

Mar.19.2020

Japanese Bankers Association

The JBA's SDGs Key Initiatives for FY2020

1. Summary of FY2019 activities and objective of revising the key initiatives

- Consistent with the initiatives undertaken in FY2018, JBA continued its focus on activities to raise awareness across member banks, such as conducting member surveys on SDGs/ESG, releasing a survey report on TCFD recommendations and holding explanatory meetings for member banks. The result of the member surveys conducted in June 2019 showed that 80% of 118 full members that responded to the survey were carrying out initiatives with focus on SDGs/ESG. This is a significant increase from the survey result of the previous fiscal year (45%), indicating that the SDGs/ESG awareness is rising steadily across member banks.

- As demonstrated by EU's movement to legislate sustainable finance and companies' broader acceptance of the TCFD recommendations, discussions on climate change issues relating particularly to Goal 7 (Affordable and Clean Energy) and Goal 13 (Climate Action) of the 17 SDGs are further increasing domestically and internationally. Therefore, the roles and responsibilities expected of the banking sector in relation to these issues are becoming greater than ever before.

- In light of the background noted above, JBA revised the key initiatives for achieving the SDGs (on March 14, 2019) and developed a plan for FY2020 initiatives as specified in paragraph 2 below.

2 . Key Initiatives for FY2020 (goal numbers referenced in the main items below represent the 17 SDGs)

Issues (main items)	FY2020 specific initiatives	
Issues (sub-items)		
1. Assessing the progress of SDGs/ESG initiatives implemented by member banks and implementing initiatives to raise awareness (Common to all Goals)		
Responsible body: Working Committee on SDGs/ESG, Working Committee on Prudential Regulations		
(1) Ascertain and assess JBA's initiatives	➤	Assess, share and publicize the progress of member banks' initiatives by conducting surveys on SDGs/ESG considerations.
	➤	Prepare and publish the JBA SDGs Report 2020-2021.
(2) Review and research on investment and lending policy formulation	➤	Conduct research and surveys of domestic and overseas examples of investment and lending policy formulation relating to the environment and human rights, etc.
(3) Respond to domestic and international discussions on SDGs/ESG	➤	Follow-up, and express views on, overseas discussions regarding sustainable finance and provide relevant information to member banks.
	➤	Follow-up, and express views on, domestic discussions regarding ESG finance, etc. and provide relevant information to member banks.
2. Promoting and expanding financial literacy education (Goal 4)		
Responsible body: Working Committee on SDGs/ESG		
Promote and expand financial literacy education	➤	Ascertain, share and publicize updates on the progress of member banks' initiatives by conducting surveys on financial literacy education.
	➤	Strengthen activities geared at young people with the aim of promoting stable asset formation (conduct mass advertisement).
	➤	Continue with the implementation of lecturer dispatch on a nationwide basis.
	➤	Provide training sessions and educational materials to member banks to expand member banks' initiatives, consider initiatives that may

Issues (main items)	FY2020 specific initiatives	
Issues (sub-items)		
		contribute to solving child poverty.
<p>3. Improving customer convenience and security through advanced payment systems and Fintech, etc. (Goal 9)</p> <p>Responsible body: Working Committee on Payment and Transaction Banking, Working Committee on Efficiency of Tax and Public Service Payment</p>		
(1) Transition to XML message format	➤	Implement activities to increase the awareness of the Zengin EDI System, and promote the use of financial EDI.
(2) 24/365 Operation of the Zengin System and implementation of initiatives for improving convenience of bank transfers	➤	Discuss ideas and concepts for a next-generation Zengin System.
	➤	Implement initiatives for improving convenience of bank transfers.
(3) Open APIs Promotion	➤	Consider updating the outcome of the “Study Group for the promotion of Open APIs”.
	➤	Ascertain the actual initiatives for implementing open APIs at financial institutions and provide information to member banks.
(4) Promotion of the digitization of bills and checks functions	➤	Implement monitoring activities of the progress of digitization of bills and checks, review the progress of implementing measures for promoting digitization, and prepare and publicize a report on the progress of digitization of bills and checks functions.
	➤	Conduct dissemination and public relations activities related to the digitization of bills and checks.
(5) Deliberation on efficiency improvements in the collection and payment of taxes and public dues	➤	Conduct dissemination and public relations activities for improving the efficiency of collection and payment of taxes and public dues.
<p>4. Researching on and responding to the TCFD (Task Force on Climate-related Financial Disclosures) recommendations and other environmental issues towards realization of a decarbonized society (Goals 7, 12, 13 and 14)</p>		

Issues (main items)	FY2020 specific initiatives	
Issues (sub-items)		
Responsible body: Working Committee on SDGs/ESG		
(1) Conduct a research on efforts relating to TCFD recommendations, etc.	➤	Conduct research, express opinions and provide information to member banks in light of developments related to TCFD recommendations, etc. undertaken by the Japanese and overseas financial sectors.
(2) Implement efforts related to environmental issues such as climate changes	➤	Continue to conduct, and share the results of, follow-up surveys on the banking sector's environmental initiatives in order to evaluate the progress of member banks' achievement towards the goals thereof, such as the "Commitment to a Low Carbon Society" and the "Voluntary Action Plan for Establishing a Sound Material-Cycle Society" (electricity consumption units, recycled paper and eco-friendly paper purchase rate, paper recycling rate, long-term global warming countermeasures, goals for plastic waste reduction and conservation of biodiversity).
	➤	Continue holding contests on eco-wall newspapers.
5. Implementing measures to prevent financial crimes and money laundering, and actions to meet FATF recommendations (Goal 16)		
Responsible body: Working Committee on Financial Crimes, Working Committee on Money Laundering Issues		
(1) Efforts to prevent financial crimes	➤	Continue to conduct "Surveys on Internet Banking Security Measures."
	➤	Continue educational activities for the eradication of special scams.
(2) Measures relating to FATF	➤	Consider actions to respond to the result of the FATF 4th round mutual evaluations.
	➤	Support member banks to establish a framework through the AML/CFT Measure Support Division.
	➤	Enhance public and private sector collaboration through the "Public and Private Sectors Liaison Meeting on Advanced Measures against Money Laundering."
	➤	Implement public relations activities for customers on banks' measures to be taken for new customer due diligence.

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<p>6. Promoting human rights including gender equality (Goals 5 and 10)</p> <p>Responsible body: Working Committee on Equal Rights, Working Committee on SDGs/ESG</p>		
<p>Human rights measures including the promotion of gender equality</p>	<ul style="list-style-type: none"> ➤ Hold lectures on human rights, contests and awards of human rights maxims. ➤ Prepare training materials related to human rights, and disseminate information related to human rights to member banks. ➤ Share information on best practices and efforts undertaken by individual member banks. 	
<p>7. Implementing activities for regional economic revitalization and local invigoration (Goal 8)</p> <p>Responsible body: Working Committee on Balanced Lending Strategies</p>		
<p>Promotion of efforts at local invigoration</p>	<ul style="list-style-type: none"> ➤ Conduct surveys on best practices and efforts undertaken by individual member banks and release related information. ➤ Collect information and provide necessary information to member banks through the public and private collaboration platform on the local community revitalization SDGs. 	
<p>8. Promoting wider access to finance and financial services for the elderly and other users (Goal 8)</p> <p>Responsible body: Working Committee on Aged Society, Working Committee on SDGs/ESG, Working Committee on Revisions to Financial Industry-related Laws</p>		
<p>Promotion of efforts for wider access to finance and financial access services for the elderly and other users</p>	<ul style="list-style-type: none"> ➤ Implement dementia supporter training courses. ➤ Continue to provide financial literacy educational materials for the elderly related to the extension of asset life expectancy and the adult guardianship system, etc., and implement dissemination activities. ➤ Conduct research on and share the result of the banking sector’s initiatives taken in light of the result of discussions on the future of financial services in the aging society made by relevant ministries and agencies, and provide information to member banks. ➤ Continue conducting, and publish the results of, surveys on initiatives relating to people with disabilities, etc. 	

Issues (main items)	FY2020 specific initiatives
Issues (sub-items)	
	<ul style="list-style-type: none"> ➤ Follow-up, express opinions on, and disseminate to member banks discussions on barrier-free initiatives by relevant ministries and agencies.

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