

8 Environmental Protection

The Group advocates environmentally responsible business practices. By reducing resource consumption and enhancing efficient resource use, we aim to reduce possible negative impacts and risks to the environment brought about by our business development, with a view to promoting sustainable growth. In addition, we support a low-carbon economy and promote green banking as our strategy. We do our best in mitigating the influence brought by climate change through our management initiatives and the promotion of environmentally-friendly practices within the Group, and among the industrial and commercial sectors as well as local communities.

8.1 Environmental Management⁵⁸

The Group has an **Environmental Policy** in place, which aims to raise environmental awareness inside and outside the Group and is available on the corporate website. We have integrated environmental protection into our business development through our daily operations, services and products.

BOCHK operates a series of environmental management systems for its major business premises. We plan, execute, review and refine our environmental protection initiatives in an orderly manner. Furthermore, our systems have obtained the ISO 14001 Environmental Management System Certification and ISO 50001 Energy Management System Certification, thus ensuring that environmental management in these premises is on par with international standards.



Green Procurement

We have formulated a Sustainable Procurement Policy and regularly review our criteria for supplier selection according to relevant rules and market best practices.

We support the use of energy-saving products and services that are conducive to sustainable development. Since 2010, we have been using A4 paper certified by the Forest Stewardship Council ("FSC"); since 2012, we have replaced all original toner cartridges with eco-friendly alternatives; and since 2013, we have preferentially purchased electrical appliances with Grade 1 energy labels and office furniture items that fulfil the green specifications developed by the Environmental Protection Department. We also purchase diesel vehicles that fulfil the Euro V standard or above, so as to reduce emissions of air pollutants. Moreover, we encourage suppliers to reduce unnecessary packaging.



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⁵⁸ G4-DMA (Materials), G4-DMA (Energy), G4-DMA (Water), G4-DMA (Emissions), G4-DMA (Effluents and Waste), HKEx A1 General Disclosure, A2 General Disclosure, A3 General Disclosure

Bank of China Tower

- ISO 14001 Environmental Management Systems Certification
- ISO 50001 Energy Management Systems Certification
- The Sustainable Building Index Mark, awarded by Hong Kong Quality Assurance Agency
- Indoor Air Quality Certificate – Excellent Class, awarded by the Environmental Protection Department
- Certificate of Quality Water Supply Scheme for Buildings – Fresh Water (Plus), awarded by the Water Supplies Department
- Hygiene Control Management Systems Certification, awarded by SGS



Bank of China Building

- ISO 14001 Environmental Management System Certification
- Indoor Air Quality Certificate – Good Class, awarded by the Environmental Protection Department
- Certificate of Quality Water Supply Scheme for Buildings – Fresh Water (Plus), awarded by the Water Supplies Department
- Hygiene Control Management Systems Certification, awarded by SGS

Environment-related certification and certificates



Bank of China Centre

- ISO 14001 Environmental Management System Certification
- ISO 50001 Energy Management System Certification
- Indoor Air Quality Certificate – Excellent Class, awarded by the Environmental Protection Department
- Certificate of Quality Water Supply Scheme for Buildings – Fresh Water (Plus), awarded by the Water Supplies Department
- Hygiene Control Management Systems Certification, awarded by SGS



Bank of China Wanchai Commercial Centre

- ISO 14001 Environmental Management System Certification
- ISO 50001 Energy Management System Certification
- Indoor Air Quality Certificate – Good Class, awarded by the Environmental Protection Department
- Certificate of Quality Water Supply Scheme for Buildings – Fresh Water (Plus), awarded by the Water Supplies Department
- Hygiene Control Management Systems Certification, awarded by SGS

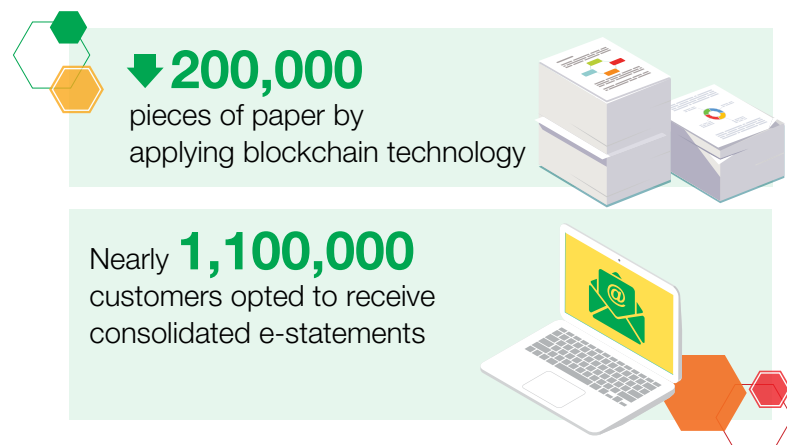
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8.2 Effective Use of Resources⁵⁹

A more efficient use of energy and resources can reduce both environmental impacts and operating costs. During the year, the Group continued to adopt various measures such as waste reduction at source to protect the environment.

Reduction of Paper Consumption

To reduce paper consumption, the Group has promoted digitalisation across all channels. We took the lead in applying blockchain technology to property valuations and substantially saved around 200,000 pieces of paper for printing valuation reports throughout the year. In addition, we continued to promote electronic customer communications, encouraging customers to receive e-statements. As of the end of 2017, nearly 1.1 million customers opted to receive consolidated e-statements. Those who chose to use e-statement increased 27% as compared with 2016. We also launched a new official BOCHK WeChat account where customers can check their transaction records and gain access to the latest wealth management information at any time. Moreover, we proactively promoted our paperless banking services, for example, by converting various paper forms in branches into electronic versions, in order to reduce paper consumption.



Energy Saving⁶⁰

To reduce our energy consumption, we have installed solar-powered lights outside Bank of China Tower, and have upgraded the ventilating system and major information technology equipment in our offices with a view to saving electricity and cutting demand for cooling. Furthermore, we signed up to the *Charter on External Lighting* organised by the Environment Bureau ("ENB") for the second consecutive year, committing to switching off decorative, promotional or advertising lighting installations that affect the outdoor environment from 11pm to 7am, so as to reduce energy wastage and light pollution. We received a Platinum Award from the ENB for our participation. Since 2009, we have been sponsoring and supporting the World Wildlife Fund ("WWF")'s Earth Hour initiative, turning off all non-essential lighting in our major office buildings for one hour to advocate energy saving. In addition, we encourage our staff to reduce the need for business trips by using video conferences where possible, so as to reduce carbon emissions.



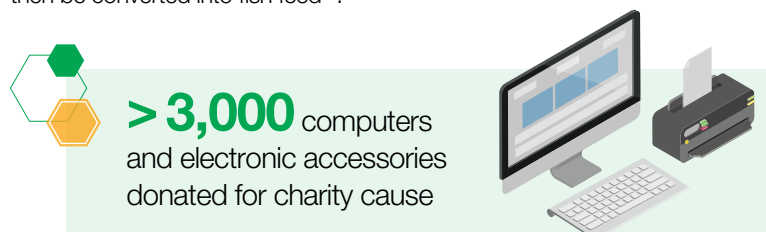
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⁵⁹ G4-DMA (Materials), G4-DMA (Energy), G4-DMA (Water), G4-DMA (Emissions), G4-DMA (Effluents and Waste), HKEx A1 General Disclosure, A2 General Disclosure, A3 General Disclosure

⁶⁰ HKEx A1.5, HKEx A2.3

Resource Utilisation and Waste Reduction

We are committed to reducing waste at source, as well as reusing and recycling waste. We support the reuse of office equipment by donating to charitable organisations. During the year, we donated more than 3,000 computers, printers and computer monitors to various charitable organisations, and joined the Fluorescent Lamp Recycling Programme organised by the Environmental Protection Department to recycle the materials of discarded fluorescent lamps. We also have waste recycling facilities in our offices to sort recyclable items such as waste paper, plastic bottles, aluminium cans, rechargeable batteries, fluorescent tubes, compact fluorescent light bulbs, toner cartridges and red packets. Since 2012, we have been recycling food waste collected every day from the staff canteen at Bank of China Tower, which would then be converted into fish feed⁶¹.



Ecological Conservation

The Group supports ecological conservation. Since 2009, we have ceased to consume shark's fin, endangered reef species and black moss at our corporate banquets. To promote marine conservation, we have also participated in the No Shark's Fin Pledge of WWF Hong Kong since 2011, pledging not to run any promotions related to shark fin consumption. In addition, we take into consideration the local ecological environment when renovating our branches.

8.3 Promoting Green Finance⁶²

We have integrated environmental protection into our bank policies to facilitate our development of green finance and the fulfilment of social responsibility. In providing financing services, we give priority to projects that are socially and environmentally sustainable.

As the country strongly advocates energy conservation and emission reduction, the Group keeps a close eye on new developments in the emerging green industries. In addition to supporting companies with green financing needs, we extend loans to enterprises engaged in new energy, green transport and hydropower projects, in order to support environmental protection and community development⁶³. We underwrote green finance-themed bonds, such as euro-denominated green bonds, issued by central banks, sovereign organisations and other financial institutions. Furthermore, we invested in green bonds with the aim of supporting the development of green programmes, green assets and green economic activities.

We continued to participate in the Energy Efficiency Loan Scheme jointly launched by the two local electricity companies, namely CLP Power Hong Kong and HK Electric. The scheme provides loans to industrial and commercial customers interested in implementing energy conservation projects, with a view to promoting environmental protection and energy conservation.



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⁶¹ G4-EN23, HKEx A1.6

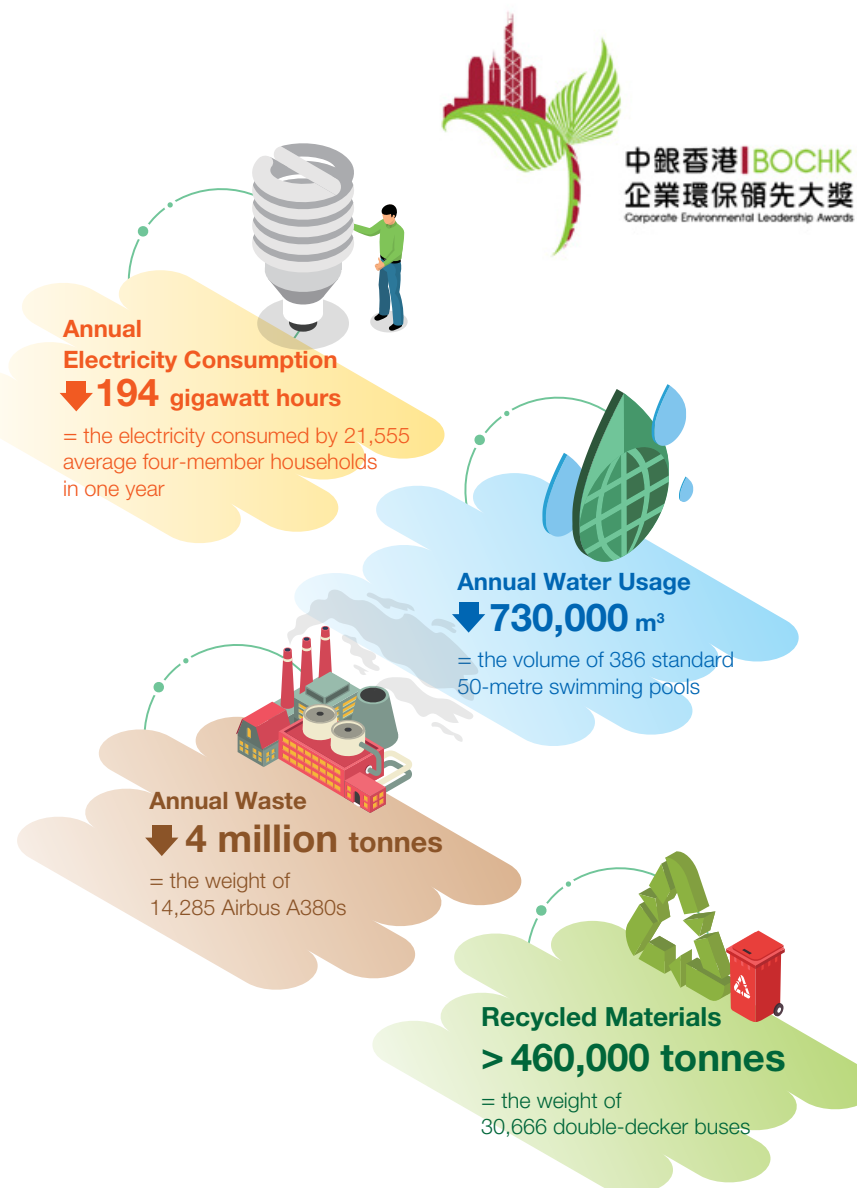
⁶² G4-DMA (Products and Services with Environmental Factors), G4-DMA (Product Portfolio) (Former G3-FS1 to G3-FS5)

⁶³ G4-EN27, HKEx A3.1

8.4 Supporting Environmental Protection

The Group fully understands that financial services institutions play an active role in promoting sustainable development. Since 2015, the Group and the Federation of Hong Kong Industries have jointly launched the BOCHK Corporate Environmental Leadership Awards. The programme aims to encourage enterprises from the manufacturing and service industries operating in Hong Kong and the Pan-Pearl River Delta region to integrate their environmental protection philosophy into daily operations and reduce environmental pollution. One of the key features of the programme is the Belt and Road Environmental Leadership Recognition Award, which recognises enterprises performing outstandingly in environmental protection in areas along the Belt and Road.

In 2017, the programme engaged 600 corporate participants. Together, they completed 1,388 green projects that collectively reduced electricity consumption by more than 194 gigawatt hours (equivalent to the electricity consumed by 21,555 average four-member households in one year), lowered water consumption by 730,000m³ (equivalent to the volume of 386 standard 50-metre swimming pools) and reduced waste by 4 million tonnes (equivalent to the weight of 14,285 A380 airbuses). In addition, over 460,000 tonnes of materials were recycled (equivalent to the weight of 30,666 double-decker buses).



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Since 2016, we have sponsored Food Angel in establishing Food Station through which edible leftover food is recycled in order to reduce environmental impacts arising from massive food wastage. During the year, Food Station recycled over 910,000 kilograms of food, which was prepared into hot meals and food packages for people in need.



Since 2014, we have sponsored Greeners Action's Red Packets Recycling Campaign. Following Chinese New Year, we set up collection points at our key office buildings and in 57 branches to encourage public involvement in recycling red packets. The campaign received wide support from the public and our staff. During the year, 3,903 kilograms of red packets were recycled, nearly doubling the amount of last year's⁶⁴.

In addition, in order to encourage more employees to get involved in eco-friendly practices, we hosted multiple green workshops in 2017. We shared eco-friendly tips in our staff magazine to promote green messages. Moreover, BOC Life organised a Summer Kids' Day event that included stalls themed on environmental protection, where employees could donate their personal goods for sale, in order to promote the message of valuing goods and reducing waste. The funds raised on that day and the remaining goods were all donated to the less privileged through charitable organisations. Employees were allowed to bring their children to work on the day of event, so as to help them develop their awareness of environmental protection.



Winner of Gold Award in Services Sector of the BOCHK Corporate Environmental Leadership Awards Director Chu Kai Ming, Kai Shing Management Services Limited (East Point City – Shopping mall)

It is an honour for East Point City to be conferred with the Gold Award in Services Sector of the BOCHK Corporate Environmental Leadership Awards. We have adopted innovative environmental management approaches and measures. For example, we pioneered the introduction of initiatives such as a recycling trolley that collects recyclable materials from tenants and the Little Green Academy designed for kindergarten students. Besides, we have installed energy-saving devices and electric vehicle charging devices in our shopping mall, developed a comprehensive waste-recycling programme and taken the initiative to collect food waste from tenants and secondary/primary schools nearby. As well as achieving energy-saving and waste reduction goals, we have also helped the public develop eco-friendly habits by organising multiple educational and environmentally-friendly activities. Going forward, we will continue to make every effort to create a sustainable business environment and advocate a cosy and green lifestyle.



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