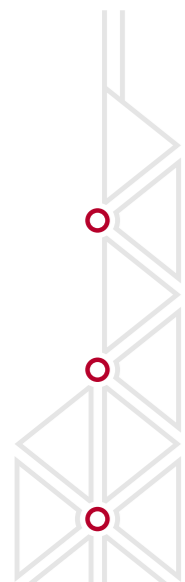


2022
Sustainability Report



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1.1 ABOUT THIS REPORT



Reporting boundary¹

This Report gives an overview of the sustainability performance of BOC Hong Kong (Holdings) Limited (“the Company”) and its subsidiaries (“the Group”), including its principal operating subsidiary Bank of China (Hong Kong) Limited (“BOCHK”), during 2022. The Report covers the Group’s sustainability strategy and governance, communication with stakeholders, material issues, risk management and compliance culture, sustainable finance and financial inclusion, green operations, protection of customers’ interests, employee well-being, and philanthropic activities, etc.²

To fully understand our sustainability philosophy, measures and performance, we recommend reading this Report in conjunction with the Group’s Annual Report 2022, *the Sustainability section of our website*, and *sustainability-related policies* provided on the website.

Unless otherwise stated, the information and data contained in this Report cover the period from 1 January to 31 December 2022, consistent with the Group’s Annual Report.³

Preparation of the report

This Report has been prepared in line with the Global Reporting Initiatives (“GRI”) Standards and the Main Board Listing Rules Appendix Environmental, Social and Governance Reporting Guide (“ESG Guide”) issued by the Hong Kong Exchanges and Clearing Limited (“HKEX”).

In preparing this Report, we followed the four main reporting principles of the ESG Guide, namely, “materiality”, “quantitative”, “balance”, and “consistency”, and made reference to the following guidelines⁴:

- The Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations⁵
- The Sustainability Accounting Standards Board (“SASB”) Standards
- The United Nations Sustainable Development Goals (“SDGs”)
- ISO 26000: 2010 Guidance on Social Responsibility

Materiality

We have identified a range of key environmental, social, and governance issues, and set out the framework and content of this report accordingly. The key issues identified have been approved by the Board. Please refer to the “Material Issues” section for further details.

Quantitative

Section 8 of this Report contains the sustainability performance data and the standards and calculations used in the calculation of the data.

Balance

We disclose the Group’s sustainability performance in an unbiased, fair and objective manner, helping investors to evaluate our performance objectively and rationally.

Consistency

We use consistent reporting and calculation methods to the extent reasonably practicable, and detail significant changes in data or methods, if any, in the corresponding sections to facilitate meaningful comparisons.

Assurance and approval of the report⁶

This Report has been independently verified by TQM Consultant Co. Limited (“TQM”). The scope and basis of the verification are set out in the Verification Statement contained in Section 8 of this Report.

This Report has been published on the websites of HKEX and BOCHK after being reviewed by the Sustainability Executive Committee of the Management Committee of the Group, and upon the approval of the Sustainability Committee under the Board of Directors (“the Board”) and the Board of the Group.

Your valued feedback⁷

If you have any comments or suggestions regarding this Report or our sustainability initiatives, please fill in the *Online Feedback Form* or contact us through the following email addresses:

- Sustainability Strategy Team (Email: esg@bochk.com)
- Investor Relations Division (Email: investor_relations@bochk.com)

¹ MDR-15

² 2-2

³ 2-3

⁴ MDR-14

⁵ More information related to the TCFD recommendations will be available in a standalone TCFD Report to be published within this year.

⁶ 2-5

⁷ 2-3

1.2 ABOUT BOC HONG KONG (HOLDINGS) LIMITED⁸



BOC Hong Kong (Holdings) Limited (“the Company”) is one of the largest listed companies and commercial banking groups in Hong Kong, holding the entire equity interest of Bank of China (Hong Kong) Limited (“BOCHK”), its principal operating subsidiary. Bank of China (“BOC”) established its foothold in Hong Kong in September 1917. Following the restructuring of the businesses of Bank of China Group’s member banks in Hong Kong, the Company was incorporated in Hong Kong on 12 September 2001 and has been listed on the Main Board of the Stock Exchange of Hong Kong since 25 July 2002 with stock code “2388” and ADR OTC Symbol “BHKLY”. BOC holds approximately 66.06% of the equity interest of the Company through BOC Hong Kong (BVI) Limited, an indirect wholly-owned subsidiary of BOC.

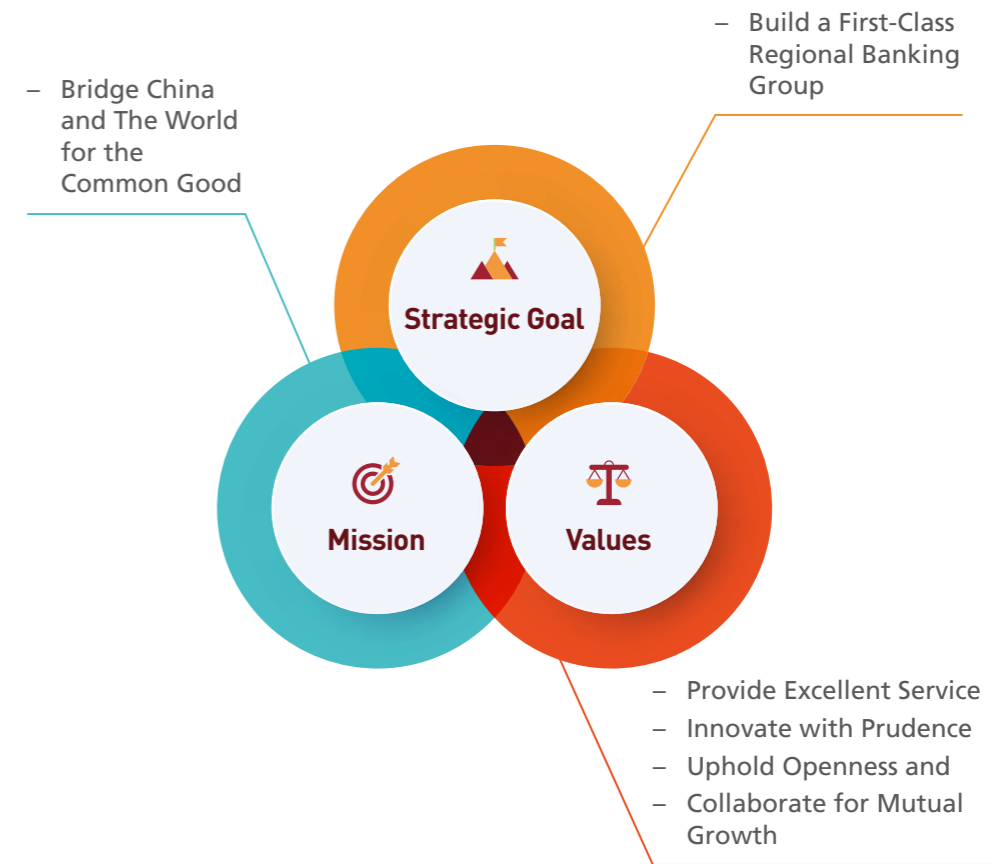
BOCHK is committed to pursuing its strategic goal to “Build a First-class Regional Banking Group” and promoting sustainable and high-quality development. Capitalising on our advantages as a major commercial banking group in Hong Kong, we continue to increase local market penetration, capture business opportunities in the Greater Bay Area and actively expand our business development in Southeast Asia. Adhering to our customer-centric philosophy, we explore every possibility to meet customers’ needs. We elevate customer experience with new technology and strive to make green and sustainable development a reality. We provide customers with comprehensive, professional and high-quality services, connecting them with opportunities to achieve more.

As one of the three note-issuing banks and the sole clearing bank for Renminbi (“RMB”) business in Hong Kong, BOCHK has strong market positions in all major businesses. Our strong RMB franchise has made us the first choice for customers in RMB business. Leveraging Hong Kong’s most extensive branch network and diversified service platforms, as well as efficient e-channels such as internet and mobile banking services, we offer a comprehensive range of financial, investment and wealth management services to personal, corporate and institutional customers.

We are actively pushing forward our regional development and expanding our business in the Southeast Asian region. With our branches and subsidiaries in Thailand, Malaysia, Vietnam, the Philippines, Indonesia, Cambodia, Laos, Brunei and Myanmar, we support customers in the region with professional and high-quality financial services. Through close cooperation with our parent bank BOC, we provide a full range of high-quality cross-border services to multinationals, cross-border customers, mainland enterprises going global, central banks and super-sovereign organisations.

As a leading commercial and regional bank with deep roots in Hong Kong for over 100 years, BOCHK upholds its mission to “Bridge China and the World for the Common Good”. We are committed to undertaking our corporate social responsibilities and delivering greater value for our stakeholders and the community.

BOCHK’s strategic goal, mission and values:



⁸ 2-1, 2-6

1.3 PREFACE



2022 was a year full of changes and uncertainties. The impacts of pandemic continued to reverberate, the external geopolitical situation was turbulent, the downside risks to the world economy remains elevated, and extreme weather occurred more frequently in various parts of the world. The complexity of the external operating environment faced by the banking industry has increased. However, under the guidance of our parent bank BOC and the Board, we responded calmly and remained steadfast in our commitment towards high-quality and sustainable developments. We firmly believe that for the banking industry, promoting sustainability is not only for the fulfilment of responsibility to support the society's green and low-carbon transition, but also serves as the core competitiveness under the new requirements of the new era. In 2022, our sustainability achievements were fruitful and had been highly recognised by the market.

Strengthening corporate governance and optimizing the top-level design of structure. 2022 marked the second year of BOCHK's five-year sustainability plan. Under the oversight and drive of the Board's sub-committee, being the Sustainability Committee, key tasks were assigned to each relevant department and business unit, and the fulfilment of responsibilities were ensured through internal monitoring and assessment mechanism. During 2022, BOCHK further strengthen the "Sustainability Committee – Sustainability Executive Committee – Sustainability Strategy Working Group" three-tier governance structure foundation, by expanding the co-chairs of the Sustainability Strategy Working Group to three members of senior management, being the Chief Risk Officer, the Chief Financial Officer and the Deputy Chief Executive overseeing corporate banking. We also expanded the Secretaries of the Sustainability Executive Committee to a dual-secretariats mechanism, where both Economics & Strategic Planning Department and the Risk Management Department served as secretaries, improving the synergies of internal resources to better implement the measures.

Leading innovation and continuously driving green and sustainable financial services. In 2022, we launched a number of inaugural green and sustainable financial products in Hong Kong, which include partnering with S&P to develop the "S&P BOCHK China Hong Kong Greater Bay Area Net Zero 2050 Climate Transition Index", the world's first climate transition index focusing on listed companies in the Greater Bay Area (GBA), supporting the People's Government of Hainan Province of the People's Republic of China in issuing blue and sustainability offshore RMB bonds in Hong Kong, which was the first RMB bonds in the categories issued by a mainland local government in the international capital market, launching Hong Kong's first green personal loan in response to the HKSAR Government's initiative to popularise the use of electric vehicles, and launching the first mobile banking platform which allows users to subscribe IPO retail bonds and trade secondary bonds. We also completed several landmark projects, such as acting as the Mandated Lead Arranger in arranging the largest sustainability-linked loan in Asia Pacific to date. As of 2022, the scale of BOCHK's green loan and sustainability-linked loan increased by 155% from 2021, while our ESG-related bonds investment increased by approximately 26% compared to 2021 and the total amount of green deposits launched throughout 2022 increased by 31% compared to 2021.

Incorporating climate, environmental and social risks into risk management system. BOCHK actively complies with Hong Kong Monetary Authority (HKMA)'s GS-1 regulatory requirements, enriching credit risk policies and integrating climate, environmental and social risk factors into the entire process of risk identification, assessment, monitoring, stress testing and reporting. We are committed to ceasing to provide financing for new coal-fired power and coal mining projects outside of mainland. Following the results from HKMA's first round of climate risk stress tests, BOCHK formulated and implemented a climate risk stress test enhancement plan. At the same time, we are progressively improving our customer due diligence questionnaire through expanding the assessment scope and optimising content of the questionnaire so as to lay a solid foundation in enhancing the climate, environmental and social risk assessment mechanism.



Greening our operations and fulfilling our carbon neutrality commitment. BOCHK aims to achieve carbon neutrality in our own operations by 2030. To achieve this target, we have formulated comprehensive energy conservation and emission reduction measures, including installing renewable energy devices, optimising cooling systems of offices, installing solar insulated window film, implementing a number of office energy-saving measures, and carrying out branch renovations. In June 2022, the Bank of China Tower was awarded with the Final Platinum rating of BEAM Plus Existing Buildings V2.0, the highest of the standards, and was awarded the “GBA Low Carbon Buildings Top 100 Award” by GBA Carbon Neutrality Association. At the same time, we also organised a series of ESG activities during 2022 to fully embed sustainability in our corporate culture.

Supporting the fight against the pandemic and joining hands in philanthropy. In 2022, BOCHK launched and strengthened a series of financial relief measures, which include providing fee waivers and rebate concessions to reduce the operating costs for SMEs, cooperating with the HKMC Insurance Company Limited, to provide customers with the “Special 100% Loan Guarantee” under the SME Financing Guarantee Scheme, and providing secure and convenient online financial services for the convenience of individual and SME customers. BOCHK is always active in philanthropy and has organised and implemented more than 80 charity projects in 2022, with over 3 million beneficiaries. To celebrate the 25th anniversary of Hong Kong’s return to the motherland, a number of charitable projects were launched, including some high-impact projects such as becoming a strategic partner of the Hong Kong Palace Museum, and funding the establishment of the BOCHK Science and Technology Innovation Prize. Our volunteer team has grown to over 8,200 members and we have upgraded our “Volunteer Day” to “Volunteer Week”, running over 120 volunteer activities throughout the year. Our commitment to charitable work has been widely recognised and we were awarded the “Hong Kong Volunteer Award 2022 – Outstanding Corporate” and the “Top Ten Highest Volunteer Hours Award” by the HKSAR Government and the Agency for Volunteer Service.

Strengthening external engagements and becoming a leading sustainable bank. During 2022, BOCHK signed and became one of the first cornerstone members of the “Alliance for Green Commercial Banks”, a joint initiative of the Hong Kong Monetary Authority and International Finance Corporation (IFC), and for the first time co-organised conferences with the Alliance to facilitate knowledge sharing on green finance among the banking industry. At the same time, we joined The Hong Kong International Carbon Market Council established by the HKEX and became one of the first participants of the Core Climate Carbon Market Platform, where we successfully completed a number of international carbon credit transactions priced and settled in RMB and HKD. BOCHK’s sustainability performance is well recognised in the market. We received the highest AAA rating for the second consecutive year by the rating agency MSCI ESG Research LLC, placing us in the top 5% of the 191 banks in the All Country World Index (ACWI) worldwide. Other awards received included 2022 “Market Leader for ESG in Hong Kong” and “Market Leader for Corporate Social Responsibility in Hong Kong” by Euromoney, the “Asia-Pacific Climate Leaders 2022” by the Financial Times and Nikkei Asia, as well as the “Best Bank for CSR in Hong Kong 2022” by Asiamoney.

2023 is a critical year for us to build on previous achievements and further implement the Five-Year Sustainability Plan. Although the macro business environment is still full of uncertainties, under parent bank BOC and the Board’s guidance, BOCHK will continue to adhere to our people-oriented philosophy and transforming sustainability into our core competitive advantage, so as to enhance our resilience in dealing with external factors such as climate change over the long run. In 2023, BOCHK will continue the vigorous and determined endeavour to become a leading sustainable bank in the region and contribute to the green and low-carbon transition of the society.

2.1 ESG HIGHLIGHTS 2022



Environmental

Formulated and announced the Group's aim to achieve **carbon neutrality** in our own operations by **2030**



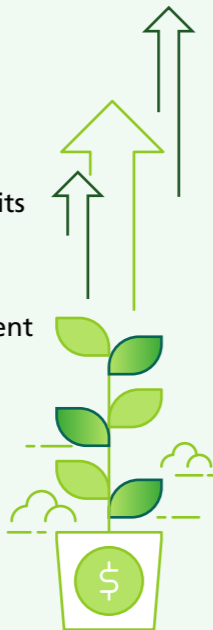
Named **"Hong Kong International Carbon Market Inaugural Participant"** and **"Hong Kong International Carbon Market Council Inaugural Member"** by HKEX Core Climatea

Continued to expand the scale of green and sustainable finance:

Green and sustainability-linked loans increased by **155%**

New opening green deposits increased by **31%**

ESG-related bond investment increased by **26%**



Expanded **"Green Payment"**

- The "Merchant No Slip Program", which effectively reduced the printing of 6.5 million payment receipts per month on average, which is equivalent to a reduction of 16 tonnes of carbon emissions per month
- The launch of "Chill Card", a credit card with ESG elements



The BOC Tower was awarded the **"Final Platinum Rating of BEAM Plus Existing Buildings V2.0 (Comprehensive Scheme A)"**

Continuously innovated, launched and enhanced a number of **pioneering green and sustainable products** in Hong Kong:



- The **first climate transition index targeting the Guangdong-Hong Kong-Macao Greater Bay Area** with S&P Dow Jones Indices



- The **first blue and sustainability offshore RMB bonds** from local government in mainland



- **RMB-denominated decarbonisation-themed fund**



- **Green Personal Loan Scheme**

For more information, please refer to the *"Sustainable Finance towards High-quality Future"* and *"Customers-Centric Philosophy with Green Operation"* sections.



Social

Financial Inclusion

- Earmarked **HK\$50 billion** of credit loans to support local Small and Medium Enterprises (SMEs)
- Actively participated in the **“Special 100% Loan Guarantee”** and the **“SME Financing Guarantee Scheme”** by HKMCI to support local SMEs



People-oriented

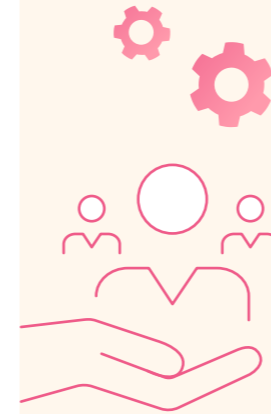
Response rate of employee survey reached **89%**

Charity and Community

- Carried out a diverse range of charitable and community activities, with donations to **over 80 projects.**
- Became a **strategic partner of the Hong Kong Palace Museum** to develop Hong Kong into an East-meets-West Centre for International Cultural Exchange
- Launched **BOCHK Science and Technology Innovation Prize** with a cash prize of HK\$10 million to support Hong Kong's development into an international innovation and technology hub

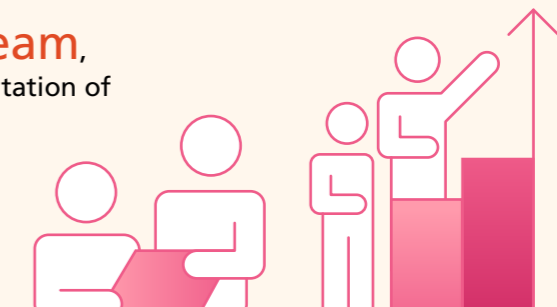


Governance



Strengthened sustainability-related corporate governance, expanded the co-chairs of the Working Group to three members of senior management, being the Chief Risk Officer, Chief Finance Officer and Deputy Chief Executive (Corporate Banking), to strengthen inter-departmental co-ordination and implementation of the Group's sustainability strategy

Established **a Sustainability Strategy team,** hired ESG professionals to accelerate implementation of sustainability strategy



For more information, please refer to the *“Practising Financial Inclusion”* and *“Inclusive Caring for Harmonious Harvest”* sections.

For more information, please refer to the *“Sustainability Governance”* section.

2.2 ECONOMIC PERFORMANCE



2022 Financial highlights⁹:

	2022	2021	Change
(For the Year)	HK\$m	HK\$m	%
Profit for the year	29,038	24,999	+16
Profits attributable to equity holders of the Company	27,054	22,970	+18
Basic earnings per share (HK\$)	2.6	2.2	+18
Return on average total assets (%)	0.8	0.7	+0.1pp
Return on average shareholders' equity (%)	8.8	7.7	+1.1pp

	2022	2021	Change
(At year-end)	HK\$m	HK\$m	%
Total assets	3,685,057	3,639,430	+1
Deposits from customers	2,377,207	2,331,155	+2

	2022	2021
(For the Year)	HK\$m	HK\$m
Direct economic value generated	56,932	48,982
Direct economic value distributed	36,603	31,685
Operating costs	4,861	3,746
Employee wages and benefits	9,946	9,542
Providers of capital	15,737	13,325
HKSAR Government	5,427	4,546
Governments outside Hong Kong	596	446
Community Investments	36	80

Serving the real economy

We are committed to providing comprehensive, professional and high-quality services to our customers, and promoting the prosperous development of the places in which we operate. We fully supported national strategies such as the Belt and Road initiative, the development of the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA") and RMB internationalisation, strengthened our collaborations in the region, and actively supported the development of the real economy.

Deeply rooted in the Hong Kong market¹⁰

In line with our customer-centric philosophy, we continued to focus on local market, strengthened our services for personal and corporate customers in Hong Kong, and actively supported the various relief measures initiated by the HKSAR Government to help SMEs and individuals to overcome difficult times. While we are developing our business, we also aim to foster Hong Kong's status as an international financial centre, and promote prosperity locally.

For more details, please refer to the "Practising Financial Inclusion" section.



The Asian Banker

- Most Selected Main Retail Bank in Hong Kong
- Best Cash Management Bank in Hong Kong
- Most Sustainable Trade Finance Initiative

Asian Banking & Finance

- Hong Kong Domestic ESG Liquidity Management Initiative of the Year
- Hong Kong Domestic Cash Management Bank of the Year for the ninth consecutive year
- Hong Kong Domestic Trade Finance Bank of the Year for the fourth consecutive year

⁹ 201-1

¹⁰ B8.1



Supportive measures for anti-pandemic financial initiatives¹¹

We have launched a series of anti-pandemic financial support initiatives since 2020 to help Hong Kong SMEs and residents to overcome challenges and alleviate operational and capital pressures. We continue to lend our support and participation in various aid programmes launched by the HKSAR Government and the Hong Kong Monetary Authority (“HKMA”), the key measures included:

- Hosted 90 briefings on anti-pandemic measures with nearly 4,300 participants;
- Earmarked HK\$50 billion of credit loans for local SMEs;
- Supported HKSAR Government’s anti-pandemic and relief measures by implementing SMEs “Special 100% Loan Guarantee”;
- Offered fee waivers and cash rebates to reduce SMEs’ operating costs;
- Provided reliable and convenient online financial services to facilitate SMEs’ business operations; and
- Helped individual customers to cope with financial stress through a variety of online financial services.

For more details, please visit the [“BOCHK website”](#)

Facilitating regional economic cooperation and exchange¹²

We actively promoted communication and cooperation between governments, regulators and the industry to solidify Hong Kong’s position as an international financial centre and the offshore RMB hub. In 2022, we organised, sponsored and participated in a series of events to facilitate the development of cross-border industry cooperation and sustainable development, such as the “Sustainable Finance and Global Capital Management Forum”.

We are invited as one of the corner stone members of the Alliance for Green Commercial Banks (“the Alliance”), and the first Chinese bank invited by the International Finance Corporation and the HKMA, aiming to bring together pioneers in green finance to catalyse financial innovation and investment, and lead practices in emerging markets that are urgently needed to address climate and environmental risks. During 2022, we organised two successful webinars with the topic of “Green Finance for Low-Carbon Technologies: Clean Hydrogen and Carbon Capture Utilisation and Storage (CCUS)”, which were conducted through professional training and roundtable discussion to study how green finance could be a driver of low- carbon technology.

For more details of BOCHK’s performance in supporting the “Belt and Road Initiative” and financial development in Southeast Asia, promoting the Hong Kong offshore RMB centre and the Guangdong – Hong Kong – Macao Greater Bay Area in 2022. Please refer to the Group’s “2022 Annual Report”



Asiamoney
**Best Bank for CSR
 in Hong Kong 2022**

¹¹ 203-1, 203-2, B8.1, B8.2

¹² 2-28

2.3 COMBATTING CLIMATE CHANGE¹³



Climate change has led to an increase in climate anomalies around the world, and has become one of the most prominent sustainability concerns in recent years. We take the impacts of climate change seriously and have taken various measures to manage climate related risks. To further demonstrate our commitment to combatting climate change, we have begun progressively making relevant disclosures in 2020 with reference to the TCFD recommendations on climate-related information.



¹³ 201-2



3 EXCELLENT GOVERNANCE FOR DILIGENT DEVELOPMENT



The Board's Sustainability Committee comprises of 7 Independent Non-Executive Directors and the Chief Executive



A robust three-tier governance structure to drive implementation of the Group's sustainability strategy



Expanded the co-chairs of Sustainability Strategy Working Group to three members of management



Formulated carbon neutrality targets for the Group's own operation and implementation roadmap



Executed various action plans to support the 2021-2025 Sustainability Plan (Five-Years Sustainability Plan)



3.1 OUR ESG ROADMAP



For more than a decade, we have dedicated resources to explore, conduct research, innovate and implement various measures to advance the Group's sustainability strategy.

Tabled below are some of the key ESG milestones we have achieved since 2010:



2010 - 2015

- Set up the CSR Committee chaired by the Chief Executive, and formulated the Corporate Social Responsibility Policy
- Prepared our Corporate Social Responsibility Report with reference to the ESG Guide issued by the HKEX
- Formulated the Environmental Policy, Supply Chain Code of Conduct, Information Disclosure Policy, Succession Policy for Directors, Board Diversity Policy, and Policy on Managing Conflicts of Interest of Directors
- Being included as a constituent stock of the Hang Seng Corporate Sustainability Index and the Hang Seng (mainland and HK) Corporate Sustainability Index, and the Hang Seng Corporate Sustainability Benchmark Index
- Issued the "Commemorative Banknote in Celebration of the Centenary of the Bank of China", and donated all net proceeds to local charitable causes



2016

- Supported the HKMA's financial inclusion initiatives, launched branch transformation programme to promote more convenient access to basic banking services by different segments of society, and enhanced SME services
- Signed and participated in the 4T partnership dialogue platform launched by the Environment Bureau of the HKSAR Government



2017

- Issued the "Bank of China (Hong Kong) Centenary Commemorative Banknote" and donated all net proceeds to local charitable causes



2018

- Participated in and supported the work of the Hong Kong Green Finance Association





2019

- Established the Board-level Sustainability Committee
- Selected as one of the top 10 companies in the Hong Kong Business Sustainability Index
- Sustainability Report verified annually by an independent third party since 2019
- Provided charitable organisations with the "E-Donate Platform" for donations collection

2020

- Launched the first green time deposit scheme certified by a third party for corporates in Hong Kong
- Became the first bank to collaborate with the Hong Kong Quality Assurance Agency on the online "Green Loan e-Assessment" platform, and introduced the "SME Green Financing Incentive Scheme"
- Pioneered five major financial relief schemes and introduced initiatives for employee well-being in response to the COVID-19 pandemic
- Conferred the "Top Donor of the Year Award" and "Benefactor of the Year Award" by the Community Chest of Hong Kong

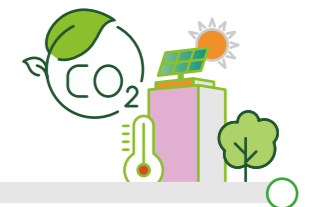


2021

- Formulated the Five-year Sustainability Plan
- Launched several pioneering green products in Hong Kong; continued to grow our green finance services and ESG related investments
- MSCI ESG Research awarded BOCHK the highest "AAA" rating, granted the "ESG Excellence Award" by the Chamber of Hong Kong Listed Companies, the "Gold Award (Servicing and Trading)" at the Hong Kong Awards for Environmental Excellence and the "Corporate Award" of the Hong Kong Volunteer Award

2022

- Announced the Group's own operational carbon neutrality target
- Launched the first Greater Bay Area Net Zero 2050 Climate Transition Index jointly with S&P Dow Jones Indices
- Became one of the first market participants in Core Climate's carbon market platform
- Widely recognised by the international market: selected as "Asia-Pacific Climate Leaders 2022" by the Financial Times and Nikkei Asia in collaboration with research firm Statista and awarded 2022 "Market Leader for Environmental, Social and Corporate Governance in Hong Kong" and "Market Leader for Corporate Social Responsibility in Hong Kong" by Euromoney
- Named the "Best Bank for CSR in Hong Kong" by Asiamoney for the fourth time



Looking ahead into 2023, we will be guided by our mission of "Bridge China and the World for the Common Good", continue to enhance our sustainability strategic measures and strive to meet the expectations of our key stakeholders.

3.2 SUSTAINABILITY GOVERNANCE¹⁴



To strengthen our governance over sustainability related matters, we established a comprehensive and rigorous three-tier sustainability governance structure in 2019, including establishment of a Sustainability Committee at the Board level and a Sustainability Executive Committee at the management level to further advance the implementation of various sustainability measures. The Board, with the assistance of the Sustainability Committee, oversees the Group's sustainability strategies, goals, priorities of material ESG issues and implementation of the relevant initiatives. The Board also oversees the management of the Group's sustainability-related risks through its Risk Committee

For more details, please refer to "Risk Management" section.

Three-tier governance structure



3.2.1 The Sustainability Committee (the "Committee")¹⁵

The Committee is a standing committee of the Board and was established in December 2019. As of 31 December 2022, the Committee comprises of eight members, including seven independent non-executive directors, and the Executive Director and Chief Executive. To enhance the Group's overall sustainability performance, the Committee is responsible for overseeing the Group's strategies and policies regarding sustainability and corporate culture. The Committee also oversees the implementation of the Group's sustainability strategies, policies and the progress towards achieving its targets.

Details of the roles and responsibilities of the Sustainability Committee are set out in the Mandate of the Sustainability Committee. For brief biographies of the committee members, please refer to the "2022 Annual Report".

The composition and major duties of the Committee as of 31 December 2022 are as follows:

Composition	Main Responsibilities
Mdm CHENG Eva (Chairman) ¹ ¹⁶ Mr SUN Yu ² Dr CHOI Koon Shum ¹ Mdm FUNG Yuen Mei Anita ¹ Mr KOH Beng Seng ¹ Mr LAW Yee Kwan Quinn ¹ Mr LEE Sunny Wai Kwong ¹ Mr TUNG Savio Wai-Hok ¹	<ul style="list-style-type: none"> Review of the Group's sustainability strategies, goals and priorities, as well as material sustainability-related policies Review of the environmental, social, and governance issues which are material to the Group, and related measures Oversight of the Group's sustainability performance Oversight of the Group's corporate culture and reviewing related policies Determination of appropriate reporting principles and boundaries, and reviewing the Sustainability Report

Remarks:

- Independent Non-executive Director
- Executive Director

¹⁴ 2-13

¹⁵ 2-12, 2-14

¹⁶ 2-11



Two Committee meetings were held in 2022. The Committee discussed several sustainability-related issues, key topics include: oversight of the implementation of the Group’s sustainability strategies, review of sustainability related reports, including the “Report on Bank Culture Building”, review of the “Carbon Neutral” Targets and Implementation Roadmap of BOCHK Business Operations, receipt of and discussion on the progress reports on carbon emissions calculation in financed activities, low-carbon transition of retail banking customers and branches, and climate related and ESG risk management of the Group.

3.2.2 The Sustainability Executive Committee (the “Executive Committee”)

The Executive Committee is chaired by the Chief Executive of the Company and its members are comprised of all our Senior Management and heads of relevant departments. The Executive Committee is responsible for promoting and implementing matters related to:



During 2022, the Executive Committee oversaw the implementation of various measures related to sustainability, corporate culture development and consumer protection. Two meetings were held and the key discussion topics includes: carbon neutral roadmap planning, strengthening climate risk management, preventing greenwashing risk and building corporate culture.

3.2.3 The Sustainability Strategy Working Group (the “Working Group”)

The cross-departmental Working Group comprised of members from relevant departments, mainly responsible for the organisation, coordination and execution of the Group’s sustainability strategy, to ensure that sustainability is embedded in our business and day-to-day operations. During 2022, the Working Group coordinated our sustainability-related strategic planning and implemented several business-related measures, and coordinated the implementation of various cross-departmental sustainability initiatives.

The Working Group completed the following key tasks in 2022:

- The Chief Risk Officer was appointed as one of the co-heads of our Working Group in 2022, along with the Chief Financial Officer and the Deputy Chief Executive (Corporate Banking). At the same time, Risk Management Department has also been added to serve as the joint secretaries of the Executive Committee as well as the Working Group, sharing secretarial responsibilities with the Economics & Strategic Planning Department, better coordinate cross-departmental sustainability-related initiatives
- To further promote the implementation of the Group’s work on sustainability and to coordinate the relevant resources to meet the increasing needs of professional sustainability-related work, BOCHK has formally established a Sustainability Team, under the Economics & Strategic Planning Department
- Formulated several action plans for the year of 2022, based on the 2021-2025 Sustainability Plan of BOCHK Group. Held quarterly meetings to report the progress of such annual action plans to the Co-Chairs, to ensure due implementation of these action plans

3.2.4 Sustainability Training¹⁷

The Board and Senior Management of the Group possess diversified knowledge, experience and skills to effectively oversee ESG and climate-related matters. Such expertise enables the Board and management to more effectively perform their governance responsibilities and offer constructive recommendations regarding sustainability and climate-related issues. We provided the Board and management with internal and external resources and professional knowledge that can be applied to the ESG management process, including the latest market trends and information on climate change and sustainability, so as to facilitate a more forward-looking perspective in our sustainability strategy. All our committee members have received relevant trainings in 2022. We also continuously provide them with latest market updates through webinars and organising sustainability-related board training.

¹⁷ G4-FS4



3.2.5 Sustainability – Related Policies¹⁸

With reference to local and international sustainability guidelines and standards, we have established relevant policies and mechanisms in various areas at the Group level. All member institutions of the Group shall strictly comply with and implement these policies.

Sustainability Policy

An overarching document guiding the Group for implementation of sustainability measures, covering various issues related to environment, society, governance and addressing climate change.

Group Operating Principles

Stipulates commitment to sustainability and social responsibility as important initiatives to create long-term core competitiveness and enhance brand value; sets out requirements for sustainability considerations in the Group's strategic planning, institutionalised management, internal and external evaluation mechanisms, training, and business operation considerations.

BOCHK Group Risk Management Policy Statement

"BOCHK Group Risk Management Policy Statement" is the highest-level document for the Group's risk management. It has included sustainability as one of the key risk management principles and indicate that the Group should consider environmental and social effect when conducting business, and should conduct proper due diligence and prudent risk assessment on ethic, social or ecological sensitive industries. In the meantime, concerns on climate risk should be gradually embeded into management framework, policies and risk appetite statement of all relevant risk, with continuous enhancement on relevant risk management.

Credit Risk Management Policy of BOCHK Group

Embeds sustainable development into the Group's credit risk framework and procedures, including making sustainable development as one of the core principles of credit risk management and emphasising environmental, climate and social risk considerations in credit assessment; clearly defines credit transactions directly engaged in gambling, pornography, manufacturing, sales and purchase of lethal arms/weapons as "prohibited transactions", and categorises ecologically sensitive loans as "special credit transactions/counterparties" and imposes stricter credit approval requirements.

Occupational Safety and Health Management Policy

Outlines the Group's occupational safety and health management system, including management structure, relevant trainings, supervision, crisis analysis as well as control measures, and preventive measures, etc.

Sustainable Procurement Policy

Incorporates sustainability into the Group's supply chain management, requiring that the relevant departments to take environmental and social factors into consideration when procuring products and services, and encourages all suppliers to manage the social and environmental impacts of their operations.

Supply Chain Code of Conduct

Sets out requirements for suppliers in terms of environment, social, corporate governance, ethics, and labour conditions, etc., and establishes an assessment mechanism.

For more information on relevant policies, please refer to the [Sustainability section of the Group's website](#).

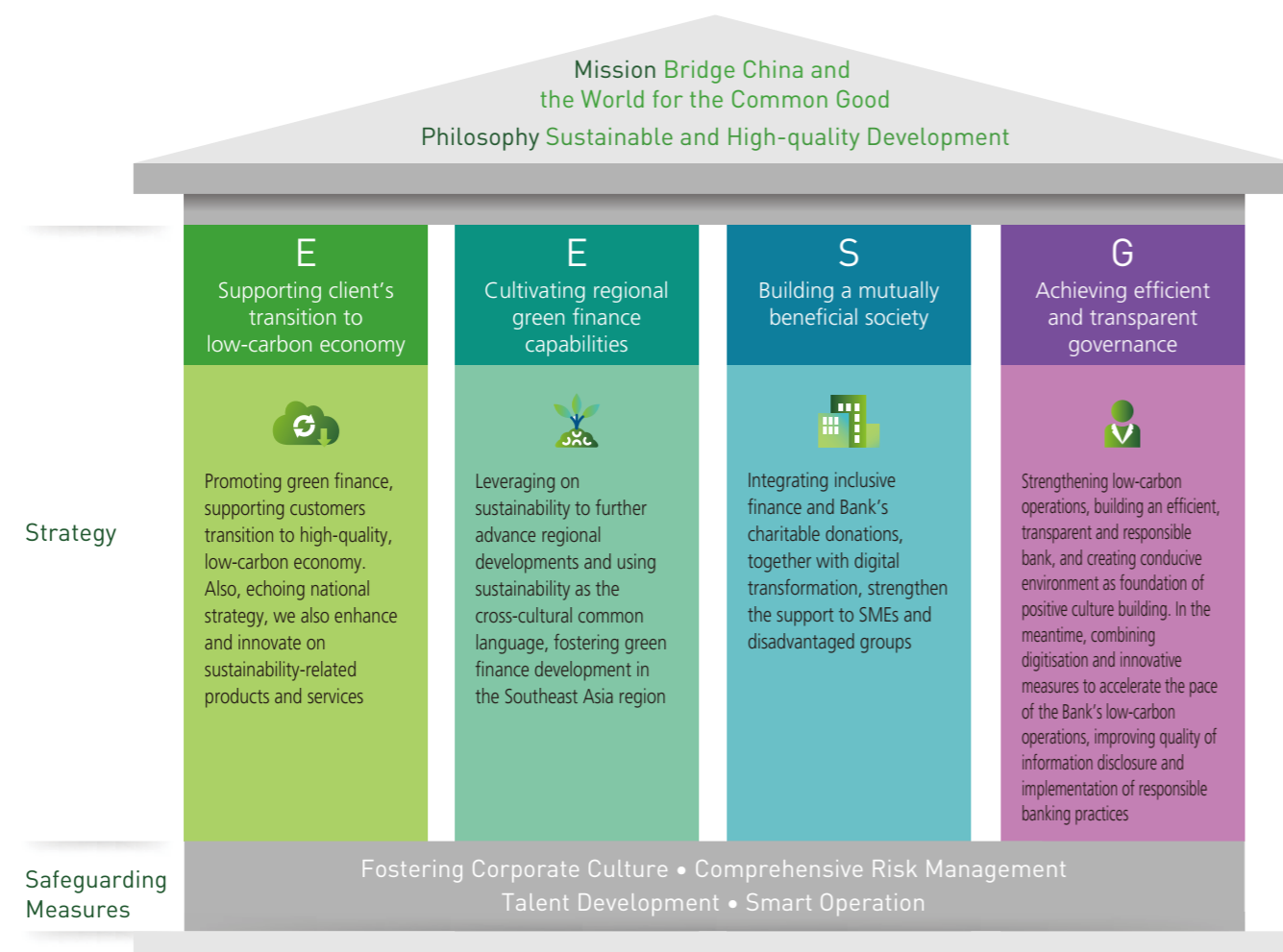
¹⁸ 2-22, MDR-13

3.3 SUSTAINABILITY STRATEGIES¹⁹



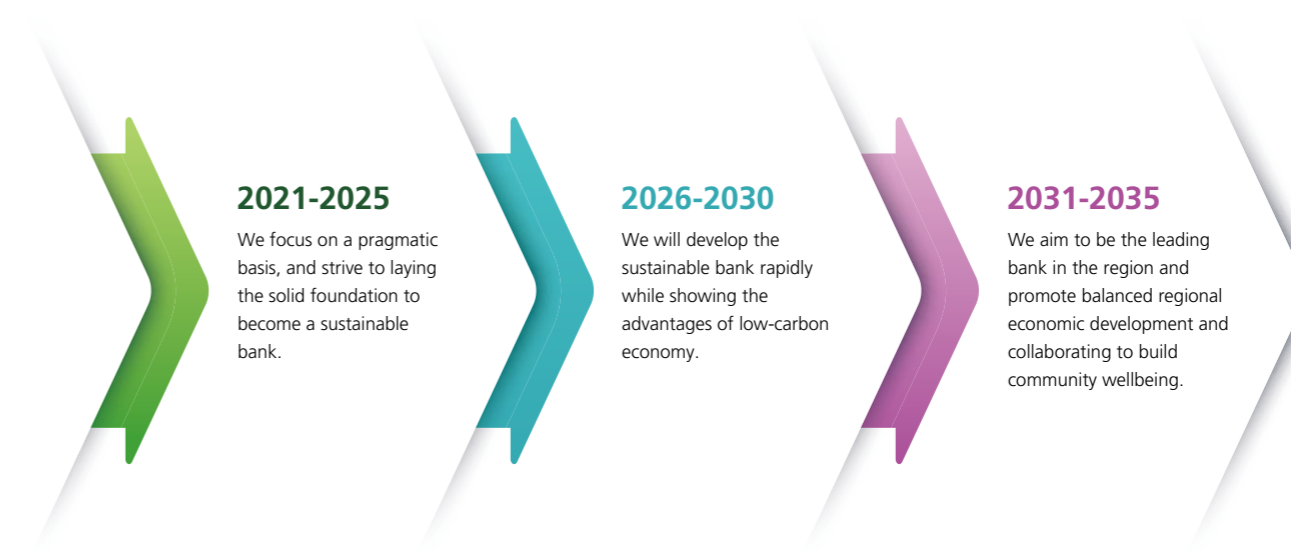
The Group has elevated sustainability to a long-term strategic level, to better align sustainable governance with our overall business strategy. The philosophy of sustainable and high-quality development has been thoroughly and systematically integrated into all levels of the Group, for promoting a long-term, balanced, and stable development of the Group, hence fulfilling our mission to “Bridge China and the World for the Common Good”.

The Group has set out four strategic objectives and positions for sustainability:



During 2022, we have further implemented various sustainability action plans based on Five-Years Sustainability Plan. As the sub-plan of the 2021-2025 Strategic Development Plan of BOCHK Group, we place sustainability and high-quality development at the heart of our future development, which provides a comprehensive and systematic blueprint for the next stage of sustainable development.

The Group has also formulated a mid-to-long term sustainable development plan that will follow a three-step approach:



The 2021-2025 sustainability plan

The Sustainability Plan sets out several quantitative and qualitative development goals and implementation targets, covering areas such as serving corporates, personal customers, and the financial market, strengthening environmental (including climate risk) and social risk management, developing low-carbon banking, improving the quality and transparency of information disclosure, and cultivating corporate culture and nurturing talent. It also set out more than 30 specific action plans, which were implemented on a progressive basis in 2022.

¹⁹ 2-22, MDR-13

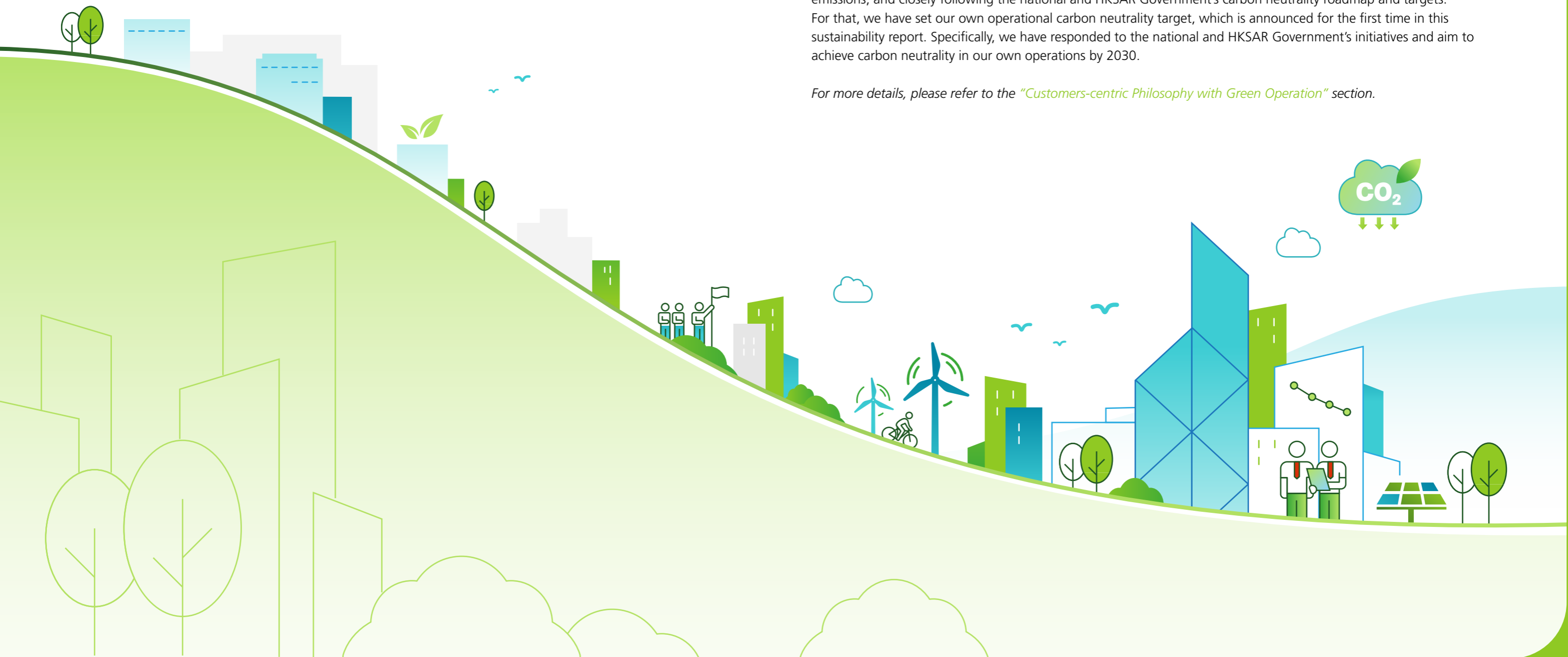


3.3.1 Carbon Neutrality Roadmap

Aim to achieve carbon neutrality in our own operations by 2030

As corporate citizen, we have been actively contributing to combating global warming and reducing carbon dioxide emissions, and closely following the national and HKSAR Government's carbon neutrality roadmap and targets. For that, we have set our own operational carbon neutrality target, which is announced for the first time in this sustainability report. Specifically, we have responded to the national and HKSAR Government's initiatives and aim to achieve carbon neutrality in our own operations by 2030.

For more details, please refer to the "Customers-centric Philosophy with Green Operation" section.



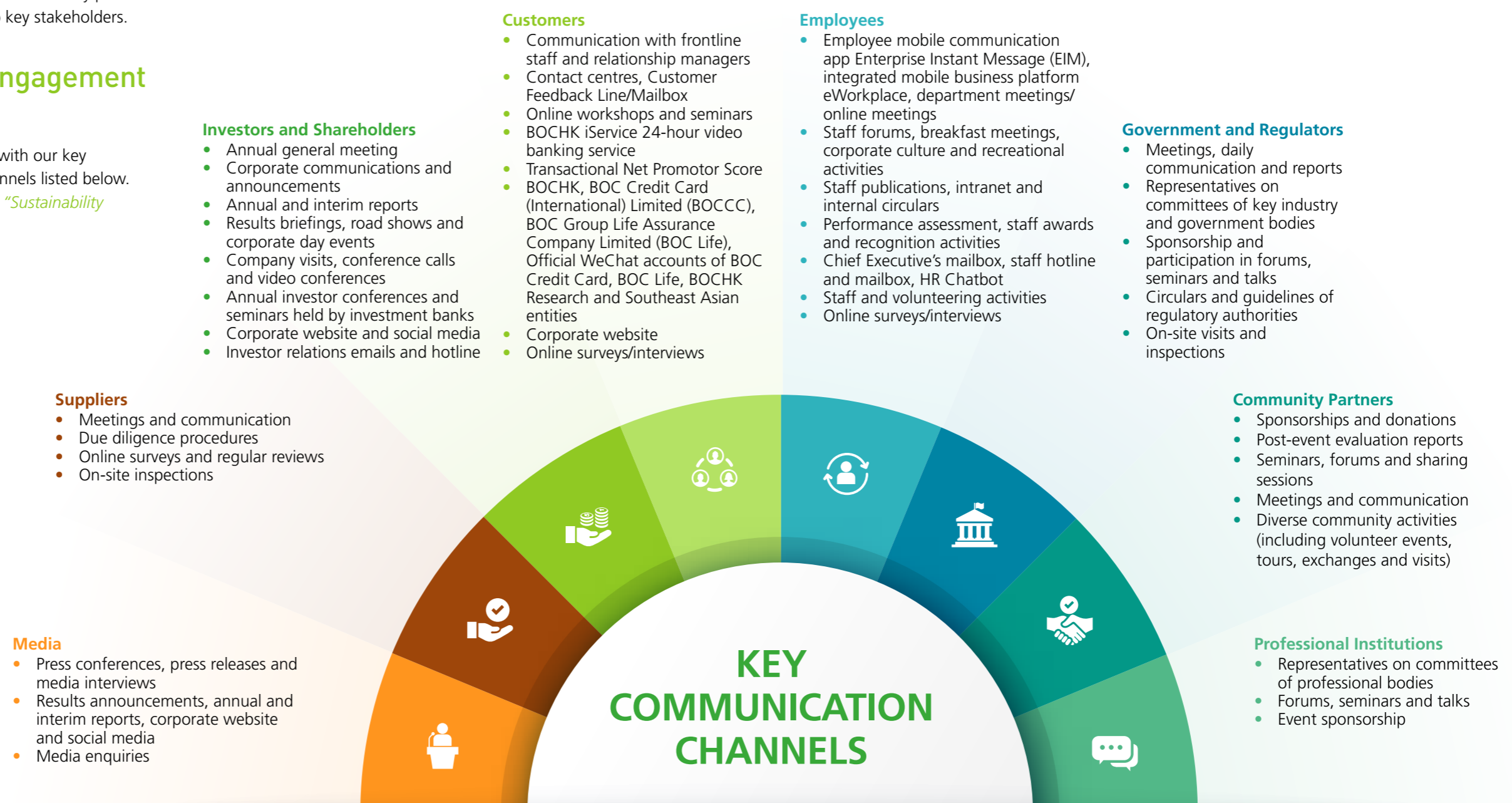
3.4 COMMUNICATION WITH STAKEHOLDERS



We strongly value stakeholders' opinions and seek to understand their views and expectations through a range of communication platforms continuously. This helps us to review and improve our sustainability performance and better fulfil our responsibilities and commitments to key stakeholders.

3.4.1 Stakeholder Engagement Channels²⁰

We maintain good communication with our key stakeholders through the major channels listed below. For more details, please refer to the "Sustainability section of our website"



²⁰ G4-FS5, 2-29, 3-1



3.4.2 Our Responses to Key Stakeholders' View

	Stakeholder Concerns	Our Action/Response
Investors	What is the progress of our sustainability strategy, such as setting the target of carbon neutral operations, and the development of green and sustainable finance?	In 2021, we formulated the BOCHK 2021-2025 Sustainability Plan, in line with our mission to "Bridge China and The World for the Common Good" and set several quantitative and qualitative targets. For carbon neutral operation, we announce our aim for carbon neutrality in our own operations in the 2022 Sustainability Report. (Please refer to the "Carbon Neutrality in Own Operation" section) For the development of green and sustainable finance, we will continue to enrich our green products and services to assist our customers to transition to green and low-carbon operations, and develop green and sustainable finance prudently and steadily.
	What credit management measures has the Group taken in response to climate risk?	Climate and environmental risks have been incorporated into our risk appetite framework. Except existing projects, we will no longer provide financing for new coal-fired power and coal mining projects outside the Chinese mainland. In the future, the credit facility will actively support projects such as, renewables, energy, emission reduction technologies upgrade, clean and efficient use of fossil energy, and flexible transformation of coal power generation, which help reduce carbon emissions per unit of output value, to achieve the goal of reducing carbon emissions and mitigating climate risks.

	Stakeholder Concerns	Our Action/Response
Customers	Branch opening hours are limited, and many customers need to inquire or conduct transactions outside of business hours. Although online banking is available, opportunities for face-to-face communication and consultation are lacking.	Our 24-hour online chat service can answer customers' questions online as well as provide transaction services. In the future, we will continue to enhance our online chat service to provide more timely and flexible services. We also provide RM Chat and Virtual Account Manager services to our customers to meet their enquiry and trading needs through multiple channels.
	With the pandemic raging in Southeast Asia, how to help those customers who could not go to branches in person for transactions?	Mobile banking services have rolled out in all Southeast Asian entities that offer Personal banking services, and the mobile banking functions have been continuously improved to allow customers to conduct various transactions online. For example, BOC Malaysia launched the mobile banking app "E-Banking eWB", and mobile banking "ePocket" accounts that allow customers to open accounts without leaving home, becoming the first local bank to launch a one-stop investment and wealth management online service platform. In 2022, the new service of opening a mortgage account via video call was also launched. In addition, the mobile banking services of BOC Malaysia and BOC Thailand has begun to support real-time local transfers. BOC Malaysia, BOC Thailand, and BOC Manila were also the first Chinese bank to launch an online RMB payroll direct remittance function locally in 2022, enabling customers to conduct banking transactions anytime and anywhere during the pandemic.



	Stakeholder Concerns	Our Action/Response
Employees	<p>Career development is a concern to employees. How does the Group help its employees realise continuous development?</p>	<p>Our training programme revolves around the Group's development strategy and is closely aligned with the needs of business development and talent cultivation. We focus on cultivating talent teams and building a virtual academy, highlighting key areas such as leadership, digital transformation, and ESG professional competence. We also strengthening talent cultivation, innovatory our training models, and deepening the digital transformation to build a learning organisation with strong support for strategic implementation. To enable the career development of our employees, we offer a wide range of classroom and online training, job rotation and internal recruitment opportunities to provide a broad platform to give our employees a full play of their strengths.</p>
	<p>There were concerns about the policy and arrangements for employee well-being. Meanwhile, most of the offline staff activities were cancelled due to the pandemic.</p>	<p>The health and safety of our staff is always our top priority. During the pandemic, we introduced a series of measures to show our care for our employees which include providing staff with anti-pandemic protective equipment, arranging COVID-19 tests and vaccination, implementing segregated work arrangements, shift arrangement, working from home, and flexible work schedules to minimise the risk of infection and protect the safety of staff and customers. In addition, we organised a variety of recreational activities and volunteer activities, and provided psychological support to staff to help reduce stress.</p>

3.5 MATERIAL ISSUES²¹



We place great emphasis on our stakeholders' opinions. For the Group's existing sustainability policies and performance to meet the expectation of our key stakeholders, we continue to engage with them through various channels, to obtain better understanding of material issues from the perspective of the Group as well as our stakeholders. In 2020, we gathered opinions on sustainability-related issues by inviting key internal and external stakeholders to participate in online surveys, focus group discussions and one-to-one interviews. 18 medium-to-

long-term material issues were identified and ranked according to their materiality. In 2021, after consideration, we increased the importance of the material issue "Addressing Climate Risk" from "Related Disclosures" to "Important Disclosures". In 2022, we re-assessed these 18 material issues identified in 2020, based on both latest operating environment and regular communications with stakeholders, and decided to retain these material issues.

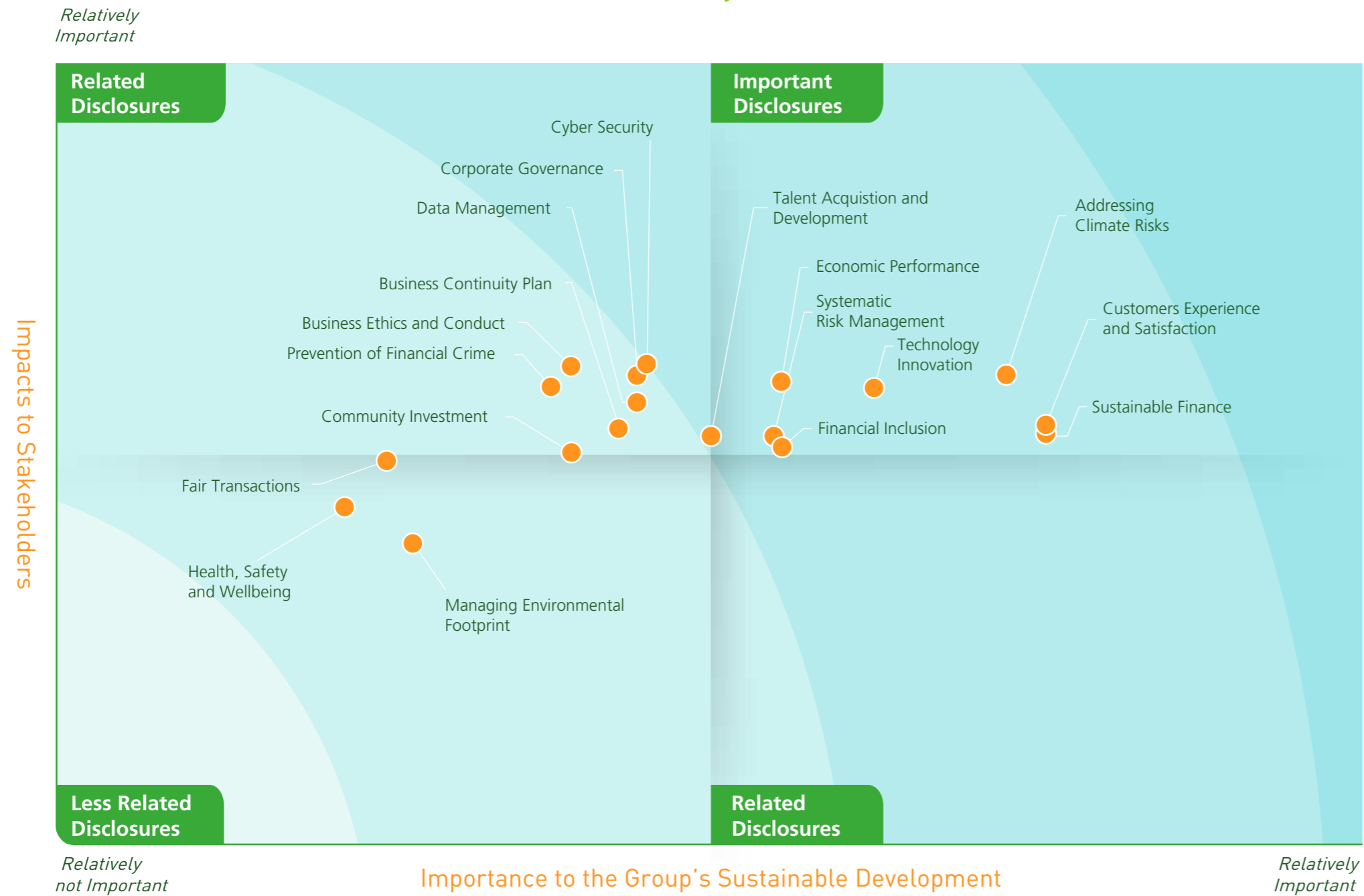
Procedures for confirming material issues



²¹ 2-16, 3-1, 3-3



Materiality Matrix



The following key issues were approved and confirmed by the Sustainability Executive Committee, the Sustainability Committee, and the Board of Directors. Relevant disclosures are reflected in the corresponding sections of this report.²²



18 Material issues²³

Corporate Governance	Definition	Key Highlights	Relevant Sections
Corporate Governance	The management structure of the Group, including how the Board authorizes to the management and exercises supervisory functions in relation to the execution of the management's duties	<ul style="list-style-type: none"> A robust three-tier governance structure to drive implementation of the Group's sustainability strategy Diversity of the Board of Directors, with the proportion of female directors rose to 18% 	3.2 Sustainability Governance 4.1 Enhancing Corporate Governance
Systematic Risk Management	Address risks arising from changes in regard to the financial system or general market conditions	<ul style="list-style-type: none"> Strict compliance with "Three Lines of Defence" in risk management to ensure stable operations 	4.2 Improving Risk Management
Business Continuity Plan	Enable the Group to respond swiftly to unexpected incidents without business interruption or changes in the nature of businesses	<ul style="list-style-type: none"> Rapid response to the pandemic and emergencies with the established Business Continuity Plan 	4.2 Improving Risk Management
Data Management	The Group enhances its internal controls to ensure proper management of internal and external information (including protection of customers' sensitive information and privacy)	<ul style="list-style-type: none"> We have established a sound technology risk governance structure. Additionally, we have made continuous efforts in reviewing and improving our data privacy and information security procedures 	4.2 Improving Risk Management
Cyber Security	Protect the Group's cyber systems from sabotage, tampering or leakage caused by accidental or malicious reasons	<ul style="list-style-type: none"> No major cyber-security incident occurred during 2022 	4.2 Improving Risk Management
Business Ethics and Conduct	Set out the basic code of conduct that employees and businesses must adhere to	<ul style="list-style-type: none"> Maintain a high standard of business ethics via four aspects, namely culture, code of conduct, training and regular review 	4.3 Integrity and Compliance Culture
Prevention of Financial Crime	Managed and monitored the risks related to money laundering, terrorist financing, fraud, bribery and corruption	<ul style="list-style-type: none"> Excelled the transactions and business risk assessments on sanction and compliance to achieve the objective of "no serious incompliant incidents" Implemented machine learning technology in our transaction screening system to improve the efficiency of handling alerts The Group was awarded "The Most Active Participation Award (Champion)" for high participation in fraud investigation with the police 	4.3 Integrity and Compliance Culture
Our People	Definition	Key Highlights	Relevant Sections
Talent Acquisition and Development	Effective talent recruitment and training programmes	<ul style="list-style-type: none"> Average staff training hours: 51.6 	7.1 A People-oriented Approach
Health, Safety and Wellbeing	Ensure employees' health and safety in the workplace	<ul style="list-style-type: none"> Anti-pandemic initiatives to protect employees' physical and mental health 	7.1 A People-oriented Approach
Social Development	Definition	Key Highlights	Relevant Sections
Economic Performance	Evaluate the overall development of the Group's businesses and the value created for its stakeholders	<ul style="list-style-type: none"> Serving the real economy while deeply rooted in the Hong Kong market and facilitating regional economic cooperation and exchange 	2.2 Business Performance
Financial Inclusion	The Group is committed to providing suitable and valuable financial services at an affordable cost to all segments of the society with the principles of equality of opportunity and business sustainability	<ul style="list-style-type: none"> Committed to innovating financially inclusive products and providing convenient financial services to people from all walks of life in the community Leading market share in both SFGS 80%/90% and Special 100% Loan Guarantee 	5.2 Practising Financial Inclusion
Community Investment	The Group has developed close ties with the communities in which it operates and contributes to their well-being in a variety of ways	<ul style="list-style-type: none"> Cumulative donations have reached over HK\$1.5 billion Carried out more than 80 charity projects, with more than 3 million beneficiaries 	7.2 Community and Public Welfare
Product & Services	Definition	Key Highlights	Relevant Sections
Customer Experience and Satisfaction	Provide innovative and timely services to customers to enhance the customer experience (e.g. addressing customer concerns in a timely manner and providing clear terms and conditions of products)	<ul style="list-style-type: none"> Formulate all-round policies to protect customers' interests and provide high-quality services 	6.1 Quality Customer Experience
Fair Transactions	The Group treats every customer fairly and does not discriminate against gender, age, race, or nationality	<ul style="list-style-type: none"> Frontline staffs must participate in regular online training and testing session related to the Treat Customers Fairly Charter, covering our corporate culture of treating customers fairly 	6.1 Quality Customer Experience
Technology Innovation	Promote digital banking and other initiatives to drive smart operations	<ul style="list-style-type: none"> Promoted technological innovation, strengthened digital transformation, and enhanced customer service experience. Number of mobile banking customer exceeded 2.5 million 	6.1 Quality Customer Experience
Green Banking	Definition	Key Highlights	Relevant Sections
Addressing Climate Risks	Enhance the Group's climate resilience for sustainable development	<ul style="list-style-type: none"> Oversees and push forward the Group's climate risk management top-down from Board level 	3.2 Sustainability Governance
Sustainable Finance	Integrating environmental, social and governance-related elements into the Group's medium to long-term strategic development plan	<ul style="list-style-type: none"> Pioneered various green financial products in Hong Kong: the Climate Transition Index targeting the Greater Bay Area, the first blue and sustainability offshore RMB bonds from local government in mainland Green and sustainability-linked loans increased by 155% The number of ESG-related bonds investment increased by approximately 26% compared to 2021 	5.1 Development of Sustainable Finance
Managing Environmental Footprint	The impact of Group's day-to-day operations on the environment	<ul style="list-style-type: none"> Set our 2030 carbon neutrality targets in our own operations Strived to achieve four green operational goals in 2025, implemented smart energy management, and optimised office building design 	6.2 Implementing Green Operations

²³ 3-2, 3-3



4 PRUDENCY AND INTEGRITY AS SOLID FOUNDATION



Diversity of the Board of Directors, with the proportion of female directors rose to 18%



Strict compliance with “Three Lines of Defence” in risk management to ensure stable operations



Rapid response to the pandemic and emergencies with the established Business Continuity Plan



Adopted zero-tolerance approach towards bribery and corruption, with the overall anti-bribery and corruption framework jointly supervised by the Board of Directors, its sub-committee and the Senior Management



All employees, including part-time and contract employees must attend annual compliance training



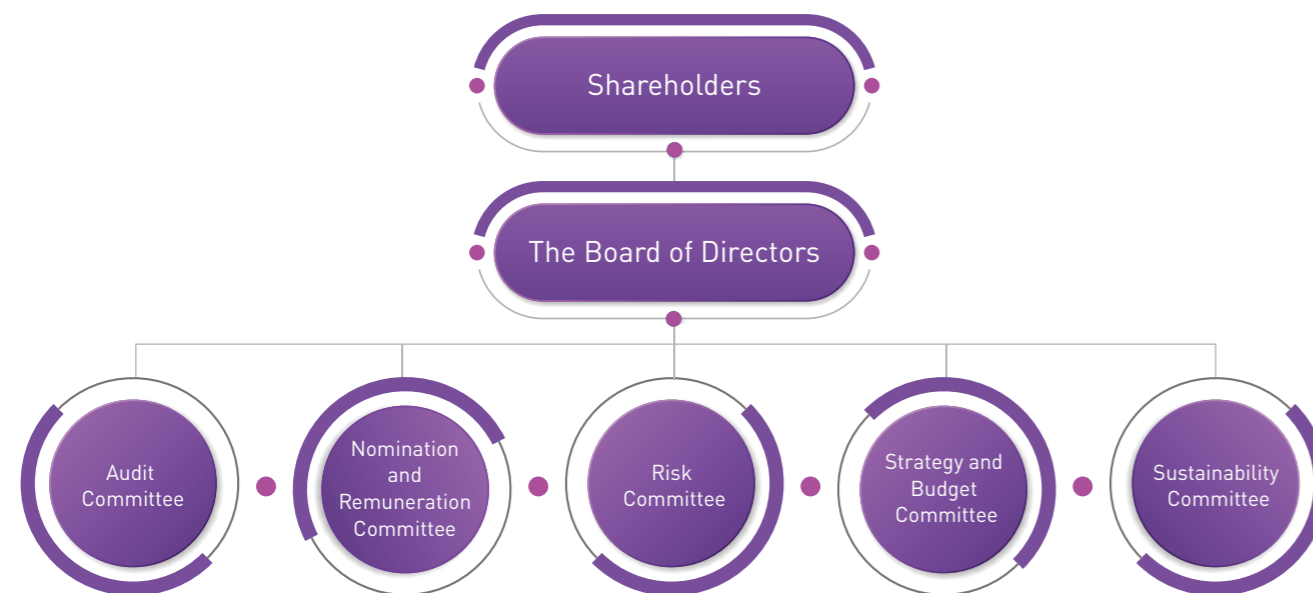
Established rigorous whistleblowing policy and mechanism

4.1 ENHANCING CORPORATE GOVERNANCE



4.1.1 Our Sound Corporate Governance Structure²⁴

The Group is committed to maintaining and upholding high standards of corporate governance to protect the interests of our shareholders, customers and employees. As the core of our corporate governance framework, the Board acts in an honest and sincere manner and makes decisions objectively in the best interests of the Group, maximising long-term shareholders' value while fulfilling our corporate responsibilities to other stakeholders. There is a clear division of responsibilities between the Board and the management, with the Board being responsible for providing high-level guidance for and effective oversight of the management. The roles of the Chairman and the Chief Executive are segregated and held by two different professionals. The Chairman focuses on leading the Board and monitoring corporate governance and shareholder issues, while the Chief Executive leads the management to perform the Group's day-to-day operations and relevant businesses. To maintain an effective governance structure, our Mandate of the Board stipulates the Board's duties and responsibilities as well as matters to be approved by the Board. In line with latest regulatory requirements, market norms and international best practices, the Board has established five standing Board Committees which assist the Board in discharging its duties. Each Board Committee has a well-defined mandate that delineates its roles and responsibilities. The majority of the Board Committees comprise of Independent Non-executive Directors. Our corporate governance structure is as follows:



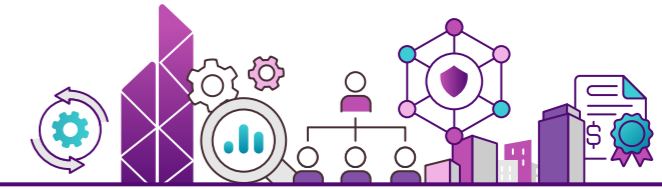
For more details, please refer to the "Corporate Governance" section under "About Us" on the BOCHK website

²⁴ 2-9, 2-11, 2-12

²⁵ 2-9, 2-17

4.1.2 Independence and Expertise of the Board²⁵

We believe that a board with independence and expertise could bring effective monitoring, professional knowledge and points of view to every level of the Group. The Board fully understands the significant role of corporate governance played by Independent Non-executive Directors. Therefore, both the number and percentage of our Independent Non-executive Directors are well above the requirements under relevant rules and regulations. We have formulated the *Policy on the Independence of Directors*, and believe that our Independent Non-executive Directors help to provide necessary balances to protect the interests of relevant parties. They also bring valuable external experience into the Board, and serve well in supervising and monitoring. As of 31 December 2022, the Board comprises of eleven Directors, including one Executive Director, three Non-executive Directors and seven Independent Non-executive Directors. All directors are distinguished individuals in different fields with essential knowledge and professional experience in performing their duties, and are able to make objective judgements. They are dedicated to attending a series of training sessions on an ongoing basis, and receive training materials from the Group, regulatory authorities and professionals. The trainings covered a wide range of topics including risk management and internal control, corporate governance, anti-corruption, anti-money laundering ("AML"), digitalisation, fintech and virtual bank, and sustainability-related issues such as climate risk management, climate-related disclosures, and green and sustainable finance. The average training hours of each director in 2022 was approximately 21.6 hours.

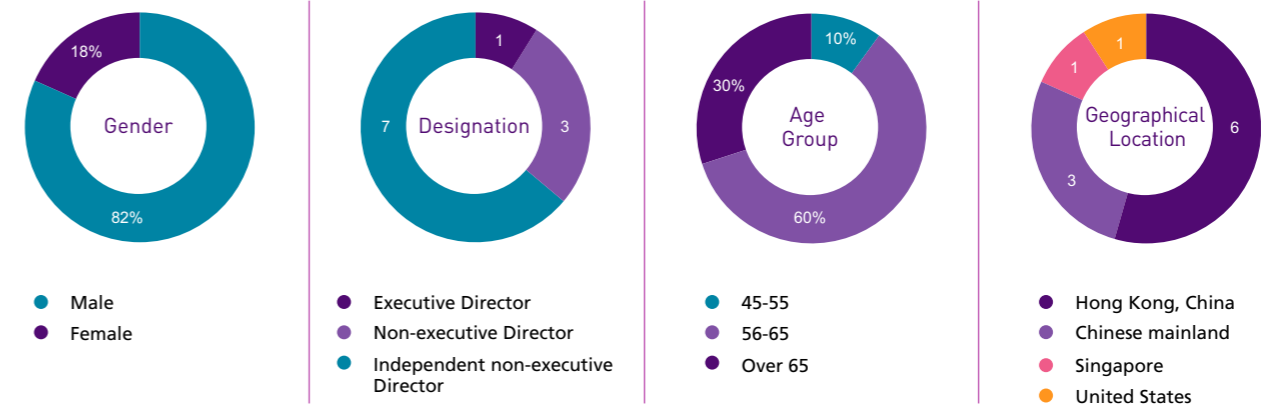


Our Policy on the Independence of Directors is set out in the *“Corporate Governance”* section under *“About Us”* on the BOCHK website

4.1.3 Board Diversity²⁶

We have adopted the Board Diversity Policy, which guides Board composition by stipulating that board diversity shall be considered in various aspects, including but not limited to, gender, age, cultural and educational background, ethnicity, geographical location, professional experience, skills, knowledge and track records, etc., in order to ensure the diversity of the Board and their perspectives. Nominations and appointments of directors are made on merit, in the context of the skills and experience required of the Board as a whole, with due consideration given to each of the aforementioned board diversity aspects.²⁷ To ensure the effective implementation, we review and enhance relevant practices continuously based on latest situation to ensure that the composition of our Board of Directors is appropriately proportional in all areas and consistent with the trend of corporate diversity. We also review our policy periodically to identify areas for improvement and progress.

During 2022, Board composition* was as follows:

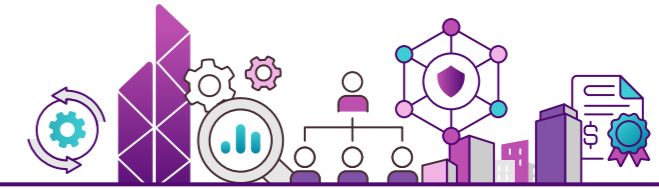


* As of 31 December 2022, the Group had 2 female directors, accounting for 18% of the total Board members. The Board complied with the gender diversity requirement of the Listing Rules and is committed to enhancing board diversity by taking into account the overall operation of the Board and the latest business requirements of the Group when identifying candidates for the Board.

For more details, please refer to the *“Corporate Governance”* under Group’s *“2022 Annual Report”* and the *“Corporate Governance”* section under *“About Us”* on the BOCHK website

²⁶ 405-1, B1.1
²⁷ 2-10

4.2 IMPROVING RISK MANAGEMENT



4.2.1 Risk Management²⁸

A robust risk management framework is an essential core component to a bank's operations. Therefore, we believe that the integration of risk management into our business model and corporate culture ensures lasting operations and business development of the Group. As the highest decision-making body for risk management, the Board has the ultimate responsibility in overall risk management of the Group. In our daily operations, we attach great importance to risk management, ensuring that risk management is fully integrated across all business areas, allowing all staff to take up different positions in risk management and actively optimise the balance between risk control and business and market development.

Risk management organisational structure

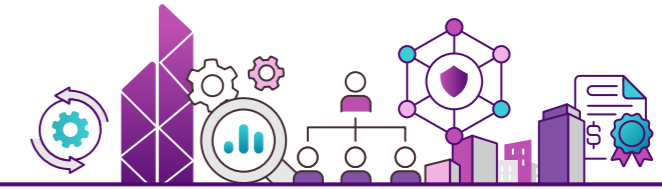
The Board, with the assistance of the Risk Committee and the Audit Committee, formulates and oversees the risk management strategy and framework for the prudent control and management of the Group's risks.



Risk management policies and procedures

The Group performs its risk inspection duties in accordance with its risk appetite, risk tolerance criteria and risk policies, establishes comprehensive risk management policies and procedures, with roles, responsibilities and reporting frequency for those involved, and develops mechanisms to identify, assess, monitor and manage major risks. The Group also establishes relevant internal control measures, and procedures to address deficiencies in internal controls. In line with shifts in our market and business strategy, we regularly review and update risk management policies and procedures. In response to regulatory requirements and market development across Southeast Asia, we provide professional guidance for institutions to enhance their risk management capabilities.

²⁸ 2-12, 2-13



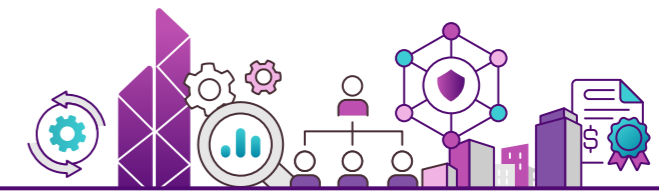
Sustainability risk management (including climate risk)²⁹

In order to promote the concept of high-quality sustainable development, we strive to integrate sustainability factors into our daily risk management processes. Moreover, in fronting global impacts caused by climate change, we have been actively addressing and managing climate risks and containing the uncertainties arise from climate change. As such, during the course of credit business, we evaluate the climate, environmental and social impacts of our customers and projects. For example, we seek to understand the various types of emission level and energy consumption from the business operation of our customers; and to appreciate the impacts and protective measures taken towards the ecological environment and indigenous community from the projects being financed, as well as the remedial actions related to labour and product safety incident or negative media coverage (if any). We have developed customer questionnaires to systematically assess these items mentioned above for our major customers. For customers with higher risk profiles, we will take appropriate risk control and mitigation measures, such as requiring customers to conduct business under a commitment to formulate mitigating measures or transition plans within a reasonable timeframe, and continuously monitoring and regularly reviewing the implementation progress of such mitigating measures or transition plans of the customers. If the customer fails to meet such requirements within a reasonable timeframe, we will consider adopting control measures such as reduction or exit strategies and setting more stringent lending terms where appropriate.

We respond in an agile and swift manner towards the expectations against sustainability from our stakeholders and to the constantly evolving market environment brought by climate change, and prospectively identify emerging risks. Apart from ceasing to provide financing for new coal mining and coal-fired power projects outside of the Chinese mainland following our Parent Bank, Bank of China's Action Plan of the "Carbon Peaking and Carbon Neutrality Target" from the fourth quarter of 2021, during 2022, we continuously enriched the Group's sustainability-related risk management policies (including climate risk) and industry guidelines in line with the Group's sustainability plan and the latest regulatory policy requirements, and strengthened the management on carbon sensitive sectors. At the same time, we enhanced the customer questionnaire on sustainability risk and extended the assessment scope of the existing customer climate risk questionnaire to cover environmental and social risks, so as to gradually embed sustainability considerations into the credit approval process. We continue to improve our climate risk stress testing methodology by taking into account our experience from participating in the Pilot Banking Sector Climate Risk Stress Test programme launched by the HKMA. In the process of optimising scenario analysis and stress testing, we have further collected information on climate risk at the customer and industry levels, and made reference to the Intergovernmental Panel on Climate Change (IPCC) and Network for Greening the Finance System (NGFS) scenarios to simulate physical and transition risks, and conducted more comprehensive assessment of impacts of extreme weather, varying levels of carbon taxation and changes in energy demand on the relevant credit portfolios or sectors. In addition, we provide regular risk reports to the Senior Management and the Board, reporting on the risk profile of the climate risk sensitive credit portfolio to facilitate the management and the Board in performing their oversight duties.

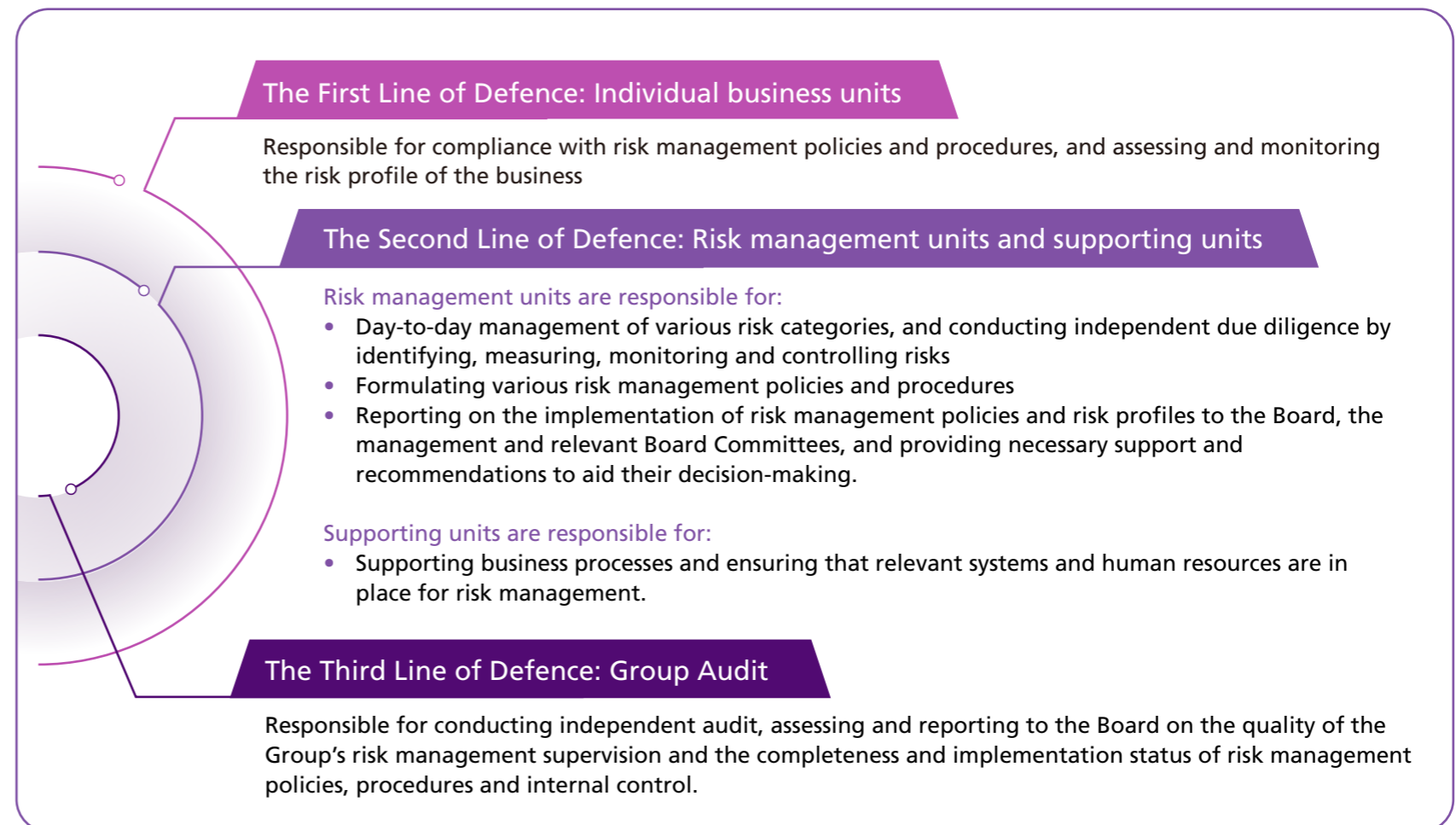


²⁹ 201-2, G4-FS2, G4-FS3



Roles and responsibilities³⁰

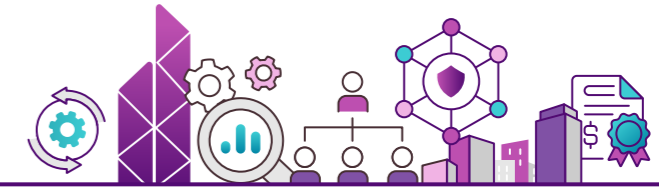
We adopt the “Three Lines of Defence” framework to implement internal control mechanisms for risk and distribute duties for each line to define risk management and control responsibilities of business units, risk management and supporting units, as well as independent group audit.



During 2022, the Group strictly complied with its risk management policies and procedures to maintain stable and sound development.

For more details, please refer to the Group’s ‘Annual Report 2022’.

³⁰ 2-5, 3-3



4.2.2 Business Continuity Plans

We are committed to providing robust and uninterrupted banking services to the community, and formulated a business continuity plan appropriate for different business natures in accordance with the HKMA's *Supervisory Policy Manual TM-G-2 "Business Continuity Planning"*. We divide our Business Continuity operations into two phases; Initial response and Transition phases, and have developed different response measures for each phase to ensure that we can respond to emergencies in a timely manner when they occur due to various internal and external factors.

IT System

We have established system incident handling procedures, where incidents are managed by differing levels of severity. Reporting mechanism and procedures are also well established in activating the operation of disaster recovery centre, with drills being conducted regularly. This year, our group has participated and completed the annual disaster recovery drill.

Safety and Security Work

Each department sets up safety team to conduct self-inspection of safety and security. To ensure the safety of personnel, equipment and facilities, we also have various security work contingency plans in place.



Training

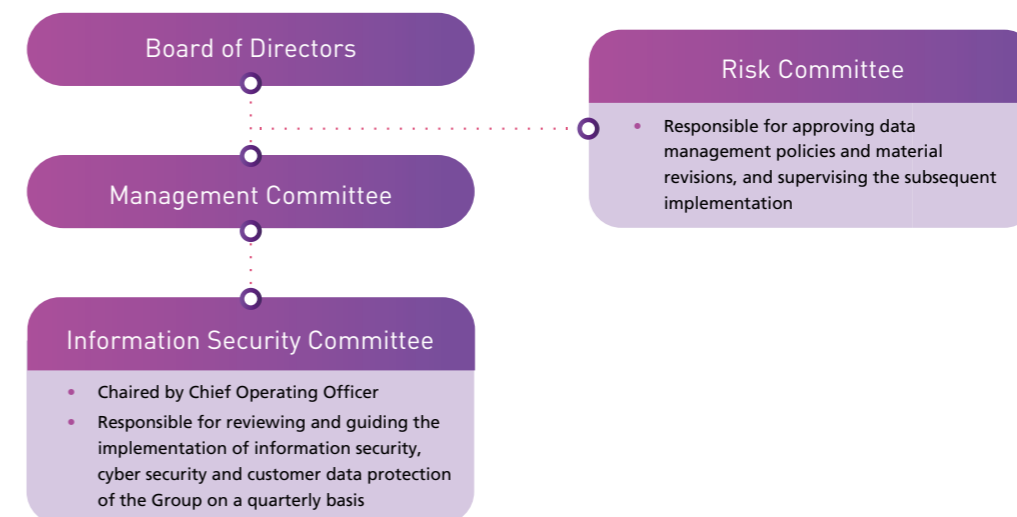
Employees receive annual training to refresh their understanding of the business continuity planning mechanism, handling procedures and case studies.

We will review the plan in a timely manner based on the latest operational situation and the overall operation of the business continuity plan at the Bank level to ensure the correctness and operability of the plan.

4.2.3 Information Security Management³¹

Within this year, we have spearheaded innovation with technology. Through proactive involvement in digital transformation, our smart banking services have been empowered. To ensure the protection of our customer's information during this transition, we have made continuous efforts in reviewing and improving our data privacy and information security procedures.

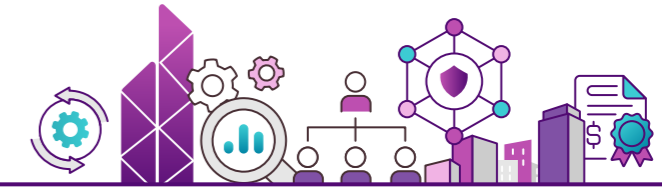
At the level of the Board of Directors, the Risk Committee is responsible for approving, governing and supervising the policies regarding data management and security. At management level, the Information Security Committee is responsible for overseeing and leading the implementation of network, customer and data security on a quarterly basis.



We have also established a sound "three lines of defence" technology risk governance structure, with the position of Chief Information Security Officer established in the first line of defence to strengthen the communication and reporting from the professional units of technology risk management to the second line of defence; the second line of defence has established the Technology Risk Management Division to prioritise resources and management efforts dedicated to technology risk management; Internal audit is the third line of defence to independently evaluate the technology risk management structure and regularly audit the compliance and effectiveness of the technology risk management work.

At the hardware support level, our data centre operates real-time monitoring on a 24/7 basis and has been certified with ISO 27001 information security management system. In the context of technological transformation, we organise different compliance trainings for our employees and relevant contract staff, covering information security, technology risk management, protection of personal information and privacy to raise the awareness of all employees on cyber security and technology risks, and to reduce the risk of information security incidents occurrences.

³¹ B6 General Disclosure, B6.5



Cyber security³²

As digital technology continues to evolve, the technology industry including artificial intelligence and blockchain are becoming more mature. Safeguarding cyber security has emerged as an urgent need in fintech. We have implemented a series of initiatives to provide industry-leading cyber security services to our customers:

Establishing a comprehensive information management system

Training on cyber security awareness and technology risk management

During 2022, we continued to raise the cyber-security awareness and technology risk management capabilities of employees and related contract staff by organising bank-wide online training courses.

Raising employee awareness of technology risk and information security

We published the bilingual monthly Technology Risk Newsletter to all employees of the Group to enhance their awareness of technology risk and information security.

Adopting internal and external audit regularly

To help the Group achieve its goal of digital transformation, we conducted regular annual audits of our IT policies and systems, etc., as well as further audits by external independent auditors, to ensure that the Group continues to provide stable financial services.

We engaged external advisors to complete Intelligence-led Cyber Attack Simulation Testing (“iCAST”) based on the HKMA’s Cyber Resilience Assessment Framework. The assessment report confirmed that BOCHK Defense Performance in intelligence-led Cyber Attack Simulation Test is above the average of external advisor’s local bank clients.

We continued to optimise and enhance our cyber security capabilities and no major cyber-security incident occurred during 2022. We emphasise the safety of our customers in using our banking services, and remind and educate them about online transactions through various channels.

For more details, please refer to the “Group’s online security tips and information” on the BOCHK website.



³² B6.5



Protection of personal data³³

As a bank with strong corporate culture and ethical practices, the protection of personal data of our stakeholders including customers, employees, suppliers and business partners is one of our core concerns. We are committed to protecting and respecting the personal data we possess and handle, and require all departments and subsidiaries to strictly comply with the personal data privacy policy which has been formulated in accordance with the *Personal Data (Privacy) Ordinance in Hong Kong*.

We protect the security of customers' data through various measures on information security, including but not limited to: annual computer account review to ensure that all employees have the appropriate authorisation; on-site examination of key vendors to ensure that their security management measures are effective in protecting BOCHK information; regular annual desktop clean-up inspections and annual staff training on information or cyber security awareness to continue educating our staffs on new types of online attacks in order to protect customers' security and privacy.

When collecting and storing customer information, we use encryption technology to protect personal information from unauthorized or accidental access, processing or deletion. Customers are able to request access to or modification of their personal data. If a complaint regarding customer privacy is received, a dedicated unit will conduct an investigation in accordance with our mechanism for handling customer complaints. The complainant will be notified of the investigation results.

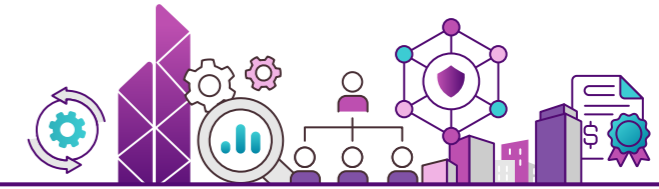
For details of the "Privacy Policy Statement" and "Data Policy Notice", please refer to the "Important Notice and Privacy Policy Statement" available on the BOCHK website.

Management of artificial intelligence applications

The growing popularity of artificial intelligence (AI) applications create opportunities for banks but also pose new challenges in risk management. We have developed an AI governance framework to manage AI applications and to set out guidelines and standards for AI applications based on internal policies and requirements of the regulators. The framework defines the role and responsibilities of each stakeholder at different stages of an AI application project. It also specifies the deliverables and the approval management of different processes: requirement analysis, system design, AI model training, program coding, testing, quality assurance, ongoing monitoring & maintenance, etc., in order to ensure the Bank's AI applications comply with all related regulatory requirements.

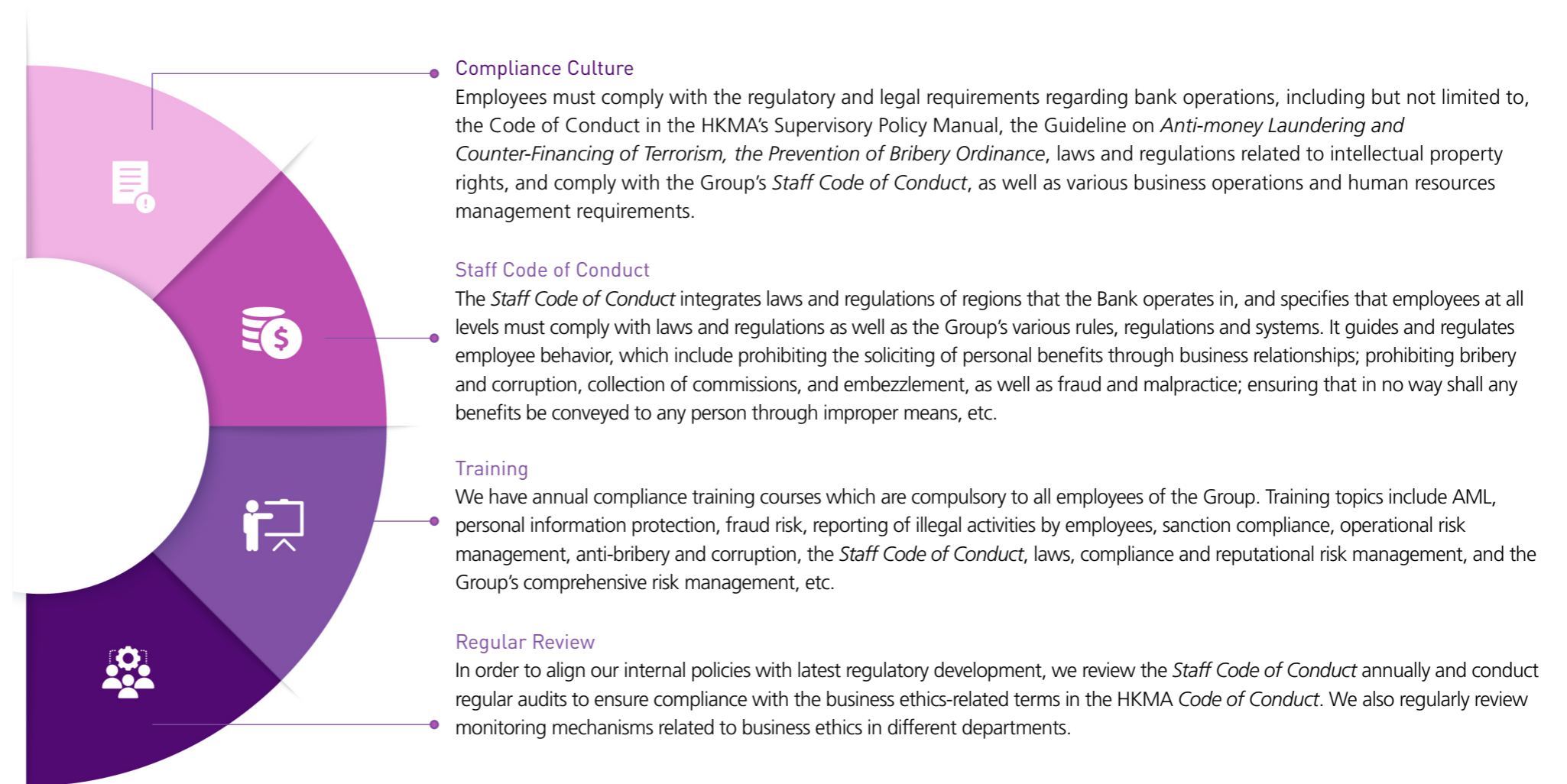
³³ B6.5

4.3 INTEGRITY AND COMPLIANCE CULTURE³⁴



4.3.1 Business Ethics³⁵

The Group strives to safeguard and enhance sound corporate governance. Therefore, we are committed to maintaining a high standard of business ethics in the collective interests of our shareholders and stakeholders. To this end, we value ethical behaviours and integrity of employees and third parties with business relations with the Group, and ensure that all employees, including full-time, part-time and contract employees, strictly maintain personal integrity and professional ethics in the course of their work, thus protecting client interests of our customers.



³⁴ B7 General Disclosure

³⁵ 2-23, 2-24, 2-26, 2-27, B7.2



We link compliance behaviour with employee performance appraisal and compensation. We provide employees with competitive compensation packages in line with the needs of business and their positions as well as personal skills and performance and re-examine compensation to encourage excellent performances. As the Group advocates for integrity, our reward system not only considers employees' business performance, but also measures whether employees have adhered to our corporate culture and behavioural standards.

Whistleblowing Policy and Mechanism

Our Whistleblowing Policy, Whistleblowing Administrative Measures and the Staff Code of Conduct state that employees and external parties who deal with the Group (such as customers and suppliers), in the case being aware of any suspected or actual violation of legal and regulatory requirements or misconduct in relation to the businesses or other matters of the Bank, may report via appropriate channels and methods. Such activities include but not limited to fraud, theft, forgery, bribery or corruption, money laundering, or cases involving employees committing any personal misconduct or behaviour which is in violation of the Staff Code of Conduct.

We have stipulated whistleblowing's management structure and division of roles, reporting principles, mechanisms, channels, procedures and measures of whistleblower protection, in order to encourage employees and external parties who deal with the Group to report in good faith and honesty while ensuring that their legitimate rights are protected. Whistleblowing reports made by employees and external parties who deal with the Group, along with and related information are kept strictly confidential. Any department or individual handling or having access to information related to whistleblowing shall strictly follow the legal requirements to protect the privacy, rights and interests of the whistleblowers and the parties being reported against. There should not be any unauthorized disclosure, or the Group shall hold the relevant persons accountable.

When we receive whistleblowing reports from employees or external parties who deal with the Group, we shall inform the Board-level Audit Committee and promptly conduct a fair and independent investigation according to the prescribed procedures, then propose improvement recommendations. The investigation report is then submitted to the management and the Audit Committee. In addition, we offer induction training on whistleblowing policies for new employees, as well as annual bank-wide refresher training to raise employees' awareness of whistleblowing policies.

The Group has adopted the *Guidelines for Anti-money laundering and counter-terrorist financing & Reporting Suspicious Transactions* and the *BOCHK Group's Anti-Bribery and Corruption Policy*, which set out relevant whistleblowing mechanisms for suspicious transactions, money-laundering, and bribery and corruption. Cases with reasonable suspicion after investigation will be referred to the relevant law enforcement authorities for follow-up.

³⁶ B6.3

³⁷ 205-2, B7.2

³⁸ 205-1

Intellectual property rights protection³⁶

The Group complies with the relevant laws, regulations and requirements regarding the protection of intellectual property rights in its daily operation to protect its own intellectual property as well as to respect the intellectual property of third parties.

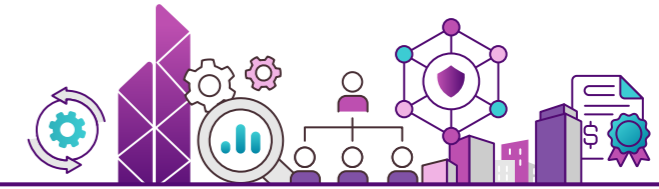
4.3.2 Financial Crime Prevention

Anti-bribery and corruption³⁷

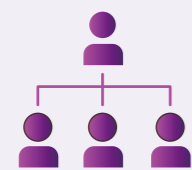
The Group takes a zero-tolerance approach towards the acts of bribery and corruption, promotes a strong corporate culture of integrity and high ethical standard, and is committed to maintaining an operating environment with fairness, honesty and probity to safeguard the interests of the Bank and our customers. The overall anti-bribery and corruption framework is jointly supervised by the Board of Directors, its designated committee and the Senior Management. The Board of Directors is responsible for setting the "tone from the top" anti-bribery and corruption culture and all levels of employees are required to be honest and trustworthy with high level of integrity for promotion of a strong corporate culture of upholding relevant laws and regulations and compliance.

A specialised team was deployed to handle anti-bribery and corruption related matters. By considering the relevant laws and regulations and industry best practices, we have formulated an anti-bribery and corruption management framework as well as the BOCHK Group's Anti-Bribery and Corruption Policy, which is applicable to the Bank, all affiliated companies and Southeast Asian entities. The Policy is subject to review and amendment on an annual basis.³⁸

To strengthen our anti-bribery and corruption management, we regularly assess the effectiveness of our anti-bribery and corruption management framework, identify any potential control loopholes, and report the assessment result and recommendation for improvement to the Board of Directors.



We have established anti-bribery and corruption training programme covering all members of the Group, and actively participate in anti-corruption thematic trainings conducted by relevant law enforcement agencies and industry organisations for banking practitioners. During 2022, all members of the Board and all employees of the Group have received anti-corruption trainings and relevant training records are also maintained as required.



The BOCHK Group's Anti-Bribery and Corruption Policy sets out management roles and responsibilities, mechanisms for record keeping, risk assessment, training, and reporting of bribery and corruption, and is subject to review on an annual basis. The Policy defines specific areas of higher bribery and corruption risks (e.g., personnel appointments and dismissals, procurement, credit, charitable donations, etc.) and management requirements. Responsible departments are required to undertake related work to enhance bribery and corruption risk management.

Anti-Money laundering and counter-financing of terrorism ("AML/CFT")³⁹

To minimise the impact of financial crime on the Group, customers and community, we strictly enforced AML, anti-terrorist financing and crime prevention controls to combat illegal activities. In order to establish a comprehensive AML monitoring system, we have developed the *Anti-Money Laundering and Counter-Terrorist Financing Policy* with reference to the relevant laws and regulatory requirements and guidance of Hong Kong and international organisations, and in accordance with the requirements of the Group's risk management strategy.

Our AML/CFT management is operated based on the "three lines of defence" risk management framework. In the first line of defence, our staff handle customer acceptance, customer due diligence, ongoing monitoring, suspicious transaction investigation and reporting, as well as customer and transaction record keeping etc. in accordance with regulatory and policy requirements. As a second line of defence, the Financial Crime Compliance Department entrusted with the primary responsibility for managing the AML/CFT controls. It is responsible for establishing, maintaining and enhancing AML/CFT policies and systems of the Group as well as guiding, coordinating and supervising the AML/CFT operations carried out by various units of the first line of defence. The third line of defence is Group Audit, which conducts audits to identify deficiencies or room for improvement in our AML controls and assesses the effectiveness of the Bank's AML management system. In order to comprehensively manage financial crime activities and identify suspicious customer accounts and transactions, we have put in place comprehensive set of sanctions screening systems and suspicious transaction monitoring mechanisms, including a risk-based customer risk rating system. In the meantime, we continuously enhance the screening and transaction monitoring system function. We have utilised regulatory technology to assist in suspicious transaction alert analysis and transaction screening, thus enhancing supervision and compliance efficiency.

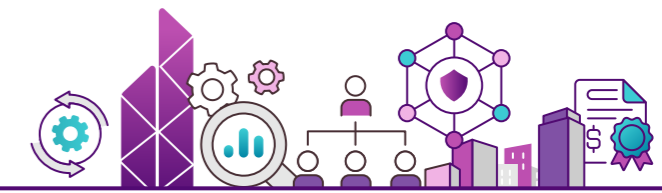
³⁹ 205-2, B7.2, B7.3

⁴⁰ 205-2, B7.3

In accordance with the requirements of the HKMA, we regularly conduct Institutional Money Laundering/Terrorist Financing Risk Assessment. This involves identifying and assessing relevant risks, analysing relevant information on a quantitative and qualitative basis to determine the overall risk level, and setting out specific risk mitigation measures for adoption.

We continue to promote compliance education and conduct multifaceted training on various topics such as sanctions, AML, anti-fraud, etc. to enhance the compliance awareness of all employees (covering Southeast Asia entities). We also regularly share financial crime case studies in our training and internal circulars. In order to ensure that all staff are able to effectively perform and contribute to preventing financial crimes, we launched a series of mandatory courses and elective courses for them. We launched a bank-wide online "Staff Code of Conduct" refresher training and established the "BOCHK 2022 AML Training Programme" for all staff to receive training on AML, anti-fraud, sanctions compliance and anti-corruption. Over 60 financial crime related training sessions were conducted for all staff. In addition, in order to build up a team of compliance professionals, around 40 staff have been nominated to enrol in professional certification courses during 2022, such as Certified Global Sanctions Specialist and Certified AML Specialists, etc.⁴⁰

During 2022, there has been over 56,000 counts of participation in our 7 mandatory courses on financial crime prevention; over 21,000 counts of participation in more than 50 online or classroom trainings. In our Southeast Asia entities, as at the end of December 2022, we organised 12 AML courses for over 2,200 participating staff.



We understand the significance to promote compliance education and encourage stakeholders to learn about the Group's AML and counter-terrorist financing policies through various channels:

All Employees		<ul style="list-style-type: none"> Attend AML training at least once a year Attend thematic seminar
Directors, Management and Employees		<ul style="list-style-type: none"> External experts are regularly invited for discussions and to conduct training
New Employees		<ul style="list-style-type: none"> Participate in online compliance training, including the <i>Staff Code of Conduct</i>, the <i>Prevention of Money Laundering and Terrorist Financing</i>, the <i>Fraud Prevention and Internal Reporting Responsibilities</i> and other related training
New Frontline Employees in Branches		<ul style="list-style-type: none"> Attend an all-round training course
Customers		<ul style="list-style-type: none"> Fraud risk and AML reminders through websites and emails

4.3.3 Digital Transformation to Strengthen the Prevention of Financial Crime

To support the Group's digital transformation, we are actively launching innovative digital financial technology products for financial crime prevention, enhancing process controls, scaling up automatic system controls and enhancing efficiency. We progressively implement and apply artificial intelligence technology to assist in tracking suspicious transactions to demonstrate a risk-based approach to different forms of fraudulent activities, and to ensure that they are managed swiftly to protect our customers. In 2022, more than 80% of telephone fraud (impersonation of officials) involving electronic channels were proactively detected and confirmed by our staff through our system. We handled these cases promptly and froze the relevant accounts as early as possible, thus successfully preventing further theft of customers' assets.

In our Southeast Asia entities, we have accelerated the development of digitalisation by establishing a Southeast Asia AML data monitoring platform to enhance the application of Southeast Asia AML data and realise automated and graphical risk analysis. We have also started to apply the functions of the Internet Defence System and Fraud Prevention System in Southeast Asian entities to achieve continuous improvement in the regionalised fraud prevention management.

4.3.4 Reporting Financial Crimes⁴¹

To ensure that employees feel relieved on reporting any suspected or actual violation of legal and regulatory requirements or misconduct in relation to the businesses or other matters, we have established an independent and effective whistleblowing process with designated reporting channels. To demonstrate the fairness and mutual restraint of the BOCHK Whistleblowing Administrative Measures, we also provide designated reporting channels for reports involving departments or individuals who have access to and deal with whistleblowing matters.

For more details, please refer to "*BOCHK's Whistleblowing System*" of the Group's website.

⁴¹ 2-26, B7.2



5 SUSTAINABLE FINANCE TOWARDS HIGH-QUALITY FUTURE



Committed to sustainable finance, the scale of ESG-related bond investments increased **↑ over 26% year-over-year**



The balance of green and sustainability-linked loans had a year-over-year increase of **↑ 155%**



Pioneered various **green financial products** in Hong Kong: the Climate Transition Index targeting the Greater Bay Area, the first blue and sustainability offshore RMB bonds from local government in mainland



Hong Kong's leading banking network and coverage Hong Kong: **182 branches**, more than **280 outlets**
Southeast Asia: **34 outlets**



Innovated **financially inclusive products** to provide holistic support for small and medium-sized enterprises



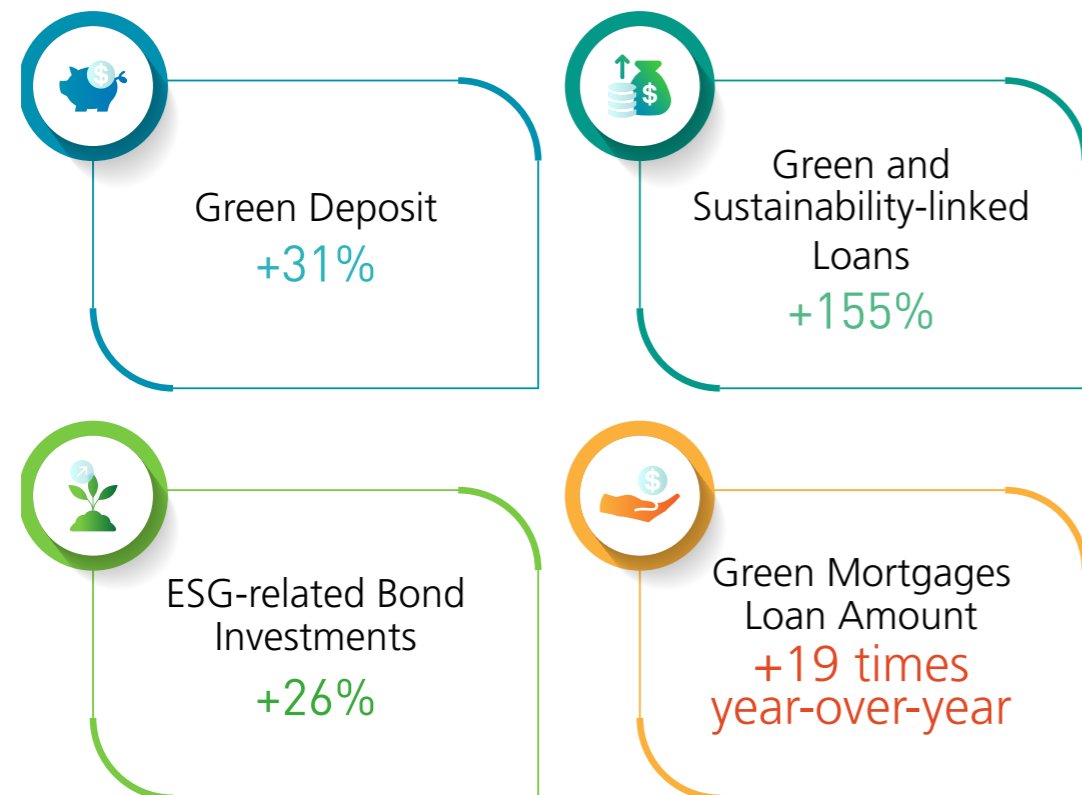
Signed the Memorandum of Understanding to become a member of the Alliance for **Green Commercial Banks**



5.1 DEVELOPMENT OF SUSTAINABLE FINANCE⁴²



To echo the nation's dual carbon goal and follow the direction of HKSAR Government in green and sustainable finance development, the Group continued to promote green and sustainable financial products and services, and provide local and cross-border green and sustainability-related projects with funding support. We achieved continuous growth in various aspects during 2022.



5.1.1 Green and Sustainable Products and Services

To meet customers' needs for innovative green products and services, the Group offers a wide range of green and sustainable finance solutions, including green and sustainability-linked bonds and loans and related advisory services, green mortgages, green personal loans, green time deposits and ESG-themed funds. We actively support the development of quality green industries and the transition of high-carbon enterprises through our capital allocation role, and strengthen our financial access capabilities through innovation and diversification of green products.

The Group captures the tremendous opportunities for green development in Hong Kong, the GBA, and Southeast Asia through launching a wide range of innovative green and sustainable financial products and services, promoting the green and low-carbon transition for corporate customers. During 2022, the balance of our green and sustainability-linked loans grew by 155.3% year-over-year, and we successfully underwrote 27 ESG-related tranches of notes.

Meanwhile, in view of the needs of personal customers for sustainable products, our personal customers relationship managers proactively understand our customers' asset portfolios and ESG Investment preferences (such as themes on environmental protection and green energy), through conducting investment surveys and providing financial planning analysis services, so that we can introduce our ESG asset allocation plan that is best matched for our customers' needs (such as green funds, green deposits, etc). To communicate ESG-related issues with wider customer groups more effectively, we engage customers' daily life and encourage participation with promotional means such as online live-streaming, article promotions, and social media platforms. By embedding ESG themes within products promotion and services, we hope to bring together more customers in contributing to or enjoying the Group's diversified sustainable financial products and services.

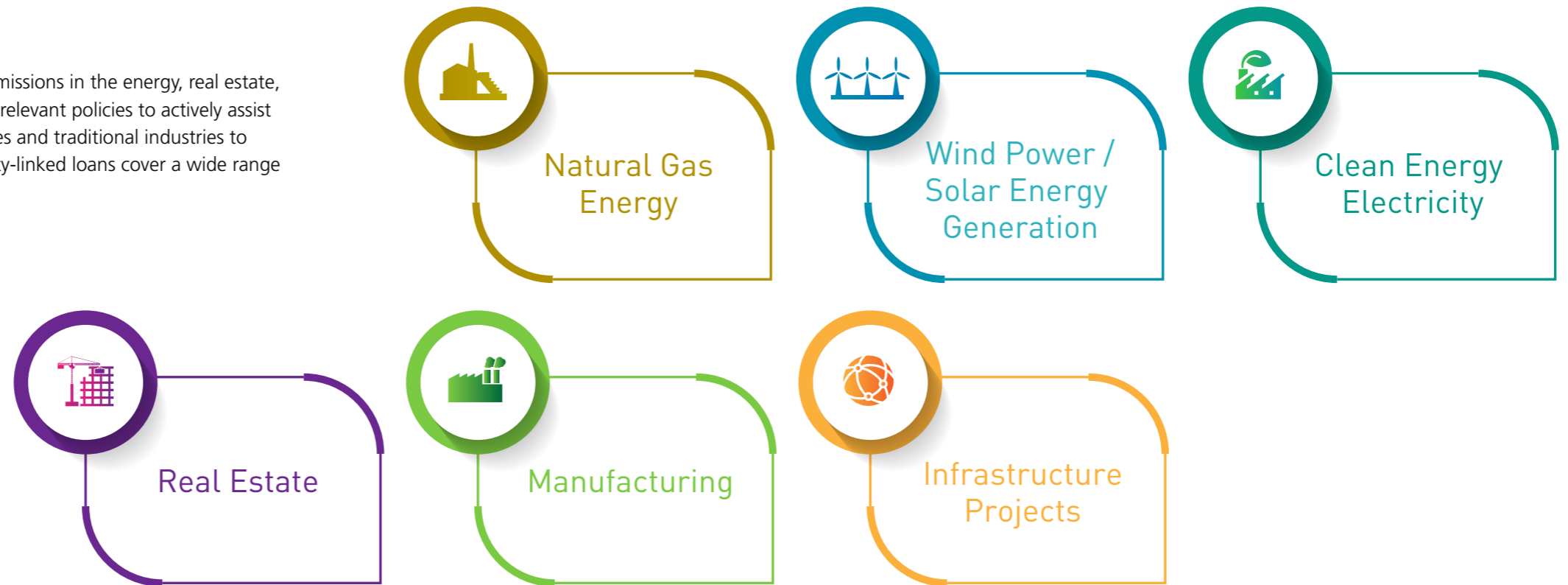
⁴² 203-1, 203-2, G4-F55, B8.1, B8.2



Green and sustainable products

Green and sustainable loan

We understand the importance of reducing carbon emissions in the energy, real estate, and construction sectors. We have hence formulated relevant policies to actively assist the new energy industries, and support key enterprises and traditional industries to accelerate their transition. Our green and sustainability-linked loans cover a wide range of industries:





The largest sustainability-linked loan in Asia Pacific

Case study

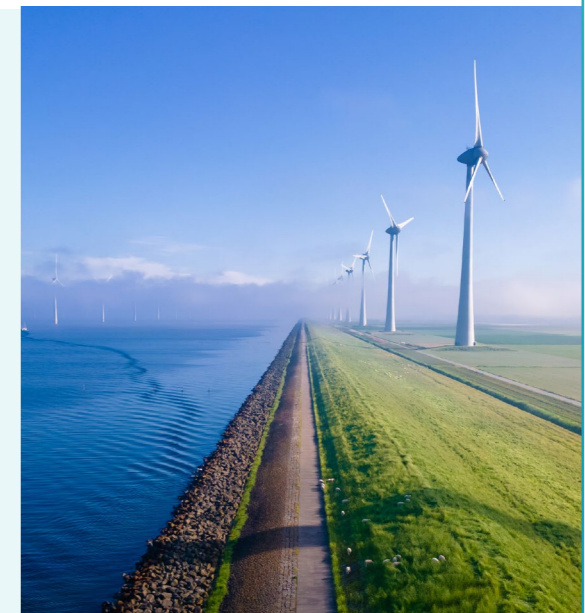
BOCHK arranged a three-year US\$4.5 billion syndicated sustainability-linked loan (“SLL”) for Syngenta Group (HK) Holdings Company Limited (“Syngenta Hong Kong”), a subsidiary of Sinochem Holdings Co., Ltd. (“Sinochem”). At the time announced in May 2022, this loan was the largest sustainability-linked loan ever in the Asia Pacific loan market and the largest syndicated loan facility in China. BOCHK acted as the Mandated Lead Arranger, Coordinator, Facility Agent, and Sustainability Structuring Advisor, and HKQAA was invited to be the independent external reviewer of the loan. As the Sustainability Structuring Advisor, BOCHK coordinated with Syngenta Hong Kong, HKQAA, and other loan participating banks, to design the loan structure, and set sustainability performance targets (SPTs) based on the “Sustainability-Linked Loan Principles” for the customer. The loan facility is used for refinancing and general working capital purposes, including supporting the implementation of the SPTs and driving sustainable development in agricultural industry.



BOCHK arranges the first sustainability-linked club loan for China Overseas Land & Investment Limited

Case study

BOCHK successfully arranged the first sustainability-linked club loan for China Overseas Land & Investment Limited (“COLI”). The £100 million five-year committed term loan underscores COLI’s commitment to further improving its sustainability performance through green financing. According to the facility agreement, COLI stands to enjoy savings in financing costs upon meeting a set of pre-determined sustainability performance targets. The loan proceeds were used for general working and corporate purposes of COLI.



Case study – Esquel Group secured first green loan of US\$88 million from BOCHK

Case study

Esquel Group secured the first green loan of US\$88 million from BOCHK, refinancing Esquel’s Sustainable Development Garden in Guilin – Integral, as well as funding projects that will improve energy efficiency, wastewater treatment, and pollution prevention at its manufacturing sites. BOCHK was appointed as Esquel’s Green Finance Advisor and worked with HKQAA to develop and certify its green loan framework.



Sunlight REIT secures an additional HK\$800 million sustainability-linked loan from BOCHK

Case study

BOCHK assisted Sunlight Real Estate Investment Trust (“Sunlight REIT”) in securing its second tranche of HK\$800 million sustainability-linked loan. Together with the first tranche of HK\$500 million, this HK\$1.3 billion SLL marked a significant collaboration between Sunlight REIT and BOCHK on sustainable financing. The proceeds of this loan were used for refinancing and general working capital. If Sunlight REIT achieves the predetermined environmental performance targets, it can then enjoy interest margin privileges.





Green deposit

We are committed to expanding the scale of green time deposits from corporates and enhancing the coverage of green industries. The deposits will be used to fund projects in green buildings, renewable energy, and pollution prevention industries, so as to promote the transition to a low-carbon, climate-resilient, and sustainable economy.

In 2022, the value of green deposit transactions for BOCHK increased by 31% compared to last year. In which, BOCHK launched six tranches of the Corporate Time Green Deposit Scheme during 2022. Such schemes, since its launch in December 2020, have attracted more than 370 international and SME customers' participation, continuously attracting funds to support green industry loan projects and further expanding our influence in green finance.

In March 2022, BOCHK launched the Corporate Green Time Deposit Scheme for cash pooling customers to help global cash management customers to invest their funds into green economy and environmental protection related projects, and to assist corporates to implement the concept of sustainable development in their global cash management strategies. BOCHK's corporate customers can centrally manage their overseas member funds through BOCHK's online channel, reducing paper use and operating costs, while depositing the pooled funds in the Green Time Deposit Scheme to support the development of green industries in the community.

ESG-related bond

To encourage more institutions and customers to participate in green and sustainable development, and to assist key enterprises and traditional industries in various manners, we actively supported the issuance of ESG-related bonds. We hope to leverage the strength of our service network to further promote philosophy of sustainability.

The first blue and sustainability offshore RMB bonds from mainland local government

Case study

BOCHK assisted the People's Government of Hainan Province in successfully issuing its first blue and sustainability offshore RMB bonds in Hong Kong, which was the first RMB bonds in the categories issued by a mainland local government in international capital market and the first mainland local government bonds issued offshore since 2022. BOCHK was involved in the research, execution, pricing, and settlement of the issuance, and took the lead in organising the roadshow and marketing works, and actively assisted in obtaining the blue bond certificate and sustainability bond certificate from the HKQAA.



"Sustainable and smart living" themed green bonds

Case study

For the second consecutive year, we successfully issued our "sustainable and smart living" themed green bonds in February 2022. The offering with total issue size of HK\$2 billion attracted active participation from investors including sovereign/public institutions, banks, insurance companies, fund managers and private banks across various regions. The final order book above 3 times the total issue size, demonstrated the high recognition of our sustainable development work from the capital market. In accordance with the BOCHK Sustainability Series Management Statements, net proceeds from the green bonds are used to finance or refinance low-carbon infrastructure related eligible projects that facilitate the development of industries including renewable energy and green buildings. Furthermore, the bonds have obtained a pre-issuance attestation from an independent third party, which is issued in accordance with the Green Bond Principles 2021 published by the International Capital Market Association. BOCHK also acted as a joint global coordinator and sole green advisor for the bond offering.





Personal banking services

For our personal banking business and products, we are committed to incorporating green and sustainable elements to provide our customers with a wide range of choices.

Hong Kong's first Green Personal Loan

Case study

In May 2022, BOCHK launched Hong Kong's first Green Personal Loan. In the first phase, prospective electronic vehicle (EVs) owners could apply for Green Personal Loan via BOCHK's Mobile App or website to support ground transportation's low-carbon transition and help Hong Kong achieve its "carbon neutrality" target by 2050. The programme was supported by EV manufacturer Tesla, offering our customers with the privilege to enjoy an exclusive test drive of the latest Tesla car model, and a complimentary offer of Tesla Wall Connector Private Installation Package.



Low-Carbon Transition-themed fund

To enrich our sustainable finance products and provide customers with more choices, we have actively explored and launched low-carbon transition related fund products. We hope to attract more retail customers to participate by lowering the investment threshold.

BOCHK exclusively introduced Ninety One's first RMB-denominated decarbonisation-themed fund

Case study

BOCHK exclusively introduced Ninety One Asset Management ('Ninety One')s RMB denominated Share Class of "Ninety One Global Strategy Fund – Global Environment Fund". The Fund is a Securities and Futures Commission ("SFC")-recognised ESG Fund, which is also Ninety One's first RMB-denominated offering of green funds. BOCHK is one of the Fund's main retail banking distributors in Hong Kong and offers the Fund's RMB Share Class for subscription by BOCHK's customers on an exclusive priority basis



Green insurance

BOC Life, a subsidiary of the Group, has been actively involved in promoting the establishment of a green finance ecosystem and increasing its support for ecology and environmental protection. BOC Life has a wide range of green insurance products and increasing range of product services and coverage. The company engages an independent third party to carry out independent certification in accordance with international auditing and assurance standards before issuance of a green insurance product, to ensure the products meet the green insurance features in the product description and bring real and effective environmental benefits to our customers.



Integrated business

We continue to enrich and innovate our green and sustainable products and services to provide a wide range of options for different sectors to participate in green and sustainable development.

BOCHK and S&P Dow Jones Indices launches the first climate transition index targeting the Guangdong-Hong Kong-Macao Greater Bay Area

Case study

BOCHK and S&P Dow Jones Indices joined hand and announced the launch of the S&P BOCHK China Hong Kong Greater Bay Area Net Zero 2050 Climate Transition Index ("S&P BOCHK GBA Climate Transition Index" or "Index"). The Index was designed to encourage companies in the GBA to achieve a variety of decarbonisation targets, facilitating their transition to a low-carbon economy. Meanwhile, the Index also provides the investment community with a cost-efficient and diversified investment tool to reorient more capital flows towards companies in low carbon transition. The index is compliant with the EU Climate Transition Benchmarks Regulation to achieve the objectives of the Paris Agreement, which adopts a weighting strategy to achieve a number of carbon reduction targets, such as a 7% annual reduction in carbon emissions and a 30% reduction in overall carbon intensity relative to the parent index.



The ESG development of BOCHK Asset Management

Case study

BOCHK Asset Management Limited (the "BOCHKAM") endeavours to offer diversified investment products and services to meet customers' investment needs. In 2021, BOCHKAM launched BOCHK All Weather ESG Multi-Asset Fund, enabling investors to capture ESG-related investment opportunities. This fund was BOCHKAM's first ESG fund authorised by SFC as well as the first ESG multi-asset retail fund with RMB share class in the Hong Kong market. Meanwhile, BOCHKAM stepped up efforts to refine its internal policies and workflows, and embedded climate-related risk factor into its investment risk management framework in order to enhance climate related risk management, fostering ESG concepts for development.



Partnering with customers to promote green and low-carbon transition

We actively push forward green and low-carbon transition with our customers and jointly reduce emission of greenhouse gases, so as to exercise responsible finance and contribute to the protection of environment while better responding to our stakeholders' expectation on reducing scope 3 emission from investment portfolio and financing activities. In 2022, we have begun carbon emission calculation in financed activities with reference to the Partnership for Carbon Accounting Financials, PCAF, methodology. This can facilitate us to better understand impact of our scope 3 carbon emission by specific industries and lay the solid foundation for our journey toward carbon neutrality from financing activities. Besides, we have actively supported key enterprises and traditional industries low-carbon transition through our financial services. Meanwhile, we innovate on our green and sustainable financial products and services, to better satisfy customers needs on sustainable development and promote customers' low-carbon transition.

In addition to achieving our own green operations, the Group has been promoting paperless operations to our customers, enabling them to improve operational efficiency while reducing the impact on the environment. We encourage our customers to use e-statements and notifications and promoted e-statement penetration through various measures such as customer communication, rebates, and e-transformation. As a result, the e-statement penetration rate for new customers aged below 65 exceeded 95% in 2022. We also extended the mobile phone instant ticket collection function to service counters and introduced electronic transaction advice for ATMs, reducing the number of subpoenaed tickets at branches.

We accelerated the pace of our digital transformation in building a digital bank. During 2022, we were the first in Hong Kong to offer IPO retail bonds and secondary bond transactions in support of the HKSAR Government's green bond issuance on mobile banking, with the total number of subscriptions and the number of subscribers being the highest among placing banks, of which 80% subscription was made through electronic channels.

Merchant No Slip Programme

Case study

BOCHK launched the "Merchant No Slip Program" in Hong Kong in 2021 and fully implemented the scheme in 2022 to reduce the amount of printing physical receipts on e-payment, saving paper and supporting environmental protection. Merchants and consumers can check their receipt and payment records online anytime, anywhere with their smartphones, so as to jointly practice green consumption. We aim to encourage an increase in awareness of green consumption among the public and contribute to carbon reduction while making consumption. Since its launch, the programme has supported 22,000 outlets, effectively reducing the printing of 6.5 million payment receipts on average per month, which is equivalent to a reduction of 16 tonnes of carbon emissions per month.



Vientiane Branch "Green Finance – Green Bags Giveaway Every Wednesday" campaign with PARKSON, the largest supermarket in Laos

Case study

In January 2022, Bank of China (Hong Kong) Vientiane Branch ("Vientiane Branch") and PARKSON, the largest supermarket in Laos, jointly organised the "Green Finance – Green Bags Giveaway Every Wednesday" campaign to promote the concept of green finance and "Simple Carbon". The inaugural event was attended by the Vice Minister of Natural Resource and Environment of Lao PDR and the Deputy Mayor of Vientiane. The concept of green bag introduced by the campaign has received positive feedback from a wide range of customers.





Southeast Asia business

We are actively developing the green and sustainable finance market in Southeast Asia to support the green transition of local communities and enterprises. We are also actively leading and participating in regional syndication projects in Southeast Asia to support the business development of our corporate customers in Southeast Asian industrial parks. With a focus on meeting local regulatory requirements, improving local climate risk management measures, we have implemented a number of local ESG projects in line with our risk appetite, to promote the regional green and sustainable finance development.

Vientiane Branch Corporate Green Deposit

Case study

Vientiane Branch became our first Southeast Asian entity to launch a local green deposit programme. In March 2022, Vientiane Branch launched the first corporate green time deposit scheme supporting green industries in Laos, which was also the first green time deposit scheme certified by an independent third party in Laos. The funds raised will be used for sustainable green economy projects, including projects in the pollution prevention and control industry, to help enterprises seize green finance opportunities.



Phnom Penh Branch ESG Social Responsibility Deposit

Case study

On 22 December 2022, Bank of China(Hong Kong) Phnom Penh Branch ("Phnom Penh Branch") launched the first local ESG Social Responsibility Deposit, which was also the first third party independent certified ESG Social Responsibility Deposit launched in Southeast Asia and the first in BOC Group. With a target size of US\$20 million, which was set to be launched in two phases, the first US\$10 million had been fully launched on 27 December. The funds raised will be used to enhance social infrastructure, basic services, create employment opportunities, and to help promote Phnom Penh's socio-economic development.



BOC Thailand launched blockchain paperless letter of guarantee ("LG") product

Case study

As early as 2020, Bank of China (Thai) Public Company Limited ("BOC Thailand") joined the Blockchain Community Initiative (BCI) in Thailand to jointly study the implementation of blockchain technology in paperless LG. Through strict product due diligence and trial, we successfully issued dozens of blockchain LG for several customers during the sandbox-testing period. In September 2022, the project passed the assessment by the Bank of Thailand, and was allowed to officially offer corporate customers a safer, more efficient and environmentally-friendly blockchain paperless LG, bringing the concept of green development into practice.





5.1.2 Promoting the Development of Green Finance in the Market and Industry

We also work with various sectors to promote the development of green finance in Hong Kong. During 2022, we actively participated in green finance development by regulators such as the HKMA and HKEX. Furthermore, we signed the MoU to become a cornerstone member of the Alliance for Green Commercial Banks, to jointly promote financial innovation and investment in emerging markets, lead emerging markets in addressing climate change and environmental risks, and finance the infrastructure and business solutions needed to drive sustainable economic development.

Thematic session co-organised with the Alliance of Green Commercial Banks

BOCHK and the Alliance of Green Commercial Banks jointly organised a webinar series entitled 'Finance for Green Transition, Focus on Low-Carbon Technology Innovation'. The first part of the conference was professional training, and the second part was a roundtable discussion. We invited energy companies, scientific research institutions, financial and investment leaders, and industry experts to share best practices in hydrogen energy and carbon capture utilisation and storage technologies to reduce carbon emissions, and discuss the further development of the policy framework related to technologies and investment strategies for green technologies and how to better promote the application of green finance in low-carbon technologies.



Case study

"Sustainable Finance and Global Money Management Forum"

Case study

BOCHK organised the "Sustainable Finance and Global Capital Management Forum". Together with representatives from the HKMA, we exchanged views with over 100 representatives from major enterprises on the topic of "Expanding Global Capital Management and Grasping New Opportunities in Sustainable Finance", analysing from different perspectives how enterprises can set up treasury centres in Hong Kong to enhance the efficiency of global capital management, and sharing how to make use of Hong Kong's capital markets, financial and professional services for green and sustainable investment and certification, so as to help enterprises incorporate sustainable development in their global capital management strategies.





We are gradually establishing the industry's standard framework requirements and flagship products. Acting as a green finance advisor, our role is to lay the foundation for our customers in different industries for their green transition. In addition, BOCHK keeps promoting market and industry development in terms of low-carbon transition. During 2022, we pushed forward various initiatives and achieved the following outstanding results:

- Joined the Hong Kong International Carbon Market Committee formed by HKEX and became one of the first market participants in the Core Climate ("Core Climate") carbon market platform of the international carbon market;
- Signed a strategic partnership agreement with Guangzhou Emissions Exchange ("CEEX"), joining hands to advance carbon emission trading and green finance development;
- Launched the "Trade Finance Decarb Action" cash reward promotion scheme in September to encourage customers in the construction industry to use electronic channels for trade finance services related to "green buildings" and "green materials";
- Explored the development of green finance in the Greater Bay Area at the 3rd Greater Bay Area Navigation Award Ceremony and Development Forum;



The 3rd Greater Bay Area Navigation Awards:

The Greater Bay Area Navigation Award – Award for Outstanding Contribution (Enterprise)

The Greater Bay Area Navigation Award – Award for Best Bank

The Greater Bay Area Navigation Award – Award for Leading ESG Enterprise

Case study

Among the first batch of market participants in Core Climate's carbon market platform

BOCHK joined the Hong Kong International Carbon Market Committee established by the HKEX in July 2022 and has been actively involved in the development of a high-quality carbon market in Hong Kong and the region, making recommendations on product design, trading models, cross-border carbon market connectivity and other related areas.

We also became the first batch of market participants in the Core Climate Carbon Market platform and successfully completed a number of international carbon credit transactions priced and settled in RMB and HKD in the first batch of transactions, and were awarded "The NEW CARBON MARKETPLACE FROM HKEX – Hong Kong International Carbon Market Inaugural Participant" and "The NEW CARBON MARKETPLACE FROM HKEX – Hong Kong International Carbon Market Council Inaugural Member" by HKEX.



5.2 PRACTISING FINANCIAL INCLUSION⁴³

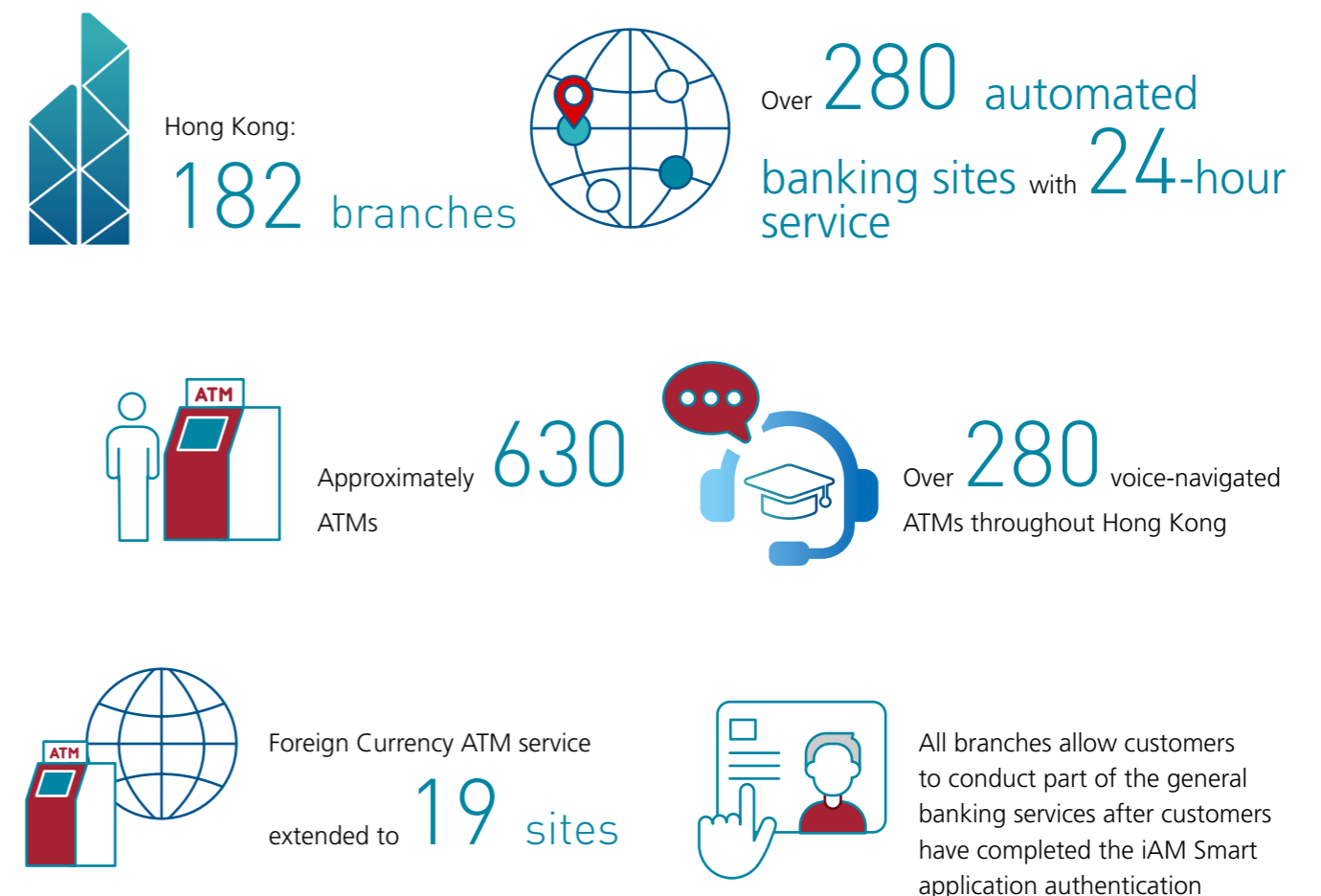


Upholding the Group's customer-centric philosophy, and in line with HKMA's initiative to promote financial inclusion, we are committed to providing convenient banking services to people from all walks of life in the community. Our areas of actions include:



5.2.1 Most Extensive Local Branch and Self-service Banking Network in Hong Kong

To ensure that our customers receive the services they need in a timely manner, enhance customer convenience, and cater to the needs of the underprivileged, we have built up the largest network of branches and self-service banking centres in Hong Kong. Our network is leading in terms of density of sites, number of branches, number of ATMs, service hours and coverage of the underprivileged groups in the community.



⁴³ 203-1, 203-2, G4-FS5, G4-FS13, G4-S14, G4-FS16, B8.1, B8.2



Empowering individual customers on digital banking

Case study

To support our customers' digital transformation, we are empowering our customers to manage their finances digitally. Our mobile banking service, PlanAhead, allows customers to set up a portfolio of funds in less than a minute. During the year of 2022, this feature had been clicked and used by customers for around 120,000 times. We also launched "Banking Can Be Trendy Too" to create a new and young brand positioning; with the four aspects of "Chill Banking+", "Happy Spending+", "Smart Investing+" and "Cool Living+". Meeting the needs of young customers' financial independence and their lifestyle, the product offers a diverse 7x24 experience and easy-to-understand financing knowledge, which can help young customers achieve their financial goals. The product is complemented by social media influencers and tips like "22 Trendy Ways to Bank" on Instagram posts to reinforce young customers' knowledge of independent financial management.



One-stop Cloud-based Financial Accounting Management Service "ERP Cloud Service – Accounting Cloud"

Case study

Through the innovative one-stop cloud-based financial and accounting management service "ERP Cloud Services – Accounting Cloud", BOCHK effectively helps SMEs enhance their financial management efficiency and supports their daily operations. The "Accounting Cloud" service allows SMEs to leverage on cloud technology to seamlessly connect to iGTB NET, the BOCHK corporate online banking service, enabling them to keep track of financial accounting information to enhance management efficiency. By the end of December 2022, the number of users of the Accounting Cloud Service (ERP) platform had more than doubled compared to last year's. The service was widely recognised by the market and during 2022, BOCHK was awarded the "Hong Kong ICT Awards 2022: Smart Business (Solution for SME) – Gold Award" by the Hong Kong Computer Society.



BOC Life actively practising financial inclusion

Case study

BOC Life is actively practising financial inclusion and has strengthened its financial inclusion promotion during 2022 through the following channels.

- Continuing to expand online sales channels: assisted Livi Bank, a virtual bank, to obtain an insurance sales licence to enable around-the-clock insurance services for customers.
- Enhancing digital empowerment: Through the continuous development of big data models, we efficiently targeted customers in need and leveraged the strength of our large customer base to combine data from the wellness ecosystem for customised promotions.



5.2.2 Accommodating Customers in Remote Areas

In order to meet the needs of our customers in remote areas in a timely manner, in addition to providing thoughtful services to our customers through our extensive banking network as mentioned above, we also make our services more accessible to our customers through the following measures:

- Over 150 outlets are located at public institutions, such as hospitals, universities and transport hubs such as MTR stations, airports, and borders; new outlets were opened in some remote public housing estates and districts during 2022.
- Over 40% of the outlets are located in public housing estates or within 10 minutes' walking distance.
- Linked different channels of customer enquiries through the Group's "Next-generation Customer Service Platform", and established a database of customer enquiries and enhanced the existing customer service online.
- Set up chatbot Bonnie to keep up with the trend of self-servicing, provided customers with a 7 x 24 service to facilitate their understanding of the Group's products in a timely manner through simple enquiries.
- Enhanced the user experience of the e-Customer Service Platform. For example, customers who are unable to visit any mainland branches in person to settle their accounts during the pandemic can update their information and re-activate their mainland accounts remotely through the platform, allowing them to continue enjoying the convenience of cross-border payment and wealth management services. BOC Life, a subsidiary of the Group, added new eCorrespondence/eStatement to its eServices platform during 2022, with close to 4,300 policies (including existing and new policies) registered to the eServices as of the end of December 2022.



> 150
outlets located in public institutions, transport hubs and remote area



> 40% of outlets in public housing estate or within 10 minutes of walk



5.2.3 Livelihood Financial Services

As the COVID-19 pandemic continued, we made every effort to complement the financial measures and strategies of the HKSAR Government and public institutions, and were making active efforts to participate in the financial market infrastructure and public financial services to help the local economy and people's livelihood.

- Supported the HKSAR Government's Cash Payout Scheme: supported the government's efforts to provide a one-off living allowance to eligible low-income households and monthly cash allowance to applicants who have been waiting for public housing for more than three years and are not receiving Comprehensive Social Security Assistance, etc. through our extensive network;
- Supported HKSAR Government and public sector payment services: BOCHK's BoC Pay launched a new "Transit Code" payment function, which is now available on Kowloon Motor Bus Company (1933) Limited ("KMB") and Long Win Bus Company Limited's ("LWB") e-payment system, covering over 4,000 buses and over 400 bus routes across the territory. Passengers can pay their fares by scanning the code directly from the camera above the fare collector without entering their PIN to enjoy the convenience of e-Payment.
- Responded to the HKSAR Government Consumption Voucher Scheme: BOCHK announced that BoC Pay has been selected by the HKSAR Government as one of the Stored Value Facilities (SVF) Provider for the new round of the Consumer Voucher Scheme (Phase 2). To tie in with the scheme, BOCHK launched a series of rebates and spending privileges to enable the public to collect and use Consumption Vouchers through BoC Pay to enjoy the convenience and benefits of e- payments. In addition, BOCHK also provides merchants with the BoC Bill Integrated Billing Service, which allows merchants to accept different types of payment methods, including various Stored Value Facilities Payment methods that support the voucher scheme, and offers fee waivers for various services to help merchants capture the business opportunities brought by the voucher scheme.
- Responded to the HKMA's e-laisee call to strengthen pandemic prevention: BOCHK launched a new function in BoC Pay and Mobile Banking to receive or distribute e-laisee, which has been critically acclaimed by our customers. We also launched an e-laisee service for corporate customers, allowing them to distribute e-laisee online to up to 10,000 staff members in one go, which is convenient and helps to reduce their carbon footprint.



Transit Code covers over

4,000 buses



BoC Pay supports distribution of

10,000 laisee in one go for corporate customers



5.2.4 Continuous Improvement in SME Customer Services

According to the Trade and Industry Department's statistics in 2022, there are currently over 350,000 SMEs in Hong Kong, accounting for more than 98% of the total number of enterprises in Hong Kong. As such, the business performance of SMEs is crucial to the economic development of Hong Kong. To support the development of the Hong Kong economy, we have taken a proactive approach to social responsibility by strengthening our support for local businesses and SME customers. In order to better fit the needs of our customers, we strive to develop tailor-made solutions for our customers by continuously enhancing our industry expertise and digital capabilities.

Through strengthening differentiated financial service models for science and technology innovation customers, the Group successfully spurred the SME technology and innovation business. This includes grasping the advantages of BOCHK's cross-border services, co-building channels with multiple parties, and supporting in expanding business districts and industrial chain customer groups. Through our Parent Bank's collaboration especially between Guangdong and Hong Kong, and between Shenzhen and Hong Kong, we provide comprehensive information as well as upstream and downstream support for enterprises based on the full cooperation advantages with Hong Kong industrial parks and Hong Kong universities. Secondly, we consolidate the construction of a cross-border collaboration ecosystem to help introduce venture capital institutions, overseas investors and conglomerates to local SMEs and to increase their domestic and overseas financing channels. At the same time, BOCHK also provides all-out financial value-added support and in-depth services for Hong Kong SMEs to connect with the mainland in terms of products and services.

To seize the chances arose from HKSAR Government's determination to promote innovation and technology and to build an international centre for innovation, the Group has adopted multi-dimensional measures to promote and help SMEs with their development of technology and innovation businesses in the region. We have become one of the first batch of participating banks of the Commercial Data Interchange (CDI), a financial infrastructure set up by the HKMA. We are also among the first batch of banks to successfully connect to the commercial credit database through the CDI, enhancing the efficiency of loan approvals and providing greater support to SMEs.

BOCHK Bill Merchant Loan Programme

Case study

We are actively participating in the HKMA's Commercial Data Interchange ("CDI") project. In the second phase of CDI Proof-of-Concept study, we became the first local bank to use commercial data to complete loan approvals in entire end-to-end process for SMEs. We then became the first batch of participating banks when the CDI was officially launched in 2022. We actively promoted the digitisation of SME operations through the application of alternative data to optimise credit approval process. Apart from the CDI project, we have also extended the scope of application of commercial data by launching the BOCHK Bill Merchant Loan Programme, which makes use of BoC Bill transaction data for loan approvals for SMEs to simplify loan application procedures and enhance approval efficiency. It further alleviates the pain points of SME customers in raising finance and enhances their service experience.





At the same time, we have continued our financial service supports in the face of the pandemic in Hong Kong. BOCHK continued to support the credit loan products under the SME Financing Guarantee Scheme and the Special 100% Loan Guarantee launched by the HKMC Insurance Limited (“HKMCI”), as well as the Pre-approved Principal Payment Holiday Scheme launched by the HKMA, which helped SMEs cope with changes in the business environment and overcome the difficult times together.

To meet the external regulatory requirements and the needs of our corporate frontline business, we have taken a series of measures to enhance the automation of account opening and pre-loan review, which significantly improved the efficiency of our business processes through data technology and process optimisation. During 2022, our major efforts in this area included:

- “Always On and Beyond” account opening: with the objective of launching online full-flow account opening services, we optimised the online process, and actively provided convenient and efficient online account opening services by applying various technologies such as facial recognition, optical character recognition (OCR) etc. to support designated SME customer groups opening accounts “Always On and Beyond”.
- Improving approval efficiency: the HKMA’s Commercial Data Interchange and its Link with the Commercial Credit Reference Agency (CDI-CCRA) Automation project was launched on schedule. By obtaining the commercial credit data via interfacing with the commercial credit database, CDI improves approval efficiency and responsively meets customers’ business development and financing needs.
- Specialization in Credit Analysis: With the use of customers relationship graph and an enhancement in process and practices management to strengthen the credit risk identification and assessment in customer access & due diligence etc, we achieve an enhancement in credit approval specialization and soundness development of Corporate Banking business.
- Supporting financial inclusion: combined various enhancement of the SME Financing Guarantee Scheme from HKMCI, strengthened training and communication with our internal staff and proactively implemented the “early intervention + prioritise processing” model to speed up the approval process and provide relief to SMEs. Also, we actively participated in the Special 100% Loan Guarantee and SME Financing Guarantee Scheme launched by the HKMCI.

Meanwhile, in line with BOCHK’s digital and online development approach, we continue to enhance our intelligent Global Transaction Banking (iGTB) platform online e-commerce services to optimise the client experience. Customers can enter information and upload documents for loan applications through our online platforms such as iGTB NET and iGTB MOBILE.

During 2022, we launched the new “BOC Connect” mobile application, which provides a one-stop digital platform for businesses, combining information, interaction and connectivity to common online banking applications. It also creates an online corporate ecosystem and a communication channel for businesses and related business partners. We have also launched an API trading service solution to enhance productivity by seamlessly connecting our corporate customers’ systems to ours, enabling a truly digital workflow.



Proactively supports HKMCI’s
“Special 100% Loan Guarantee” and
“SME Financing Guarantee Scheme”



Awarded by The Asian Banker:

- Most Sustainable Trade Finance Initiative 2022
- Best Transaction Bank in Hong Kong 2016, 2019 – 2021
- Most Selected Main Retail Bank in Hong Kong 2022
- Best Cash Management Bank in Hong Kong 2019-2022
- Strongest Bank in Hong Kong and Asia Pacific 2020-2022
- Best Wealth Management Bank in Hong Kong 2022

Awarded by Asian Banking & Finance:

- Hong Kong Domestic Trade Finance Bank of the year 2019-2022
- Hong Kong Domestic ESG Liquidity Management Initiative of the Year 2022
- Hong Kong Domestic Cash Management Bank of the Year 2014-2022

Awarded by Asiamoney:

- Best Chinese Bank for GBA 2022
- Best Chinese Bank for Wealth Management Connect in GBA 2022

Awarded by Bloomberg Businessweek/Chinese Version

- Banking Sector – Cross Border Wealth Management (Personal) – Excellence 2022
- Banking Securities Sector- Cross Border Wealth Management (Personal) 2022 – Excellence
- Insurance Sector – Bancassurer of the Year – Excellence 2022
- Banking Securities Sector Digital Innovation – Excellence
- Banking Securities Sector Wealth Management Platform – Outstanding
- Banking Securities Sector Brokerage Service – Outstanding
- Banking Sector Training Programme – Excellence

Awarded by IDC Future Enterprise Award:

- Future Enterprise Awards 2022: Best in Future of Customer Experience – Hong Kong and Asia Pacific

Awarded by The Hong Kong General Chamber of Small and Medium Business:

- Best SME's Partner Award 2008-2022

Awarded by Hong Kong Economic Journal:

- Financial Services Awards of Excellence – Excellence in SME Business and Financial Services 2019-2022

Awarded by ET Net:

- FinTech Awards in Corporate Banking – Outstanding Innovative SME Banking Services 2021-2022

Awarded by Hong Kong Computer Society:

- Hong Kong ICT Awards 2022: Smart Business (Solution for SME) – Gold Award

Awarded by Communication Association of Hong Kong:

- 2022 CAHK Star Awards – Best Fintech Award – Merit

Awarded by Ming Pao:

- Awards for Excellence in Finance 2022 – Award for Excellence in Cash Management Solutions (Corporate Services)



5.2.5 Serving the Elderly and the Underprivileged

To take care of the elderly and the underprivileged, we have introduced various specialised services to meet their needs:

Financial products and services

- We launched Finger Vein Authentication for the elderly and provided free standing instruction remittance for social security payments to the elderly under the Hong Kong Social Welfare Department's Guangdong Scheme, Fujian Scheme and Portable Comprehensive Social Security Assistance Scheme.
- We participated in the Reverse Mortgage Programme and supported the HKSAR Government in the issuance and sales of Silver Bond, which provides steady returns for senior residents. The total amount and number of subscribers for the Silver Bond through BOCHK was the highest among the placing banks due to the convenient and speedy subscription process.

Branches

- All our branches have installed ramps for wheelchair users to gain easy access, with some branches equipped with elevators.
 - Our branches have provided service bells so that those in need can seek timely assistance from our Customer Service Ambassadors.
 - We have provided assistive listening devices to facilitate communication with hearing-impaired customers.

ATMs

- All ATMs have tactile indicators, and the design of the keypad protective covers has been optimised for the convenience of people with disabilities.
- All ATMs feature wheelchair-friendly design to allow wheelchair users to easily reach screens and keypad
- We have set up more than 280 ATMs with voice navigation functions across Hong Kong.

BOC Life

- Various e-services were launched during 2022. To ensure the underprivileged groups could receive important messages from BOC Life in a timely manner, BOC Life followed up with them after the policy had taken into effect to ensure they clearly understood the key messages and what they should be mindful with.





5.2.6 Financial Inclusion in Our Southeast Asian Entities

BOCHK has been actively promoting the regional development of iGTB. To promote financial inclusion among Southeast Asian entities, we have successfully expanded iGTB to eight Southeast Asian countries, including Thailand, Malaysia, Vietnam, Philippines, Cambodia, Laos, Brunei and Myanmar, and launched over 100 online products and functions during 2022. iGTB enables corporate customers, including local enterprises, across the Southeast Asian markets to enjoy a variety of digital corporate financial services. As corporate customers can simply connect their bank accounts with the BOCHK's Southeast Asian entities to iGTB platform, they can conduct transactions related to their Southeast Asian businesses such as internal transfers, local inter-bank transfers and international remittances online, ensuring the continuity of their local operations during the pandemic and significantly enhancing operational efficiency. The platform is designed to cater to practices in the local market in Southeast Asia, which allows businesses to pay in multiple currencies. In addition, the iGTB platform allows customers to access a number of special payment services in Southeast Asia, such as PromptPay and ITMX DC2/ITMX DC3 for interbank real-time transfers in Thailand, PESONET/PDDTS in the Philippines, and DuitNow an electronic payment system, IBG a local interbank small value transfer service and JomPay a self-service bill payment service in Malaysia, enhancing the efficiency of regional operations.

The Jakarta Branch joined the Bank Indonesia fast payment system

Case study

The Bank of China (Hong Kong) Jakarta Branch ("Jakarta Branch") in Indonesia successfully joined the BI-FAST retail payment system (the Bank Indonesia Fast Payment) in 2022 and successfully implemented real-time inter-bank transfer transactions at branch sites or BOCNET Personal Internet Banking, enhancing its local inter-bank transfer and clearing capabilities in Indonesia and further aligning its local financial products and services with other mainstream counterparts.

As the impacts brought by the pandemic continues, Southeast Asian institutions are working to help local customers ride over the difficult times. BOC Thailand offered relief measures for mortgage loan customers such as interest repayment instead of capital repayment, lower interest rates and waiver of default interest rates, and reduced the minimum credit card repayment amount from 10% to 5%, allowing customers to convert their credit card debts into long-term loans. BOC Malaysia also offered support measures such as deferred loan repayment to low- and middle-income customers.

To support people with disabilities and the underprivileged, BOC Thailand provided audio descriptions services for contents of account opening applications and terms and conditions to help visually impaired customers open accounts based on a full understanding of the service. 8 branches of BOC Malaysia offered priority services, fee waivers and other caring services to the underprivileged.

In terms of convenient banking services for customers in Southeast Asia, our mobile banking is now available to all Southeast Asian entities with personal banking services. Through continuous upgrades and iterations, local entities have continued to enrich their online functions, including BOC Malaysia's launch of the first local mobile banking e-KYC account opening and the first one-stop mobile digital investment platform, and the newly-introduced video-witnessing account opening service for mortgage customers. In 2022, we launched a function for direct online remittance of Renminbi (RMB) salaries, which facilitated customers' access to convenient financial services.

For more details, please refer to the "[Customer-Centric Philosophy and Green Operations](#)" section.



6 CUSTOMER-CENTRIC PHILOSOPHY WITH GREEN OPERATION



Set our **2030 carbon neutrality targets** in our own operations



Strived to achieve **four green operational goals** in 2025, implemented smart energy management, and optimised office building design



Promoted **technological innovation, strengthened digital transformation,** and enhanced customer service experience. Number of mobile banking customer exceeded 2.5 million



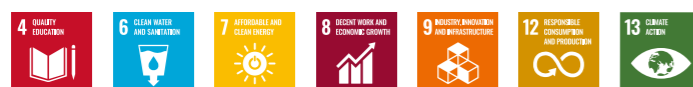
Improved supplier evaluation mechanism, driving **sustainable procurement**



Emphasised on **integrity and compliance in procurement,** and continuously monitored the procurement process



Attended to **information security,** preventing technology risks



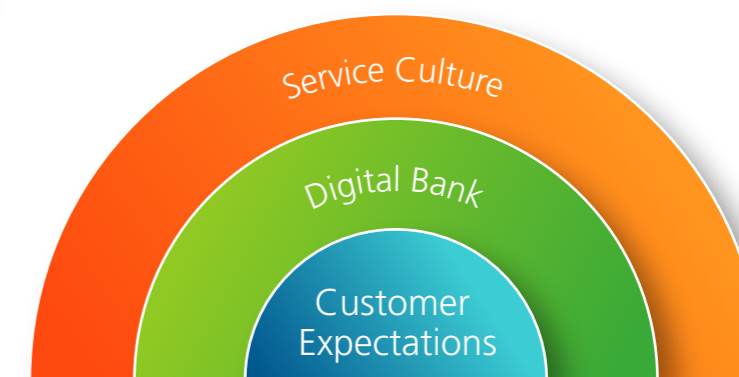
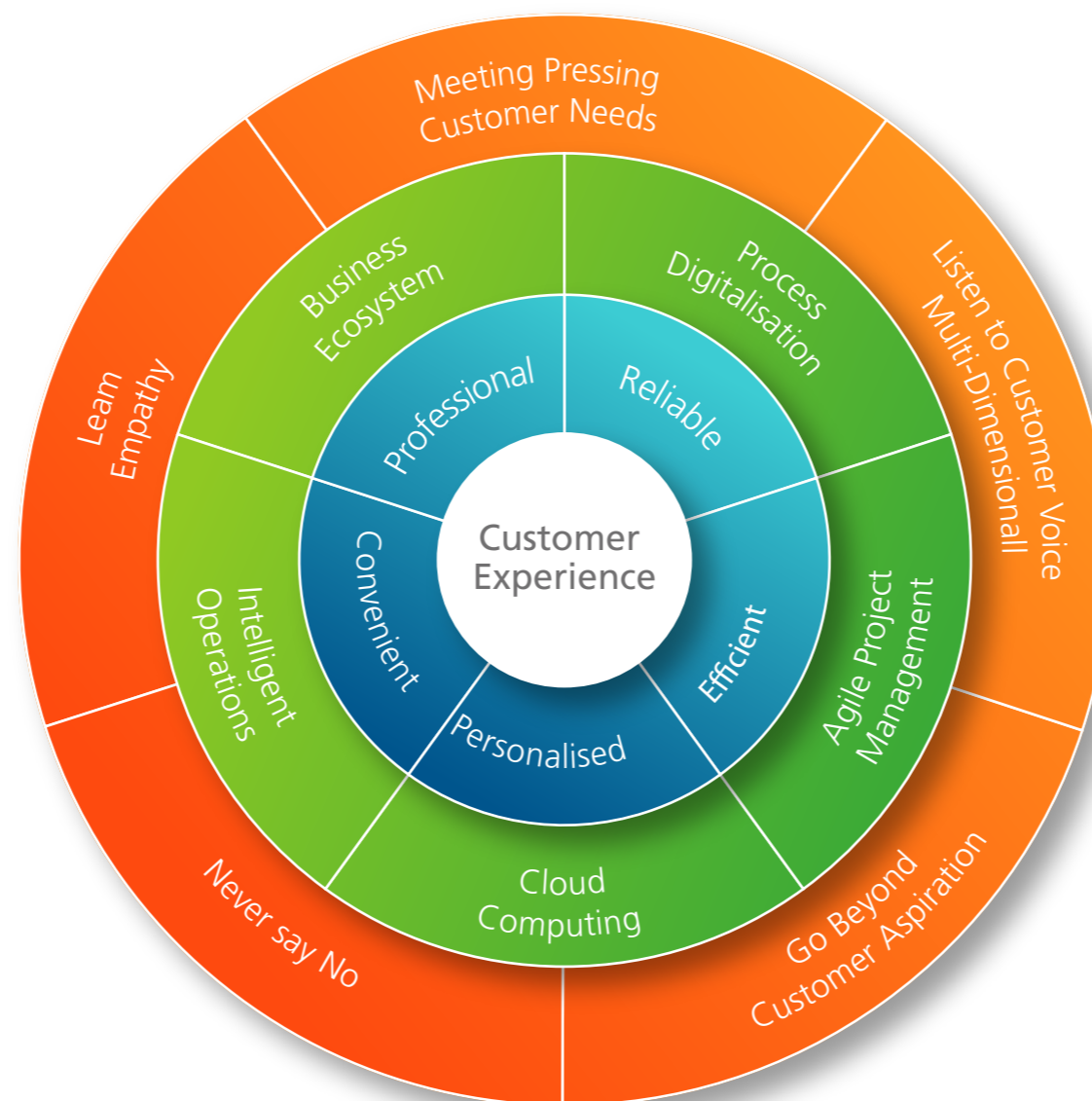
6.1 QUALITY CUSTOMER EXPERIENCE



In line with our customer-centric philosophy, we value long-term and trusted relationships with our customers. To provide more convenient and high-quality banking services, we use various communication channels to keep in close contact with our customers to understand their needs.

6.1.1 A Customer-Centric Philosophy

Leveraging the unmatched breadth of our branch network, BOCHK is committed to providing quality services to our customers. In order to satisfy varying customer needs, we have developed segmented services such as Private Wealth, Wealth Management, Enrich and i-Free Banking, equipped with digital measures, and strive to fulfil the expectations of our customers and offer them with a superior experience.





All-round policies to protect customers' interests

Customer confidence and trust are important foundations to the sustainable development of a bank. To best safeguard the interests of our customers, we have developed regulations and provisions for governing banking services based on all relevant laws and regulations applicable to Hong Kong, including:

Code of Banking Practice

BOCHK Group complies with *the Code of Banking Practice* issued by the Hong Kong Association of Banks (HKAB) with the endorsement of the HKMA, to fully protect the interests of consumers and cater for the needs of different customers.

Treat Customers Fairly Charter

The Group has signed up to the *Treat Customers Fairly Charter* formulated by the HKMA and the banking industry, to which all retail banks in Hong Kong are signatories. It is to reinforce a corporate culture of fairness to customers and to ensure that the interests of customers are taken into account in our operation

ISO 9001 Quality Management System Certification

We have implemented a quality management system in accordance with ISO 9001 international standards since 2011. Various operation units in the group have successfully obtained the ISO 9001:2015 Quality Management System certification, so as to strengthen our customer services level.

Product Development and Risk Monitoring Management Policy

The Risk Committee under the Board is responsible for reviewing and approving the Group's Product Development and Risk Monitoring Management Policy, which sets out the principles and processes governing the Group's product development and risk due diligence.

We have established operating rules for various kinds of lending activities, set out product management principles and operational procedures for loan application, loan payment and loan collection, and provided training to relevant employees. We provide customers with options for loan amendment, including loan term adjustment and loan restructuring. Customers can also adjust their loan applications to request top-up loans or flexible payment periods.



6.1.2 Maintaining High-quality Service⁴⁴

We are committed to providing high-quality services to our customers. Various operation units in the Group have successfully obtained the ISO 9001:2015 Quality Management System certification. We comply with the Code of Banking Practice to provide services tailored to the needs of our customers and to provide better protection for them.

We provide various types of professional training to help our employees comply with laws and regulations and keep abreast of the latest market trends. This ensures that our employees are well versed in financial protection, and are able to provide services of the highest quality to our customers in compliance with regulatory requirements.



- ✓ We provide comprehensive training courses for new customer service employees, covering topics related to customer financial security, such as the Treat Customers Fairly Charter, compliance, service quality, and our customer experience model. In addition, all frontline employees are required to participate in the mandatory sales compliance training each year, which covers areas such as the prohibition of false and misleading advertising and sales materials, proper sales procedures, and detailed instructions on the fair treatment of customers.
- ✓ Branch staffs must participate in an online training and testing session related to the Treat Customers Fairly Charter at least once a year. Covering our corporate culture of treating customers fairly, the training require employees to specify and explain the main characteristics of products and the related risks and terms, and act in customers' interests.

- ✓ We have a dedicated department to manage advertising and the relevant operational manuals to provide clear guidelines to our employees regarding advertising and marketing activities.
- ✓ We regularly release compliance reports and reminders, and arrange weekly training on market information and various investment products.
- ✓ Before and after the launch of a new product, we strengthen communication and training for employees and remind them of its key matters.
- ✓ We encourage employees to participate in seminars and conventions to continuously improve and enrich their knowledge.

⁴⁴ B6 General disclosure, B6.2



Ensuring customer satisfaction

We aim to enhance the quality of customer services. Hence, we have put in place relevant internal mechanisms to ensure that our services and performances are up to standard. We assess customer satisfaction through regular opinion surveys, assign different departments to follow up with customer feedback, propose improvement plans and formulate implementation plans. Our stringent complaint handling mechanism and procedures enable us to continuously improve in providing better customer services.

Regular customer satisfaction surveys

We regularly conduct feedback surveys targeting designated customer groups in order to assess customer opinions on the Group's services and performance, and continuously enhance the quality of our products and services.

Transactional Net Promoter Score (tNPS)

Customers are invited to rate their experience and provide feedback upon completing a transaction through branches and electronic channels, thus driving service improvement.

Corporate Customer Satisfaction Survey

We conduct customer service surveys through an interactive voice response system immediately after customer phone inquiries. In 2022, around 380 corporate customers responded to email survey carried out by an independent external consultant, the feedback on the overall services was positive.

Monitoring of customer feedback by designated divisions

We greatly value all customer feedback and have set up internal mechanisms to maintain and enhance our high-quality services.



Quality Assurance Division

Develop and revise service standards, organise employee training programmes, monitor services, and handle customer feedback



Customer Experience Division

Review products and services, establish customer evaluation databases, put forward plans for improvement, and develop related implementation plans



Insight Community

Regularly invite different customers to participate in surveys to promote two-way interactions and listen to customers' needs



A sound complaint handling mechanism

We value customer feedback highly and have established a rigorous complaint handling mechanism to earnestly handle complaints, in the hope of responding to complainants in a timely manner, addressing the relevant issues, and as a means of continuously improving our services.

We have formulated the administrative measures for handling customer complaints in accordance with the *IC-4 Complaint Handling Procedures* in the *Supervisory Policy Manual of the HKMA*, as well as the *Code of Banking Practice* jointly issued by the HKAB and the DTC Association. These set out the principles, timeframe, procedures, supervision, review and other rules for handling customer complaints, and formalise and guide our employees to handle customer complaints in compliance with regulatory requirements.

Channels: diversified and 24/7

We provide various channels for receiving customer feedback or complaints, including, internet banking, mobile banking, branches, customer opinion hotline, customer service hotline, fax, letter, email, and customer feedback forms.

Principles: fairness, impartiality, confidentiality

When handling complaints, we adopt a fair, impartial and independent approach to conduct investigations. The personal information of the complainant and the details of the complaint are kept confidential to protect the interests and safety of the complainant or whistleblower.

Measures: rapid action, continuous improvement

We take immediate measures to resolve and respond to customers' appeals. We regularly collate and analyse complaint cases to understand customer needs and for training purposes, enabling us to constantly improve our services and procedures.



6.1.3 Innovative Fintech⁴⁵

As digital technology, artificial intelligence, blockchain, and other technological advancements continue to mature, it is crucial to keep up with the pace of banking digitalization in the new era. To achieve this, we have invested significant resources in digital transformation initiatives aimed at utilizing technology to facilitate the transformation of traditional banking business and offer innovative digital solutions in customer service, financial products, service process, operation management and risk control.

Fostering in-house technology innovation capabilities

Fostering in-house technology innovation capabilities helps us maintain the advance technological edge as a leading digital bank.



Digitalisation Committee

- Chaired by the Chief Executive
- Responsible for the strategic coordination of the Group's digital development strategy, and drive the Group's digital transformation strategic planning and promoting innovative development



Innovation Lab

- Located in the Hong Kong Science Park
- An experimental base for financial technology to validate advanced technology applications, optimise product design and development, and research on new business models are researched

During 2022, we have completed the Federated Learning proof of concept with the Hong Kong Science Park and our banking peers during the year and are now introducing the technology to our business. The new technology improves the comprehensiveness and accuracy of machine learning model among partners without requiring the sharing of actual data. Initially, it will be implemented in personal banking business scenarios, and subsequently extended to encompass other business scenarios such as corporate banking.

⁴⁵ G4-FS4



Technology innovation initiatives

To further enhance our service efficiency and meet the financial needs of our customers, we continue to strengthen our innovative financial technology applications and actively promote digitisation of our services. Starting from 2019, we have been introducing RPA (Robotic Process Automation) applications which covers various aspects of our banking operations and internal workflows to effectively enhance service efficiency.

“PlanAhead” wealth planning service

The “PlanAhead” wealth planning service was launched on our mobile banking. The “PlanAhead” feature allows customers to set up a fund portfolio within one minute. Within the year of 2022, this feature has been accessed by customers for around 120,000 times.

VM Chat and RM Chat

VM Chat and RM Chat services have been enhanced, including the introduction of video meetings and online investment product sales process, allowing our Relationship Managers to communicate with customers and sell investment products via video calls.

Faster Payment System (FPS)

For personal financial services, mobile banking services also introduced the FPS bundled account function for the first time to young customers aged 11 to 17, attracting them to receive e-red packets through mobile banking.

iGTB Application Programming Interface (API)

The API platform provides automated, real-time account information, and transaction functions for corporate customers, enabling them to connect our banking services into their own corporate systems or platforms.

Commercial Data Interchange (CDI)

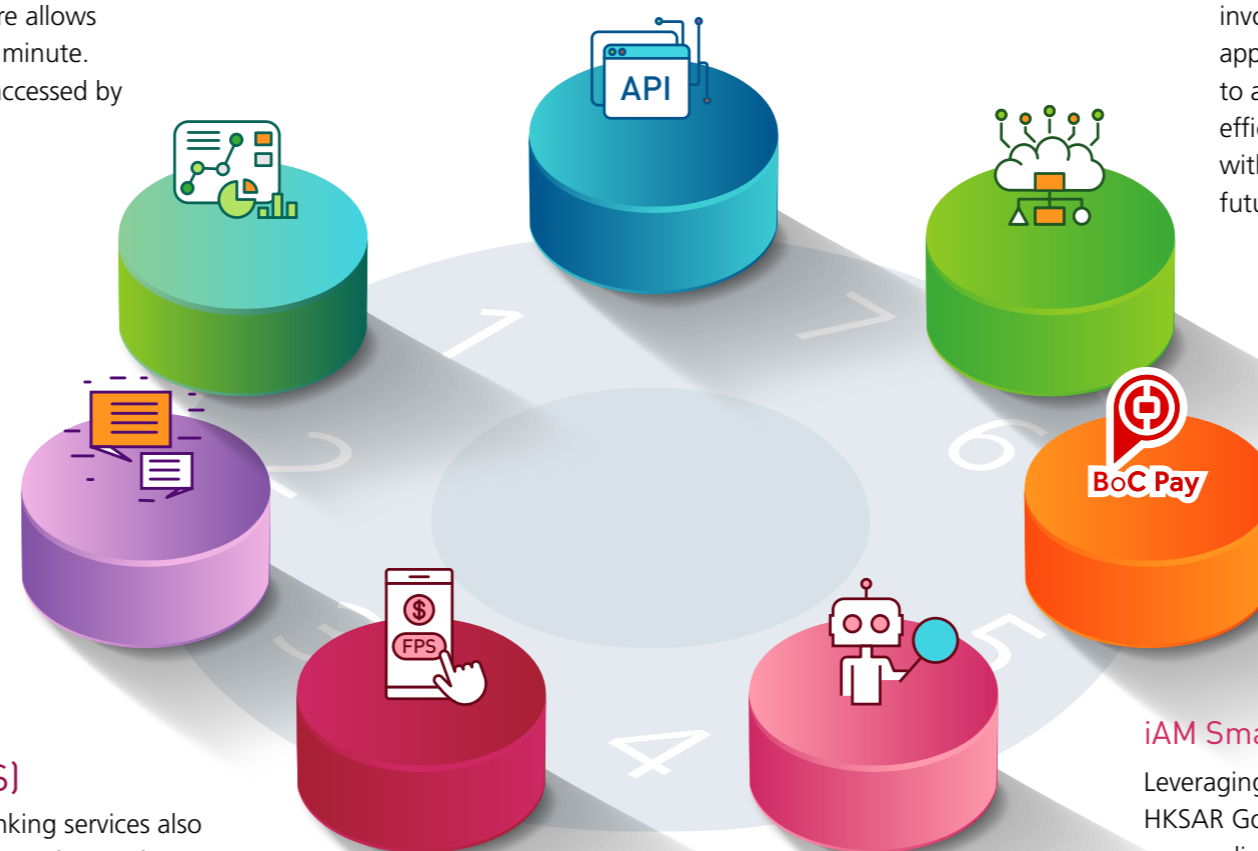
In the second phase of the HKMA's CDI project, which involves proof-of-concept research and technological applications, BOCHK became one of the first batch of banks to apply CDI in its loan database, effectively enhancing efficiency in approval processes. We will continue to work with the HKMA to launch more applications of CDI in the future.

“BoC Pay” 2022 New Features

BoC Pay has begun supporting customers to register and use consumption vouchers in 2022. Customers can make purchases at 70,000 merchants in Hong Kong that accept payment with UnionPay QR codes, and enjoy offers from various major merchants for spending consumption vouchers via BoC Pay. We also launched the new “Transit Code” scanning payment function to further expand e-payment to public transportation.

iAM Smart

Leveraging the innovative financial technology launched by the HKSAR Government and connecting with the government's personalised digital services platform, iAM Smart enables us to identify our customers through the use of digital identity, and to get the customer information for streamlining the banking services online application, bringing brand new customer experience in digital banking, driving the digital transformation of the Bank, and enhancing our Smart Bank image in the financial market.





“Live Young” Rewards Program

Case study

BOC Life promotes the development of the wellness ecosystem and continued to advance the development of “Live Young” Rewards Program. By analysing the activity data of the basic members of the program, BOC Life continued to deepen and expand the cooperation with business partners on wellness ecosystem, develop scenarios for health-themed collaborations with BOCHK, collect users’ non-financial data in the wellness ecosystem, build a database on health and connect them to BOCHK’s big data platform. As of the end of 2022, the cumulative number of users exceeded 72,000 with a total of 67 third-party partners.



During 2022, we continued to enhance our innovative financial services and deliver an exceptional experience to our customers. We are improving the financial services ecosystem in areas such as home ownership, transportation, education, cross border, financial management, and health to meet the needs of our customers in all areas. In 2022, customer demand for our e-services has increased:





Technology innovation activities

We organised various internal and external innovation activities to promote a culture of innovation:

Metaverse proof of concept

Case study

The emergence of Metaverse introduces novel imagination in the society. We infused leading edge technology into reality, in cooperation with Fintech BOC, to create virtual environment for proof of concept of the Metaverse technology.

The “MetaLab” was established to allow user to navigate in the virtual lab environment and explore the latest innovations of the lab through interactive and multimedia medium. In addition, we created a metaverse exhibition hall “MetaMatchMarket”, which enabled business partners to promote their brands or new products in the virtual space with a low setup cost and provide engaging customers experience.



Student visits and internships

Case study

During 2022, we organised and co-organised a series of events such as internship programmes, Science Park visits, and exchange forums with Hong Kong Federation of Education Workers for tertiary students. These events provided the youth opportunities to learn financial technology while enabling the Company to fulfill our corporate social responsibility.



“BOCHK Challenge 2021-22”

Case study

With “Take the Lead, Drive the Future” as the theme for this year, we intended to unleash young people’s potential and talents in innovation. The competition provided a platform for young people to learn about innovative financial projects, how to apply financial technology to the financial sector, to explore pioneering new business models under traditional industry framework, to enhance customers’ digital experience, and to strengthen the bank operational efficiency. The competition this year attracted record-high participants of 490 people from 144 teams of tertiary students and start-ups.





6.1.4 Valuing Customer Health

The pandemic has changed the needs of our customers. We encourage customers to use our e-services platform and hotline services to reduce direct contact and avoid infection. We have been implementing various measures to respond to the HKSAR Government's anti-epidemic policies that are updated from time to time, striving to provide a safe and comfortable environment for our customers at our branches and service centres to ensure the safety of our customers.



We have remained in constant contact with the Centre for Health Protection to track any confirmed cases who may have visited our branches. We followed guidelines for testing employees who have been in close contact with confirmed cases, as well as guidelines for disinfecting and cleaning offices before re-opening them, in order to ensure the safety of our customers and employees.



We encouraged our customers to safely access our banking and wealth management services via online, mobile and phone channels.

In response to the pandemic, we have taken appropriate measures to ensure air quality and ventilation within our branches. Each branch is equipped with a disinfecting mat, thermometers and antiseptic hand gel. Office supplies are now disinfected on a more frequent basis.



Our branches re-arranged shift rotas and installed custom-made partitions to divide each service counter, enabling social distancing.



Facilitated customers in resolving account matters remotely

Case study

Considering that some customers in Hong Kong are not able to visit the Parent Bank's branches in the mainland in person to resolve bank account issues during the pandemic, we introduced facilitative measures to assist Hong Kong customers remotely update their account information and reactivate their mainland accounts. These measures help ensure a seamless experience of the Bank's convenient cross-border payment and banking services. As of the end of December 2022, over 160,000 eligible customers have been able to reactivate their accounts, and over 14,000 Hong Kong customers have successfully renewed their permit's validity period through BOCHK's attestation service or the "BOC At Home" mini-programme in Shenzhen. BOCHK will continue to work closely with Parent Bank to introduce convenient measures for residents of both places to meet the cross-border service needs of more customers.





6.1.5 Promoting Public Financial Education⁴⁶

To improve the public's knowledge and ability in financial wealth management and assist them in making informed financial and wealth management decisions, we provide fair and transparent products and services information, and hold different activities to educate the public and raise their wealth management knowledge.

Enhancing products and wealth management knowledge

We provided electronic versions of our *Monthly Global Market Investment Insight* and a diverse range of online investment seminars.



Continuously optimising the "FTZ Knowledge Base"

We added the "Editor's Choice" column, established the "Popular Policies" and "Top Reading List", and added new functions such as quick search. This strengthened the circulation of policies and market hotspots, and enhanced the interactive experience of users in obtaining information in a timely manner.



Raising awareness of green investment and green finance

We enriched mobile banking live broadcast programmes, such as innovating "FX & Commodity Trading Tuesday" to include commodity and RMB market dynamics analysis, and invited celebrities to host BOC live broadcasts and introduce green living.



⁴⁶ G4-FS16

6.2 IMPLEMENTING GREEN OPERATIONS⁴⁷



To put green banking into practice, we are committed to minimising the potential environmental impact of our business operations. Our *Sustainability Policy* sets out sustainable operations practices and key principles. We embed environmental considerations into our business, and adopt low-carbon and energy-efficient operations. Meanwhile, we continuously improve our environmental management mechanism, and adopt key performance indicators and other monitoring mechanisms to evaluate the effectiveness of our environmental projects.

6.2.1 Environmental Management and Compliance⁴⁸

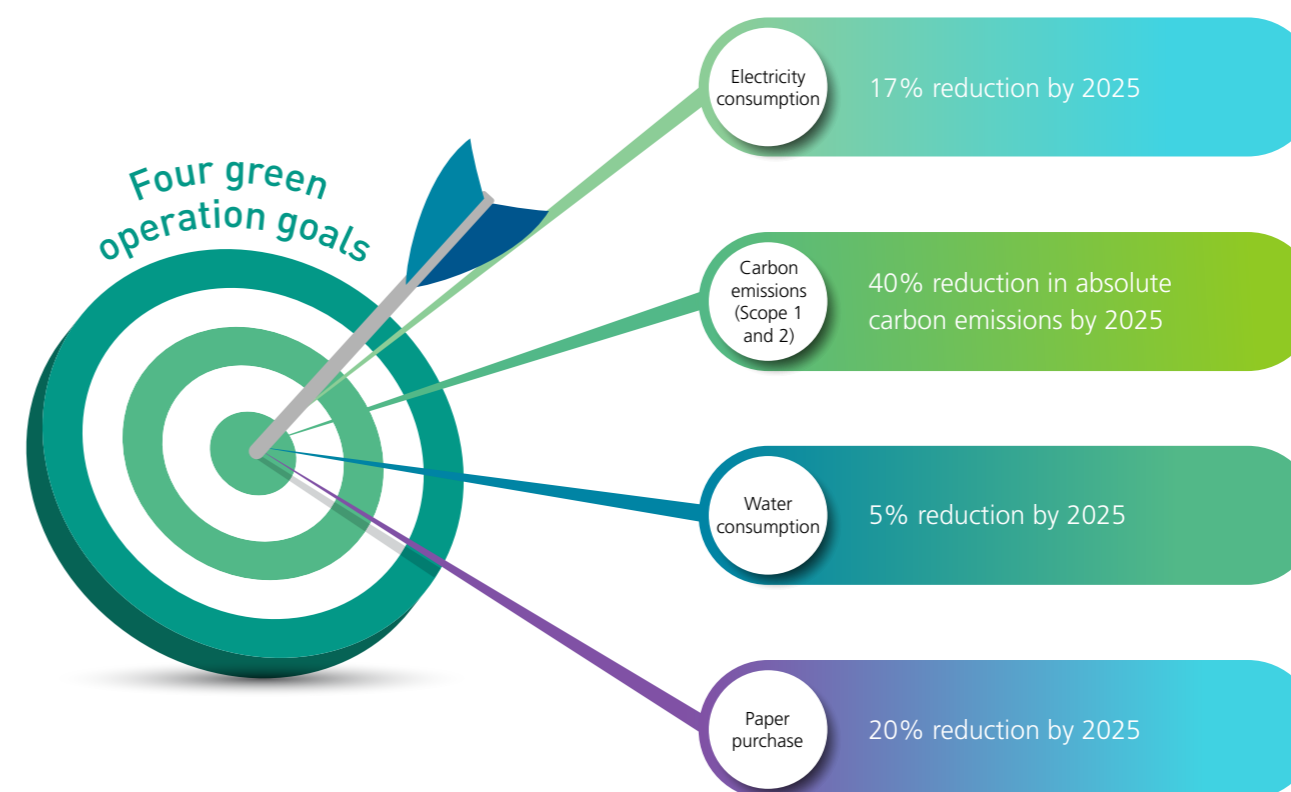
We abide by local environmental laws and international standards, including the *Waste Disposal Ordinance (Chapter 354)* and the *Water Pollution Control Ordinance (Chapter 358)*, and have implemented a series of green management systems at BOC Tower, BOC Building, BOC Centre and BOC Wan Chai Commercial Centre, including ISO 14001 Environmental Management Systems certification, ISO 50001 Energy Management Systems certification, the Indoor Air Quality Certificate by the Environmental Protection Department, and the Certificate of Quality Water Supply Scheme for Buildings – Fresh Water (Plus) by the Water Supplies Department, among others, ensuring that the overall operation maintains good environmental management.

6.2.2 Carbon Neutrality in Own Operation

As corporate citizen, we have been actively contributing to relieving global warming and controlling carbon dioxide emissions, and closely following the national and HKSAR Government's carbon neutrality roadmap and targets. For that, we have set our own operational carbon neutrality target, which are announced for the first time in this sustainability report. Specifically, we have responded to the national, Hong Kong SAR Government's **initiatives and aim to achieve carbon neutrality in our own operations⁴⁹ by 2030.**

Four green operation goals⁵⁰

We have set out four major green operating goals for 2025 compared with the baseline year 2019, covering energy, carbon emissions, water consumption and paper purchase, to manage the environmental footprint of our operations.



2022 Target Completion Progress⁵¹



⁴⁷ A3.1

⁴⁸ A1 General Disclosure, A2 General Disclosure, A3 General Disclosure

⁴⁹ Meaning, Scope 1 emissions from direct operations, covering greenhouse gas (GHG) emissions emitted directly from operations owned or controlled by the Company, and Scope 2 emissions, covering indirect GHG emissions produced from the Company's internal consumption (purchased or acquired) of electricity, heat, cooling, and steam.

⁵⁰ A1.5, A1.6, A2.3, A2.4

⁵¹ To enhance the level of data disclosure, the scope of data reporting on GHG emissions and energy consumption has been expanded to cover the Group's business network, branch network, office buildings (self-occupied portion) and leased-in offices in Hong Kong, as well as the mainland and Southeast Asia regions from 2022 onwards. To maintain consistency and comparability, the data for 2019 has been adjusted accordingly to ensure that the reporting scope and calculation methodologies are consistent with those for 2022, effectively reflecting the tracking of progress towards the achievement of targets.

⁵² The reporting of water consumption and paper consumption data covers only the Group's business outlet, branches, office buildings (owned portion) and leased offices in Hong Kong during the reporting period. In which, paper consumption refers to paper purchase.



Carbon reduction status and direction⁵³

Carbon footprint verification

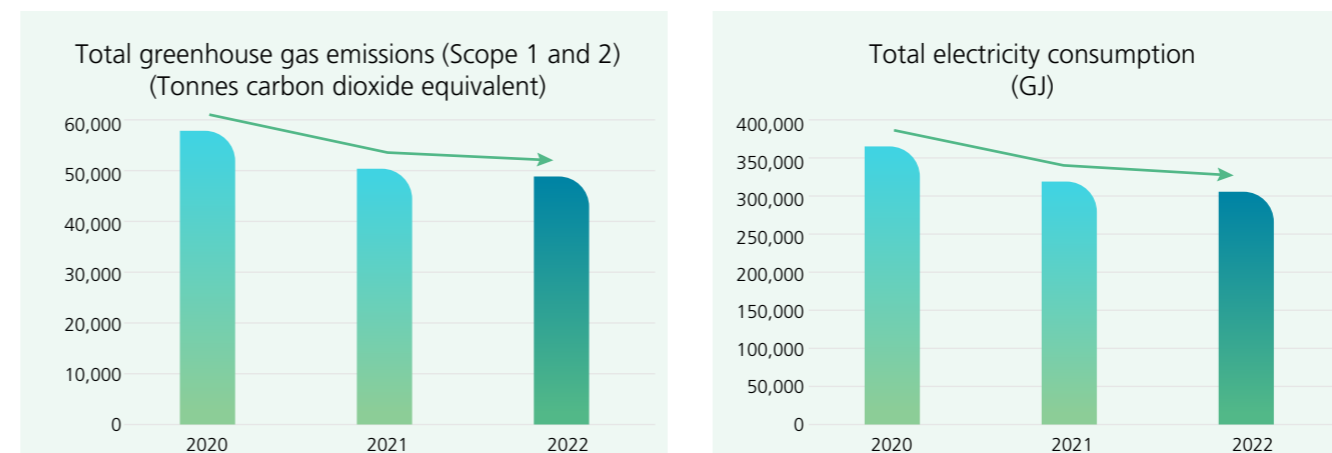
To promote the transition to a low-carbon economy and put green banking operation into practice, and reaching carbon neutrality in our operations by 2030, we have set a milestone carbon emissions target (40% reduction in absolute carbon emissions) for 2025, with 2019 as the base year. We have also hired a consultancy firm to conduct a carbon audit of our operations and plan our own operational carbon neutrality measures and roadmap.

To meet the requirements of our Parent Bank, we conducted carbon footprint verification, where we gathered the operational environmental information of the Group from 2019 to 2022, including energy consumption, water consumption, paper consumption, waste, petrol and diesel, etc. to calculate our carbon emissions in different areas, and enhance the accuracy, timeliness and completeness of the environmental data.

Operational carbon emission performance in 2022⁵⁴

As the main source of our carbon emissions is electricity consumption, which is Scope 2 carbon emissions and accounts for about 99% of the Group's carbon emissions, we will focus on reducing electricity consumption as to reduce carbon emission.

Greenhouse gases emission data



	2022	2021	2020
Total greenhouse gas emissions (Scope 1 and 2) (Tonnes carbon dioxide equivalent)	49,097	50,650	58,162
Total electricity consumption (GJ)	307,111	320,618	367,479

For details, please refer to "8.1 Sustainability Performance Indicators" section

⁵³ 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, A1.1, A1.2, A1.5, A2.1, A3.1

⁵⁴ 305-5



Overall carbon neutral strategy

We adopt the strategy of “first reduce, then replace, and offset at last”. We do this by first reducing our carbon emissions through our own green initiatives, then exploring the use of renewable energy in our own properties, and lastly, offsetting our own carbon emissions through multiple ways.

Reduce

We have developed more than 60 measures, focusing mainly in energy conservation, to reduce the energy consumption of the whole Group by upgrading electronic equipment and facilities, etc.



Replace

Install solar panels or wind turbines at properties, where requirements can be fulfilled, to generate renewable energy



Offset

After proactive emission reduction measures, we plan to offset the remaining carbon emissions that are unavoidable through a carbon offsetting mechanism. We will explore the purchase of local renewable energy certificates (RECs), and research on purchasing international renewable energy certificates from the Chinese mainland and Southeast Asia, and purchasing carbon credits globally



In the future, we will focus on tackling challenges of energy saving and carbon reduction, constructing a carbon emission data collection platform, establishing an effective mechanism to set green operation targets for each unit and implementing carbon reduction plans, gradually implementing various measures of the energy saving and emission reduction plan, exploring and building renewable energy power generation facilities, and finding more lower cost carbon offset solutions.



Emission reduction measures in own operations

To achieve the goal of carbon neutrality in our own operations, we have incorporated green building elements into our owned properties and emission reduction measures in our branches to improve energy efficiency and reduce the environmental impact brought about by our daily activities and operations. In our overall day-to-day operations, we also actively adopt various energy saving and emission reduction measures to reduce unnecessary carbon emissions in our daily operations and practise the philosophy of sustainability.

Energy saving and emission reduction measures in our owned properties

We have implemented a series of energy saving and emission reduction measures in our owned properties to improve energy efficiency of our buildings and operations. The BOC Tower has received the highest rating under the "BEAM Plus Existing Buildings Version 2.0 Platinum" certification in June 2022. We have plans to progressively achieve BEAM PLUS certification for other owned properties in 2023, achieving our emission targets. Our key initiatives include:



Buildings

- Certify more of our key owned properties, such as Bank of China Building, Bank of China Centre, BOC Wan Chai Commercial Centre, and BOC Credit Card Centre, as green buildings (BEAM PLUS)



Lighting

- Implementing intelligent lighting by maximising natural lighting in our lobby designs to reduce the demand of lighting;
- Changing the lighting from cold tubes to LED on the external walls of the building
- Introducing intelligent lighting system for office floor toilets to reduce energy consumption when the toilets are not in use
- Gradually replacing lightings in offices, car parks, public corridors and engine room to LED lighting to improve energy efficiency

Energy saving and emission reduction measures in our owned properties



Refrigeration

- Installing heat-insulating film on the exterior glass wall of Bank of China Centre to save electricity and enhance the efficiency of the cooling system to reduce energy consumption
- Replacing the air-handling units in self-owned properties to enhance energy efficiency
- Optimising the building automation system to adjust the temperature and humidity in major self-owned properties to enhance efficiency and reduce electricity consumption



Other

- Upgrading the lift hardware in our owned properties to variable-frequency drive controlling system to reduce power consumption
- Installing smart water meter in various owned properties
- Gradually converting water pumps in owned properties to variable frequency motors to reduce electricity consumption
- Replacing existing traditional FCU motors with permanent magnet motor products upon retirement, which can save 40% of electricity in high speed mode, and 70% of electricity in low speed mode according to tests.



Bank of China Tower

In recent years, BOCHK has invested in the Bank of China Tower which has been in operation for more than 30 years. On top of implementing various environmental protection and energy saving measures, we have also enhanced the intelligent energy management of the facility and introduced energy-efficient equipment into the building. We have made extensive effort to achieve a high level of green building rating for the Bank of China Tower and the results have been remarkable.

Green Building Certification

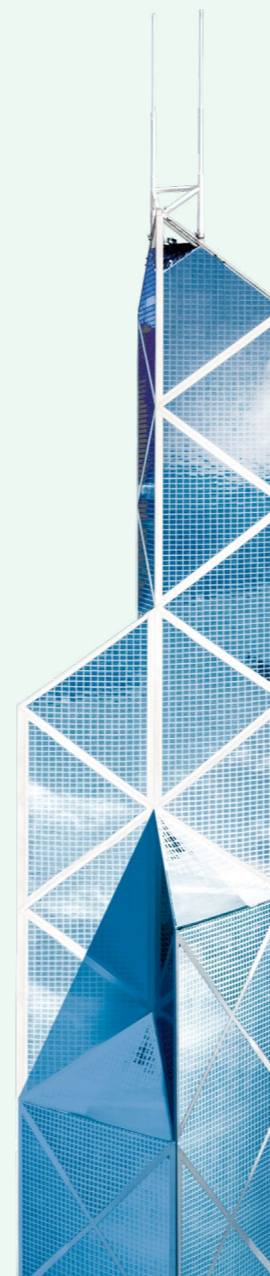
After a series of green enhancements, BOC Tower received the “BEAM Plus Existing Buildings Version 2.0 Platinum” certification in June 2022, which is the highest level of the rating. In October, we were recommended by the Hong Kong Green Building Council (HKGBC) to receive the “GBA Low Carbon Building TOP 100 Award”, becoming one of the first 100-low carbon buildings in the Greater Bay Area.

Upgrade of Fully Automatic Air Conditioning System and Chillers

To improve the energy efficiency and environmental performance of the BOC Tower, we commissioned consultants to conduct a site study to identify energy saving opportunities. We have optimised the central air-conditioning room and upgraded it to Building Automation System (BAS), which will not only improve the efficiency of the cooling system, but also reduce electricity consumption. In addition, we are exploring the conversion of the building’s central chillers from air-cooled to water-cooled, which is expected to reduce the related electricity consumption.

Introduction of Energy Saving Lighting

Since 2019, we have been replacing lightings with LED lights in all BOCHK workplaces, the replacement of which is expected to be completed by 2025. We have also installed intelligent motion sensor with LED light tubes, introduced emergency LED Exit Sign Box on different floors and fire escape staircase of BOC Tower, and have gradually introduced the intelligent lighting system to toilets in the BOC Tower. When the intelligent system senses that the toilets have not been used for a while, the lights will be dimmed or even turned off automatically, reducing electricity consumption.



Case study

The lighting on the exterior of the BOC Tower is one of the highlights of the Hong Kong nightscape. We are studying to replace the cold light tubes with LED lighting, and switching the lighting control system, such that we can maintain this iconic scene while reducing carbon emissions.

Introduction of water saving devices

In terms of energy saving and reducing water consumption, we continue to receive certificates for quality water supply and flushing water. BOC Tower has also introduced flow controllers for water taps with Grade 1 Water Efficiency Label, which have a flow rate of less than 5 litres per minute, when toilets were renovated to achieve the goal of water saving.

Lift Modernisation Project

To improve the performance and reduce energy consumption of existing lifts in the BOC Tower, we have been replacing the existing motor system with the “variable frequency” motor control system since 2019 and are expecting to complete the upgrade of all lifts by phases over the period of 5 years.

Staff canteen enhancement and renovation

The design of the staff canteen incorporates green walls, sustainable and natural materials, and uses green materials that are environmentally friendly, harmless and durable. In order to enhance the dining experience and environment, we have updated the materials and colour temperature, to preserve natural lighting and spaciousness. We uphold the principle of retaining and reusing. Thus, we retain and optimise equipment as much as possible based on their conditions, and prioritise new equipment with high energy efficiency. We also use energy-saving water taps and LED lighting to save energy, and adopt smart menu and interactive screens to reduce the use of paper and printing.



Solar panels in the BOC Cheung Sha Wan Building

Case study

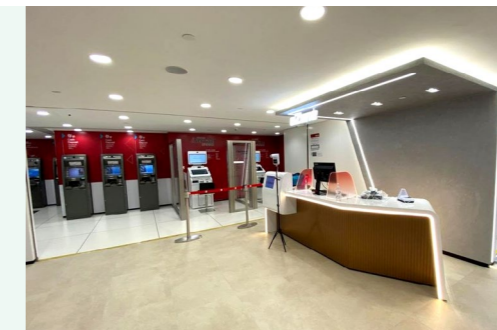
Solar panels have been installed at the BOC Cheung Sha Wan Building to support the development of renewable energy. In 2022, the solar panels have generated over 13,000 kWh of electricity. We are also planning to install solar panels at another property, and exploring the feasibility of installing solar panels and wind turbines at other office buildings.



“Kwai Chung Plaza Branch” facility improvement

Case study

Branches are renovated in accordance with green standards, and the results of the new renovations are continuously monitored to measure the energy saving effect.



The renovation of the Kwai Chung Plaza Branch was completed in early 2022. Green standards were adopted in aspects of water supply design, renovation materials, lighting fixtures, and various types of electrical and mechanical equipment, etc. The overall electricity consumption after the transformation contributed to nearly 30% less than before the renovation.

Emission reduction measures in branches

BOCHK launched the “Green Branch Pilot Scheme” during 2022, in which five branches (Kwai Chung Plaza Branch, North Point King’s Centre Branch, Tin Shui Wai Branch, Sheung Shui Banking Services Centre, and Whampoa Garden Branch) were selected for green equipment upgrade. One of the major initiatives of the scheme was adopting low-carbon and recyclable materials in our offices, such as carpet, stone, and ceiling. We are monitoring the environmental data regularly and will be gradually expanding the scheme to all branches in the next phase.

When opening new branches or performing renovation works, we adopt an environmentally-friendly standard in aspects such as, water supply design, renovation materials, lighting fixtures, and various types of electrical equipment. We are also progressively introducing energy efficient equipment and environmentally friendly products such as high efficiency lighting, air-conditioning systems, water saving sanitary wares, products with Grade 1 energy label, etc.

Day-to-day measures on energy efficiency and emission reduction

During 2022, we continued implementing energy efficiency and carbon reduction measures to reduce unnecessary carbon emissions from our daily operations and move towards carbon neutrality.

Prioritising “Grade 1 Energy Label” electric appliances during procurement



Encouraging the use of video-conferencing for meetings and trainings



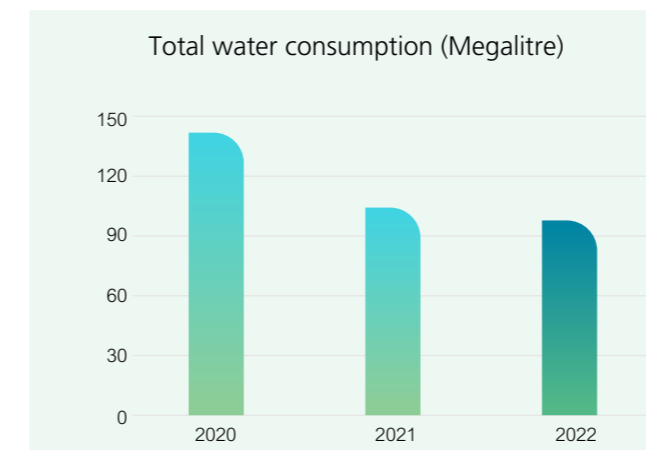
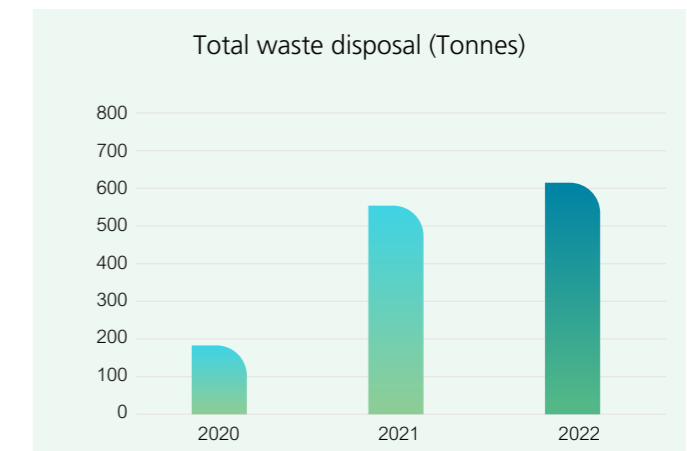
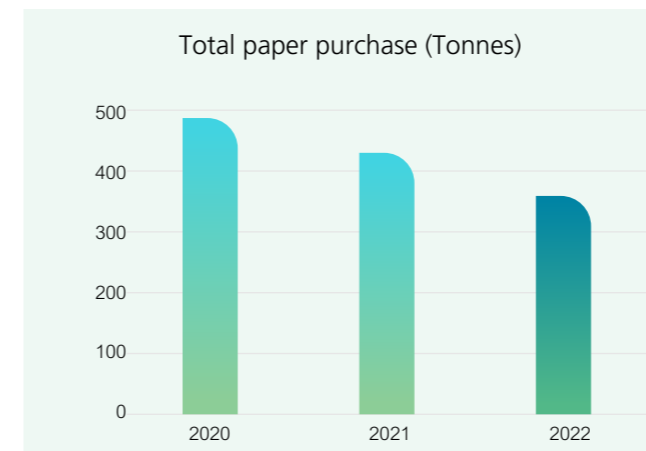
Wise resources use^{55 56}

We practise “green, diligent and thrifty operations” by reducing paper consumption, water consumption, and waste to conserve resources in our daily operations.

Paper, water, and waste data

	2022	2021	2020
Paper purchase (tonnes)	356.36	436.57	496.54
Paper purchase per capita (kg/employee)	29.23	35.89	39.54
Waste disposal (tonnes)	622.90	556.03	185.61
Waste disposal per capita (tonnes/employee)	0.051	0.046	0.015
Water consumption (megalitre)	97.80	104.20	141.85
Water consumption per capita (megalitre/employee)	0.0080	0.0086	0.0113

For details, please refer to “8.1 Sustainability Performance Indicators” section



For details, please refer to “8.1 Sustainability Performance Indicators” section

⁵⁵ 303-5, A1.6, A2.2, A2.4, A3.1

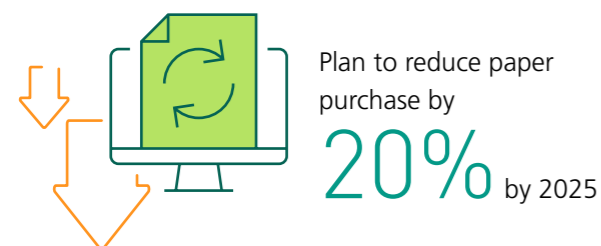
⁵⁶ The scope of data reporting for water consumption, paper consumption and waste covers the Group’s business outlets, branches, office buildings for own operations and leased- offices in Hong Kong during the reporting period.



Use of paper⁵⁷

We continue to implement paperless office and plan to reduce paper purchase by 20% by 2025 (compared with baseline year 2019). We have launched a series of measures to reduce paper consumption at source:

- Replacing paper forms and approvals with electronic processes, optimising the process while reducing unnecessary photocopying and paper usage
- Using e-Tendering paperless platform
- Purchasing FSC-certified paper
- Posting notices in offices to remind employees to reduce paper usage and minimise printing requirements, as well as collecting and analysing the number of photocopying and paper consumption of each unit
- Replacing physical subscription to newspapers with electronic subscription to reduce paper consumption
- Promoting intelligent banking – We have set up eZones to provide green business services and reduce paper consumption in our banking centres.



Water use⁵⁸

BOCHK's water resources are from the municipal water supply and there is no water shortage problem. To further reduce water wastage, we plan to reduce water consumption by 5% by 2025 (Baseline year: 2019). During 2022, we actively implemented a series of water conservation initiatives to reduce water wastage:

- Used water taps/cleaning fixtures under the "Water Efficiency Labelling Scheme" by the Hong Kong Water Supplies Department
- Strengthened the maintenance and management of water facilities
- Turned off the water supply system during long holidays



Waste management⁵⁹

Our main operating locations are our offices and branches. For proper waste management, we arrange qualified contractors to handle waste generated, where all hazardous and general waste are managed in accordance with relevant environmental laws and regulations.

We strive to reduce waste generated throughout our operation and understand the importance of waste reduction at source. Therefore, we have adopted various measures to raise awareness of waste reduction among our employees.

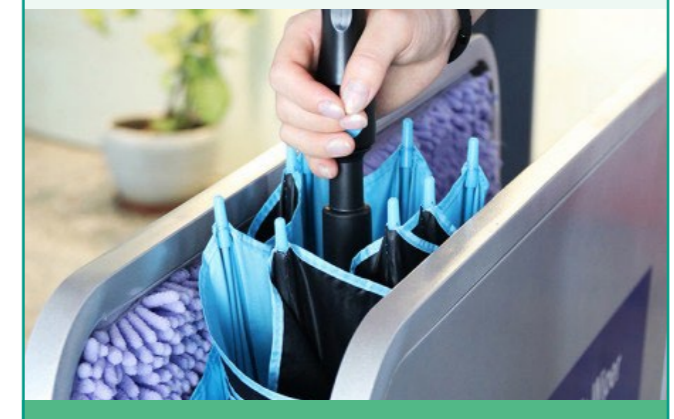
- Signing the Food Charter of the Environment and Ecology Bureau to reduce food waste
- Ceasing the provision of plastic straws, plastic bags and disposable tableware in staff restaurants and sending food waste to environmental recyclers to convert waste into useful materials
- Setting up three-colour recycling bins, and recycling bins for glass bottles and food containers; requiring staff to separate and recycle all reusable materials, such as waste paper, aluminium cans and plastics
- Using standardised furniture and reusing old furniture or office appliances with good functions to increase reuse
- Evaluating the necessity and rationale for new purchases to avoid unnecessary waste



Newly equipped umbrella dryer

Case study

All branches are equipped with umbrella dryer to encourage customers to reduce the use of umbrella bags during rainy days. At the same time, in order to cater the different needs of customers, branches are equipped with environmentally friendly umbrella bags that can be biodegradable for use by customers to reduce the generation of disposable waste.



⁵⁷ A1.6, A3.1

⁵⁸ A2.4

⁵⁹ 306-2, 306-5, A1.6



6.2.3 Promoting Environmental Protection and Carbon Reduction together with our Customers⁶⁰

Adhering to our sustainability belief, we actively involve our customers as “green partners” amid growth in relationship. We aim to reduce the burden on the environment and integrate the mindset of environmental protection into our lifestyles.

Encouraged customers to submit fund transfers, remittance and deposit instructions through digital channels

Actively promoted the use of mobile banking

- Total number of mobile banking accounts exceeded 2.5m
- Total number of mobile banking customers increased year-on-year by over 10%

Encouraged customers to switch to e-Statements

- Promoted e-statement penetration through various measures such as customer communication, rebate, and e-transformation. So far, the e-statement penetration rate of new customers under 65 years old has increased to over 95%
- A total of 160,000 BOC Credit Card accounts had switched to eAdvice

To better exercise responsible finance, we actively promote green and low-carbon transition with our customers and analyse our carbon emission from our investment and loan portfolio:

- With reference to the methodology of Partnership for Carbon Accounting Financials, PCAF, and began trial carbon emission calculation of our financed activities
- Actively supported the low-carbon transition of key enterprises and traditional industries while promoting innovative green and sustainable financial products and services

Expanded paperless banking

- Encouraged customers to apply for mortgages through electronic channels, where the volume of average monthly applications has received a year-on-year increase of 9 times by the end of December, 2022
- Launched the first mobile banking platform for IPO retail bonds and secondary bonds in Hong Kong, with the proportion of customers subscribing through electronic channels reaching 80%
- Self-service banking e-transaction notification function, which is expected to reduce 13 million pieces of physical paper receipts and support the development of low-carbon banking
- Branches can sign sales documents electronically when subscribing to investment products, and the digitalisation of the review and approval process for branch staff had also been officially launched
- Actively promoted the adoption of paperless prospecting by customers

Case study

BOCHK became the first financial institution in the world to enter an information sharing partnership with GSBN

BOCHK has successfully partnered with the Global Shipping Business Network (GSBN), for a proof-of-concept exercise that eliminates the need to provide paper shipping certificates and optimises the trade finance processes. It improves the efficiency of trade financing authenticity checks and reduces the customer’s management costs.



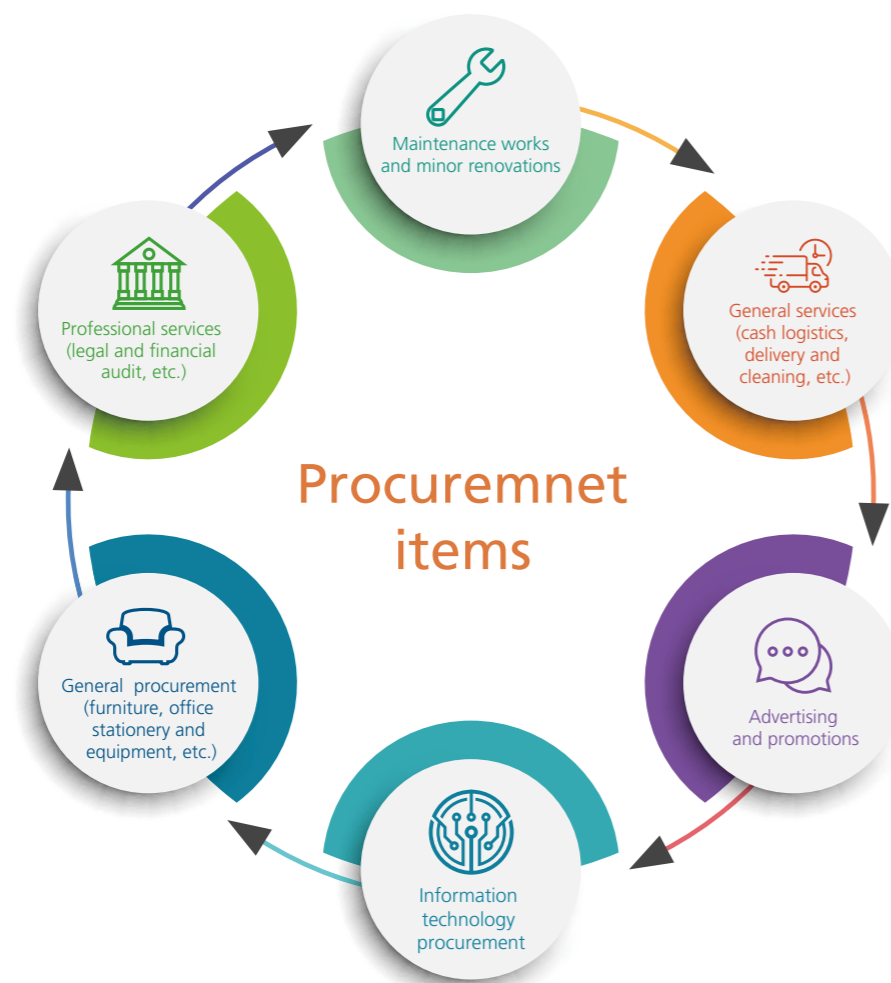
⁶⁰ A1.5

6.3 PROMOTING SUSTAINABLE PROCUREMENT⁶¹



In line with the green and sustainability goals of BOCHK, we are mindful of our suppliers' impacts on society and the environment. We strive to incorporate sustainability-related principles in the procurement decision-making process, in hope that we can exert our influence on the supply chain in encouraging the making of positive impacts on society and the environment. With the formulation of the *Supply Chain Code of Conduct and the Sustainable Procurement Policy*, the suppliers' social and environmental risk management mechanism has been put into effect. This helps ensuring that suppliers comply with the sustainability principles we have been upholding and build long-term business relationships that are based on trust and cooperation.

Over 90% of our suppliers are based in Hong Kong. Our major procurement items are mainly classified into the following six categories:



Supply Chain Code of Conduct: With reference to the International Labour Standards and the *Principles of Decent Work*, set out by the International Labour Organisation Core Conventions, this Code stipulates clear requirements for suppliers to encourage them to meet certain social and environmental standards in the aspects of social, ethics, corporate governance, environmental protection and working environment. Suppliers must also formulate policies and recruitment measures in accordance with Hong Kong regulations.

Sustainable Procurement Policy: When procuring for products and services, take into consideration their sustainability practice. This Policy sets out the eligibility requirements and annual evaluation standards for our suppliers, as well as requirement on company search and risk assessment for new supplier to be introduced to manage our suppliers properly and ensure alignment with sustainability-related principles.

During 2022, we conducted a review of the *BOCHK Sustainable Procurement Policy*, and the *BOCHK Supplier Chain Code of Conduct* in accordance with the *BOCHK (Holdings) Limited Sustainability Policy* and relevant compliance requirements, to ensure that the policies and guidelines are up-to-date in the pursuit of sustainable development.

We have an evaluation mechanism in place to annually distribute *Supply Chain Code of Conduct Assessment Questionnaires* to suppliers for evaluation, covering areas such as labour, prohibition of child labour or forced labour, employee benefits, corruption and corporate governance, environment, complaint mechanism, etc., to help understand the management and business model of suppliers. Regarding the considerations involved in the selection procedures, processes and procurement decisions of new suppliers, we also include the questionnaire in tender documents and score the sustainability reports/CSR reports, environmental certificates/verifications provided by the suppliers to ensure that they are in line with BOCHK's sustainability policy. To ensure the accuracy of the assessment, we conduct on-site investigations or engage third parties for auditing as necessary.

⁶¹ 308-1, 414-1, B5 General Disclosure, B4.1, B4.2, B5.2, B5.3, B5.4



6.3.1 Supplier Environmental Performance

To ensure that our suppliers meet the Group's environmental requirements, we include questions on environmental performance in the *Supply Chain Code of Conduct Assessment Questionnaire* to investigate whether suppliers have complied with applicable environmental laws and regulations, or set up environmental management at the workplace and relevant training. We also set questions on the suppliers' environmental mechanisms in various aspects, including energy, gas emissions, water resources, pollutants and emissions management, land use and biodiversity, to ensure that the suppliers' operations do not cause any significant negative impact on the environment and are consistent with the Group's environmental policy.

6.3.2 Supplier Integrity and Compliance

The Group attaches great importance to the integrity and compliance of suppliers. We strictly comply with the *Competition Ordinance*, the *Prevention of Bribery Ordinance* and other applicable laws and regulations, and pursue the principle of fair competition when selecting suppliers. We require all new suppliers to complete a *Supply Chain Code of Conduct Assessment Questionnaire*, and carry out company search and risk assessment. We ensure that suppliers adhere to relevant laws and regulations and meet our expectations by conducting due diligence if needed. If a supplier does not meet the standards, we may take appropriate actions, including delisting it from our supplier list. In 2022, no instance of non-compliance was identified on suppliers.

We uphold the highest standards of integrity in all of our business relationships. We adopt a zero-tolerance approach against any forms of corruptive behaviour or bribery. When selecting suppliers, we follow the *BOCHK Group's Anti-Bribery and Corruption Policy* and all relevant laws and regulations. The Group has established policies and mechanisms such as the *Centralized Procurement, Tender and Price Comparison Rules* and the *Administrative Measures for Suppliers Management*, to ensure that there are not any direct or indirect corruptive behaviours and bribes within the vendor selection procedure. We also conduct due diligence on suppliers, and maintain continuous monitoring over procurement procedure.

6.3.3 Supplier Information Security and Technology Risks

As financial technology continues to develop, the Group has introduced suppliers of fintech solutions, exploring big data, cloud platforms, AI, Open API and other new technologies to meet the needs of our daily operations and the market in the evolving landscape. To cope with the potential risk of information security and technology posed by fintech suppliers, we have devised the *Implementation Rules for BOCHK's Service Providers Information Security and Technology Risk Assessment*, which clearly sets out the categories, frequencies, and methodologies for supplier inspections, ensuring that the suppliers have robust information security management and customer data protection mechanisms in place.

6.3.4 Establishing a Sustainable Procurement Culture

In addition, we are committed to enhancing suppliers' awareness on sustainability and encouraging innovative thinking, new designs and application of new technologies, while adopting life-cycle analysis so as to actively consider procuring environmentally friendly products and services that support sustainable development. We strictly adhere to ethical standards and responsible behaviour when collaborating with our suppliers, with the aim of developing long-term business relationships based on trust and cooperation. In addition, we also conducted trainings on managing the centralised procurement-related policies during 2022, covering centralised procurement management policies and reaffirmation of requirements for new supplier eligibility, to ensure that employees in relevant positions have a thorough understanding of sustainable procurement and to build a sustainable procurement culture within the Group. During 2022, a total of 886 staff members were trained, covering 63 departments and units.



7 INCLUSIVE CARING FOR A HARMONIOUS HARVEST



Average staff training hours:
51.6



Percentage of female employees:
57%



Cumulative amount of charitable donations:
> HK\$ 1.5 billion



Over 80 charitable and community projects carried out in 2022 with more than 3 million beneficiaries



Number of employee volunteers:
over 8,200



Hours of volunteering service:
over 20,000



7.1 A PEOPLE-ORIENTED APPROACH⁶²



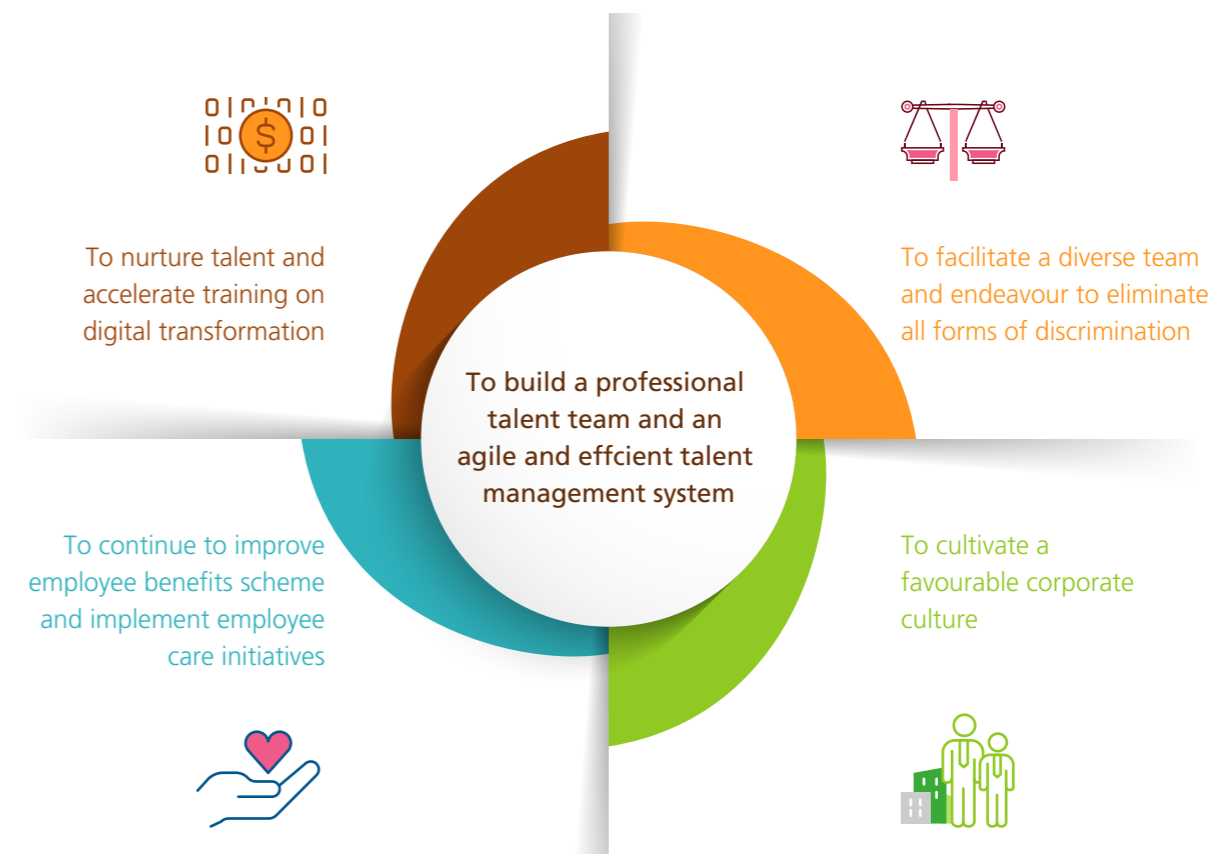
Our people are the cornerstone of our success. Committed to a people-oriented approach, we actively identify and nurture talent by cultivating a harmonious, diverse, and friendly working environment. We also create development opportunities for our staff to grow with the Group.

7.1.1 Promoting Staff Development⁶³

In recent years, the local talent market faced certain challenges due to the pandemic and other factors. As the social and economic environment gradually stabilises, banks and financial institutions have been hiring additional employees to facilitate business development. The Group has also continued to accelerate its own talent recruitment through various channels.

Talent cultivation is one of the four pillars of our 2021-2025 Strategic Plan. In line with our business development needs, we have actively strengthened our talent reserve of digital and regional talent in 2022 to build a team of high-quality professionals. We reinforced professional talent acquisition in key areas such as ESG, IT and innovation through multiple channels, including attracting talented professionals from other industries, actively cooperating with renowned training institutions and universities, and through industry events and competitions. At the same time, we have established a new ESG talent pool to reserve talent for sustainable development of the Group.

We have continued to diversify our talent cultivation efforts by creating tailored development programmes for different professionals. We have also broadened our employees' career development opportunities through various methods such as coursework training, job rotation, inter-departmental exchanges, and secondments to our Southeast Asian entities.



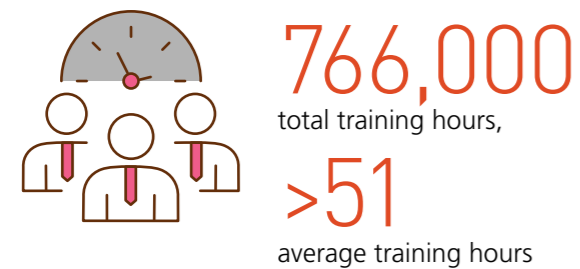
⁶² 3-3, B1 General Disclosure

⁶³ 404-2, B3 General Disclosure



Empowering staff and cultivating talent

We attach great importance to employees training and development and provide a wide range of learning programmes to encourage our staff to engage in continuing education. We offered targeted training programmes to staff in different roles and positions to help improve their work capacity and help them grow with the Group.



- We organised the Innovative Leadership Development Project to enhance the ability of management personnel to drive changes and to develop a pool of talent with new leadership mindsets.
- We continued to enrich our training resources in line with the Group's development needs, including organising various types of training courses such as Certified ScrumMaster® (CSM) and Certified Scrum Product Owner® (CSPO) and Leading SAFe.
- We collaborated with professional and academic institutions such as the Hong Kong Vocational Training Council and Hong Kong Polytechnic University to provide continuing education courses for frontline licencees. We also worked with professional organisations such as HKU Business School and PricewaterhouseCoopers to provide ESG-related training for management and core staff.

Recruitment and cultivation of outstanding young talent

We continuously pay attention to the growth and development of young people in Hong Kong and are committed to providing a platform for them to develop their potentials. Our "Management Trainee Programme" has proven effective in recruiting talented university graduates from around the world who have the potential to succeed in the financial services industry.

During 2022, we also actively participated in a number of youth development and employment programmes organised by the HKSAR Government and external organisations, including the "Banking Graduate Trainee Programme", "Fintech Career Accelerator Scheme" (FCAS), "The Second Future Youth Scheme", and the "Pilot Apprenticeship Programme for Private Wealth Management". We also provided internships to students from the Chinese University of Hong Kong and the Vocational Training Council.

Recruitment Programmes

- Management Trainee Programme
- Entry-level Professional Opportunities

Talent Development Mechanism

- Course Training
- Job Rotation
- Job Enrichment
- Coaching

Youth Development and Employment Programmes

- Banking Graduate Trainee Programme
- "The Second Future Youth Scheme"
- "Fintech Career Accelerator Scheme" (FCAS)
- Pilot Apprenticeship Programme for Private Wealth Management
- Other placement programmes with institutions





Management Trainee Programme

Case study

Deng Yijie Management Trainee in Financial Market Management

I have been a part of the BOCHK Management Trainee Programme for more than a year. This has given me the opportunity to learn from different business units, while always receiving guidance from my supervisors and colleagues. The rotation between front, middle and back office divisions has given me a broader understanding of the financial market business segment and made me realise the importance of cross-departmental communication and collaboration. In addition, I have been involved in a range of projects, which have enhanced my communication and coordination skills and broadened my network and vision.



Yeung Wai Kit Management Trainee in the Information Technology Department

Although I did not study information technology as a major subject at university, I am glad to say that my supervisors and colleagues have provided me with a lot of guidance since I joined BOCHK. I have received immense support from my colleagues, which has enabled me to quickly adapt to the working environment and benefit from learning a lot about the frontline of the financial industry, including network security requirements and compliance standards. When I rotate to other departments in the future, I will seize the opportunity to understand the bank's operations and the development of financial technology from a macro perspective, laying a solid foundation for my future career development.

Upgrading to mobile offices

- In response to our employees' daily work and on-the-job learning needs, we have launched the eWorkplace and MyLearning mobile platform to provide mobile office and mobile learning support for all employees, especially during the COVID-19 outbreak, to help them improve work efficiency and enhance their learning experience.



CTgoodjobs "Best HR Awards 2022"

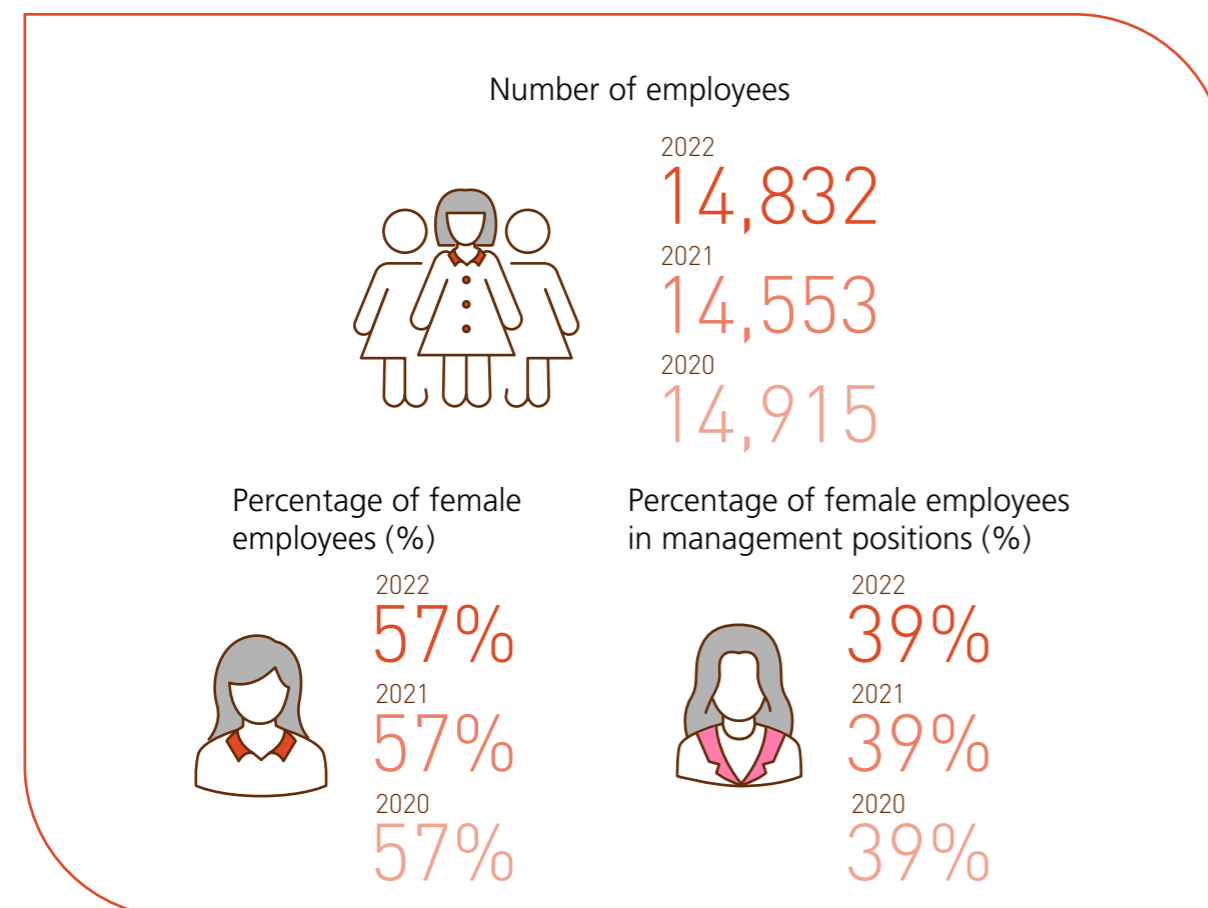
- Best Innovative HR Initiative Award – Grand Award
- Best Corporate Social Responsibility Award – Grand Award
- Best Innovative L&D Initiative Award – Grand Award
- Best Talent Management Strategy Award – Gold Award

JobsDB "The Hong Kong HR Awards 2022"

- Talent Acquisition Award



A diverse and inclusive team⁶⁴



Promoting diversity and equal opportunity⁶⁵

A diverse workforce and an inclusive culture contribute to a good working environment. We strictly comply with relevant laws and regulations and have formulated the *Staff Guideline on the Elimination of Discrimination* to clearly communicate our equal opportunity policy to employees. Our *Staff Code of Conduct* also stipulates that staff should comply with the relevant regulations, not to discriminate against other employees, and help create a fair and harmonious working environment.

We have adopted the principle of equal opportunity in our policies on recruitment, remuneration and benefits, training, promotion and transfer, so as to protect employment and career opportunities for all employees. To build a diverse working environment, we signed the *Employer Charter for Racial Diversity and Inclusion* organised by the Equal Opportunity Commission in 2019. The Group also provides relevant training to all staff and prohibits any discrimination or harassment of employees based on their marital status, pregnancy, breast-feeding/expressing breast milk, disability, family status, race and gender.

- We adopt a fair and open recruitment policy to ensure that all candidates are given equal opportunities.
- We regularly review and update policies and procedures in accordance with relevant laws or regulations in the regions in which we operate. In addition, we endeavour to employ local staff (including senior management) from the places in which we operate, to serve local customers and society.
- We follow rigorous procedures in our recruitment processes to avoid child and forced labour. If a violation is found, we will take immediate and appropriate action to prevent the situation from recurring.
- In line with the political, social and cultural contexts of the places in which we operate, we support and respect our staff's human rights and their legitimate rights as recognised on an international basis. We have also formulated the *Supply Chain Code of Conduct* which requires our suppliers to act in compliance with relevant human rights and labour standards.⁶⁶



Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme



Racial Diversity & Inclusion Charter for Employers launched by the Equal Opportunities Commission

⁶⁴ 2-7, 405-1, B1.1

⁶⁵ B1 General Disclosure

⁶⁶ B4 General Disclosure, B4.1, B4.2



Employee care and communication⁶⁷

We care about the wellbeing of our employees by continuously optimising employee benefits, while providing open and transparent platforms to collect employee's inputs and views, which we respond to by taking appropriate action.

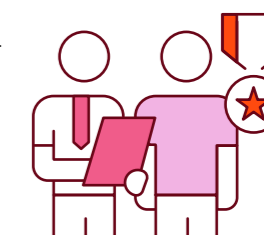
Comprehensive welfare protection and employee care⁶⁸

- We provide annual physical check-ups and group medical insurance benefits, including staff outpatient, inpatient, dental and maternity coverage; family medical coverage with the same coverage and limits as for employees, and medical benefits for retired staff.
- We care for the physical and mental health of our employees and provide psychological counselling services for those in need.
- We offer remuneration packages that exceed statutory requirements, preferential rates on mortgages and personal loans, as well as banking services and other offers to improve quality of life and labour protection.
- A number of staff care initiatives have been implemented, such as the provision of New Year's laisee; gifts for birthday, wedding and retirement; a retiree association to enhance communication among retired employees; and staff canteens, health care rooms and breastfeeding rooms in the Group's major office buildings.



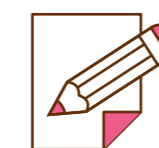
Improving remuneration packages to motivate our staff

- We offer competitive remuneration packages to our employees, we regularly review our remuneration packages and recognise employees for outstanding performance.
- All employees are subject to regular performance evaluation. For frontline staff engaged in sales activities, we not only consider their business performance, but also assess their overall contributions. We have established a comprehensive incentive mechanism that measures an individual's overall service performance, in order to cultivate a good banking culture.⁶⁹



Streamlining communication and feedback channels to respond to staff concerns⁷⁰

- We collected opinions and suggestions from our employees through surveys and responded with appropriate feedback and follow-up. Based on the employee survey results, we continued to optimise work processes, enhance incentives measures and improve our working environment, management policies and initiatives. More than 3,800 employees participated in the employee survey.
- Since the outbreak of the COVID-19 pandemic, we have disseminated the latest regulatory requirements and arrangements through various channels in a timely manner. Through internal circulars, we informed staff the latest anti-pandemic policies and set up a dedicated hotline to answer their queries and address their concerns.
- In addition to talking to their direct supervisors, employees can voice their opinions through the staff hotline and the "Chief Executive's mailbox", in accordance with the *Rules of Handling Employee Complaints*. We actively manage and follow up on all employee suggestions and feedback.



Employee survey response rate:

89%

⁶⁷ 201-3, B1 General Disclosure

⁶⁸ 401-2, 403-6

⁶⁹ 404-3

⁷⁰ 2-16, 2-25, 402-1



7.1.2 Employee Health and Safety⁷¹

We value the health and safety of staff and have established the *Occupational Health and Safety Guidelines* to ensure the health and safety of all Group employees. A dedicated team has been set up to coordinate and monitor our health and safety systems, and a risk assessment process is in place to conduct regular safety inspections of each workplace to ensure a safe working environment. In the event of an accident, we will investigate the incident, identify the potential safety hazards at an early stage and take improvement measures to prevent recurrence. Bank of China Tower and Bank of China Centre have ISO 45001-certified occupational health and safety management systems.

We continue to organise relevant training courses on an ongoing basis, including basic fire prevention courses, anti-robbery and evacuation drills, occupational health and safety seminars and talks, and first-aid certification courses. Our monthly staff journal features a “Three Prevention Tips” section and we have organised a series of “Three Prevention Security” training sessions for employees who are responsible for the “Three Preventions” in all branches and departments.⁷²

In addition to workplace health and safety, we also pay attention to the physical and mental well-being of our staff. We regularly organised various recreational activities and provided support and resources to maintain our employees’ physical and mental health, as well as to build staff cohesion and motivation. Some of our in-person activities could not be held this year due to the pandemic, including large-scale carnivals and mainland exchanges. We take care of the psychological well-being of our employees by providing free psychological counselling services to employees and their family members. We also organised staff recreational activities such as online team building event, emotional intelligence training workshop, child-friendly parent workshop, mobile practical workshop, etc. These activities would promote personal health, address interpersonal issues, and unify employees to fight against the pandemic.

Anti-pandemic initiatives to protect employees’ physical and mental health

The COVID-19 pandemic has changed the Group’s operations, workplaces, and talent management modes. The Group provides technical support for employees to work from home as part of its digital transformation, and has implemented a number of care measures to ensure the health and safety of employees and increase their adaptability during the pandemic.

During 2022, we implemented several care measures to protect employees:

- Provided special arrangements for COVID-19 testing and vaccination.
- Provided employees with “time-off” to receive vaccinations for him/herself or bring their children or elderly family members to receive vaccinations during business hours, and provided vaccination leaves for fully vaccinated staff.
- Distributed and provided reimbursement for pandemic prevention supplies.
- Provided care packages to employees testing positive for COVID-19 as well as additional reimbursement for video medical consultations.
- To reduce the risk of infection, split-team working arrangements, shift work, work from home and flexible working hours were implemented during the pandemic.



⁷¹ 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, B2 General Disclosure, B2.3

⁷² 3-3



7.1.3 Cultivating a Strong Corporate Culture

The Group’s core values are to provide excellent service, to innovate with prudence, to uphold openness and inclusiveness, and to collaborate for mutual growth. In line with our banking culture and the direction of our business development, we enhanced the cultivation of our corporate culture through lectures, training, workshops, contests, online courses and expert interviews, with the aim of motivating employees to practise our corporate values and strengthening team cohesion.

Incorporating ESG into our core corporate culture

To further promote our corporate culture, implement our ESG strategy, and increase the understanding of sustainable development among all employees, we have developed a series of customised training programmes on sustainable development for employees at different levels.

Management

- Organised “ESG Trends and Value Creation in Banking” training session for the Board and shared the latest industry trends and strategies for sustainable development

All Employees

- Continued to enhance the “ESG Sustainable Development Study Roadmap” and provided a variety of learning opportunities including internal and external courses, market information and events, to raise awareness of sustainable development concepts within the Group.
- Arranged multiple ESG themed online workshops and 20 online courses that encourage staff to learn through an incentive programme.
- Launched the “ESG Net Zero Carbon Learning Journey” online course for all employees to enhance their understanding of subjects such as green finance regulatory trends, climate risks and “green-washing” risks.

Professional Staff

- Provided customised “Certificate in Green and Sustainable Finance” courses for business units
- Key ESG employees in Hong Kong and Southeast Asia enrolled in the Certificate in Green and Sustainable Finance programme of the Chartered Banker Institute of the UK.

New Employees

- Provided real-time virtual training to new recruits enhance their understanding of the Group’s ESG development journey and important initiatives, and to encourage them to align with the Group’s development strategy and put ESG concepts into practice in their daily work.





ESG Corporate Culture Bi-Weekly Activity

Case study

“ESG Level Up”, a two-week events programme of ESG corporate culture activities, was held during the year to raise further awareness of sustainable development among employees, empower them to apply ESG concepts in their work, and highlight ESG as one of the key elements of the Group’s corporate culture development. The event programme promoted ESG corporate culture messages through a variety of formats such as short videos, interviews with experts, challenges, games, and posters. The response was overwhelming, with record-high attendance at some events.



Encouraging a culture of innovation and accelerating digital transformation

- Our “BOCHK Ideation Contest” helped to encourage and promote an innovative culture.
- We established a “4D” training system for the development of digital talent and launched thematic seminars for employees. The “Digital Transformation 5 Levels Talk” training series offered thematic seminars for general managers, supervisors and digital transformation business talent, attracting more than 1,000 attendees. Seminars were held by various departments to discuss the progress pain points, challenges, and business development direction of digital transformation, with a 100% attendance rate. External experts were invited to offer specific seminars and online courses for all employees, while an agile management professional certification course was launched for digital transformation project leaders and professionals. A “Digital Transformation” online learning and case studies were also launched for employees at all levels.

7.2 COMMUNITY AND PUBLIC WELFARE⁷³



The BOCHK Charitable Foundation (the “Foundation”) was established in 1994. Over the years, BOCHK and the Foundation have actively supported and participated in various charitable activities, with total donations exceeding HK\$1.5 billion.

In recent years, we have been focusing on the needs of the local community and have devised charitable donation policies and strategies with an emphasis on poverty alleviation and youth development. At the same time, with the UN Sustainable Development Goals (SDGs) as our guide, we are determined to make practical efforts to pursue relevant sustainable development goals and targets. In 2022, we cooperated with over 70 charitable organisations, community partners, universities, and government departments to carry out more than 80 charity projects, covering poverty alleviation, youth development, environmental protection and carbon reduction, culture, sports and arts, and innovative technology, etc., with more than 3 million beneficiaries.

In addition to financial donations, we also encourage our employees to participate in community activities and give back to society. The Group has established a comprehensive volunteer management system and structure, divided into five specialised volunteer teams for Caring, Community, Education, Youth, and Environmental Protection. With the general managers of various departments acting as chief conveners, we advocated the “Everyone Can Volunteer” spirit and successfully united all of our people, from senior management to frontline employees, to participate in volunteering activities. During 2022, we carried out over 120 volunteer activities with a total volunteering time of more than 20,000 hours. We were awarded the “Hong Kong Volunteer Award 2022 – Outstanding Corporate” and “Top Ten Highest Volunteer Hours” award by the HKSAR Government, the “Anti-epidemic Certification of Appreciation” by the Home Affairs Bureau, the “Excellent Volunteer Team–Golden Award” by the Hong Kong Volunteers Federation and the “Excellent Volunteer Team – Golden Award” by the Hong Kong Chinese Enterprises Association.

7.2.1 Poverty Alleviation

We are committed to fulfilling our social responsibility by caring for the underprivileged and the disadvantaged, and supporting different types of charity projects to help those in need.

7.2.1.1 Anti-pandemic Donations

Many communities in Hong Kong have been severely affected since the outbreak of the pandemic in 2020. From the initial shortage of supplies to the ongoing day-to-day financial difficulties of grassroots communities, the urgent needs for social attention and support have arisen at different times. We are committed to providing grassroots communities with anti-pandemic supplies and subsidising pandemic-related assistance and pensions. We donated over HK\$10 million during the year to support people from all walks of life in the battle against the pandemic, with the cumulative anti-pandemic donations now exceeding HK\$26 million.

7.2.1.2 Supporting Grassroots Communities

We have always been concerned with poverty alleviation in Hong Kong and remain committed to promoting a balance between economic development and social equity. We offer support to those in need through our community partners, and by reaching out directly to grassroots communities to help alleviate their plight.

Food Angel @BOCHK

Case study

BOCHK provided food support to ease the burden on people in need, especially those living in remote areas or those with impaired mobility, by sponsoring the “Food Angel@BOCHK” project.

Mrs. Cheung, resident of Sham Tseng area

“My husband was injured while working on a construction site and my family was suddenly faced with a financial crisis. We are grateful that the “Meals on Wheels” programme can provide those in need in remote areas with food support and help us get through this difficult time.”



⁷³ 413-1, B8.1, B8.2



7.2.1.3 Medical Services

To demonstrate our concern for the physical and mental health of grassroots communities, we subsidise medical services provided by social welfare institutions and universities, helping the sick and injured people while relieving pressure on the public healthcare system. We have also extended our support to a wide range of medical services, including disease prevention, rehabilitation and nursing, to help meet society's medical needs in all aspects.

Mobile Dementia Clinic

Case study

The Mobile Dementia Clinic has the flexibility to travel to public housing estates in Tin Shui Wai, Tuen Mun, Sheung Shui and Sau Mau Ping to conduct detailed cognitive assessment and group activities for elderly people living in grassroots communities, as well as provide further medical consultation support as needed, thus providing timely and convenient services to patients during the pandemic.

Patient's family member

"For patients with dementia, traveling a long distance to see a doctor at the centre of the Hong Kong Alzheimer's Disease Association would affect their motivation and cooperation, especially for those who live far up in the northern part of the New Territories, such as Fanling and Sheung Shui. This highlights the great convenience of the mobile service station during this period of time."



7.2.1.4 Elderly Care

We are deeply concerned about the welfare of the elderly, especially as the ageing population has become a social issue in Hong Kong. Through various services including gerontechnology, aging at home and carer support, we help improve the living quality of the elderly and their family members.

With You Anywhere – Family Carer Support

Case study

Carers provide important support for elderly people in the community. BOCHK sponsors the "With You Anywhere – Family Carer Support" (also known as the "Carers Garden") programme, which offers carers a mobile application called "Carers Chat" a comfortable and spacious place to receive practical care tips, a wide range of stress relief activities, and timely through hybrid online and in-person support.



Madam Chan, Carer

"I was the only one looking after my husband. When I saw him getting worse, as a carer the stress increased and I even suffered from depression. Then at an event, I discovered that flowers can bring me inner peace. Ever since then, floristry has become my favourite mental comfort. Over the past two years, I have made a number of handmade floral arts for other carers, encouraging them to find their own peace. I feel more comfortable in the Carers Garden than in a traditional elderly centre because it brings me peace, gives me space to express myself, and is flexible and humane."



7.2.1.5 Diversity and Inclusion

We are committed to promoting social inclusion, respect and appreciation of diverse cultures, so that everyone can enjoy equality and respect in different areas of life.

7.2.2 Youth Development

We have always cared about children and youth development, and actively support the cultivation of moral virtues. In Hong Kong, we provide a platform for young people to realise their potential, in the hope of nurturing future leaders that embrace our country and Hong Kong, and are ambitious to explore opportunities arising from the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

7.2.2.1 Moral Education

We place high value on moral education that cultivates a sense of patriotic belonging, correct values, and responsible citizenship among young people. We continuously promote young people's understanding of our profound Chinese culture and long-standing Chinese history. In addition, we seek to enhance the law-abiding awareness and crime prevention abilities of young people, as well as their critical thinking skills in dealing with information.

Code Busters by Junior Police Call

Case study

Code Busters, a new facility funded by BOCHK, is Hong Kong's only physical escape room based on the theme of policework. It features four main scenarios, namely "Family Treasures" (fraud prevention and personal data protection), "Operation Rescue" (anti-drug), "Mystery School" (anti-school bullying) and "Dangerous Mission" (internet information security and anti-internet addiction). Participants wear specially designed uniforms and carry out different tasks such as investigation, rescue or crime prevention. As the stories and games unfold, participants learn more about aspects of crime prevention and elimination such as cyber information security, personal data protection, fraud prevention, and anti-drug and anti-school bullying.



Student Tam, member of Kwun Tong District Junior Police Call

"Today's trial of "Mystery School" was a realistic experience. Its campus-like setting, with classrooms and canteens, made me feel like I was really on a campus, and made me rethink the issue of bullying that young people face at school."

7.2.2.2 Broadening Horizons

We fully support young people in their studies and careers by sponsoring various types of training, exchange, mentorship and scholarship programmes, and providing a platform for young people to gain diverse experiences, broaden their horizons, develop skills and lay the foundation for their future development.

Strive and Rise Programme

Case study

BOCHK fully supports the Strive and Rise Programme launched by the HKSAR Government. We actively encourage our staff to participate as mentors and support group activities that help disadvantaged young people to broaden their horizons and promote the harmonious development of the community.



Tong, student from Rhenish Church Pang Hok Ko Memorial College

"I am very grateful for the opportunity to be part of the Strive and Rise Programme, which has broadened my understanding of the world through activities and visit that I would otherwise rarely have a chance to participate in. Through these different activities, I have not only built up a strong relationship with my mentors, but also discovered my own interests and talents while in their company."



7.2.2.3 Supporting Sportsmanship

We recognise the significant role that sportsmanship plays in strengthening social cohesion and helping young people form positive character traits such as perseverance and diligence. Since 2002, we have sponsored many local inter-school sports competitions and launched a number of sports training programmes for young people in tandem with organisations such as the Hong Kong Football Association and Hong Kong Fencing Association, in order to help young people develop a healthy and positive outlook on life both physically and mentally.

BOCHK Community Football Partnership Programme

Case study

In 2017, BOCHK joined hands with the Hong Kong Football Association to launch a programme that provides grassroots children with the opportunity to experience and learn about football through a series of training and experiential activities, and cultivate their interest in the sport.



Principal Chan from Salesian School

"The event not only furthered the students' interest in football, but also helped them grow as people. The sport of football is about teamwork. Learning sportsmanship develops the character traits of perseverance, an indomitable spirit, and courage in the face of defeat."

Lai, student from PLK Dr. Jimmy Wong Chi-Ho (Tin Sum Valley) Primary School

"It was great to be part of the programme because I got to play with Hong Kong's professional footballers and get autographs and souvenirs from the players."

7.2.3 Arts and Culture

We continually support a wide range of artistic and cultural collaborations. By subsidising concerts, exhibitions and art appreciation activities organised by various institutions, we hope to enrich citizens' leisure options and stimulate the growth of Hong Kong's cultural industries.

The Hong Kong Palace Museum

Case study



As part of its commitment to promoting the development of Chinese arts and culture, BOCHK has become a strategic partner of the Hong Kong Palace Museum (HKPM) covering cultural education activities, major exhibitions, ticket subsidies and opening events. We launched a series of arts and cultural activities, including a concert and lecture event entitled "A Dialogue between Dunhuang and the Palace Museum: Beyond the Bounds of History" We also introduced the "HKPM SHOWTIME!"

event series, inviting local performing arts groups to stage small-scale performances on Sundays, providing a platform for local artists to perform and creating indirect employment opportunities. In addition, we donated 33,000 tickets to the underprivileged and organised several volunteer activities to support the elderly, students, ethnic minorities and people with disabilities to visit the museum. All of these promoted Chinese art and culture both locally and globally, while developing Hong Kong into a centre for international cultural exchange where East meets West.

Student from HKFEW Wong Cho Bau Secondary School

"By visiting the museum, I was able to learn about five thousand years of Chinese history, culture and progress. Each relic represents a cultural development and symbolises the prosperity of the period, which really made me feel really proud."





7.2.4 Environmental Protection and Carbon Reduction

We recognise that promoting sustainability requires the collaboration of all sectors of the community. By supporting and sponsoring a wide range of environmental projects initiated by different partners, we work together to put our environmental philosophy into practice.

Moving Towards Carbon Neutrality: Youth of the Greater Bay Area

Case study

To deepen young people's low-carbon habits while strengthening connections among the youth of Guangdong, Hong Kong and Macao, BOCHK supported Lang Qing Charity's "Moving Towards Carbon Neutrality: Youth of the Greater Bay Area



Programme", which provided training in carbon neutrality for over 6,650 young people. We also launched the "Guangdong-Hong Kong-Macao Carbon Neutral Pioneer 100 Schools Action" across Shenzhen, Hong Kong and Macao in 2022. The Chief Youth Officer of the Global Alliance of Universities on Climate, Ms. Alice Ho Chiu-yan, was invited to share her experience of participating in the 27th United Nations Climate Change Conference (COP), where young people from the three cities also expressed their aspirations for carbon neutrality.

Shum, student of St. Paul's Secondary School

"We hope to bring low-carbon lifestyle practices from our schools into every student's home, and to pass on the idea of energy saving and emissions reduction to our families. We believe that only by starting with ourselves and sticking to low-carbon practices, young people will have the power to change society and contribute to global climate change mitigation and carbon neutrality targets."

"Carbon Neutral Challenge" Programme

Case study

We sponsored the Carbon Neutral Challenge organised by Kadoorie Farm to raise public awareness of climate change and explore natural solutions to address climate challenges. The programme helped to promote resource recycling, disaster risk management and climate change mitigation, benefitting over 50,000 students and members of the public.



Carbon Neutral Challenge – "Walkable City" participants

"The tour guide explained everything clearly and the BOCHK volunteers looked after me along the way, which helped me to understand more about the Tai Po community and environmental protection."



7.2.5 Innovative Technology

Technology innovation is crucial to the future of Hong Kong, as it helps drive development and improve people's livelihood. By actively embracing new technologies and new ideas, we are committed to promoting digital transformation, using technology to drive business transformation and better serve businesses and the public.

BOCHK Science and Technology Innovation Prize

Case study

The BOCHK Science and Technology Innovation Prize is dedicated to promoting the development of science and technology innovation in Hong Kong in five key areas: artificial intelligence and robotics, life and health, new materials and new energy, advanced manufacturing, and fintech. Launched in 2022, the prize recognises individuals and teams who have made significant contributions to science and technology innovation. After months of rigorous evaluation, six Laureates were nominated for their outstanding scientific contributions. Each winner (or team) was awarded HK\$2 million, with a maximum total prize of HK\$10 million.



Youth Aerospace TechEd Programme

Case study

To nurture future talent in the field of aerospace technology, BOCHK sponsored Hong Kong's first "Youth Aerospace TechEd Programme" organised by the Hong Kong Productivity Council and the Hong Kong Federation of Education Workers, which provides a series of training courses for local students to learn about the latest developments in aerospace technology and space science.



Tang, student of St. Paul's Co-Educational College

"I hope to learn more about science and technology, gain practical experience, exchange ideas with experts and students from different schools, and broaden my horizons. I am especially looking forward to joining the aerospace study tour to the mainland to experience first-hand the technological advancement of China's aerospace development and gain an in-depth understanding of the work and life of aerospace engineers."



Award Presentation Ceremony of The First Robot Explorer Cup

Case study

Funded by BOCHK and organised by the Hong Kong University of Science and Technology (HKUST), the “Robot Explorer Cup” cultivates students’ basic knowledge of robotics through a series of innovative and unique robotics workshops and competitions aimed at primary and secondary school teachers and students with a passion for STEM education. Students from HKUST were invited as mentors to design and coordinate the post-training activities, with the aim of providing a collaborative learning experience for children and young people of different abilities and backgrounds (e.g. students with special educational needs, students from grassroots communities and ethnic minority students).

HKUST Student Mentor

“What impressed me most about the competition was the creativity and inventiveness of the participants. I noticed that most of the teams used different methods to build and control the robots, and it was very impressive to see how the students were able to break the traditional rules and use innovative methods to try new things.”



7.2.6 Charitable Donations in the Southeast Asia Region

During 2022, our Southeast Asian entities actively supported local charities to fulfill their social responsibilities.

Launch and Distribution Ceremony of Bank of China (BOC) Scholarship Programme to the University of Yangon

Case study

We have provided scholarships to the University of Yangon in Myanmar to support 100 students to complete their studies. A scholarship award ceremony was held in 2022 with the support of the Chinese Embassy, the Central Bank of Myanmar and the Union Minister of Education of Myanmar.

Ma Thi Shew Aung, first-year student in the University of Yangon Department of International Relations

“I am very pleased to receive this scholarship and thank the Bank of China for its support.”



7.2.7 Social Engagement

We encourage our employees to devote their free time and expertise to serve the community and participate in public welfare activities. During 2022, the senior management and supervisory level of the Group served on HKSAR Government committees and public organisations, as well as charitable and non-profit organisations on over 200 occasions. They provided opinions and suggestions on decisions relating to the economy and people’s livelihood and made suggestions for the development of Hong Kong and the welfare of its residents.

8.1 SUSTAINABILITY PERFORMANCE INDICATORS



Environment⁷⁴

GHG Emissions⁷⁵

GHG emissions ⁷⁶	Unit	2022	2021	2020
GHG emissions				
Direct GHG emissions (Scope 1) ⁷⁷	tCO ₂ e	575	577	629
Indirect GHG emissions (Scope 2) ⁷⁸	tCO ₂ e	48,522	50,074	57,533
Other indirect GHG emissions ⁷⁹	tCO ₂ e	86	64	89
Total Scope 1 and 2 emissions	tCO ₂ e	49,097	50,650	58,162
Total Scope 1, 2 and 3 emissions	tCO ₂ e	49,182	50,715	58,251

GHG emissions intensity ⁸⁰	Unit	2022	2021	2020
Scope 1, 2 and 3 emissions per employee	tCO ₂ e/employee	3.32	3.48	3.91
Scope 1, 2 and 3 emissions per area	tCO ₂ e/m ²	0.13	0.14	0.16

Energy

Total energy consumption ^{81, 82}	Unit	2022	2021	2020
Energy consumption				
Direct energy consumption	GJ	7,445	7,049	7,731
Diesel consumption for corporate fleet	GJ	1,616	1,676	1,947
Petrol consumption for corporate fleet	GJ	5,830	5,373	5,784
Indirect energy consumption	GJ	308,635	322,519	369,605
Electricity	GJ	307,111	320,618	367,479
Towngas	GJ	1,524	1,901	2,126
Total energy consumption	GJ	316,081	329,568	377,337

Energy intensity ⁸³	Unit	2022	2021	2020
Energy intensity per employee	GJ/employee	21.31	22.65	25.30

Paper^{84, 85, 86}

Total paper purchased	Unit	2022	2021	2020
Paper purchased	tonnes	356.36	436.57	496.54

Paper purchase intensity	Unit	2022	2021	2020
Paper purchased per employee	kg/employee	29.23	35.89	39.54

⁷⁴ In order to enhance the level of data disclosure, the scope on GHG emissions and energy consumption disclosure has been expanded to cover the Group's business outlet, branches, office buildings (self-occupied portion) and leased offices in Hong Kong, as well as the mainland and Southeast Asia regions from 2022 onwards, and the calculation of total GHG emissions has been updated. To maintain data consistency and comparability, the data for 2020 and 2021 have been adjusted accordingly to ensure that the reporting scope and calculation methods are consistent with those for 2022. After the restatement, the total GHG emissions for 2020 and 2021 decreased by 9% and increased by 10% compared to the data before restatement; the total energy consumption for 2020 and 2021 increased by 10% and 12% compared to the data before restatement.

⁷⁵ The calculation standards and methodologies for GHG emissions referenced the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition) published by the Environmental Protection Department (EPD) and the Electrical and Mechanical Services Department (EMSD) of the Hong Kong SAR Government. The sources of emissions factors for the reporting of GHG emissions include Sustainability Reports of the local utility companies, Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition) and the "How to Prepare an ESG Report: Appendix 2: Reporting guidance on Environmental KPIs" published by HKEX. The GHG calculations cover carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), while hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃) are not applicable.

⁷⁶ 305-1, 305-2, 305-3, A1.1, A1.2

⁷⁷ Including the diesel and petrol consumption by corporate fleet.

⁷⁸ Include GHG emissions due to electricity and gas consumption.

⁷⁹ Including methane gas generation at landfill due to disposal of paper waste, GHG emissions due to electricity used for freshwater processing by the Water Services Department and sewage processing by the Drainage Services Department.

⁸⁰ 305-4

⁸¹ The factors for converting the base units of different fuel types to gigajoule ("GJ") are based on "How to Prepare an ESG Report: Appendix 2: Reporting guidance on Environmental KPIs" published by HKEX.

⁸² 302-1, A2.1

⁸³ 302-3, A2.1

⁸⁴ 301-1, A2.5

⁸⁵ Based on the amount of office A4 paper purchased.

⁸⁶ The scope of data reporting for paper, waste and recycling, and water covers the Group's business outlets, branches, office buildings for own operations and leased offices in Hong Kong during the reporting period.



Waste and recycling

Non-hazardous waste recycled ⁸⁷	Unit	2022	2021	2020
Paper	tonnes	172.09	175.41	261.3
Plastic	tonnes	0.15	0.17	0.58
Aluminium	tonnes	0.10	0.09	1.35
Food waste	tonnes	29.68	73.98	50.06
Total non-hazardous waste	tonnes	202.02	249.64	313.29

Hazardous waste recycled ⁸⁸	Unit	2022	2021	2020
Rechargeable battery	No.	92	92	62
E-waste	No.	1,789 ⁸⁹	8383	7159
Fluorescent tubes	No.	3,797	5,445 ⁹⁰	458
Total hazardous waste	No.	5,683	13,920	7,679

Waste disposed to landfill ⁹¹	Unit	2022	2021	2020
General waste to landfill	tonnes	622.90	556.03 ⁹²	185.61

Waste disposal intensity ⁹³	Unit	2022	2021	2020
General waste to landfill per employee	tonnes/employee	0.051	0.046	0.015

Water ^{94, 95}

Total water consumption	Unit	2022	2021	2020
Water consumption	Megalitre	97.80	104.20	141.85

Water intensity ⁹⁶	Unit	2022	2021	2020
Water consumption per employee	Megalitre/ employee	0.0080	0.0085	0.0113

⁸⁷ 306-3, 306-4, A1.4

⁸⁸ 306-3, 306-4, A1.3

⁸⁹ A large amount of electronic equipment has already been retired and recycled in 2020-2021, so less equipment will need to be retired in 2022.

⁹⁰ Including fluorescent light tubes and compact fluorescent lamps, collected by qualified contractors. The quantity of recovered fluorescent light tubes and compact fluorescent lamps increased mainly due to replacement of LED tubes at the common area of the office buildings during the year.

⁹¹ 306-3; 306-5, A1.4

⁹² Since September 2021, we extend the coverage by incorporating waste generated from more office at locations.

⁹³ A1.4

⁹⁴ Restated water usage in 2020 to include data from more building. After restate, the water usage in 2020 up 46% than previously disclosed.

⁹⁵ 303-5, A2.2

⁹⁶ A2.2



Employee

Total number of employees by geographical region, employee type and gender⁹⁷

Employee type	Unit	2022			2021			2020		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
<u>Hong Kong</u>										
Permanent	No.	6,598	5,358	11,956	6,594	5,264	11,858	6,831	5,392	12,223
Non-permanent	No.	178	56	234	210	97	307	241	93	334
<u>The Chinese mainland</u>										
Permanent	No.	574	271	845	444	188	632	390	209	599
Non-permanent	No.	0	1	1	0	1	1	4	4	8
<u>Southeast Asia and others</u>										
Permanent	No.	1,122	631	1,753	1,100	632	1,732	1,095	629	1,724
Non-permanent	No.	18	25	43	13	10	23	15	12	27
Hong Kong Total	No.	6,776	5,414	12,190	6,804	5,361	12,165	7,072	5,485	12,557
The Chinese mainland Total	No.	574	272	846	444	189	633	394	213	607
Southeast Asia and others Total	No.	1,140	656	1,796	1,113	642	1,755	1,110	641	1,751
Total	No.	8,490	6,342	14,832	8,361	6,192	14,553	8,576	6,339	14,915

Total number of employees by contract type and gender⁹⁸

Employee type	Unit	2022			2021			2020		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Full-time	No.	8,456	6,335	14,791	8,326	6,188	14,514	8,531	6,334	14,865
Part-time	No.	34	7	41	35	4	39	45	5	50
Total	No.	8,490	6,342	14,832	8,361	6,192	14,553	8,576	6,339	14,915

Total number of employees by geographical region, age group and gender⁹⁹

Employee type	Unit	2022			2021			2020		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
<u>Hong Kong</u>										
18-30	No.	1,521	1,244	2,765	1,638	1,336	2,974	1,825	1,437	3,262
31-40	No.	1,849	1,752	3,601	1,656	1,622	3,278	1,664	1,624	3,288
41-50	No.	1,822	1,399	3,221	1,952	1,400	3,352	2,089	1,422	3,511
51 or above	No.	1,584	1,019	2,603	1,558	1,003	2,561	1,494	1,002	2,496
<u>The Chinese mainland</u>										
18-30	No.	418	118	536	317	85	402	202	79	281
31-40	No.	108	97	205	82	53	135	113	76	189
41-50	No.	37	34	71	38	31	69	74	38	112
51 or above	No.	11	23	34	7	20	27	5	20	25
<u>Southeast Asia and others</u>										
18-30	No.	495	189	684	509	189	698	542	214	756
31-40	No.	423	254	677	399	259	658	380	254	634
41-50	No.	164	154	318	155	149	304	151	139	290
51 or above	No.	58	59	117	50	45	95	37	34	71
Hong Kong Total	No.	6,776	5,414	12,190	6,804	5,361	12,165	7,072	5,485	12,557
The Chinese mainland Total	No.	574	272	846	444	189	633	394	213	607
Southeast Asia and others Total	No.	1,140	656	1,796	1,113	642	1,755	1,110	641	1,751
Total	No.	8,490	6,342	14,832	8,361	6,192	14,553	8,576	6,339	14,915

⁹⁷ 2-7, B1.1

⁹⁸ 2-7, B1.1

⁹⁹ 2-7, B1.1



Total number of employees by employee category and gender

Employee type	Unit	2022			2021			2020		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Senior management	No.	360	558	918	335	527	862	324	508	832
Middle level staff	No.	3,540	3,431	6,971	3,286	3,205	6,491	3,155	3,141	6,296
General employees	No.	4,590	2,353	6,943	4,740	2,460	7,200	5,097	2,690	7,787
Total	No.	8,490	6,342	14,832	8,361	6,192	14,553	8,576	6,339	14,915

Gender by employee category¹⁰⁰

Employee category	Unit	2022		2021		2020	
		Female	Male	Female	Male	Female	Male
Board	%	18.18	81.82	11.00	89.00	11.00	89.00
Senior management	%	2.43	3.76	2.30	3.62	2.17	3.41
Middle level staff	%	23.87	23.13	22.58	22.02	21.15	21.06
General employees	%	30.95	15.86	32.57	16.91	34.17	18.04
Total¹⁰¹	%	57.25	42.75	57.45	42.55	57.49	42.51

Age by employee category¹⁰²

Employee category	Unit	2022	2021	2020
<u>Senior management</u>				
18-30	No.	0	0	0
31-40	No.	109	101	107
41-50	No.	441	423	395
51 or above	No.	368	338	330
<u>Middle level staff</u>				
18-30	No.	713	660	600
31-40	No.	2,945	2,582	2,508
41-50	No.	2,070	2,080	2,078
51 or above	No.	1,243	1,169	1,110
<u>General employees</u>				
18-30	No.	3,272	3,414	3,699
31-40	No.	1,429	1,388	1,496
41-50	No.	1,099	1,222	1,440
51 or above	No.	1,143	1,176	1,152
Total				
18-30	No.	3,985	4,074	4,299
31-40	No.	4,483	4,071	4,111
41-50	No.	3,610	3,725	3,913
51 or above	No.	2,754	2,683	2,592

¹⁰⁰ 405-1

¹⁰¹ Board members not included in Total.

¹⁰² 405-1, B1.1


Proportion of senior management hired from the local community by geographical region¹⁰³

	Unit	2022	2021	2020
Hong Kong	%	87.79	86.45	87.25
The Chinese mainland	%	87.50	80.00	80.00
Southeast Asia and others	%	32.53	32.93	33.78
Overall	%	82.79	81.32	82.45

New hire by gender, age and geographical region¹⁰⁴

	Unit	2022		2021		2020	
		No.	%	No.	%	No.	%
Gender							
Female	No.:%	1,841	12.41	1,589	10.92	1,018	6.82
Male	No.:%	1,627	10.97	1,263	8.68	764	5.13
Age							
18-30	No.:%	1,888	12.72	1,756	12.06	1,149	7.70
31-40	No.:%	1,034	6.97	658	4.53	408	2.74
41-50	No.:%	370	2.50	240	1.65	160	1.08
51 or above	No.:%	176	1.19	198	1.36	65	0.43
Region							
Hong Kong	No.:%	2,795	18.84	2,321	15.96	1,283	8.60
The Chinese mainland	No.:%	277	1.87	254	1.74	212	1.43
Southeast Asia and others	No.:%	396	2.67	277	1.90	287	1.92
Total	No.:%	3,468	23.38	2,852	19.6	1,782	11.95

Employee voluntary turnover rate by gender, age and geographical region¹⁰⁵

	Unit	2022		2021		2020	
		No.	%	No.	%	No.	%
Gender							
Female	No.:%	1,370	9.29	1,352	9.13	618	4.15
Male	No.:%	1,195	8.09	1,090	7.36	515	3.46
Age							
18-30	No.:%	1,307	8.85	1,335	9.02	649	4.36
31-40	No.:%	776	5.25	719	4.85	288	1.93
41-50	No.:%	370	2.51	308	2.08	148	1.00
51 or above	No.:%	112	0.77	80	0.54	48	0.32
Region							
Hong Kong	No.:%	2,216	15.02	2,162	14.6	984	6.61
The Chinese mainland	No.:%	64	0.43	61	0.41	44	0.30
Southeast Asia and others	No.:%	285	1.93	219	1.48	105	0.70
Total	No.:%	2,565	17.38	2,442	16.49	1,133	7.61

Compensation Ratio¹⁰⁶

	Unit	2022	2021	2020
Ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	ratio	18 : 1	16 : 1	/

¹⁰³ 202-2 (Number of senior management in the specific region hired from the local community/Total number of senior management in the specific region) x 100%

¹⁰⁴ 401-1

¹⁰⁵ 401-1, B1.2

¹⁰⁶ 2-21



Parental Leave¹⁰⁷

	Unit	2022			2021			2020		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Employees that were entitled to parental leave	No.	8,235	6,141	14,376	7,926	5,881	13,807	8,302	6,180	14,482
Employees that took parental leave	No.	215	147	362	211	150	361	272	180	452
Employee that returned from parental leave	No.	206	145	351	200	147	347	264	178	442
Rate of return from parental leave	%	95.81	98.64	96.96	94.79	98.00	96.12	97.06	98.89	97.79
Employees still employed 12 months after return to work	No.	176	124	300	188	134	322	248	172	420
Employees still employed 12 months after return to work	%	85.44	85.52	85.47	94.00	91.16	92.80	93.94	96.63	95.02

Occupational health and safety performance¹⁰⁸

	Unit	2022	2021	2020
Number of high consequence work-related injuries	No.	0	0	0
Rate of high consequence work-related injuries	%	0	0	0
Lost day due to work injury	Number of days	369.7	390.1	969.3
Rate of lost day due to work injury ¹⁰⁹	%	2.45	2.58	5.85
Number of fatalities as a result of work-related injuries	No.	0	0	0
Fatalities rate as a result of work-related injuries	%	0	0	0
Number of recordable work-related injuries ¹¹⁰	No.	0	0	1
Rate of recordable work-related injuries	%	0	0	0.006

Training and development¹¹¹

	Unit	2022			2021			2020		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Average training hours by employee category and gender										
Senior management	Hour	68.19	70.69	69.71	44.13	49.74	47.56	25.65	24.16	24.74
Middle level staff	Hour	41.70	46.60	44.11	41.07	46.00	43.51	23.69	24.63	24.16
General employees	Hour	54.03	62.07	56.75	47.52	59.33	51.55	27.85	33.03	29.64
Total average training per employee	Hour	49.49	54.46	51.61	44.85	51.62	47.73	26.24	28.16	27.05
Percentage of employees who received training										
Senior management	%	97.22	97.13	97.17	97.31	96.77	96.98	91.79	92.37	92.14
Middle level staff	%	96.53	96.18	96.36	96.38	96.38	96.38	95.78	95.22	95.50
General employees	%	97.89	95.54	97.09	96.05	93.33	95.13	91.17	90.64	90.99
Total percentage of employees who received training	%	97.29	96.03	96.75	96.23	95.20	95.79	92.89	93.04	92.95

¹⁰⁷ 401-3

¹⁰⁸ 403-9, B2.1, B2.2

¹⁰⁹ Calculated based on every 200,000 hours worked.

¹¹⁰ Recordable work-related injury relates to injury, disease (or even death) contracted during the course of employment and diagnosed by licenced health care professional, resulting in the employee being unable to perform normal work duties for 6 months or above.

¹¹¹ 404-1, B3.1, B3.2



Number and percentage of employees who received training on the following topics by employee category and gender¹¹²

Unit	2022		2021		2020		
	No.	%	No.	%	No.	%	
Anti-corruption¹¹³							
Employee category							
Board	No.; %	11	100.00	9	100	9	100
Senior management	No.; %	877	95.53	827	95.94	809	97.24
Middle level staff	No.; %	6,600	94.68	6,202	95.55	6,058	96.22
General employees	No.; %	6,563	94.53	6,699	93.04	6,364	81.73
Region							
Hong Kong	No.; %	11,716	96.11	11,656	95.82	12,043	95.91
The Chinese mainland	No.; %	834	98.58	633	100.00	594	97.86
Southeast Asia and others	No.; %	1,490	82.96	1,439	81.99	594	33.92
Total¹¹⁴	No.; %	14,040	94.66	13,728	94.33	13,231	88.71
Contract type							
Full-time	%		94.65		85.92		88.21
Part-time	%		100.00		100.00		100.00
Occupational health and safety							
	No.; %	13,833	93.26	12,509	85.95	13,162	88.25
IT security/Customer privacy							
Contract type							
Full-time	%		95.47		94.95		81.87
Part-time	%		100.00		100.00		100.00

Misconduct cases¹¹⁵

Categories of Confirmed Cases	Unit	2022	2021	2020
Discrimination	No. of case	0	0	0
Corruption	No. of case	0	0	0
Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No. of case	0	0	0
Incidents of non-compliance with regulation and/or voluntary codes concerning marketing communications				
Incidents of non-compliance with regulations that result in fines or penalties	No. of case	0	0	0
Incidents of non-compliance with regulations that result in warnings	No. of case	0	0	0
Incidents of non-compliance with voluntary codes	No. of case	0	0	0

Suppliers

Number of suppliers by geographical region¹¹⁶

Region	Unit	2022	2021	2020
Hong Kong	No.	646	629	607
The Chinese mainland	No.	86	81	93
Southeast Asia and others	No.	44	38	35
Total number of suppliers	No.	776	748	735

¹¹² 404-3

¹¹³ 205-2, B7.3

¹¹⁴ Board members not included in Total.

¹¹⁵ 205-3, 206-1, 406-1, 417-3, B7.1

¹¹⁶ 2-6, B5.1



Customer

Customer privacy¹¹⁷

	Unit	2022	2021	2020
Substantiated complaints received concerning breaches of customer privacy		0	0	0
Complaints received from outside parties and substantiated by the organisation	No.	5	7	9
Complaints from regulatory bodies	No.	0	1	1
Number of information security breaches concerning customers' personal data	No.	0	0	0
Customers affected by company's data breach	No.	0	0	0
Information security breaches or other cybersecurity incidents	No.	0	0	0
Fines/penalties paid in relation to information security breaches or other cybersecurity incident	HK\$	0	0	0
External audits conducted on the IT general control, which includes infrastructure and information security management systems	No.	3	2	1

Banking Service Channels

	Unit	2022	2021	2020
Branches				
Hong Kong	No.	182	187	192
Southeast Asia and others	No.	33 ¹¹⁸	34 ¹¹⁹	35 ¹²⁰
Total	No.	215	221	227
Number of automated banking sites	No.	283	285	287
Automated banking sites with 24/7 banking capacity	%	100	100	100
ATMs	No.	627	630	642

¹¹⁷ 418-1, B6.5

¹¹⁸ Including Malaysia, Indonesia, Thailand, Cambodia, Vietnam, the Philippines, Laos, Brunei

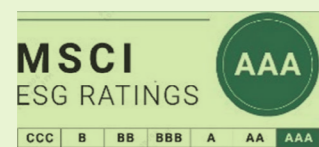
¹¹⁹ Including Malaysia, Indonesia, Thailand, Cambodia, Vietnam, the Philippines, Laos, Brunei (Including Yangon branch that has no retail banking services).

¹²⁰ Including Malaysia, Indonesia, Thailand, Cambodia, Vietnam, the Philippines, Laos, Brunei

8.2 PERFORMANCE IN MAJOR SUSTAINABILITY INDEXES, RATINGS AND AWARDS



ESG indexes and ratings:



MSCI ESG Research LLC:
Received the highest “AAA” rating for 2 consecutive years since 2021, leading the industry in Hong Kong



Sustainalytics ESG Risk rating: Scored at 23.3, similar to major peers in Hong Kong

Constituent Stock of the following HSI Indexes, with an overall ESG rating of AA:



- Hang Seng Corporate Sustainability Index Series
- HSI ESG Index
- HSI ESG 50 Index
- HSI Low Carbon Index
- HSI ESG Enhanced Index
- HSI ESG Enhanced Select Index
- HSI ESG Climate Change 1.5°C Target Index



Ranked Third in the Hong Kong Business Sustainability Index (HKBSI)
Rated as the “Exemplar” level



Ranked Second in Greater Bay Area Business Sustainability Index (GBABSI)
Rated as the “Exemplar” level



Ranked Third in Greater China Business Sustainability Index (GCBSI)
Rated as the “Exemplar” level



ESG awards:



Financial Times and Nikkei Asia, in collaboration with research firm Statista: “Asia-Pacific Climate Leaders 2022”



Euromoney – “Euromoney Market Leaders 2022”:

- “Market Leader for Corporate Social Responsibility in Hong Kong”
- “Market Leader for Environmental, Social and Governance in Hong Kong”



Asiamoney – Best Bank Awards 2022: “Best Bank for CSR in Hong Kong”



The Asset — “The Asset ESG Corporate Awards 2022”:
Platinum Award



Corporate Governance Asia — 12th Asian Excellence Awards

- “Asia’s Best CSR”
- “Best Environmental Responsibility”
- “Best Investor Relations”



Bloomberg Businessweek/Chinese Edition ESG Leading Enterprise Awards 2022:

- “ESG Leading Enterprise Award”
- “Leading Social Initiative Award”



Hong Kong ESG Reporting Awards 2022:

- “Excellence in ESG Governance — Grand Award”
- “Excellence in Social Positive Impact — Grand Award”
- “Best ESG Report (Large-cap) — Commendation”



Television Broadcasts Limited — TVB Environmental, Social and Governance Awards 2022:

- “Best in ESG Practices”
- “Innovative Climate Technology Award”
- “ESG Project Innovation Award”



The Hong Kong Economic Journal — Financial Services Awards of Excellence 2022: “Excellent Sustainability CSR Award”



Ming Pao — Awards for Excellence in Finance 2022: “Financial Service — Brand Value Award for Excellence in ESG”



CTgoodjobs — Best HR Awards 2022:

- Best Corporate Social Responsibility Award — Grand Award
- Best Innovative HR Initiative Award — Grand Award
- Best Innovative L&D Initiative Award — Grand Award
- Best Talent Management Strategy Award — Gold Award



The HKSAR Government and the Volunteer Development Council — Hong Kong Volunteer Award 2022: “Outstanding Corporate Award” and “Top Ten Highest Volunteer Hours Award (Corporate with 1,000 or above full-time employees)”



Community Investment and Inclusion Fund, HKSAR Government Home and Youth Affairs Bureau: “Social Capital Builder Logo Award”



The Hong Kong Council of Social Service: “Caring Company”



8.3 CONTENT INDEX¹²¹



User's Guide					
BOCHK has reported in accordance with the GRI standards for the period from 1 January to 31 December 2022					
GRI Standards ¹²²	HKEX ESG Guide ¹²³	SASB ¹²⁴	Description	Page number(s) and/or explanations	Relevant SDG Targets
General Disclosures					
The Organisation and its Reporting Practices					
2-1			Organisational details	About BOC Hong Kong (Holdings) Limited (p.3); BOCHK Website	
2-2	MDR-15		Entities included in the organisation's sustainability reporting	About this Report (p.2)	
2-3			Reporting period, frequency and contact point	About this Report (p.2)	
2-4			Restatements of information	Implementing Green Operations (p.70-78); Sustainability Performance Indicators (p.97-104)	
2-5			External assurance	About this Report (p.2); Verification Statements (p.113)	
	MDR-14		Reporting Principles	About this Report (p.2)	
Activities & Workers					
2-6	B5.1		Activities, value chain and other business relationships	About BOC Hong Kong (Holdings) Limited (p.3); Overview of Sustainability Performance (p.104)	
2-7	B1.1		Employees	A People-oriented Approach (p.82-89); Sustainability Performance Indicators (p.99-103)	5 Gender Equity; 8 Decent Work and Economic Growth 10 Reduced Inequalities
2-8			Workers who are not employees	The Group has no workers other than employees and is not applicable to the Group	
Governance					
2-9			Governance structure and composition	Enhancing Corporate Governance (p.26)	16 Peace, Justice and Strong Institutions
2-10			Nomination and selection of the highest governance body	Enhancing Corporate Governance (p.26)	5 Gender Equality
2-11			Chair of the highest governance body	Enhancing Corporate Governance (p.26)	

¹²¹ 102-55

¹²² Global Reporting Initiative

¹²³ Released in March 2020

¹²⁴ The Sustainability Accounting Standards Board (SASB)

GRI Standards ¹²²	HKEX ESG Guide ¹²³	SASB ¹²⁴	Description	Page number(s) and/or explanations	Relevant SDG Targets
2-12			Role of the highest governance body in overseeing the management of impacts	Sustainability Governance (p.14-16); Enhancing Corporate Governance (p.26); Improving Risk Management (p.28-30)	16 Peace, Justice and Strong Institutions
2-13			Delegation of responsibility for managing impacts	Sustainability Governance (p.14-16); Risk Management (p.28-30)	
2-14			Role of the highest governance body in sustainability reporting	Sustainability Governance (p.14-16); Material Issues (p.22-24)	
2-15			Conflicts of interest	Corporate Governance section of the 2022 Annual Report	16 Peace, Justice and Strong Institutions
2-16			Communication of critical concerns	Material Issues (p.22-24); Promoting staff development (p.82-86)	
2-17			Collective knowledge of the highest governance body	Enhancing Corporate Governance (p.26)	
2-18			Evaluation of the performance of the highest governance body	Corporate Governance section of the 2022 Annual Report	16 Peace, Justice and Strong Institutions
2-19			Remuneration policies	Corporate Governance section of the 2022 Annual Report	10 Reduced Inequalities
2-20			Process to determine remuneration	Corporate Governance section of the 2022 Annual Report	10 Reduced Inequalities
2-21			Annual total compensation ratio	Sustainability Performance Indicators (p.101)	10 Reduced Inequalities
Strategy, Policies and Practices					
2-22	MDR-13		Statement on sustainable development strategy	Sustainability Governance (p.14-16); Sustainability Strategies (p.17-18)	
2-23			Policy commitments	Integrity and Compliance Culture (p.34-37)	
2-24			Embedding policy commitments	Integrity and Compliance Culture (p.34-37)	
2-25			Processes to remediate negative impacts	A People-oriented Approach (p.86) Please refer to the Whistleblowing Policy on the Group's website	



GRI Standards ¹²²	HKEX ESG Guide ¹²³	SASB ¹²⁴	Description	Page number(s) and/or explanations	Relevant SDG Targets
2-26			Mechanisms for seeking advice and raising concerns	Integrity and Compliance Culture (p.34-37)	
2-27	A1 General Disclosure; B1 General Disclosure; B2 General Disclosure; B4 General Disclosure; B6 General Disclosure; B7 General Disclosure		Compliance with laws and regulations	Integrity and Compliance Culture (p.35-37); There were no relevant violations that resulted in significant fines or warnings during 2022.	
2-28			Membership associations	Economic Performance (p.8); BOCHK participates in associations and organisations such as the Hong Kong Association of Banks, the International Capital Markets Association, and the Hong Kong Green Finance Association.	
Stakeholder engagement					
2-29			Approach to stakeholder engagement	Communication with Stakeholders (p.19)	
2-30			Collective bargaining agreements	The Group does not have a collective bargaining labour contract. However, all employees of the Group have the right to join any legal organisation in accordance with the <i>Staff Code of Conduct</i> .	
Material Topics					
3-1	MDR-13		Process to determine material topics	Communication with Stakeholders (p.19); Material Issues (p.22-23)	
3-2	MDR-14		List of material topics	Material Issues (p.24)	
TOPIC-SPECIFIC STANDARDS: ECONOMIC					
Economic Performance					
3-3			Management of material topics	Material Issues (p.22-24); Economic Performance (p.8); Please refer to the <i>Sustainability Policy</i> on the Group's website	
201-1			Direct economic value generated and distributed	Economic Performance (p.8); Consolidated Statement of Comprehensive Income section of the 2022 Annual Report	8 Decent Work and Economic Growth;
201-2	A4.1		Financial implications and other risks and opportunities by climate change	Combating Climate Change (p.10); Improving Risk Management (p.28-30)	13 Climate Action

GRI Standards ¹²²	HKEX ESG Guide ¹²³	SASB ¹²⁴	Description	Page number(s) and/or explanations	Relevant SDG Targets
		FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Note 33 Deposits from Customers of the Notes to the Financial Statements section of the 2022 Annual Report	
		FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Note 25 Advances and Other Accounts of the Notes to the Financial Statements section of the 2022 Annual Report	
Market Performance					
	202-2		Proportion of senior management hired from the local community	Sustainability Performance Indicators (p.101)	8 Decent Work and Economic Growth
Indirect Economic Impacts					
	3-3		Management of material topics	Material Issues (p.22-24); Development of Sustainable Finance (p.39-48); Practising Financial Inclusion (p.49-57); Community and Public Welfare (p.7); Please refer to the <i>Sustainability Policy</i> on the Group's website	
	203-1	B8.1; B8.2	Infrastructure investments and services supported	Economic Performance (p.8); Development of Sustainable Finance (p.39-48); Practising Financial Inclusion (p.49-57)	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities
	203-2		Significant indirect economic impacts	Economic Performance (p.8); Development of Sustainable Finance (p.39-48); Practising Financial Inclusion (p.49-57)	1 No Poverty; 3 Good Health and Well-Being; 8 Decent Work and Economic Growth
Anti-corruption					
	3-3	B7 General Disclosure	Management of material topics	Material Issues (p.22-24); Integrity and Compliance Culture (p.34-37)	
	205-1		Operations assessed for risks related to corruption	Integrity and Compliance Culture (p.34-37)	16 Peace, Justice and Strong Institutions
	205-2	B7.2; B7.3	Communication and training about anti-corruption policies and procedures	Integrity and Compliance Culture (p.34-37); Sustainability Performance Indicators (p.103)	16 Peace, Justice and Strong Institutions
	205-3	B7.1	Confirmed incidents of corruption and actions taken	Sustainability Performance Indicators (p.103)	16 Peace, Justice and Strong Institutions



GRI Standards ¹²²	HKEX ESG Guide ¹²³	SASB ¹²⁴	Description	Page number(s) and/or explanations	Relevant SDG Targets
TOPIC-SPECIFIC STANDARDS: Environmental Standards					
Materials					
3-3	A3.1		Management of material topics	Material Issues (p.22-24); Implementing Green Operations (p.70-78); Please refer to the Sustainability Policy on the Group's website	
301-1	A2.5		Materials used by weight or volume	The Group is a financial service provider and does not require a large amount of packaging materials.	12 Responsible Consumption and Production
Energy					
3-3	A2 General Disclosure; A3 General Disclosure; A3.1		Management of material topics	Material Issues (p.22-24); Implementing Green Operations (p.70-78); Please refer to the Sustainability Policy on the Group's website	
302-1	A2.1		Energy consumption within the organisation	Implementing Green Operations (p.71); Sustainability Performance Indicators (p.97)	7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action
302-3	A2.1		Energy intensity	Implementing Green Operations (p.71); Sustainability Performance Indicators (p.97)	7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action
302-4	A2.3		Reduction of energy consumption	Implementing Green Operations (p.70-78)	7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action
Water and Effluents					
3-3	A2 General Disclosures; A3 General Disclosures; A3.1		Management of material topics	Material Issues (p.22-24); Implementing Green Operations (p.76-77); Please refer to the Sustainability Policy on the Group's website	
303-5	A2.2		Water consumption	Implementing Green Operations (p.76); Sustainability Performance Indicators (p.98)	6 Clean Water and Sanitation; 12 Responsible Consumption and Production
	A2.4		Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Implementing Green Operations (p.70-78) The Group operates mainly with municipal water supply and does not have any problem in obtaining water.	6 Clean Water and Sanitation; 12 Responsible Consumption and Production

GRI Standards ¹²²	HKEX ESG Guide ¹²³	SASB ¹²⁴	Description	Page number(s) and/or explanations	Relevant SDG Targets
Emissions					
3-3	A1 General Disclosure; A3 General Disclosure; A1.5; A3.1		Management of material topics	Material Issues (p.22-24); Implementing Green Operations (p.70-78); Please refer to the Sustainability Policy on the Group's website	
305-1	A1.1; A1.2		Direct (Scope 1) GHG emissions	Implementing Green Operations (p.71); Sustainability Performance Indicators (p.97)	12 Responsible Consumption and Production; 13 Climate Action
305-2	A1.1; A1.2		Energy indirect (Scope 2) GHG emissions	Implementing Green Operations (p.71); Sustainability Performance Indicators (p.97)	12 Responsible Consumption and Production; 13 Climate Action
305-3			Other indirect (Scope 3) GHG emissions	Sustainability Performance Indicators (p.97)	12 Responsible Consumption and Production; 13 Climate Action
305-4	A1.2		GHG emissions intensity	Sustainability Performance Indicators (p.97)	12 Responsible Consumption and Production; 13 Climate Action
305-5			Reduction of GHG emissions	Implementing Green Operations (p.71)	12 Responsible Consumption and Production; 13 Climate Action
	A1.5		Description of emission target(s) set and steps taken to achieve them	Implementing Green Operations (p.70-78)	11 Sustainable cities and communities; 12 Responsible Consumption and Production; 13 Climate Action
Waste					
3-3	A3.1		Management of material topics	Material Issues (p.22-24); Implementing Green Operations (p.76-77); Please refer to the Sustainability Policy on the Group's website	
306-2			Management of significant waste-related impacts	Implementing Green Operations (p.77)	
306-3	A1.3; A1.4		Waste generated	Sustainability Performance Indicators (p.98)	
306-4			Waste diverted from disposal	Sustainability Performance Indicators (p.98)	
306-5			Waste directed to disposal	Implementing Green Operations (p.77); Sustainability Performance Indicators (p.98)	



GRI Standards ¹²²	HKEX ESG Guide ¹²³	SASB ¹²⁴	Description	Page number(s) and/or explanations	Relevant SDG Targets
	A1.6		Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Implementing Green Operations (p.76-77)	
Supplier Environmental Assessment					
	3-3		Material Topics	Material Issues (p.22-24); Promoting Sustainable Procurement (p.79-80)	
	308-1	B5.2; B5.4	New suppliers that were screened using environmental criteria	Promoting Sustainable Procurement (p.79-80)	
		B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Promoting Sustainable Procurement (p.79-80)	12 Responsible Consumption and Production
TOPIC-SPECIFIC STANDARDS: SOCIAL					
Employment					
	3-3	B2 General Disclosure	Material Topics	Material Issues (p.22-24); A People-oriented Approach (p.82-89); Please refer to the Sustainability Policy on the Group's website	
	401-1	B1.2	New employee hires and employee turnover	Sustainability Performance Indicators (p.101)	5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
	401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	A People-oriented Approach (p.86)	5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
	401-3		Parental leave	Sustainability Performance Indicators (p.102)	5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
Occupational Health and Safety					
	3-3	B2 General Disclosure	Material Topics	Material Issues (p.22-24); A People-oriented Approach (p.87); Please refer to the Sustainability Policy on the Group's website	
	403-1	B2.3	Occupational health and safety management system	A People-oriented Approach (p.87)	8 Decent Work and Economic Growth

GRI Standards ¹²²	HKEX ESG Guide ¹²³	SASB ¹²⁴	Description	Page number(s) and/or explanations	Relevant SDG Targets
	403-2		Hazard identification, risk assessment, and incident investigation	A People-oriented Approach (p.87)	8 Decent Work and Economic Growth
	403-3	B2.3	Occupational health services	A People-oriented Approach (p.87)	8 Decent Work and Economic Growth
	403-4		Worker participation, consultation, and communication on occupational health and safety	A People-oriented Approach (p.87)	8 Decent Work and Economic Growth
	403-5	B2.3	Worker training on occupational health and safety	A People-oriented Approach (p.87)	8 Decent Work and Economic Growth
	403-6		Promotion of worker health	A People-oriented Approach (p.87)	3 Good Health and Well-Being; 8 Decent Work and Economic Growth
	403-7		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	A People-oriented Approach (p.87)	8 Decent Work and Economic Growth
	403-8	B2.3	Workers covered by an occupational health and safety management system	A People-oriented Approach (p.87)	8 Decent Work and Economic Growth
	403-9	B2.1; B2.2	Work-related injuries	Sustainability Performance Indicators (p.102)	8 Decent Work and Economic Growth.
Training and Education					
	3-3	B3General Disclosure	Material Topics	Material Issues (p.22-24); A People-oriented Approach (p.88-89); Please refer to the Sustainability Policy on the Group's website	
	404-1	B3.1; B3.2	Average hours of training per year per employee	Sustainability Performance Indicators (p.102)	4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
	404-2		Programs for upgrading employee skills and transition assistance programs	A People-oriented Approach (p.88-89)	4 Quality Education; 8 Decent Work and Economic Growth



GRI Standards ¹²²	HKEX ESG Guide ¹²³	SASB ¹²⁴	Description	Page number(s) and/or explanations	Relevant SDG Targets
404-3			Percentage of employees receiving regular performance and career development reviews	A People-oriented Approach (p.82-89)	5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
Diversity and Equal Opportunity					
3-3	B1 General Disclosure		Material Topics	Sustainability Governance (p.14); A People-oriented Approach (p.85); Please refer to the <i>Sustainability Policy</i> on the Group's website	
405-1	B1 General Disclosure; B1.1		Diversity of governance bodies and employees	Sustainability Governance (p.14); A People-oriented Approach (p.85); Sustainability Performance Indicators (p.99-101)	5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
Non-discrimination					
3-3	B1 General Disclosure		Material Topics	A People-oriented Approach (p.85); Please refer to the <i>Sustainability Policy</i> on the Group's website	
406-1			Incidents of discrimination and corrective actions taken	Sustainability Performance Indicators (p.103)	5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
Child Labour					
	B4.1; B4.2		Description of measures to review employment practices to avoid child and forced labour; Description of steps taken to eliminate such practices when discovered.	A People-oriented Approach (p.85); Promoting Sustainable Procurement (p.79-80); Please refer to the <i>Sustainability Policy</i> on the Group's website	8 Decent Work and Economic Growth
Forced Labour					
	B4.1; B4.2		Description of measures to review employment practices to avoid child and forced labour; Description of steps taken to eliminate such practices when discovered.	A People-oriented Approach (p.85); Promoting Sustainable Procurement (p.79-80); Please refer to the <i>Sustainability Policy</i> on the Group's website	8 Decent Work and Economic Growth
Local Communities					
3-3	B8 General Disclosure		Material Topics	Material Issues (p.22-24); Community and Public Welfare (p.90-96)	
413-1	B8.1; B8.2		Operations with local community engagement, impact assessments and development programs	Community and Public Welfare (p.90-96)	11 Sustainable Cities and Communities

GRI Standards ¹²²	HKEX ESG Guide ¹²³	SASB ¹²⁴	Description	Page number(s) and/or explanations	Relevant SDG Targets
Supplier Social Assessment					
3-3	B5 General Disclosure		Material Topics	Material Issues (p.22-24); Promoting Sustainable Procurement (p.79-80)	
414-1	B5.2 B5.3		New suppliers that were screened using social criteria	Promoting Sustainable Procurement (p.79-80)	8 Decent Work and Economic Growth; 12 Responsible Consumption and Production
	B5.1		Number of suppliers by geographical region	Sustainability Performance Indicators (p.103)	
Customer Health and Safety					
	B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to the financial services provided by the Group.	
	B6.4		Description of quality assurance process and recall procedures	Not applicable to the financial services provided by the Group.	
Marketing and Labelling					
3-3	B6 General Disclosure		Material Topics	Material Issues (p.22-24); Quality Customer Experience (p.59-60); Please refer to the <i>Sustainability Policy</i> on the Group's website	
417-3			Incidents of non-compliance marketing communications	There were no related violations that resulted in fines or warnings during 2022.	
	B6.3		Description of practices relating to observing and protecting intellectual property rights.	Integrity and Compliance Culture (p.35)	
Customer Privacy					
3-3	B6 General Disclosure, B6.5		Material Topics	Material Issues (p.22-24); Risk Management (p.28-30); Please refer to the <i>Sustainability Policy</i> on the Group's website	
418-1	B6.2		Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Performance Indicators (p.104)	



GRI Standards ¹²²	HKEX ESG Guide ¹²³	SASB ¹²⁴	Description	Page number(s) and/or explanations	Relevant SDG Targets
GRI G4 Financial Sector Supplement					
Product Portfolio	G4-FS1	FN-CB-410a.2	Policies with specific environmental and social components applied to business lines	Sustainability Governance (p.14); Sustainability Strategies (p.17-18)	
	G4-FS2	FN-CB-410a.2	Procedures for assessing and screening environmental and social risks in business lines	Improving Risk Management (p.28-30)	
	G4-FS3	FN-CB-410a.2	Processes for monitoring customers' implementation of and compliance with environmental and social requirements included in agreements or transactions	Improving Risk Management (p.28-30)	
	G4-FS4	FN-CB-410a.2	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	Sustainability Governance (p.16); Quality Customer Experience (p.61)	
	G4-FS5	FN-CB-410a.2	Interactions with customers/ investors/business partners regarding environmental and social risks and opportunities	Communication with Stakeholders (p.19); Development of Sustainable Finance (p.39-48); Practising Financial Inclusion (p.49-57)	
Local Communities	G4-FS13		Access points in low-populated or economically disadvantaged areas by type	Practising Financial Inclusion (p.49-57)	1 No Poverty; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
	G4-FS14		Initiatives to improve access to financial services for disadvantaged people	Practising Financial Inclusion (p.49-57)	1 No Poverty; 8 Decent Work and Economic Growth; 10 Reduced Inequality
Product and Service Labelling	G4-FS16		Initiatives to enhance financial literacy by type of beneficiary	Practising Financial Inclusion (p.49-57); Improving Customer Experience (p.69)	4 Quality Education; 10 Reduced Inequalities

8.4 VERIFICATION STATEMENT



Scope and objective

TQM Consultants Co. Limited ("TQM") has been commissioned by BOC Hong Kong (Holdings) Limited ("the Company") to conduct an independent verification for its Sustainability Report 2022 ("the Report"). "The Report" gives an overview of the sustainability performance of "the Company" and its subsidiaries ("the Group"), including its principal operating subsidiary Bank of China (Hong Kong) Limited ("BOCHK"), during 2022. The data in "the Report" is compiled for the financial year 1 January to 31 December 2022.

The aim of this verification is to provide a reasonable assurance on the reliability of the reporting contents. "The Report" has been prepared in accordance with Global Reporting Initiatives ("GRI") GRI Universal Standard, the Environmental, Social and Governance Reporting Guide (Main Board Listing Rules Appendix 27) ("ESG Guide") issued by the Hong Kong Exchanges and Clearing Limited ("HKEX"), and the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, and with reference to the Sustainability Accounting Standards Board ("SASB") Standards, the United Nations Sustainable Development Goals ("SDGs") and ISO 26000:2010 Guidance on Social Responsibility.

Level of assurance and methodology

The process applied in this verification made reference to the International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. The verification process was designed to obtain a reasonable level of assurance for the purpose of devising the verification conclusion.

The assurance and verification process included reviewing the materiality assessment process, verifying the data management mechanism, examining supporting evidence of the selected samples and interviewing personnel with accountability for preparing "the Report". Raw data and supporting evidence of the selected samples were thoroughly examined during the verification process.

Independence

"The Company" was responsible for providing accurate information and documentation. TQM did not involve in the preparation of "the Report". Our verification activities were entirely independent and there was no relationship between TQM and "the Company" that would affect the impartiality and independence for providing the verification service. TQM relied on the information and the facts presented by "the Company". TQM is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by "the Company". TQM made all efforts to ensure the highest quality and rigor during its assessment process.

In accordance with the verification procedures undertaken and based on the verification results of the Hong Kong operation data in "the Report", TQM has obtained reasonable assurance and is in the opinion that.

- "The Report" has been prepared in accordance with the GRI Standard and TCFD recommendations framework. It fulfils the mandatory disclosure provisions of the ESG Guide issued by the HKEX and in accordance with the GRI Standards.
- "The Report" has been prepared with reference to the aforementioned latest international guidelines;
- "The Report" illustrates the Group's sustainability performance, covering all important and relevant aspects and topics, in an objective, comparable, clear and timely manner; and
- The data and information disclosed in "the Report" are reliable.

"The Report" demonstrates the Group's continuous efforts in extending its scope of transparency and allows stakeholders to visualise its commitment, stewardship and performance towards sustainability.

Signed on behalf of TQM Consultants Co. Limited

Ir. Dr. Aaron W.K. TONG

Managing Director and Principal Consultant

March 2023