

2020

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



 **創興銀行有限公司**
Chong Hing Bank Limited

Stock Code : 1111

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ABOUT CHONG HING BANK

Chong Hing Bank Limited ("Chong Hing Bank" or the "Bank") was established in Hong Kong in 1948 and listed on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEx") in 1994 (Stock code: 01111). Based in Hong Kong for over 70 years, Chong Hing Bank is committed to providing quality banking services to its customers and operating under prudent and professional business principles. In the "Top 1000 World Banks" listing released by the British magazine "The Banker", Chong Hing Bank's ranking rose from 722nd in 2013 to 381st in 2020, presently being among the top 400 banks in the world.

Chong Hing Bank offers a full range of commercial banking and financial products and services to individual and corporate customers, such as HKD and foreign currency deposits, credit, foreign exchange, wealth management, investment, securities and insurance. Chong Hing Bank also joined hands with a number of local financial institutions to become one of the founding members of the BCT Group, which provides comprehensive mandatory provident fund services to customers.

Chong Hing Bank has been a member of the Yuexiu Group since February 2014. The Bank has endeavoured to leverage the resources of its controlling shareholder in developing its business in Hong Kong as well as in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the Yangtze River Delta. Chong Hing Bank currently operates more than 30 branches in Hong Kong. It also has branches in Guangzhou, Shenzhen, Shanghai, Shantou and Macau, and sub-branches in Guangzhou Tianhe District, Foshan Nanhai District, Foshan Chancheng District, Nansha Area of Guangdong Pilot Free Trade Zone, Hengqin Area of Guangdong Pilot Free Trade Zone and Dongguan Nancheng District. The Bank will continue to take advantage of the network and resources of Yuexiu Group and its strategic shareholder, Guangzhou Metro, and actively develop its diversified cross-border financial services, striving to become an integrated commercial bank with cross-border expertise.

Yuexiu Group, the controlling shareholder of Chong Hing Bank, was established in Hong Kong in 1985. As of 31 December 2020, the statistical total assets of the Group amount to about RMB730 billion. Yuexiu Group was ranked 334th in the "Top 500 Chinese Enterprises" listing in 2020.

ABOUT THIS REPORT

OVERVIEW

This Report is the fifth standalone Environmental, Social and Governance (“ESG”) report issued by Chong Hing Bank, outlining the management approach, measures and performance on ESG issues. Unless otherwise stated, the reporting period of this Report is from 1 January 2020 to 31 December 2020.

PREPARATION BASIS

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “Guide”) contained in Appendix 27 to the Rules Governing the Listing of Securities on HKEx.

REPORTING SCOPE AND BOUNDARY

The policy documents, statements and data in this Report cover the actual business scope of Chong Hing Bank, Chong Hing Insurance Company Limited, Chong Hing Insurance Brokers Limited, Chong Hing Securities Limited and Chong Hing Commodities and Futures Limited in Hong Kong, but excluding the Bank’s business in Mainland China for the time being¹. The Bank is optimizing the internal information collection system to explore the possibility of gradually expanding the reporting scope in the future.

TERMINOLOGY

The terminology used in this Report is identical to the Bank’s “2020 Annual Report”, unless otherwise stated.

DATA SOURCES AND RELIABILITY STATEMENT

The information used in the Report is sourced from Chong Hing Bank, Chong Hing Insurance Company Limited, Chong Hing Insurance Brokers Limited, Chong Hing Securities Limited and Chong Hing Commodities and Futures Limited. The Bank is responsible for the truthfulness, accuracy and completeness of the contents of the report.

CONFIRMATION AND APPROVAL

This Report was endorsed by the ESG Working Group and the Executive Committee of the Bank, and was approved by the Board of Directors of the Bank (the “Board”) on 4 March 2021.

¹ The Bank’s overseas representative office in San Francisco was closed at the close of business on November 30, 2020 (San Francisco local time).

ABOUT THIS REPORT

REPORTING PRINCIPLES

To accurately respond to ESG issues that matters to stakeholders and are relevant to the bank's operation, we abide by the four reporting principles outlined in the ESG reporting guide:

MATERIALITY

The Bank appointed an independent consultant to communicate with key stakeholders on various ESG issues. Based on the results of the communication, the bank re-examined and confirmed the material issues of this Report.

QUANTITATIVE

The Bank has built data collection tools to record and monitor ESG metrics with the help of the ESG working group. Where applicable, this Report discloses the annual comparative data to allow stakeholders to understand the progress of work.

BALANCE

In order to discuss the Bank's ESG performance in an impartial manner, we intentionally cover our reflections on ESG management in this Report. Any omission of information has been explained.

CONSISTENCY

The quantitative information in this Report has been prepared in a consistent manner to allow readers to compare with previous reports of the Bank. Disparity of reporting boundary of metrics, if any, has been remarked for readers' reference.

FEEDBACK

You may access the electronic version of this Report through the following websites or Smartphone quick website access code. Chong Hing Bank regards this Report as a communication platform with stakeholders. If you have any comments or questions about this Report or Chong Hing Bank's ESG management, please contact us via the following means:

Address: G/F, Chong Hing Bank Centre,
24 Des Voeux Road Central,
Hong Kong
Tel: (852) 3768 1111
Website: www.chbank.com
Email: info@chbank.com



Smartphone Quick Website Access Code

MESSAGE FROM THE CHIEF EXECUTIVE

Facing the impacts brought by the outbreak of COVID-19, the decline in interest rates and other economic parameters in 2020, Chong Hing Bank continued to adhere to its “customer-oriented” principle and actively provided relief measures to customers who were affected by the pandemic. Chong Hing Bank also accelerated the optimisation of its online banking and Fintech platforms, enhanced the transformation of its digital banking business, and strived to provide customers with flexible and convenient banking services. On the other hand, Chong Hing Bank continued to uphold the green finance development trend and strengthen the governance of Environmental, Social and Governance (ESG) and climate-related risks. Chong Hing Bank will continue to develop its business in Hong Kong in a prudent manner, while actively expanding its business in Mainland China. At the same time the Bank strives to enhance its cross-border banking services and achieve its corporate vision of being an integrated commercial bank with cross-border expertise.

The COVID-19 pandemic has caused severe impact on many industries in Hong Kong. Chong Hing Bank has launched a number of relief measures to help personal and corporate banking customers relieve their liquidity pressure and provide them with the necessary support. Chong Hing Bank also rendered full support to the “Pre-approved Principal Payment Holiday Scheme” launched by the Hong Kong Monetary Authority for corporate customers under the “Banking Sector SME Lending Coordination Mechanism” and supported the “Special 100% Loan Guarantee” under the “SME Financing Guarantee Scheme”.

In recent years, Chong Hing Bank has been committed to promoting digital transformation. With the purpose of protecting the health and safety of customers and employees in mind, Chong Hing Bank provides customers with quality banking services, including the launch of “Cloud Rate” service. Customers can place time deposits through electronic channels instead of visiting branches during the pandemic. In addition, as part of its “Finance + Technology” strategy, Chong Hing Bank has continued to optimise its financial technology platform and provide one-stop online banking services to its customers.

In addition, with due regard to stringent risk management policies, Chong Hing Bank is proactively exploring business opportunities in the Greater Bay Area (GBA). The e-banking services of its branches and sub-branches in Mainland China have been continuously enhanced and the number of online banking transactions have achieved rapid growth. Moreover, the Bank has successively obtained various operation licenses in the financial markets in Mainland China, among which, Chong Hing Bank Shenzhen Branch is the first foreign bank branch approved to enter the exchange bond market in China. Chong Hing Bank is also committed to enhancing its cross-border banking services. The Bank has successfully launched the Mainland mortgage loan business for Hong Kong and Macau residents, providing convenience in financing to Hong Kong and Macau residents who intend to purchase properties in the GBA. With the opening of Foshan Chancheng Sub-branch and Dongguan Sub-branch in February and December 2020 respectively, Chong Hing Bank has set up a total of ten outlets in the Mainland, achieving a network covering core cities in the Pearl River Delta and Yangtze River Delta.

During the year, in addition to the impact of the pandemic, the influence of climate change on economic activities also gradually emerged. The Hong Kong Monetary Authority is therefore keen to promote green and sustainable finance to address climate change risks. As a member of the banking industry, Chong Hing Bank actively responds to the Hong Kong Monetary Authority’s initiative to develop green and sustainable finance. In 2020, Chong Hing Bank participated in the Hong Kong Monetary Authority’s “Common Assessment Framework” and has gained an understanding in the preparation for promoting green finance.

MESSAGE FROM THE CHIEF EXECUTIVE

With respect to the governance of ESG and climate-related risks, Chong Hing Bank has established an ESG management structure led by the Board. The Board is responsible for leading and overseeing Chong Hing Bank's ESG and climate change policies and strategies, as well as assessing and managing related risks. During the year, Chong Hing Bank reviewed the terms of reference of the Board, the Risk Committee of the Board, the Executive Committee and the Risk Management Committee, and clearly defined the responsibilities of each unit in the governance of climate-related risks. At the same time, Chong Hing Bank has begun to formulate sustainable finance-related policies to facilitate the monitoring of climate-related risks. On the other hand, Chong Hing Bank maintains good risk awareness and code of conduct through employee training, performance evaluation and performance management system, and continues to implement resource conservation and emission reduction measures to monitor, manage and reduce the environmental impacts caused by the daily operation of the Bank.

Looking ahead, Chong Hing Bank will continue to accelerate its digital transformation, enhance its customer services, strengthen its environmental and climate change-related risk management, and actively explore business opportunities in Hong Kong and the Mainland with a strategic development focus on the GBA, so as to realise its corporate vision of being an integrated commercial bank with cross-border expertise. I would like to express my sincere gratitude to our shareholders, employees, customers and stakeholders for their support, enabling Chong Hing Bank to continue to expand its business at a steady pace while successfully responding to the impact of the pandemic, and work with relevant stakeholders to promote sustainable development and green finance.

Zong Jianxin

Chief Executive

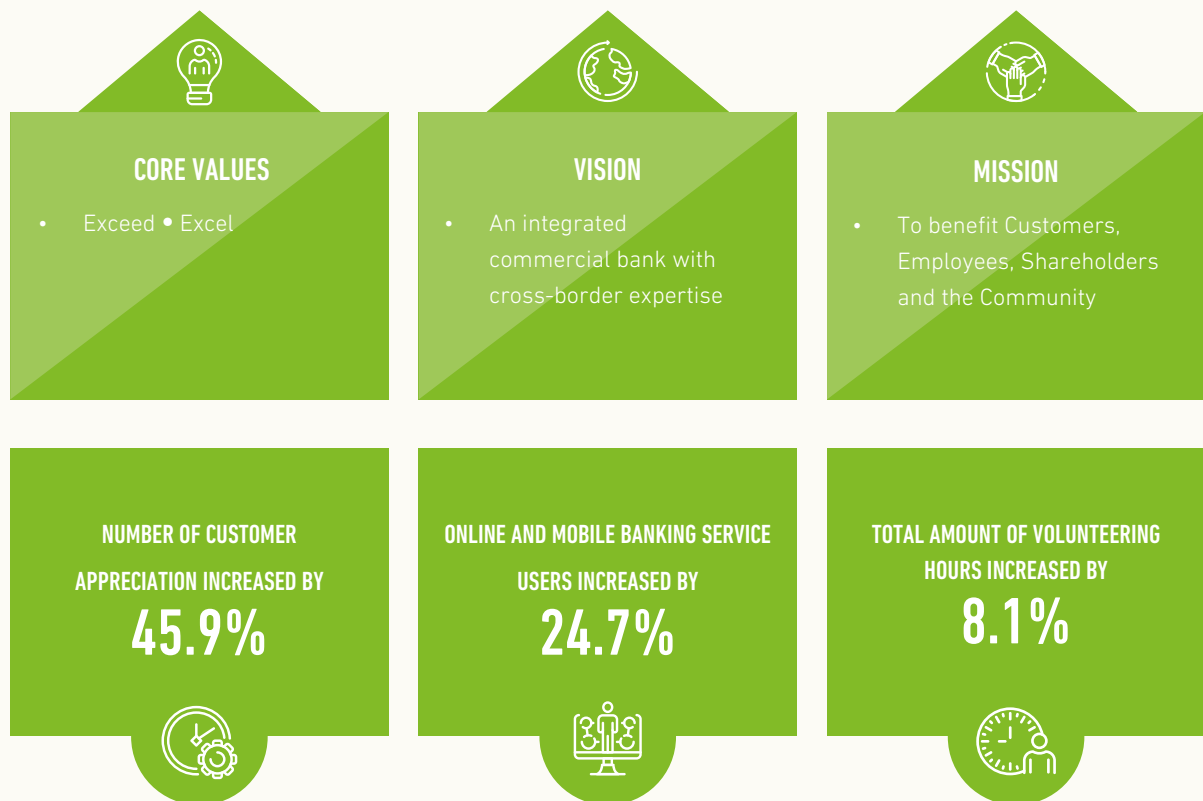
4 March 2021

2020 OVERVIEW

Since becoming a member of Yuexiu Group, Chong Hing Bank has adhered to the Group's core value of "Exceed • Excel", striving to improve operational efficiency and product quality, and provide customers with better banking services. In recent years, Chong Hing Bank has been actively developing its business in Hong Kong and Mainland China and seizing business opportunities to become an "integrated commercial bank with cross-border expertise". With its corporate mission — "To benefit Customers, Employees, Shareholders and the Community", the Bank has formulated its corporate strategies and included sustainable development elements to improve the Bank's ESG performance and fulfill its corporate social responsibility.




In the future, Chong Hing Bank will continue to promote digital transformation in line with the development of Fintech. By investing more resources in the application of Fintech and introducing innovative financial products to meet market needs, Chong Hing Bank is committed to providing customers with improved and more convenient financial services.

The ongoing COVID-19 pandemic has inevitably affected the business operations of Chong Hing Bank in 2020. However, the Bank adhered to its corporate mission and launched various measures to meet the needs of various stakeholders, such as adjusting the operating hours of the branches to protect the health and safety of customers and employees, launching relief measures to help personal and corporate banking customers cope with their financial pressure, and supporting the "Special 100% Loan Guarantee" for the SMEs.






2020 OVERVIEW




Chong Hing Bank continuously improves its ESG performance and invests resources to promote the sustainable development of the Bank and the society as a whole. In 2020, the Bank received the following awards and recognitions:

Award	Awarded by	
<u>Economy and Governance</u>		
<p>“Best SME’s Partner Gold Award”</p>	<p>The Hong Kong General Chamber of Small and Medium Business</p>	
<u>Employee Care</u>		
<p>“Best Reward & Recognition Strategy Award” – Grand from the Best HR Awards 2020</p>	<p>CT goodjobs</p>	
<p>“Best Innovative L&D Initiative Award” – Gold from the Best HR Awards 2020</p>	<p>CT goodjobs</p>	

Award	Awarded by	
Employee Care		
<p>“Happy Company”</p>	<p>Hong Kong Productivity Council and Promoting Happiness Index Foundation</p>	
<p>“Eco-Healthy Workplace” Label</p>	<p>World Green Organisation</p>	
<p>“Joyful@Healthy Workplace” Charter</p>	<p>Department of Health, Labour Department, and Occupational Safety & Health Council</p>	
<p>“Good MPF Employer Award” 2019 - 2020 Recognition, “e-Contribution Award” and “MPF Support Award”</p>	<p>Mandatory Provident Fund Schemes Authority</p>	

2020 OVERVIEW

Award	Awarded by	
<u>Community Care</u>		
<p>10 Years Plus Caring Company Logo</p>	<p>The Hong Kong Council of Social Service</p>	
<p>“Social Capital Builder Logo Award”</p>	<p>Community Investment & Inclusion Fund and Labour and Welfare Bureau</p>	
<p>Tung Wah Group of Hospitals Charity Raffle Ticket Sale Competition – Second Runner Up</p>	<p>Tung Wah Group of Hospitals</p>	

Award	Awarded by	
Community Care		
<p>“Jockey Club ‘Age-friendly City Partnership’ Scheme” 2020</p>	<p>The Hong Kong Jockey Club Charities Trust</p>	
<p>Tung Wah Group of Hospitals Charity Raffle Tickets Sale – Excellent Performance Award</p>	<p>Tung Wah Group of Hospitals</p>	
Environmental Protection		
<p>“Green Office Award” Recognition</p>	<p>World Green Organisation</p>	

ESG MANAGEMENT APPROACH

ESG MANAGEMENT STRUCTURE

Chong Hing Bank has established an ESG management structure under the leadership of the Board, with clear terms of reference for each component of the structure. The Board is responsible for overseeing and leading the Bank and its subsidiaries (the "Bank Group") in formulating the development strategies and goals of the ESG (including but not limited to climate change, green and sustainable banking), as well as approving the governance framework of ESG risk management functions, and policies and plans relating to other material ESG related issues. The Risk Committee under the Board is responsible for reviewing and recommending the Board on the Bank Group's overall risk management strategies, including strategies related to environmental, social and climate risks. In addition, the Executive Committee under the Board responsible for reviewing and approving the policies and plans relating to ESG risks and other material ESG related issues regularly, and promoting and supervising the implementation of related policies and plans by relevant departments to ensure effective control of the climate change, environmental and other ESG risks faced by the Bank Group. In addition, on behalf of the Board, the Executive Committee is also responsible for supervising and guiding the ESG Working Group, so as to facilitate effective implementation of relevant work. The well-established ESG management structure enables us to formulate strategic approaches for future development and long-term benefits, thereby promoting sustainable development.

Responsible party	Key responsibilities
Board of Directors	<ul style="list-style-type: none"> ■ Oversees and leads the Bank Group to formulate the development strategies and goals of ESG (including but not limited to climate change and green and sustainable banking) ■ Approves the Bank Group's overall risk (including but not limited to climate change, green and sustainable banking related risks) management strategy and framework, reviews regularly to ensure that they remain adequate and appropriate under the changing business and market conditions ■ Approves the governance framework of ESG (including but not limited to climate change and green and sustainable banking) related risk management functions, and the policies and plans relating to other material ESG related issues ■ Approves annual ESG report
Executive Committee	<ul style="list-style-type: none"> ■ Formulates strategies and framework for operational, technology, reputation, strategic and ESG (including but not limited to climate change and green and sustainable finance) risk management for the Bank Group to align with its overall business objectives, and reviews periodically and approve the respective risk management policies ■ Reviews and approves ESG (including but not limited to climate change, green and sustainable banking) related risks and policies and plans relating to other material ESG related issues, promotes and supervises the relevant departments in implementing such policies and plans, ensure that climate change, environmental and other ESG related risks facing by the Bank Group are effectively controlled ■ Decides the goals of the above-mentioned plans and reviews the progress of such goals ■ Reviews annual ESG report and confirms the appropriateness of the key performance indicators

Responsible party	Key responsibilities
Risk Committee	<ul style="list-style-type: none"> ■ Reviews and recommends the Board for approval of the Bank Group's overall risk management strategies, including the strategies relating to environmental and climate-related risks, and risk appetite/tolerance statement, which shall align with the Bank Group's operational and strategic targets, as well as considers all risk-related matters faced by the Bank Group ■ Regularly reviews and assesses the adequacy and effectiveness of the Bank Group's risk management framework, internal control systems (excluding internal financial control systems) and risk management policies, procedures and systems in identifying, measuring, monitoring and controlling the Bank Group's principal risks. Climate related risks are incorporated into the Bank's Principal Risk Report
Risk Management Committee	<ul style="list-style-type: none"> ■ Regularly reviews and approves the Bank Group's principal risk management policies, and where necessary, discusses and through the Executive Committee and the Risk Committee to recommend the Board for approval of risk-related documents ■ Oversees the Bank Group's principal risks. Climate-related risks are incorporated into the Bank's Principal Risk Report to ensure such risks are managed and monitored by the Risk Management Committee ■ Holds regular risk management meetings, that are chaired by the Chief Risk Officer
ESG Working Group	<ul style="list-style-type: none"> ■ Develops the annual ESG strategy and submits progress report to the Executive Committee twice a year to report the implementation progress of the annual ESG strategy ■ Focuses on stakeholder engagement on ESG aspects ■ Implements the ESG-related policies and measures at operational level, which include green operations, labour relations and community contributions ■ Collates ESG key performance indicator data ■ Prepares ESG Reports ■ Report to the Executive Committee on the ESG Reports and implementation progress of ESG related measures ■ Monitors the work progress of the Volunteer Team

ESG MANAGEMENT APPROACH

STAKEHOLDER ENGAGEMENT

Chong Hing Bank communicates with stakeholders through various channels to understand their opinions and expectations on the Bank's ESG issues. This helps us to continuously improve and maintain a trustworthy relationship. The communication channels with stakeholders are summarised as follows:

EXPECTATIONS OF STAKEHOLDERS AND HOW WE COMMUNICATE

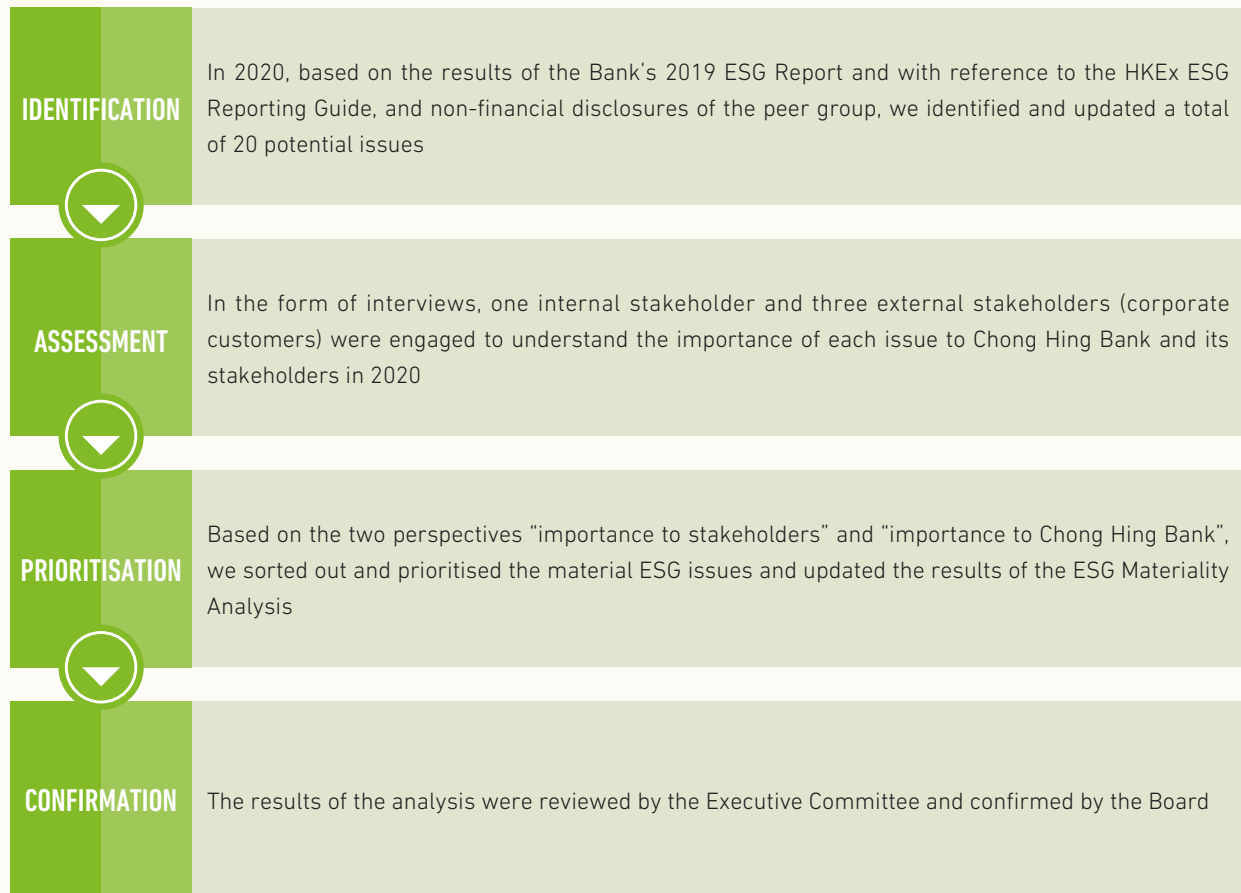
Key Stakeholders	Expectations	Major Communication Channels
Shareholders and investors	<ul style="list-style-type: none"> ■ Robust operation ■ Reasonable return 	<ul style="list-style-type: none"> ■ Shareholder meetings ■ Annual/Interim reports ■ Annual general meetings
Customers	<ul style="list-style-type: none"> ■ Treat customers fairly, listening and responding to their needs ■ Develop diversified banking services ■ Provide professional advice and services ■ Focus on both the environment and economic development 	<ul style="list-style-type: none"> ■ Branch visit by relationship manager ■ Daily operations and interactions ■ Events that promote customer loyalty ■ Emails ■ Bank service hotline
Employees	<ul style="list-style-type: none"> ■ Reasonable salary and benefits ■ More employee networking events ■ Foreseeable development and promotion opportunities ■ Strengthening employee training, including courses on bank-specific topics 	<ul style="list-style-type: none"> ■ Emails ■ Intranet ■ Trainings and workshops ■ Online learning platform ■ Work performance and career planning meetings ■ Views-sharing platform
Suppliers	<ul style="list-style-type: none"> ■ Integrity management ■ Fair procurement 	<ul style="list-style-type: none"> ■ Meetings and Communication ■ Regular review and feedback ■ Email
Non-governmental organisations (NGOs)	<ul style="list-style-type: none"> ■ Caring for the underprivileged ■ Giving back to society 	<ul style="list-style-type: none"> ■ Volunteer activities ■ Sponsorships and charity donations ■ Employee workshops ■ Corporate responsibility conferences/ newsletters ■ Visit to NGOs
Government and related organisations	<ul style="list-style-type: none"> ■ Compliance with industry standards ■ Working together to promote industry development 	<ul style="list-style-type: none"> ■ Compliance reports ■ Regular meetings
Media	<ul style="list-style-type: none"> ■ Understanding the development of the Bank ■ Transparency 	<ul style="list-style-type: none"> ■ Press conferences ■ Press releases ■ Interviews with senior executives ■ Announcement of results ■ Media meetings

As an international financial centre, Hong Kong's regulators have been working on promoting green and sustainable finance in recent years, and it is also a public expectation that the banking industry shall contribute to the mitigation of climate change. We recognise the increasing threat of climate risks, which may impose irreversible impact to human well-being in the long run. With this regard, the Bank also conducted phone interviews with customers through independent third-party in addition to daily communication during the year. We recognised customers' demands and expectations for green and sustainable products, and understand that banks can play a key role in the field of green economy.

We are committed to promoting environmental protection and sustainable development while upholding the philosophy of benefiting the public and the underprivileged. To this end, we will continue to explore opportunities to promote green and sustainable products.

ESG MATERIALITY ANALYSIS

To determine the content of this Report and ensure that this Report covers ESG issues that are material to Chong Hing Bank, we continued to appoint an independent professional third-party to assist in collecting opinions from stakeholders of the Bank and identifying, assessing, prioritising and confirming the materiality of different ESG issues. The specific materiality assessment process is as follows:



ESG MANAGEMENT APPROACH

Based on the results of the analysis, given that there was no significant change in the Bank’s operations and businesses in 2020, no ESG issues were newly introduced in this year. However, with reference to the latest standards of the HKEx ESG Reporting Guide, non-financial disclosures of peer group, focus areas of media coverage, as well as the opinions of stakeholders, the Bank has promoted the issues “Response to climate change risks and opportunities” and “Promoting financial inclusion” as highly material, so as to align with the Bank’s strategic approach to sustainable development in the future.

Chong Hing Bank ESG Materiality Matrix 2020



High materiality		Moderate materiality	
1	Anti-corruption, bribery, extortion, fraud and money laundering	14	Paper consumption
2	Operational compliance	15	Responsible procurement
3	Customer data privacy	16	Energy use and efficiency
4	Employment relationships	17	Serving the underprivileged
5	Occupational health and safety	18	Waste management
6	Employee development training and education	19	Promoting financial literacy
7	Employee diversity, equal opportunities and inclusion	20	Water resource use and efficiency
8	Human rights and anti-discrimination		
9	Service quality, customer feedback collection and response		
10	Response to climate change risks and opportunities		
11	Caring for the community		
12	Promoting financial inclusion		
13	Corporate ESG governance		

GOOD BANKING PRACTICE

Operating with integrity, compliance and responsibility is the key for the Bank to achieve good banking practice and sustainable business development. Therefore, the Bank sets out guidelines for “Good Banking Practice” covering areas of compliance and responsible operations so that the Bank and the team can be managed with good governance and professionalism. The Bank formulates ethics standards and code of conduct for employees, requiring them to strictly comply with various policies, rules and guidelines to ensure that all operations comply with the compliance requirements. In addition, the Bank strives to build a responsible and sustainable supply chain by establishing stringent procurement principles and paying close attention to the environmental and social impacts of the supply chain.

EMPHASIS ON INTEGRITY AND COMPLIANCE

Integrity and compliance are the foundation of the Bank’s business operations, therefore, Chong Hing Bank adopts a series of measures and policies to ensure compliance of daily operations and the integrity of employees to deliver professional and reliable banking services. The Bank formulates the Staff Code of Conduct, which requires all employees of the Bank and its subsidiaries to strictly comply with the legal requirements specified in the document to ensure compliance. The Bank also sets out the Anti-fraud Policy, which defines fraud practices, preventive measures, responsibilities of each department, risk-monitoring mechanisms and whistleblowing and investigation procedures. The policy ensures that the management and all employees adhere to the highest standards of ethics and conduct.

In addition, the Bank provides employees with regular online training on anti-corruption and anti-fraud to enhance employees’ compliance awareness and enable them to have a deeper understanding of internal codes, policies and relevant laws and regulations so as to stay alert at all times. Other than general employees and the management, Board members are also required to receive training on anti-corruption to keep abreast of the latest regulatory requirements of the financial services industry. During the year, the Bank introduced new courses such as annual update training on Anti-Money Laundering and Counter-Terrorist Financing Ordinance, training on Suspicious Transaction Reporting (STR) Matters and training of Anti-Money Laundering (AML) On-site Compliance Checking and Off-site Compliance Checking of Enhanced Customer Due Diligence (ECDD) forms to increase employees’ sensitivity to illegal transactions.

As at the end of December 2020:

- About 1,400 employees completed Code of Conduct for Employee 2020 online training course
 - About 1,400 employees completed the Anti-Fraud Policy 2020 online training course
 - About 1,300 employees completed the Code of Banking Practice 2020 online training course
 - 2 Board members completed anti-corruption training and accumulated 1 hour of training in total
 - Over 2,110 hours of online training had been achieved in total
- (The above figure covers existing and resigned employees)

GOOD BANKING PRACTICE

The Bank has established a comprehensive internal whistleblowing policy and mechanism for employees to report suspected violations to internal codes and policies. Employees can report any suspected misconduct through the established mechanism, and the Bank adopts stringent measures to keep the identity of the whistle-blower and all information received confidential. It protects the rights and interests of the whistle-blower, and ensures that the whistle-blower will not be harassed, discriminated against, harmed or dismissed due to the whistle-blowing. In addition, the Bank links one's remuneration to their performance in risk management. Risk/Compliance & Control Modifier has been introduced as a criterion in our employee performance management system. As such, the severity and impact of the risk factors and the monitoring and compliance of incidents are revealed in the performance ratings of business unit, functional unit or individual employees, so as to raise employees' awareness of risks.

The Bank is committed to combating corruption and financial crime. All employees of the Bank must comply with the Banking Ordinance, the Prevention of Bribery Ordinance, the Anti-Money Laundering and Counter-Terrorist Financing Ordinance and other regulations to prevent non-compliance, protect the Bank and its customers, and avoid reputational damage to the Bank. The Bank also establishes a comprehensive internal control system to prevent bribery at source.

In addition to the above laws and regulations relating to corruption, financial crime and professional ethics, the Bank continues to identify legal requirements relevant to product responsibility, employment, occupational health and safety, and the environment that have a significant impact on the Bank's operations. We monitor our compliance to these legal requirements. For details, please refer to the relevant sections and the ESG Performance Summary of this Report.

RESPONSIBLE PROCUREMENT

To implement responsible procurement, the Bank takes actions and engages actively to understand the environmental and social risks along the supply chain, hence, to ensure the sustainability of the supply chain. Suppliers of the Bank mainly provide products and services that include IT equipment, software, furniture, cleaning services, logistics services, printing services, stationery and other office supplies. When selecting suppliers, the Bank refers to the "Operation Manual of the Procurement and Logistics Management Department". In addition to the fundamental factors of product and service quality, management style, scale of production, experience and technical competence of suppliers, the Bank also takes the social and environmental performance of suppliers into account. The Bank conducts relevant assessment on the social and environmental performance of suppliers, such as the health and safety management system and the environmental certification obtained by the suppliers. The Bank also requires suppliers to provide relevant supporting documents, conducts on-site inspections, and regularly reviews the product and service quality of selected suppliers to ensure that they meet the standards. The Bank respects intellectual property rights as well. When procuring IT-related products or services, relevant departments are required to only select copyrighted products to protect intellectual property rights and avoid infringement risks.

The Bank formulates the Environmental Policy and is committed to fulfilling its promise therein by giving priority to suppliers having better environmental awareness and products with environmental certifications, including Forest Stewardship Council (FSC) certified office paper and printed materials, and electrical appliances with Grade 1 energy labels while procuring. This reduces the impact on the environment along the supply chain and promotes environmental protection.

In addition, the Bank selects local service providers and product suppliers as much as possible to reduce emissions in procurement arising from transportation, hence, minimises the impact of supply chain on the environment and supports local economic development. As at 31 December 2020, Chong Hing Bank had 226 suppliers, of which 216 (96%) were based in Hong Kong and the remainder 10 (4%) in Mainland China and other geographies.

COMMITMENT TO CUSTOMERS

With a customer-oriented corporate spirit, Chong Hing Bank strives to serve its customers with care to gain their trust. We advocate innovative thinking, actively apply Fin-tech to develop new products and services, and provide more professional, efficient and convenient services to improve customer experience. At the same time, we continued to support SMEs in their business development. The Bank will also continue to seize the opportunities arising from the GBA development, progressively develop its cross-border businesses, and promote the transformation of digital banking in order to become an integrated commercial bank with cross-border expertise.

PROTECTING CUSTOMER PRIVACY

We only collect necessary but not excessive personal data in a lawful and fair manner. The negligent handling of personal data will affect customers' interests and business integrity. Therefore, the Bank has formulated the "Privacy Policy Statement", which sets forth various measures and codes to protect confidentiality and security of customers' personal data privacy. The policy statement mainly includes the following:

- The Bank clearly sets forth the purposes and use of personal data collection.
- The Bank has appointed a Data Protection Officer ("DPO") to supervise the Bank's compliance with the privacy ordinance, other relevant rules and guidelines. The public can contact the DPO through email, post, telephone and fax to understand the implementation of the Policy.
- The Bank restricts actual access to personal data by providing secure storage facilities and taking all practicable security measures against facilities storing data in order to achieve an appropriate level of security protection.
- Whenever there is any material breach of personal data protection principles, loss or leakage of customer data, the Bank will handle properly in a timely manner according to the relevant guidelines, and report to relevant regulators where appropriate.

To ensure all employees are aware of and understand the relevant requirements, the Bank requires all new employees to complete the Personal Data (Privacy) Ordinance module in the "New Staff Induction Program". In addition, we require all employees to complete the online learning course on personal data privacy protection every year, and regularly disseminate the latest information from the Office of the Privacy Commissioner for Personal Data to employees to refresh their knowledge. At the same time, the Bank provides training on policy relating to information security to employees to further enhance their awareness of personal data protection.

In light of the increasing popularity of mobile banking, we have adopted various security measures. We launched our biometric authentication solution, which allows our customers to access the Bank's mobile banking service with fingerprint or facial recognition, thereby avoiding the risk of customers forgetting the username, password or the account and password being stolen by others. In addition, whenever users logon mobile banking or internet banking, we will inform them by SMS, email and/or notification on mobile devices that have registered mobile token on a case-by-case basis. When there is a change in the mobile device used by a customer in making payments via the Faster Payment System ("FPS") function of the mobile banking, a SMS One-Time-Password will be sent to the customer for confirmation to complete the transaction. At the same time, we actively enhance the security awareness of our mobile banking users by providing them with "Security Tips for using Internet banking and Mobile Banking", which covers security tips about fraudulent websites, emails, mobile applications and other common online fraudulent activities.

COMMITMENT TO CUSTOMERS

HANDLING CUSTOMER OPINIONS

Upholding a customer-oriented corporate spirit, we actively collect customers' feedback and sincerely respond to them. We aim to continuously improve our service quality and to build mutual trust. We have established multiple channels for customers to provide feedback, including Customer Opinion Boxes in each branch, customer service hotlines, emails and fax. In addition, the Bank has also established an online feedback platform for customers to submit comments anytime and anywhere.

The Bank values the opinions of each customer and has established a complaint handling mechanism to actively handle customer feedback. After receiving a complaint, we classify the complaint according to the type and complexity, and then submit it to the corresponding responsible department and team for follow-up. Subsequently, we will study the customers' demands and needs and determine whether the complaint is valid. We ensure that all complaints are effectively and fairly heard and provide customers with a satisfactory response. With the efforts and professionalism of our employees, we received 2,028 customer appreciation during the year, representing an increase of approximately 46% over the last year. In terms of complaints, about 90% of the complaints were handled effectively with satisfactory responses from customers.

IMPROVING CUSTOMER EXPERIENCE

We believe that innovation is the key to business development. While adhering to three-pronged approaches: expanding cross-border financial services, enhancing branch services and promoting digital banking transformation, the Bank has developed a series of innovative banking products and services to improve customer experience.

CROSS-BORDER FINANCIAL SERVICES

Based in Hong Kong, the Bank strives to seize the opportunities arising from the GBA development and actively expanded the Mainland market to enable customers to enjoy convenient cross-border financial services. We launched a Mainland property secured loan service to facilitate our customers to apply for property secured loans through any branch in Hong Kong. During the year, Chong Hing Bank has further expanded the service scope of Mainland property secured loan service from Guangzhou and Shenzhen to seven cities in Shanghai and the GBA, including Guangzhou, Shenzhen, Foshan, Huizhou, Dongguan, Zhongshan and Jiangmen, allowing Hong Kong customers to enjoy cross-border financial services conveniently.

We understand that many of the Hong Kong enterprises are not familiar with local policies and procedures when making cross-border investments in Mainland China. We continue to help investors to expand their Mainland businesses through "Shenzhen and Hong Kong Pass" commercial service, allowing Hong Kong customers to enjoy business registration service for their enterprises in Shenzhen. During the year, the Dongguan branch of Chong Hing Bank has officially opened, being the tenth branch in Mainland China and the eighth branch in the GBA. It demonstrates the steady development of our Mainland China business, providing our customers with a financial service network in core cities of the GBA.

The Bank will continue to explore the GBA market and gradually expand its business to other cities in the GBA, so as to provide Hong Kong customers with quality and comprehensive cross-border financial services and become an integrated commercial bank with cross-border expertise.

ENHANCING BRANCH SERVICES

Chong Hing Bank offers diverse banking services through its “Flagship”, “Professional”, “Integrated” and “Community” branches. The Hong Kong branch has also gradually deployed tablets for customers to enhance their digital banking experience while reducing the queuing time and workload of frontline staff. In addition, we continued to strengthen cross-border financial services at our Hong Kong branch. Currently, the Bank has seven branches in Hong Kong providing Renminbi (RMB) ATM withdrawal services; three branches in Mainland China have launched Hong Kong Account Opening Witness Service to help customers open Hong Kong bank accounts easily in Mainland China.

During the year, Chong Hing Bank announced the relocation opening of its Shatin Branch to provide convenient banking services to customers in the district. Our Shatin branch is equipped with barrier-free facilities to cater for customers’ needs. The branches also have customer meeting rooms and lobby projectors in place to organise diversified financial seminars and enhance community interaction. The new location of the branch displays the public with new design and decoration, with simple and bright design, which is more attractive to customers. Chong Hing Bank will continue to provide customers with better branch design and enhance service experience.

DIGITAL BANKING TRANSFORMATION

Chong Hing Bank actively promotes the adaptation of Fin-tech and digital banking transformation to provide customers with convenient and secure mobile banking services. Our mobile banking app adopts the Faster Payment System (FPS) QR code payment technology, which allows users to scan the QR code of the payee to complete payment and transfer. All of our ATMs support JETCO “Cardless Cash Withdrawal Service”, and the mobile banking users of JETCO member banks can withdraw cash by scanning the QR code on our ATMs. In addition, we are also transforming our traditional banking business. For example, customers can use their mobile phones to submit foreign exchange orders and remittance instructions without submitting paper forms. Customers can now open investment accounts with the Bank’s mobile banking service anytime and anywhere without having to visit branches.

The Bank launched an online lucky draw program and e-coupon for our mobile banking users. The program can be widely used in mobile banking transactions and various promotional activities. We continuously promote our latest product information and benefits through the websites or apps of third-party service providers or financial technology organisations to keep our customers informed and apply for our products and services.

COMMITMENT TO CUSTOMERS

PROMOTING FINANCIAL INCLUSION

SUPPORT MEASURES FOR COVID-19

The pandemic has severely affected the Hong Kong economy, and SMEs are facing an increasingly challenging operating environment. Chong Hing Bank is determined to overcome the difficulties with its customers and launched various SME support measures. We have provided three support measures to eligible SME customers to ease the funding pressure on them from the pandemic, including clean-up clause of revolving loan and overdraft facility waiver, extension of term loan repayment or instalment payment period and principal payment holidays for all trade finance facilities. We also provide assistance to specific customer groups, such as property mortgage customers, as well as taxi, minibuss and commercial vehicle hire purchase loan customers, and have introduced supporting measures such as interest moratorium and extension of hire purchase loan terms. We will continue to monitor the pandemic and take appropriate measures to strengthen, expand and extend our support.

Following two rounds of relief measures, Chong Hing Bank fully supports the "Pre-approved Principal Payment Holiday Scheme for corporate customers" by the Hong Kong Monetary Authority and the Banking Sector SME Lending Coordination Mechanism to alleviate the cash flow pressure faced by SMEs and help them overcome economic difficulties. The Bank also actively assisted its customers to apply for the "Special 100% Loan Guarantee" provided by the Hong Kong Mortgage Corporation Limited, and has successfully applied for the loan for over 100 SMEs by the end of 2020.

SUPPORT SMES' BUSINESS DEVELOPMENT

Chong Hing Bank focuses on the financial needs of SMEs in different business cycles and supports their funding needs for daily operations and business expansion. Our business units work closely together to provide one-stop value-added banking services to our corporate customers, including employee banking, MPF and wealth management. We actively support SMEs by participating in the "SME Loan Guarantee Scheme" of the HKSAR Government and supporting the "SME Financing Guarantee Scheme" offered by the Hong Kong Mortgage Corporation Limited. We aim to provide a stable and flexible financing platform for SMEs to meet their funding needs. As an integrated commercial bank with cross-border expertise, the Bank provides SMEs with services such as Loan against Outbound Security, Loan against Inbound Security and Guangdong Free Trade Zone Direct Lending for SMEs to help them expand into the Mainland market.

Chong Hing Bank was awarded the "Best SME's Partner Award" by the Hong Kong General Chamber of Small and Medium Business for the 12th year and the "Best SME's Partner Gold Award 2019" for the second consecutive year, demonstrating our commitment to providing professional and reliable services to SMEs and recognising our continuous support and contribution to SMEs.

POPULARISATION OF BANKING SERVICES

The Bank treats every customer fairly and has signed "Treat Customers Fairly Charter" of the Hong Kong Monetary Authority since 2013 to ensure that people in need can enjoy basic banking services. In response to the initiative of the Hong Kong Monetary Authority on financial inclusion, we have formulated various measures, including the cancellation of dormant account fees and exemption of minimum deposit amounts. The Bank is committed to providing banking services to people in need, including low-income groups and person receiving Comprehensive Social Security Assistance.

SERVE THE UNDERPRIVILEGED

Chong Hing Bank cares about the rights and interests of the disabled and considers their needs in the design and service arrangements of the branches. Currently, we post the "Guide Dogs Welcome Sign" issued by the Hong Kong Guide Dogs Association at all branches and welcome the guide dogs to join the visually impaired. In addition, we have installed voice navigation ATMs in various branches to assist the people with visual impairments in using ATM services such as cash withdrawal, account balance enquiry or change of password. We are also progressively changing the height of our ATMs and the design of the table of our branch personal banking managers this year for the convenience of wheelchair users. In addition, we set up various friendly facilities based on the location and adjacent environment of our branches, such as doorbell with signage and movable wheelchair ramp, to meet the diverse needs of different customers.



The Bank has completed changing the office design of personal banking managers of 5 branches in 2020.

RESPONSIBLE SALES AND MARKETING

The Bank advocates responsible sales. Therefore, we formulate internal guidelines, monitor the content of services promotion and strengthen the training of staff sales practices. Before launching products and services such as credit card products, wealth management and time deposits, we will review the risks, features, promotional content and terms and conditions of the products and services comprehensively through internal procedures to avoid misleading customers. In addition, the Bank arranges appropriate briefing sessions and product trainings for sales personnel to ensure that they have sufficient knowledge of product features and compliance requirements, so as to provide appropriate sales services to customers.

The Bank adopts the "Account Terms (For Corporate Account)" to organise and merge disaggregated the terms applicable to different services, ensuring that customers are aware of all products and service terms of the Bank. Chong Hing Bank strictly complies with the Anti-Competition Ordinance and prohibits any anti-competitive acts.

CLIENT-SERVING ENVIRONMENT

We are committed to maintaining a healthy and comfortable indoor environment to safeguard the health and service experience of our employees and customers. Chong Hing Bank engages suppliers to clean and maintain air-conditioning systems in all branches and offices on a monthly basis, thereby maintaining good indoor air quality. In addition, we use paint with low volatile organic compounds in branch renovation to reduce the impact on air quality. Since 2017, we have participated in the "Indoor Air Quality Certification Scheme" launched by the Environmental Protection Department every year and invited experts from the IAQ Certificate-Issuing Body accredited by the Hong Kong Accreditation Service to conduct on-site inspections. This year, the indoor air quality of Chong Hing Bank Centre continued to be certified as "Good".

CARING FOR EMPLOYEES

Chong Hing Bank is committed to creating a happy, healthy and inclusive working environment for its employees by adhering to the mission of “benefiting employees”, and providing them with adequate training and personal development opportunities so they can utilise their strengths and grow with the Bank. The Bank strives to enhance employees’ happiness and create a good working atmosphere through various employee caring measures. During the year, Chong Hing Bank was awarded the “Happy Company” logo by the Hong Kong Productivity Council, and the Hong Kong Promoting Happiness Index Foundation, as well as the “Eco-Healthy Workplace” label by the World Green Organisation, in recognition of the Bank’s commitment and determination to caring for its employees. In addition, the Bank signed the “Joyful@Healthy Workplace” Charter by the Department of Health, the Labour Department, and the Occupational Safety and Health Council to demonstrate the Bank’s commitment to promoting the physical and mental health of employees.

EMPLOYMENT RELATIONSHIP

Our employees are the cornerstone of our quality services. In addition to complying with relevant laws and regulations, including the Minimum Wage Ordinance, the Employment Ordinance and the Employees’ Compensation Ordinance, the Bank also formulated human resources policies that closely follow the market standards, striving to meet the different needs of employees. We offer competitive remuneration and benefits packages to our employees, including medical insurance, life and accident insurance, physical health check allowances and paid leaves (including annual leave, marriage leave, full-paid maternity leave, full-paid paternity leave and examination leave). We also offer our employees and their families preferential discounts for purchasing our insurance products. In addition, we have optimised the employee counselling service, which is provided by external service provider. The service is now expanded to cover Macau Branch, and the service hotline has also been extended to 24 hours for our employees and their immediate family members, providing them a channel to seek independent consultation on personal, family, health, and work-related issues.

The Bank maintains effective two-way communication with employees through different channels. The Bank regularly publishes the “Chong Hing Recreation Club Newsletter” and the quarterly publication “CHB Newsletter” and sends them to all employees through email and via the intranet, so as to update the employees on the latest business development and employee activities of the Bank. In addition, the Bank regularly conducts employee surveys to collect employees’ opinions. The Bank has set up a “Bright Ideas Platform” to encourage employees to actively share their opinions and suggestions through emails or e-forms on areas such as cost effectiveness, operational efficiency, operation procedures, customer experience and satisfaction, risk management and corporate culture. All opinions collected are rated by the Culture Improvement Steering Workgroup of the Bank, and “Best Ideas” are selected quarterly. Winning employees are rewarded for recognition. During the year, a total of 680 suggestions were collected on this platform and provided ideas to the Bank for its continuous improvement.

In addition, the Bank promotes work-life balance and enhances the physical and mental health of employees through regularly organising various social activities. To this end, the Bank has set up team-building allowance to encourage business units to organise team building activities on their own so as to foster team spirit and morale.

OCCUPATIONAL HEALTH AND SAFETY

The Bank has always attached great importance to the health and safety of its employees. In addition to complying with the Occupational Safety and Health Ordinance, the Bank also formulated the Occupational Health and Safety Policy to implement relevant measures at branches and offices under the leadership of the ESG Working Group to minimise potential occupational health and safety risks. During the year, the Bank continued to provide free influenza vaccines for employees to protect their health. In order to enhance employees' safety awareness, the Bank regularly disseminates safety messages to employees, and requires new hires to receive safety training. During the year, a total of 82 hours of occupational health and safety training were provided. The Bank also regularly conducts occupational safety and health risk assessments and reviews the implementation of the measures to improve the occupational safety and health management strategy. In addition, we also strictly comply with the Fire Safety (Commercial Premises) Ordinance. The Bank has fire wardens in each business unit who are trained by the Fire Services Department to improve their ability to respond to crisis. Fire drills are also conducted at each office building to ensure employees are fully aware of emergency escape procedures.

Since the outbreak of COVID-19, the Bank has promptly adopted various contingency and pandemic prevention measures to provide a safe working environment for its employees. During the pandemic, Chong Hing Bank has been providing anti-pandemic supplies to all employees, such as masks, alcohol hand sanitizers, and providing one-off cash subsidies for employees to purchase anti-pandemic supplies on their own. Also, stable virtual private network (VPN) connections have been provided to support employees working from home. Employee entering office buildings, branches and training centres are required to measure body temperature. Department and division heads will report health declarations for employee every working day. The Bank also adjusted the business hours of all branches according to the development of the pandemic situation to ensure the health and safety of employees.

In addition, the Bank regularly arranges service providers for cleaning, including lighting cleaning, air-conditioning cleaning, carpet cleaning, furniture cleaning and pest control to keep the office clean. In order to minimise noise emissions, the photocopier in the office is placed as far as possible at a certain distance from the workstations. The Bank also ensures that each employee's workstation to have a minimum of 1.5 meters by 1.5 meters space according to the Office Design Guideline, and provides anti-reflective computer monitors, as well as working seats with adjustable seat height, armrests and backrest angle to create a healthy and comfortable office environment.

TRAINING AND EDUCATION

The Bank adheres to Yuexiu Group's core values of "Exceed • Excel" and supports employees to continuous learning and self-improvement. To this end, the Bank provides diversified internal and external training and learning opportunities for employees at all levels.

CARING FOR EMPLOYEES

Each year, we provide various types of internal training to our employees to enhance their professional knowledge and support business and personal development. This year, in response to the COVID-19 pandemic, most of the Bank's courses have been delivered online to reduce employee gathering. Some courses that require the use of internal banking systems have been conducted in small classes to maintain a safe distance between employees. To address the business development needs and regulatory updates, the Bank provides employees with risk awareness and management training such as loan risk and prevention, banking operating system, as well as risk awareness and management topics related to network security and the latest Code of Banking Practice. We also offer soft skills training covering performance management, leadership and management, corporate culture, Effective Business Writing and Putonghua Upskilling. In addition to internal training, the Bank also cooperates with external institutions to provide employees with training on commercial credit and insurance compliance, as well as an online course via Harvard ManageMentor for senior management to further strengthen employee capabilities.

This year, we provided a total of 27,714 training hours to 1,602 employees, with an average of 17.3 training hours per employee.

Average training hours			
Male	Female	Management	General staff
17.0	17.7	15.0	19.6

During the year, the Bank continued to implement the "Education Sponsorship Scheme" to support qualified full-time employees to participate in external training courses, academic education programmes and professional qualification examinations to enhance their professional competencies. This year, in order to encourage banking practitioners to obtain professional qualifications in related fields, the Bank updated the Enhanced Competency Framework (ECF) and the Cybersecurity Fortification Initiative (CFI) Training and Development Subsidy Guide 2020 to provide more comprehensive training and development subsidies. When making the approval decision, the Bank takes into account various factors such as the relevance of the applicant's job functions and personal development needs, the availability of similar training provided by the Bank and the credibility of the course organiser. During the year, the success rate of application for sponsorship was 99.5%.

DIVERSITY AND INCLUSION

We are committed to creating a diverse, inclusive and respectful work culture. The Bank abides by laws and regulations related to equality and anti-discrimination, including the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance and the Race Discrimination Ordinance, and opposes any discriminatory behaviour. The Bank also formulated the Equal Opportunity Policy in Employment and the Prevention of Sexual Harassment Policy to prohibit discrimination, harassment, slander and unfair treatment due to gender, family status and race. The policy also sets out the responsibilities of the management, the rights and responsibilities of employees, and the procedures for handling discrimination issues, etc., to ensure that every person in the workplace is treated equally. In addition, the Bank has a complaint mechanism that employees can report any suspected misconduct or discrimination to the management directly to protect the rights and interests of employees.

The Bank ensures fair and impartial recruitment and promotion processes, as well as provides equal opportunities for both men and women. As of the end of December 2020, the Bank had nearly 1,800 employees in total, with an approximate 1:1 male-to-female ratio. The proportion of female management personnel was 38%. The statistics are summarised as follows:

Employee data summary								
By age			By gender		By employee category		By employee type	
< 30	30-50	> 50	Male	Female	Management	General staff	Permanent staff	Supervised workers
12.0%	69.2%	18.8%	50.9%	49.1%	36.3%	63.7%	98.3%	1.7%

(Include temporary staff/contract staff/seasonal staff)

COMMUNITY ENGAGEMENT

Chong Hing Bank is keen to support community development and fulfill its corporate social responsibility by deploying the Bank's resources and influence. By organising volunteer activities, supporting and participating in various community events, the Bank shows its care for the community and people in need. Despite the outbreak of COVID-19 during the year, the Bank continued to support and implement the Community Investment Policy as formulated by the ESG Working Group, and cooperated with various stakeholders to promote sustainable development of the community and create value for society.

The Chong Hing Bank Volunteer Team, which was officially established in 2017, is responsible for leading and encouraging employees to participate in various volunteer activities organised by the Bank. To promote employees' participation in volunteer activities, the Bank introduced volunteer leave for employees in 2018 to encourage employees to take part in volunteer services organised by the Bank together with their families.

In addition to volunteer services, the Bank also actively supports and participates in various charitable activities, including fundraising and sponsorships. In response to the pandemic, the Bank cooperated with different community organisations to donate protective materials to people in need during the year and contributed to combat the pandemic.

Key achievements of Chong Hing Bank's community work during the year are as follows:

- Total number of volunteer service hours by employees: 1,277 hours
- Total amount of donation: HKD314,000
- Awarded the "Caring Company Logo" by the Hong Kong Council of Social Service for the 13th consecutive year



PROMOTING FINANCIAL LITERACY

Chong Hing Bank is a financial service provider and an important player in the banking industry. The Bank therefore actively utilises its resources to promote financial literacy, so that the public can have a deeper understanding of financial and wealth management. During the year, Chong Hing Bank volunteers participated in the online financial education seminar organised by the Hong Kong Association of Banks to share financial knowledge with members of the social enterprise Happy-Retired. The Bank leveraged its expertise in finance to educate the "new middle-aged" group (50 – 70 years old) and enhanced their financial literacy.

In addition, Chong Hing Bank continued to work with the Baptist Oi Kwan Social Service during the year to support the Labour and Welfare Bureau's Child Development Fund. A matching fund will be donated to 30 students who successfully achieved the savings target in two years' time. The programme targets to encourage children and teenagers from low-income families to develop the habit of regular savings and wise financial management through making personal development plans, joining the mentorship programme and starting targeted savings. By educating them to plan for their future, they can achieve their long-term personal goals.

CARING FOR THE COMMUNITY

Chong Hing Bank cares for the community by leading the staff volunteer team to support different groups within the community and giving back to society. During the outbreak of COVID-19, Chong Hing Bank donated protective materials to three non-profit organisations and conducted the Mid-Autumn Festival visit to help people in need.

DONATION OF ANTI-PANDEMIC SUPPLIES TO THREE NON-PROFIT ORGANISATIONS

The Bank was concerned about the lack of protective materials for many grassroots families, the elderly and the disabled groups during the early stage of the pandemic. Therefore, the Bank specifically purchased 25,000 masks and 5,000 hand sanitisers and donated them to three non-profit organisations, including the Baptist Oi Kwan Social Service, the Senior Citizen Home Safety Association, and the Hong Kong Association of the Deaf.

The management of Chong Hing Bank led staff volunteers to visit the above non-profit organisations in May and distributed the protective supplies to the families in need, supporting them to fight against the pandemic. The Bank also took the opportunity to send them its sincere regards.

"The pandemic has been going on for several months now. Chong Hing Bank is concerned about the shortage of anti-pandemic supplies for grassroots families. Therefore, Chong Hing Bank hopes to relieve the pressure of people in need by providing them with resources so they can combat the pandemic during this difficult time. Chong Hing Bank has always been committed to fulfilling the corporate mission of "To benefit the Community". We will continue to convey love and care to the general public and contribute to the Hong Kong society." — Zong Jianxin, Chief Executive of Chong Hing Bank



Deputy Chief Executive of Chong Hing Bank and volunteers donated anti-pandemic supplies to the Baptist Oi Kwan Social Service.

Head of Human Resources Division of Chong Hing Bank and volunteers donated anti-pandemic materials to the Senior Citizen Home Safety Association.



The Chief Operating Officer and Chief Risk Officer of Chong Hing Bank, together with volunteers, distributed anti-pandemic supplies to the Hong Kong Association of the Deaf.

COMMUNITY ENGAGEMENT

MID-AUTUMN FESTIVAL VISIT



Chong Hing Bank volunteers delivered Mid-Autumn Festival gift packages to the elderly

During the Mid-Autumn Festival in September, Chong Hing Bank participated in an “Anti-Pandemic Task Force: Mid-Autumn Festival Visit” organised by the Senior Citizen Home Safety Association. The volunteers were able to convey love and blessings to the elderly who lived alone, so that the elderly could still have a warm Mid-Autumn Festival despite the pandemic.

The volunteers of the Bank visited 20 elderly people residing in Shun Tin Estate, Kwun Tong District who used the “Care-on-Call” service. Festive food for the Mid-Autumn Festival and protective materials including mooncakes, cooking oil, noodles, masks and hand sanitizers were delivered to the elderly. During the visit, volunteers also extended their warm regards and festive greetings to the elderly, reminding them to pay close attention to their health during the pandemic.

CHONG HING BANK VOLUNTEERS SHARING THEIR FEELINGS AND EXPERIENCES OF THE EVENT:**Ming Ho, Castle Peak Road Branch**

"I am very grateful that the Chong Hing Bank Volunteer Team was able to convey blessings to the elderly on the eve of the Mid-Autumn Festival during the pandemic. I think the elderly is our treasure, and their smiles fueled the volunteers with positivity. I hope everyone will actively participate in volunteer activities, bringing warmth to those in need in the society."

**Wing Pang, Chong Hing Securities**

"This is the first time I participated in the activity led by the Chong Hing Bank Volunteer Team. I deeply feel the love, vitality and team spirit of the volunteer team. I am grateful that I can send blessings to the elderly living alone during the Mid-Autumn Festival, especially at a time when the pandemic situation is slightly improved. I hope we can bring them love and care."

**Irene Chung, Kwun Tong Branch**

"It's been a long time since I last participated in a volunteer service. This time I had the opportunity to visit the elderly and present them with Mid-Autumn Festival gifts. I think it was very meaningful. Under the pandemic, we could only visit and give the elderly our blessings with social distancing. But they were very happy and even the masks could not hide their joy. I hope to participate again in other volunteer activities in the future."



COMMUNITY ENGAGEMENT

In addition, the Bank has continued to integrate community-caring activities into its business operations to support various NGOs during the year. To encourage the public to make donations, the Bank placed donation boxes in all branches, assisted in the sales of charity raffle tickets, distributed NGOs' promotional leaflets to its customer to help raise funds for charitable organisations. During the year, the Bank's sales of charity raffle tickets achieved satisfactory results, and it was once again recognised by a number of beneficiaries. The Bank was awarded second runner-up in the Commercial and Industrial Institutes, and the Outstanding Award in the charity raffle tickets selling competition organised by the Tung Wah Group of Hospitals.

During the year, Chong Hing Bank supported the following fundraising events for NGOs:

Type of activities	Beneficiaries
Charity raffle ticket sales at branches	<ul style="list-style-type: none"> ■ Tung Wah Group of Hospitals ■ Yan Chai Hospital
Distribution of promotional leaflets	<ul style="list-style-type: none"> ■ Red Cross ■ SKH St. Christopher's Home
Placing donation boxes at branches	<ul style="list-style-type: none"> ■ Po Leung Kuk ■ Tung Wah Group of Hospitals

PROMOTING GREEN LIVING

Chong Hing Bank attaches great importance to environmental protection and is committed to promoting green living to employees and the public, hence building a sustainable green community. Due to the pandemic, the Bank did not participate in any volunteer activities relating to the promotion of green living during the year. Nonetheless, the Bank continued to implement various environmental protection measures in all offices and branches and encourage employees to cultivate environmentally friendly habits through education and publicity.

ENVIRONMENTAL PROTECTION

Climate change causes more frequent extreme weather and irreversible change in local climate which will have profound impact on economic activities. Chong Hing Bank is committed to reducing greenhouse gas emissions in response to the increasingly severe climate change and fulfilling its corporate responsibility to protect the environment. We have formulated the Environmental Policy which sets out the management approach and commitment, as well as providing employees with guidance on environmental protection. The Bank incorporates resource conservation and emission reduction measures. The ESG Working Group is responsible for coordinating and monitoring the implementation of such measures at the branches and offices. Chong Hing Bank was awarded the "Green Office" Label by the World Green Organisation during the year, in recognition of our commitment and determination to greening our operation. We will continue to introduce green initiatives in our offices and raise employees' awareness of environmental protection and promote green office concepts.



"Green Office" Label offered by World Green Organisation

The Bank's policy states that all business units must comply with the environmental laws and regulations and other relevant requirements of their respective operating regions, including the Waste Disposal Ordinance, which is most relevant to the operations in Hong Kong. Although our operations do not generate significant quantity of waste, we continue to promote conservation and recycling at our branches and offices to help alleviate the solid waste problem in Hong Kong. Chong Hing Bank did not violate any environmental laws and regulations in 2020.

ENVIRONMENTAL PROTECTION

GREEN OPERATIONS

Electricity and paper consumption are our major environmental impacts. Our greenhouse gas emissions mainly come from electricity consumption, while the main solid waste generated is paper. Therefore, we have implemented a series of energy-saving and paperless measures to effectively reduce the impact of our business operations on the environment.

Chong Hing Bank continued to implement a number of energy saving measures in 2020. For example, when carrying out renovation or fitting-out works for our offices and branches, we will install LED lights to replace traditional fluorescent tubes and give priority to environmentally friendly materials and green designs. We adopt zonal lighting in Chong Hing Bank Centre and turn off the lights of the client meeting area after the end of business each day, and only keep the lighting in the office area to reduce energy consumption. The newly renovated offices are equipped with air-conditioning systems which allow employees to adjust the temperature manually, thereby maintaining a comfortable indoor environment and avoiding excessive cooling with unnecessary power consumption. At the same time, we encourage our offices and branches to give priority to models with Grade 1 Energy label when purchasing additional appliances.

The Bank actively responds to various activities to save energy and reduce light pollution. For the fifth consecutive year, Chong Hing Bank has participated in the "Charter on External Lighting" organised by the Environment Bureau to switch off all external light signboards at 32 branches from 11 p.m. to 7 a.m. next day. This year, we also participated in the "Earth Hour 2020" environmental protection campaign. The Bank was awarded the "Green Office" Label by the World Green Organisation this year, demonstrating the Bank's efforts and determination in energy conservation. Through the implementation of various energy-saving measures, the energy consumption of the Bank for the year was 5,874.7 MWh, representing a decrease of 3.3% as compared to the previous year.

The Bank continued to promote various paperless measures and advocate paperless operation. We have implemented an electronic procurement process which effectively improves efficiency and reduces paper usage. The process of sending and receiving purchase requisitions, approving and issuing purchase orders, sending and retrieving purchase quotations and checking invoices are all performed via email. In addition, we encourage our employee to place orders for stationery through electronic platforms to further reduce the use of paper. We also actively carry out paperless marketing, such as the installation of electronic display screen at Lei Yue Mun Branch, which replaced traditional leaflets and posters to reduce the use of paper. Meanwhile, Chong Hing Bank is committed to promoting electronic banking services, such as accepting electronic cheque deposits and opening online application for credit cards and personal loan. We also accelerated the development of our online investment services by encouraging our clients to open online investment accounts and conduct online investment transactions. With the support of our customers, there are 176,202 internet banking and mobile banking accounts created and 2,419 electronic cheques used in 2020. In addition, the purchase volume of paper for the Year was 61,131 kg, representing a decrease of 11% as compared to the previous year.

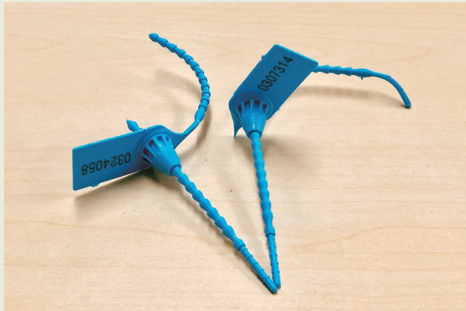
GREEN OFFICE

Chong Hing Bank adheres to the green concept and continues to implement environmental protection measures. In the design of our offices and meeting rooms, we utilise natural light as much as possible and install shading blind to provide employees with a working environment with appropriate brightness and reduce unnecessary energy consumption. In addition, we regularly arrange cleaning and maintenance of air-conditioning systems to ensure they are kept in good energy efficiency. We have set up various recycling bins in some offices, and placed reusable paper collection boxes near printers to encourage employees to recycle resources such as waste paper, plastic bottles and metals. The Bank also actively promotes the concept of green office. We have uploaded the "Green Office Tips" to the intranet for employees to read. It covers four aspects, namely "Paperless Practices", "Energy Conservation", "Treasuring Water Resources" and "Waste Management", and provides guidelines on duplex printing and toner-saving printing mode to encourage employees to reduce paper consumption, save energy and extend the useful life of toner cartridges. We also introduce the current state of environmental resources usage in Hong Kong to our employees through the "Green Office Tips" to explain the importance of green office practices to the environment, so as to enhance the environmental awareness of our employees. In addition, we post various environmental protection notices in the office to remind employees to implement various environmental protection measures. The Bank also provides guidelines for employees to apply for repairing and recycling of computer equipment, encouraging them to make good use of corporate resources and reduce waste disposal.

CASE SHARING: DISPOSABLE PLASTIC SEAL AND SECURITY SEAL RECYCLING PROGRAM

Single-use plastic seal and security seal is used by our employee for daily collection and delivery of internal document or logistic bags for data security protection and document tracking purpose. No plastic seal and security seal has been recycled systematically in the past. Therefore, the Procurement and Logistics Management Department, Business and Process Re-engineering Department and the ESG Working Group partnered with qualified recyclers to carry out a plastic seal and security seal recycling program during the year. The program aims to collect the plastic seal and security seal waste generated in daily offices. It is then properly handled by recycling service providers to avoid sending the plastic seal and security seal to landfill, thereby reducing environmental pollution. To this end, we promote this recycling program to employees through intranet and emails and set up recycling bins on specific office floors to facilitate employees' collection of plastic seal and security seal. Employees can also send such plastic seal and security seal to the Procurement and Logistics Management Department for unified handling. The project received active support from employees, and the first round of plastic seal and security seal recycling program successfully collected a box of plastic seal and security seal, which can be recycled by the recyclers.

ENVIRONMENTAL PROTECTION



Up Left - Plastic seal and security seal

Down Left - Result of the first round of plastic seal and security seal recycling program

Right - Plastic seal and security seal collection box

When carrying out renovation or fitting-out works in the offices, we avoid purchasing new equipment. We reuse the original equipment as much as possible to reduce waste generation. We prioritise the selection of service providers who have been registered in the HKSAR Government's "Hong Kong Collector/Recycler Directory" for the recycling of waste electrical appliances. Currently, most of the wastes generated by the Bank and its subsidiaries are handled by cleaning service providers and property management companies. Toner cartridges, waste electronic equipment and confidential documents are recycled by suppliers, sellers/recyclers and confidential waste disposal service providers respectively.

Although our business does not involve consumption of water in significant quantity, we continue to implement various water-saving measures to mitigate the impact of our business operations on the environment. For example, infrared automatic faucets have been installed in washrooms in major offices such as Chong Hing Bank Centre and Enterprise Square. We also put up notices in the pantry to encourage our colleagues to save water.

ESG PERFORMANCE SUMMARY

ENVIRONMENT

TOTAL GREENHOUSE GAS GHG EMISSIONS

Indicator	2018	2019	2020
Direct GHG emissions (Scope 1)			
Company Fleet (tonnes CO _{2-e})	23.0	22.4	23.1
Indirect GHG emissions (Scope 2)			
Electricity (tonnes CO _{2-e})	3,766.2	3,784.3 ²	3,697.4
Total GHG emissions (Scope 1 and 2) (tonnes CO_{2-e})	3,789.2	3,806.7	3,720.5
GHG emissions intensity per Gross Floor Area (GFA) (tonnes CO_{2-e}/m²)	0.11	0.11	0.11

ENERGY

Indicator	2018	2019	2020
Electricity consumption (MWh) ³	5,978.0	5,997.8	5,795.1
Gasoline consumption (Litres)	8,510.5	8,265.4	8,526.2
Total energy consumption (MWh)	6,057.4	6,074.9	5,874.7
Overall energy intensity per GFA (kWh/m²)	177	177	176

PAPER

Indicator	2018	2019	2020
Total paper consumption (kg)⁴	67,782.3	68,673.8	61,131.1
Total waste paper recycled (kg)	98,000	65,985	45,930

WATER

Indicator	2018	2019	2020
Total water consumption (Cubic Metres)⁴	4,701.9	4,294.8	5,470.1
Water Intensity per GFA (Cubic Metres/m²)	0.14	0.12	0.16

² 2019 Indirect GHG emission is updated due to restatement of electricity consumption.

³ Our electricity consumption includes all our offices and locations in Hong Kong, including but not limited to the head office, branches and 24-hour ATMs. Electricity consumption presented in the 2019 ESG Report was an estimated figure. The figure is restated in this Report as the consumption figure of Q4 2019 is confirmed.

⁴ Our paper consumption and water use figures include data from all our offices and operating locations in Hong Kong. Water consumption reported covers municipal water and distilled drinking water. Water consumption presented in the 2019 ESG Report was an estimated figure, which is restated in this Report as the official consumption record of Q4 2019 is available. As the water supply authority has yet to report the official water consumption record for Q4, the 2020 data is an estimated figure, which is expected to be restated in the coming ESG Report.

ESG PERFORMANCE SUMMARY

WASTE MANAGEMENT

Indicator	2018	2019	2020
Non-hazardous Waste Disposal			
General Office Waste (kg) ⁵	0	170,000	0
Hazardous Waste Recycling			
Toner cartridges (Piece) ⁶	1,639	1,458	828
Electronic Waste (Pieces)	580	360	184

⁵ It refers to non-hazardous waste generated during branches relocation or closure. The 170,000 kg of general office waste disposed in 2019 was due to the relocation of Lei Yue Mun Branch.

⁶ The amount of recycled toner cartridges include data from most of our offices and operating locations in Hong Kong.

OPERATION AND CUSTOMER SERVICES

SUPPLY CHAIN MANAGEMENT

Indicator	2018	2019	2020
Number of major suppliers	231	247	226
By Region			
Mainland China	19	13	8
Hong Kong	210	233	216
Other region	2	1	2

PRODUCT AND SERVICE RESPONSIBILITY

Indicator	2018	2019	2020
The total number of complaints	45	70	80

EMPLOYEE**EMPLOYEES⁷**

Indicator	2018	2019	2020
Employees by gender			
Female	49.3%	49.6%	49.1%
Male	50.7%	50.4%	50.9%
Employees by age			
Below 30	14.8%	14.7%	12.0%
30 to 50	65.0%	67.0%	69.2%
50 or above	20.2%	18.3%	18.8%
Employees by position			
Management	34.4%	32.2%	36.3%
General staff	65.6%	67.8%	63.7%
Employees by category			
Formal employees	98.0%	97.7%	98.3%
Unofficial employees (casual workers/contract workers/seasonal employees)	2.0%	2.3%	1.7%

TRAINING AND DEVELOPMENT⁹

Indicator	2018	2019	2020
Total number of employees received training	1,650	1,725	1,602
Total hours of training (hours)	27,930	33,118	27,714
Average training hours per employee (hours)⁹	16.9	19.2	17.3

7 Total number of employees includes Chong Hing Bank's employees in Hong Kong, Mainland China and other regions.

8 Only includes training data of Chong Hing Bank's employees in Hong Kong.

9 The methodology for average training hours per employee has been revised. The data presented in the 2018 and 2019 ESG Report is restated.

ESG PERFORMANCE SUMMARY

COMMUNITY

COMMUNITY INVESTMENT AND EMPLOYEE VOLUNTEERING SERVICE

Indicator	2018	2019	2020
Total amount of donations and raised funds (HKD)	472,306	229,500	314,000
Employee volunteering hours (hours)	996	1,181	1,277

APPENDIX

HKEX'S ESG REPORTING GUIDE INDEX

This index indicates how this Report has been complied in accordance with the "Comply or Explain" provisions and "Recommended Disclosure" set out in HKEx's Environmental, Social and Governance Reporting Guide.

Aspects	Key Performance Indicators	Page	Remarks
A1 General Disclosure	Policies relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P33-36	The Bank has no case of non-compliance with Waste Disposal Ordinance.
A1.1	The types of emissions and respective emissions data.	P37	
A1.2	Greenhouse gas emissions in total and intensity.	P37	
A1.3	Total hazardous waste produced and intensity.	P38	The Bank is principally engaged in the provision of financial services and therefore does not generate significant amount of hazardous waste; This KPI only includes the amount of hazardous waste recycled in the office, such as toner cartridges and computer equipment.
A1.4	Total non-hazardous waste produced and intensity.	P38	
A1.5	Description of measures to mitigate emissions and results achieved.	P33	We have implemented relevant measures, but the results of individual measures are not available as most of them are staff awareness improvement measures instead of hardware improvement projects; We have disclosed annual changes in greenhouse gas emissions in the "Environmental, Social and Governance Performance Summary".
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P35-36	

APPENDIX

Aspects	Key Performance Indicators	Page	Remarks
A2 General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials.	P33-36	
A2.1	Energy consumption in total and intensity.	P37	
A2.2	Water consumption in total and intensity.	P37	
A2.3	Description of energy use efficiency initiatives and results achieved.	P33-36	The Bank has implemented relevant measures, but the results are not available as some of them are staff awareness improvement measures instead of hardware improvement projects; The Bank has disclosed annual changes in energy consumption in the "Environmental, Social and Governance Performance Summary".
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P36	<p>We primarily use municipal water and currently do not face water withdrawal problems. We do not operate in areas with water shortages.</p> <p>The water equipment in the toilets of the Bank's offices are mainly provided and managed by property management companies, so the Bank only implements measures to enhance employees' awareness of water conservation; The Bank has disclosed annual changes in water consumption in the "Environmental, Social and Governance Performance Summary".</p>
A2.5	Total packaging material used for finished products and with reference to per unit produced.	N/A	Our principal products and services do not involve the use of packaging materials.
A3 General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	P33-36	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P33-36	

Aspects	Key Performance Indicators	Page	Remarks
B1 General Disclosure	Policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare and compliance with relevant laws and regulations that have a significant impact on the issuer.	P24, 26-27	During the year, the Bank did not violate the Employment Ordinance, the Employees' Compensation Ordinance, the Minimum Wage Ordinance, the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance, the Race Discrimination Ordinance and other relevant employment ordinances and regulations.
B1.1	Total workforce by gender, employment type, age group and geographical region.	P27, 39	
B1.2	Employee turnover rate by gender, age group and geographical region.	N/A	Not disclosed as this is considered commercially sensitive.
B2 General Disclosure	Policies relating to providing a safe working environment and protecting employees from occupational hazards and compliance with relevant laws and regulations that have a significant impact on the issuer.	P25	There was no non-compliance with the Occupational Safety and Health Ordinance and Fire Safety (Commercial Premises) Ordinance during the year.
B2.1	Number and rate of work-related fatalities.	N/A	There were no work-related fatalities during the year.
B2.2	Lost days due to work injury.	N/A	During the year, the Bank recorded zero work-related injuries and injury leave.
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	P25	
B3 General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P25-26	
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	N/A	Under normal circumstances, all new and existing employees are required to undergo training.
B3.2	The average training hours completed per employee by gender and employee category.	P26, 39	

APPENDIX

Aspects	Key Performance Indicators	Page	Remarks
B4 General Disclosure	Policies relating to preventing child and forced labour and compliance with relevant laws and regulations that have a significant impact on the issuer.	N/A	The principal place of business of the Bank is in Hong Kong. The Bank mainly employs individuals with certain academic qualifications and working experience. Before formal employment, the Human Resources Division of the Bank will require the applicants to provide the original supporting documents for inspection. The Bank is of the view that the employment of child labour and forced labour is extremely low and therefore not disclosed.
B4.1	Description of measures to review employment practices to avoid child and forced labour.	N/A	
B4.2	Description of steps taken to eliminate such practices when discovered.	N/A	
B5 General Disclosure	Policies on managing environmental and social risks of the supply chain.	P17-18	
B5.1	Number of suppliers by geographical region.	P38	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P18	

Aspects	Key Performance Indicators	Page	Remarks
B6 General Disclosure	Policies relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress and compliance with relevant laws and regulations that have a significant impact on the issuer.	P19-23	<p>The Bank strictly complied with the provisions of the Competition Ordinance, the Personal Data (Privacy) Ordinance and other relevant rules and guidelines, and there were no cases of non-compliance during the year.</p> <p>As the Bank is in the service industry and does not involve the production or sale of physical products, the disclosure of "health and safety of products" is not applicable to the Bank.</p>
B6.1	Percentage of total sold or shipped subject to recalls for safety and health reasons.	N/A	We do not produce and sell any physical products that cause safety or health problems. This indicator is not applicable to us.
B6.2	Number of products and service related complaints received and how they are dealt with.	P20, 38	We received 80 complaints, about 90% of which were handled effectively and responded to customer satisfaction. During the year, the Bank did not have any material complaints about products and services.
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P18	
B6.4	Description of quality assurance process and recall procedures.	N/A	We do not manufacture and sell any physical products that can be recalled. This indicator is not applicable to us.
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	P19	

APPENDIX

Aspects	Key Performance Indicators	Page	Remarks
B7 General Disclosure	Policies relating to bribery, extortion, fraud and money laundering and compliance with relevant laws and regulations that have a significant impact on the issuer.	P17-18	The Bank strictly complied with the provisions of the Banking Ordinance, the Prevention of Bribery Ordinance, the Anti-Money Laundering and Counter-Terrorist Financing Ordinance and other relevant rules and guidelines, and there were no cases of non-compliance during the year.
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	N/A	In 2020, the Bank was not involved in any litigation or case related to bribery or corruption against the Bank, its subsidiaries or any employees.
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P17-18	
B8 General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P28-32	
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P28	
B8.2	Resources contributed (e.g. money or time) to the focus area.	P28, 40	

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