reflecting the economic, social and environmental impact the Company has brought about through its social responsibility practices?
<input type="checkbox"/> Excellent <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Terrible

4. How would you rate your opinion of the clarity, accuracy and completeness of the information, data and indicators this Report has disclosed?
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 contents and formatting?
<input type="checkbox"/> Yes <input type="checkbox"/> Neutral <input type="checkbox"/> 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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