江西银行
JIANGXI BANK

# Environmental, Social and Governance Report 2022



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# About This Report

The *2022 Environmental, Social and Governance Report of Jiangxi Bank Co., Ltd.* ("**this Report**") aims to introduce the efforts and achievements of Jiangxi Bank Co., Ltd. ("**Jiangxi Bank**" or "**the Bank**") and its subsidiaries (collectively referred to as the "**Group**" or "**We**") in implementing sustainability and corporate social responsibility in 2022, and to respond to the sustainability issues that are concerned by key stakeholders. To provide a comprehensive presentation of the Group's environmental, social and governance ("**ESG**") performance, this Report should be read in conjunction with the "Corporate Governance Report" chapter of the *2022 Annual Report of Jiangxi Bank*.

## Reporting Period

January 1, 2022, to December 31, 2022 (the "**Reporting Period**"), except for certain information beyond such timeframe.

## Reporting Cycle

Annual report.

## Reporting Scope

This Report prudently selects the scope of disclosure, taking "whether there is actual business operation" as the standard, and taking into account factors such as the overall impact on ESG aspect of Jiangxi Bank to select reasonably the entities to be disclosed. Unless otherwise specified, this Report focuses on Jiangxi Bank, covering the head office, branches and sub-branches as well as Jiangxi Financial Leasing Corp., Ltd. ("Jiangxi Financial Leasing"), and the scope of entities reported remains the same as previous year.

## Basis of Preparation

The preparation of this Report follows the *Environmental, Social and Governance Reporting Guide* (the ***ESG Reporting Guide***) of Appendix 27 in the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* ("**SEHK**"). This Report is prepared in accordance with the "Mandatory Disclosure Requirements" and the "Comply or Explain" provisions of the *ESG Reporting Guide*, and based on the reporting principles of materiality, quantitative, balance and consistency.

In the preparation of this Report, the Group applies the above reporting principles as follows:

- Materiality: The Group adopts a materiality assessment method to identify the material issues of the Group during the Reporting Period, and further prepares this Report with the identified material issues as the focus.
- Quantitative: This Report discloses the standards and methods used in relevant data calculation in this Report and discloses the applicable assumptions or calculation tools.

  Balance: This Report describes the Group's performance during the Reporting Period unbiasedly, avoiding selections, omissions, or presentation formats that may inappropriately influence the decisions or judgments by the report readers.
- Consistency: The preparation method of this Report is basically consistent with that of the previous year, and explanations are made on the changes in the disclosure calculation methods or key performance indicators.

This Report also refers to the *Sustainability Reporting Standards* issued by Global Reporting Initiative (GRI), the *Opinions on Strengthening the Social Responsibility of Banking Financial Institutions* issued by the former China Banking Regulatory Commission (the "**former CBRC**") and the *Guidelines on the Corporate Social Responsibility of Banking Institutions of China* issued by the China Banking Association.

## Data Source

Financial data in this Report are derived from the 2022 financial statements of the Bank prepared in accordance with the International Financial Reporting Standards and independently audited by the accounting firm. In case of any discrepancy between figures in this Report and those contained in the *2022 Annual Report of Jiangxi Bank*, the *2022 Annual Report of Jiangxi Bank* shall prevail. Other data are mainly from the statistical data of the Group's internal systems, branches and sub-branches and Jiangxi Financial Leasing. Relevant cases cited are real instances occurring during the Bank's daily operations. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Renminbi (Yuan).

## Report Assurance

The board of directors (the "**Board**") and all directors (the "**Directors**") of Jiangxi Bank guarantee that there is no false representation or misleading statement contained in, or material omission from this Report and assume joint and several liabilities for the truthfulness, accuracy, and completeness of the contents of this Report. This Report invites CECEP (HK) Advisory Company Limited to conduct an independent limited assurance engagement in accordance with the *AA1000 Assurance Standard v3*, and to issue an assurance statement.

## Publication

This Report is published in the form of electronic version. The electronic version can be accessed and downloaded on the official website of Jiangxi Bank (http://www.jx-bank.com) and the official website of HKEXnews (http://www.hkexnews.hk). This Report is published in both Chinese and English. In case of any discrepancies between the two versions, the Chinese version shall prevail.

The photos in this Report are all taken in the process of the Group's business development, which is inevitable for the Group to make and use in the news report. The Group is unable to get in touch with the people in the photos, because the contact information of them is not informed. If the use of the relevant photos leads to infringement of the right of portrait, which is not intentional or for profit-making purposes, the Group will immediately correct the photos after receiving the notice from the relevant oblige.

## Author

Board Office of Jiangxi Bank

This Report was approved by the Board on March 31, 2023.

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# About Us

## Company Profile

Jiangxi Bank is a legal-person bank at provincial level in Jiangxi Province and a member of China Banking Association, which was officially established in December 2015. As at the end of the Reporting Period, the Group's total assets amounted to RMB 515,573 million, total deposits from customers amounted to RMB 352,711 million, total loans and advances to customers amounted to RMB 311,481 million, operating income amounted to RMB 12,714 million, and net profit amounted to RMB 1,601 million. As at the end of the Reporting Period, the Bank had a total of 5,221 regular employees. Business of the Bank has covered all districts and cities in Jiangxi Province and two branches have been set out outside the province, respectively in Guangzhou and Suzhou. Meanwhile, the Bank initiated the establishment of the first financial leasing company and five village banks in Jiangxi Province.

Since its inception, Jiangxi Bank has made rapid progress in all its business and gained wide recognition from all sectors of the society in many aspects under the leadership of Jiangxi provincial committee and provincial government as well as the strong support from all walks of life. The Bank ranked 227th by Tier 1 capital in the "Top 1000 World Banks 2022" released by *The Banker* magazine of the United Kingdom, and ranked 47th in commercial banks in the "2022 China Banking Top 100 List" of China Banking Association.

In the future, Jiangxi Bank will adhere to combining the study and implementation of the Guiding Principles of the 20th Communist Party of China (CPC) National Congress with the in-depth implementation of the important speech of General Secretary Xi Jinping during his visit to Jiangxi Province. Under the strong leadership of Jiangxi Provincial Committee and Jiangxi Provincial Government, the Bank will focus on the goal of "Striving To Pioneer and Be The Role Model"and overcome difficulties based on actual situation. Adhering to the business philosophy of "Serving Urban and Rural Residents, Serving Small and Medium-Sized Enterprises and Serving the Local Economy", the Bank will strive to provide high-quality, efficient, convenient and comprehensive financial services for customers of different types with different needs, provide financial assistance for local economic and social development and people's entrepreneurship and wealth creation, and strive to be the pioneer and contribute to the comprehensive construction of a modern socialist Jiangxi.

## Honors and Awards

### In 2022

**Jan.**

**2021 Market Influence Award – Core Trader,**

**2021 Market Influence Award –Currency Market Trader,**

**2021 Market Innovation Award – XRepo**

China Foreign Exchange Trade System & National Interbank Funding Centre

**Jan.**

**Top 100 Proprietary Settlement**

China Central Depository & Clearing Co., Ltd.

**Jan.**

**"Core Underwriter" and "Green Development Concept Promotion Award" of the Financial Bond Underwriting and Market Group in 2021**

The Export-Import Bank of China

**Feb.**

**2021 Cross-border RMB Business "Comprehensive Excellence Award"**

Nanchang Central Sub-branch of People's Bank of China (PBOC) and the Financial Work Office of People's Government of Jiangxi Province

**Jun.**

**The "First Prize of the Group" in the Credit Business Competition for Financial Institutions in Jiangxi Province**

Nanchang Central Sub-branch of the PBOC

**Jun.**

**Excellent Fixed Income Bank Wealth Management Product Award**

PYSTANDARD

**Jul.**

**The "Promotion Video for Combating Cross-border Gambling of Telecommunication Network Fraud of Jiangxi Bank" was awarded the "Excellent Promotion Work" by the theme of "Red Finance Shines in Jiangxi Province, Consumer Protection Walks Together for the People".**

Nanchang Central Sub-branch Office of the PBOC

**Sept.**

**The Bank's "Super Mortgage Loan" won the "Third Prize" of the Inclusive Finance Innovation Project**

Jiangxi Finance Association

**Nov.**

**Inclusive Finance Innovation Award**

Jiangxi Provincial Financial Supervision Administration

**Nov.**

**Received the general report on the Bank's supply chain financial services was circulated a notice of commendation by the performance award of Financial Institutions Supporting Jiangxi Economic Development in 2021**

Jiangxi Financial Supervisory Authority

**Dec.**

**2022 Market Influence Award – Core Trader,**

**2022 Market Influence Award –Currency Market Trader,**

**2022 Market Innovation Award – XRepo**

China Foreign Exchange Trade System & National Interbank Funding Centre

**Dec.**

**2022 China Digital Finance Golden Award List– Best Smart Marketing Award for Mobile Banking**

China Financial Certification Authority (CFCA)

**Dec.**

**2022 JD Co-branded Card Innovation and Development Award**

Jingdong Technology Holding Co., Ltd.

**Dec.**

**2022 Business Innovation Award**

Jiangxi Branch of China UnionPay Co., Ltd.

**Dec.**

**2022 Best Credit Card Scenarios Construction Award**

Financial Digital Development Alliance

**Dec.**

**2022 Self-operated Clearing Progress Award – Self-operated Clearing Progress Award for Net Bonds**

Interbank Market Clearing House Co., Ltd.

**Dec.**

**2022 Top 100 Bond Trading and Investment – Proprietary Settlement**

China Central Depository & Clearing Co., Ltd.

**Dec.**

**The *Publicity Video on Combating Cross-border Gambling of Telecommunication Network Fraud of Jiangxi Bank* was awarded the "Excellent Communication Award for Video Works" in the Anti-Fraud Publicity Work Collection Competition of "Anti-Fraud among the Public and Ensuring No Fraud in Jiangxi Province"**

Jiangxi Provincial Office of Joint Conference on Combating New Type of Illegal and Criminal Telecommunications Networks

**Dec.**

**Outstanding Contribution Award for Fintech Empowerment Business Innovation in Financial Industry (Rural Revitalization)**

Financial Computerizing Financial Computerizing Magazine under the PBOC

**Dec.**

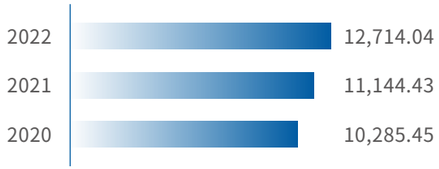
**2022 Outstanding Contribution Award for Digital Transformation of Financial Industry**

Financial Computerizing Magazine under the PBOC

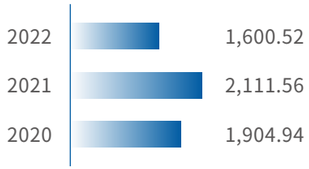
# Key Performance

## Economic Performance

Operating income (RMB 1 million)




Profit for the year (RMB 1 million)



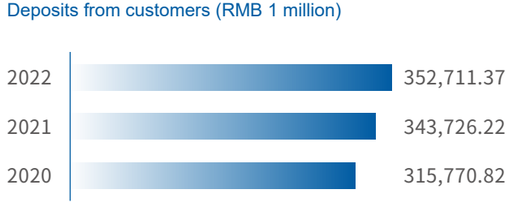

Basic and diluted earnings per share (RMB)



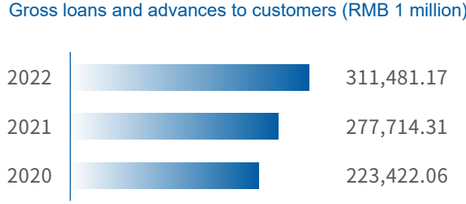

Total assets (RMB 1 million)



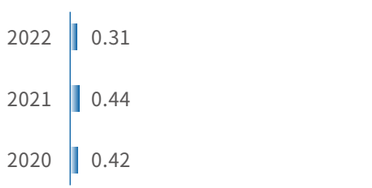

Deposits from customers (RMB 1 million)



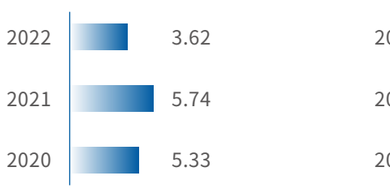

Gross loans and advances to customers (RMB 1 million)



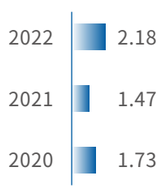

Average return on total assets (%)



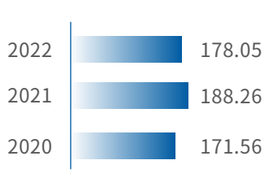

Average return on equity (%)



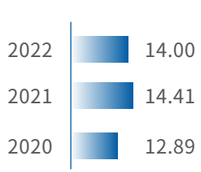

Non-performing loans ratio (%)




Provision coverage ratio (%)

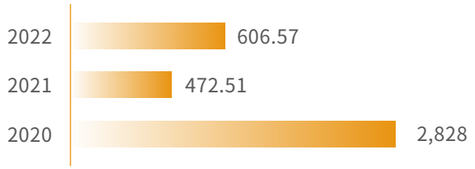



Capital adequacy ratio (%)

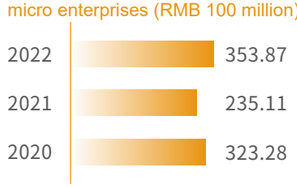



## Social Performance

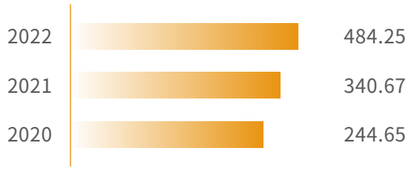
Charity donation (RMB 10 thousand)



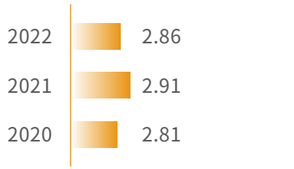

Balance of loans to inclusive small and micro enterprises (RMB 100 million)



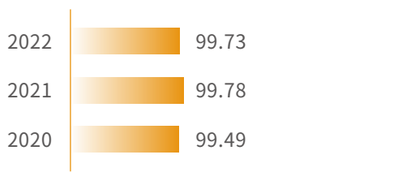

Balance of agricultural-related loans (RMB 100 million)




Social contribution per share[1] (RMB)



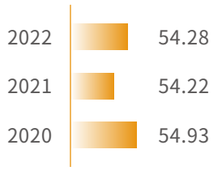

Customer satisfaction rate[2] (%)



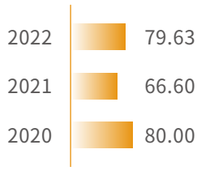

Total headcount (Person)




Percentage of female employees (%)




Training time per capita (Hour)

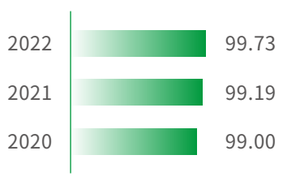



## Environmental Performance[3]

Balance of green credit (RMB 100 million)




E-banking replacement ratio (%)




1 Social contribution per share = (Total annual tax paid + employee costs paid + total interest expense + total external donations – other social cost arising from environmental pollution) ÷ total share capital at the end of the period + basic earnings per share.

2 The Bank operates a variety of customer service channels. The customer satisfaction rate is only the statistics of the national service hotline (956055) and does not include the customer satisfaction rate of all customer service channels.

3 During the Reporting Period, the Group comprehensively sorted out the key performance indicators at environmental aspects and further improved the disclosure content. For detailed information about relevant environmental performance, please refer to the " Building Green Bank and Contributing to Dual Carbon" chapter of this Report.

# 01

# Strengthening Governance and Communicating Continuously

09/ Board Statement
10/ Sustainability Management System
11/ Communicating with Stakeholders
12/ Materiality Assessment

# Board Statement

The Group is aware of the importance of a good corporate governance, including the governance of ESG-related issues that are crucial to sustainability. The Board actively participates in ESG governance. During the Reporting Period, the Board's involvement was as follows:

The Board is responsible for overseeing and approving ESG management policies and strategies. It also is involved in identifying, evaluating, prioritizing and managing material ESG-related issues. The Strategic Development and Digital Transformation Committee of the Board is authorized by the Board to direct ESG-related work, and the Board Office is authorized to coordinate and implement daily ESG work. For details of the Group's ESG governance structure, please refer to the chapter on *Sustainability Management System*.




The Board is responsible for approving the Group's ESG-related targets and reviewing the progress of achieving these targets. The Board Office takes the lead in organizing and coordinating the formulation of ESG-related targets, and regularly evaluates the progress of achieving ESG-related targets. During the Reporting Period, the Group actively managed ESG targets. For details of the Bank's ESG targets and progress, please refer to the chapter on *Low-Carbon Operation*.

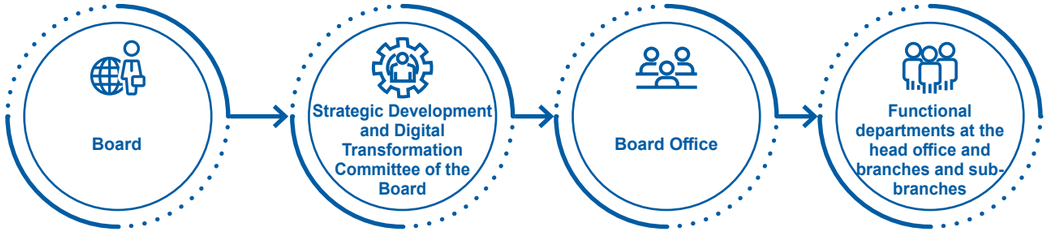
The Board ensures that an appropriate and effective ESG risk management and internal control systems are in place. The Board Office is responsible for assisting in the establishment of an appropriate and effective ESG risk management and internal control systems. During the Reporting Period, the Group continued to review, supervise, and improve its material ESG risks and relative management measures that identified in previous year.

The Board reviews and confirms the results of materiality assessment and monitors the management and performance of these issues. The Group carefully listens to the opinions of stakeholders, conducts yearly materiality assessment of ESG issues, and takes management and improvement of material issues as an annual key task of the ESG work. For the process and results of materiality assessment, please refer to the section of *Materiality Assessment*.



# Sustainability Management System

The Bank actively improved its corporate sustainability management system, strengthening the supervision and guidance on ESG management from the corporate governance level. In order to further integrate ESG development into Jiangxi Bank's strategic planning, the Bank continues to implement the *Terms of Reference of the Strategic Development and Digital Transformation Committee of the Board of Jiangxi Bank* (《江西銀行股份有限公司董事會戰略發展與數字化轉型委員會工作規則》), and the *Working Rules of Environmental, Social and Governance (ESG) of Jiangxi Bank* (《江西銀行股份有限公司環境、社會及管治（ESG）工作細則》) to actively coordinate and promote ESG work.




| Board | Strategic Development and Digital Transformation Committee of the Board | Board Office | Functional departments at the head office and branches and sub-branches |
|---|---|---|---|
| As the highest ESG decision-making body of the Bank, taking full responsibility for ESG strategy and reporting,. | Responsible for formulating ESG policies, rules and regulations of the bank, and supervising the implementation of ESG work. | A body under the Board which is responsible for coordinating and implementing ESG work, and is authorized by the Strategic Development and Digital Transformation Committee of the Board to coordinate and implement daily ESG work. | Cooperating with the Board Office to carry out daily ESG work. |

## ESG Management Structure of Jiangxi Bank

As the leading department of the Bank's ESG work, the Board Office is mainly responsible for:

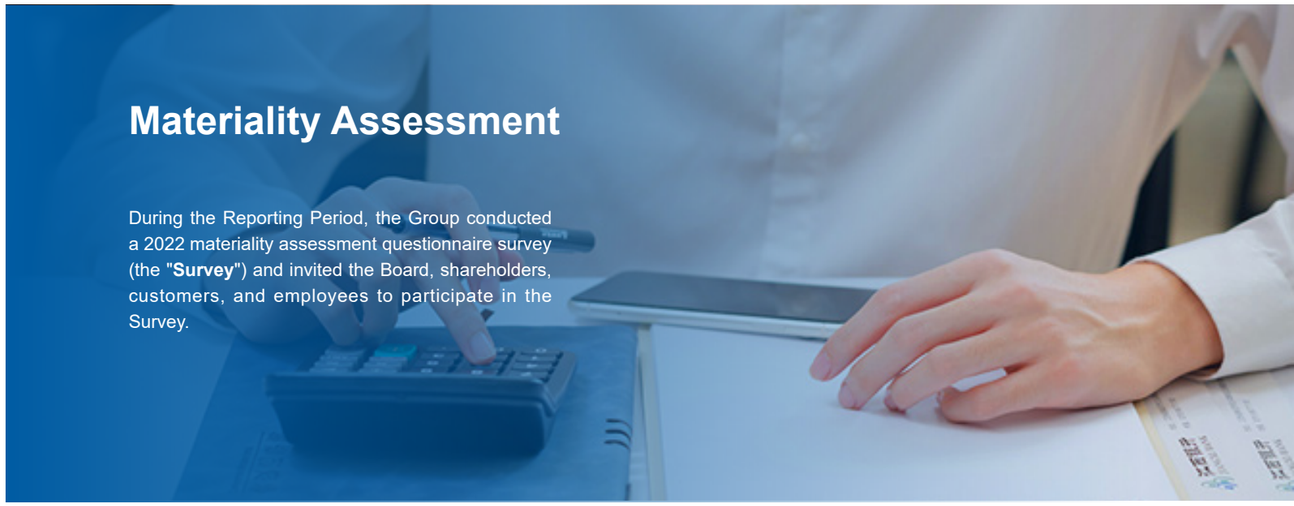
- Identifying, evaluating, prioritizing and managing material ESG issues of the Bank, including but not limited to, identifying key stakeholders, communicating with key stakeholders, and reporting the results to the Strategic Development and Digital Transformation Committee for confirmation and approval of material issues.
- Organizing and coordinating the formulation of ESG-related targets, and regularly evaluating the progress of achieving ESG-related targets.
- Analyzing the potential risks, opportunities and related impacts of material ESG issues on the Bank's business strategies, and assisting in the establishment of appropriate and effective ESG risk management and internal control systems.
- Coordinating the preparation of the annual ESG report and submit it to the Strategic Development and Digital Transformation Committee of the Board for review to ensure it compliances with the requirements of listing rules of the SEHK.
- Setting ESG-related work plans and budgets of the Bank.
- Reporting and making recommendations to the Strategic Development and Digital Transformation Committee on material ESG issues and work progress.

# Communicating with Stakeholders

The Group actively communicates with various stakeholders through diversified channels, to know about the expectations and demands of different stakeholders in a timely manner, actively take actions to respond to them, and effectively promote the sustainable development of the Group. The following table indicates the expectations and demands of various stakeholders for the Group, as well as our communication means and response measures with the stakeholders:

| Stakeholders | Expectations and Demands | Means of Communication | Response Measures |
|---|---|---|---|
| Government | • Respond to national policies<br>• Serve the real economy<br>• Develop inclusive finance | • Documents and guidelines on policies<br>• Specific reports<br>• Information distribution<br>• Working meetings | • Develop inclusive finance<br>• Serve small and micro enterprises and the “agriculture, rural areas and farmers”<br>• Build civil engineering projects |
| Regulators | • Comply with regulatory requirements<br>• Prevent financial risks<br>• Promote the development of the industry | • Regulatory policies<br>• Surveys and on-site visits<br>• Data reporting | • Strengthen internal control<br>• Improve the overall risk management system<br>• Strengthen daily inspection |
| Shareholders | • Maintain a sustained and stable operation<br>• Enhance the overall capabilities<br>• Improve investment return | • Shareholders’ general meetings<br>• Company announcements<br>• Performance roadshows | • Improve the corporate governance structure<br>• Implement development strategies<br>• Enhance profitability<br>• Disclose information in a timely manner |
| Customers | • Improve service quality and efficiency<br>• Provide a richer selection of financial products<br>• Protect the rights and interests of consumers | • Marketing activities<br>• Customer hotline<br>• Questionnaire surveys | • Optimize operation workflow<br>• Innovate financial products<br>• Enhance the quality of services<br>• Popularize financial knowledge |
| Employees | • Improve employees’ remuneration and benefits<br>• Protect the rights and interests of employees<br>• Provide career development opportunities<br>• Enrich free-time activities | • Labor union<br>• General meetings of employee representatives<br>• Suggestion boxes<br>• Professional training | • Improve the compensation and welfare system<br>• Care for the employees<br>• Enhance employee training<br>• Organize recreational and sports activities |
| Suppliers | • Fair procurement<br>• Honesty and dignity<br>• win-win cooperation | • Negotiation<br>• Cooperation agreement<br>• Tendering and bidding | • Build a procurement management system<br>• Enhance business cooperation |
| Partners | • Mutually beneficial cooperation<br>• Communication and exchange of ideas with industry peers | • Seminars<br>• Project cooperation | • Surveys and on-site visits<br>• Enhance exchanges and cooperate with industry peers |
| Communities | • Support the development of communities<br>• Care for vulnerable groups | • Condolence and visits<br>• Community service activities | • Financial aid to students<br>• Organize community activities<br>• Organize volunteer activities supported by employees |
| Environment | • Low-carbon and environmentally friendly operations<br>• Sustainable development | • Energy conservation and emission reduction<br>• Green finance | • Implement green credit policy<br>• Adhere to the green office<br>• Promote e-banking |





# Materiality Assessment

During the Reporting Period, the Group conducted a 2022 materiality assessment questionnaire survey (the "**Survey**") and invited the Board, shareholders, customers, and employees to participate in the Survey.

## Working Process of the Survey

**Identifying key stakeholders**

Identifying key stakeholders and then evaluating the importance of each stakeholder in the Reporting Period from the two dimensions of "The Level of Influence on Jiangxi Bank" and " The Level of Influence by Jiangxi Bank", so as to identify the key stakeholders and finally determine the scope of targets to be covered in the Survey.

**Screening material ESG issues**

By highlighting the compliance and industry alignment of material issues, integrating the selected material issues in the former survey, issues from the *ESG Reporting Guide* of SEHK, and taking into account industry cases and the Group's unique issues, the Bank developed a list of ESG issues. The Bank preliminarily screened the issues from two perspectives of materiality and relevance to the Group to determine the issues to be investigated in the Survey during the Report Period.

**Designing and distributing questionnaires**

The Bank designed questionnaires based on the issues identified in the preliminary screening and organized personnel to distribute the questionnaires to key stakeholders through communication channels.

**Collecting questionnaires and analyzing the results**

Taking the two dimensions of "Importance to Jiangxi Bank" and "Importance to Stakeholders" as the evaluation benchmark, the issues whose the degree of importance was half or more in both dimensions were selected as the issues with high materiality. The issues with high materiality were reviewed and confirmed by the Board as the final material issues identified for the Reporting Period.



## Materiality Analysis

The Bank consolidated the ranking of the issues that ranked by stakeholders and formed a materiality assessment matrix to demonstrate the significance of different issues. After comprehensively considering the Group's work priorities during the Reporting Period and upon review by the Board, the Group identified a total of 7 material issues. These material issues will be disclosed in subsequent chapters of this Report accordingly.

**Jiangxi Bank's Materiality Assessment Matrix in 2022**




| Material Issues | Corresponding Chapters | Other Issues | Corresponding Chapters |
|---|---|---|---|
| 1. Compliance-Based Operation | Operating Stably and Managing Risk | 4. Shareholders' Interests | Operating Stably and Managing Risk |
| 2. Customers' Rights and Interests | Servicing Sincerely and Optimizing Experience | 8. Rural Revitalization | Being Committed to the Community and Creating Mutual Benefits |
| 3. Employees' Rights and Interests | Caring for Employees and Growing Together | 10. Risk Management | Operating Stably and Managing Risk |
| 5. Promote Research and Development of Product | Driven By Innovation, and Improving the Quality and Efficiency | 11. Serving the Real Economy | Developing Inclusive Finance and Serving Local Communities |
| 6. Technological Innovation | Driven By Innovation, and Improving the Quality and Efficiency | 12. Anti-Corruption/Anti-Money Laundering | Operating Stably and Managing Risk |
| 7. Employees' Health and Safety | Caring for Employees and Growing Together | 13. Employees' Development and Training | Caring for Employees and Growing Together |
| 9. Supporting Emerging Industries | Building Green Bank and Contributing to Dual Carbon | 14. Green Credit | Building Green Bank and Contributing to Dual Carbon |
| | | 15. Serving Small and Micro Enterprises | Developing Inclusive Finance and Serving Local Communities |
| | | 16. Charity Activities | Being Committed to the Community and Creating Mutual Benefits |
| | | 17. Low Carbon Operation | Building Green Bank and Contributing to Dual Carbon |
| | | 18. Addressing Climate Change | Building Green Bank and Contributing to Dual Carbon |

02

# Operating Stably and Managing Risk

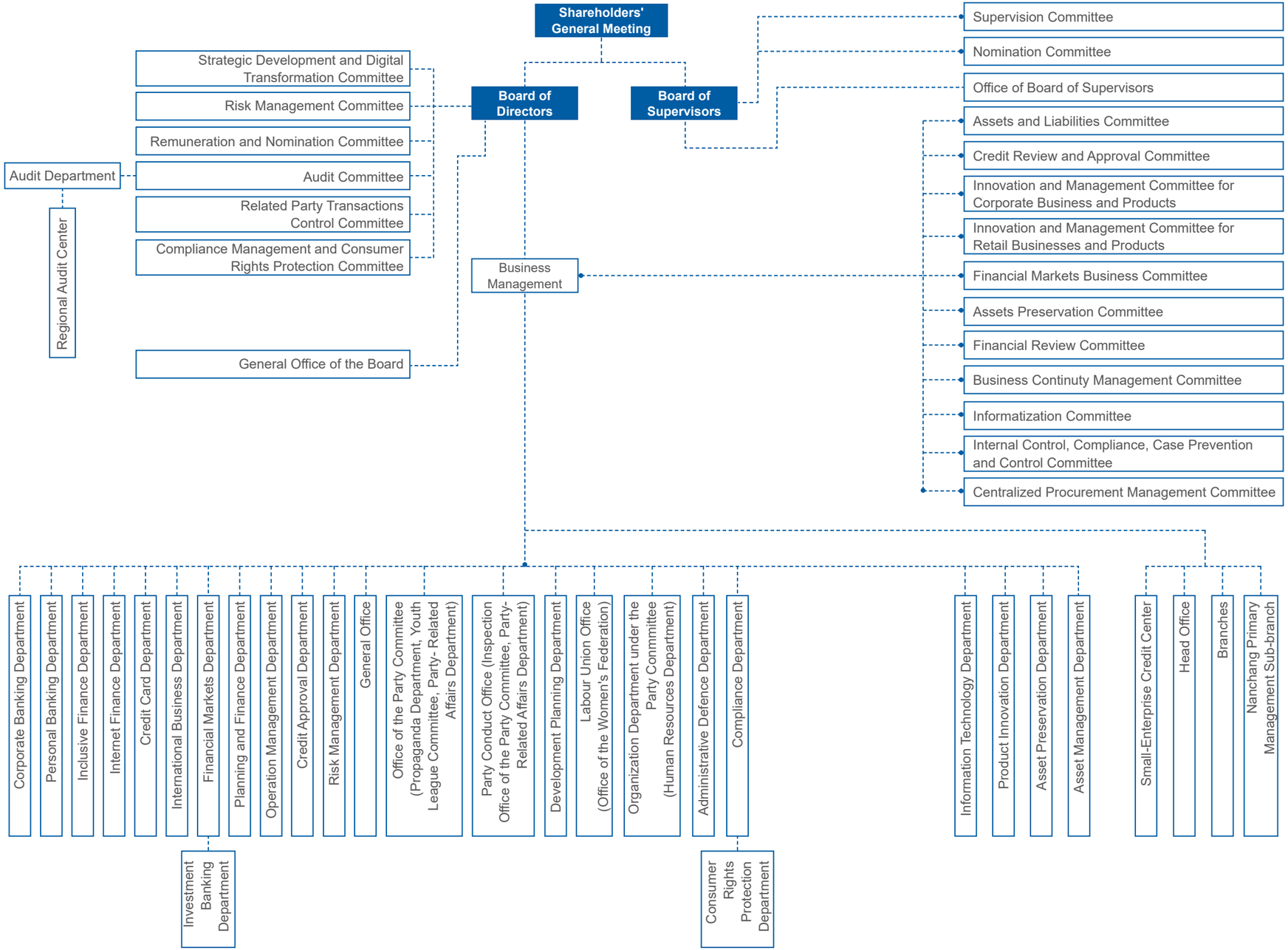
17/ Corporate Governance

19/ Risk Management and Control

21/ Compliance-Based operation

# Corporate Governance

**Organizational Structure of Jiangxi Bank**




The Bank has continuously improved the transparency of its corporate governance and responded to shareholders' basic demands through regular shareholder meetings and other means to protect shareholders' interests and enhance corporate value.

The Bank has adopted the *Corporate Governance Code* (the ***Code***) in Appendix 14 of the listing rules of SEHK. The Bank has met the requirements of the measures for the administration of domestic commercial banks and the corporate governance requirements and has established a sound corporate governance system. The Bank has established a relatively comprehensive corporate governance structure pursuant to the provisions of the listing rules of SEHK. The composition of the Board and the special committee under the Board complies with the requirements of the listing rules of SEHK. The Bank clearly defines the responsibilities of the shareholders' general meeting, the Board, the Board of Supervisors, and senior management. The shareholders' general meeting is the highest authority of the Bank, and the Board is responsible to the shareholders' general meeting. The Board has set up 6 special committees that operate under the leadership of the Board and provide advice on the Board's decisions. The Board of Supervisors supervises the performance of duties by the Board and senior management as well as the Bank's financial activities, risk management, and internal control. Under the leadership of the Board, senior management is responsible for implementing the resolutions of the Board and for daily business and management of the Bank and reports to the Board and the Board of Supervisors on a regular basis. The President of the Bank, appointed by the Board, is responsible for the overall business operation and management of the Bank.

The Bank commits itself to maintaining high-standard corporate governance. The Bank will continue to strengthen its corporate governance, to ensure compliance with the *Code* and live up to the expectations of shareholders and potential investors. During the Reporting Period, the Board convened a total of 21 Board meetings, at which the Bank debriefed on, considered and approved 126 proposals mainly involving topics such as adoption and/or revision of various corporate governance measures, profit distribution plans, development plans, and business performance.

During the Reporting Period, the Board of Supervisors of the Bank convened 8 meetings and reviewed 18 proposals. The Board of Supervisors consists of 6 Supervisors, including 2 employee representative Supervisors, 1 shareholder representative Supervisors, and 3 external Supervisors. The number and composition of the Board of Supervisors of the Bank comply with laws and regulations and the Articles of Association of the Bank.



# Risk Management and Control

The Bank's risk management adopts a comprehensive risk management approach. With the requirements of "risk Control, Structural Adjustment and Stable Growth", the Bank maintains a "Stable and Moderate" risk appetite, implements the risk concept of "Risk-Oriented and Compliance-First", coordinates the service for the entity and risk prevention and control, and coordinates the structural optimization and stable growth, providing a solid guarantee for the Bank's high-quality development and strategic goal realization. With the construction of risk management organization system, the Bank has established an organizational structure for risk management featuring "Centralized Management and Matrix Distribution" to clarify risk management responsibilities, and form three defense lines of risk management: "Business Unit to Control by Itself in the First Line, Risk Department to Manage in the Second Line, and Audit Department to Supervise in the Third Line".

## Three Defense Lines of Jiangxi Bank's Risk Management

**The First Line of Defense: Business Unit to Control by Itself**

Assumes the direct responsibility for risk management, is responsible for formulating product policies, procedures and risk controlling rules for the respective business lines and conducting daily monitoring and risk control of business lines.

**The Second Line of Defense: Risk Department to Manage**

Is responsible for formulating policies and regulations for the risk line and promoting the effective transmission of relevant risk policies.

**The Third Line of Defense: Audit Department to Supervise**

Is responsible for supervising and evaluating whether the implementation of risk management strategies, preferences, policies, and procedures is sufficient and effective, supervising and evaluating the soundness, rationality, and effectiveness of internal control, and implementing on-site or off-site audits of various business risks.



## The Process of Identifying, Assessing and Managing Material Risks

Based on the Bank's risk categories, recognition of the risks faced by the Bank and capital regulatory requirements, the Bank regularly implements the evaluation procedures for comprehensive risks and capital adequacy ratio to effectively identify and assess key risks: credit risk, market risk, operational risk, liquidity risk, bank account interest rate risk, concentration risk, legal compliance risk, reputational risk, and information technology risk, so as to assess and analyze those risks with risk measurement methods and tools.

### Management of Major Financial Risks

**Credit Risk Management**

By strengthening risk limit and threshold management the Bank optimized the credit business management and control mechanism, promoted the construction of intelligent risk control, strengthened the quality and efficiency of post-credit differentiated management, and strengthened credit risk management.

**Market Risk Management**

The Bank actively took measures to strengthen the control of transaction book interest rate risk. In addition, the Bank's foreign exchange risk exposure was relatively small, and the Bank has not yet carried out derivatives trading business. The Bank's main measures to control exchange rate risk were to reasonably match assets and liabilities of various foreign currencies and increase daily monitoring and early warning.

During the Reporting Period, the market risk of the Bank was generally under control.

**Operational Risk Management**

The Bank took measures to strengthen operational risk management and case risk prevention, including dynamically monitoring potential operational risks, accelerating the technical prevention capability of operational risks, monitoring and resolving various risk warnings, and comprehensively strengthening employee behavior management.

During the Reporting Period, the Bank's operational risk management system operated smoothly and the operational risks were controllable on the whole.

**Liquidity Risk Management**

Through market analysis, the Bank actively absorbed and stabilized the funds while increasing credit granting and strengthened the cooperative relationship among peers. The Bank optimized and improved the real-time fund monitoring system. The Bank carried out liquidity stress tests in advance to identify potential risks and conducted liquidity emergency drills in an orderly manner.

The Bank's liquidity level remain reasonable and sufficient, and all liquidity regulatory indicators were higher than regulatory requirements, presenting an upward stable trend.

# Compliance-Based operation

## Internal Control and Compliance

The Bank actively improves its internal control compliance management and case prevention and control capabilities to maintain a good social image of the Bank. During the Reporting Period, the Bank deepened the construction of compliance management system. The Bank formulated and implemented the *Implementation Plan for Compliance Management System and Mechanism Optimization of Jiangxi Bank* (《江西銀行合規管理體系與機制優化實施方案》) and the *Internal Control Construction Plan of Jiangxi Bank* (《江西銀行內部控制建設規劃》). Meanwhile, the Bank continued to promote the deep integration of internal control compliance and technological innovation, continued to improve the internal control compliance management system, actively promoted the online dynamic early warning and monitoring of employee behaviors, dynamically differentiated risk levels, and captured violations and hidden risks.

The Bank has always been committed to building a compliance culture and cultivating a compliance culture environment. During the Reporting Period, the Bank focused on the weak areas of internal control and compliance management, formulated the *Special Action Plan for "Party Building Leading Compliance Escort" of Jiangxi Bank* (《江西銀行「黨建引領 合規護航」專項行動方案》), and launched the bi-monthly journal *Compliance Summary* (《合規要覽》). The Bank listened to the voice on compliance from grassroots employees and created a strong atmosphere of compliance culture through various activities such as "Compliance Meeting for Everyone" and "Compliance Learning for Everyone".

**Case**

### Taking In-depth Law Publicity and Education Activities

In July, the office of the Bank's "Eighth Five-Year" law popularization work leading group organized online law popularization special publicity and training activities. All institutions of the Bank actively responded and carried out various forms of publicity activities within their jurisdiction based on their own conditions.



Departments of the Head Office watched learning videos



The Branches and Sub-Branches Carried out Collective Learning Activities

## Anti-corruption

The Group strictly abides by the *Criminal Law of the People's Republic of China* (《中華人民共和國刑法》) and other laws and regulations, and prevents and controls possible illegal activities such as corruption, bribery, extortion and fraud. Meanwhile, the Bank guides the Party members, cadres and employees to consciously abide by the relevant provisions of the *Regulation of the Communist Party of China on Disciplinary Actions* (《中國共產黨紀律處分條例》) and the *Provisions of Professional Integrity on State-owned Enterprises* (《國有企業領導人員廉潔從業若干規定》), and formulates and improves the relevant system and methods of disciplinary inspection work in the Bank. During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Bank or its employees.

The Bank actively organizes various forms of integrity training to create a strong financial culture of integrity. For new employees, the Bank has included integrity in the mandatory induction training. In daily operations, the Bank carries out special training through case warning, system publicity and education activities, and law-keeping education month activities. In addition, the Bank continues to carry out pre-holiday integrity reminders at key festivals and holidays. In addition, the Bank also improves the implementation measures for the inspection work of the Party Committee to deepen political inspection. During the Reporting Period, the Bank conducted an anti-corruption training for all Directors, Supervisors and senior management, which helped to urge the Directors to perform their duties in a compliant, prudent and diligent manner, and also promoted the compliance and steady development of the Bank.

**Case**

### Carrying out Special Training on Directors' Compliance Management and Directors' Responsibilities

The Bank carried out special training on directors' compliance management and directors' responsibilities, by inviting the compliance department and lawyers to comprehensively and systematically explain the domestic and foreign laws and regulations and regulatory requirements on compliance management, directors' responsibilities and anti-corruption.




The Bank is committed to creating an open and transparent communication environment. During the Reporting Period, the Bank formulated and implemented the *Administrative Measures for Compliant Letters and Visits of Jiangxi Bank (2022)* (《江西銀行信訪工作管理辦法（2022 版）》) and the *Interim Measures for the Handling of Whistle-blowing and Accusation of Disciplinary Inspection Institutions of Jiangxi Bank* (《江西銀行紀檢機構處理檢舉控告暫行辦法》), which clearly stipulated the handling process of petition work and the protection of related parties' information, so as to regulate the handling of petition and supervision work. Meanwhile, the Bank has established a smooth reporting channel. The Bank has set up a reporting hotline and a reporting mailbox for the public to report corruption and bribery. When receiving corruption and bribery complaints, the Bank will deal with them in accordance with the *Administrative Measures for Compliant Letters and Visits of Jiangxi Bank (2022)* (《江西銀行信訪工作管理辦法（2022 版）》) and other rules and regulations.

## Anti-Money Laundering

The Bank strictly complies with the requirements of laws and regulations, actively fulfills its anti-money laundering obligations, fulfills its social responsibilities, and continuously improves the level of money laundering risk management. During the Reporting Period, the Bank revised seven internal control systems for anti-money laundering, refined the identification requirements for specific scenarios, and improved the mechanism for identifying and dealing with abnormal behaviors of beneficial owners to consolidate the foundation of internal control. Through technology empowerment, the Bank optimized the self-detection model for suspicious transactions and improved management and control mechanism on risky customers. The Bank strengthened the reporting and handling of suspicious clues, strengthened supervision and inspection, and the level of investigation and filtering of risks in key areas, and carried out self-assessment of money laundering and terrorist financing risks of institutions to consolidate the defense line of money laundering risks. Through the "Online + Offline" and "Centralized + In-ground" models, the Bank continued to strengthen the level of leading through publicity and education, and enhanced the public awareness of risk prevention.

Anti-money Laundering Training of Jiangxi Bank in 2022

Number of anti-money laundering training

**9**

Number of participants in anti-money laundering training

**3,813**

## Intellectual Property Protection

The Bank strictly complies with the laws and regulations such as the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》), the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), and the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》), and makes efforts in the protection of proprietary intellectual property. For one thing, the Bank attaches great importance to the application and protection of proprietary intellectual property, developing intellectual property management mechanism and giving full play to the role of intellectual property rights in stimulating, guiding, guaranteeing and evaluating enterprise innovation, and for another, the Bank fully respects others' legitimate rights and pays attention to preventing intellectual property infringement risks in technological research and development, product innovation, business development and daily operating management. During the Reporting Period, no major intellectual property rights infringement occurred in the Group.

# 03

# Building Green Bank and Contributing to Dual Carbon


25/ Green Finance

29/ Addressing to Climate Change

30/ Low-Carbon Operation

# Green Finance

As a provincial Legal-person bank in Jiangxi Province, the Bank actively implements the concept of "Lucid Waters and Lush Mountains are Invaluable Assets", and always regards green finance as an important direction of business development. The Bank insists on being a leader in green finance, constantly innovates the development model of green finance, and accelerates the improvement of green financial service level.

During the Reporting Period, in order to improve the quality and efficiency of green financial services of the Bank, promote the optimization of business structure and promote green development, the Bank formulated and implemented the *2022 Green Finance Development Plan of Jiangxi Bank* (《江西銀行 2022 年綠色金融發展方案》). The Bank set up a leading group for green finance, which was responsible for the development of green finance, and set up a green finance office in the Corporate Banking Department of the Head Office to specifically promote the green development of the Bank. The Bank strengthened the functions of Ganjiang New Area Green Sub-branch and Fuzhou Ecological Business Department and established green finance specialized institutions or green sub-branches in branches with conditions in key areas of green development.

## Green Credit

The Bank vigorously develops green credit, actively promotes the whole-process management of green credit and increases investment in green credit under the premise of controllable risks.

During the Reporting Period, the Bank:

- Continued to improve internal pricing, increased the weight of assessment on green credit, improved facility approval policies, implemented differentiated and dynamic credit policies, and guided the Bank to accurately grant loans.
- Increased green credit investment to form a joint force.
- Actively marketed the list of green projects in the province and the list of carbon peak and carbon neutrality projects in the province and supported green projects in key areas.
- Strengthened product innovation. The Bank actively innovated carbon financial products, strived to connect with carbon neutrality funds, and developed financing products with mortgage of emission rights, carbon emission rights, and energy use rights. The Bank innovatively developed "Green + Inclusive" financial products, and strengthened the financial support for rural human settlement environment management, rural infrastructure and public service facilities.

In addition, the Bank explicitly supports green and emerging fields with green transformation as the guide and low-carbon, zero-carbon and negative carbon technology innovation as the support.

| | |
|---|---|
| Green and Low-Carbon Industrial Transformation | The Bank actively connected with advantageous industries such as aviation, traditional Chinese medicine, new energy and new materials, focused on supporting the green transformation of advantageous industries, and connected with green transformation enterprises and green projects through multiple channels. |
| Green Agriculture and Forestry Development | The Bank increased credit support in the fields of grain, forest economy, forest health care and forest tourism to facilitate the implementation of high-quality grain projects and increase credit support for green and organic agriculture. |
| Clean Use of Fossil Energy | The Bank strongly supported emerging energy-consuming industries such as new energy vehicles and vessels, heat and mercury, and electric furnaces, and actively connected with new infrastructure energy-saving and carbon reduction projects and enterprises. |
| Green and Low-Carbon Transportation | The Bank supported intelligent transportation and railway electrification reformation, and actively supported infrastructure projects such as hydrogen refueling， and charging, integrated construction of parking lot and charging facilities in urban residential areas, and construction of public transportation infrastructure projects such as urban rail transit and public transport special roads. |
| Intelligent Green Logistics | It actively connected with the construction of logistics infrastructure and supported projects of application scenarios such as intelligent equipment application, intelligent warehousing and intelligent distribution. |
| Green Building Development | The Bank actively connected with green buildings, assembled buildings and other projects in the province, and supported the promotion of green agricultural housing development projects. |

During the Reporting Period, the Bank accelerated the granting of green credit,

with **62** green industry loan projects

amounted to RMB **22,027** million, achieving remarkable results in green finance.

As at the end of the Reporting Period,

the Bank's green credit balance was RMB **22,696** million

an increase of RMB **5,690** million

or **33.46%** over the end of the previous year

accounting for **7.28%** of the total credit balance.

**Case**

**Forest Cultivation Project**

Ganzhou Branch of the Bank granted project loans of RMB 600 million in total for the construction of forest farms with a total area of 68,551.3 acres in Shangyou County and Yudu County, respectively. These two forest farms were key green credit projects in Jiangxi Province, changing the situation of scattered operation of collective forest farms in the past and effectively protecting local ecological resources.





## Green Leasing

Since its establishment, Jiangxi Financial Leasing has always adhered to the development direction of "Based in Jiangxi, Facing the Whole Country, Looking Forward to the International Market, and Providing Professional Financial Leasing Services", effectively served the national strategies including the "Belt and Road Initiative", Yangtze River Economic Belt and the Revitalization and Development Plan of the Former Central Soviet Area of Jiangxi, Fujian and Guangdong provinces. The Bank actively responds to the national call for carbon peak and carbon neutrality, plays a functional role in promoting the development of new energy, and continue paying attention to the changes in national policies for the new energy industry, actively supporting the green industries.

During the Reporting Period, Jiangxi Financial Leasing revised the *Guidelines on Credit Policy for 2022 of Jiangxi Financial Leasing* (《江西金租 2022 年度授信政策指引》), listed green and low-carbon fields as industries that actively supported. The Jiangxi Financial Leasing increased credit investment in green projects and green and environmental protection industries such as low-carbon economy, circular economy and ecological economy, and actively carried out marketing around the list of green projects in the province. In addition, specific credit policies for green fields such as photovoltaic manufacturing and photovoltaic power generation were separately listed in the guidelines, and green leasing business was actively carried out.






## Green Financial Risk Management

The Bank strengthened its support for green economy, low-carbon economy and circular economy, while preventing environmental and social risks. Under the premise of effective risk control, the Bank continuously improved its innovation capability and promoted the innovation of green credit process and green financial products and services. During the Reporting Period, the Bank had completed the bidding of the green finance management system and planned to complete the erection of the system in the first half of 2023, which would then comprehensively improve the relevant capabilities of green finance in risk management and data governance. For green finance business, the Bank conducted flight inspection self-inspection work every year to prevent risks related to green finance business.

Besides, the Bank actively implements the credit risk management process and strengthens the construction of risk warning and addressing mechanism. The Bank classifies its credit customers into three categories based on their potential environmental and social risks to conduct differentiated management.

### Pre-Credit Investigation

The investigators regard environmental and social risks as an important part of the due diligence. Meanwhile, they preliminary classify the customers according to the environmental and social risk classification standards, carry out evaluation and analysis to form preliminary opinions.

### Credit Review

The reviewers review, decide and adjust the customer's environmental and social risk classification, and form review opinions, taking environmental and social risks as an important consideration in credit business review. Meanwhile, the Bank supports to take mitigation measures to reduce the environmental and social risks of the customers.

### Facility Approval Review

The Bank incorporates the environmental and social risk management of customers into the credit review process, focusing on whether to implement the restrictive conditions in the facility approval plan on environmental and social risk management, whether the credit contract is standardized, etc.

### Post-Credit Management

The post-credit management personnel incorporate the collection, identification, classification and dynamic analysis of customers' environmental and social risk information into the post-credit management process to effectively improve the post-credit management level of environmental and social risks.

# Addressing to Climate Change

As an important part of the financial institution system, the banking industry plays a significant role in tackling climate change. In order to cope with the potential impact of climate change on the Bank, including physical risks such as acute risk and chronic risk, and transition risks such as policy and legal risk, technology risk, market risk and reputation risk, the Bank actively built a climate-related risk management system based on its own business characteristics and business coverage, and with reference to the *Recommendations of the Task Force on Climate-related Financial Disclosures* issued by the Task Force on Climate-related Financial Disclosures.

### Governance:

The Bank carried out a series of system supporting its own green finance business, and clarified the organizational structure, ESG management system, green credit management measures, risk management, assessment management and resource allocation management, etc. The leading group for green finance and green finance office (at the head office level) have been established, and Ganjiang New District Green Branch has been set up.

### Strategy:

The Bank specifically put forward the vision of "Green Finance Pioneer", and made the strategic planning for five years with "Promoting Green Credit and Supporting Green, Recycling, and Low Carbon Economy Development" green vision.

The Bank continued to improve low-carbon operation efficiency, refine management methods, formulated and implemented green office management measures. The Bank made water, electricity and fuel-saving management, and reduced carbon emissions in the process of daily work.

### Metrics & Targets:

The Bank focused on green credit granting and clarifying the support direction and key areas, including industrial green and low-carbon transformation, agricultural and forestry green development, clean use of fossil energy, green and low-carbon transportation, smart and green logistics, green building development, etc., implementing different and dynamic credit policies.

### Risk Management:

The Bank formulated and revised the *Administrative Measures for Environmental and Social Risks Management of Credit Business of Jiangxi Bank* (《江西銀行信貸業務環境與社會風險管理辦法》), and strengthened the review of climate change adaptability of enterprises with high climate risks in the credit process.



# Low-Carbon Operation

## Greening the Office

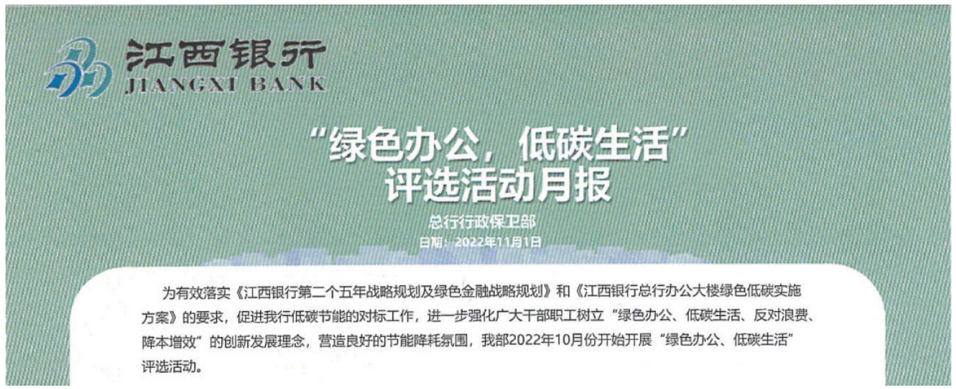
The Group operates its business mainly in office premises, which has limited impact on the environment. However, the Group still attaches importance to resource conservation and environmental protection at the operational level and implements the innovative development concept of "Greening the Office, Living in Low-Carbon, Opposing Waste, Reducing Cost and Increasing Efficiency". The business and management of the Group have complied with the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Energy Conservation Law of the People's Republic of China* (《中華人民共和國節約能源法》), the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》) and other laws and regulations and relevant local environmental protection requirements. During the Reporting Period, the Group did not have any confirmed violations or any complaints relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that could have a significant impact on the Group.

The Bank's greenhouse gas emissions mainly come from the consumption of purchased electricity. The Group's business activities are mainly in office premises, and the main business does not involve high pollution and high emission activities and does not generate significant hazardous air pollutants. During the Reporting Period, in accordance with the requirements of the *Second Five-Year Strategic Plan and Green Finance Strategic Plan of Jiangxi Bank* (《江西銀行第二個五年戰略規劃及綠色金融戰略規劃》), the Bank formulated and implemented the *Green and Low-Carbon Implementation Plan for the Office Building of the Head Office of Jiangxi Bank* (《江西銀行總行辦公大樓綠色低碳實施方案》), established a green and low-carbon governance structure, formulated green and low-carbon implementation goals, and clarified specific implementation measures. The administrative security department of the Bank took the lead in organizing relevant activities to create a good atmosphere of energy conservation and consumption reduction.

**Case**

### Carrying out the "Greening the Office, Living in Low-Carbon" Assessment Activity

In October 2022, the Bank launched the "Greening the Office, Living in Low-Carbon" selection activity. The activity carried out through the inspection of the electricity consumption of the departments at night, the saving and cleaning of canteen meals, the saving of office supplies, and the contribution of green energy-saving publicity papers. The activities improved the energy-saving awareness of cadres and employees of the head office, creating a good atmosphere for building a resource-saving bank.



The Bank formulated and issued guidelines such as the *Administrative Measures on the Use of Electricity in the Office Building of the Head Office of Jiangxi Bank* (《江西銀行總行辦公大樓用電管理法》) and the *Management Manual for the Use of Air Conditioning in the Office Building of the Head Office of Jiangxi Bank* (《江西銀行總行辦公大樓空調使用管理手冊》). The Bank adheres to the concept of energy conservation in terms of improving electricity efficiency and saving electricity. The Bank actively took measures to reduce energy use while improving energy efficiency. By promoting the rational use of lighting, air conditioning and other equipment, the Bank promoted the use of energy-saving equipment. During the Reporting Period, the energy consumption of daily lighting of the Bank's head office was reduced by 16% year-on-year.

The Bank has no issue in sourcing water that fit its purpose. On the basis of maintaining operational needs, the Bank insists on reducing water consumption from the source in a planned manner, by posting water-saving slogans, installing water-saving equipment, and regularly copying the readings of the total water meter, if the readings increase abnormally, the cause should be traced in time.

During the Reporting Period, the Bank also formulated the *Rules for the Management of Inventory Items in Head Office of Jiangxi Bank* (《江西銀行總行機關庫存物品管理細則》) to save the use of materials and expenses and promote green office. Meanwhile, the Bank advocated "greening" in the daily office work, increased publicity activities, and advocated employees to practice initiatives such as "Clean Plate Action", "Water Conservation", "Electricity Conservation" and "Paper Conservation", so as to create a good atmosphere of diligence, conservation, low carbon and energy conservation.

Additionally, to maximize asset utilization, in accordance with the *Administrative Measures of Fixed Assets of Jiangxi Bank* (《江西銀行固定資產管理辦法》) and the *Implementation Rules of Physical Assets Management in Head Office of Jiangxi Bank (for Trial Implementation)* (《江西銀行總行本級實物資產管理實施細則（試行）》), the Bank conducts unified management of the registration, allocation, and scrapping of fixed assets and low-value consumables in the office building of the head office. Jiangxi Financial Leasing internally implements the *Administrative Measures of Fixed Assets of Jiangxi Financial Leasing* (《江西金租賃固定資產管理辦法》) and the *Administrative Measures of Low-value Consumables of Jiangxi Financial Leasing*. (《江西金租低值易耗品管理辦法》) to manage its fixed assets and low-value consumables. In terms of waste management, the Bank reasonably disposes generated solid waste in accordance with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》). As for hazardous wastes specified in the *Directory of National Hazardous Wastes* (《國家危險廢物名錄》), they are uniformly handed over to the qualified third party for disposal.

In 2021, the Bank studied and formulated targets for four environmental aspects, namely greenhouse gas emissions, waste generation, energy use and water use, and determined action plans to achieve environmental targets. Under this guidance, during the Reporting Period, the head office and all branches of the Bank actively took actions and achieved significant progress as of the end of the Reporting Period.



| Environmental Targets | Measurement Indicators | Actions Taken During the Reporting Period |
|---|---|---|
| **Greenhouse Gas Emissions** | | |
| Reducing greenhouse gas emissions from vehicles | Total fuel consumption/ number of times that official vehicles used | The head office of the Bank launched the official vehicle dispatching system in the Jiangxi Bank Mini Program to standardize the use process.<br>Each branch and sub-branch strengthened the management of official vehicles, reduced the use of official vehicles, recorded fuel consumption, and regularly repaired official vehicles.<br>Advocated employees to take public transportation, etc. |
| Improving employees' awareness of low-carbon office | Number of publicity activities/ trainings on carbon peak and carbon neutrality | The head office of the Bank carried out "Greening the Office, Living in Low-Carbon" assessment activities, collected inspection results through night inspections and monthly reports, and assessed each department.<br>Each branch and sub-branch carried out green knowledge publicity, posted posters, and advocated low-carbon office. |
| **Waste Generation** | | |
| Reducing waste generation | Percentage of paperless office | The Bank promoted paperless office, advocated paper saving and minimized printing of paper materials. |
| Classifying and managing waste | Penetration rate of waste classification | The Bank was equipped with waste sorting bins to guide employees' awareness of waste sorting. |
| **Use of Energy** | | |
| Reducing energy use | Energy consumption of energy-consuming equipment | The head office of the Bank engaged professional maintenance personnel to regularly maintain the equipment.<br>Each branch and sub-branch conducted regular inspections to replace energy-consuming equipment and reduced the frequency of high-powered electrical appliances. |
| Improving energy efficiency | Penetration rate of energy saving publicity/ number of publicity activities | The head office of the Bank actively formulated relevant management measures and adopted a combination of management and technology for refined management.<br>The Bank increased publicity activities to popularize energy-saving knowledge. |
| **Use of Water Resources** | | |
| Reducing water consumption | Water consumption volume | The Bank strengthened the measurement management of water resources, understood the distribution of water resources and monitored changes, and regularly replaced and maintained water equipment. |
| Improving water use efficiency | Penetration rate of water-saving publicity/ number of water-saving publicity activities | The head office of the Bank carried out "Greening the Office, Living in Low-Carbon" assessment activities, collected inspection results through night inspections and monthly reports, and assessed each department.<br>The Bank carried out water-saving publicity and training, and posted water-saving signs |

The Bank adheres to an eco-environmentally friendly and resource-saving corporate development path and forms a reasonable green development model. The key performance indicators of environmental aspect during the Reporting Period are shown in the following table:

Summary of key performance indicators of environmental aspect[4]

| Categorization | | 2022 | 2021 | Unit |
|---|---|---|---|---|
| Air pollutants[5] | $NO_x$ | 177.69 | 1,277.37 | kg |
| | $SO_x$ | 5.90 | 25.07 | kg |
| | CO | 211.79 | 417.82 | kg |
| | PM | 14.31 | 6.22 | kg |
| Greenhouse gases | Scope 1 emission[6] | 293.51 | 403.28 | ton $CO_2$ |
| | Scope 2 emission[7] | 19,174.34 | 18,812.67 | ton $CO_2$ |
| | Total emission | 19,467.85 | 19,215.95 | ton $CO_2$ |
| | Total emission intensity | 0.09 | 0.08 | ton $CO_2/m^2$ |
| Non-hazardous wastes | Wastepaper generation | 38.52 | 44.66 | ton |
| | Office general waste generation | 44.13 | 61.68 | ton |
| | Waste carboard generation | 36.04 | 33.43 | ton |
| | Non-hazardous wastes generation intensity | 0.0005 | 0.0006 | ton/$m^2$ |
| Hazardous wastes | Used ink cartridge | 0.90 | 2.74 | ton |
| | Used toner cartridge | 1.34 | 1.95 | ton |
| | Hazardous wastes generation intensity | 0.00001 | 0.00002 | ton/$m^2$ |
| Energy resources[8] | Water consumption | 196,405.30 | 202,711.31 | ton |
| | Water intensity | 0.86 | 0.85 | ton/$m^2$ |
| | Electricity consumption | 33,621.49 | 32,379.81 | 1,000 kWh |
| | Electricity intensity | 0.15 | 0.14 | 1,000 kWh/$m^2$ |
| | Natural gas | 972.20 | 1,307.29 | 1,000 kWh |
| | Pipeline Gas[9] | 17.53 | / | 1,000 kWh |
| | Diesel | 53.89 | 59.49 | 1,000 kWh |
| | Gasoline | 350.88 | 516.81 | |
| | Total energy resources consumption | 35,015.98 | 34,263.53 | |
| | Total energy resources consumption intensity | 0.15 | 0.14 | 1,000 kWh/$m^2$ |

[5] The air pollutants emitted by the Group are mainly from the vehicle emission, natural gas, and the use of fuel from stationary sources and non-road mobile sources. During the Reporting Period, the calculation of air pollutants was based on the Manual on Accounting Methods and Coefficients of Pollutant Discharge from Statistical Survey of Emission Sources (《排放源統計調查產排污核算方法和係數手册》), the Manual of the Second National Pollution Source Survey of Industrial Pollution Source and Production and Emission Coefficients (For Trail Implementation) (《第二次全國污染源普查工業污染源產排污系數手冊》（試用版）), the Technical Guidelines for the Compilation of Air Pollutant Emission Inventory of Road Motor Vehicles (for Trial Implementation (《道路機動車大氣污染物排放清單編制技術指南（試行）》) and the Technical Guidelines for the Compilation of Air Pollutant Emission Inventory of Non-road Mobile Source (for Trial Implementation ) (《非道路移動源大氣污染物排放清單編制技術指南（試行）》) issued by the Ministry of Ecology and Environment of the People's Republic of China. Emissions were lower than in previous years because of a change in the calculation standard used in the reporting period.

[6] The calculation of Scope 1 Greenhouse Gas Emissions included the use of automobile fuels, natural gas, pipeline gas and the use of fuel from stationary sources and non-road mobile sources and was based on the Guidelines for Accounting and Reporting of Greenhouse Gas Emission from other Industrial Enterprises (for Trial Implementation) (《工業其他行業企業溫室氣體排放核算方法與報告指南（試行）》) and the Guidelines for Accounting and Reporting of Greenhouse Gas Emission from Enterprises in Land Transportation (for Trial Implementation) (《陸上交通運輸企業溫室氣體排放核算方法與報告指南（試行）》) issued by the National Development and Reform Commission of the People's Republic of China.

[7] The calculation of Scope 2 Greenhouse Gas Emissions included indirect emissions caused in the production process by the purchased electricity in Mainland China, referring to the Guidance for Accounting and Reporting Corporate Greenhouse Gas Emissions for Power Generation Facilities (2022 Edited) (《企業溫室氣體排放核算方法與報告指南發電設施（2022 年修訂版）》) issued by the Ministry of Ecology and Environment of the People's Republic of China.

[8] The conversion standards of energy consumption and consumption intensity data refer to the Guidelines for Accounting and Reporting of Greenhouse Gas Emission from other Industrial Enterprises (for Trial Implementation) (《工業其他行業企業溫室氣體排放核算方法與報告指南（試行）》).

[9] During the reporting period, the Bank added new pipeline gas use equipment.



## Responsible Procurement

To regulate, manage, and scientifically select the suppliers, and prevent the economic, social and environmental risk among supply chain, the Bank in accordance to the *Government Procurement Law of People's Republic of China Government* (《中華人民共和國政府採購法》), *the Tender and Bidding Law of the People's Republic of China* (《中華人民共和國招標投標法》) and other laws and regulations, and the *Administrative Measures for Centralized Procurement of Jiangxi Bank* (《江西銀行集中採購管理辦法》) and other policies, to accomplish procurement management. The *Administrative Measures for Centralized Procurement of Jiangxi Bank* (《江西銀行集中採購管理辦法》) specifies the principles, scope, methods, and procedures of centralized procurement. It stipulates that for procurement projects which are not subject to tender as required by the national laws and regulations, selecting the procurement method reasonably according to the project situation to strict control over single source.

In terms of supplier access, the Bank has strict management requirements for suppliers. In principle, the Bank requires suppliers to have a good business reputation and a sound financial and accounting system, and have no record of major violations in business activities within three years before participating in procurement activities. The procurement department or bidding agency will conduct qualification review on the recruited suppliers. During the Reporting Period, the Bank has conducted qualification review and management for all suppliers engaged in cooperation. In terms of supplier management, the Bank has formulated supplier evaluation standards, combining the level of contract performance with the overall evaluation of regular evaluation to implement dynamic management. In terms of risk control during the execution of contracts, the Bank requires the departments with procurement needs to supervise the performance of projects, and supervise the suppliers' current financial condition and operating conditions, supply capacity and market performance, and whether have major corporate changes or legal disputes. The departments also should timely report the performance of contracts, use of goods and service quality to the procurement department. The procurement department also conducts objective and comprehensive evaluation on the performance of suppliers on a regular and irregular basis. For suppliers who fail to fully perform their obligations or fail to rectify in a timely manner, the Bank will handle them according to the severity of the case.

In addition, in order to promote environmentally friendly procurement and reduce the negative impact on the environment and reduce the environmental risks in the supply chain, the Bank clearly requires product suppliers to be certified by the ISO14001 Environmental Management Systemin the supplier access. The products provided must meet the requirements of low toxic, less harmful, and resources-saving. The Bank also conducts quantitative review on key environmental indicators. The Bank supports the active introduction of new technologies and new products in IT procurement. For example, through the use of virtualization technology to reduce the investment in physical equipment, so as to effectively reduce energy consumption and physical space occupation.

As of the end of the Reporting Period, the Bank had a total of 472 potential suppliers. Among them, a total of 144 suppliers (34 within the province and 110 outside the province) cooperated with the Bank during the Reporting Period.



# 04

# Developing Inclusive Finance and Serving Local Communities

37/ Serving Small and Micro Enterprises

41/ Benefiting People and Agriculture with Finance

# Serving Small and Micro Enterprises

Small and micro enterprises are important customers of Jiangxi Bank to serve. The Bank always adheres to the market positioning of “Serving Small and Micro Enterprises”, and effectively focuses on supporting economic development specially for the real economy and applies it to rural revitalization. Through a series of measures such as strengthening the supply of credit resources, strengthening the innovation of products and business models, establishing a long-term mechanism of “Dare to be able to meet” and implementing preferential policies, the Bank continues to increase financial support for key areas and weak links in inclusive finance and others, empowers the development of the real economy, comprehensively helps to stabilize market entities, stabilizes employment and entrepreneurship, and stabilizes economic growth, and contributes financial strength to the high-quality development of small and micro enterprises.



**During the Reporting Period, the Bank further enhanced its credit capabilities and enhanced its capabilities of severing small and micro enterprises.**

Strengthened the level of credit support. The Bank continued to allocate more credit resources to the inclusive finance sector, increased credit allocation to inclusive small and micro enterprises, and solidly carried out the improvement action for first-time loan users and focused on increasing financial support in credit loans and mid-term and long-term loans, fully satisfying reasonable financing needs of inclusive customers such as small and micro enterprises, individual business proprietors and new citizens.

Strengthened the supply of credit products. Taking into account the characteristics of small and micro enterprises such as life cycle, industry, transaction scenarios and financing needs, the Bank continuously enriched the supply of credit products for small and micro enterprises, and launched the online version of “Guaranteed Loans for Business Start-Ups” ( 創業擔保貸 ) to support innovation and entrepreneurship. The Bank initiated the cooperation model of “Bank + Labor Union”, launched the “Hong Gong Loan” ( 洪 工 貸 ), continued to strengthen the service capabilities of “Online Process” and “Automatic Approval”, initiated business models and methods, and improved the accessibility and satisfaction rate of financing for small and micro enterprises; and

Improved the quality and efficiency of inclusive services. The Bank continued to optimize the digital platform of “Jiangxi Bank Inclusive Finance”, set up an exclusive marketing team for inclusive finance, piloted the “Intelligent and Semi-Automated” approval, and promoted the “Acceptance of Incompleteness and Online Signature”, so as to achieve timely acceptance and time-limited review, effectively improved the loan approval efficiency for inclusive customers. The Bank also provided small and micro enterprises with a package of financial services such as account, settlement, financing, wealth management and consulting, so as to continuously improve the professional service capability and level for small and micro enterprises.

During the Reporting Period, the Bank further focused on providing support to enterprises and continued to empower the operation and development of small and micro enterprises.

Focused on providing support to enterprises. The Bank formulated a series of systems such as the *Work Plan to Increase the Granting of Inclusive Loans in 2022 of Jiangxi Bank* (《江西銀行加大 2022 年普惠貸款投放工作方案》), strengthened the supply of credit funds, increased the granting of credit to small and micro enterprises, and focused on supporting small and micro enterprises in production and manufacturing, accommodation and catering, wholesale and retail, cultural tourism and other industries that were greatly affected by the epidemic.

Focused on fee reduction and profit concession. For inclusive small and micro enterprises, the Bank implemented preferential interest for loan. The Bank waived the mortgage valuation fee, property insurance fee and financing service fee for small and micro enterprises, and further reduced and exempted 24 kinds of service fees such as fee for certificate of deposit and fee for bank inquiry letter for small and micro enterprises. Besides, the Bank actively implemented rate cut policy issued by the People’s Bank of China to reduce the burden of small and micro enterprises.

Focused on providing support on extension. The Bank implemented the *Notice on Policies for Supporting Enterprise and Stabilizing the Economy with Finance of JiangXi Bank* (《江西銀行金融惠企紓困穩經濟政策告知書》), clarified multiple policies to help enterprises in difficulty and to stabilize the economy such as deferred repayment of principal and interest, and ensured that the policies reached the market participants. The Bank supported enterprises through extension payment date, loans renewals without repayment of principal and adjustment of repayment schedule.

As of the end of the Reporting Period, the Bank's inclusive small and micro enterprise loan balance (exclusive of discount) for a single credit line of less than RMB 10 million (inclusive) was RMB 35.387 billion, up RMB 11.876 billion or 50.51% from the end of the previous year. There were 30,855 loan users of the loan, up 5,804 from the end of the previous year.

**Case**

**Providing Support to Enterprises to reach the "Last Kilometer" of Inclusive Small and Micro Enterprises**

During the Reporting Period, impacted by the epidemic, many small and micro enterprises were facing difficulties in accessing loans urgently and financing. The Bank adhered to the service concept of "For Emergencies Emergency Treatment, Giving Priorities to Important Cases, and Handling Special Cases with Special Methods", and continued to increase the granting of inclusive loans to small and micro enterprises. A feed company in Nanchang was affected by a number of factors, resulting in sales interruption and greater pressure. After learning about the situation, the Nanchang Binjiang Sub-branch of the Bank quickly customized service plans for the enterprise, opened a "Green Channel" for enterprises in business of fighting against the epidemic, and provided 7 million credit loans to help the enterprise tide over the difficulties in time.





# Benefiting People and Agriculture with Finance

The Bank continues to serve the lower-tiers cities, deeply cultivates the market of small and micro financial service in counties and towns, and actively makes effective connection between consolidation and expansion of the achievements of poverty alleviation and rural revitalization. During the Reporting Period, the Bank adopted a number of measures to improve the efficiency and quality of services for "Agriculture, Rural Areas, and Farmers", reduce the financing costs of rural customers and control the loan risks of rural customers:

**Improving service efficiency and enriching product system:**

The Bank improved the loan approval rate and efficiency of loan approval, and continued to open the "Green Channel" for agricultural loan approval.

The Bank improved the service systems of featured product such as "Tobacco Grower Loan" ( 煙農貸 ) and "Rural Talent Loan" ( 鄉村能人貸 ) to enhance the financial service capability for retail customers of inclusive finance. The Bank actively cooperated with provincial agricultural guarantee companies to create products for special scenarios such as "One County, One Product".

**Reducing the financing costs:**

The lowest interest rate of inclusive agriculture-related loans for all branches and sub-branches could be implemented according to the latest one-year LPR, and all transfer settlement fees for agriculture-related small, medium and micro customers would be waived. The Bank reduced the guarantee fee of "Discounted and Convenient Loan" ( 惠易貸 ) and further reduced the financing costs of customers of the "Agriculture, Rural Areas, and Farmers" Group.

**Controlling loan risks:**

Improving the capability of managing and controlling agricultural risk. The Bank conducted in-depth analysis on the risk characteristics of agriculture-related businesses, refined the policy guidelines for agriculture-related industries, and continuously optimized the risk policies for key industries and regions.

Strengthening agricultural business training. The Bank incorporated the agricultural business training into the professional talent team training system, increased the level of training for grassroots business personnel, and effectively improved business capabilities.

As of the end of the Reporting Period, the Bank's balance of agriculture-related loans amounted to RMB 48,425 million, representing an increase of 42.15% as compared to the end of the previous year, serving 11,430 agriculture-related customers. Among the balance of agriculture-related loans and agriculture-related customers, the balance of inclusive agriculture-related loans amounted to RMB 6,060 million, representing an increase of 60.66% as compared to the end of the previous year, serving 5,506 inclusive agriculture-related customers. The balance of loans in poverty-stricken areas amounted to RMB 23,671 million, representing an increase of RMB 5,781 million as compared to the end of the previous year. The Bank fully completed the regulatory indicators of continuous positive growth of the loan balance of agriculture-related fields and poverty-stricken areas.

# 05

# Driven By Innovation, and Improving the Quality and Efficiency


43/ Upgrading the Service

44/ Innovating the Products

46/ Empowering with Technology

# Upgrading the Service

With the development of network finance, banking-related services have been continuously transformed to electronic and network services, and the Bank has continuously transformed and upgraded, launching electronic banking business to provide customers with safe and convenient services.

**During the Reporting Period, the Bank adopted the following measures to achieve financial electronization:**

**E-channel services**

- Strengthened the risk prevention management of e-banking business:
  - The use of digital technology significantly reduced the cost compared with traditional business models, and also met regulatory requirements and customer experience, greatly improving customer satisfaction.
  - Strengthened the application of the Bank's transaction risk control system in personal mobile banking and further improved the anti-fraud ability of e-banking to ensure the security of customer funds.
  - Continuously improved customer experience through special user experience projects and the application of biometric technology.
  - Launched the Bluetooth-key security medium for corporate customers， optimizing the customer transferring process while taking into account security.
- In terms of social security, the Bank introduced self-service payment business. Currently, the electronic channel has covered businesses such as water bill, electricity bill and non-tax payment.

**Intelligent Customer Service Center**

- Continued to optimize the traditional telephone banking channels. During the Reporting Period, the Bank made a number of functions optimization on the customer center telephone banking system, including the top 3-page display, business system, electronic billing, etc., to simplify the customer service process.
- Added two new service channels, namely WeChat official account and official website, to effectively divert the volume of manual calls from traditional phone calls. The annual text consultation volume of the online customer service channel of the customer service center reached 201,900 times, of which 18,000 times were manual services and 183,500 times were robot services, representing an increase of nearly 36.40% as compared with the annual consultation volume in 2021.

**Aging Service Upgrade**

- Re-designed the layout of the mobile banking for the elderly, selected the branch inquiry, point redemption, deposit service, calendar service and other functions commonly used by elderly customers, which were successfully launched and tested run.

**Case**

### Winning 2022 China Digital Finance Gold Award-Best Smart Marketing Award for Mobile Banking

The Bank regarded mobile banking as an important online transaction channel. Based on user needs, the Bank continued to innovate multi-dimensional and multi-channel linkage marketing methods, and the customer satisfaction, activity and contribution of mobile banking have improved significantly.






# Innovating the Products

The Bank continues to initiate and develop featured financial products and services to meet diverse needs of customers. Relying on "Digital Government + Financial Technology", the Bank strives to build a digital platform of "Jiangxi Bank Inclusive Finance" to effectively meet the needs of small and micro enterprises for comprehensive financial services and improve the convenience of customer financing. Meanwhile, the Bank actively initiates online small and micro financial products, launching online products such as "Running Loan" ( 流水貸 ), "Super Mortgage Loan" ( 超抵貸 ), "Tobacco Business Loan" ( 烟農貸 ) and "Micro Enterprise Loan" ( 微企貸 ), which can maximize the financing efficiency of small and micro enterprises. In addition, the Bank continues to enrich the supply of credit products for small and micro enterprises based on their life cycle, industries, trading scenarios and financing needs.

**Product and Service Innovation**

- As one of the first batch of piloting banks, the Bank issued the first business loan of "Running Loan" in July 2021 in Jiangxi Province. As of the end of the Reporting Period, the Bank's "Running Loan" ( 流水貸 ) balance was RMB 493.5033 million, and the amount of loans granted in the year was RMB 1,231.4619 million.
- The Bank launched the online version of ""Guaranteed Loans for Business Start-Ups" ( 創 業 擔 保 貸 )" and "Discounted and Convenient Loan" ( 惠易貸 )to support innovation and entrepreneurship. As at the end of the Reporting Period, the balance of "Guaranteed Loans for Business Start-Ups" ( 創業擔保貸 ) was RMB 340.0363 million, and the balance of "Discounted and Convenient" ( 惠易貸 ) was RMB 104.31 million.
- The Bank innovated the online product "Famer Beneficial Loan" ( 惠農貸 ) to contribute rural revitalization.
- The Bank innovated the cooperation model of "Bank + Labor Union" and launched the "Hong Gong Loan" product.
- The Bank continued to increase the investment in government credit enhancement products such as "Caiyuan Credit Pass" ( 財園信貸通 ) and "Famer Beneficial Credit Pass" ( 惠農信貸通 ) and "Easy-financing Loan" ( 融易貸 ) to the total batch of guarantee products.
- Based on characteristic industries, the Bank innovatively launched "Rural Talent Loans" ( 鄉 村 能 人 貸 ) and "Agricultural Guarantee Loans" ( 農保貸 ) ; The Bank successively launched featured agricultural products such as "Finless eel Breeding Loan" ( 黃鱔養殖貸 ), "Orange Loan" ( 橙圈貸 )and "Fish Breeding Loan" ( 魚類養殖貸 ), with a total balance of RMB 343 million and supported more than 1,300 farmers.




The Website and Featured Products of Jiangxi Bank Inclusive Finance Service Platform



In addition, the Bank continues to initiate and optimize the service experience. The Bank uses "Blockchain + Supply Chain" ,online signing, and other technologies to launch online factoring business "Cloud Enterprise Chain", in ensuring that accounts payable of the core enterprise in the case of trade authenticity, relying on the facility in the Bank, could be transformed into a financeable, transferable and detachable online electronic payment commitment for the payment of goods to upstream suppliers, with which the suppliers applied for factoring financing from the bank, thus helping the small and micro enterprises in the chain to revitalize their accounts receivable.

**Case**

### Launched a Low-Carbon Lifestyle-Themed Credit Card

During the Reporting Period, the Bank innovatively launched the “Low-Carbon Lifestyle-Themed Credit Card” with pure digital medium. The Fuzhou Branch of the Bank took the lead as a pilot institution to calculate carbon credits based on the personal greening behaviors of local customers and converted carbon credits into life rights of themed cards. The product was promoted through CCTV’s documentary “The Road to Zero Carbon” to effectively enhance the branding power of the Bank’s credit card products.




Low-Carbon Lifestyle-Themed Credit Card

## Empowering with Technology

During the Reporting Period, the Bank focused on the development direction of digital transformation, established a product innovation department, and actively carried out relevant work. The Bank continued to drive business transformation, promoted the business and product to be online and intelligent, created “Technology + Industry + Finance” smart scenario finance, expanded new forms of financial service, and customized “Industry Application + Smart Scenario + Financial Service” smart financial digital solutions based on customer needs.




2022 Outstanding Contribution Award for Fintech Empowerment Business Innovation in Financial Industry (Rural Revitalization)

The Bank upgraded the “Smart Gravel” digital platform, which realized closed-loop scenarios including user gravel reporting, government regulatory approval, enterprise production and sales, driver transportation and distribution, bank fund settlement and industry operation monitoring. As at the end of the Reporting Period, the Bank had served more than 20,000 urban and rural residents in building houses, approximately 6,000 rural revitalization projects, approximately 3,000 urban regeneration projects, more than 400 gravel pre-made enterprises, 86 real estate enterprises and 32 national/provincial key projects. The Bank served approximately 926,000 transportation vehicles and approximately RMB 1,210 million in fund settlement and granted a total of RMB 1,260 million of loans to gravel enterprises and small and micro enterprises.

The Bank developed the “Digital Agriculture” financial service platform, established a tripartite community among banks, agricultural means of production companies and farmers, realizing the digitization and online operation on agriculture services, such as purchase and sales on agricultural means of production ,, technical guidance, financial support and quality evaluation. The Bank was awarded the “2022 Outstanding Contribution Award for Fintech Empowerment Business Innovation in the Financial Industry (Rural Revitalization)” by the *Financial Computerizing* magazine of the People’s Bank of China.

The Bank built a “Smart Administration” digital platform to provide enterprises with integrated services such as canteen dining, official car reservation, laundry services, conference reservation and shopping mall, realizing online and self-service daily administrative management.

The Bank innovated the “Smart Courts” service scenarios, and achieved the integration of “Judicial + Financial” services. It realized the service to online of recording of cases, handling of cases, and distribution of funds of cases, and made the case management work more refined, standardized and efficient.

# 06

# Servicing Sincerely and Optimizing Experience


49/ Customer Rights and Interests

51/ Protecting Customer Privacy

52/ Popularizing Financial Knowledge

# Customer Rights and Interests

Being customer-oriented, the Bank persists on refining and optimizing its products and services, safeguarding and protecting the rights and interests of customers, and actively responding to customers' needs and opinions.

## Responding to Customer Complaints

The Bank formulated the *Administrative Measures for the Handling of Customer Complaints of Jiangxi Bank* (《江西銀行客戶投訴處理管理辦法》), the *Evaluation Measures for the Protection of Consumers' Rights and Interests of Jiangxi Bank* (《江西銀行消費者權益保護工作評價辦法》) and other systems to clarify the operating mechanism, risk prevention and control mechanism, and accountability mechanism of the consumer protection work.

During the Reporting Period, the Bank continued to promote the digitization and standardization of financial consumer complaint information processing, strengthened governance from the source, listened to consumer opinions and suggestions, paid attention to financial consumer demands, and actively solved customer pain points. During the Reporting Period, the Bank upgraded and transformed its official website. The new official website displayed the information of complaint channels and complaint handling procedures in a more eye-catching manner. In addition to the original channels, the customer service center added two service channels, namely WeChat official account and official website, to provide customers with efficient, high-quality and convenient consulting and complaint services. The Bank actively contacted People's Mediation Committee in the Banking Industry to form a reasonable connection, provided consumers with a variety of dispute resolution channels, and further provided channels for financial consumers to express their demands, coordinate their interests and protect their rights and interests.

The Bank has disclosed the methods of handling customer complaints in various forms to enable customers to clearly know about the procedures, channels, methods and expected processing time of complaints. Publicity of complaint and consultation methods in prominent places such as business premises, electronic display screens, official website, and WeChat official account. Customers can also raise issues regarding consumers' rights and interests through the Bank's national unified service hotline, credit card service hotline, branch opinion book and other channels.

The Bank implements the first inquiry responsibility system for customer complaints. The institutions or departments related to the content of customer complaints take the initiative to handle customer complaints, and the responsibility for complaint handling is clarified to the person to ensure that the complaint records are kept and timely responded. The Bank also takes the implementation of customer complaint management system as an appraisal management object to implement appraisal management. The Bank has comprehensive process specifications and requirements for handling customer complaints. The handling process is to accept the complaint information, investigate the facts, make handling decisions, reply to the complainant and relevant parties. The Bank has established the *Consumer Complaint Acceptance Ledger of Jiangxi Bank* (《江西銀行消費者投訴受理台賬》). The charging departments regularly make complaints analysis reports. Complaint statistics and analysis on a regular basis are carried out to find out the causes of complaints in a timely manner and implement traceability rectification and accountability, preventing similar complaints. The Bank convenes related departments to conduct special complaint analysis seminars on a quarterly basis, focusing on the discussion of whether the rules related to financial products or services among financial consumer complaints are reasonable, and adjusting the rules of products or services timely.

During the Reporting Period, the Bank received a total of 3,521 financial consumer complaints, with a complaint response rate of 100% and a complaint feedback rate of 100%，that mainly involving debit cards, loans and credit cards business.



## Trustworthy Advertising and Marketing

The Bank abides by the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》) and the *Notice on Further Regulating Financial Marketing and Publicity Activities* (《關於進一步規範金融營銷宣傳行為的通知》) and other laws and regulations. When marketing financial services, the Bank does not refer to wrong and insufficient data and strives to protect financial customers' rights. The *Administrative Measures for the Review of Consumer Rights Protection of Jiangxi Bank* (《江西銀行消費者權益保護審查管理辦法》) regulates product and service in the stage of formulation of promotional materials and the stage of marketing and promotion of products and services. It also clarifies the related review procedures, requiring that the competent departments of product and service promotion departments to:

**1. Formulation of promotional materials:**

The content of the marketing and promotion activities shall remain in the form and substance consistent with the business scope specified in the business license or filing documents obtained by the Bank, and comply with the requirements of relevant laws, regulations, and other regulatory documents. The content should align with the deployment of major national policies and public interests. Self-owned products and consignment products shall be strictly differentiated, and consumers shall not be confused or misled to purchase consignment products. Marketing and publicity terms shall be standardized and accurate, and no extreme and committed terms shall be used. No discriminatory terminology related to gender, race, religion, etc. shall be included or implied.

**2. Marketing and promotion:**

The true conditions of products and services should be described comprehensively and accurately with a list of prohibited behaviors to customers. Sending marketing information to consumers should be with ways to refuse to continue to accept financial marketing information.



# Protecting Customer Privacy

In accordance with the requirements of prudent operation, the Bank has formulated business operating procedures for each business line that meet the requirements for the protection of financial consumer rights and interests, such as the *Administrative Measures for the Security Protection of Personal Financial Information of Jiangxi Bank* （《江西銀行個人金融信息安全保護管理辦法》）, the *Administrative Measures for the Protection of Financial Customer Rights and Interests of Jiangxi Bank* （《江西銀行金融消費者權益保護工作管理辦法》）and other internal control systems. The *Administrative Measures for the Security Protection of Personal Financial Information of the Jiangxi Bank*（《江西銀行個人金融信息安全保護管理辦法》）clearly defines the Bank's responsibility, authority, emergency response and accountability in the process of personal financial information collection, use, and storage. The Bank through various technical means to ensure the security of financial information and take precautions to prevent criminals using viruses, hackers and other technical means to enter the computer information data system to steal relevant information of financial consumers and to infringe on the rights and interests of financial consumers. At the same time, Jiangxi Financial Leasing has also formulated the *Administrative Measures for the Security Protection of Personal Financial Information of Jiangxi Financial Leasing*（《江西金租個人金融信息安全保護管理辦法》）, the *Emergency Response Plan for Personal Financial Information Security Incident of Jiangxi Financial Leasing*（《江西金租個人金融信息安全突發事件應急處置預案》）, and the *Administrative Measures for Confidentiality of Jiangxi Financial Leasing*（《江西金租賃保密管理辦法》）and other internal policies to protect customer's privacy.

The Bank's e-banking ensures the security of customer information and funds through various measures. If a customer requires of over-the-counter transfer, he/she must go to the outlet to verify his/her identity information. The Bank provides multiple verification for customers. The Bank also strengthens the application of the risk control system of transaction, reminds customers and strengthens verification towards the customers when risky transactions emerge, and blocks trading when necessary.

The Bank actively carries out safety and case prevention training to enhance employees' safety awareness and ability. During the Reporting Period, the Bank carried out various trainings such as the "Three Laws and One Regulations" safety awareness training and illegal fund-raising to comprehensively improve the safety awareness of technical personnel. In addition, the Bank organized and carried out special skills training for network security technicians. The network security experts explained the common network security attack methods and loophole principles. Through theoretical learning, practical training, assessment and other methods, the security protection ability of technical personnel was significantly improved, and the Bank's network security attack and defense level and emergency response ability were further improved.

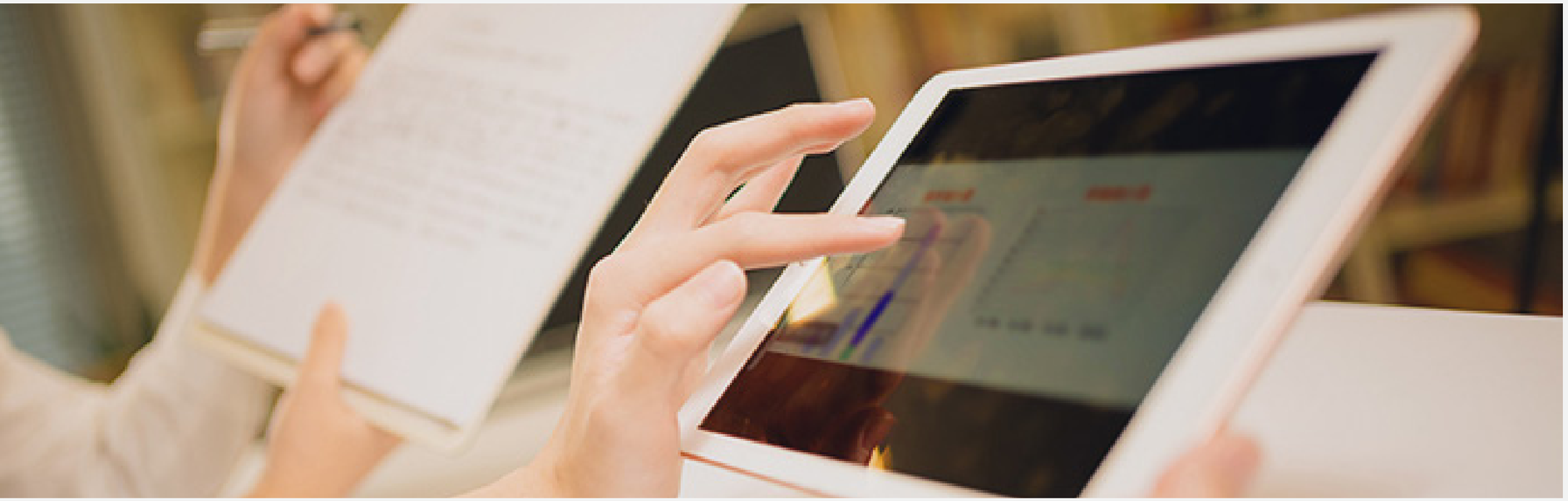
# Popularizing Financial Knowledge

The Bank actively fulfills its social responsibilities, undertake financial responsibilities, and conduct financial knowledge promotion and publicity. During the Reporting Period, the Bank focused on key groups such as "The Old and the Young", new citizens and migrant workers to carry out publicity activities such as "3.15" Consumer Rights Protection Education, Financial Knowledge Promotion Touring, Financial Knowledge Promotion and "Money Bag Guarding", and Financial Knowledge Promotion Month according to local conditions.

The Bank strengthens the publicity and promotion of financial knowledge in the field of elderly care and elderly-related groups. For example, the head office of the Bank planed and designed publicity pictures and articles to enhance the elderly's ability to identify fraud and anti-fraud. Nanchang Hongcheng Sub-branch of the Bank assisted the elderly in learning and using mobile payment, so that the elderly can enjoy intelligent and convenient financial services and solve the difficulties of the elderly in applying intelligent technology in the financial field. In order to promote financial knowledge and strengthen the anti-fraud publicity of the middle-aged and elderly people, the Bank carried out the "Award-Winning Questions" activity on the WeChat official account of Jiangxi Bank from September to October 2022. Through interesting "Answers and Prize-Winning Quizzes", customers can learn about financial knowledge, especially guiding the middle-aged and elderly customers to participate in the activity to improve their anti-fraud awareness. A total of 730,000 participants attended the event, with high participation and good results.

In response to the financial knowledge needs and interests of primary and secondary school students, the Bank independently developed and designed the reading book of "Jiangxi Bank Financial Classroom", which was favored and welcomed by the audience. Meanwhile, in the beginning of September, all branches and sub-branches visited the campus with a series of themed activities such as "Promoting Anti-Fraud Knowledge and Caring for Students". They taught students to learn about the paper currency and reminded them to pay attention to personal information protection, helping the youth grow up healthily.

Focusing on key groups such as new citizens, migrant workers and people with disabilities, the Bank actively cooperates with the public security, public welfare organizations, community property management organizations, and village committee organizations to teach financial knowledge required in their production and life scenarios that of high frequency. Besides, the Bank cooperated with public security police to carry out the theme activity of "Promoting Anti-fraud Knowledge", to promote risk warning and prevention skills, and help people identify and address illegal financial activities. Financial knowledge were circulated 168 times during prime time through the "Space Lessons" on the radio station of Jiangxi FM105.4.





Promoting Financial Knowledge in Campus



Promoting Financial Knowledge in Nursing Homes

# 07

# Caring for Employees and Growing Together


55/ Employee Rights and Interests

57/ Employee Development

58/ Employee Health and Safety

# Employee Rights and Interests

The Group fully assures and protects the rights and interests of employees, and actively creates an environment for employees to grow and develop with a sense of belonging, security, and accomplishment. We strictly abide by the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) and other relevant national laws and regulations, as well as various rules and regulations formulated in accordance with the law. We adhere to the principle of fairness, justice and openness to regulate the human resource system in terms of remuneration, recruitment, dismissal, promotion, working hours, holidays, welfare, code of conduct and professional ethics, eliminate discrimination caused by differences in employees' gender, ethnicity, religion, etc., and realize the construction of diversified talent team.

### Recruitment and Dismissal

During the recruitment process, the Bank has established the *Administrative Measures for External Recruitment of Jiangxi Bank (Revised in 2020)* (《江西銀行行外招聘管理辦法（2020 年修訂）》) and the *Administrative Measures on Internal Recruitment of Jiangxi Bank (Revised in 2019)* (《江西銀行對內招聘管理辦法（2019 年修訂）》). Meanwhile, in accordance with the provisions of the *Labor Law of the People's Republic of China*, the Bank legally approves the relevant procedures for dismissal of employees to prevent non-compliant dismissal. In terms of employment management, Jiangxi Financial Leasing internally implemented the *Administrative Measures for the Recruitment and Employment of Employees of Jiangxi Financial Leasing.* (《江西金租員工招聘與入職管理辦法》), the *Implementation Measures for the Leave System and Employee Care of Jiangxi Financial Leasing (Revised in 2021)* (《江西金租員工請休假制度與員工關懷實施辦法（2021 年修訂）》), the *Administrative Measures of Attendance of Jiangxi Financial Leasing* (Revised in 2021)《江西金融租賃股份有限公司考勤管理辦法（2021 年修訂）》and other policies.

### Equal Opportunity, Diversity and Anti-Discrimination

The working ability, overall quality and development potential are evaluated, and the candidates' gender, age, race, cultural background, marital status, sexual orientation, and physical disability will not be included in the selection criteria to ensure that all candidates can be treated fairly.

### Prevention of Child Labor and Forced Labor

The Bank also strictly abides by the *Law of the People's Republic of China on the Protection of Minors* (《中華人民共和國未成年人保護法》), the *Provision on the Prohibition of Using Child Labor* (《禁止使用童工規定》) and other laws and regulations. In order to eradicate the recruitment of minors under the age of 16, the Bank requires new employees to provide true and valid identity documents onboarding, previous labor contracts and social insurance payment proof for inspection. Anyone who provides false materials will not be hired. If any violation is found, it will be handled in accordance with laws and regulations and relevant provisions of the Bank. The Bank prohibits forced labor and encourages its employees to work and take leave in accordance with relevant regulations. During the Reporting Period, no child labor or forced labor incidents occurred in the Bank.

### Remuneration and Promotion

The Bank's overall remuneration strategy integrates the position of talent competition market and remuneration market and remuneration packages and adjustments, reflecting a scientific, reasonable and competitive remuneration level. In strict compliance with the *Supervisory Guidelines on Sound Compensation in Commercial Banks* (《商業銀行穩健薪酬監管指引》) and other relevant regulations, in order to undertake and guarantee the construction of dual-channel system for job ranks, the Bank has established a remuneration system with the value of "Unified Salary, Grade-based Salary and Performance-based Bonus", and implemented deferred payment in proportion to the performance compensation of the Bank's senior management and positions that have a significant impact on risks in accordance with regulatory requirements. In accordance with the *Regulations on Selecting and Appointing Leading Party and Government Cadres* (《黨政領導幹部選拔任用工作條例》), the Bank revised the *Administrative Measures for the Selection and Appointing Cadres of Jiangxi Bank* (《江西銀行幹部選拔任用管理辦法》), improved the cadre selection mechanism and management measures, constructed a management training platform, continued to optimize the management structure and improved quality and efficiency the selection and appointment work.

### Working Hours and Holidays

In terms of working hours, the Bank stipulates that the employees work no more than eight hours a day. In case of operational needs, working hours may only be extended after consultation with employees. The Bank arranges holidays for employees in accordance with the law, and formulates corresponding paid leave standards according to the actual situation of employees. The Bank also formulated and implemented the *Implementation Measures for Employees Paid Annual Leave of Jangxi Bank* (《江西銀行職工帶薪年休假實施辦法》) to further regulate employees' leave, and protect the legitimate rights and interests of employees.

### Other Welfare Benefits

The Bank signed the *Labor Contract of Jiangxi Bank* (《江西銀行勞動合同》) with all employees based on equality, voluntariness, honesty and keeping good faith. The contract stipulates "Working Hours, Rest and Vacation", "Labor Remuneration", "Social Insurance and Welfare", "Labor Protection and Working Conditions" and other contents to protect the rights and interests of employees. In addition to the statutory benefits stipulated by the state such as basic endowment insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund, employees also enjoy enterprise annuity, supplementary medical insurance and other benefits.

## Statistics of employees during the Reporting Period

| Categories | | Number of employees | Percentage | Number of lost employees | Employee turnover |
|---|---|---|---|---|---|
| Total number of employees | | 5,221 | 100% | 238 | 4.56% |
| By gender | Male | 2,387 | 45.72% | 125 | 5.24% |
| | Female | 2,834 | 54.28% | 113 | 3.99% |
| By age | Under 30 (inclusive) years old | 1,829 | 35.03% | 135 | 7.38% |
| | Aged 31 to 40 (inclusive) years old | 2,354 | 45.09% | 87 | 3.70% |
| | Aged 41 to 50 (inclusive) years old | 823 | 15.76% | 13 | 1.58% |
| | Over 50 years old | 215 | 4.12% | 3 | 1.40% |
| By region | Within Jiangxi Province | 4,904 | 93.93% | 195 | 3.98% |
| | Outside Jiangxi Province | 317 | 6.07% | 43 | 13.56% |
| By management level | Senior management | 9 | 0.17% | / | / |
| | Middle management | 144 | 2.76% | / | / |
| | General employee | 5,068 | 97.07% | / | / |
| By employment type | Full-time | 5,221 | 100.00% | / | / |
| | Part-time | 0 | 0.00% | / | / |
| Minority employees | | 36 | 0.69% | / | / |

# Employee Development

The Bank has always adhered to the talent principle of "Solidify Foundation, Earn Experience and Increase Capacity" as the foundation of the Bank, and has attached great importance to the career development of employees to continuously improve the cohesion and comprehensive capabilities of employees. In order to adapt to the talent needs brought by the Bank's strategic development and business expansion, the Human Resources Department of Jiangxi Bank has formulated the *Implementation Plan for Talent Cultivation of "Qixiang Program" of Jiangxi Bank* (《江西銀行「啟翔計劃」人才培養實施方案》),and recruited well-performed new graduates as management trainees. The Bank carried out forward-looking talent ladder layout, effectively improved the scientific and standardized level of training and cultivation and took multiple measures to cultivate and make good use of various talents of cadre and employee for the transformation and development of the Bank, so as to promote the common progress of employees and the enterprise.

During the Reporting Period, the Bank formulated an annual training plan, gave full play to the advantages of online learning platform, and carried out live training for new businesses and new products in a timely manner. Through the combination of internal and external training, theory and practice, and the combination of intensive training and self-study, the employees' sense of identity towards the Bank was enhanced and their working ability and level were improved.



Third Quarter Financial Line Special Training



Product Manager Comprehensive Ability Improvement Training

| By gender | Number of employees trained | Percentage of employees trained[10] | Average training hours[11] |
|---|---|---|---|
| Male | 2,387 | 45.72% | 79.63 |
| Female | 2,834 | 54.28% | 79.63 |

| By management level | Number of employees trained | Percentage of employees trained | Average training hours |
|---|---|---|---|
| Senior management | 9 | 0.17% | 130.28 |
| Middle management | 144 | 2.76% | 126.31 |
| General employee | 5,068 | 97.07% | 78.21 |

[10] The percentage of employees trained by related categories = the number of employees trained in a specific category / trained employee * 100%

[11] Average training hours completed per employee by related categories = total training hours completed of employees in a specific category / number of employees in a specific category

# Employee Health and Safety

The health and safety of employees is the cornerstone of the Group's sustainable development. The Group insists on safe development, commits to providing employees with a healthy and safe working environment, and strictly abides by laws and regulations that have significant impacts on the business of the Group in terms of health and safety, including but not limited to the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), *Fire Protection Law of the People's Republic of China* (《中華人民共和國消防法》) and the *Emergency Response Law of the People's Republic of China* (《中華人民共和國突發事件應對法》), internally formulated the *Evaluation Method of Safety Building (Comprehensive Management) of Jangxi Bank* (《江西銀行平安建設（綜治工作）考評辦法》) , to protect employees' basic rights to safe office and production, physical and mental health, and life safety. During the Reporting Period, the Group strictly implemented the health and safety management for its employees in accordance with its internal management policies, and there were no cases of violation of relevant laws and regulations. The number and rate of work-related fatalities of the Bank occurred in each of the three years including the Reporting Period was 0, and lost days due to work-related injuries were 296 days during the Reporting Period.



Fire Safety Education and Training Activities for New Employees

The Bank earnestly carries out safety education and training to enhance employees' safety awareness and comprehensive quality. During the Reporting Period, the Bank organized annual fire safety education training and practical training for new employees, and systematically explained fire safety and conducted in-depth analysis with practical operations and major cases.

**Case**

### Sunshine Athletes, and Healthy Employees of Jiangxi Bank

The Bank's labor unions at all levels attached great importance to the sports needs of employees in their spare time. At present, more than ten interest groups have been established, while professional sports venues and professional coaches were provided and engaged. In addition, the Bank also participated in competitions by organizing sports events and forming sports teams. During the Reporting Period, the Bank's employees achieved excellent results in 15 sports events in the 16th Sports Meet in Jiangxi Province.









**Case**

### Carrying out the Fitness Walking Activity "Flying Mood by Healthy Fitness Walking"

In order to carry out nationwide fitness activities and enrich employees' cultural and sports life, the Bank's labor union organized a fitness walking activity for union members of the Bank. All departments of the head office were uniformed and selected different routes for activities at different times and locations, to complete a 3-kilometers walking activity.



# 08

# Being Committed to the Community and Creating Mutual Benefits

61/ Rural Revitalization
62/ Public Welfare Activities
62/ Harmonious Community

Jiangxi Bank remains true to our original aspiration and keeps our mission firmly in mind and actively fulfills its social responsibilities. The Bank continues to make efforts in work of rural revitalization to orderly promote the effective connection between poverty alleviation and rural revitalization. Besides, the Bank adheres to carrying out social welfare activities to serve the society to cultivate the spirit of public welfare and collective values in the Bank. The Bank actively organizes volunteer activities and fulfills its obligations as a corporate citizen. During the Reporting Period, a total of approximately RMB 2.8 million was invested for partner assistance projects. More than 770 participants participated in the volunteer activities, with a total of approximately 2,300 hours spent on volunteer activities.

## Rural Revitalization

Case

### Developing Characteristic Industries According to Local Conditions to Promote Rural Revitalization

Luoxi Village of Ehu Town was a provincial focused assistance village for rural revitalization. The work team of the Bank in Luoxi Village actively developed characteristic agriculture according to the places and characters considering actual situation of the agricultural industry in the village. By implementing large-scale operation through land transfer, the Bank introduced social capital to adopt the mode of “Branch + Cooperative + Farmers”, and introduced RMB 3.50 million to build the “Betel Nut Taro Base with Thousands of Acres”, which increased farmers’ income by more than RMB 1.70 million, provided more than 100 jobs, and helped rural revitalization. It was expected to achieve an output value of RMB 6.00 million.



Case




Xinqu Sub-branch carried out activities to help the poor

Case



Pingxiang Branch took poverty alleviation in Fengshi Town, Lukou Town, Lianhua County

## Public Welfare Activities

Case

### Caring for Left-behind Children and Fulfilling Social Responsibility

Relying on the practical station of civilization in the new era, the Bank built the “Children’s Heart Harbor” in Luoxi Village, Ehu Town, Qianshan County, a key village for rural revitalization under the “14th Five-Year Plan”. The Bank carried out a series of activities to care for left-behind children such as “Light up the Children’s Dream with Books”, which was reported by the local media and the official Weibo account of the Communist Youth League in Yanshan County.




Case




Dayu Sub-branch helped to carry out forest fire prevention work in winter solstice, guided villagers to mourn their ancestors in more civil ways to prevent forest fires

Case




Xinjian sub-branches organized blood donation activities for four consecutive years

## Harmonious Community

Case

### Focusing on the Central Task and Joining Hands with the Party-Mass to Fight the Epidemic

Young volunteers of the Bank participated in responding to emergencies in an orderly manner. The Bank has established a normalized emergency response team with youth as the main forces, and has set up several youth shock brigades to participate in the local epidemic prevention and control with other grassroot party organizations.







Case




Ganjiang Xinqu Branch launched activities to help the elderly by setting up caring stations to provide financial service guidance

Case




Zhongshan Road Sub-branch went to the Jiangxi Elderly Care Service Center and actively carried out the “Carrying Forward Lei Feng Spirit” volunteer activity

# Looking Ahead to 2023

2023 is the first year for the full implementation of the Guiding Principles of 20th CPC National Congress, and a crucial year for the implementation of the 14th Five-Year Plan, as well as a critical year for the in-depth promotion of the *Implementation and Localization Plan of the Strategic Planning of the third Board Meeting of Jiangxi Bank*. We will adhere to the mission of "Serving Urban and Rural Residents, Serving Small and Medium Enterprises, and Serving the Local Economy", continuously improving the level of sustainable development governance. We will continue to firmly establish and practice the concept of Lucid Waters and Lush Mountains are Invaluable Assets, plan for development of harmonious coexistence between human and nature, vigorously develop green finance, promote green office at the operational level, and build a green earth. We will continue to promote inclusive finance, help enterprises in difficulties and help to achieve rural revitalization. Aiming at exploration of digital transformation development, we will continuously upgrade products and services. Adhering to the customer-oriented philosophy, we firmly protect the rights and interests of customers. In addition, we will continue to care for the community and protect the rights and interests of employees.





# Independent Assurance Statement

To the Board of Directors of Jiangxi Bank Co., Ltd.:

CECEP (HK) Advisory Company Limited ("**CECEPAC (HK)**" or "**We**") has been entrusted by Jiangxi Bank Co., Ltd. ("**Jiangxi Bank**") to conduct an independent limited assurance engagement ("**Assurance Engagement**") on the information and data related to sustainability in Jiangxi Bank's 2022 Environmental, Social and Governance Report ("**ESG Report**").

CECEPAC (HK) assessed Jiangxi Bank's adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness and Impact) set out in the AA1000 Assurance Standard v3 ("**AA1000AS v3**"). Besides, CECEPAC (HK) provided limited assurance on the reliability and quality of specified performance information disclosed in the ESG Report that has been selected in accordance with the 2019 edition of the Environmental, Social and Governance Reporting Guide ("**ESG Reporting Guide**") published by the Stock Exchange of Hong Kong Limited ("**SEHK**").

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

## I. Independence and Competence

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

The assurance team of CECEPAC (HK) is composed of experienced consultants in the industry who have had professional training on sustainability-related standards such as GRI Standards issued by the Global Sustainability Standards Board, AA1000AS v3, the ESG Reporting Guide of the SEHK, etc.

The assurance team of CECEPAC (HK) has extensive experience in conducting assurance work and has sufficient understanding and capabilities of the implementation of AA1000AS v3. Meanwhile, the Assurance Engagement related to sustainability issues is carried out in line with CECEPAC (HK)'s internal assurance protocol.

## II. Jiangxi Bank's Responsibilities

Jiangxi Bank is responsible for the preparation and presentation of the ESG Report in accordance with the ESG Reporting Guide published by SEHK. Jiangxi Bank is also responsible for implementing relevant internal control procedures to ensure that the contents of the ESG Report are free from material misstatement, whether due to fraud or error.

## III. Assurance Provider's Responsibilities

CECEPAC (HK) is responsible for issuing an independent assurance statement according to AA1000AS v3 and the ESG Reporting Guide published by SEHK to the Board of Directors of Jiangxi Bank. This independent assurance statement applies solely to the ESG Report in the specified scope, expresses a conclusion on the assurance work, and does not serve any other intents or purposes.

CECEPAC (HK) ensures that all personnel involved in the Assurance Engagement meet the professional qualification, training and experience requirements, and are proficient in conducting assurance engagements. All results of assurance are internally reviewed by senior staff to ensure that methodologies used in the process are sufficiently stringent and transparent.

## IV. Assurance Scope

- The scope of the Assurance Engagement is limited to the information and data in the ESG Report that relates to Jiangxi Bank and its subsidiaries and does not include data or information provided by Jiangxi Bank's suppliers, contractors, and other third parties;
- Type 2 Moderate Level of Assurance was adopted to evaluate the nature and extent of Jiangxi Bank's adherence to the four AA1000 Accountability Principles set out in the AA1000AS v3;
- Jiangxi Bank and CECEPAC (HK) reached an agreement to select specified performance information in the ESG Report as part of the content for Assurance Engagement. The selected specified performance information is as follows:
  - Number of financial consumer complaints in 2022
  - Electricity consumption in 2022
  - Number of suppliers in 2022

- The time scope of the Assurance Engagement was with respect to information disclosed from 1 January, 2022 to 31 December, 2022 and included in the ESG Report only. Any information that falls outside this period and disclosed in the ESG Report is not included within the scope of the Assurance Engagement. Therefore, we do not express any conclusions on this information; and
- The scope of the assurance is confined to the information and data provided by Jiangxi Bank. Any queries regarding the content or related matters within this independent assurance statement should be addressed to Jiangxi Bank only.

## V. Methodology of the Assurance Engagement

CECEPAC (HK)'s Assurance Engagement was conducted with respect to Jiangxi Bank and its subsidiaries only, and the assurance work included:

- Evaluating the suitability of Jiangxi Bank's stakeholder engagement process;
- Conducting interviews[1] with Jiangxi Bank's sustainability management and other personnel involved in the preparation and provision of the content and information in the ESG Report;
- Assessing whether the reporting and management approach disclosed in the ESG Report responded to the principles of Inclusivity, Materiality, Responsiveness, and Impact as defined in the AA1000AS v3;
- Conducting sampling of supporting evidence pertaining to data reliability and quality for selected specified performance information;
- Recalculating selected specified performance information;
- Assessing the degree of conformity of the ESG Report with the ESG Reporting Guide; and
- Performing other procedures we deemed necessary.

The conclusions within the Assurance Engagement were based upon the assumption that the information provided by Jiangxi Bank to CECEPAC (HK) was complete and accurate.

## VI. Limitations

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

## VII. Conclusions

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

### Inclusivity

Jiangxi Bank has fully identified main stakeholders, including the government, regulatory agencies, shareholders, customers, employees, suppliers, partners, community, and environment, and understands their expectations and areas of concern. Jiangxi Bank also considers the demands of its stakeholders in the process of corporate operations and policy-making. In our professional opinion, Jiangxi Bank adheres to the Principle of Inclusivity.

### Materiality

Jiangxi Bank has understood the concerns and expectations of its main stakeholders through daily communication mechanisms and uses them as a basis for identifying important sustainability issues. Meanwhile, Jiangxi Bank has established materiality assessment procedures for identifying important issues and collected opinions from its main stakeholders to identify the key ESG issues. Jiangxi Bank disclosed the assessment process and results of important issues in its ESG report. In our professional opinion, Jiangxi Bank adheres to the Principle of Materiality.

### Responsiveness

Jiangxi Bank has established regular stakeholder communication mechanisms to understand their concerns and expectations and follows relevant procedures when responding to concerns raised by key stakeholders. Meanwhile, Jiangxi Bank disclosed the ESG work management framework, lead department responsibilities, important issue assessment process and results in the ESG report and provided a key response to the important issues identified in the assessment. In our professional opinion, Jiangxi Bank adheres to the Principle of Responsiveness.

### Impact

Jiangxi Bank has allocated resources on understanding, measuring, evaluating, and managing its impacts, including environmental and social aspects. At the same time, Jiangxi Bank appropriately disclosed the identified impacts and corresponding management measures in the ESG Report. In our professional opinion, Jiangxi Bank adheres to the Principle of Impact.

### Specified Performance Information

Based on the procedures CECEPAC (HK) has performed and the evidence we have obtained, nothing has come to our attention that causes us to suspect the reliability and quality or the conformity with the preparation basis set out in the ESG Report of the three selected specified performance information of the ESG Report.

### SEHK's ESG Reporting Guide

In all material aspects, disclosures for general disclosures of environmental and social subject areas and key performance indicators of environmental subject areas were aligned with the Mandatory Disclosure Requirements and "Comply or Explain" provision of the ESG Reporting Guide published by SEHK. Jiangxi Bank has disclosed the involvement of key stakeholders in the materiality assessment; impacts caused by business are objectively disclosed; relevant environmental and social data are calculated and disclosed. At the same time, Jiangxi Bank disclosed the regulatory responsibilities regarding ESG issues and the work carried out in 2022 of the Board of the Directors in the Board Statement of the ESG Report, which were in line with the governance framework requirements related to Mandatory Disclosure Requirements in the ESG Reporting Guide published by SEHK.

## VIII. Recommendations

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

- Improve the ESG risk management system and institutional framework, and integrate the identification and management of ESG risks into the risk management system and further strengthen the identification and management of ESG risks in the risk identification process;
- Further enhance the quantitative disclosure of the achievement of the established ESG goals.

CECEP (HK) ADVISORY COMPANY LIMITED
中國節能諮信(香港)咨詢有限公司

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000-259/V3-AM7OE

30 March, 2023
Hong Kong, China

[1] The Assurance Engagement was conducted through online means and interviews were conducted over the phone or online meetings.

# Appendix: *ESG Reporting Guide* Content Index

| Mandatory Disclosure Requirements | | | Disclosure Section or Explanation |
|---|---|---|---|
| Governance Structure | A statement from the Board containing the following elements:<br>(i) a disclosure of the Board's oversight of ESG issues;<br>(ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and<br>(iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. | | Strengthening Governance and Communicating Continuously |
| Reporting Principles | A description of, or an explanation on, the application of the Reporting Principles, in terms of materiality, quantitative, consistency in the preparation of the ESG report. | | About This Report |
| Reporting Boundary | A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change | | About This Report |
| **General Disclosures and KPIs** | | | **Disclosure Section or Explanation** |
| A. Environment | | | |
| Aspect A1: Emission | General Disclosure<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.<br>Note: Air emissions include $NO_x$, $SO_x$, and other pollutants regulated under national laws and regulations.<br>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.<br>Hazardous wastes are those defined by national regulations. | | Building Green Bank and Contributing to Dual Carbon |
| | KPI A1.1 | The types of emissions and respective emissions data. | Building Green Bank and Contributing to Dual Carbon |
| | KPI A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Building Green Bank and Contributing to Dual Carbon |
| | KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Building Green Bank and Contributing to Dual Carbon |
| | KPI A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Building Green Bank and Contributing to Dual Carbon |
| | KPI A1.5 | Description of emissions target(s) set and steps taken to achieve them. | Building Green Bank and Contributing to Dual Carbon |
| | KPI A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | Building Green Bank and Contributing to Dual Carbon |
| Aspect A2: Use of Resources | General Disclosure<br>Policies on the efficient use of resources, including energy, water and other raw materials.<br>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc. | | Building Green Bank and Contributing to Dual Carbon |
| | KPI A2.1 | Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility). | Building Green Bank and Contributing to Dual Carbon |
| | KPI A2.2 | Water consumption in total and intensity (e.g., per unit of production volume, per facility). | Building Green Bank and Contributing to Dual Carbon |
| | KPI A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | Building Green Bank and Contributing to Dual Carbon |
| | KPI A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | Building Green Bank and Contributing to Dual Carbon |
| | KPI A2.5 | Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced. | The Group is a financial service institution, its business does not involve the consumption of a large amount of packaging materials. |
| Aspect A3: The Environment and Natural Resources | General Disclosure<br>Policies on minimizing the issuer's significant impact on the environment and natural resources. | | Building Green Bank and Contributing to Dual Carbon |
| | KPI A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Building Green Bank and Contributing to Dual Carbon |
| Aspect A4: Climate Change | General Disclosure<br>Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | | Building Green Bank and Contributing to Dual Carbon |
| | KPI A4.1 | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. | Building Green Bank and Contributing to Dual Carbon |
| **General Disclosures and KPIs** | | | **Disclosure Section or Explanation** |
| B. Social | | | |
| Employment and Labour Practices | | | |
| Aspect B1: Employment | General Disclosure<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | | Caring for Employees and Growing Together |
| | KPI B1.1 | Total workforce by gender, employment type, age group and geographical region. | Caring for Employees and Growing Together |
| | KPI B1.2 | Employee turnover rate by gender, age group and geographical region. | Caring for Employees and Growing Together |

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| Aspect B2: Health and Safety | General Disclosure<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to providing a safe working environment and protecting employees from occupational hazards. | | Caring for Employees and Growing Together |
| | KPI B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | Caring for Employees and Growing Together |
| | KPI B2.2 | Lost days due to work injury. | Caring for Employees and Growing Together |
| | KPI B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored. | Caring for Employees and Growing Together |
| Aspect B3: Development and Training | General Disclosure<br>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.<br>Note: Training refers to vocational training. It may include internal and external courses paid by the employer. | | Caring for Employees and Growing Together |
| | KPI B3.1 | The percentage of employees trained by gender and employee category (e.g., senior management, middle management) | Caring for Employees and Growing Together |
| | KPI B3.2 | The average training hours completed per employee by gender and employee category. | Caring for Employees and Growing Together |
| Aspect B4: Labour Standards | General Disclosure<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to preventing child and forced labor. | | Caring for Employees and Growing Together |
| | KPI B4.1 | Description of measures to review employment practices to avoid child and forced labor. | Caring for Employees and Growing Together |
| | KPI B4.2 | Description of steps taken to eliminate such practices when discovered. | Caring for Employees and Growing Together |
| Operating Practices | | | |
| Aspect B5: Supply Chain Management | General Disclosure<br>Policies on managing environmental and social risks of the supply chain. | | Building Green Bank and Contributing to Dual Carbon |
| | KPI B5.1 | Number of suppliers by geographical region. | Building Green Bank and Contributing to Dual Carbon |
| | KPI B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. | Building Green Bank and Contributing to Dual Carbon |
| | KPI B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | Building Green Bank and Contributing to Dual Carbon |
| | KPI B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Building Green Bank and Contributing to Dual Carbon |
| Aspect B6: Product Responsibility | General Disclosure<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress. | | Servicing Sincerely and Optimizing Experience<br>Due to the business nature of the Group, issues related to the health and safety as well as labelling of products and services provided are not applicable to the Group. |
| | KPI B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons | As the business of the Group does not involve the production of products, this item is not applicable. |
| | KPI B6.2 | Number of products and service related complaints received and how they are dealt with. | Servicing Sincerely and Optimizing Experience |
| | KPI B6.3 | Description of practices relating to observing and protecting intellectual property rights. | Operating Stably and Managing Controlling Risk |
| | KPI B6.4 | Description of quality assurance process and recall procedures. | The business is not applicable |
| | KPI B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored. | Servicing Sincerely and Optimizing Experience |
| Aspect B7: Anti-corruption | General Disclosure<br>Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to bribery, extortion, fraud and money laundering. | | Operating Stably and Managing Controlling Risk |
| | KPI B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases. | Operating Stably and Managing Controlling Risk |
| | KPI B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. | Operating Stably and Managing Controlling Risk |
| | KPI B7.3 | Description of anti-corruption training provided to directors and staff. | Operating Stably and Managing Controlling Risk |
| Community | | | |
| Aspect B8: Community Investment | General Disclosure<br>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | | Being Committed to the Community and Creating Mutual Benefits |
| | KPI B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport) | Being Committed to the Community and Creating Mutual Benefits |
| | KPI B8.2 | Resources contributed (e.g. money or time) to the focus area. | Being Committed to the Community and Creating Mutual Benefits |

# Readers' Feedback

Thank you for reading the *2022 Environmental, Social and Governance Report of Jiangxi Bank Co., Ltd.* To enhance communication and exchanges with stakeholders and further improving the Bank's capabilities and standards on sustainability management, we hope that you can share with us your valuable comments and suggestions on this Report by completing the feedback form below and sending it to us via any of the following ways.

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1. Which kind of stakeholder are you:

☐ Government ☐ Regulator ☐ Shareholder ☐ Customer ☐ Employee ☐ Supplier ☐ Partner ☐ Community ☐ Others

2. Your general evaluation on this report:

☐ Poor ☐ Average ☐ Good ☐ Excellent

3. Your evaluation of Jiangxi Bank in performing social responsibilities for economic development:

☐ Poor ☐ Average ☐ Good ☐ Excellent

4. Your evaluation of Jiangxi Bank in performing social responsibilities for environment conservation:

☐ Poor ☐ Average ☐ Good ☐ Excellent

5. Your evaluation of Jiangxi Bank in performing social responsibilities for social progress:

☐ Poor ☐ Average ☐ Good ☐ Excellent

6. Do you think the information disclosed in this Report is complete?

☐ No ☐ Average ☐ Yes

7. Do you think the content and typography is clear and suitable for reading?

☐ No ☐ Average ☐ Yes

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




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