

# Environmental Initiatives

Based on the Gunma Bank Environmental Policy/Environment Conservation Behavior Code established and announced in May 2009, we are working to reduce our impact on the environment by supporting environmental conservation activities and environmental conservation education. As part of our efforts, we are continuing to actively engage in environmental conservation, such as selling financial products that can contribute to environmental protection.

## [Environmental Policy]

We want to cherish the natural environment of our hometown with the aim of realizing a truly affluent community where industry is compatible with the environment. We will play an active role in environmental conservation and play a responsible role as a citizen.

## [Environment Conservation Behavior Code]

1. Promote resource saving, energy saving and recycling activities to reduce environmental impact.
2. Support customers who are engaged in environmental conservation through the provision of financial products and services.
3. Promote environmental education and support environmental conservation activities for executives and employees.
4. Support regional environmental conservation activities.

## Maintenance Activities for Gungin Forest

As part of our environmental conservation activities, we named a forest as the Gungin Forest based on the designation in the Prefectural Forest Maintenance Partner Project Implementation Agreement signed with Gunma Prefecture, and are working on its maintenance and conservation activities.

A new employee training course incorporates forest maintenance experience and conducts employee education on forest maintenance and protection. (Not conducted in 2020 due to the impact of the novel coronavirus infection.)



## Environmental Foundation Activities

The Gunma Bank Environmental Foundation was established with the aim of promoting a comfortable and healthy environment and has been engaged in education and subsidy programs for environmental conservation and environmental research.

As part of educational activities, in August 2019, we held the Eco-Kids Camp in Akagiya, where elementary school students learned about environmental issues such as global warming. In September and October, we organized the Environmental Expedition Group for junior high school students to learn about the importance of protecting the natural environment through environmental learning and tree-planting experiences, specifically by visiting the headwaters of the Watarase River and the former Ashio copper mine site.



Eco-Kids Camp



Environmental Expedition Group

As a subsidy program, in November 2019, 14 schools were commended among the elementary schools, junior high schools, and high schools in Gunma Prefecture for their outstanding activities for environmental improvement and conservation, and they received the Gunma Bank Environmental Foundation Education Award. In March 2020, seven organizations were commended for outstanding achievements in conservation activities and research on the natural environment, and they received the Gunma Bank Environmental Foundation Award.



Education Award: Nature School (Release of Brook Trout) (Manba Elementary School, Kanna-machi)

## Feature Article First Green Bond Issuance by a Regional Bank

We became the first regional bank in Japan to issue a green bonds in November 2019.

The Gunma Bank Group SDGs Declaration positions the conservation and creation of the global environment as one of the key issues for achieving a sustainable society and creating economic value. The Bank issued green bonds ahead of other regional banks to support customers who are undertaking measures for environmental conservation and the creation of a beautiful environment, as well as to raise awareness of the Bank's proactive efforts in the SDGs among a wide range of stakeholders.

### Overview of the Green Bond

Name of the bond	5th Series of Unsecured Corporate Bonds with Early Redemption Clause (With an Exemption Clause in the Event of Bankruptcy and a Subordinated Clause) of the Gunma Bank, Ltd.
Issuance amount	10 billion yen
Issuance date	November 26, 2019
Interest rate	First five year: 0.37% per annum, following five years: 6-month Euro yen LIBOR +0.42%
Maturity	10 years (with early redemption clause)
Date of redemption	November 26, 2029
Interest payment date	May 26 and November 26 every year
Use of the funds	<p>The funds raised through the issuance of green bonds will be used to fund new and existing loans or expenditures that meet the following eligibility criteria.</p> <ul style="list-style-type: none"> <li><b>Renewable energy</b> <ul style="list-style-type: none"> <li>• Solar power generation</li> <li>• Biomass power generation</li> <li>• Hydroelectric power generation business</li> </ul> </li> <li><b>Environmentally-friendly private placement bonds</b> <ul style="list-style-type: none"> <li>• Underwriting of private placements of bonds issued by companies engaged in an environmentally-friendly business</li> </ul> </li> <li><b>Energy efficiency</b> <ul style="list-style-type: none"> <li>• Renewal of LED lighting and air conditioning systems</li> <li>• Repair of buildings, etc.</li> </ul> </li> <li><b>Clean transportation</b> <ul style="list-style-type: none"> <li>• Electric vehicles, fuel cell vehicles</li> </ul> </li> <li><b>Green buildings</b> <ul style="list-style-type: none"> <li>• Construction, purchase, and repair of buildings that meet official standards</li> </ul> </li> </ul>

### Reporting

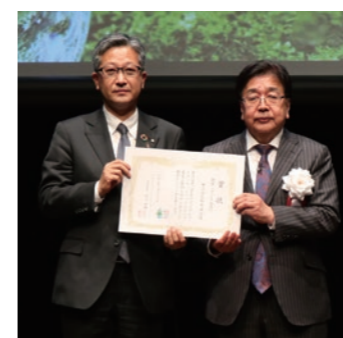
#### [Reporting on status of allocation of funds]

The amount of funds allocated and unallocated for each use category and the amount of green bonds outstanding is disclosed on our website once a year.

#### [Impact reporting]

A CO<sub>2</sub> reduction impact report for each use category is disclosed on our website once a year. (The first report is scheduled to be released in November 2020.)

### Our Green Bond Initiatives Have Been Highly Commended.



Bronze Medal in the 1st ESG Finance Awards Japan held by the Ministry of the Environment



Sustainable Finance Award at the 5th Sustainable Finance Awards held by the Research Institute for Environmental Finance

