



吉林九台農村商業銀行股份有限公司 *
JILIN JIUTAI RURAL COMMERCIAL BANK CORPORATION LIMITED *

(A joint stock company incorporated in the
People's Republic of China with limited liability)

Stock Code : 6122

2016

Environmental, Social and Governance Report

*Jilin Jiutai Rural Commercial Bank Corporation Limited is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on bank/deposit-taking business in Hong Kong.

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About the Environmental, Social and Governance Report

The Environmental, Social and Governance, Report (the “ESG Report”) elaborates the various work of Jilin Jiutai Rural Commercial Bank Corporation Limited (the “Bank” or “Jiutai Rural Commercial Bank”) and its subsidiaries (the “Group”) in fully implementing the concept of sustainable development and performing their corporate social responsibilities, and their performance of social governance in 2016.

Scope of Reporting

The ESG Report focuses on the environmental and social performance of the core business of the Group in mainland China from January 1, 2016 to December 31, 2016 (the “Year”).

Reporting Guidance

The ESG Report was prepared based on the “Environmental, Social and Governance Reporting Guide” under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Stakeholder Engagement

The preparation of the ESG Report, which was supported by employees from different departments, enables the Group to have a better understanding of its current environmental and social development. The information gathered in the ESG Report is not only the summary of the environmental and social work carried out by the Group during 2016, but also the basis for the Group to map out short and long term strategies for sustainable development.

Information and Feedbacks

For details of the environmental initiatives and corporate governance of the Group, please refer to the official website (www.jtnsh.com) and 2016 annual report of the Bank. Your opinions on this report will be highly valued by the Group. If you have any advice or suggestion, please email to the following address: jtnsyh@126.com.

Chairman's Statement



Mr. Gao Bing
Chairman of Board of Directors

Chairman's Statement

In 2016, the Group has made unremitting efforts to contribute to the supply-side structural reform of China and to adapt to regional economic and social development. The Group rose to the challenges posed by the reform of financial sector through accelerating business transformation and service upgrades. Adhering to the philosophy of inclusive financial service, the Group actively performed its corporate social responsibilities and implemented the strategy of improving the well-being of both the public and the enterprises. While promoting the steady and rapid business development, the Group also highlighted the importance of environment protection and resources conservation. Moreover, great emphasis was placed on the cultivation of value and ethics of employees, which has led to a general consensus on value creation, fulfilment of responsibility and harmonious development within the Group.

Good wishes will always be blessed. The Group successfully established a foothold in the capital market leveraging its standardized corporate governance and remarkable operating results. Listed on the Stock Exchange on January 12, 2017, the Group is the second rural commercial bank listed on the Stock Exchange, which marked a new beginning for the ensuing reform and development.

Bearing the initial intention in mind, the Group's dedication to the life-long mission will continue in 2017. It is the Group's objective to develop into a professional financial service provider with unique added value and solid competitive edges and to build up a domestic first-class and pacemaker rural commercial bank which epitomizes modern comprehensive operation under a well-known brand. The Group will also strive to pay back to the society by better serving the real economy. Furthermore, the Group will vigorously develop the inclusive financial service with meticulous management and simplified operation, so as to maximize the benefits for the society.

Gao Bing

Chairman

About the Group

Jiutai Rural Commercial Bank is the successor of Jiutai Rural Credit Cooperative. In December 2008, it was formally reorganized as the first rural commercial bank in the Northeast China and was recognized as the benchmark rural commercial bank in China by the China Banking Regulatory Committee (the “CBRC”). Through the acquisitions of rural credit cooperatives and rural cooperative banks, the restructuring of these acquirees into rural commercial banks and the promotion and acquisitions of village and township banks, the Bank continuously expanded its business and had 37 subsidiaries as of December 31, 2016.

While adhering to the operation philosophy of “Inclusive Financial Service and Improving the Well-being of both the Public and the Enterprises” and the corporate culture of “Utmost Sincerity and Excellence, Self-discipline and Self-reliance”, much care has also been given to the well-being and development of farmers, local residents and small enterprises. The Bank has developed a series of characteristic financial products, such as Loan Accessibility, Financing Treasure, Business Carefree, Bank and Enterprise Connect, Community Connect, Pioneering Work and Finance Connect, and Industry and Finance Connect, to assist the “three rurals” enterprises to grow together with middle-sized, small and micro enterprises. The “Financing Treasure” and “Business Carefree” products have been awarded “Featured Financial Product for Small and Micro Enterprises — National Banking Financial Institutions” by the CBRC. In addition, the Bank has accelerated the transformation by introducing innovative financial means. The Bank was the first among its peers in Jilin to issue subordinated bonds, tier-two capital bonds and large-denomination negotiable certificates of deposit. The Bank has also issued credit assets backed securities, among the first in the rural commercial banks of the country and the first in Northeast China.

The Group has become a well-recognized banking and financial institution with strong foothold in Northeast China as well as the entire country due to its differentiated development and prudent operation with wide strategic perspective and accurate market positioning. The Bank ranked 496th among the “Top 1000 Banks in the World of 2015 (「2015年度全球銀行業1000強」)” by The Banker in terms of tier-one capital. The Bank ranked second in the “Spinning Top” Evaluation System for the Steady Development of Commercial Banks for the Year 2016 (rural commercial bank) (2016年度商業銀行穩健發展能力「陀螺」評價體系(農村商業銀行)) issued by China Banking Association.

Caring for the Environment

Climate change, resource shortage and environmental pollution has become one of the biggest challenges for the development of society. It is the responsibility and obligation of all corporate citizens to cope with climate change, reduce consumption of resources and protect the environment. The Group acknowledges the importance of environmental protection. In strict compliance with the laws and regulations in relation to pollutants emission and environmental protection, including the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and the Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》), the Group endeavors to promote green development in all aspects of its business operation and contribute to the establishment of an energy saving and environmentally friendly society.

Waste Management

Office and Domestic Wastes

The wastes produced at the business outlets and offices of the Group mainly include scrapped equipment at service outlets, such as automatic deposit machines, automatic withdrawal machines, self-service payment machines, automatic teller machines, currency counting machines and counterfeit money detectors, account medium such as bank cards and passbooks, office utilities such as waste papers, desks, chairs, computers, batteries and ink cartridges, and other domestic wastes.

The Group has placed waste classification bins at its office premises to recycle different types of office wastes. The scrapped equipment from service outlets is recycled by the relevant suppliers, while account medium such as bank cards and passbooks are destroyed upon cutting edges. All waste papers, except for documents containing confidential information, are recycled by paper recycling companies. Old desks and chairs are delivered to local recycling stations. Obsolete computers are recycled by electronic companies, used ink cartridges are recycled by the ink cartridge suppliers, and used batteries are sent to specialized recycling companies for disposal. Domestic wastes are collected by the cleaning companies and then delivered to the refuse collection and recycling points.

Construction Wastes

During the Year, the Group established an employee training center at Liaoyuan, Jilin Province. Construction wastes produced during the construction process mainly comprised non-hazardous solid wastes. Each type of wastes was collected through different methods separately and then transported to the treatment plants designated by the local government for disposal. For example, sewage sludge was stored at a special mud pool and then transported to the designated treatment plant by suction sewage trucks. The whole process from the collection to the treatment and disposal of wastes were conducted by, or under the instructions of, professional operators. Unauthorized mixing, burning or disposal of wastes outside the designated treatment plants was prohibited.

Caring for the Environment

Canteen Wastes and Garbage

The Bank and its subsidiaries have set up canteens. All of these canteens have possessed pollutant emission permits. Wastewater is discharged to sewage plants for centralized treatment through municipal pipelines. Food wastes are managed and disposed separately upon classification. Wastes generated from processing of raw food (such as leaves, roots, viscera, feathers and skins of livestock) are dumped into rubbish bins with lids covered as domestic wastes, which will be delivered to refuse storage areas of the Bank and then collected by sanitation workers for disposal. Swill wastes (such as food residues, rice, vegetables, soup, pot residues and leftovers of food samples) are poured into special swill buckets and recycled by livestock farmers according to the regulations. Food wastes shall not be directly discharged into sewers, toilets or any other collection facilities for domestic wastes, or sold to any other entities or individuals.

In order to effectively manage oily fumes emitted from the kitchens, all canteens have been equipped with the most advanced “All-in-one Water Circulation Machines” (「水循環一體機」) in the design and renovation of kitchens in response to the relevant requirements of local environmental protection bureaus. Such machines are designed with pipes in compliance with the national standards on fume emission, and shall only be turned on and off by the designated personnel. The canteens are also required to arrange regular examination on the quality of fumes emitted. The examination results indicate that all canteens have satisfied the Emission Standards of Cooking Fumes (《飲食業油煙排放標準》) (GB18483-2001). In respect of cleaning of flue pipes, all flue pipes of canteens are required to be completely cleaned on a quarterly basis, which shall then be inspected and filed by the security department of the Group.

Green Office

With the increase of world population and the advance of urbanization, the problem of resource shortage has become increasingly severe. Meeting the growing demands with fewer resources to achieve sustainable development has become the most important task for corporate development. In this regard, the Group has vigorously promoted green office and implemented various measures to enhance the efficiency of resource utilization and reduce emission of greenhouse gases and pollutants, including:

- usage and management of lighting system — Lighting with high energy efficiency, such as light-emitting diodes (LED), has been installed at all offices. All indoor areas are divided into different lighting zones with individual switches. Employees are encouraged to use as much sunlight as possible and switch off the lights after office hours;

Caring for the Environment

- usage and management of air conditioning system — Only air conditioners adopting variable refrigerant volume (VRV) systems with Grade 1 energy labels are used. Temperature of air conditioners is set at 25.5°C or above. Filters are cleaned on a regular basis and periodic check is arranged to detect any leakage of refrigerant;
- usage and management of electronic equipment and electrical appliances — The Group only purchases electronic equipment and electrical appliances with energy saving labels. Employees are encouraged to set their computers to automatic standby or sleep mode when not in use, and are prohibited from using electrical appliances not related to work. Electricity consumption of all offices is measured on a monthly basis;
- energy saving for servers — Server clusters are adopted to fully utilize system resources, which can enhance equipment efficiency with less electricity consumption and minimize wastage of computing and storage resources;
- water conservation — Water saving slogans are posted, and greywater is recycled for cleaning purpose. Reading of water meters is checked and water pipes are inspected regularly to detect any water leakage. Only faucets, toilets and urinals with water efficiency labels are installed;
- paper reduction — The Office Automation System (OA System) is adopted and use of recycled papers is promoted. Employees are encouraged to print double-sided, reuse papers, and circulate documents through telecommunications. Slogans are posted to remind employees to reduce usage of papers, and use smaller font size and line spacing, if possible, for printed documents. Paper consumption is measured on a regular basis; and
- recycling and reuse of resources — Recyclable ink cartridges and rechargeable batteries are purchased. Employees are advocated to reuse office supplies, and avoid the usage of one-off products and over packed products. Activities such as paper reduction competition are also held.

Caring for the Environment

Environmental Protection

The construction and decoration of the Group's training center is based on a designing plan of green building with the use of green construction materials, such as sound absorbing wood panels, compact sound absorbing panels, LED energy-saving lights and Nippon emulsion paints. Given the training center is located at the central business district, in order to minimize the impacts on the nearby area during the construction process, the contractors carried out construction at off-peak hours and implemented noise and dust reduction measures with strict control over waste gas emission. In particular:

- construction equipment was arranged reasonably so that heavy-duty machines were mostly used during day time and operation of multiple heavy machines at the same time was avoided;
- equipment and devices that would generate noises were placed in the site which was far away from the residential areas and were operated within temporary noise barriers or acoustic enclosures. AWA6291 real-time noise signal analyzer, an advanced sound level meter, was used in order to control noises on both sides of the roads within the limits prescribed under the Emission Standard of Environment Noise for Boundary of Construction Site (《建築施工廠界環境噪聲排放標準》) (GB12533-2011);
- solidification treatment was carried out on the major roads in the construction area, and debris was stockpiled in a concentrated area. Open areas and the piling debris were covered or processed with solidification or greening measures. Dusty materials were properly stored in the warehouse, with dusty fine materials and loose materials being covered or wet by spraying water. Dusty materials were fully covered with canvas or other shelters during transportation; and
- internal combustion engines were inspected annually in compliance with the national requirements, and were put into operation only after passing the examinations of exhaust gases. No vehicles with excessive exhaust emissions were allowed. Burning of all kinds of wastes and materials which could generate hazardous gases, dusts and odor at the construction site was strictly forbidden. Airtight equipment with gas processing device was used when melting toxic materials such as asphalt.



Employees teaming up for community cleanups

The Group highly values the support and participation of its employees during its ordinary operation and management. The Group encourages its employees to take staircase rather than lifts, promotes knowledge of environmental protection through emails, posters, intranet and other channels, and encourages employees to participate in activities held by environmental protection organizations to enhance their environmental protection awareness and participation. During the course of operation, the Group has also vigorously supported the development of environmental protection industry, new energy industry and high-tech industry according to the national regulations and relevant policies.

Adhering to People-oriented Governance

Employees are the core competitiveness of an enterprise. The Group believes that it can develop sustainably in a harmonious and orderly manner only when the rights and benefits of employees are safeguarded in accordance with the laws and the employees are well catered for. Therefore, the Group not only vigorously safeguards the rights and interests of its employees but also exerts efforts in providing a platform for their comprehensive development and a healthy and safe working environment, with a view to achieving mutual advancement.

Employment Policies

The Group strictly complies with laws and regulations such as the Labour Law of the People's Republic of China (《中華人民共和國勞動法》) and the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), and has established a flexible and diversified employment mechanism as well as an effective human resources management system.

Recruitment of employees conforms to the principle of openness, equality and merits. The human resources department recruits employees publicly under the principle of fair competition to select outstanding candidates according to the requirements of recruitment. The Group advocates employee diversity. While the age of each applicant is scrutinized under the Provisions on the Prohibition of Using Child Labour (《禁止使用童工的規定》), all applicants are treated fairly without discrimination of gender, age, race, religion and others in accordance with the laws. For employees who severely violate the regulations of the Group or the laws, the Group has the right to terminate their labour contracts in accordance with relevant laws, regulations and labour contracts. For employees who are sick or suffering from non-work-related injuries, or female employees in pregnancy, maternity or lactation, the Group shall maintain their employment and safeguard their legal rights and interests for a prescribed period. During the Year, the total number of employees of the Group was 5,941, and the male to female ratio was approximately 1.04:1. Use of child labour was not observed during recruitment process.

In order to further facilitate the development of its human resources, candidates are selected for promotion at least once every two years. The candidates are actively and individually tested and appraised during the observation period and unsuccessful candidates are excluded from promotion. Furthermore, professionals sorely required for the development of the Group are also retained through various methods, such as external engagement, recruitment, part-time employment and consultation.

The Group adopts a working schedule of 8 hours per day and 40 hours per week. Some professional and special positions may adopt comprehensive working hours and flexible working hours. The Group complies with the national and local regulations in respect of statutory holidays and the standard of production quota. No forced overtime work in any form are allowed. If overtime is required, the duration of overtime work shall be strictly restricted in compliance with the regulations and the employees shall be remunerated accordingly. During the Year, forced labour did not occur within the Group.

Adhering to People-oriented Governance

The remuneration of employees is determined in accordance with the operation and results of the Group as well as the skill, hardship, working conditions and contribution of the employees. Employees of similar working positions shall be paid equally. In respect of appraisal and promotion, employees are assessed on an annual basis in areas of ethics, capability, diligence, performance and integrity, with focus on assessment of their work performance. The results of appraisal will be seriously considered for deployment, promotion or demotion, salary allocation, awards or punishment and lowest place elimination.

To attract, retain and motivate employees, the Group offers a range of fringe benefits to its employees, which will be continuously improved based on its results of operation, including:

- providing employees with casual leaves, sick leaves, marital leaves, bereavement leaves, maternity leaves, nurturing leaves and annual leaves;
- providing employees with five insurances and one housing fund (endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing allowance) and supplemental medical insurance in accordance with national and local social welfare laws and regulations;
- providing employees with accident insurance and critical illness insurance;
- providing employees with festival allowance for New Year's Day, Spring Festival, Labour Day, Mid-autumn Festival and the National day; and
- paying annuity for employees and providing bonus based on operating results.

In addition, during the employment, the treatment for employees on leave, sickness, or non-work-related injuries, occupational diseases or work-related injuries, childbirth and death together with the duration and treatment of employees during periods of illness, pregnancy, maternity and nurturing shall be determined in accordance with national and local laws and regulations.

Adhering to People-oriented Governance

Talent Development

The talent development of employees is crucial guarantee for the sustainable development of an enterprise. The Group highly values talent development. Employees are provided with a wide range of training and outstanding employees are selected as “special forces” for promotion and training as new driving forces of enterprise development.

Employee training courses mainly include freshmen training, basic operation training, job qualification training, job-rotation training, management training, professional training, overseas training, external education and self-training. The trainings cover product knowledge, job skills, business operation, risk control, marketing, customer service skills and other modules. The participants have to pass an examination after the training. Re-examination will be arranged for unsuccessful participants. The Group has also established an online training school to provide a wide range of online training programmes, in a bid to expand employees’ business knowledge and enhance personal quality. During the Year, the Group organized 115 training programmes with a total of around 22,958 person-time attending.



Orientation programme for new employees

To enrich the reserve of talents, every year since 2015, the Group selects a group of outstanding young employees, who have good mentality, extensive business knowledge, outstanding performance and agree with the culture of the Group, to participate in a “special financial forces” training program. The trainings include a three-month military training, six-month integrated training, three-month internship in outlets, six-month temporary service in other regions, three-month external education, one-month overseas education and two-month final appraisal. The Group has adopted a dynamic employee development system to appoint and promote suitable employees and to exclude unsatisfactory employees and those who violate regulations from promotion.

Adhering to People-oriented Governance

Caring for Employees

The Group considers employees as its intangible assets. With the physical and mental health of employees being the greatest wealth, the Group regards employee care as an important duty and integrates it into every aspect of its operation and management.

In order to guarantee the health of employees, on the one hand, free health check-up is arranged annually. Health records of employees are created to closely monitor their health conditions and minimize the incidence of disease and sub-health condition. On the other hand, regular cleaning and maintenance of air-conditioning system is conducted and green plants are placed in the workplace to improve indoor air quality.



Employee sports meeting

The Bank and its subsidiary banks irregularly organize various employees' activities and festival celebrations such as speech competition, sports day, business knowledge competition, paintings and photographs exhibition, basketball and badminton competition, "marketing ideas" competition, arts and cultural shows, so as to improve employees' sense of happiness and belonging, enable them to work happily and live happily, and put the Group's care into practice.

Improving Operation Management

Stable corporate development largely depends on sound and effective operation management. The Group abides by business ethics and adheres to compliance operation. The Group aims to create more value for customers and the society through continuous improvement in operation management.

Safe Operation

As a financial institution in the banking industry, it is important for the Group to maintain the security of persons, capital and properties and to prevent fraud, theft, robbery and damage in operation management. The Bank and its subsidiaries strictly comply with the Regulations of the Management of Financial Institutions (《金融機構管理規定》), Regulations on Internal Security and Safeguard for Enterprises and Public Institutions (《企業事業單位內部治安保衛條例》) and other laws and regulations and the Rules on Operation, Security and Escorting of Rural Credit Union in Jilin (《吉林省農村信用社營業、守庫、押運期間操作規程》). The Group has not only adopted a management system in relation to the security of outlets, treasury, filing room and other important places and the security of transit escort, but also formulated management procedures with clear division of responsibilities and objectives in relation to the use of facilities, alarm system, firearms and ammunition. Remote monitoring contingency plan, contingency plan for security events and contingency plan for fire have been formulated. The Group also organized trainings and drills on a regular basis. In addition, the Group also attaches importance to security education and training of employees in order to improve their self-protection awareness and prevention skill. Employees are required to operate strictly in accordance with the rules and procedures and perform their duties with caution. They shall report any suspicious events and take prevention measures promptly.

The senior management of the Bank and its subsidiaries sign security liability agreements with persons-in-charge of branch offices and departments under their supervision on an annual basis. Persons-in-charge of all branch offices and departments also sign liability agreements with persons-in-charge and key employees of all outlets. Any employee who is found to conceal any case during the liability period or violate security rules and regulations shall be subject to internal disciplinary proceedings accordingly.



Workplace fire drill

For the security of IT system, the Group has taken necessary preventive measures. On the one hand, the Group has a dedicated IT service team which consists of 53 technicians responsible for the daily operation and maintenance, online testing, emergency drills, and providing feedback for problems possibly encountered during the operation of the systems. On the other hand, to ensure business continuity, the Group backs up all important operation data to their IT service providers and to disaster recovery centers in Jilin,

Improving Operation Management

Beijing, Shanghai, Shandong and Shaanxi. Such arrangement can deal with real-time data transfer, operation disruptions and prevent data loss. The Group also maintains the confidentiality, integrity and availability of the data base of the Bank and its subsidiary banks by firewalls, encryption, user authentication and authorization, intrusion prevention and detection.

During the Year, the Bank and its subsidiaries strictly followed applicable regulations and had encountered no security problems. The Bank was rewarded “Excellent Security Institution” (「安全保衛工作先進單位」) by Changchun Public Security Bureau.

Supply Chain Management

The Group has adopted its philosophy of sustainable development in the management of procurement and supply chain. The Bank and its subsidiaries follow the procedures of procurement and bidding process for supplies of daily operation. Suppliers are selected based on the quality and prices of products, environmental protection, resources conservation, safety and healthy, working conditions, business ethics, management system and other aspects.

IT service providers are selected based on their service standards in terms of market share, compatibility of products, capability, business scale and other aspects through bidding process. The Group conducts progress inspections of projects to ensure that the projects are on schedule. Upon completion, suppliers shall provide maintenance services according to the contract to ensure the stable operation of systems. As of the end of the Year, the Group had cooperation with 36 suppliers for 27 business platforms. In the future, in the selection of IT service providers, the Group will continue to enhance the consideration of the factors of environment protection and resources conservation. The Group will cooperate with suppliers to create a sustainable supply chain.

Products and Services

As required by the Group, employees of all business units must pass the professional qualification examination of banking and obtain the qualification certificates prior to taking up their posts. Employees shall understand and comply with the Banking Supervision Law of the People’s Republic of China (《中華人民共和國銀行業監督管理法》), Law of the People’s Republic of China on the People’s Bank of China (《中華人民共和國中國人民銀行法》), Law of the People’s Republic of China on Commercial Banks (《中華人民共和國商業銀行法》) and other laws and regulations, and perform their duties strictly in accordance with government financial policies and the rules of the Group. When introducing products and providing services to customers, employees shall observe the following rules:

- the products shall meet the needs, investment objectives and risk appetite of the customers;
- details of products and services shall be provided and customers shall be fully alerted of the legal risks, policy risks and market risks of the products and services recommended so that they can make informed decisions;

Improving Operation Management

- inquiries from customers shall be honestly answered without concealment of risks for winning a deal, or any false or misleading statement; and
- undertaking or assurance incompliant with laws and regulations and the rules of the Group shall not be given to customers.

The customer service center of the Bank provides 7*24 financial services with audio and personal assistance. Hotline, website, address and other enquiry channels are also displayed in places of business of outlets and websites the Bank and its subsidiaries. The Group adheres to its services philosophy to provide services to customers with care and requires employees to provide necessary services to customers promptly, enthusiastically and patiently. Discrimination of customers on grounds of their gender, color, race and identity is not allowed. All outlets shall be accessible without barrier and the disabled shall be provided with priority services.

In order to standardize the complaint handling system, to improve customer satisfaction and to protect the legitimate rights and interests of the Group and customers, the Group has formulated a strict complaint handling system:

- the first person who receives a complaint shall immediately record the details of the complaint;
- the privacy of customers shall be respected and the confidentiality regarding the identity of complainants and details of complaints shall be maintained;
- the subject of the complaint shall properly handle the complaint within a prescribed period; and
- the subject of the complaint shall file a written report to the customer service center on the incident, handling and remedial measures after the resolution of a complaint.

The Group always values the valid complaints from customers as important reference for improvement of products and services, management, operation system, business system and procedures. The Group studies the complaints seriously and makes recommendation to relevant departments for rectification. Through reviewing suggestions from customers, analyzing problems and conducting customer satisfaction survey, the Group identifies and summarizes deficiencies for improvement of existing problems in operation and management so as to avoid the recurrence of similar complaints.

Improving Operation Management

Compliance Operation

Financial institutions have the legal responsibility to adopt anti-money laundering measures. Anti-money laundering initiatives can maintain social stability and economic prosperity as well as facilitate the healthy growth of the financial industry. The Group strictly complies with the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), Provisions on Anti-money Laundering through Financial Institutions (《金融機構反洗錢規定》) and other laws and regulations. The Group actively provides anti-money laundry education and operation training to employees to promote the awareness and prevention ability of anti-money laundering. On daily operation, employees of the Group will examine the identities of customers and their transaction records earnestly and strictly, and report any suspicious cases immediately.

During the Year, the Group arranged various anti-money laundering training courses for its employees. The accounting and settlement department arranged 12 training courses about anti-money laundering for new employees, accounting trainees, supervisors of back office of outlets, employees responsible for anti-money laundering and counter employees with a total of around 2,204 person-time attending. The trainings are presented as the table below:

Course	Number of courses	Target	Number of participants
"Laws and Regulations of Anti-money Laundering and Basic Knowledge" (《反洗錢法律法規及相關基礎知識》)	7	New employees	648
"Current Situation of Anti-money Laundering and Relevant Policies, Laws and Regulations" (《反洗錢當前形勢與政策、法律法規》)	1	Accounting trainees	40
"Submission Procedures and Specification of Data of Anti-money Laundering" (《反洗錢數據報送操作流程及規範》)	1	Supervisors of back office of outlets, employees responsible for anti-money laundering and counter employees	330
"Anti-money Laundering System and Operation and Report of Information of Large and Suspicious Transaction" (《反洗錢制度及操作、大額可疑交易信息上報》)	1	Presidents, heads of accounting department, authorized officers, officers responsible for post-supervision and operators of anti-money laundering	110
Intensive remote video training on "New Requirements on Anti-money Laundering, Identification and Operation of Large and Suspicious Transaction" (《反洗錢最新要求、大額可疑交易上報交易甄別及操作流程》)	2	Supervisors of back office of outlets, employees responsible for anti-money laundering and counter employees	1,076

Improving Operation Management

Furthermore, as the Group attaches great importance to the prevention and handling of illegal financing, scam phone calls and other illegal activities, it has organized relevant courses and training about such matters and arranged training about the usage of suspicious event reporting system and handling procedures, so as to assist the employees to identify and handle illegal transactions.

Information Disclosure

As a responsible listed company, the Bank is committed to protecting the interests and right of information of minority shareholders so as to ensure the fairness of information disclosure. The Bank has formulated the Measures for Information Disclosure of Jilin Jiutai Rural Commercial Bank Corporation Limited (《吉林九台農村商業銀行股份有限公司信息披露制度》), the Measures of Registration of Insiders and Management of Confidential Information of Jilin Jiutai Rural Commercial Bank Corporation Limited (《吉林九台農村商業銀行股份有限公司內幕信息知情人登記管理及保密制度》) and other rules and regulations. The secretary to the Board of Directors and company secretaries of the Bank are responsible for the information disclosure of the Bank, and are accountable to the Bank and the Board of Directors. The Office of the Board of Directors is responsible for the arrangement of information disclosure of the Bank.

Advertisement and Intellectual Property

The Group strictly complies with the Advertisement Law of the People's Republic of China (《中華人民共和國廣告法》), Trademark Law of the People's Republic of China (《中華人民共和國商標法》), and other laws and regulations regarding advertisement and intellectual property. All public information of products and operation are stipulated to be carefully reviewed to prevent any false and misleading statement in advertisements and transactions and infringement of third parties' intellectual properties, patent and copyrights. The Group also puts efforts in protecting its intellectual properties through entering into project contracts with system developers. Pursuant to such contracts, system developers shall not infringe the intellectual properties of the Group. The Group will pursue legal action against the infringement of its interests and the loss it suffers.

Privacy Protection

The Group puts great emphasis on the protection of privacy and strictly complies with the Law of the People's Republic of China on Commercial Banks (《中華人民共和國商業銀行法》), Banking Supervision Law of the People's Republic of China (《中華人民共和國銀行業監督管理辦法》) and other laws and regulations. The Group undertakes that information of customers collected, obtained and kept during the operation shall be only used for statutory purposes or purposes as stated in contract. In order to raise the confidentiality awareness of employees, the Group organizes regular privacy training for its employees.

The Group governs the conducts of employees in accordance with laws and requires the employees to abide by rules about confidentiality and keep the secret of country, the Bank and customers in strict confidence. Employees of the Group shall also backup data in accordance with rules and properly keep information of customers and transaction records. Employees shall not violate internal transaction procedures and management regulations and shall not present or inform others of any items or information in relation to their duties, including common seal, important vouchers, transaction passwords and keys.

Improving Operation Management

Incorruptible Employment

Incorruptibility and self-discipline is not only essential to the long-term development of an enterprise but also the professional ethics for all bank practitioners to obey. Recognizing the importance of incorruptible employment, the Group strictly complies with the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), Law of the People's Republic of China on Commercial Banks (《中華人民共和國商業銀行法》), Banking Supervision Law of the People's Republic of China (《中華人民共和國銀行業監督管理法》), Measure for Punishment of Illegal Financial Acts (《金融違法行為處罰辦法》) and other laws and regulations and has formulated rules and standards to govern the behavior of employees:

- employees shall strictly comply with laws and regulations and the regulatory system of the banking industry, learn the Guidance on Professional Conduct for Staff of Banking and Financial Institutions (《銀行業金融機構從業人員職業操守指引》) and all rules issued by the Group, and put theories into practice;
- employees shall be familiar with their own duties, job requirements and liabilities and shall refrain any unlawful acts and report any irregularities to the superior authorities;
- employees shall decline illegal interests from customers in social and business activities;
- employees shall consciously refrain from insider trading and shall not use any inside information for personal benefits;
- employees shall not violate any rules and handle any transaction for their relatives and customers who are related person or seek any improper benefits by taking advantage of their own duties;
- employees shall not abuse their power for personal benefits, practise fraud, engage in malpractices, involve in any bribery and receive kickbacks or other benefits illegally.

In addition, the Group has adopted regular reporting system and reporting system of major changes in personal particulars through paying home visits to relatives of employees or contacting them by phone, visiting recreational and leisure premises from time to time, convening regular and ad-hoc operation supervision meetings to consider and deal with the letters, phone enquiries and visits of the public, and holding meeting to analyze ideological dynamics of employees on an annual basis to prevent the occurrence of misbehavior. The Group encourages its employees to report any behavior which may jeopardize the reputation and assets of the Group. Employees who successfully prevent losses of the Group or have other contributions will be praised and rewarded. During the Year, the Group did not have any non-compliance in the forms of corruption and bribery.

Devoting to Social Welfare

Over the past eight years of development, the Group has adhered to its operation philosophy of “Benefiting Finance, Enriching the People and Rejuvenating Enterprise”. To live up to its commitment in social welfare and financial poverty alleviation works, fundamental social value has been incorporated into the policies and implementation of its corporate management while charity work has become part of its daily operation.

Charity Activities



“Loving Heart” volunteer team

Since 2012, the Bank has established the “Jiutai Rural Commercial Bank Beneficent Fund” (「九台農商銀行愛心基金」) for charity aid under Charity Federation of Jilin Province and Changchun Charity Federation, respectively. It also received the “Jilin Charity Award” (「吉林慈善獎」) granted by the provincial government and the “Outstanding Award of the Second Session of China Charity” (「第二屆中華慈善突出貢獻獎」) granted by China Charity Federation. In the “Jiutai Rural Commercial Bank New Year Charity Concert” (「九台農商銀行迎新春慈善音樂會」) held on January 23, 2016, the Bank joined hands with 26 enterprises and raised charity fund

of approximately RMB8.7 million. In addition, the Group actively makes donations to people suffering financial hardship as well as the victims of earthquake and flood, and set up the “Volunteer Team of Jiutai Rural Commercial Bank” to carry out regular visits to communities and rural areas to help the underprivileged groups. The Bank also provides great support to the development of cultural and sports undertakings, such as serving as the title sponsor of the basketball team, Jilin Northeast Tigers.

During the Year, the Group continued to fulfill its social responsibilities. The Bank organized charity activities including charitable campaigns for those suffering from serious illnesses, piggy bank donation, assistance for people with disability, education sponsorship, charity activities for the elderly, public welfare donations and poverty alleviation. A total donation amount of approximately RMB2.358 million was raised in the form of money or materials for people in need:

- On March 22, in order to help the underprivileged family with a member suffering from serious illnesses to seek proper treatment, the Bank donated approximately RMB200,000 to the girl with lupus erythematosus in Songyuan for treatment;



“Loving in the Ear” charitable project

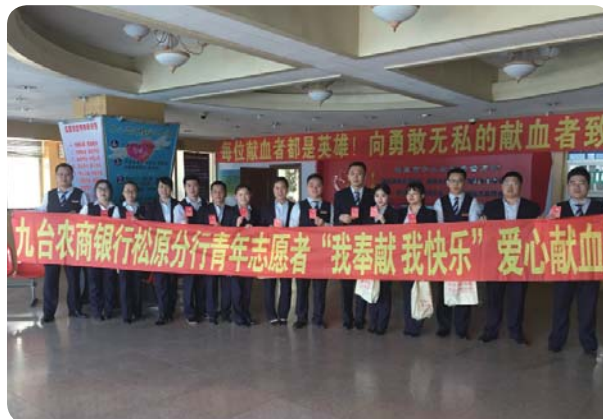
Devoting to Social Welfare

- On May 20, the Bank organized a large charity event, “Fast and Furious — Piggy Bank Donation Campaign” (「速度與激情 — 愛心儲蓄罐」), jointly with Changchun Charity Federation and Changchun Television Station, which raised approximately RMB200,000 to support impoverished families with members suffering from serious illnesses;
- On May 30, the Bank and Changchun Charity Federation organized the “Loving in the Ear” (「愛在耳邊」) donation ceremony of hearing aid, and input approximately RMB191,000 for donating hearing aids to hearing-impaired children from 17 impoverished families;
- On July 20, the Bank launched a charitable project to improve the living standard of the impoverished employees. It donated approximately RMB300,000 to the Impoverished Employee Assistance Center of Changchun Federation of Trade Unions (長春市總工會困難職工幫扶中心) as tuition subsidies for impoverished employees whose children were studying at Changchun Vocational Institute of Technology;
- On October 9, the Bank organized a charity activity, “Good Fortune under the Setting Sun” (「福照夕陽」) jointly with Changchun City Charity Federation to promote traditional Chinese virtues and raise the awareness of the whole society on respecting and loving the elderly. The event was input a fund worth approximately RMB570,000 and delivered relief supplies for the 2,454 elderly people living alone and under the support of the city;
- On October 14, the Bank held a ceremony for its student subsidy project, “Hope Project • Dreams Come True” (「希望工程 • 圓夢行動」), at which it donated approximately RMB200,000 for 40 university students in the province to realize their dreams of attending school;
- On November 11, the Bank donated approximately RMB197,000 to improve the medical facilities of hospitals and other medical institutions in Yongji County. The donation was used to subsidize two hemodialysis machines for Yongji County Hospital to help the hospital provide more convenient and efficient medical services for its residents;
- On November 26, the Bank donated sports equipment worth approximately RMB300,000 to Nongan Basketball Association to support the development of local sports undertakings;

Devoting to Social Welfare

- On November 28, in order to step up its poverty alleviation efforts, encourage the community to raise their concern for the underprivileged and show their care and support, the Bank donated approximately RMB200,000 to Wenhua Village, Heishi Town, Panshi City for the construction of a greenhouse.

In line with the commitment of the Bank in public welfare and charity undertakings, its subsidiary banks also carried out a total of 49 activities in relation to poverty alleviation, student sponsorship, respect for the elderly, support for the disabled and beneficent donations. Subsidies and supplies approximately worth RMB714,000 in total were donated, reflecting their feedback to the community and improving the livelihood of people.



Love-filled blood donation activity



Financial literacy promotion activity

In addition, the subsidiary banks also cooperated with local communities in carrying out prevention of telecommunications fraud and money laundering, identification of counterfeit currencies, publicity for bank card payment security, lectures and other propaganda activities on financial knowledge. Such activities were well received by the public as they strengthened their awareness of fraud and identification ability and effectively safeguarded the interests of the customers.

Financial Poverty Alleviation

In response to the nation's call for poverty alleviation, the Bank has taken a series of poverty alleviation measures based on its financial inclusion philosophy, including the following:

- implementation of poverty alleviation through education. During the Year, more than 50 outstanding fresh graduates of junior high schools who had been unable to continue their studies due to poverty were selected by the Bank from the poor families in the villages (counties) where its branches were located. The Bank sponsored their studies by commissioning Changchun Finance College to provide specialized training. In particular, training on practical skills was carried out to cultivate practical financial experts in rural areas. Upon graduation, they are scheduled to be employed by the outlets of the Bank, which enables the Bank to put schooling, employment and talent support into practice.
- implementation of poverty alleviation through job creation. Through enhanced cooperation with the finance authorities and guarantee companies, the Bank issued products such as “Loans for Re-Employment of Laid-off Workers” (「下岗再就业贷款」) to effectively support the start-up capital needs of laid-off workers and other underprivileged groups. These measures assisted them in overcoming poverty by taking advantage of its expertise and start-up efforts. During the Year, the total loans for re-employment of laid-off workers amounted to approximately RMB3.50 million, directly supporting nearly 500 laid-off workers to start up business.
- implementation of poverty alleviation through industry development. Lending and other methods were used by the Bank to support the development of innovative agricultural businesses and the agricultural industry chain in a bid to boost the income of impoverished rural households.
- implementation of poverty alleviation through different channels. Based on the system comprising four channels, namely Internet banking, telephone banking, mobile phone banking and self-service banking, the Bank promoted the development of payment system in rural areas and extended the coverage of its electronic financial machines for connection to the network of financial services.

Devoting to Social Welfare

During the Year, the awards received by subsidiary banks are set forth in the following table.

Winner	Award/Honor	Organizer
Changbai Mountain Rural Commercial Bank	District Civilized Unit (全區文明單位)	Civilization Committee of Changbai Mountain Protection and Development Zone
Gongzhuling Rural Commercial Bank	The Fifth Session of Excellent Volunteer Service Organization Model in Jilin Province (第五屆吉林省優秀志願者服務組織標兵)	Civilization Office of Jilin Province, Jilin Province Volunteer Service Federation
	May Day Labour Award (五一勞動獎狀)	Jilin Province Federation of Trade Unions
Pingdu Huimin Village and Township Bank	“Top 10 Professional Ethics Model Units” (「十佳職業道德標兵單位」)	Pingdu Spiritual Civilization Committee
	“Youth Civilization” (「青年文明號」) Advanced Unit of “Financial Knowledge Promotion” (「金融知識進萬家」先進單位) Advanced Group of “Care for New Migrant Children Volunteer Service Campaign” (「關愛新市民子女志願服務行動」活動先進集體)	CBRC Qingdao Bureau
Taonan Huimin Village and Township Bank	“Best Sponsor Group” (「最美資助團體」) “Best Volunteer Service Team” (「最美志願者服務隊」)	Taonan Municipal Propaganda Department
Gaomi Huimin Village and Township Bank	“March 8 Red-banner Group” (「三八紅旗集體」)	The CPC Gaomi Municipal Committee, the People’s Government of Gaomi

Appendix: Index of Environmental, Social and Governance Reporting Guide

ESG indicators	Description	Chapter	Page
A1 Emissions General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Caring for the Environment — Waste Management	P6
A2 Use of resources General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Caring for the Environment — Green Office	P7
A3 The environment and natural resources General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Caring for the Environment — Environmental Protection	P9
B1 Employment General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Adhering to People-oriented Governance — Employment Policies	P10
B2 Health and safety General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Adhering to People-oriented Governance — Caring for Employees	P13
B3 Development and training General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Adhering to People-oriented Governance — Talent Development	P12

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ESG indicators	Description	Chapter	Page
B4 Labour standards General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Adhering to People-oriented Governance — Employment Policies	P10
B5 Supply chain management General disclosure	Policies on managing environmental and social risks of the supply chain.	Improving Operation Management — Supply Chain Management	P15
B6 Product responsibility General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Improving Operation Management — Safe Operation, Products and Services, Compliance Operation, Information Disclosure, Advertisement and Intellectual Property, and Privacy Protection	P14-18
B7 Anti-corruption General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Improving Operation Management — Incorruptible Employment	P19
B8 Community investment General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Devoting to Social Welfare — Charity Activities, and Financial Poverty Alleviation	P20-24



吉林九台農村商業銀行股份有限公司
JILIN JIUTAI RURAL COMMERCIAL BANK CORPORATION LIMITED