



# Corporate Social Responsibility REPORT 2017

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#### **Scope of the Report**

This Report gives an annual overview of the corporate social responsibility ("CSR") performance during 2017 of BOC Hong Kong (Holdings) Limited<sup>1</sup> ("the Company") and its subsidiaries, comprising Bank of China (Hong Kong) ("BOCHK") and its csr@bochk.com subsidiaries, BOC Group Life Assurance Company Limited ("BOC Life"), BOCHK Asset Management Limited and Southeast Asian institutions, collectively referred to as "the Group"<sup>2, 3</sup>.

This Report is an important part of our annual reporting, to help our major stakeholders better understand the Group's CSR initiatives, endeavours and related performance. To fully understand the relevant performance of the Company, this Report should be read together with the Company's 2017 Annual Report >, as well as CSR Policy > and Environmental Policy > which are available on our website.

This Report covers the Group's CSR management, stakeholder engagement, business development and economic contribution, caring initiatives for employees, environmental protection initiatives and community contribution, etc. Corporate governance is an integral part of CSR, and the related disclosure is contained in the Company's 2017 Annual Report >.

Unless otherwise stated, the information and data in this Report cover the period from 1 January 2017 to 31 December 2017<sup>4</sup>.

#### **Preparation of this Report**

This Report is prepared in accordance with the "Core Option" of the Global Reporting Initiative ("GRI") G4 Sustainability Reporting Guidelines (GRI G4) and the Environmental, Social and Governance ("ESG") Reporting Guide (Main Board Listing Rules Appendix 27) issued by Hong Kong Exchanges and Clearing Limited ("HKEx")<sup>5</sup> in order to explain the impact of the Group's daily operations on the economy, environment and

society and to disclose the Group's CSR performance. The Group maintains regular communication with its stakeholders in the course of its day-to-day operations so as to better understand their areas of interest. This Report has undergone and successfully completed the GRI's Materiality Disclosures Service.

Section 10 of this Report outlines CSR-related data and Section 11 lists out the GRI G4 content index and HKEx ESG

Guide content index. The calculation methods for data used in this Report are stated where appropriate. To increase data accuracy

and coverage, past data and information for certain indicators have been restated with the reasons and impacts reflected and explained where appropriate<sup>6</sup>.

The content and data contained in this Report was collected by the Group's cross-unit CSR Task Force, formed by representatives from different units of the Group. This Report was prepared and published on the websites of the HKEx and BOCHK after seeking professional consultation, being reviewed by the Group's senior management and CSR Committee and obtaining approval from the Board<sup>7</sup>.

#### **Your Feedback**

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Please share your feedback on our CSR work by filling in the online feedback form > . If you have any other comments, please contact the secretariat of the Group's CSR Committee (email: csr@bochk.com)<sup>8</sup>.

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### **About BOC Hong Kong (Holdings) Limited**

BOC Hong Kong (Holdings) Limited ("the Company") was established by combining the businesses of the member banks in Hong Kong belonged to the Bank of China Group after their restructuring. The Company was incorporated in Hong Kong on 12 September 2001 to hold the entire equity interest of Bank of China (Hong Kong) Limited ("BOCHK"), its principal operating subsidiary. Bank of China Limited ("BOC") holds approximately 66.06% of the equity interest in the Company through BOC Hong Kong (BVI) Limited, an indirect wholly-owned subsidiary of BOC. The Company began trading on the main board of the Stock Exchange of Hong Kong on 25 July 2002<sup>9</sup> and is one of the largest listed companies and commercial banking groups in Hong Kong<sup>10</sup>, with stock code "2388" and ADR OTC Symbol: "BHKLY".

BOCHK has strong market positions in all major businesses. We have the most extensive local branch network and diverse service platforms in Hong Kong, including approximately 200 branches, more than 250 automated banking centres, efficient e-channels of over 1,000 self-service machines, as well as Internet and Mobile Banking services. We offer a comprehensive range of financial, investment and wealth management services to personal, corporate and institutional customers<sup>11</sup>. To implement the overseas development strategy of BOC Group, we strive to drive our regional development by expanding our business in the Southeast Asian region. Our branches and subsidiaries have been extended to Southeast Asian countries such as Malaysia, Thailand, Indonesia, Cambodia, Brunei, Vietnam and the Philippines, with the provision of professional and high-guality financial services to local customers. We will also expedite our development into a Top-class, Full-service and Internationalised Regional bank<sup>12</sup>.

BOCHK is one of the three note-issuing banks and the sole clearing bank for Renminbi ("RMB") business in Hong Kong. With our strong RMB franchise, we are the first choice for customers in this business. Through the deep collaboration with our parent bank, BOC, we provide a full range of high-quality cross-border services to multinationals, cross-border customers, the mainland enterprises going global, central banks and super-sovereign organisations<sup>13</sup>.

As a major commercial banking group and an internationalised regional financial group with roots firmly planted in Hong Kong<sup>14</sup> for 100 years, we are committed to fulfilling our corporate social responsibility to promote sustainable development and deliver greater value to our customers, shareholders, employees and the community<sup>15</sup>. Our participation in CSR has also been widely recognised. For awards details, please refer to our 2017 Annual Report > .



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### Our Vision, Mission and Values<sup>16</sup> Our Vision is to be **YOUR PREMIER BANK**

### Our Mission is to



**Build** customer satisfaction and provide quality and professional service



**Offer** rewarding career opportunities and cultivate staff commitment



**Create** values and deliver superior returns to shareholders

### Our Core Values are



Social Responsibility -We care for and contribute to our communities

> **Performance -**We measure results and reward achievement

> > Integrity -We uphold trustworthiness and business ethics

Respect -We cherish every individual

**Innovation -**We encourage creativity

Teamwork -We work together to succeed Combining the initials of Mission, we have "BOC"

Combining the initials of Core Values, we have

"SPIRIT"

Together, we have "BOC SPIRIT" 中銀精神

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### Message from the Chairman<sup>17</sup>



2017 marked the 20th anniversary of Hong Kong's return to the motherland and the centenary of BOC's service to Hong Kong. BOCHK endeavours to put the guiding principle of the 19th National Congress of the Communist Party of China into action. Adhering to its mission of supporting Hong Kong's economic development and accelerating its transformation into an internationalised regional bank, BOCHK continued to promote sustainable development and laid a solid foundation for future business growth by serving the community and improving people's well-being. All of this created value for our shareholders, customers, employees and society.

By closely integrating its growth strategy into the national development plan, the Group gave full support to Hong Kong's economic development and facilitated the further development of Hong Kong's status as an international financial centre. In line with the national Belt and Road Initiative and RMB internationalisation, BOCHK provided comprehensive and diversified financial solutions to mainland enterprises going global as well as to infrastructure investments along the Belt and Road. In 2017, we completed the share transfer of Chiyu Bank and subsequently completed the acquisition of BOC's institutions and businesses in Thailand, Indonesia and Cambodia. We also successfully completed the transfer of BOC's institutions and businesses in the Philippines and Vietnam in early 2018. During the year, BOCHK chaired a committee within BOC with the aim of promoting synergistic development among our operations in Guangdong, Hong Kong and Macao. This will deepen collaboration among our institutions and strengthen our leading position in the area, allowing us to better support the integrated development of Guangdong, Hong Kong and Macao. As the sole clearing bank for Renminbi ("RMB") business in Hong Kong, BOCHK continued to upgrade its infrastructure to enhance product development capabilities and integrated services. In 2017, the total transaction volume processed via the RMB Real Time Gross Settlement system ("RMB RTGS system") exceeded a total value of RMB210 trillion, well ahead of the world's other offshore RMB markets.

Through technological innovation, the Group promoted inclusive finance to provide further support to the real economy. BOCHK has made constant breakthroughs in the application of innovative technologies such as blockchain, biometric authentication and big data, fully supporting Hong Kong's growth as a smart city. During the year, we advanced the development of our smart e-channels and launched a new official BOCHK WeChat account, as well as a mobile application for BOC Life. We recorded satisfactory growth in both the number of customers using e-channels and the number of e-channel transactions. We continued to optimise the BOCHK iService 24-hour video banking service and introduced a WeChat Pay service to enhance customer experience.

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We supported the expansion of the Hong Kong Science and Technology Parks Corporation. BOCHK is the sole banking institution to set up a branch in its park. Capitalising on our banking service network, which is the most extensive in Hong Kong, we provided the general public and SMEs with convenient financial services. The Hong Kong General Chamber of Small and Medium Business granted us the Best SME's Partner Award for the 10th consecutive year.

The Group devoted itself to charity in an effort to improve local people's livelihood and promote social harmony. In 2017, BOCHK donated HK\$200 million to 28 charity programmes covering education, poverty alleviation, youth development, caring for the community and environmental protection, etc. We continued to cooperate with public organisations and charities. We also stepped up our efforts to offer innovative financial services for the community, such as services related to hospitals, care for the elderly, schools and utility bill payment. We developed green finance by incorporating environmental protection into our credit policy, as well as supporting green financing and ecological conservation. BOCHK was selected as a constituent stock of the Hang Seng Corporate Sustainability Index Series for the eighth consecutive year and as a Top 20 constituent stock of the Hong Kong Business Sustainability Index for the third consecutive year, as well as being named a Caring Company by the Hong Kong Council of Social Service for the 15th year in a row.

At the start of 2018, BOC takes on a new role in the history. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, BOC is determined to build a world-class bank in the new era by driving growth through technology and innovation, carrying out a pragmatic transformation, and embracing change in pursuit of excellence.

In order to drive growth through technology and integrate technology into all operational procedures and areas, BOC will accelerate the pace of digital banking development, provide seamless integration of the online and offline customer experience and offer innovative products that cater to diverse scenarios, while at the same time ensuring operational efficiency and intelligently managing risk. To drive growth through innovation, BOC will keep abreast of market trends and customer demands and promote innovation in technology, products and services, in a bid to become a provider of high-quality financial services, a builder of platform connectivity, a creator of value from data and a pioneer in smart services. In order to carry out a pragmatic transformation, BOC will focus on the needs of the real economy and the demands of high-guality economic development, vigorously promoting digitalisation, business globalisation, service integration, the adoption of an asset-light strategy and the streamlining of its structure. In addition, BOC will improve its financial supply chains to support the growth of the real economy, and build a high-quality development model with strong value-creating capabilities and market competitiveness. In order to embrace change in pursuit of excellence. BOC will further strengthen its risk awareness, strictly adhere to its strategy and demonstrate the courage needed to embrace changes in our thinking, our mechanisms and our organisational structure across the Bank, and thus gather the strength to push through our reform and development.

The new era opens up new opportunities, and our new centenary calls for new initiatives. BOCHK will closely follow the implementation of BOC's new strategy and is dedicated to playing a more active and spirited role in achieving its goal to "Build a Top-class, Full-service and Internationalised Regional Bank". We strongly promote the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area, provide support to economic development and the improvement of well-being in Hong Kong, and contribute to the realisation of the Chinese dream of the great rejuvenation of the Chinese Nation.

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Chen Siqing Chairman



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### Message from the Chief Executive<sup>18</sup>



2017 marked the 20th anniversary of the return of Hong Kong to the motherland and the centenary of BOC's service to Hong Kong. Since opening a sub-branch in Hong Kong in 1917, BOC has been on an extraordinary and glorious century-long journey. During the year, we properly implemented the decisions of the Board of Directors, made solid progress in our operation and management and effectively executed our strategies. In 2017, the Group achieved a record high in profit from continuing operations, further expanded its asset size, optimised its income structure and recorded solid performance in its major financial and risk indicators. Profit attributable to equity holders reached HK\$31,070 million, and profit from continuing operations amounted to HK\$28,481 million, up 15.9% from 2016. We were named Bank of the Year in Hong Kong by *The Banker* in the UK for the third consecutive year, and Strongest Bank in Asia Pacific and Hong Kong by *The Asian Banker* for the fourth year in a row.

The market position and influence of BOCHK continued to increase and the reputation of its century-old brand was enhanced.

As a leading commercial banking group with roots firmly planted in Hong Kong for a century, we are fully aware of the Group's responsibilities for contributing to economic development and people's well-being in Hong Kong, strengthening and enhancing Hong Kong as an international financial centre and promoting the sustainable development of society. Aligning with the regional development of the Group, we are committed to fulfilling corporate social responsibility in the region in which we operate. The Group cares about the needs and opinions of stakeholders and undertook a number of CSR initiatives to proactively serve society, earning wide recognition from the community.

We attach great importance to local economic development and serving the needs of customers where we operate. Leveraging the Group's professional strengths, we supported the development of the real economy and provided customers with a full range of high-guality services. Capitalising on the national Belt and Road Initiative, we pushed forward the transformation of BOCHK from a local bank into an internationalised regional bank and enhanced our regional and global service capabilities. We supported the development of the Guangdong-Hong Kong-Macao Greater Bay Area by promoting synergy and deepening cross-border collaboration among BOC's institutions in the area. As the sole clearing bank for RMB business in Hong Kong, we continued to strengthen this competitive edge and improve our core competencies in RMB business to promote the steady development of offshore RMB business in Hong Kong. Adhering to our customer-centric philosophy, we offer convenient banking and financing services to the community at large and promote financial inclusion as advocated by the Hong Kong Monetary Authority ("HKMA"), to assume our responsibilities to the community.

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We emphasise our fulfilment of social responsibility. During the year, we continue to uphold the principle of caring for our community by increasing our resources devoted to community and charitable programmes. A sum of HK\$200 million was donated to 28 charitable programmes in total. Through a number of initiatives, such as supporting governmental activities, cooperating with various charitable organisations and industry associations, and encouraging staff participation in volunteer services, we aim to promote the steady development of local communities to bring positive energy to society and share our achievements in corporate development with the wider community. Among this, we took the opportunity of our centenary celebrations to launch four large-scale charitable donation programmes that delivered great social impact. These included a donation of HK\$100 million to the veterinary science development programme of the City University of Hong Kong to nurture Hong Kong's top-class professionals in veterinary science and prevent the spread of infectious disease; a HK\$50 million donation to the Community Football Development Fund to encourage children and adolescents from grassroots communities to participate in football activities; a HK\$20 million donation, conferred jointly with some of Hong Kong's renowned organisations and kind-hearted individuals, to establish the BOC Xianyang Four-county Education Fund in support of local education; and a MYR5 million donation to the Kuen Cheng High School in Malaysia to fund its construction of a new school building. We supported and encouraged our employees to participate in volunteer services together with their family members and friends. The number of participations in volunteer activities rose by 19% to 14,085 from last year, contributing about 50,000 hours in community service. We have been recognised with the Gold Award for Volunteer Service by the Social Welfare Department for eight consecutive years.

We focus on the development of corporate culture. The Group continues to press ahead with corporate culture development, firmly believing that a sound corporate culture is a crucial cornerstone of its steady development. In 2017, the HKMA issued the Bank Culture Reform circular to further promote bank cultures that make the safety and soundness of banks as well as the interests of customers the top priority. We followed the relevant guidelines to further assess our existing systems, so as to introduce appropriate measures for enhancement and enrich the Group's corporate culture. We reckon that the Group will only be able to maintain its steady and sustainable growth through continuous efforts to pursue sound culture development and improve its corporate governance as well as its risk management system.

We care about the growth and development of our employees. Employees are our valuable assets and the key to our success. Adhering to our people-centric philosophy, we continually improve our human resources management system, so as to provide our employees with a harmonious, diversified and friendly work environment. This enabled people of calibre from diverse backgrounds to join in with and promote the Group's sustainable development together. In addition, we devote resources to staff development by enhancing the skills and professional knowledge of our staff through a range of training programmes. We also offer competitive remuneration and career development plans conducive to the long-term development of both our staff and the Group.

2018 marks the first year of BOCHK's new centenary journey. With our aim to "Build a Top-class. Full-service and Internationalised Regional Bank", we will uphold our beliefs, strive to tackle problems, drive our growth through technology and innovation, ensure compliance with laws and regulations, embrace our corporate culture and adopt a people-oriented and steadfast management approach in the design and implementation of our diverse business strategies and measures in order to achieve long-term, balanced and sustainable development. Serving the community in which we are rooted, we will continue to support Hong Kong's economic development and the HKSAR Government in governing in accordance with the law. We will also remain devoted to philanthropy, continue to care for the underprivileged, support youth education, promote positive energy and make new contributions to the long-term development, prosperity and stability of Hong Kong.

Jour Gao Yingxin

Vice Chairman & Chief Executive

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### **Corporate Social Responsibility Management**

The Group regards CSR as an important endeavour in sustaining our core competitiveness and enhancing brand value. Adhering to the related strategies of the Group, CSR is integrated into its business operations to align with the Group's overall development strategy and commitment to operate responsibly. We have formulated and constantly enhanced our CSR Policy and management mechanism, and have established effective stakeholder communication mechanism. The Group is committed to making a positive impact on various key stakeholders as well as the local economy, society and the environment.

Our CSR work also adheres to the guidelines of the Bank Culture Reform circular issued by the HKMA during the year, which covers governance, incentive systems and assessment and feedback mechanisms, with the aim of further enhancing and promoting a sound bank culture.

#### **5.1 CSR Policy and Management Mechanism**

The Group's CSR Policy And Environmental Policy were formulated with reference to various international and local guidelines on CSR and sustainability, including the United Nations Environmental Programme's Statement by Financial Institutions on the Environment and Sustainable Development; ISO 26000-2010: Guidance on Social Responsibility, and other sustainability-related principles. All members of the Group must comply with and execute the relevant policies, which act as an important foundation for the Group's various CSR initiatives to foster closer relationships with stakeholders including customers, employees, shareholders, business partners, the government and the community.

We have established a management framework to ensure the effective implementation of our CSR work. The Company's CSR Policy ▶ outlines the roles and responsibilities of the Board, senior management, CSR Committee and all members of the Group<sup>19</sup>. The CSR Committee is chaired by the Group's Chief Executive, and its members include the senior management of the Group and management of relevant business units. It is responsible for the implementation of the Group's CSR Policy ▶ , carrying out CSR work in accordance with the direction set by the Board and introducing relevant measures to comply with relevant laws and regulatory requirements<sup>20</sup>. We strive to incorporate CSR into our development strategies, governance structure, corporate culture and operational management.

#### Setting up a Cross-unit CSR Task Force to Effectively Implement the Group's CSR Work

We always encourage various units of the Group to incorporate sustainable development into the core considerations of their daily business operations. With this in mind, we have set up a cross-unit CSR Task Force formed by representatives, including members of the senior management, from all units (including Southeast Asian institutions) of the Group. Relevant training has also been arranged to enhance the Group's sustainable development and CSR work<sup>21</sup>.

The major responsibilities of the members of cross-unit CSR Task Force include setting short-, medium- and long-term CSR targets for their respective units; promoting CSR participation by members of their units; collecting data as well as information for the preparation of the Group's annual CSR Report. Members of the CSR Task Force will attend trainings to keep abreast of the latest market trends on sustainable development and CSR issues so as to promote the Group's CSR development.

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#### 5.2 Stakeholder Communication Mechanism

The Group places great value on stakeholders' opinions and considers them carefully when formulating our overall development strategy. We have identified the stakeholder groups relevant to our business<sup>22</sup> and strive to better understand their opinions and expectations regarding various aspects of the Group's performance through effective communication platforms and means. We solicit stakeholders' views when reviewing and evaluating the Group's CSR performance, thereby better fulfilling our responsibilities and commitments to our key stakeholders.

#### 5.2.1 Stakeholder Engagement Platforms<sup>23</sup>



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#### 5.2.2 Assessment of CSR Issues

To ensure that the Report covers CSR issues that are material to the Group and addresses its stakeholders' key interests appropriately, we have engaged an external professional body to design and conduct a series of stakeholder engagement activities and make reference to the disclosure practic es of our peers in the banking industry. This helps to prioritise the material issues to be included in the Report.

#### Materiality Assessment<sup>24</sup>

#### **Identification**

• A list of CSR issues was identified by making reference to social policies, industry benchmarks and best practices, media reports, GRI G4 Sustainability Reporting Guidelines, HKEx ESG Guide and the latest guidelines on Bank Culture Reform issued by the HKMA during the year, etc.

### **Evaluation**

- Stakeholders of the Group, including employees, customers, investors, regulators, professional institutions, charity partners and media organisations were invited to participate in the evaluation process.
- Stakeholders shared their views with us via interviews and online surveys. The importance of CSR issues was then evaluated.
- Major peer banks' CSR reports were analysed to assess the importance of these issues to the banking industry.

#### **Ranking and Confirmation**

- Issues were ranked according to the corresponding scores resulted from stakeholders' evaluation and peer banks analysis.
- The results were submitted to the CSR Committee for review and confirmation. The material issues and related performance are disclosed in different sections of this Report, as well as other reports published by the Group.

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5.2.3 Material Issues<sup>25, 26, 27</sup>

**Economic** 

• Economic Performance

• Indirect Economic Impacts

#### Human Resources and Labour Practices

#### Employment

**Product Responsibility** 

• Compliance (Product Responsibility and Services)

• Customer Health and Safety

• Product and Service Labelling

• Marketing Communications

Customer Privacy

- Labour Management Relations
  - Occupational Health and Safety
  - Employee Training and Education
  - Diversity and Equal Opportunity
  - Compliance with Labour Laws and Regulations
- Grievance Mechanisms for Employees

#### Environment

- Material
- Energy
- Greenhouse Gas Emissions
- Water
- Effluent and Waste
- Products and Services with Environmental Considerations

#### Society

- Non-discrimination
- Contribution to Local Community
- Anti-corruption

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# **Business Development and Economic Contributions**

As a leading commercial banking group in Hong Kong, we leverage our competitive advantages to provide customers with comprehensive, professional and high-quality services. We endeavour to extend our business reach into Southeast Asia and transform ourselves into an internationalised regional bank. Maintaining sustainable business growth, we make every effort to contribute to the enhancement of Hong Kong as an international financial centre, as well as to its long-term prosperity and development<sup>28</sup>.

For more details about the Group's business performance in 2017, please refer to the 2017 Annual Report ►.

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Note: The Group has applied the merger accounting method in the preparation of financial statements for the combination of entries under common control in 2017. The comparative information for 2016 has been restated accordingly.

<sup>28</sup> G4-DMA (Economic Performance)

6.1 Business Performance<sup>29</sup>

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#### 6.2 Fostering Economic Growth<sup>30</sup>

In line with major national strategies such as the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area, Hong Kong fully plays its role as a super-connector. In view of this, we strive to grasp the opportunities arising from meeting the country's needs by leveraging Hong Kong's advantages. We aim to contribute to the greater national development as well as the reinforcement and enhancement of Hong Kong's status as an international financial centre.

#### Supporting the Belt and Road Initiative

Supporting the national Belt and Road Initiative and the overseas development strategy of the BOC Group, BOCHK fostered its business development in Southeast Asia and transformed itself into an internationalised regional bank. We support the construction of a financial artery of BOC Group along the Belt and

Road. Our branches and subsidiaries cover Southeast Asian countries such as Malaysia, Thailand, Indonesia, Cambodia, Brunei, Vietnam and the Philippines. We provide professional and high-quality financial services to local customers.

Southeast Asia is a key focus of the Group's overseas business development. We support a wide range of large-scale Southeast Asian infrastructure projects, including railways, communications equipment, petroleum and optical cables by providing project financing, syndicated loans and other services. This facilitates the development of local infrastructure as well as the regional economy. In addition, we have broadened the product offerings of our Southeast Asian institutions, in an endeavour to provide a more comprehensive range of services to local customers. These services include cash management services, structured financing and trade products.

### Capturing Infrastructure Investments and Financing Opportunities through Hong Kong 透過香港抓緊基建投融資機遇



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Southeast Asia is also a key region for promoting RMB internationalisation and those mainland enterprises going global. In addition, we fully leverage Hong Kong's competitive strength as an offshore RMB centre and facilitate RMB business development in Southeast Asia by organising a series of RMB-themed seminars or investment forums in Thailand, Malaysia, Indonesia and Cambodia during the year.

The Group organised and sponsored a range of international seminars and conferences, including the Forum on China's Outward Investment Trends and Hong Kong's Role co-organised with the Hong Kong Chinese Enterprises Association. The forum focused on exploring the trends and characteristics of China's outward investment under the Belt and Road Initiative and the going global strategy of mainland enterprises, Hong Kong's role in China's outward investment, as well as how Hong Kong captures opportunities brought about by the Belt and Road Initiative. The forum attracted more than 2,000 local and overseas participants from various sectors.





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### Supporting the Development of the Guangdong-Hong Kong-Macao Greater Bay Area

In accordance with the Group's strategy, BOCHK played a leading role in contributing to regional collaboration and the provision of integrated cross-region financial services. Following the introduction of related policies by the HKMA, Hong Kong Interbank Clearing Limited and regulatory authorities in Guangdong Province. Shenzhen and other areas, we launched an array of convenient cross-border services. These included the Cross-border Electronic Bill Presentment and Payment between Hong Kong and Guangdong Province, Cross-border Tax Payment by RMB e-Cheque between Hong Kong and Shenzhen, Guangdong-Hong Kong Business Registration and Banking Services Connect, and BOCHK Guangdong-Hong Kong Business Service Connect, etc. These services increased the interconnection of financial infrastructures in the Guangdong-Hong Kong-Macao Greater Bay Area and fostered strong interconnection and mutual access on the financial fronts between the mainland and Hong Kong<sup>31</sup>. Among them, the Guangdong-Hong Kong Business Registration and Banking Services Connect offers Hong Kong companies investing in Guangdong Province greater convenience by allowing them to apply for mainland business licenses in Hong Kong. The BOCHK Guangdong-Hong Kong Business Service Connect provides a remote business registration service for investors interested in incorporating



foreign-funded companies in the Nansha Free Trade Zone, saving them time and cost in business registration.

At the same time, we also actively promoted our BOC Wealth Management services in the Guangdong-Hong Kong-Macao Greater Bay Area and launched related credit cards, providing customers with efficient and convenient financial services that cover transportation, communications and merchant offers, in a bid to achieve a "One-hour Living Circle".



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#### Enhancing Hong Kong's Status as an Offshore RMB Hub

Keeping pace with RMB internationalisation and leveraging BOC Group's global edge, we provide customers with one-stop services. In doing so, we aim to strengthen Hong Kong's status as a global offshore RMB business hub.

BOCHK has been the sole clearing bank for RMB business in Hong Kong since 2003, as well as the first offshore RMB clearing bank. We are committed to strengthening our RMB clearing bank infrastructure and promoting offshore RMB business in Hong Kong. Currently, BOCHK serves more than 200 local and overseas participating banks and is by far the clearing bank processing the largest transaction value, operating the longest hours for Real Time Gross Settlement system ("RTGS system") in the world and deploying the most advanced technology. Hong Kong's RMB payment transaction volume accounts for more than 70% of the offshore markets, according to SWIFT data. In 2017, the total transaction value processed via the RMB RTGS system exceeded RMB210 trillion, well ahead of other offshore markets in the world<sup>32</sup>.



During the year, the People's Bank of China and the HKMA jointly launched Bond Connect, following the introduction of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect in 2014 and 2016 respectively. Bond Connect is another important initiative for connecting the mainland and international investors with Hong Kong as a platform. This further demonstrates Hong Kong's role as a unique intermediary in facilitating international investors to participate in the mainland financial market. As the RMB clearing bank in Hong Kong, BOCHK provides cross-border fund clearing services for Bond Connect, and assists domestic and overseas investors in relevant fund settlement. Furthermore, as the first bank licensed to offer A-share financing services in Hong Kong, we provide customers with a comprehensive range of offshore RMB financing services.

#### BOCHK published The Era of RMB SDR and Hong Kong Offshore RMB Centre

In June 2017, BOCHK published *The Era of RMB SDR and Hong Kong Offshore RMB Centre*, a book that compiled more than 40 articles written by over 20 members of the BOCHK research team. The book analyses the mainland's cross-border RMB policies and business prospects from multiple perspectives. It also sums up the development of RMB internationalisation and the offshore market, from the new opportunities arising from the exchange rate reform on 11 August 2015, the inclusion of the RMB in the SDR currency basket, to the Belt and Road Initiative and the capital account liberalisation. The book showcases a full picture of RMB internationalisation and provides valuable reference for specialists or general readers.



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#### **6.3 Promoting Financial Inclusion**

Adhering to the Group's customer-centric principle, we offer convenient banking and financial services to people from various sectors of society and support financial inclusion advocated by the HKMA, demonstrating our responsibilities to the community.

BOCHK provides convenient banking services to the public through its largest and most extensive branch network in Hong Kong, including approximately 200 branches across different districts of Hong Kong, as well as over 1,000 self-service machines in more than 250 automated banking centres. Approximately half of these centres are located either in or within 10 minutes' walking distance of public housing estates, with a view to providing customers with high-quality and convenient banking services<sup>33</sup>.



#### Supporting Business Development of SMEs

Riding on its extensive branch network in Hong Kong, the Group enhanced its services for small- and medium-sized enterprises ("SMEs"). We supported the policies of the HKSAR Government in assisting SMEs by providing different loan schemes, such as SME Loan Guarantee Scheme, SME Financing Guarantee Scheme and BOC Small Business Loan. To meet the financing needs of SMEs for business expansion, we continued to improve our efficiency in loan approval by streamlining our loan application procedures. During the year, we opened two branches offering dedicated solutions for SMEs. Workshops for small businesses were organised to help SMEs in their business development.

We joined the SME One introduced by the Hong Kong Productivity Council for the sixth consecutive year and participated in BOC's Cross-border Investment and Trade Events which built a bridge for investment, technical exchange and trade cooperation among SMEs from the mainland, Hong Kong and other countries.

In recognition of our long-standing support of SMEs, the Hong Kong General Chamber of Small and Medium Business granted us the Best SME's Partner Award for the 10th consecutive year and consequently the Best SME's Partner Gold Award 2017. Besides, the Hong Kong Chinese Importers' & Exporters' Association presented us the Outstanding Import & Export Industry Partner Award in the Outstanding Import & Export Enterprise Awards for the third consecutive year.



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#### Innovative Technologies for Enhanced Customer Experience

We expanded the use of innovative technologies to diversify our service channels and provide customers with secure banking services anytime and anywhere to enhance customer experience.

We promoted the development of smart branches and digitalisation of our branch network by introducing innovative services at branches, including BOCHK iService 24-hour video banking service and the pioneering finger vein authentication service in Hong Kong. All of these contributed to the enhancement of our service model at branches. In addition, we worked with WeChat in introducing account-linking services that allow customers to set their own mobile payment limits, offering them a new mobile payment experience. Our payment channels are further expanded with the launch of debit cards and credit cards that support Apple Pay, Android Pay and Samsung Pay, etc. It offers a diverse payment options to customers with different payment habits.

We continued to promote the application of innovative technologies at our branch network, support the seven Fintech initiatives put forward by the HKMA, and facilitate the implementation of the Faster Payment System. In an endeavour to offer customers efficient, accurate and

reliable mobile banking services, we have been promoting the use of internet-based Fintech in product development, building infrastructure for our mobile platform and developing internet finance.

The Group were the first in the industry to introduce finger vein authentication at branches, and had extended it to ATMs for cash withdrawal, transfer and account enquiry. As of the end of 2017, around 160 ATMs in 18 districts across Hong Kong provided this service. Finger vein authentication offers the highest accuracy among existing biometric authentication technologies. Instead of giving a signature or entering password, customers can conduct banking transactions by simply placing a finger on scanners for instant identity authentication. This new service brings secure and convenient experience to senior customers in particular.



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#### Serving the Elderly

The Group is committed to meeting the financial needs of senior citizens by introducing and providing them with appropriate financial services and flexible financial retirement planning<sup>34</sup>, allowing them to enjoy better quality of life and protection after retirement. We are the leading bank in the provision of Reverse Mortgage Programme which accounted for over 70% of the cases<sup>35</sup> in the market. As a joint lead manager and a placing bank, BOCHK supported the HKSAR Government in the preparation and issuing of silver bonds that were open for subscription to local residents aged 65 or above.

We support the Portable Comprehensive Social Security Assistance Scheme, Old Age Allowance, Guangdong Scheme and Senior Citizen Card Scheme of the Social Welfare Department. Our dedication to serving the elderly and caring for the community was highly recognised by the Senior Citizen Home Safety Association's Best Partner Award.



#### Helping the Underprivileged<sup>36</sup>

The Group strives to provide convenient banking services for the underprivileged, including waiving the minimum monthly balance charges and ATM card charges for their HKD savings accounts. Account holders aged 65 or above, 18 or below, as well as recipients of Government Disability Allowances/Comprehensive Social Security Assistance, can enjoy a service fee waiver for counter-based transactions. In addition, no service fee is charged on dormant accounts in support of the HKMA's *Treat Customers Fairly Charter*. For NGOs, we provide a comprehensive banking solution with preferential rates, so as to reduce their banking expenses. Charitable organisations can also enjoy waivers of transaction processing fees for donations

made through BOC credit cards.

All of our branches have been installed with fixed or portable ramps, while some are equipped with lifts allowing mobility challenged customers to gain access to branches. In addition, we have queuing systems, flashing signs and walkie-talkies installed at counters, as well as audio prompts which help the visually impaired to go to the designated counters for banking



services. Furthermore, we are the first local bank to introduce Voice Navigation ATMs for the convenience of the visually impaired.

During the year, we continued to support the Child Development Fund projects run by the Labour and Welfare Bureau, with a view to helping children at the grassroots level to develop saving habits and put their personal development plans into action. We joined hands with the New Home Association, a charitable organisation that provides services to new arrivals, ethnic minorities and the underprivileged, as well as the Hong Kong Chinese Enterprises Association, in launching BOC Caring ATM Card. We continued our support of the "Decide Well, Spend Wisely" coupons, rendering discounted services for the grassroots community in need.



<sup>&</sup>lt;sup>34</sup> G4-DMA (Product and Service Labelling) (Former G3-FS16)

<sup>&</sup>lt;sup>35</sup> G4-DMA (Product Portfolio) (Former G3-FS1 to G3-FS5), G4-FS7

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#### 6.4 Responsible Business Practice<sup>37</sup>

Operating our business responsibly forms an integral part of fulfilling corporate social responsibility of the Group. We strictly abide by the laws and regulations of the jurisdictions where we operate as well as the relevant regulatory requirements. We prudently manage the potential impacts arising from our products, services and our relationships with stakeholders of the financial industry, the economy and the community, in order to ensure our steady business growth. We provide financial products and services in a fair and responsible manner and conduct various businesses in an ethical manner. We are also committed to improving our service standards on a continuous basis to ensure customer satisfaction.

#### A Customer-centric Banking Group

Embracing our customer-centric philosophy, the Group has established a dedicated customer relationship management team to better understand customers' needs. We establish appropriate product management frameworks for different product categories, ensuring that our products meet different customer needs while following the principle of fair treatment of customers and managing associated risks.

When formulating the rules as well as the terms and conditions of our banking services, we strictly abide by all laws and regulations applicable to Hong Kong. These include the Code of Banking Practice issued by the Hong Kong Association of Banks ("HKAB") with the endorsement of the HKMA, as well as the circulars and guidelines issued by the HKMA. This is to make sure that our daily operations are in compliance with laws and regulations, and have appropriately taken our customers' interests into consideration<sup>38</sup>.

The Group continuously enhance our service quality by collecting feedback, comments and suggestions from customers on our products and services, through meetings, direct communication between the management/frontline staff and customers, and customer satisfaction surveys, etc. In addition, seminars and field studies for our corporate

customers were held regularly to facilitate communications, better understand customer needs and support their business development. Since 2009, we have conducted customer satisfaction surveys on the bank's services each year and have seen our overall score improving continuously<sup>39</sup>.

#### Protection of Customer Privacy<sup>40</sup>

We have put in place a personal data privacy policy and related administrative measures in accordance with the Personal Data (Privacy) Ordinance of Hong Kong, with which we strictly comply. These mainly include:

- Collecting customer information in an appropriate manner, prudently safeguarding such information and preventing any unauthorised or accidental access, processing, deletion, loss or use; strictly complying with the requirements of Personal Data (Privacy) Ordinance and abstaining from using customers' personal data for direct marketing purposes without customers' consent; and
- Customers are entitled to notify the Group at any time to cease to use or transfer their personal data to other parties for direct marketing purposes.

For details of the Privacy Policy Statement and Data Policy Notice, please refer to the Important Notice and Privacy Policy Statement available on the BOCHK website.



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<sup>39</sup> G4-PR5

<sup>&</sup>lt;sup>37</sup> HKEx B6 General Disclosure

<sup>&</sup>lt;sup>38</sup> G4-DMA (Product and Service Labelling), G4-DMA (Market Communications), G4-DMA (Compliance (Product and Service Responsibility))

<sup>&</sup>lt;sup>40</sup> G4-DMA (Customer Privacy), HKEx B6.5

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#### Anti-money Laundering and Combating Financial Crime<sup>41</sup>

The Group attaches great importance to anti-money laundering ("AML") and combating financial crime, which is one of the most critical compliance requirements for implementing our business strategy. Based on the applicable laws and regulatory requirements of Hong Kong and the recommendations of related international organisations such as the Financial Action Task Force on Money Laundering, we have developed an AML and counter-terrorist financing policy to ensure all of our business operations are in compliance with relevant laws and regulations. Our employees are in strict compliance with these policies, rules and guidelines in their daily work, including how they handle customer account openings, carry out due diligence, constantly monitor the accounts and maintain customer and transaction records, etc. Our Southeast Asian institutions must also perform compliance review, as well as credit and AML risk management.

The Group's AML Committee formulates policies with which all members of the Group, including our Southeast Asian institutions, must comply. The Committee reports to the Chief Risk Officer of the Group, the Management Committee and the Risk Committee under the Board of Directors regarding the implementation of these policies and any non-compliance with the Group's AML policies and risk appetite<sup>42</sup>. Our money laundering risk assessment models for customers, products and countries are also reviewed regularly. Thorough and effective reviews are conducted regularly on issues such as institutional money laundering or terrorist financing risks, with a focus on clients, products or services, delivery or distribution channels and regions. These reviews help the Group analyse money laundering risks effectively and adopt appropriate risk mitigation measures.

In order to help frontline staff identify suspicious transactions and understand reporting procedures, we developed the Guidelines for Reporting of Suspicious Transactions to specify responsibilities for suspicious transaction reporting, suspicious transaction indicators, reporting criteria, and data necessary for reporting. In addition, we have a sound whistle blowing policy and mechanism for staff. Where employees are found to have committed or are likely to commit misconduct in the internal business operations or other aspects of the Group, including deceit, fraud, theft, forgery, corruption or other illegal activities, or are found to be involved in personal conduct issues or a breach of the Staff Code of Conduct, they should be reported according to the related provisions as prescribed in the Policy on Handling Staff Reporting of Irregularities, the Administrative Measures on Staff Reporting of Irregularities, and the Staff Code of Conduct.

In terms of external reporting, we have put in place an AML reporting system. Upon receipt of an external report of AML activity, all related analysis and investigation must be completed within a prescribed time limit. Any suspicious transactions revealed by such investigations should be reported to the Joint Financial Intelligence Unit according to the applicable laws and regulations.



41 G4-58, HKEx B7.2

<sup>42</sup> HKEx B7.2

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#### Advocating a Compliance Culture<sup>43</sup>

Integrity is one of the core values of the Group. We strive to build and maintain a healthy corporate culture and promote professional business ethics among staff at all levels to protect the interests of the Group and its customers.

We have formulated a strict Staff Code of Conduct that guides and confines employees to ensure that they are aware of the need to maintain a high level of personal integrity and good conduct both in business operations and with regard to their personal finances. According to the Staff Code of Conduct, staff should exercise self-discipline in order to avoid conflicts of interest or position. For example, staff should not obtain any personal benefit from business relationships, engage in corrupt practices, charge commission, misappropriate public funds, or transfer benefits to any persons by any improper means. The Group also has a clear policy guiding employees on the correct way to handle gifts or personal interests related to external parties. The Staff Code of Conduct further specifies that employees have the responsibility to maintain the Group's good reputation and should stay alert on matters that could lead to illegal activities. Employees should report suspicious illegal activities through the internal whistle blowing mechanism<sup>44</sup>. Furthermore, the Bank has formulated relevant guidelines on how to guard against corrupt conduct or conflicts of interest with regard to donations and other charitable activities.

All of our employees are required to comply with the laws and regulations governing the operation of banks, including the statutory guidelines of the HKMA's Code of Conduct, the Guideline on Anti-Money Laundering and Counter-Terrorist Financing, the Prevention of Bribery Ordinance and relevant legislation on intellectual property rights. Furthermore, they must comply with the provisions of the Group's business operations and human resources management.

Regular training programmes have been held to convey the Group's operational objectives and related regulatory and legal requirements, in order to improve awareness of compliance among staff and raise group-wide awareness and capabilities regarding AML and combating financial crime. All new and current staff members must complete relevant compliance courses. We also invite AML and anti-corruption experts to conduct regular briefings and training for directors, the senior management and employees, and share with them the latest AML and anti-corruption regulatory requirements and international insights, in order to enhance their understanding of international standards in this regard. During the year, we conducted over 70 AML training courses and attended lectures and seminars organised for banking practitioners by the Hong Kong Independent Commission Against Corruption on a regular basis. As of the end of 2017, 83 of our employees obtained recognised qualifications in the HKMA's Enhanced Competency Framework on AML and Counter-Terrorist Financing.



Staff seminar on compliance culture

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<sup>44</sup> G4-DMA (Anti-Corruption), G4-SO4, HKEx B7 General Disclosure

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#### Supply Chain Management<sup>45</sup>

The promotion of sustainable procurement is one of the major measures underpinning the Group's responsible business practices. The Group devised the Supplier Code of Conduct in 2011, to provide guidelines for the major categories of goods and services that we procure. The guidelines were incorporated into our supplier selection procedures with an aim to encourage suppliers to reach certain social and environmental standards. Furthermore, we have formulated the Principles of Decent Work, based on the International Labour Organisation Core Conventions and with reference to international labour standards. The Principles outline the ethical requirements, corporate governance, environmental standards and labour conditions with which the Group expects all of its suppliers to comply. In order to strengthen supplier communication and management, all suppliers which stand to receive a potential annual procurement contract above a certain value are required to submit the Supplier Code of Conduct Assessment Questionnaire. They will only be considered if they fulfil the Group's requirements. For major suppliers of the Group, we conduct regular site visits to make sure that their sustainability performance is aligned with the results of their written self-assessment. During the year, all of the suppliers engaged met our required standards.

The majority of the Group's suppliers are located in Hong Kong and the mainland. Products and services procured can be classified into the following six major categories<sup>46</sup>:



In addition, we pursue the principle of fair competition while selecting suppliers. In strict compliance with the Competition Ordinance, the Prevention of Bribery Ordinance and other applicable laws and regulations, we measure products and services provided by each supplier on a fair basis. Besides, we provide our staff with training to help them remain alert to possible corruption arising from daily procurement work, and offer them advice on anti-corruption issues.

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#### Certificate of Merit for Ms Leung Chui Tin, Manager of Tai Po Branch, awarded by Tai Po Police Community Relations Unit



During the year, Tai Po Branch was awarded a Certificate of Merit by Tai Po Police Community Relations Unit, as a tribute to Manager Leung Chui Tin's success in preventing a fraud case.

Our customer Ms Wong has made a friend on Facebook who requested to borrow money from Ms Wong to redeem an intercepted parcel that claimed to contain a large amount of cash. Ms Wong planned to offer help by applying for a loan using her credit card. Feeling suspicious about this abnormal transaction, Manager Leung of Tai Po Branch reminded the customer to remain vigilant. At last, the customer called the police and brought the fraudster to justice.



#### Award for Excellence in IT Governance



The Group won the IT Governance Achievement Awards (Non-Public Sector) – Gold Award, first launched in 2017 by the Information Systems Audit and Control Association (China Hong Kong Chapter). The awards aim to raise public awareness of IT governance, commend organisations that have delivered excellent performance in Hong Kong's IT governance practice, and recognise the efforts of relevant organisations in developing Hong Kong into one of the most reliable IT centres in the world. The receipt of this prize demonstrates the Group's excellence in promoting IT governance and maintaining

its network and information security, providing customers with high-quality, reliable banking services, and raising group-wide awareness of technological risks.

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#### Award for Scientific and Technological Innovation



Our blockchain application for property valuation won the Gold Award for Best Fintech (Emerging Solutions/Payment Innovation) Award at the Hong Kong ICT Awards 2017 organised by the Office of the Government Chief Information Officer and the Hong Kong Institute of Bankers, in recognition of our outstanding performance and achievement in promoting Fintech. The

awards aim to encourage the development of Fintech solutions that upgrade business operations and foster new business models for the financial sector, promoting Hong Kong as a hub for Fintech.

In addition, our finger vein authentication service won a Certificate of Merit for the Best Smart Hong Kong (Digital Inclusion Application) Award at the Hong Kong ICT Awards 2017, which commended the Group's efforts in the development and application of creative solutions and its constant pursuit of innovative technologies.

Kan Wai Mun, Carmen – General Manager, Legal & Compliance and Operational Risk Management Department Conferred with Legal Awards



Ms Kan Wai Mun, Carmen - General Manager, Legal & Compliance and Operational Risk Management Department of the Group was awarded Woman Lawyer of the Year (In-House) by Asian Legal Business: Hong Kong Law Awards 2017 (Thomson Reuters), and was named by *Financial Times* in 2017 as one of the Top 20 Global General Counsel.

Ms Kan expressed, "These awards are recognition not only of my work but also of BOCHK's legal and compliance management."



Award for IBG Excellence to BOC Malaysia

MyClear

BEST EMERGING ING BANK

Bank of China (Malaysia)

BOC Malaysia was awarded

the Best Emerging IBG Bank at

the Malaysian e-Payment Excellence

Awards 2017 organised by

MyClear, an affiliate of the Central

Bank of Malaysia, recognising its

impressive contribution to IBG

interbank electronic transactions.



### **Caring for Employees**

The Group considers employees as its precious assets. Adhering to our people-oriented philosophy, we constantly enhance our human resources management system so as to attract, identify and nurture talent. We are committed to providing a harmonious, diverse and friendly working environment for our employees and helping them to realise their potential.

#### 7.1 People-oriented Approach

The Group attaches great importance to team building and talent development. We adopt a fair and open recruitment policy to promote diversity and inclusion as well as to ensure employment opportunities for people of all kinds. We expect all employees, regardless of their age, gender, race, religion, nationality, marital status, family status, disability or pregnancy, to be well respected.

We employ senior executives in regions where the Group operates to better understand the needs of local customers and the community. In formulating our human resources management system, we have made reference to the Employment Ordinance, Code of Practice on Employment under the Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance, Race Discrimination Ordinance, and Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation in Hong Kong. We comply with the relevant laws and regulations of the region where the Group operates<sup>47</sup>. We have put in place policies on equal opportunities and anti-discrimination. All employees require to abide by the policies to establish and sustain an equal working environment. We do not tolerate any acts of discrimination, harassment or assault in our workplace<sup>48</sup>.

We place emphasis on building a diverse workforce that draws in talent from different backgrounds and promotes the Group's sustainable development. As an employer that advocates equal opportunity, we have signed up to the Talent-Wise Employment Charter and the Inclusive Organisations Recognition Scheme initiated by the Labour and Welfare Bureau, the Rehabilitation Advisory Committee, the Hong Kong Council of Social Service and the Hong Kong Joint Council for People with Disabilities to offer internships and job opportunities to the physically-challenged, thereby contributing to a barrier-free workplace and a caring community. The Group has been widely recognised for its efforts in employee care. During the year, we were granted awards including the Gold awards for Excellence in Graduate Recruitment/Development and Talent Acquisition under Human Resources Innovation Awards 2017 from the *Human Resource* magazine. We also won the Best Employer Branding Award from CTgoodjobs, a subsidiary of the *Hong Kong Economic Times*, and received a Silver Award from LinkedIn at the Transformation Awards 2017.



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<sup>&</sup>lt;sup>47</sup> G4-DMA (Compliance (Social /Labour)), HKEx B4 General Disclosure, HKEx B4.1

<sup>&</sup>lt;sup>48</sup> G4-DMA (Diversity and Equal Opportunity), G4-DMA (Non-discrimination)

#### **Remuneration and Benefits**<sup>49</sup>

In line with the Group's business and human resources needs, we offer competitive remuneration packages in accordance with employees' abilities and performance. We constantly review our remuneration packages, and provide a competitive incentive scheme to reward and recognise our employees for their performance. For those engaged in sales, we have developed a scorecard mechanism to ensure that their performance assessments take into account factors such as sales and compliance on a fair basis.

Our incentive schemes not only assess employees' business performance, but also their compliance with corporate culture and behavioural standards. We hold a grand ceremony every year to commend individuals and teams who achieve impressive performance and to boost morale. In addition, we select exemplary service cases on a quarterly basis and have them featured in our staff magazine to promote a service culture and enhance service level.

We offer our employees comprehensive benefits covering Occupational Retirement Scheme and MPF Scheme; medical, life and accident insurance; free health checkup; paid leaves (including annual leave, marital leave, compassionate leave, personal leave, paternity leave as well as a 14-week maternity leave). We also provide our employees with preferential rates on mortgages, personal loans and other banking services to help them manage their finances flexibly.



We offer a range of caring initiatives for our employees, such as Chinese New Year red packets and gifts for birthday, wedding and retirement. We have set up staff canteens, medical rooms and breastfeeding rooms in our major office buildings, and provide employees with meal and other allowances. We have a retiree club that holds regular activities to facilitate liaison and communication among retired employees, and we also provide them with medical benefits<sup>50</sup>.



#### Staff Training and Development<sup>51</sup>

The Group provides an ideal career development platform for its staff. We support the upward mobility of staff within the Group through our internal recruitment mechanism in order to facilitate mutual development of our employees and the Company. We have a well-established talent pool consisting of professionals from diverse backgrounds with rich experience.

We provide staff with continuing education opportunities. Through diversified learning programmes, we draw up career development plans that are aligned with both the staff's personal aspirations and the Group's long-term development. In keeping with our "four-in-one" talent development culture, we encourage senior executives, department heads, human resources personnel and employees to devise training activities together to enhance employees' performance and meet our business development needs, so as to further strengthen their professional knowledge and skills<sup>52</sup>.



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<sup>51</sup> G4-DMA (Employee Training and Education), HKEx B3 General Disclosure

52 G4-LA10



<sup>&</sup>lt;sup>49</sup> G4-DMA (Employment), HKEx B1 General Disclosure

<sup>50</sup> G4-LA2

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#### We are devoted to nurturing young talent. Through our Management Trainee Programme and Graduate Programme, we globally recruit elite university graduates who are aspired to join the financial services sector and with strong potentials. Under these programmes, systematic trainings including classroom training, on-the-job training, post rotation and other schemes like career mentorship and career planning programmes are offered to help young professionals plan their career paths. Since 2017, we have arranged internship opportunities for mainland university students majoring in finance to work in Hong Kong; supported the Pilot Apprenticeship Programme for Private Wealth Management and the Fintech Career Accelerator Scheme organised by the HKMA. These demonstrated our commitment to cultivating young talents, fulfilling social responsibility and contributing to the nurturing of financial talent for Hong Kong and the mainland.



The Group's management and key staff of our Southeast Asian institutions conducted exchanges in Hong Kong

In addition, we promote and facilitate employees' on-the-job training and development. Different training courses are offered, including product and business knowledge, customer service, operational management, compliance and risk management, team management and leadership, etc. In 2017, the average training hours of each full-time employee was approximately 58 hours. During the year, we encouraged employees to take part in inter-departmental exchanges and provided mainland and overseas exchange opportunities for employees to enrich their business knowledge and broaden their horizons. In addition, we are the first bank to develop internal training courses with reference to the Specification of Competency Standards ("SCS"). So far, we have obtained seven, SCS-based courses, ranging from level 3 to 5 (equivalent to Bachelor's degree) under the Qualifications Framework, that are recognised by the Hong Kong Council for the Accreditation of Academic and Vocational Qualifications, thereby helping to enhance employees' professional skills and their recognition. To promote development of Southeast Asian staff, for the past two years we have arranged over 100 executives and backbone staff from our Southeast Asian institutions to come to Hong Kong and learn about best practices in the finance sector. This helped nurture international talent for the Group and enhance the Group's steady development.



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#### 7.2 Listening and Communication<sup>53</sup>

To keep employees abreast of the latest developments of the Group, we communicate important Group messages through different channels, such as intranet, email, departmental briefings and our staff magazine.

We value feedback from our employees and provide them with a variety of channels to express their views. Apart from reporting to their direct supervisors, employees can also voice out their opinions according to the Procedures and Rules of Handling Employee Complaints/Opinions, or through an intranet discussion forum and the Chief Executive's Mailbox. We proactively follow up and handle their complaints<sup>54</sup>. We also collect opinions through our employee satisfaction survey to strengthen communication with staff. We provide appropriate feedback and take follow-up actions based on the opinions collected, and continually optimise our working environment, management policies and measures.

We value our employees' views when rolling out critical policies related to staff benefits. We explain new policies to staff before their official release, particularly those that have extensive bearings and involve complex content<sup>55</sup>. In addition, we organise various staff focus groups to have better understanding of their needs and expectations.



#### 53 G4-DMA (Labour/Management Relations)

- 54 G4-DMA (Grievance Mechanism for Staff), HKEx B4.2
- 55 G4-LA4

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#### 7.3 Occupational Health and Safety<sup>56</sup>

The Group provides a safe working environment for employees and organises regular trainings to raise their knowledge of occupational health and safety to identify any potential safety risks, increase their alertness and assist those in need<sup>57</sup>. These include basic fire prevention programmes, anti-robbery drills, occupational health and safety seminars as well as first aid certification programmes. In addition, we have a designated team to coordinate and monitor the implementation of our Occupational Health and Safety Guidelines and conduct regular safety inspections to prevent accidents.

We have Management Guidelines on the Three Lines of Defence, covering

In addition to providing a safe working environment for our staff, we also help to safeguard the mental health of our employees. We offer staff a psychological counselling service. Employees can access free clinical counselling, such as psychological consultation and treatment services. to address their physical and mental health issues, as well as problems encountered in family, work and interpersonal relationships. Furthermore, we provide emergency support to staff in need and help them overcome their difficulties.



57 G4-DMA (Customer Health and Safety)



#### 7.4 Work-life Balance

The Group advocates work-life balance and encourages employees to strike a balance between their career development and personal life. During the year, we organised a series of recreational activities including handicrafts workshops, etiquette workshops, yoga classes, dragon boat experience day, and singing contests, etc, to enrich employees' leisure time and strengthen their cohesion. In addition, we have formed different sports teams, including football, tennis, basketball, table tennis, badminton, bowling, athletics, lion dancing and dragon boat racing, as well as a choir and a dance team. They perform and participate in various competitions organised by the banking industry and Chinese enterprises, fully realising their potential and demonstrating their talent. To commemorate the centenary of BOC's service to Hong Kong, we organised a grand event and celebrated together with distinguished guests from political, economic, commercial and social sectors, our employees and honourable predecessors. The celebration reviewed the course of the Group's development and splendid achievement, as well as marking the start of our new centenary journey. As part of our celebration activities, we hosted a Staff and Family Members Carnival at Hong Kong Disneyland for our staff and their family members. The Carnival attracted over 28,000 staff and their family members. We also invited families and seniors from grassroots communities to join us at the Carnival, so that our employees could fulfil their social responsibility while having fun with their family members.

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#### **Badminton Team**

BOCHK Challenge Cup Women's Individual Champion, First Runner-up & Second Runner-up, Second Runner-up (Mixed) Organiser: Chinese Bankers Club, Hong Kong

#### **Basketball Team**

The Hong Kong Chinese Enterprises Association Basketball Competition Champion *Organiser: The Hong Kong Chinese Enterprises* 

Organiser: The Hong Kong Chinese Enterprises Association

Athletic Team Green Power Hike 2017 50km Bank Cup Champion and Second Runner-up 25km Bank Cup Champion *Organiser: Green Power* 

Bowling Team 2017 Hong Kong Banking and Financial Industry Bowling Tournament Team Champion Women's Individual Champion *Organiser: Chinese Bankers Cup, Hong Kong* 

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Seminar about Caring for Senior Citizens with Dementia

I used to know little about dementia, except a thing or two from media coverage. I never tried to learn anything about the disease until some seniors around me started experiencing related symptoms. When I started feeling panic about what to do, I learnt about this seminar organised by the Group. Through the 90-minute lecture, I grasped basic knowledge about dementia including triggering factors, treatment approaches, nursing methods, and organisations we could turn to for

help. Taking care of dementia patients is a huge and lasting task, and it is a challenge both mentally and physically. I learnt that a positive attitude matters a lot. With such attitude, we could walk through a wonderful lifetime with the patients.



#### A Freshman in BOCHK

Global Corporate Banking Department
Tang Ming Yee



As a management trainee in BOCHK, I felt quite nervous at first as it was a brand new start of my career. Fortunately, I was never alone. My colleagues always taught and shared with me professional knowledge regardless of how busy they were. Also, I got along well with my peers. We tackled problems together regarding work and life. The Human Resources Department made meticulous arrangements that I could receive training in different units, thereby obtaining an in-depth understanding of the entire BOCHK business framework. I am grateful for being a member of BOCHK and witness the transformation of BOCHK into an internationalised regional bank. Through the Belt and Road Initiative, we will surely strive to make contributions to society and the country.

**BOC Life** 

Wong Hak Kan

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#### No Pain, No Gain

**BOC Thailand** Li Ling

#### I'm Proud of Working at BOC

**BOC Jakarta Branch Marvelia Harlim** 



2017 was the year when my hard work paid off. In January 2017, BOC Thailand formally joined the big family of BOCHK. We looked forward to boosting our business development with BOCHK's advanced management philosophy and system. To this end, the entire bank has pulled together throughout the past year. Departments at different levels kept

organising training, learning and exchange activities, while staff members proactively gave their suggestions. As a result of these efforts, BOC Thailand saw steady development.



I joined the BOC Jakarta Branch in August 2017. At the very beginning, I knew nothing about customer services at banks. Guidance from my colleagues enables me to work independently. I feel grateful for their help. Besides my caring co-workers, the company also arranged training and business trips for me. I learnt a lot in just a few months. Looking back, I feel extremely thrilled to have joined BOCHK. As I always tell my friends, working at BOCHK makes me proud.

#### **Diligent Work Realises My Dreams**

**BOC Phnom Penh Branch** Sameth Ratana



I have worked for BOC Phnom Penh Branch for six years. Phnom Penh Branch is my second home. My work is fascinating, because I can always learn new knowledge from organising different programmes and activities. Teamwork matters the most for my job and I will continue to team up with others, to contribute to BOCHK's growth and becoming the largest commercial bank in Cambodia.

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# **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 Management<sup>58</sup>

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.



**FSC** 

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ISO 14001 環境管理系統 認證

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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

Environment-related certification and certificates



#### **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

### 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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#### **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



### 8.2 Effective Use of Resources<sup>59</sup>

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.

# ₹200,000 pieces of paper by applying blockchain technology Nearly **1,100,000** customers opted to receive consolidated e-statements



### Energy Saving<sup>60</sup>

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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<sup>59</sup> 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

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#### **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 feed<sup>61</sup>.



#### **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 Finance<sup>62</sup>

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 development<sup>63</sup>. 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.





### **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.

Annual

in one year

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 730,000m<sup>3</sup> (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).



About this Report 中銀香港 BOCHK (Holdings) Limited 企業環保領先 Message from the Chief Executive **Electricity Consumption** Management **■194** gigawatt hours = the electricity consumed by 21,555 average four-member households Caring for Employees **Annual Water Usage** 8.2 Effective Use of Resources **730.000** m<sup>3</sup> 8.3 Promoting Green Finance = the volume of 386 standard 8.4 Supporting Environmental 50-metre swimming pools Protection **Annual Waste** 4 million tonnes = the weight of 14.285 Airbus A380s **Recycled Materials** >460,000 tonnes = 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's<sup>64</sup>.

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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# **Contributions to the Community**

Firmly rooted in Hong Kong, the Group is committed to serving Hong Kong, caring for the community and building harmonious society, as well as providing assistance to those in need. We support a diverse range of community activities that promote the steady development of the community and bring positive energy to society<sup>65</sup>. We highly value community investment and are dedicated to giving back to society. By collaborating with various charitable organisations and industry associations, as well as encouraging our staff to participate in volunteer activities, we share the success of our corporate development with the community and make efforts to build harmonious society.

The BOCHK Charitable Foundation (the "Foundation") was established in 1994. For over 20 years, BOCHK and the Foundation have been supporting a wide range of local charity activities covering poverty alleviation, environmental protection and carbon reduction, culture and education, as well as sports and the arts<sup>66</sup>. Since its inception, BOCHK and the Foundation have donated over HK\$500 million to the community<sup>67</sup>.

### 9.1 Sharing a Century of Achievements<sup>68</sup>

2017 marks the 20th anniversary of Hong Kong's return to the motherland and BOC's centenary of service to Hong Kong. BOCHK continued to uphold its mission of caring for society and stepped up its investment in charitable causes. During the year, BOCHK and the Foundation donated a sum of HK\$200 million to a total of 28 charity projects, including:



### The City University of Hong Kong's Veterinary Medicine Development Programme

We donated HK\$100 million to the City University of Hong Kong to support the development of veterinary medicine. The donation will help nurture leading veterinary medicine professionals and promote the development of local public health, animal-borne disease research and food safety, etc. We also supported an endowed chair professorship to drive forward the research and development of environmental veterinary medicine, as well as setting up scholarships for students participating in overseas exchanges and internship programmes, thereby broadening their international horizons and enriching their learning experience.

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### **BOCHK Community Football Development Fund**

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To support the participation in football by the youth at grassroots level, we donated HK\$50 million to the Hong Kong Football Association to set up a community football fund. The fund aims to help young people develop perseverance and diligence, to increase social cohesion among them and to promote the development of local football.

### **BOC Xianyang Four-county Education Fund**

BOC began 15 years ago to undertake poverty alleviation work in the four northern counties in Xianyang City of Shaanxi Province. These have been defined as national-level poverty-stricken counties. We, together with other renowned organisations and philanthropists, donated a total of HK\$20 million to set up the BOC Xianyang Four-county Education Fund, so as to support the educational development in that area.

### **Reconstruction Project of Kuen Cheng High School in Malaysia**

The Kuen Cheng High School in Malaysia is an independent school that insists on the use of Chinese as a medium of instruction. BOCHK donated MYR5 million to support the reconstruction of the school campus so as to provide local Malaysian Chinese students with a modernised learning environment, support the continuation and enhancement of Chinese culture and education, nurture Malaysian Chinese elites, as well as demonstrate our social responsibility there.

In addition, in celebration of BOC's centenary of service to Hong Kong, BOCHK issued the Centenary Commemorative Banknote. All of the net proceeds generated from the sale of the Commemorative Banknote will be used for local community projects and charitable causes in special honour of the centenary of BOCHK.

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### 9.2 Caring for the Community

BOCHK takes social responsibility as its mission. In the course of driving its own development, it has also devoted itself to poverty alleviation, caring for the underprivileged, supporting charitable causes and helping to build a harmonious society.



up Food Station to recycle edible food into hot meals and food packages for low-income neighbourhood and seniors at the grassroots level. Food Station also provides job opportunities to the underprivileged. During the year, over 400,000 hot meals and 510,000 food packages were delivered to about 1.58 million beneficiaries.

> 400,000 hot meals and 510,000 food packages delivered to about 1,580,000 million beneficiaries





We continued to partner with the New Home Association ("NHA") in the BOCHK-NHA Computer Donation Programme, which donated 500 recycled computers to members of ethnic minorities, new arrivals, underprivileged families and seniors to help them integrate into the digital age. Approximately 2,000 people benefitted from the programme. As a long-standing supporter of a number of charity organisations, we encourage our staff to take part in various fundraising programmes on top of simply making donations. In 2017, we sponsored the Community Chest Walkathon and Swim for Millions, engaging more than 2,600 of our staff and their family members to participate in these events. In addition, we sponsored the Hospital Authority's New Year Run to raise funds for projects that support patients.

We have been supporting the Hong Kong Corporate Citizenship Programme, organised by the Hong Kong Productivity Council, for eight consecutive years. This programme aims to encourage enterprises to fulfil



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Love transcends boundaries. The Group's Southeast Asian institutions demonstrated their unreserved commitment to CSR. In July 2017, the northeast and northern parts of Thailand were seriously affected by tropical cyclone Sangka, causing severe flooding that claimed many lives. BOC Thailand not only helped set up a joint crisis unit for this incident, but also donated a total of THB300,000 and other supplies on behalf of BOC to the worst-hit area, Sakon Nakhon, to help ease the situation of the victims. BOC Thailand later received a letter of appreciation from the Sakon Nakhon Government to commend its contribution during the crisis. In November of the same year, the Malaysian state of Penang experienced its worst flooding of recent years. Staff of the BOC Malaysia's Penang branch participated in relief work and post-disaster reconstruction, including donations of cash and daily necessities to the people affected. In addition, BOC Malavsia and the Lions Club of Bukit Bakri jointly organised a blood donation event to help solve the blood shortage problem in local hospitals, which attracted a very positive response.



### Serving the Community

We encourage our employees to make good use of their time and expertise to serve the community and help build more caring society. Over 100 of our staff members, including senior management and department heads, serve as members of various government committees, public utilities, charitable organisations and NGOs, in which they participate in decision-making and consultations and thus contribute to Hong Kong's development and the welfare of the general public. We endeavour to enrich our employees' working lives by establishing a strong volunteer culture. More than 2,000 of our staff are members of the BOCHK Dynamic Volunteer Team. Every year, we arrange training for them to enhance their volunteering skills. In 2017, our volunteer team spent nearly 50,000 hours serving the community. The number of participation in community activities increased to 14,085, a 19% rise compared with 2016. The dedication of our volunteers received wide recognition. During the year, we were granted the Award of 10.000 Hours for Volunteer Service, the Merit Award of Highest Service Hours and, for the eighth consecutive year, the Gold Award for Volunteer Service from the Social Welfare Department.



In 2017, our volunteer team, joined by their family members and friends, participated in about 100 events to serve children and young people, seniors, families in need, people with special needs and the disabled. Some of these events also helped promote environmental protection. We also organised various workshops to help families in need and young people learn more about savings and financial management. Through activities and games, students were able to apply what they have learned about money management to their daily lives.









As the Chairman Bank of the HKAB, we gave full support to the partnership of HKAB and CookEasy, a social enterprise of Tung Wah Group of Hospitals, to launch the Food for Love Project. The project echoes with the HKSAR Government's theme of "Together • Progress • Opportunity", which encourages social inclusion and raises public awareness of community needs. The HKAB also held a number of volunteer activities involving volunteers from different banks, who helped deliver nutritious and healthy food packs to the elderly who live alone and families in need twice a week. More than 10,000 people benefited from the project.



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### **9.3 Nurturing Talent**

We believe that education is key to the sustainable development of society. BOCHK has put strong emphasis on the development of local youth and strives to contribute to the nurturing of future pillars of society, who possess the virtues of ethics, intellect, physique and aesthetics, for the good of both Hong Kong and the country.

The Group offers scholarships and bursaries to encourage tertiary students to pursue their studies and to support students who have financial needs. Since 1990, the Group has provided scholarships and bursaries to 10 tertiary institutions in Hong Kong. A total of more than HK\$20 million has been donated to over 2,200 students. In support of the Upward Mobility Scholarship of Future Star organised by the Commission on Poverty of the HKSAR Government, we have also sponsored 100 scholarships for secondary students at the grassroots level who have demonstrated strength and a positive attitude amid adversity.



Scholarships and bursaries of > HK\$20,000,000 were donated



Furthermore, we strive to deepen young people's understanding of Chinese culture and history as well as our national development, to help them build a sense of history and enhance nationalism. We sponsored the Endeavour Education Centre to establish the Excellence Scholarship in Chinese History with an aim to encourage students to focus on Chinese History study, thereby helping to deepen their understanding of Chinese history and establish correct understanding of history and the nation.

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To widen the horizons of young people in Hong Kong, we have supported the Operation Zhang Qian - Student Summer Internship Programme organised by the Maritime Silk Road Society for two consecutive years. Under this programme, 100 university students had the chance to learn about the development of national strategies such as the Belt and Road Initiative, as well as the opportunities arising from them. Among these students, 22 were offered internship opportunities at BOC's branches in Beijing and Singapore to gain overseas working experience, helping contribute to the nurturing of talent for Hong Kong and the country in the new era. During the year, BOCHK Brunei Brand also hosted an overseas mission for Hong Kong seconda students to visit major local Chinese-funded enterprises Brunei to deepen Hong Kong young people's understanding the development of Chinese-funded enterprises along the Be and Road area.

Our BOCHK Brunei Branch made donations to Chung Hua Middle School Kuala Belait, so as to support the school in promoting traditional Chinese culture and contributing to local Chinese education. In celebration of the 10th anniversary of the Confucius Institute at Chulalongkorn University, BOC Thailand endeavoured to support the Chinese Education Forum: Internationalisation and Localisation. By concluding and studying the experience and achievements of Chinese education in Thailand, as well as discussing local trends regarding Chinese education, the forum provided insightful reference and help for the future development of Chinese education in Thailand.



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### 9.4 Promotion of Sports and Cultural Diversity

BOCHK supports a host of sporting, cultural and artistic activities. By sponsoring a wide range of sports, concerts, exhibitions and arts appreciation events organised by different organisation, we aim to enrich the public's cultural and recreational life and nurture diverse talent.

Since 2002, we have been sponsoring the Hong Kong Island & Kowloon Regional Inter-school Sports Competition to promote sports development among secondary students and cultivate their sportsmanship of developing perseverance and making continuous improvement. In the school year of 2016/17, some 80,000 student enrolments in over 8,000 matches in 20 sports events were recorded. Meanwhile, 615 students participated in the BOCHK Schools Sports Volunteer Scheme, contributing







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To celebrate the 20th anniversary of Hong Kong's return to the motherland, BOCHK made an honorary sponsorship to the China National Traditional Orchestra's Splendour of Folk Music and Impressions: Rediscovering Chinese Music performances in Hong Kong. The orchestra also jointly performed a classical masterpiece with leading national conductor Chen Xieyang and eminent young conductor Liu Sha. In addition, we sponsored the International Military Tattoo, which brought together a number of world-class military bands from the mainland, Europe, the United States and Asia as well as local organisations to perform a spectacular marching and military tattoo for the general public. We also invited families and children at grassroots level to enjoy the performance. An outdoor

carnival was held for two days in a row to allow members of the public to attend for free. Some of the visiting military bands and representatives of the Hong Kong Disciplined Services joined the carnival and performed to the public in a more intimate and interactive setting.

In order to continue and promote the excellence of Chinese traditional culture, we jointly sponsored a series of exhibitions of Chinese artworks in Hong Kong in partnership with a number of organisations. More than 100 ink paintings of artists from the mainland, Hong Kong and Taiwan were exhibited in Bank of China Tower. BOCHK Private Banking also sponsored Hong Kong Art Week, organised by the Hong Kong Art Gallery Association, for the fifth consecutive year, bringing more than 100 brilliant shows to the public.

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#### Student Zhan, Summer intern

**Food Station** 

This was the first time I went to Sham Shui Po. Life in Sham Shui Po is so different from life on Hong Kong Island where I live. Although the elderly we served this time might not come from the most underprivileged group, their loneliness and helplessness struck me. Visiting and chit-chatting with them meant far more than just giving them comfort. I was so touched. I think it is the responsibility of everyone in society to support the elderly by not only giving them food and clothes but also attention and care.

# Future Star – Upward Mobility Scholarship Student Wu, Scholarship recipient

I am very grateful for being awarded the Upward Mobility Scholarship from BOCHK and will make good use of the scholarship to equip myself. I will also use part of the scholarship to cover my travel expenses for the volunteer teaching programme that helps provide learning opportunities for children living in poverty.

#### International Military Tattoo

#### Student Chan, Children Development Fund

I never thought that I would ever have a chance to enjoy a large-scale performance like the International Military Tattoo. From stepping into the hall, sitting inside the auditorium of the Hong Kong Coliseum, to watching a show with an audience of nearly 10,000, everything was new to me. Of all the performances, my favourite one was the performance by the Hong Kong Police Orchestra because the songs they performed were very familiar and resonated with me.



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#### **Excellence Scholarship in Chinese History**



Student Chan, Scholarship recipient

I am very grateful for the Excellence Scholarship in Chinese History offered by BOCHK and the Endeavour Education Centre. I have been interested in Chinese history since I was young. Although I had a bottleneck when I was in secondary five, I was fortunate to be mentored well by my teachers so that I did not give up my studies. In order to live up to the guidance of my teachers, I decided to study Chinese history diligently. I wish to use this scholarship to enhance my understanding of history. I will buy more reference books and visit different places of historical value to experience personally the culture and history there.

#### Participating in Flood Relief in Penang, Malaysia

#### Chia Sook Yee, BOC Malaysia



In November 2017, Penang experienced its worst flooding in the history, with countless houses destroyed. During those days, we helped with fundraising, rushed to the affected area to help procure goods and materials for the rescue teams, maintained close contact with the government and external rescue teams, and assisted in arranging donations appropriately. In the end, our branch raised more than MYR300,000 for Penang. Even though the storm was ruthless, I felt the warmth and love of the people. I would like to take this opportunity to thank all of those who donated towards the relief effort.



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# **10. CSR Performance Data Overview**

### **Employee Data**

As at 31 December 2017, the Group has 13,050 employees.<sup>69</sup>

### Total workforce (by employee type, contract type and gender)<sup>70</sup>

	Male	Female	Total
Employee type			
Permanent	5,406	7,287	12,693
Non-permanent	122	235	357
Total	5,528	7,522	13,050
Contract type			
Full-time	5,503	7,423	12,926
Part-time	25	99	124
Total	5,528	7,522	13,050

### Total workforce (by employee category and gender)<sup>71</sup>

Rank	Male	Female	Total
Departmental/ Division heads or above	453	295	748
Middle management	2,632	2,500	5,132
General employees	2,443	4,727	7,170
Total	5,528	7,522	13,050

### Total workforce (by age and geographical region)<sup>72</sup>

Geographical region	Age 18-30	Age 31-40	Age 41-50	Age above 50	Total
Hong Kong	3,039	2,904	3,730	1,900	11,573
The mainland	145	123	102	16	386
Southeast Asia and Others	506	382	174	29	1,091
Total	3,690	3,409	4,006	1,945	13,050

<sup>69</sup> G4-9, HKEx B1.1

<sup>70</sup> G4-10, HKEx B1.1

<sup>71</sup> G4-LA12, HKEx B1.1

72 G4-10, G4-LA12, HKEx B1.1

### Total number of new hires (by gender, age and geographical region)<sup>73</sup>

	Number	Rate
	Number	nate
By gender		
Male	1,414	10.83%
Female	1,837	14.08%
By age		
Age 18-30	2,365	18.12%
Age 31-40	596	4.57%
Age 41-50	213	1.63%
Age above 50	77	0.59%
By geographical reg	ion	
Hong Kong	2,857	21.89%
The mainland	48	0.37%
Southeast Asia and Others	346	2.65%
Total	3,251	24.91%

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#### Employee turnover (by gender, age and geographical region)<sup>74</sup>

	Rate
By gender	
Male	7.12%
Female	8.73%
By age	
Age 18-30	9.90%
Age 31-40	3.56%
Age 41-50	1.88%
Age above 50	0.51%
By geographical region	
Hong Kong	14.12%
The mainland	0.23%
Southeast Asia and Others	1.50%
Total	15.85%

### Return to work and retention after parental leave (by gender)<sup>75</sup>

	Male	Female
Total number of employees who took parental leave	185	213
Return to work rate	98%	98%

# Average training hours and percentage of employees trained (by employee category and gender) $^{76}\,$

Average training hours: 58.0 Total number of employees trained: 12,975 (99.4%)

	Male		Female	
	Average training hours (hours)	Percentage of employees trained	Average training hours (hours)	Percentage of employees trained
By rank				
Departmental/ Division heads or above	33.1	3.4%	33.5	2.3%
Middle management	45.3	20.1%	54.0	19.1%
General employees	73.5	18.6%	63.0	36.0%
Overall	56.8	42.1%	58.8	57.4%

### Occupational health and safety performance<sup>77</sup>

	Male	Female	Total
Injury rate <sup>i</sup>	0.19	0.34	0.28
Lost day rate <sup>i,ii 78</sup>	2.02	12.94	8.33
Total number of work-related fatalities <sup>iii 79</sup>	0	0	0

i All "injury rates" and "lost day rates" are normalised to 200,000 worked hours, which is approximately equal to the number of hours worked by 100 full-time employees in one year.

ii "Number of lost days" refers to the working days lost due to an occupational injury sustained by an employee for which the employee misses one or more scheduled workdays after the day of the injury.

iii "Fatality" is the death of an employee or contractor as a result of an occupational injury incident in the course of employment.

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- <sup>79</sup> HKEx B2.1

#### **Environmental Performance**<sup>80</sup>

	Unit	2017	2016	Percentage change
Paper <sup>81</sup>				
Paper purchases	kg	564,367	514,430	+10%
Paper purchase	intensity			
By number of employees	kg/person	50	46	+8%
Total energy cor	nsumption <sup>82, 83</sup>	3		
Total electricity	kWh	95,840,478	91,891,188	+4%
consumption	GJ	345,026	330,808	+4 70
Total Towngas	unit	49,366	44,900	+10%
consumption	GJ	2,370	2,155	+1070
Total fuel consumption for	L	73,292	60,142	+22%
corporate fleet <sup>84</sup>	GJ	2,624	2,153	+22/0
Energy intensity <sup>85</sup>				
By number of employees	GJ/person	31	30	+3%

	Unit	2017	2016	Percentage change
Greenhouse gas	s (GHG) emiss	sions <sup>86</sup>		
Direct GHG emissions (Scope 1) <sup>87</sup>	tCO <sub>2</sub> e	324	277	+17%
Indirect GHG emissions (Scope 2) <sup>88</sup>	tCO <sub>2</sub> e	65,087	61,697	+5%
Other indirect GHG emissions (Scope 3) <sup>89</sup>	tCO <sub>2</sub> e	107	118	-9%
Total GHG emissions <sup>90</sup>	tCO <sub>2</sub> e	65,517	62,092	+6%
Greenhouse gas (GHG) emissions intensity <sup>91</sup>				
By number of employees	tCO <sub>2</sub> e/person	5.8	5.6	+4%
By floor area	tCO <sub>2</sub> e/m <sup>2</sup>	0.27	0.26	+4%

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<sup>80</sup> To enhance data coverage, most data figures of 2017 and 2016 (restated) now include the Group's major businesses in Hong Kong (BOCHK, BOC Credit Card and BOC Life). (G4-22)

<sup>82</sup> G4-EN3, HKEx A2.1

- <sup>83</sup> Including main properties, office towers and most branches of the Group, except public electricity consumption of specific buildings
- <sup>84</sup> Including diesel and gasoline use of BOCHK, but excluding that of BOC Credit Card and BOC Life

85 G4-EN5

- <sup>86</sup> Calculated based on the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong issued by the Environmental Protection Department and the Electrical and Mechanical Services Department
- <sup>87</sup> G4-EN15; including GHG emissions related to Towngas and vehicles
- <sup>88</sup> G4-EN16; including GHG emissions related to forwigas and venices
- <sup>89</sup> G4-EN17; including GHG emission related to water consumption and wastewater discharge
- <sup>90</sup> HKEx A1.1, HKEx A1.2
- <sup>91</sup> G4-EN18, HKEx A1.1, HKEx A1.2



<sup>81</sup> G4-EN1

	Unit	2017	2016	Percentage change
Water consump	tion <sup>92, 93</sup>			
Total water consumption	m³	180,503	197,686	-9%
Water consump	tion intensity			
By number of employees	m <sup>3</sup> /person	16	18	-10%
Waste disposal <sup>9</sup>	4			
General waste	kg	757,952	742,390	+2%
Major waste rec	overed <sup>95</sup>			
Non-hazardous <sup>®</sup>	6			
Waste paper	kg	265,929	432,376	-38%
Plastic bottle	kg	206	214	-4%
Aluminium can	kg	188	213	-12%
Food waste	kg	71,925	85,165	-16%
Hazardous <sup>97</sup>				
Rechargeable battery	pcs	107	120	-11%
Electronic waste	pcs	3,119	5,398	-42%
Fluorescent lamp	pcs	1,154	929	+24%
Toner cartridge	pcs	220	192	+15%

### **Cases of discrimination and corruption**

	Number
Incidents of discrimination98	0
Confirmed incidents of corruption <sup>99</sup>	0

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#### CSR Performance Data Overview

GRI G4 Content Index and HKEx ESG Guide Content Index

92 G4-EN8, HKEx A2.2

- <sup>33</sup> Including main properties, office towers and most branches of the Group, except public water consumption of
- specific buildings <sup>94</sup> G4-EN23, HKEx A1.6; including main properties and office towers

<sup>95</sup> G4-EN23, HKEx A1.6; including main properties and office towers

96 HKEx A1.4

97 HKEx A1.3

98 G4-HR3

99 G4-SO5, HKEx B7.1

# 11. GRI G4 Content Index and HKEx ESG Guide Content Index

This report was prepared based on the requirements of the GRI G4 Sustainability Reporting Guidelines and the HKEx ESG Guide. The disclosures are presented below with cross-references to related chapters or direct explanation.

General Standard Disclosures			
GRI G4 Indicator	HKEx ESG Guide Reference	Description	Cross-reference
STRATEGY AN	DANALYSIS		
G4-1		Statement from the most senior decision-makers of the organisation	Message from the Chairman (p.5); Message from the Chief Executive (p.7)
G4-2		Description of the organisation's key impacts, risks, and opportunities	Message from the Chairman (p.5); Message from the Chief Executive (p.7)
ORGANISATIO	NAL PROFILE		
G4-3		Name of the organisation	About this Report (p.2)
G4-4		Primary brands, products, and services	About BOC Hong Kong (Holdings) Limited (p.3); 2017 Annual Report (p.1, p.102); BOCHK Website
G4-5		Location of the organisation's headquarters	About BOC Hong Kong (Holdings) Limited (p.3); BOCHK Website
G4-6		Number of countries where the organisation operates	About BOC Hong Kong (Holdings) Limited (p.3)
G4-7		Nature of ownership and legal form	About this Report (p.2); About BOC Hong Kong (Holdings) Limited (p.3)
G4-8		Markets served	About BOC Hong Kong (Holdings) Limited (p.3); BOCHK Website
G4-9		Scale of the organisation	About BOC Hong Kong (Holdings) Limited (p.3); CSR Performance Data Overview (p.53)
G4-10	B1.1	Employee statistics	CSR Performance Data Overview (p.53)
G4-11		Percentage of total employees covered by collective bargaining agreements	According to the Staff Code of Conduct, all employees of the Group have the right to join any legal organisation.
G4-12	B5 General Disclosure, B5.2	Organisation's supply chain	Business Development and Economic Contributions (p.24)

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General Standa	rd Disclosures		
GRI G4 Indicator	HKEx ESG Guide Reference	Description	Cross-reference
ORGANISATION	IAL PROFILE		
G4-13		Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	About BOC Hong Kong (Holdings) Limited (p.3)
G4-14		Explanation of whether and how the precautionary approach or principles are addressed by the organisation	2017 Annual Report: Corporate Governance section (p.72)
G4-15		Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	This is reflected in the Business Development and Economic Contributions, Contributions to the Community and other sections of this Report. The Group has been a signatory of the Treat Customers Fairly Charter, the Talent-Wise Employment Charter and the Charter on External Lighting. For details of related awards and recognition of the Group, please refer to the 2017 Annual Report.
G4-16		Memberships of associations and advocacy organisations	2017 Annual Report (p.14)
IDENTIFIED MA	TERIAL ASPECTS AND E	BOUNDARIES	
G4-17		Entities included in the organisation's consolidated financial statements or equivalent document	Business Development and Economic Contributions (p.13); 2017 Annual Report (p.18)
G4-18		Process for defining the report content and the aspect boundaries	Corporate Social Responsibility Management (p.11)
G4-19		Material aspects identified in the process for defining report content	Corporate Social Responsibility Management (p.12)
G4-20		Aspect boundary of each material aspect within the organisation	Corporate Social Responsibility Management (p.12)
G4-21		Aspect boundary of each material aspect outside the organisation	Corporate Social Responsibility Management (p.12)

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General Standard Disclosures				
GRI G4 Indicator	HKEx ESG Guide Reference	Description	Cross-reference	
IDENTIFIED MAT	<b>TERIAL ASPECTS AND I</b>	BOUNDARIES		
G4-22		The effect of and reasons for any restatements of information provided in previous reports	About this Report (p.2); CSR Performance Data Overview (p.55)	
G4-23		Significant changes from previous reports in the scope and aspect boundaries	No significant changes	
STAKEHOLDER	ENGAGEMENT			
G4-24		List of stakeholder groups engaged by the organisation	Corporate Social Responsibility Management (p.10)	
G4-25		Basis for identification and selection of stakeholders with whom to engage	Corporate Social Responsibility Management (p.10)	
G4-26		Approaches to stakeholder engagement	Corporate Social Responsibility Management (p.10)	
G4-27		Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns	Corporate Social Responsibility Management (p.12)	
REPORT PROFIL	E			
G4-28		Reporting period	About this Report (p.2)	
G4-29		Date of most recent report	Our last CSR Report was issued in April 2017	
G4-30		Reporting cycle	Report annually	
G4-31		Contact point for questions regarding the report or its contents	About this Report (p.2)	
G4-32		GRI Content Index, the "in accordance" option the organisation has chosen and the reference to the external assurance (if any)	About this Report (p.2); GRI G4 Content Index and HKEx ESG Guide Content Index (p.57)	
G4-33		Policy and current practice with regard to seeking external assurance for the report	The Group has not sought external assurance for this Report.	
GOVERNANCE				
G4-34		Governance structure of the organisation	Corporate Social Responsibility Management (p.9); 2017 Annual Report: Corporate Governance section (p.72)	

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General Standard Disclosures				
GRI G4 Indicator	HKEx ESG Guide Reference	Description	Cross-reference	
GOVERNANCE				
G4-35		Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Corporate Social Responsibility Management (p.9)	
G4-36		Appointment of executive-level position(s) with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Corporate Social Responsibility Management (p.9)	
G4-38		Composition of the highest governance body and its committees	2017 Annual Report: Corporate Governance section (p.72)	
G4-39		Whether the Chair of the highest governance body is also an executive officer	2017 Annual Report: Corporate Governance section (p.72)	
G4-40		Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting the highest governance body members	2017 Annual Report: Corporate Governance section (p.72)	
G4-41		Processes for the highest governance body to ensure conflicts of interest are avoided and managed	2017 Annual Report: Corporate Governance section (p.72)	
G4-48		Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures all material aspects are covered	About this Report (p.2)	
G4-51		Remuneration policies for the highest governance body and senior executives	2017 Annual Report: Corporate Governance section (p.72)	
G4-52		Process for determining remuneration	2017 Annual Report: Corporate Governance section (p.72)	
ETHICS AND IN	TEGRITY			
G4-56		Organisation's values, principles, standards and norms of behaviour	About BOC Hong Kong (Holdings) Limited (p.4); Business Development and Economic Contributions (p.23)	
G4-58	B7.2	The internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity	Business Development and Economic Contributions (p.22)	

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Specific Standard Disclosures and Sector-specific Disclosures			
GRI G4 Indicator	HKEx ESG Guide Reference	Description	Cross-reference
CATEGORY: EC	ONOMIC		
ECONOMIC PE	RFORMANCE		
G4-DMA		Disclosures on Management Approach	Business Development and Economic Contributions (p.13)
G4-EC1		Direct economic value generated and distributed	Business Development and Economic Contributions (p.13); 2017 Annual Report (p.18)
INDIRECT ECO	NOMIC IMPACTS		
G4-DMA		Disclosures on Management Approach	Business Development and Economic Contributions (p.14); Environmental Policy posted on our website
G4-EC7		Development and impact of infrastructure investments and services supported	Business Development and Economic Contributions (p.16)
G4-EC8		Significant indirect economic impacts, including the extent of impacts	Business Development and Economic Contributions (p.17)
CATEGORY: EN	VIRONMENTAL		
MATERIALS			
G4-DMA	A2 General Disclosure, A3 General Disclosure	Disclosures on Management Approach	Environmental Protection (p.36, 38); Environmental Policy posted on our website
G4-EN1	A2.5	Materials used by weight or volume	CSR Performance Data Overview (p.55); The Group is a financial services institution and does not require large-scale consumption in packaging.
ENERGY			
G4-DMA	A2 General Disclosure, A3 General Disclosure	Disclosures on Management Approach	Environmental Protection (p.36, 38); Environmental Policy posted on our website
G4-EN3	A2.1	Energy consumption within the organisation	CSR Performance Data Overview(p.55)
G4-EN5		Energy intensity	CSR Performance Data Overview(p.55)
	A2.3	Energy use efficiency initiatives and results achieved	Environmental Protection(p.38)

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GRI G4 Indicator	HKEx ESG Guide Reference	Description	Cross-reference
WATER		·	
G4-DMA	A2 General Disclosure, A3 General Disclosure, A2.4	Disclosures on Management Approach	Environmental Protection (p.36, 38); Environmental Policy posted on our website
G4-EN8	A2.2	Total water withdrawal by source	CSR Performance Data Overview (p.56)
EMISSIONS		·	
G4-DMA	A1 General Disclosure, A3 General Disclosure	Disclosures on Management Approach	Environmental Protection (p.36, 38); The Group is a financial services organisation and does not generate significant amount of airborne emissions.
G4-EN15	A1.1, A1.2	Direct greenhouse gas (GHG) emissions (Scope 1)	CSR Performance Data Overview (p.55)
G4-EN16	A1.1, A1.2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	CSR Performance Data Overview (p.55)
G4-EN17	A1.1, A1.2	Other indirect greenhouse gas (GHG) emissions (Scope 3)	CSR Performance Data Overview (p.55)
G4-EN18	A1.1, A1.2	Greenhouse gas (GHG) emissions intensity	CSR Performance Data Overview (p.55)
	A1.5	Measures to mitigate emissions and results achieved	Environmental Protection (p.38)
EFFLUENTS A	ND WASTE		
G4-DMA	A1 General Disclosure, A3 General Disclosure	Disclosures on Management Approach	Environmental Protection (p.36, 38); Environmental Policy posted on our website
G4-EN23	A1.3, A1.4, A1.6	Total weight of waste by type and disposal method	Environmental Protection (p.41); CSR Performance Data Overview (p.56)
PRODUCTS AN	ID SERVICES WITH ENVI	RONMENTAL FACTORS	
G4-DMA	A2 General Disclosure, A3 General Disclosure	Disclosures on Management Approach	Environmental Protection (p.39); Environmental Policy posted on our website
G4-EN27	A3.1	Extent of impact mitigation of environmental impacts of products and services	Environmental Protection (p.39)

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GRI G4 Indicator	HKEx ESG Guide Reference	Description	Cross-reference
CATEGORY: SO	DCIAL		1
LABOUR PRAC	CTICES AND DECENT WO	RK	
EMPLOYMENT	-		
G4-DMA	B1 General Disclosure	Disclosures on Management Approach	Caring for Employees (p.28)
G4-LA1	B1.2	Total number and rates of new employee hires and employee turnover by age group, gender and region	CSR Performance Data Overview (p.53, 54)
G4-LA2		Benefits provided to full-time employees but not to temporary or part-time employees, by significant locations of operation	Caring for Employees (p.28)
G4-LA3		Return to work and retention rates after parental leave, by gender	CSR Performance Data Overview (p.54)
LABOUR/MAN	AGEMENT RELATIONS	·	
G4-DMA	B4.2	Disclosures on Management Approach	Caring for Employees (p.30)
G4-LA4		Minimum notice periods regarding significant operational changes, including whether these are specified in collective agreements	Caring for Employees (p.30)
OCCUPATION	AL HEALTH AND SAFETY	· · ·	'
G4-DMA	B2 General Disclosure, B2.3	Disclosures on Management Approach	Caring for Employees (p.31)
G4-LA6	B2.1, B2.2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work- related fatalities, by region and by gender	CSR Performance Data Overview (p.54)
EMPLOYEE TR	AINING AND EDUCATION	4	
G4-DMA	B3 General Disclosure	Disclosures on Management Approach	Caring for Employees (p.28)
G4-LA9	B3.1, B3.2	Average hours of training per year per employee by gender, and by employee category	CSR Performance Data Overview (p.54)
G4-LA10		Programmes for lifelong learning that support the continued employability of employees and assist them in managing career endings	Caring for Employees (p.28)

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Specific Standard Disclosures and Sector-specific Disclosures				
GRI G4 Indicator	HKEx ESG Guide Reference	Description	Cross-reference	
LABOUR PRACT	FICES AND DECENT WO	RK		
DIVERSITY AND	EQUAL OPPORTUNITY			
G4-DMA		Disclosures on Management Approach	Caring for Employees (p.27)	
G4-LA12	B1.1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	CSR Performance Data Overview (p.53)	
<b>GRIEVANCE ME</b>	CHANISM FOR STAFF			
G4-DMA		Disclosures on Management Approach	Caring for Employees (p.30)	
G4-LA16		Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	When complaints are received from staff, the Human Resources Department and relevant business units will investigate the complaints. The number of complaints is not disclosed in this Report.	
COMPLIANCE (	SOCIAL/LABOUR)			
G4-DMA	B4.1	Disclosures on Management Approach	Caring for Employees (p.27)	
G4-SO8	B1 General Disclosure, B2 General Disclosure, B4 General Disclosure	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No such incident that led to significant fines or warnings was recorded during the year.	
HUMAN RIGHTS	S AND SOCIETY			
NON-DISCRIMIN	NATION			
G4-DMA		Disclosures on Management Approach	Caring for Employees (p.27)	
G4-HR3		Total number of incidents of discrimination and corrective actions taken	CSR Performance Data Overview (p.56)	
CONTRIBUTION	I TO LOCAL COMMUNIT	IES		
G4-DMA	B8 General Disclosure, B8.1, B8.2	Disclosures on Management Approach	Contributions to the Community (p.42)	
G4-SO1		Percentage of operations with implemented local community engagement, impact assessments, and development programmes	Contributions to the Community (p.42)	

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Specific Stan	Specific Standard Disclosures and Sector-specific Disclosures				
GRI G4 Indicator	HKEx ESG Guide Reference	Description	Cross-reference		
HUMAN RIGHTS	AND SOCIETY				
CONTRIBUTION	TO LOCAL COMMUNIT	IES			
G4-FS13		Access points in low-populated or economically disadvantaged areas	Business Development and Economic Contributions (p.18)		
G4-FS14		Initiatives to improve access to financial services for the disadvantaged	Business Development and Economic Contributions (p.20)		
ANTI-CORRUPT	ION	·	·		
G4-DMA	B7 General Disclosure	Disclosures on Management Approach	Business Development and Economic Contributions (p.23)		
G4-SO4		Communication and training on anti-corruption policies and procedures	Business Development and Economic Contributions (p.23)		
G4-SO5	B7.1	Confirmed incidents of corruption and actions taken	CSR Performance Data Overview (p.56)		
PRODUCT RESP	PONSIBILITY				
CUSTOMER HE	ALTH AND SAFETY				
G4-DMA		Disclosures on Management Approach	Caring for Employees (p.31)		
G4-PR2	B6 General Disclosure	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services, by type of outcomes	No such incident that led to fines or warnings was recorded during the year.		
PRODUCT AND	SERVICE LABELLING				
G4-DMA	B6 General Disclosure	Disclosures on Management Approach	Business Development and Economic Contributions (p.21)		
G4-DMA (Former G3-FS16)		Initiatives to enhance financial literacy by type of beneficiary	Business Development and Economic Contributions (p.20)		
G4-PR4	B6 General Disclosure	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	No such incident that led to fines or warnings was recorded during the year.		
G4-PR5		Results of surveys measuring customer satisfaction	Business Development and Economic Contributions (p.21)		

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Specific Sta	ndard Disclosures ar	nd Sector-specific Disclosures	
GRI G4 Indicator	HKEx ESG Guide Reference	Description	Cross-reference
PRODUCT RES	SPONSIBILITY		
MARKETING C	OMMUNICATIONS		
G4-DMA	B6 General Disclosure	Disclosures on Management Approach	Business Development and Economic Contributions (p.21)
G4-PR7		Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	No such incident that led to fines or warnings was recorded during the year.
CUSTOMER PR	RIVACY		·
G4-DMA	B6 General Disclosure, B6.5	Disclosures on Management Approach	Business Development and Economic Contributions (p.21)
G4-PR8	B6.2	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	During the year, a small number of complaints regarding breaches of customer privacy and losses of customer data were received. Complaints received by the Group will be recorded by a responsible unit. Investigation will then begin based on our internal complaint management procedures. The Group will then respond to the complainants regarding the investigation findings. Our internal complaint management procedures are established in accordance with the IC-4 Complaint Handling Procedures in the Supervisory Policy Manual of the HKMA, and the Code of Banking Practice issued by the Hong Kong Association of Banks and the DTC Association.
	(PRODUCT AND SERVIC		1
G4-DMA		Disclosures on Management Approach	Business Development and Economic Contributions (p.21)
G4-PR9	B6 General Disclosure	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	During the year, the Group did not breach any laws or regulations concerning the provision and use of products and services that led to significant fines.
	B6.3	Description of practices relating to maintaining and protecting intellectual property rights	The Group strictly follows relevant laws, regulations and rules of intellectual property rights set out by the Government and related regulatory authorities in its daily operation. The Group provides legal advice and conducts daily monitoring via internal legal and marketing departments respectively.

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