



PRINCIPLES FOR RESPONSIBLE BANKING

First Reporting and Self-Assessment
(Jan 2021-June 2022)



PRINCIPLE 1

	Reporting and Self-Assessment Requirements	High-level summary of bank's response	References
Principle 1	<p>1.1 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Bank of Jiangsu (BoJ) was established on 24th January 2007 with its headquarter in Nanjing of Jiangsu Province, China. Its businesses comprise banking, leasing, wealth management and consumer finance. It operates primarily in China, focusing on 3 major economic regions, i.e. the Yangtze River Delta, the Pearl River Delta (Guangdong-HongKong-Macau) and the Bohai Rim (Beijing-Tianjin-Hebei). With a total asset of RMB2.87 trillion (end of June 2022), it is one of China's 19 systemically important banks and one of 24 major banks directly regulated by China's central bank, People's Bank of China (PBOC). BoJ has a vision of becoming an <i>intelligent, specialised, internationalised and comprehensive</i> commercial bank, underpinned by implementation of a three-pronged strategy, i.e. expertise cultivation, endogenous growth and innovation-driven development, over China's 14th Five-Year Plan period. The vision translates into detailed goals and actions across BoJ's three core business areas, i.e. corporate finance, retail finance and capital market.</p> <p>Corporate Finance is to build its strong sectorial expertise. BoJ puts real economy at the heart of its financial services, and seeks to develop strong technical and financial capacity to serve key sectors, e.g. advanced manufacturing, infrastructure, low carbon and environmental sectors. The Bank optimises a combination of resources to provide one-stop financial solutions.</p> <p>Retail Finance is to build and leverage on wealth management. Aspiring to create a comprehensive retail business with high quality, BoJ is applying finance technologies rigorously in order to resolve the bottlenecks, overcome the obstacles and bridge</p>	<p>See '2021 Annual Corporate Social Responsibility (ESG) Report' '2021 Annual Report' '2022 Semiannual Report'</p>

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		<p>the gaps encountered during retail business development.</p> <p>Capital Market business is to entrench its leading edge across China's three economic regions. BoJ strives to increase its research & trading capacity, strengthen peer cooperation and improve its fintech-augmented IT systems. It is envisioned that Capital Market will bring about more growth opportunities via increased integration with other businesses of the Bank.</p>	
Principle 1	<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>BoJ places sustainability at the heart of its business and strives to do its bit for the sustainable growth of society & economy. The Bank aims to bring its strategy, operations and activities in line with Paris Agreement and UN SDGs. Whilst China moves forward to implement its Carbon Peak and Carbon Neutrality strategy, BoJ undertakes to integrate ESG into its strategic plans over the 14th Five-Year Plan period. The Bank places foremost priority in green finance business development and keeps honing its capacity in environmental and social risk management.</p> <p>1. Aligned to UN SDGs</p> <p>In 2021, BoJ's Board of Directors approved the <i>Strategic Plan for Bank of Jiangsu 2021-2025</i>. The Plan calls for alignment to <i>UN 2030 Agenda for Sustainable Development</i> in respect of poverty alleviation, food safety, fair education, eco-rehabilitation, climate change, etc. In line with this Strategy, BoJ has laid out actions to be taken regarding inclusive finance, agriculture finance, SME finance and green finance. The Bank is proactive to engage relevant stakeholders to ensure those actions be effectively undertaken.</p> <p>One highlighted aspect of these actions is that a number of novel financial instruments have been created since 2021 to better support key sectors related to advanced manufacturing,</p>	<p>See '2021 Annual Corporate Social Responsibility (ESG) Report' '2021 Annual Report' '2022 Semiannual Report'</p>

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		<p>environmental infrastructure, rural revitalization, etc. To name a few, loan for upgrading industrial parks, loan based on PBOC's relending facility dedicated to emission reduction projects, loan for regionally-integrated distributed solar power project, electronically processed personal loan, carbon credit card with China Unionpay.</p> <p>2. Aligned to Paris Agreement and China's Carbon Peak & Neutrality strategy</p> <p>BoJ was the first banking institution in China to launch the <i>Action Plan to Support Carbon Neutrality</i> (April 2021). This Action Plan has led to several key guidance to be issued, including <i>the Management Procedures for Environmental and Social Risks</i>, <i>the Management Procedures for Equator Principles Projects</i>, <i>the Management Measures for Emission Reductions of Offices and Branches</i>, and <i>the Action Plans for Enhancing Green Operations of Offices and Branches</i>.</p> <p>This Action Plan has initiated the group-wide development of Green Finance at BoJ. All business lines and subsidiaries undertake to prioritise business development in clean energy, energy efficiency, emission reduction and environmental protection. To this end, a number of proprietary financial products have been launched to better meet market demand, such as ESG-linked loan, Emission Allowance collateralised loan, green bond, carbon neutral bond, mortgage loan for green estates, etc.</p> <p>The Action Plan has called for establishment of comprehensive management of environmental and social risks. As a founding member of the Sino-UK Green Finance Taskforce, BoJ is one of the four Chinese Commercial Banks participating in the pilot research programme of climate-related financial information disclosure. This pilot programme has led BoJ to pioneer the</p>	
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		<p>environmental risk stress test of loan portfolio in the chemical and pharmaceutical sector. In the second half of 2021, BoJ also participated in PBOC's pilot sensitivity analysis of climate risks associated with loans provided to thermopower, cement and steel sectors. In the first half of 2022, BoJ, at the request of PBOC, extended the climate risk sensitivity test to 10 high emission sectors on loan transactions within Zhejiang Province. BoJ also co-authored <i>the Guidelines for Commercial Banks Environmental Risk Stress Testing</i> issued by PBOC.</p> <p>BoJ's total group-wide outstanding balance of green finance assets reached RMB303.9 billion by end of June 2022, of which green loans accounting for RMB199.9 billion and clean energy loans RMB23.8 billion (both by PBOC statistic calibre). BoJ boasted the highest percentage of green loans in total loans among the 21 commercial banks directly regulated by PBOC. The resulting environmental benefits were significant with reduced emissions of c.a. 2.6 million tonnes of CO_{2e} per annum and conserved water of c.a. 28 million tonnes per annum (> 5 times the volume of Nanjing's iconic 472 hectares Lake Xuanwu).</p>	
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<p>Principle 2</p>	<p>2.1 Impact Analysis:</p> <p>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <ul style="list-style-type: none"> a) <u>Scope</u>: The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis. b) <u>Scale of Exposure</u>: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. c) <u>Context & Relevance</u>: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. d) <u>Scale and intensity/salience of impact</u>: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. (your bank should have engaged with relevant 	<p>As a major commercial bank across China’s 3 major economic zones, BoJ is fully aware of the impacts its business and activities can have on environment and societies. BoJ recognizes the importance of environmental and social risk (ESR) management, and appreciates the challenges of stakeholder engagement.</p> <p>The Strategy and ESG Committee of BoJ’s Board of Directors assumes the overall responsibility in respect of sustainability. The Committee stipulates the sustainable development strategy, oversees the strategy implementation and evaluates the performance by branches and subsidiary institutions. The Committee coordinates CSR and ESG information disclosure in addition to PRB reporting.</p> <p>The Committee established a group-wide taskforce for PRB implementation and reporting in May 2021. The taskforce has undertaken the Impact Analysis using the tool provided by UNEP FI. It also contributed to China Sustainability Forum’s efforts to align Chinese industrial classification standard (GB/T 4754-2017) to UN’s <i>International Standard Industrial Classification of All Economic Activities</i> employed by UNEP FI.</p> <p>The Impact Analysis focused its region/country on China as BoJ operates primarily in Chinese markets, and then determined the associated relevant impact areas concerned. The Taskforce subsequently analysed the impact areas distribution of the Bank’s assets across sectors as per the above-mentioned industrial classification. The impact topics were sorted by their respective significance and China’s own national strategic priorities, such as its 2030/2060 emission targets and common prosperity aspiration, were also taken into account. The taskforce made particular efforts to engage relevant stakeholders, e.g. local governmental agencies, corporate</p>	<p>See ‘2021 Annual Corporate Social Responsibility (ESG) Report’ ‘2021 Annual Report’ ‘2022 Semiannual Report’</p>
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	<p>stakeholders to help inform your analysis under elements c) and d))</p> <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<p>clients & retail customers, and key institutional investors, throughout the impact analysis process, and factored their feedbacks into analysis results interpretation.</p> <p>Based on the Impact Analysis, BoJ considers climate stability, waste and employment as the most significant impact topics. Other less significant but also key impact areas include inclusive & healthy economies, resource efficiency/security, water quality and justice. BoJ undertakes to minimize those impacts and gradually aligns its strategies, operations and activities towards Paris Agreement, UN SDGs and China's national priorities.</p>	
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<p>Principle 2</p>	<p>2.2 Target Setting</p> <p><i>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</i></p> <p><i>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</i></p> <p><i>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</i></p>	<p>Based on the insights gained from Impact analysis, BoJ has derived two targets as follows from the 3 major impact topics, i.e. climate stability, waste and employment.</p> <p>Target 1 To mitigate climate change risks</p> <ul style="list-style-type: none"> • Goal: to provide no less than RMB200 billion of financing & investments into climate change risk mitigation over the 14th Five-Year Period; to achieve higher growth rate of green loans relative to total loans as well as increased share of green bonds in total bonds year-on-year over this period. • Approach: to promote group-wide green finance development. <ul style="list-style-type: none"> ※ To leverage on PRB implementation and the <i>Action Plan for Supporting Carbon Neutrality</i> in order to expedite group-wide green finance development. ※ To increase the research efforts to undertake finer-granular analysis of more sectors (e.g. clean energy, low-carbon manufacturing, green transportation, etc), which would result in more informed industrial focuses and deal sourcing. ※ To innovate financial products and services to better capture new business opportunities. To update credit policies and allocate more resources (e.g. distinct FTP) towards green finance transactions. ※ To stipulate dedicated appraisal of green finance across all business lines and subsidiaries. ※ To consolidate environmental and social risk management. 	<p>See ‘2021 Annual Corporate Social Responsibility (ESG) Report’ ‘2021 Annual Report’ ‘2022 Semiannual Report’</p>
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		<p>Target 2 To improve financial inclusion</p> <ul style="list-style-type: none">• Goal: to maintain a higher growth rate of inclusive loans to micro & small businesses than that of entire loans during the 14th Five-Year Period.• Approach: to implement earnestly the national policies as well as provincial decisions & plans related to financial inclusion.<ul style="list-style-type: none">※ To focus on micro & small businesses, technological innovation and rural revitalization to better support local economies and rural populations.※ To provide one-stop comprehensive digital financial service to micro & small businesses.※ To promote data-driven community-focused grid marketing to further increase the financial accessibility of micro & small businesses, start-up entrepreneurs and new urban residents.※ To enhance financial product & service innovation to meet more sophisticated demands from micro & small businesses which features short-term, high-frequency, small amounts and quick credit approval. <p>The two targets have been determined based on as wide as possible engagement with stakeholders and consultation with all relevant business lines within the Bank to ensure they are achievable over the given period of time. Meanwhile, the likely downsides, e.g. reduced employment as financing to high emission sectors are to decrease, were also taken into account. To offset those foreseen downsides, BoJ pays particular attention to job creation when providing finance to micro & small businesses. Additionally, BoJ undertakes to minimize environmental and social risks of those businesses via specific</p>	
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		covenants in loan agreements. It also seeks to organize capacity building events for micro & small businesses in collaboration with government agencies and NGOs.	
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<p>Principle 2</p>	<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</i></p>	<p>BoJ is taking actions, e.g. internal appraisal for business lines and KPI for senior management, to implement the targets and monitor the performance. Progress of implementation is described in the next section. BoJ is to disclose actions on climate change mitigation and financial inclusion enhancement along with ESG performance in its annual reports and ESG reports.</p>	<p>See '2021 Annual Corporate Social Responsibility (ESG) Report' '2021 Annual Report' '2022 Semiannual Report'</p>
<p>Principle 2</p>	<p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p><i>Show that your bank has implemented the actions it had previously defined to meet the set target.</i></p> <p><i>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</i></p> <p><i>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</i></p>	<p>BoJ makes a comprehensive plan annually to implement the two targets.</p> <p>Target 1 To mitigate climate change risks</p> <p><u>Green Finance Development</u></p> <p>The outstanding balance of group-wide green finance/investment climbed to > RMB300 billion by end of June 2022. The PBOC-caliber outstanding balance of green loans reached RMB199.9 billion end of June. BoJ ranked the 3rd in terms of the ratio of green loans over total loans amongst the 24 major banks directly regulated by PBOC, and topped the 21 commercial banks thereof.</p> <p>A range of new products have been launched to rev up support to specific key sectors since adoption of PRB, e.g. PBOC relending-based facilities to support small-scale emission reduction projects, project loans for renovating industrial parks, loans for regionally integrated distributed solar power projects, etc.</p> <p>Significant development has been achieved in green inclusive finance with an outstanding balance of over RMB6 billion. BoJ</p>	<p>See '2021 Annual Corporate Social Responsibility (ESG) Report' '2021 Annual Report' '2022 Semiannual Report'</p>

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		<p>targeted micro & small businesses that focus on innovation and commercialization of green technologies for emission & pollution reduction and energy efficiency enhancement. A digitally-aided credit approval module has been developed to drive inclusive business growth. In addition, an automated green credit labelling function has also been brought on line in 2022.</p> <p><u>Towards net-zero emission operation</u></p> <p>Gratifying progress has been made towards net-zero operation of the Bank. Compared to 2019, the total annual cost of water, gas and electricity was reduced by RMB1.08 million (or 1.53%). This resulted from installation of solar panels, energy efficiency renovation and rain water recycling. The headquarter building saved electricity of 71.2 MWh or equivalent cost of RMB46.3 thousands.</p> <p>Target 2 To improve financial inclusion</p> <p>BoJ has come up with a systemic approach to support micro & small businesses, which has resulted in increased financing to more customers from broader sectors. The approach comprises enhancement of four capacities (multi-channel marketing, product innovation, risk control, and market-based management) and eight in-focus actions (channel, products, services, modes of financing, procedures, technologies, resources, and team). The aggregated outstanding balance of loans provided to micro & small businesses exceeded RMB567 billion (top 1 in Jiangsu Province), of which the inclusive loans account for RMB130 billion provided to more than 70 thousand clients. BoJ has been named the Outstanding Bank in Inclusive Finance by the Jiangsu Office of China Banking and Insurance Regulatory Commission for 14 consecutive years.</p>	
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<p>Principle 3</p>	<p>3.1 <i>Provide an overview</i> of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>1. To protect client interests and support vulnerable customers</p> <p><u>To protect client interests</u></p> <p>BoJ takes an unannounced drop-in approach to inspect its branch network in terms of branch environment, service etiquette and protection of customers' rights & interests. It pushes for immediate revamp of any issues found through investigation meetings and tailored appraisals in order to improve the overall performance of the branch network and subsidiaries.</p> <p>BoJ pays particular attention to the vulnerable customers. It provides tailored elderly-friendly receptions, facilities and advisory services to aged customers in accordance with <i>the Assessment Metrics for Provision of Civilised and Disciplined Service to Aged Customers by Jiangsu Banking Institutions</i> stipulated by Jiangsu Banking Association. The Bank has 12 provincial-level exemplary branches and one municipal-level exemplary branch for outstanding services to the elderly. It provides a special version of mobile APP for the convenience of aged customers, which has attracted more than 0.35 million customers with more than half being active users. New urban settlers from countryside are regarded by BoJ as another important targeted inclusive group. It has approved credit to more than 4 million new urban settlers.</p> <p>2. To assist with COVID-19 epidemic control</p> <p>BoJ stands firmly to support governments at all levels and communities in Co-vid epidemic control and management. The Bank has targeted four groups of clients/customers to provide dedicated financial services, who are mostly affected by Co-vid. These include in-patients or quarantined individuals stroke by</p>	<p>See '2021 Annual Corporate Social Responsibility (ESG) Report' '2021 Annual Report' '2022 Semiannual Report'</p>
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		<p>Co-vid, quarantined individuals involved in Co-vid control, people involved in Co-vid prevention & control, and individuals or businesses with temporary loss of incomes. BoJ has been proactive to understand the Co-vid impacts on them and come up with tailored relief plans to help them come out of predicament. Typical relief measures include client creditability maintenance with loan extension, interest rate cuts, and banking service fee reductions/exemption for small & micro businesses. There have been 92,000 individual customers who received financial relief support from BoJ so far.</p> <p>Green finance has played an import role in BoJ's Co-vid relief efforts. The Bank has granted RMB4 billion of green loans to help maintain operation of drink water supply, clinic waste water treatment and clinic waste disposal facilities. BoJ also created an on-line credit application platform for the convenience of clients during the Co-vid lockdowns.</p> <p>BoJ also gives support to new urban settlers who are more vulnerable to adverse impacts of Co-vid. The Bank has increased the approved credit limit for more than 2.6 million of new settler customers (c.a.65%). The average interest rate over first half of 2022 has been reduced by 15 bp.</p> <p>3. To serve all-respect rural revitalization</p> <p>Following the national rural revitalization strategy closely, BoJ sets out to build a strong market brand dubbed Financing the Rural Prosperity. The areas of focus include well-facilitated farmlands, crop supply safety and seed sector revitalization. By the end of June 2022, the Bank had nearly 70,000 agriculture-related clients and provided loans of RMB225.1 billion.</p> <p>4. To support foreign trade companies</p> <p>BoJ has come up with 16 measures to help foreign trade</p>	
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		<p>companies out of financial predicament due both to Co-vid pandemic and trading frictions. Since 2020, BoJ has been undertaking a Dedicated Task of Supporting Ten Thousand Foreign Trade Companies with 10 tailored measures. These include increased credit support bolstered by PBOC relending facility and ECA Insurance, versatile financing tools in either RMB and foreign currencies, interest rate cut & fee reductions, fast-track for credit approval and transactions, maintenance of client's credibility on China's Enterprise Credit Enquiry Service Platform, optimisation of foreign trade financing process, special treatment on Co-vid relief related transactions, offline-to-online upgrading of FX business, enhanced support to Belt & Road Initiative, and one-on-one bespoke financing solution. Since 2022, BoJ has launched 6 more measures in response to a more uncertain economy, comprising extra credit limits on FX derivatives for micro and small businesses, block-chain financing facilities, paperless and online processing and approval of electronic documents, postponed call on margin accounts in FX arbitrage business, a \$0.3 billion foreign currency credit package (for which the economic capital is reduced to zero) aimed to provide low interest rate loans, and creation of a new cross-border payment platform for e-commerce businesses.</p> <p>5. To consolidate customer complaint management</p> <p>BoJ has initiated a quick-response approach to resolve customer complaints with enhanced traceability and speedy rectification. The approach strengthens the network of monitoring and analysis, where the customer service department and consumer right protection department rely on real-time data to closely monitor customer complaint handling and facilitate resolution as quickly as possible. The approach constantly optimizes the IT system to accommodate</p>	
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		<p>clients/customers feedbacks. The system is now connected with PBOC's complaint hotlines and is capable of directing complaints to the Bank for quick handling. Further to this, the system also increases the reception rates of complaint hotlines by adding in more lines. To increase the quality of complaint handling, BoJ pools experts across its business departments to respond to specific enquiries as the last line of defense before the clients/customers turn to complaint hotlines. The Bank also includes the use of dispute resolution mechanisms into the appraisal of consumer rights protection as a positive item, to induce subsidiaries to handle and resolve complaints properly through mediation.</p>	
<p>Principle 3</p>	<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>1. To encourage clients/customers to manage environmental & social risks</p> <p>BoJ has created its own client ESG rating methodology, and was one of a handful commercial banks in China to do so. The ESG rating results are used as a key factor in making financing decisions and complement the credit rating of clients/customers. The results are also linked with interest rates charged for certain transactions.</p> <p>BoJ was the second commercial bank in China to adopt Equator Principles (EP). Since 2017, EP has become the criteria for managing environmental and social risks of project-related credit transactions of the Bank. An automated screening function has been added to the credit application system to identify transactions that fall applicable to EP. Furthermore, the function was capable of sorting projects into 3 risk categories based on initial information rounded up by relationship managers. The risk categorization can be adjusted as more insights are gained during due diligence. For Category A and some Category B projects, an independent review would be</p>	<p>See '2021 Annual Corporate Social Responsibility (ESG) Report', '2021 Annual Report', '2022 Semiannual Report'</p>

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		<p>undertaken by an external consultant, resulting in an action plan to be undertaken by clients to mitigate relevant risks and improve overall E&S performance.</p> <p>BoJ has worked with the Department of Ecology and Environment of Jiangsu Province to integrate the latter's environmental credit assessment results into credit assessment. BoJ demands early repayment for those enterprises with Black rating, and no increase in credit amount for those with Red rating.</p> <p>2. To provide intelligent financial services to micro and small businesses</p> <p>BoJ was the first commercial bank to create a digital financial service platform dubbed Park Finance Intelligence to better serve talents based in Science & Technology Parks. Aggregated loans of RMB4 billion have been provided through this platform. BoJ also launched a mobile app for corporate banking, which has garnered more than 80,000 customers and won the CFCA2022 Digital Finance Innovation Award.</p> <p>3. To promote green consumer finance</p> <p>BoJ has collaborated with UnionPay in 2021 to create a reward point scheme to encourage credit card holders to use public transport, e.g. shared bicycles, bus & metro, and railways. BoJ tilts its auto finance to support purchase of electric vehicles with more flexible terms and conditions. Its mortgage service also favors green buildings with 60 green real estates financed during the first half of 2022.</p> <p>4. To support rural revitalisation</p> <p>BoJ has launched a campaign dubbed Financing the Rural Prosperity. It has covered all of 1,239 key projects within Jiangsu Province with more than RMB11 billion provided to</p>	
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		<p>nearly 50 rural revitalization projects. It has coupled 100 branches with 100 villages and pioneered a one-on-one financing assistance scheme, which resulted in 635 transactions with an outstanding credit balance of RMB3 billion. It also provided RMB7.2 billion to 1670 entities of agricultural production in 100 key towns of Jiangsu's rural revitalization.</p> <p>5. To contribute to poverty alleviation through consumer finance</p> <p>BoJ's credit card center has collaborated with Jiangsu Supply & Marketing General Cooperative and the Jiangsu Bureau for Rural Revitalization to establish an online platform for marketing agricultural products. A series of sales rounds have been launched for targeted key rural areas. BoJ also utilized its multi-marketing channels to bridge farmers, agro-enterprises and retail outlets. It has hosted over 100 promotions for a range of agricultural products to aid epidemic fighting and resumption of work.</p>	
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<p>Principle 4</p>	<p>4.1 <i>Describe</i> which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>(Investors) BoJ’s Board of Directors and senior management attach great importance to information disclosure and investor engagement. It adheres strictly to relevant regulatory mandates to refine internal mechanisms and procedures to smooth the channels of information transmission and interactive communication with investors. Over this reporting period (Jan 2021-June 2022), it has held 131 roadshows with over 1,700 investors, and organized other forms of engagement (e.g. through the interactive platform of Shanghai Stock Exchange) with more than 3,000 investors. It held its annual performance briefings and the general meeting of shareholders, where senior management briefed the state of operation, highlighted its value for investments and answered queries of both existing and potential investors.</p> <p>(Employees) In line with its latest strategy and its talent plan over the 14th Five-Year period, BoJ aims for continuous optimisation of its appraisal mechanism with enhanced whole-process assessment to foster a clear orientation that employees’ incomes are closely associated with their appraisal results. BoJ’s Labor Union set up a labor law supervision committee with 63 elected members to oversee the institutionalization and legalization of the Union. An online forum dubbed Highlight has been created for employees to express their concerns and opinions. A total of 155 meetings of employee congress have been held over the past 5 years, which deliberated on 268 topics concerning employees’ rights and interests.</p> <p>(Female employees) BoJ implements the national policies and regulations strictly to protect the rights and interests of female employees. BoJ’s <i>Measures for the Management of BoJ Employees’ Compensation</i> stipulates clearly equal pay for men and women performing the same work. The Bank also follows</p>	<p>See ‘2021 Annual Corporate Social Responsibility (ESG) Report’ ‘2021 Annual Report’ ‘2022 Semiannual Report’</p>
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		<p>relevant national and provincial regulations to cater for specific circumstances of female employees. For instance, the Bank ensure that maternity allowances are paid on time and any premiums are paid in full for maternity insurance policies.</p> <p>(Suppliers) BoJ has formulated its management rules to standardize the appraisal of and payment to suppliers for its centralized procurement. BoJ takes a tiered-approval and collective deliberation approach for all its procurements that are publicly announced on its webpage. It has a supervision team to oversee the entire process of its procurement. BoJ prefers energy efficiency and environment-friendly products in its procurement. It also takes into account the CSR performance when selecting its suppliers who are required to provide relevant proof or certificate of the claimed environmental merits.</p> <p>(Consumers) Protection of consumer rights & interests has been incorporated into BoJ's strategy as an important element, and integrated into its corporate culture and governance. There has been established the Committee for Protection of Consumer Rights & Interests under the Board of Directors and the Working Group at the senior management level. A dedicated department has been set up at the headquarter, while a lead department has been picked to coordinate relevant work at subsidiary level. The lead department has a post dedicated to consumer rights & interests protection. A manager and a contact point has been selected to take good care of relevant work.</p> <p>(Community) BoJ and Jiangsu Provincial Department of Education have jointly launched an education-aid programme dubbed Dreams Come True via Education. The programme has set up two scholarships to support deprived students in 30 colleges/universities and 100 high schools. In July 2021, BoJ</p>	
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		<p>assisted private banking clients through charitable trust structures to provide immediate relief support to storm-struck Henan province. In October 2021, BoJ established a charitable trust for left-behind children which provided funds to purchase clothes and other items for students in 6 primary schools in Yongsheng County, Yunnan Province. The Bank also launched a charity brand dubbed Financing Happiness to participate in a series of charitable activities, including the Project Hope – Dream Realization Action, the 3-year poverty alleviation and education-aid programme dubbed Waterdrops Irrigate Dreams, epidemic prevention donation, Nationwide Reading campaign, etc.</p>	
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PRINCIPLE 5

<p>Principle 5</p>	<p>5.1 <i>Describe</i> the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>The Bank’s Board of Directors assumes the overarching responsibility for strategic decision-making, capital planning and risk management. The Board has 6 board committees to oversee strategy, auditing, control of transactions between related party, risk management, nomination & remuneration, and consumer rights & interests protection, respectively. Each committee provides independent and professional advice on matters in respective areas to the Board of Directors. The Board has held 12 meetings to deliberate on 113 proposals and 21 reports over this reporting period. Key topics covered span from creation of tier-1 Department of Green Finance at headquarter, ESG report disclosure, to the business strategy over the 14th Five-Year Period.</p> <p>The Board’s Strategy Committee assumes the role of formulating BoJ’s sustainability strategy and overseeing the implementation of that strategy. The Strategy Committee also undertakes in respect to fulfillment of its social responsibility and approves the annual CSR/ESG report.</p> <p>BoJ created a tier-1 Department of Green Finance in May 2021 on the basis of a green finance team in its Corporate Finance Department. The Green Finance Department oversees the bank’s entire green finance businesses and management of environmental & social risks. The Department undertakes research on green finance policies/standards, implements Equator Principles and the Principles for Responsible Banking, and organizes environment (climate)-related financial disclosure.</p> <p>Adhering to the principles of truthfulness, accuracy, completeness, timeliness and fairness, BoJ keeps optimising its reporting and disclosure performance. It received Grade A (the highest) from the Shanghai Stock Exchange for its disclosure</p>	<p>See ‘2021 Annual Corporate Social Responsibility (ESG) Report’ ‘2021 Annual Report’ ‘2022 Semiannual Report’</p>
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PRINCIPLE 5

		<p>performance and quality of disclosed reports. It endeavors to extend the breadth and depth of disclosed information with particular focus on ESG in order to provide timely comprehensive adequate information to stakeholders.</p> <p>BoJ aspires to become net-zero in its operation. To this end, it has stipulated two ground-laying documents, <i>the Management Measures for Emission Reduction of Offices and Branches</i>, and <i>the Action Plans for Enhancing Green Operations of Offices and Branches</i>, which formulate the standards for the Bank’s low-carbon operation.</p>	
<p>Principle 5</p>	<p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>1. E-learning platform</p> <p>BoJ has provided a cloud-based learning platform (e-learning) for its employees, where a systemic pool of green finance materials can be viewed and downloaded. There have been 69 video courses on green finance, covering a wide range of topics such as Equator Principles, Principles for Responsible Banking, green finance products, etc. There have been 40,501 views since the latest 25 green finance courses came on line in January 2021. The top 3 courses have attracted 12,717 views in total.</p> <p>2. Capacity building</p> <p>BoJ mandates green finance training for all new recruits and appointments. Green finance is included into compulsory training requirements for all new recruits. Since Jan 2021, 1,895 campus recruits and 370 new hires have all completed their mandated offline green finance training. Furthermore, all new heads of branches are required to complete their green finance training courses, which helps root sustainability deeply into those mainstays of the Bank.</p>	<p>See ‘2021 Annual Corporate Social Responsibility (ESG) Report’ ‘2021 Annual Report’ ‘2022 Semiannual Report’</p>

PRINCIPLE 5

		<p>3. Postdoctoral researcher recruit</p> <p>BoJ's state-level postdoctoral research centre has opened vacancies for green finance. It welcomes young academicians and postgraduate students to join the centre to undertake cutting-edge research in a wide range of topics, including environmental (climate) and social risk management, ESG rating and assessment, fintech development, green asset pricing, etc.</p> <p>4. Internal appraisal on protection of consumer rights & interests</p> <p>The rules for internal appraisal on consumer rights & interests protection are refined to accommodate the latest regulatory requirements. The appraisal results are a key KPI of senior managements of headquarter departments and subsidiaries. As such, senior managements are looking into consumer rights & interests protection on a daily basis. To ensure objective and holistic appraisal, the Bank constantly consolidates the collection and analysis of relevant information, such as regulatory reports, inspection and audit results, customer complaints, etc.</p> <p>5. Compliance</p> <p>BoJ puts compliance at the heart of its operations. It undertakes to reinforce employee behavior management so as to maintain good professional ethnics and integrities. It utilizes multiple technologies to aid the identification, screening and mitigation of abnormal employee behaviors. It has established a tiered and graded training system to enhance employees' capacity in handling compliance issues throughout their daily duties.</p>	
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PRINCIPLE 5

<p>Principle 5</p>	<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. 	<p>In its <i>Strategic Plan for the 14th Five-Year Period</i>, BoJ proclaims that it embraces China’s Carbon Peak and Neutrality strategy and is determined to support its implementation with green finance.</p> <p>BoJ aspires to become a national leader in green finance with internationally recognized merits. It was the first commercial bank in China to launch a specific <i>Action Plan for Financing Carbon Neutrality</i>, which initiated the group-wide development of green finance. The Action Plan envisages a leaping growth of green finance business whereby the green credit will grow faster than total credit and the share of green bonds in total bonds will increase year-on-year. Furthermore, the Action Plan aims for the Bank to reach net zero emissions in its operations ahead of China’s national schedule.</p> <p>BoJ is entrenching its environmental (climate) & social risk management. It adopted the UNEP FI Principles for Responsible Banking to align its strategy to UN SDGs and Paris Agreement. It adopted Equator Principles to manage environmental & social risks of project-related transactions. It has pioneered amongst Chinese banks to develop its own ESG rating methodology to provide an additional metric for client credit assessment. It was selected by PBOC to undertake climate risk sensitivity analysis, firstly covering thermopower, cement and steel sectors and then extended to the eight industries covered by China’s Emission Trading Scheme. It was one of the four Chinese commercial banks to participate in the UK-China Green Finance Taskforce on environmental & climate related financial disclosure. It contributed to stipulating <i>China’s Standard for Environment-related Financial Disclosure</i> as well as the <i>Standard for Environmental Risk Stress Test for Commercial Banks</i>.</p>	<p>See ‘2021 Annual Corporate Social Responsibility (ESG) Report’ ‘2021 Annual Report’ ‘2022 Semiannual Report’</p>
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PRINCIPLE 6

<p>Principle 6</p>	<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p><i>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</i></p> <p><i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i></p> <p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</i></p>	<p>BoJ highly appreciates the importance of information disclosure. It has established a sound reporting system in strict accordance with relevant regulatory requirements. A dedicated training has been required for staff involved in order to deliver genuine, accurate, complete and timely information disclosure. Over this reporting period (Jan 2021-June 2022), BoJ has disclosed 6 periodic reports, 69 provisional reports as well as 118 documents. It received Grade A (the highest) from the Shanghai Stock Exchange for its disclosure performance and quality of disclosed reports. The Bank issued its ever first ESG report in April 2022, which won the 2022 Best ESG Reporting Award by China Banking and Insurance News. It also signed up <i>the Banking Institution Declaration of Supporting Biodiversity Conservation</i> initiated by China Banking Association.</p>	<p>See '2021 Annual Corporate Social Responsibility (ESG) Report' '2021 Annual Report' '2022 Semiannual Report'</p>
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