



SUSTAINABILITY REPORT 2019



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Report Cover:

Children are symbols of innocence, creativity and hope. Eleven kids from Tung Wah Group of Hospitals Jockey Club Tin Shui Wai Integrated Services Centre visualised the beauty of the nature through paintings, with each brushstroke infused with the purity and frankness of children. Their colourful works exemplify BOCHK's devotion and commitment to promote sustainable development for the wellbeing of future generations.



Report Boundary

The Sustainability Report (“the Report”) gives an overview of the sustainability performance of BOC Hong Kong (Holdings) Limited (“the Company”) and its member institutions during 2019, comprising Bank of China (Hong Kong) Limited (“BOCHK”) and its subsidiaries. These subsidiaries include the Company’s Southeast Asian entities, BOC Group Life Assurance Company Limited (“BOC Life”) and BOCHK Asset Management Limited (collectively referred to as “the Group”).

The Report represents an important part of our annual reporting, and aims to help our major stakeholders better understand the Group’s sustainability philosophy, initiatives and performance. To fully understand the overall performance of the Company, this Report should be read in conjunction with the Company’s [2019 Annual Report](#), [Corporate Social Responsibility Policy](#) and [Environmental Policy](#), which are available on our website.

This Report covers the Group’s governance for sustainability, corporate governance, stakeholder engagement, business development and economic contributions, caring for employees, environmental protection, supply chain management and contributions to the community, etc.

Unless otherwise stated, the information and data contained in this Report cover the period from 1 January to 31 December 2019¹.

Preparation of the Report

This report has been prepared in accordance with the GRI Standards: Core option, the Environmental, Social and Governance Reporting Guide (Main Board Listing Rules Appendix 27) (“HKEx ESG Guide”) issued by Hong Kong Exchanges and Clearing Limited (“HKEx”), and with reference to the United Nations Sustainability Development Goals (“SDG”)². It elaborates the impacts of the Group’s daily operations on the economy, environment and society and discloses the Group’s sustainability performance.

The Report has successfully completed the Global Reporting Initiative (“GRI”) Materiality Disclosures Service and the GRI SDG Mapping Service.

Section 11 of this Report outlines sustainability-related data, and Section 12 contains the HKEx ESG Guide content index, GRI content index and the mapping of the United Nations SDG indicators. The calculation methods for data used in this Report are stated where appropriate. To increase data accuracy and coverage, historical data and information for certain indicators have been restated, with the reasons and impacts reflected and explained where appropriate (if applicable)³.

The content and data contained in this Report were collected by the Group’s cross-unit CSR Task Force, formed by representatives from different units within the Group. The Report is prepared after seeking professional consultation.

Assurance and Approval of the Report

This Report has been independently verified by the Hong Kong Quality Assurance Agency (HKQAA). The scope and basis of the verification are set out in the Verification Statement contained in Section 13 of the Report.

The Report is published on the websites of HKEx and BOCHK after being reviewed by the Group’s Sustainability Executive Committee of the Management Committee, and the Sustainability Committee under the Board of Directors (“the Board”), with the approval of the Board⁴.

Your Valuable Feedback

If you have any comments or suggestions regarding the Report or our sustainability initiatives, please fill in the [Online Feedback Form](#) or contact us (email: esg@bochk.com)⁵.



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¹ 102-50
² 102-54
³ 102-48

⁴ 102-32
⁵ 102-53



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 its principal operating subsidiary 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 business 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 HKEx since 25 July 2002 with stock code “2388” and ADR OTC Symbol “BHKLY”⁷. 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’s strategic goal is to “Build a Top-class, Full-service and Internationalised Regional Bank”. Capitalising on its advantages as a major commercial banking group in Hong Kong, BOCHK aims to increase local market penetration and actively expand its business in the Southeast Asian region. We strive to provide customers with comprehensive, professional and high-quality services. 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.

We have the most extensive branch network and diverse service platforms in Hong Kong, including more than 190 branches, 280 automated banking centres, over 1,000 self-service machines, and 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. Entering into a new era of smart banking, we adhere to the “Technology-based and Innovation-driven” strategy and strive to enhance customer experience with intelligent products and services, in order to become a customer-centric digital bank.

To align with the overseas development strategy of BOC Group, we are actively driving our regional development. With our branches and subsidiaries in Thailand, Malaysia, Vietnam, the Philippines, Indonesia, Cambodia, Laos and Brunei, we support customers in the region with professional and high-quality financial services. Through close collaboration 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 internationalised regional bank deeply rooted in Hong Kong for over 100 years, we are committed to undertaking our corporate social responsibilities, promoting long-term and balanced sustainable development, and delivering greater value for our stakeholders and the community.

The Group’s performance in different aspects have been widely recognised by the market. For awards details, please refer to our

2019 Annual Report >



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⁶ 102-1, 102-2, 102-4, 102-6, 102-7

⁷ 102-5



Our Strategic Goal and Core Values⁸

Our Strategic Goal is to

Build a Top-class, Full-service and Internationalised Regional Bank

Our Core Values are

Responsibility

Integrity

Professionalism

Innovation

Prudence

Performance

Indices, Ratings and Awards for Sustainability

Hang Seng Corporate Sustainability Index:



BOCHK has been a constituent stock of Hang Seng Corporate Sustainability Index Series for ten consecutive years, and has been rated AA for three years in a row.

MSCI ESG Research LLC:



BOCHK has been rated AA for four consecutive years and has scored highest among the major banks for two consecutive years since 2018.

“Best Bank for CSR in Hong Kong” by Asiamoney’s 2019 Best Bank Awards:



Since 2018, BOCHK has been granted this award in recognition of its contributions in promoting philanthropy, financial innovation, green finance, financial inclusion and volunteer activities.

Financial Services Awards of Excellence 2019 – Excellent Sustainability CSR Awards:



The Hong Kong Economic Journal granted the awards to BOCHK to recognise its efforts in supporting the development of green finance centre.

Caring Company:



Since 2003, BOCHK has been recognised as a “Caring Company” by the Hong Kong Council of Social Service for its contributions to promote corporate citizenship and inclusive society.

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In 2019, in the face of a global economic slowdown and persistent trade disputes, Hong Kong's economy entered into a technical recession due to internal and external uncertainties. In response to the complicated operating situation, BOCHK diligently carried out BOC's development strategy and the plans and decisions of the Board. In line with our strategic goal to "Build a Top-class, Full-service and Internationalised Regional Bank", we managed to overcome difficulties and forged ahead with determination. Committed to serving national development strategies, supporting Hong Kong's development, and reciprocating the community and customers, we achieved good progress in various initiatives, while also making contributions to maintaining Hong Kong's stability and prosperity.

The Group is vigorously implementing national strategies and providing diverse financial support along the Belt and Road and in the Guangdong-Hong Kong-Macao Greater Bay Area. We proactively implemented the development plan for the Greater Bay Area, and continuously accelerated financial service innovation in the region. We launched pioneering products, such as a brand-new attestation service that enables Hong Kong residents to open Chinese mainland bank accounts without having to leave Hong Kong, and promoted interconnection within the Greater Bay Area in order to enhance our service capabilities and meet customers' cross-border financial needs.



We supported the Belt and Road Initiative and continuously improved the development and integration of our regional management in Southeast Asia. BOC Manila Branch was appointed as the RMB clearing bank in the Philippines, while BOC Malaysia was designated as the RMB clearing bank in Labuan, Malaysia's offshore financial centre, both of which helped further expand RMB usage in Southeast Asia.

The Group is actively consolidating our professional advantages, benefitting Hong Kong's economic development and improving people's livelihoods. Currently we are the only RMB clearing bank in the world that directly participates in the Chinese mainland's Cross-border Interbank Payment System (CIPS), China National Advanced Payment System (CNAPS) and Shenzhen Financial Settlement System (SZFSS). In 2019, we continued to strengthen Hong Kong's position as a global hub for offshore RMB business. With the RMB transaction volumes processed via BOCHK accounting for 70% of the total RMB transaction volume of the world's offshore markets, we remained the global market leading player. In support of Hong Kong's efforts to establish itself as an international innovation and technology centre, we were among the first to participate in the eTradeConnect blockchain technology-based trade finance platform led by the Hong Kong Monetary Authority ("HKMA") through the "Open Application Programming Interface (API) Framework for the Banking Sector". We also launched a global transaction banking platform to provide corporate customers with competitive, one-stop regional online integrated services. Vigorously promoting Hong Kong as an international centre for green finance, we actively assisted customers in the issuance of green bonds denominated in USD, EUR and RMB, with our balance of green and sustainability-linked loans increasing significantly compared with the previous year. To solve the difficulties faced by SMEs in account opening and financing, we launched the "Business Lite" service to simplify account opening procedures and provide financial services in an efficient and flexible way. In the face of continuous adverse social and economic impacts stemming from local social unrest, we endeavoured to maintain prudent operations, properly handled several attacks and prevented financial risks, thus helping achieve Hong Kong's economic and financial stability.



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⁹ 102-6, 102-14, 102-15



We are proactively fulfilling our corporate social responsibilities and contributing to charitable causes. BOCHK has always been committed to promoting harmonious community relations and actively supporting and participating in charitable activities. Over the years, we have donated a total of more than HK\$770 million to charities. In 2019, having optimised our donation strategy to focus on poverty alleviation, support for the disadvantaged and youth development, BOCHK increased the charitable donations. These included supporting the disadvantaged, youth development, environmental protection and carbon reduction, sporting activity and the arts, reaching more than 3 million beneficiaries. We launched the “BOCHK Centenary Charity Programme” to donate the net proceeds of HK\$627 million from the sales of the “Bank of China (Hong Kong) Centenary Commemorative Banknote” to local charitable causes. To demonstrate our care for young people, we supported a wide range of activities including exchange and summer internship programmes, as well as innovation, culture and sports competitions, nurturing our future pillars of society by cultivating their health and capabilities. By continuously launching various charitable activities, we made active contributions to aid the early restoration of peace and order in Hong Kong.

Sustainability is internationally recognised as an important future development strategy and a critical factor for solving pressing global issues. As always, BOCHK valued and vigorously promoted long-term balanced and sustainable development. In 2019, BOCHK established the Sustainability Committee under the Board in order to further optimise the governance mechanism and actively promote sustainable development work. We conducted our business in a responsible manner and placed high value on stakeholders’ concerns, soliciting opinions from all groups of stakeholders on various topics in order to clearly address material sustainability issues, thereby creating greater value for all stakeholders and society at large.

In 2019, BOCHK’s sustainable development performance was highly recognised by the market and granted a number of honours and awards. We were named “Best Bank for CSR in Hong Kong” by *Asiamoney* for the second consecutive year. The Bank was selected as a constituent stock of the Hang Seng Corporate Sustainability Index Series for the tenth consecutive year. We were granted the “Award of 10,000 Hours for Volunteer Service”, the “Merit Award for Highest Service Hour Award” and, for the tenth consecutive year,

the “Gold Award for Volunteer Service” by the Social Welfare Department. In addition, the Group’s environmental, social and governance (ESG) performance was rated AA by the rating agency MSCI ESG Research LLC for the fourth consecutive year.

2020 marks the final year of the National 13th Five-Year Plan. As the interrelated effects of environmental, economic and social factors become more deeply integrated, the concept of sustainable development has become a major focus. In 2019, the HKMA unveiled three sets of measures on sustainable banking and green finance. Meanwhile, the HKEx also revised the “HKEx ESG Guide”, further enhancing the disclosure responsibility of ESG on “Mandatory Disclosure Requirements”. With our firm roots and century of service in Hong Kong, we will integrate our sustainability strategy into all aspects of our strategic plan and to implement a series of sustainable development tactics. We will actively promote sustainability initiatives with depth and breadth. Through our actions, we will also continue to fulfill our corporate social responsibilities to serve the country and its people, and to support Hong Kong’s sustainable development.

As the saying goes, “The long journey is full of wind and bluster. But bearing significant responsibility, we struggle on with vigour”. BOCHK is willing to cooperate with all sectors of society to jointly promote sustainability, deliver greater value for our stakeholders and the community, and make vital contributions to the grand journey of supporting Hong Kong’s integration into the great development of the Chinese nation.

LIU Liange

Chairman

27 March 2020

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2019 marks the 70th anniversary of the founding of the People's Republic of China, and is also the inaugural year of the comprehensive and in-depth reform of BOC in the new era. Guided by our strategic goal to "Build a Top-class, Full-service and Internationalised Regional Bank", we diligently carried out the plans and decisions of the Board. We responded appropriately to a complex external environment, steadily launched various initiatives, continuously made improvements to our operational efficiency, enhanced the quality of our growth, further consolidated our unique advantages, and steadily implemented innovation and transformation. Notable achievements were also made in our regional development in Southeast Asia. In 2019, the Group's profit reached HK\$34,074 million, an increase of 4.3% year-on-year.

As a leading commercial and internationalised regional bank firmly rooted in Hong Kong for over a century, we have long been committed to the mission of "Where there is our root, there is our service". We always strive to promote a harmonious society and to ensure that the community can share the success of our corporate development. During the year, we established the Sustainability Committee under the Board to actively promote our sustainable development work, which is positioned as a key initiative under our core strategic goals. We strengthened our ESG capabilities and integrated them in all aspects of our operation

management and business development. We made unremitting efforts to support Hong Kong's economic development and improve people's livelihood, and to promote social harmony and stability.

The Group is providing customer-centric and dedicated service to Hong Kong's economic development and the improvement of people's livelihood. BOCHK has the most extensive service network in Hong Kong, with over 40% of our branches located near public housing estates. We also have automated banking centres located in public organisations such as hospitals, universities and public transport hubs, including MTR stations and the airport, offering convenient banking services to the public and closely linking our services to the economy and people's livelihood. We strengthened our support for local residents seeking to purchase properties and actively supported the HKSAR Government's policies to benefit the general public. We launched mortgage and deferred annuity products that were well received by the public, both of which ranked first in the market. With effect from 1 August 2019, we removed service fees for personal integrated banking services and general banking accounts as part of our efforts to promote financial inclusion. With the Hong Kong market as our business focus, we actively supported the development of local SMEs and helped them ease their cash flow pressures. We continued to generate synergies in our regional operations and actively explored business opportunities along the Belt and Road and in the Southeast Asian region. By serving Chinese mainland "Going Global" enterprises, Hong Kong-invested projects in Southeast Asia and the region's largest and most prominent corporations, we further strengthened Hong Kong's status as an international financial centre and contributed to its prosperity and development. We vigorously promoted green finance, actively assisted customers in the issuance of green bonds and acted as a green adviser. As of the end of 2019, our balance of green and sustainability-linked loans increased almost eightfold compared with the previous year-end.

We are deepening innovation and transformation and improving financial inclusion coverage and convenience. During the year, we launched various innovations including our global transaction banking platform, online account opening for individual customers, smart customer



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¹⁰ 102-6, 102-14, 102-15, G4-FS7



self-service and mobile banking upgrades, thus effectively promoting migration from traditional to online services and improving the customer service experience. We continued to proactively promote interconnection within the Greater Bay Area by innovating cross-border financial services, including taking the lead in offering a brand-new attestation service that enables Hong Kong residents to open Chinese mainland bank accounts without having to leave Hong Kong. We also strengthened innovation in the payment field, providing comprehensive payment services on basic necessities including food, clothing, living and transportation. BoC Pay completed functional upgrades and achieved rapid market expansion, while BoC Bill has gradually integrated into different scenarios such as transportation, lifestyle and utility payment, and also advanced mobile payment in Southeast Asia. We launched the E-Donate Platform, which provides charitable organisations with an effective online solution for handling donations, thus making it easier for the public to give donations to charity. Fully supporting the HKMA's call for the sector to "enter into a new era of smart banking", we were granted a virtual banking licence that allows us to kick-start a new model of "banking + internet + customers".

The Group is actively contributing to society and caring for the underprivileged. During the year, we sponsored more than 40 charity projects, including projects supporting the disadvantaged, youth development, environmental protection and carbon reduction, sporting activity and the arts, reaching more than 3 million beneficiaries. At the same time, we increased our charitable donations and launched the "BOCHK Centenary Charity Programme", which donated the net proceeds of HK\$627 million from the sales of the "Bank of China (Hong Kong) Centenary Commemorative Banknote" to local charitable causes. This programme particularly focused on projects that benefit local grassroots communities and facilitate child and youth development, with the aim of enhancing social cohesion and promoting social harmony. We also encouraged our employees to participate in volunteer activities. Our volunteer team completed over 42,000 hours of volunteer service during the year through more than 12,500 volunteer engagements, thus receiving the "Gold Award for Volunteer Service" honour from the Social Welfare Department for the tenth consecutive year. We actively responded to the impact of local social event during the year by ensuring the personal safety of customers and employees as well as the security of bank assets, customer information and data. We endeavoured to maintain normal business

operations and financial services for the public and our various customers, and thus fully supported Hong Kong's financial stability.

We are building our corporate culture into a driving force for the sustainable development of the Group. Actively implementing BOC's core values of "responsibility, integrity, professionalism, innovation, prudence and performance", we took cultural development to be a paramount step towards creating a positive, harmonious and warm cultural atmosphere. We adhered to a people-oriented approach and showed care for our employees, thus boosting their vitality. At the same time, we actively implemented and delivered the Bank's values from top to bottom, advocating and promoting a strong corporate culture in our daily work. In line with regulators' expectations, we are committed to making the Group an industry exemplar, widely recognised by the society for our cultural development. We aim to build a top-class, full-service and internationalised regional bank by cultivating an excellent banking culture.

As the proverb goes, "Plain sailing through the strong wind amid the rising tide, shouldering great responsibility and moving ahead bravely". In 2020, we will continue to focus on our strategic goals, strengthen our strategic execution, deepen reform, boost our vitality, improve our mechanisms, respond with agility, consolidate our distinctive advantages and make new breakthroughs. We are also committed to undertaking our corporate social responsibilities and promoting long-term balanced and sustainable development. Finally, we will as always firmly support the HKSAR Government in governing according to the law and make further contributions to maintaining Hong Kong's stability and prosperity.

GAO Yingxin
Vice Chairman & Chief Executive
27 March 2020

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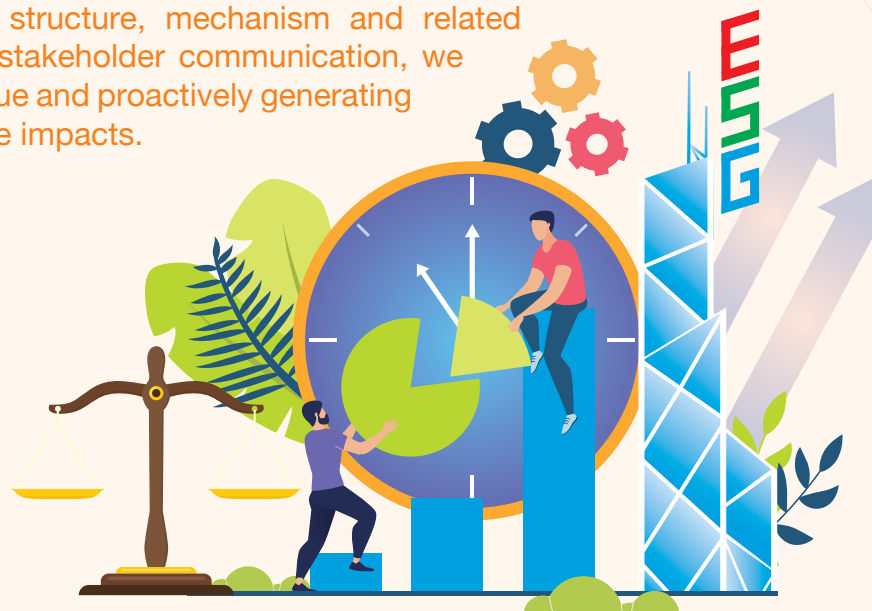


5. Governance for Sustainability

Sustainability is the Group's long-term strategy. We aim to become one of the region's leading financial groups for sustainable development. By incorporating the three major elements of ESG into the Group's overall strategic development planning, we target to consolidate our core competitiveness and enhance our brand value in order to achieve the long-term sustainable development of the Group and its major stakeholders, thus benefitting present and future generations.

We constantly improve our governance structure, mechanism and related policies on sustainability. Through effective stakeholder communication, we are committed to optimising stakeholders' value and proactively generating positive environmental, social and governance impacts.

**SUSTAINABLE
DEVELOPMENT
GOALS**



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Board Oversight¹³

To fully integrate our sustainability strategy into the Group's strategic planning, we stepped up our efforts to improve our governance structure and mechanism.

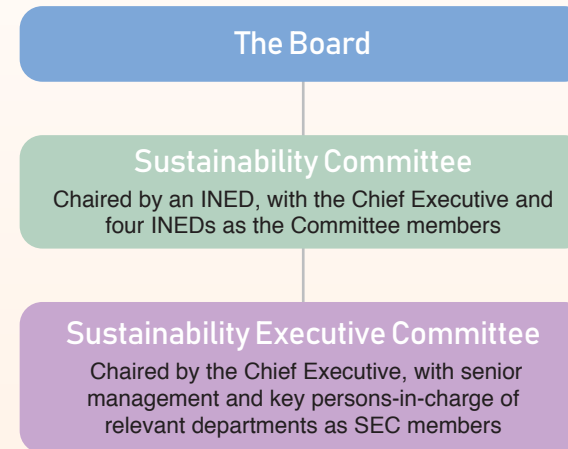
Sustainability Committee

During the year, we established a new Sustainability Committee ("the Committee") under the Board. The Committee is accountable to the Board and aims to assist the Board in strengthening guidance and supervision on matters related to sustainability, corporate social responsibility ("CSR") and corporate culture, thereby further enhancing the Group's sustainable management mechanism.

The Committee is chaired by an independent non-executive director ("INED"), and its members include the Chief Executive and four other INEDs. The Committee is responsible for formulating the Group's sustainable development strategies, goals and priorities. It coordinates planning and guidance at the Board level for the Group's sustainability and corporate culture-related work. It is also responsible for supervising and evaluating the execution of the Group's sustainability planning in terms of its appropriateness and effectiveness.

Sustainability Executive Committee

During the year, we expanded the responsibilities and participating departments of the CSR Committee and renamed it as the Sustainability Executive Committee ("SEC"). The SEC is chaired by the Chief Executive, comprising senior management members as well as key persons-in-charge of relevant departments. The Group established the SEC in order to ensure the effective implementation of its sustainability development as well as its strategic planning related to corporate culture.



Sustainability Strategy Project Team

During the year, the Group also established a Sustainability Strategy Project Team ("the Project Team") comprising representatives from relevant departments. The Project Team is mainly responsible for inter-departmental co-ordination on sustainability-related works, with a view to ensuring effective implementation.

In addition, our CSR Office and dedicated professional staff are responsible for handling issues related to CSR and sustainability.

Based on strengthened governance structure, we continue to enhance the operations procedures on sustainability. We focus on the research and development of sustainable financial products, and capacity building, with a view to operating our businesses in a sustainable manner so as to contribute to social and economic development in the region.



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¹¹ 102-19, 102-20

¹² 102-18

¹³ 102-26



Sustainability-related Policies

With reference to local and international guidelines and standards on sustainability, the Group has formulated a series of sustainability policies as well as administrative measures and mechanisms for each related scope of business. All members of the Group must comply with and implement such policies, measures and mechanisms, so as to promote the sustainable development of the Group.

The **CSR Policy** sets out the Group's overall CSR policy and principles, and specifies the roles and responsibilities of the Board, senior management and all members of the Group.

The **Environmental Policy** sets out the Group's general policy and principles regarding its efforts to actively promote environmental sustainability.

The **Credit Risk Management Policies and Procedures: Corporate Social Responsibility of Credit Risk Management** states that its credit business shall be conducted in a responsible manner. We prioritised socially and environmentally sustainable projects so as to ensure that our approved credit projects fulfil sustainability principles.

The **Sustainable Procurement Policy** sets out how the Group procures products and services in a manner that integrates environmental and social considerations. We encourage our suppliers to better understand and effectively manage their own social and environmental impacts.

The **Supply Chain Code of Conduct** provides guidance for the Group's procurement of major products and services, and incorporates this into the process of selecting suppliers, thus integrating our sustainability strategy throughout the Group's supply chain management. The Code outlines the standards we require all suppliers to follow with regard to social, ethical, corporate governance, environmental standards and fair labour conditions.

Note: Policies for other areas will be articulated in relevant chapters.

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5.2 Corporate Governance

As a leading commercial and internationalised regional bank with roots firmly planted in Hong Kong for over 100 years, we are committed to maintaining and upholding high standards of corporate governance. We strictly abide by the relevant laws and regulations in Hong Kong, and observe the rules and guidelines issued by the regulatory authorities including the HKMA, the Hong Kong Securities and Futures Commission

5.2.1 Basic Principles

The Eminent Board

The Board is responsible for supervising the management of the business and affairs of the Group with due regard to maximising shareholder value and enhancing corporate governance standard of the Group. The Board is obliged to act honestly and in good faith and to make decisions objectively in the best interests of the Group and its shareholders as a whole.

Prudent Risk Management

The Board recognises the need for risk control and management being a vital component of the business of the Group. The Board formulates and oversees the risk management strategies, and the related framework and policies with the assistance of the Risk Committee and other relevant Board Committee(s). The Management performs the daily risk management responsibilities of the Group under the guidance of the Risk Committee.

Fair Remuneration System

The Company ensures that Directors' remuneration should be appropriate and reflect their duty and responsibility to fulfil the expectations of the shareholders and meet regulatory requirements. Directors' fees are subject to the approval of the shareholders. The Board, based on the recommendations of the Nomination and Remuneration Committee which is mainly responsible for ensuring the fairness and reasonableness of the overall human resources and remuneration strategies, approves the remuneration policies of the Group. No Director shall be involved in deciding his or her own remuneration.

Effective Disclosure Mechanism

The Board reviews and monitors from time to time the effectiveness of the Group's disclosure process for reports, announcements and inside information. It encourages and takes necessary steps to disclose information in a timely manner and to ensure the information concerning the Group is expressed and communicated in a clear and objective manner that enables the shareholders and the public to appraise the position of the Group to make informed investment decisions.



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Basic Principles

Upholding Shareholders' Rights

The Board respects the rights of shareholders as mandated by the articles of association of the Company and relevant applicable laws and regulatory requirements. The Board places utmost importance on maintaining effective communications with shareholders and also makes its best efforts to keep the shareholders informed of the business and affairs of the Company by maintaining various channels of communications and having direct dialogue with shareholders. In addition, the shareholders also have the rights to obtain all publicly available information of the Company, propose a resolution at annual general meetings, nominate a person for election as a director, and make enquiries about the Company.

Promoting Sustainability

We attach great importance to sustainability. The Board is committed to undertaking CSR and promoting the sustainable development of the economy, society and environment through strengthening relationship with its stakeholders. We consistently support and participate in various activities that are conducive to sustainability, with a view to benefitting the current and next generations.

Safeguarding Stakeholders' Interests

The Board has a fiduciary duty to protect and serve, with due care and consideration of, the interest of all stakeholders of the Company including but not limited to customers, employees, shareholders, regulators, business partners, suppliers and the community. All the interests of stakeholders of the Company are further safeguarded by strictly complying with applicable laws and regulations as well as governance policies.

Pursuit of "Good to Great"

The Board encourages the pursuit of "Good to Great". With the assistance of the Nomination and Remuneration Committee, the Board ensures that each Board Committee shall conduct regular self-assessment of its effectiveness, and based on the evaluation results, the Board gives such feedback, directions and guidance as may be necessary to enhance its efficiency and effectiveness.



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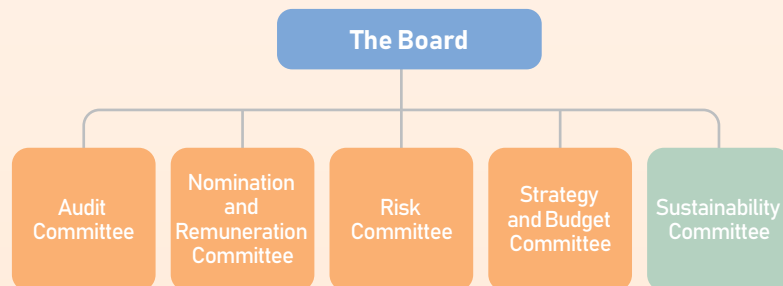
5.2.2 Governance Framework

The Board is at the core of corporate governance framework. Generally, the Board is responsible for:

- formulating the Group's mid and long-term strategies and monitoring the implementation thereof;
- reviewing and approving the annual business plans and financial budgets;
- approving the annual results, interim results and quarterly financial and business reviews;
- reviewing and monitoring the Group's risk management and internal control;
- ensuring good corporate governance of the Group and effective compliance; and
- monitoring the performance of the Management.

Board Committees

During the year, we established a new Sustainability Committee under the Board, reflecting the Group's strong emphasis on sustainability and its commitment and determination to drive sustainable development. The Board has established five standing Board Committees to assist in performing its responsibilities, namely the Audit Committee, the Nomination and Remuneration Committee, the Risk Committee, the Strategy and Budget Committee and the Sustainability Committee.



5.2.3 Risk Management and Internal Control¹⁴

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems. According to the Board's scope of delegation, the Management is responsible for the day-to-day operations and risk management, and the Management needs to provide a confirmation to the Board on the effectiveness of these systems.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss; to manage the risk of system failure; and to assist in the achievement of the Group's objectives. In addition to safeguarding the Group's assets, it also ensures the maintenance of proper accounting records and compliance with relevant laws and regulations.

The Group conducts an annual review of the effectiveness of its risk management and internal control systems covering all material controls, including financial, operational and compliance controls as well as risk management. The review is coordinated by the Group's internal audit which, after the Management and various business departments have performed their self-assessment and the Management has confirmed the effectiveness of the relevant systems, then carries out an independent examination and other post assessment work on the review process and results.

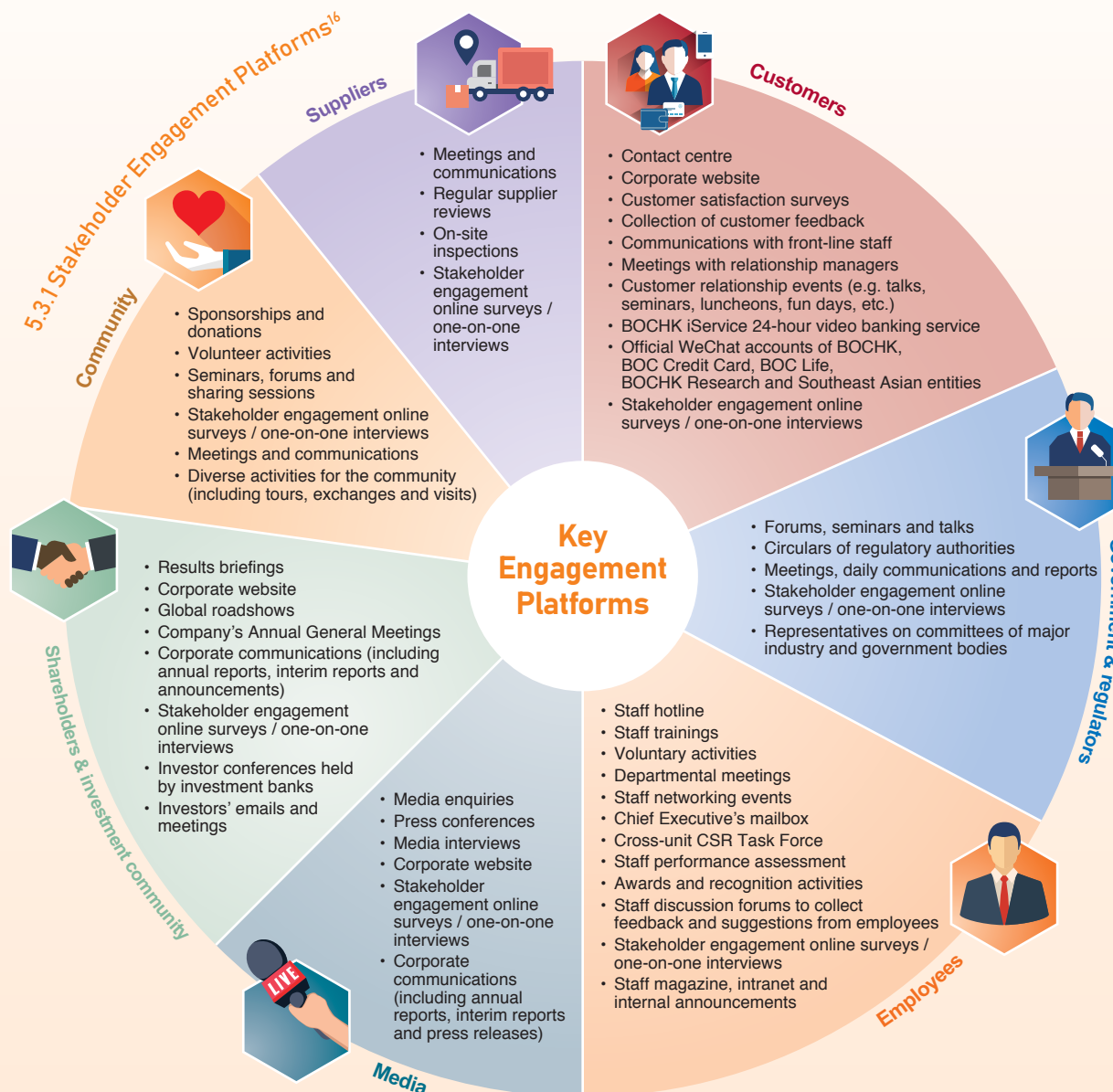
We facilitate the sustainable development of the economy, society and environment, and fulfill the commitment of CSR during the course of credit business. Our *CSR Credit Management* outlines that we operate the credit business in a responsible manner, taking into account the interests of both internal and external stakeholders and our impact on the economy, society and environment, with the principle of supporting sustainable social development and fulfilling CSR under controllable risks.

The Group is concerned about the impact on the customers' business operation and the repayment capability due to the environmental and climatic change. We also pay attention to whether the government agencies in the region where they operate have relevant policies in place for these projects and companies. We have adopted credit strategies relevant to these scenarios.

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The Group places great value on stakeholders' opinions and considers them carefully when formulating its overall development strategy.

We have identified the stakeholder groups relevant to our business and strive to better understand their opinions and expectations regarding various aspects of the Group's performance through effective communication platforms and methods. Stakeholders' views are solicited when reviewing and evaluating the Group's sustainability performance, in order to better fulfil our responsibilities and commitments to stakeholders¹⁵.



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¹⁵ 102-42

¹⁶ 102-40, 102-43



5.3.2 Assessment of Sustainability Issues¹⁷

Stakeholder engagement is an important aspect in defining report content. To ensure that the Report covers sustainability issues that are material to the Group and addresses stakeholders' key interests appropriately, we have commissioned an independent external professional body to design and conduct stakeholder engagement surveys and interviews on six categories, including the overall performance of the Group, employee benefits and development, sustainability performance, products and services responsibility, environmental protection, and others. Meanwhile, we have also made reference to the disclosures of our peers in the banking industries. The material issues of the Report was confirmed by the Board¹⁸.

Materiality Assessment

STEP
01

Identification of issues scope

- A list of sustainability issues that the Group should consider was identified with reference to the GRI Standards, the HKEx ESG Guide, the business nature of the Group, past reports of the Group and its latest business development, past stakeholder engagement activities, related media reports, social policies, industry benchmarks and best practices, etc.

STEP
02

Participation of stakeholders

- Major stakeholders of the Group, including customers, employees, investors, regulators, professional institutions, charity partners, suppliers and media organisations, etc. were invited to participate in online surveys and some stakeholders engaged in one-on-one interviews. Feedback was reviewed and collated with quantitative materiality analysis.

STEP
03

Reference on the disclosure scope of peer banks

- The disclosure performance of peer banks provides valuable reference for the Group to identify material issues. Therefore, we have also referred to the CSR / ESG / sustainability disclosures by a number of local banks to evaluate the importance of various issues to the banking industry as a whole.

STEP
04

Ranking and confirmation

- Issues were ranked according to the corresponding scores reflected in stakeholder engagement and peer bank analysis.
- A list of material issues was then submitted to the Sustainability Executive Committee of the Management Committee, the Board and the Sustainability Committee for review and confirmation. The related performance was disclosed in different sections of this Report, as well as in other reports published by the Group.
- This Report was published after obtaining the approval of the Board¹⁹.

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¹⁷ 102-46

¹⁸ 102-32

¹⁹ 102-44



5.3.3 Material Issues²⁰

Sustainability Areas	Material Issues ²¹	
 Economic	<ul style="list-style-type: none"> • Economic Performance • Indirect Economic Impacts 	
 Human Resources and Labour Practices	<ul style="list-style-type: none"> • Employment • Labour Relations • Occupational Health and Safety 	<ul style="list-style-type: none"> • Employee Training and Education • Diversity and Equal Opportunity • Compliance with Labour Laws and Regulations
 Society	<ul style="list-style-type: none"> • Non-discrimination • Local Community 	<ul style="list-style-type: none"> • Anti-corruption • Suppliers' Social Responsibility Performance
 Product and Service Responsibility	<ul style="list-style-type: none"> • Customer Health and Safety • Product and Service Labelling • Customer Privacy 	<ul style="list-style-type: none"> • Compliance (Product Responsibility and Services) • Marketing Communications
 Environment	<ul style="list-style-type: none"> • Material • Energy 	<ul style="list-style-type: none"> • Greenhouse Gas Emissions • Water Resources Management

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²⁰ 102-47, 102-49

²¹ The reporting boundaries of each material issue include the Group's social, economic and environmental impacts, while the reporting parameters of the Group's Indirect Economic Impacts and Greenhouse Gas Emissions also include the social, economic and environmental impacts of the Group's business-related parties (e.g. customers, suppliers and business partners). In 2019, the newly added material issue was Suppliers' Social Responsibility Performance; and the material issue of Waste was deleted.

6. Business Development and Economic Contributions²²

With the goal to “Build a Top-class, Full-service and Internationalised Regional Bank”, BOCHK strives to provide customers with comprehensive, professional and high-quality services. As we increase our local market penetration and actively expand our business in the Southeast Asian region, we make every effort to drive the prosperity and development of the places in which we operate. During the year, we received a number of awards, including “Best Retail Bank in Hong Kong”, “Best Transaction Bank in Hong Kong” and “Best Cash Management Bank in Hong Kong” from *The Asian Banker*, “Hong Kong Domestic Trade Finance Bank of the Year” and “Hong Kong Domestic Cash Management Bank of the Year” from *Asian Banking and Finance*, and “Country Awards 2019 – Hong Kong: Best Bank (Chinese Financial Institutions)” from *FinanceAsia*.

For details of the Group’s business performance in 2019, please refer to the [2019 Annual Report](#) ►.

SUSTAINABLE DEVELOPMENT GOALS



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2019 Financial Highlights

	2019	2018 (Restated)	Change
For the Year	HK\$m	HK\$m	%
Profit for the year	34,074	32,654	+4.3
Profit attributable to equity holders of the Company	32,184	32,070	+0.4
Basic earnings per share (HK\$)	3.0440	3.0333	+0.4
Return on average total assets (%)	1.15	1.16	-0.01pp
Return on average shareholders' equity (%)	11.51	12.26	-0.75pp

	2019	2018 (Restated)	Change
At year-end	HK\$m	HK\$m	%
Total assets	3,026,056	2,956,004	+2.4
Deposits from customers	2,009,273	1,897,995	+5.9

Note: The Group has applied the merger accounting method in the preparation of financial statements for the combination with entity under common control in 2019. The comparative information for the year 2018 has been restated accordingly.



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BOCHK adheres to national strategies such as the Belt and Road Initiative, the development of the Guangdong-Hong Kong-Macao Greater Bay Area and RMB internationalisation. The Group continues to optimise its market footprint in the Southeast Asian region and offers diversified and innovative cross-border financial services to enterprises and personal customers, with a view to advancing the building of a top-class, full-service and internationalised regional bank.



Proactively Supporting the National Belt and Road Initiative

BOCHK actively expanded within the Southeast Asian region and along the Belt and Road by offering professional and integrated financial services to customers.

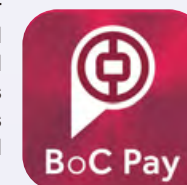
- We facilitated the business integration of our Southeast Asian institutions so as to provide our clients with efficient and professional financial services in the region, while continuing to generate synergies in our regional operations. Jakarta Branch was awarded “2019 Best Foreign Bank in Indonesia” by renowned financial publication *Bisnis Indonesia* in recognition of its high-quality service provision to Indonesian enterprises.
- The Group supported large-scale infrastructure developments in the Southeast Asian region including railways, communications equipment, petroleum infrastructure, optical cables, power stations and water supply infrastructure through project financing and syndicated loans, in order to facilitate local economic development.

- We continued to diversify our products and services and delivered comprehensive support to local customers, including cash management, structured financing and trade products. We launched a new version of mobile banking with fingerprint authentication and facial recognition security login and upgraded mobile payment functions in Malaysia, Laos, Vietnam, Cambodia, Thailand and the Philippines.
- We launched the “BOCHK All Weather Belt and Road Bond Fund” to help customers capture investment opportunities in countries and regions along the Belt and Road.

Supporting the Development of the Greater Bay Area

The introduction of the *Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area* highlights the unique role of Hong Kong in the development of the Greater Bay Area. The Group continued to proactively promote interconnection within the Greater Bay Area by innovating its cross-border financial services and products and striving to meet the financial needs of customers in account opening, payment and financing.

- We were the first bank in Hong Kong to offer a brand new attestation service that enables customers to open Chinese mainland bank accounts without having to leave Hong Kong. These accounts can be linked to mainstream mobile-payment platforms in the Chinese mainland so as to provide convenient payment services for travelling, shopping and daily needs.
- BoC Bill is an integrated payment collection service that provides various types of payment tools, while BoC Pay offers local and cross-border retail and utilities payment functions that fulfil customer needs for cross-border spending, payment and transfer. Our BOC Dual Currency Credit Card supports the UnionPay App and offers customers efficient and convenient mobile financial services covering transport, telecommunications, payment and merchant special offers.



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- We launched Greater Bay Area Mortgage Loan, denominated in Hong Kong dollars, to assist Hong Kong residents in purchasing properties in the Greater Bay Area for self-occupation and investment. Hong Kong residents can apply for mortgage loans directly in Hong Kong and enjoy a relatively low interest rate. We also introduced Greater Bay Area Travel Insurance Plan to provide comprehensive insurance protection to customers.
- During the year, we set up two more service points at major cross-border ports. Elements Branch operates as a port branch and provides comprehensive banking services to industrial and commercial enterprises as well as individual customers via a 24-hour video banking service, thus offering a brand-new digitalised banking experience. Moreover, we established an automated banking service point at Heung Yuan Wai Boundary Control Point, which will be the only banking service point in that boundary control point upon completion.
- Leveraging our successful introduction of BOCHK Guangdong-Hong Kong Business Service Connect in 2017, we launched BOCHK Shenzhen-Hong Kong Business Registration Connect during the year, offering enterprises a one-stop solution for handling cross-border business registration without leaving Hong Kong.

Reinforcing Hong Kong's Status as an Offshore RMB Hub ²⁵

BOCHK is currently the only RMB clearing bank in the world that directly participates in the Chinese mainland's Cross-border Interbank Payment System (CIPS), China National Advanced Payment System (CNAPS) and Shenzhen Financial Settlement System (SZFSS). We are the largest and most important clearing platform in the offshore RMB markets, providing RMB clearing services for more than 200 local and overseas participating banks. Our RMB Real Time Gross Settlement ("RMB RTGS") system deploys the most advanced technology in the offshore RMB markets, has the longest operating hours and has processed the largest transaction value.

According to the Society for Worldwide Interbank Financial Telecommunication (SWIFT), RMB transactions processed in Hong Kong in 2019 accounted for 70% of total offshore RMB transaction value, well ahead of the world's other offshore markets. Hong Kong Interbank Clearing Limited announced that the total transactions processed via the Hong Kong RMB RTGS system reached RMB266 trillion in 2019, representing a year-on-year increase of 13.6%.



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During the year, we further enhanced our RMB business-related services to meet market demand. These include:

- We improved our cross-border settlement function to support cross-border fund settlement for the negotiable certificate of deposit primary market under Bond Connect, thereby expanding the depth and breadth of the cross-border bond business.
- Manila Branch was appointed as the RMB clearing bank in the Philippines. Jakarta Branch retained its long-held top ranking in Indonesia in terms of cross-border RMB clearing volume. We launched an RMB remittance business in Myanmar. These developments further strengthened the Group's leading position in offshore RMB markets.
- We remained the market leader for RMB life insurance in Hong Kong, utilising innovative technology and apps to provide convenient insurance services to customers.
- As the sole RMB clearing bank in Hong Kong, BOCHK sponsored the "RMB Fixed Income & Currency Pan-Asian Conference" organised by the HKEx. We held RMB business forums with Jakarta Branch and Bank of China Frankfurt Branch respectively, and successfully organised the Southeast Asian RMB Forum during the 16th China-ASEAN Exposition, in order to push forward RMB internationalisation.



Facilitating Regional Economic Cooperation and Interaction

During the year, Bank of China Hong Kong Financial Research Institute was officially set up, with the aim of becoming a top-class regional think tank. It is the first research institute that Bank of China has established outside of the Chinese mainland. To grasp the opportunities brought about by major national strategic initiatives, we organised, supported and sponsored a series of economic and financial forums. We also joined discussions and delivered keynote addresses so as to facilitate regional cooperation and communication among different enterprises.

We sponsored the fourth "Belt and Road Summit" and the "Asian Financial Forum" jointly organised by the HKSAR Government and Hong Kong Trade Development Council, as well as "Bond Connect Anniversary Summit 2019" organised by Bond Connect Company Limited. Over 200 clients from Hong Kong and Southeast Asia were invited to participate in matchmaking sessions at the Second China International Import Expo in Shanghai. We also held a number of events to promote investment and trade development in Southeast Asia, including the "2019 Guangdong-Thailand Economic and Trade Cooperation Conference", "2019 Guangxi Autonomous Region China-ASEAN Information Harbour Promotion Conference" and "China-Cambodia Investment Forum".

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Convenient Banking Services

BOCHK proactively supports financial inclusion as advocated by the HKMA, and offering convenient banking and financial services to different sectors of society to meet the needs of the community.

- We have the most extensive local service network with more than 190 branches, over 280 automated banking centres and more than 1,000 self-service machines across different districts in Hong Kong, Kowloon and the New Territories, providing high-quality and convenient banking services to different sectors of society.
- Over 40% of our branches are located within around 10 minutes' walking distance of public housing estates, of which 26 branches and 76 automated banking centres are set up in those estates. We also have eight branches and 147 automated banking centres located in public organisations such as hospitals, universities and public transport hubs including MTR stations, the airport and ports. Our branch in Hong Kong International Airport is the first branch to operate 365 days a year, providing comprehensive services to enterprise and personal customers. We also considered the need for banking services in remote and underserved areas. For example, we launched the iService 24-hour video banking service located in the Shui Chuen O Estate of Shatin, which operates seven days a week in order to satisfy the need for banking services outside of normal operating hours.
- BOCHK provides a mobile payment service for the Visa Application Service Centre of the Office of the Commissioner of the Ministry of Foreign Affairs of the PRC in Hong Kong. Applicants can pay directly using mobile payment when handling visa applications, which is both efficient and convenient.
- During the year, we launched the E-Donate Platform, which effectively reduces the administration costs of charitable organisations and enhances the efficient management of donor information, while making it easier for the public to make charitable donations.

For details of our products and services, please visit our [BOCHK website](#) or contact staff in our branches.

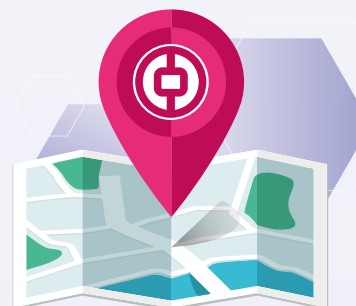
>190 branches
>280 automated banking centres
>1,000 self-service machines



>40% branches
≈ 10 minutes' walking distance of public housing estates

147

automated banking centres
in public organisations and
public transport hubs



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Innovative Financial Services

BOCHK adhered to “Technology-based and Innovation-driven” strategy and applied new financial technologies to create more innovative services, thus supporting the development of Hong Kong as a “smart financial city”. During the year, we sponsored the “Hong Kong Fintech Week” organised by InvestHK, and the “Internet Economy Summit” jointly held by the HKSAR Government and Cyberport. We continued to improve our operational processes and increased efficiency through customer-centric, cross-departmental collaboration and data-driven mechanisms, in order to proactively pursue our digital transformation.



- Through the “FPS” QR Code Bill Collection service, we provided the first green payment channel for local citizens to settle water, electricity, gas and tax payments, supporting the development of Hong Kong as a Smart City.
- We fully supported the recommendations of the HKMA’s “Open Application Programming Interface (API) Framework for the Banking Sector” and were the first bank to launch phase-one open APIs for product information. We continued to actively cooperate with various third-party service providers and succeeded in completing the first trade finance business directly through the innovative eTradeConnect platform in May 2019. This allows more effective and efficient information transmission between the bank system and platform.
- We participated in eTradeConnect, a blockchain technology-based trade finance platform led by the HKMA, driving the connection between eTradeConnect and shipping information platform, where we also assisted in its first proof-of-concept. During the year, we launched the global transaction banking platform to provide corporate customers with competitive, one-stop regional online integrated services.

- We introduced eKYC technology that integrates intelligent personal identity verification, optical character and facial recognition techniques to support remote account opening for BoC Pay and BoC Bill. We also launched the smart assistant “Bonnie” to offer 24-hour customer enquiry self-service. Currently all of our branches, automated teller machines (“ATMs”) and BOCHK iService are equipped with finger vein authentication, representing a first-of-a-kind smart banking service for Hong Kong.
- During the year, our virtual bank Livi VB Limited (“livi”), a joint venture between the Group, Jingdong Digits Technology Holding Co., Ltd. and Jardine Matheson Group, was granted a banking license by the HKMA. To accelerate innovation in products and fintech, to promote financial inclusion, and to offer better customer experience, livi is looking forward to delivering a simple, reliable and secure banking experience that can be accessed easily and complements customers’ everyday lives.
- BOC Life became the first Hong Kong insurance company to adopt BoC Bill and Boc Pay services, actively driving insurtech innovation and providing a more convenient customer service experience. Following the launch of Easy Chat, a cross-platform AI chatbot service, we further enhanced our service capabilities by having customer service ambassadors instantly respond to online customer enquiries while being supported by round-the-clock chatbot services. During non-office hours, Easy Chat is operated by AI to provide a convenient service for handling customer enquiries.



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Supporting the Development of SMEs

SMEs serve as the pillar of Hong Kong's industrial and commercial sectors, account for about 98% of Hong Kong's total registered enterprises, and provide job opportunities to around half of those employed in private enterprises. With the Hong Kong market as our business focus, we actively supported the development of local SMEs. During the year, we received a number of awards including the "Best SME's Partner Gold Award" granted by the Hong Kong General Chamber of Small and Medium Business for the 12th consecutive year, as well as the "Excellent SME Commercial and Financial Services Award" at the Financial Services Awards of Excellence 2019 organised by the *Hong Kong Economic Journal*. These awards show that our efforts in serving SMEs are well recognised by the industry and the public.

- We actively supported the 90% Guarantee Product under the SME Financing Guarantee Scheme introduced by the Hong Kong Mortgage Corporation Limited to assist SMEs in responding to market challenges. The scheme aims to provide financing support to smaller-sized enterprises, businesses with relatively limited operating experience, and professionals seeking to set up their own practices.
- To solve the difficulties faced by SMEs in account opening and financing, we launched the "Business Lite" service to simplify account opening procedures for new companies, start-up enterprises and overseas enterprises investing in Hong Kong. In support of the policies of the HKSAR Government on SME assistance, we provided different loan and financing schemes to help SMEs obtain financing in an efficient and flexible way.
- We set up Business Banking Centres in major commercial areas in Hong Kong Island and Kowloon to support the business development of SMEs and provide targeted all-round services to smaller-sized enterprises.
- We facilitated communication and collaboration among Chinese mainland, Hong Kong and overseas SMEs in order to explore business opportunities in the areas of investment, technology and trade. During the year, we organised matchmaking sessions at the Second China International Import Expo, and in places such as Hanoi, Malaysia and Chongqing.

- We have sponsored the "Young Industrialist Awards of Hong Kong" and "Industrialist of the Year Award" since 2005, to honour industrial and manufacturing leaders who have made important contributions to local industries, economic development and society.



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Serving the Elderly

- We launched the “Voluntary Health Insurance Scheme” and “Qualifying Deferred Annuity Policy” products to encourage the public to save money in preparation for medical expenses and retirement. Amongst them, “BOC Life Deferred Annuity (Fixed Term)” provides customers with guaranteed monthly annuity income for 10 years after retirement. The internal rate of return offered by this plan is guaranteed, making it a unique retirement planning solution in the market.
- BOCHK is a leading bank for “Reverse Mortgage Programme”, with a market share of over 85%. During the year, we actively cooperated with the Hong Kong Mortgage Corporation Limited (“HKMC”) to continuously optimise this popular programme. Moreover, we participated in the “Policy Reverse Mortgage Programme” as a referrer, so as to offer more choice for retirement planning. We continued to support the second phase of the “HKMC Annuity Plan” launched by HKMC Annuity Limited and offered referral services at more than 180 branches in various districts for the convenience of the elderly.



- As the co-arranger and placing bank, BOCHK supported the HKSAR Government in the issuance and sales of the fourth Silver Bond for the subscription of local citizens aged over 65. Silver Bond is an investment product that provides steady returns for senior residents and was well received.
- We supported the “Portable Comprehensive Social Security Assistance Scheme”, Old Age Allowance, “Guangdong Scheme”, “Fujian Scheme” and “Senior Citizen Card Scheme” of the Social Welfare Department, demonstrating our care for the community.

Helping the Underprivileged

- We removed service fees for personal integrated banking services and general banking accounts with effect from August 2019 as part of our efforts to help the underprivileged and promote financial inclusion.
- All of our branches have been installed with barrier-free facilities that allow mobility-challenged customers to gain easy access. Some branches are equipped with lifts. We have set up more than 250 Voice Navigation ATMs across Hong Kong for the convenience of the visually impaired, and our mobile banking application is equipped with a voice navigation function.



- Since 2015, we have collaborated with the Labour and Welfare Bureau to help participants in Child Development Fund projects to open BOCHK personal saving accounts and Club Deposit accounts. This helps children from low-income families to save and manage money using a personal bank account, and to develop financial self-discipline from an early age.



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BOCHK strictly abides by the laws and regulations of the jurisdictions in which we operate and complies with all relevant regulatory requirements. We prudently evaluate and manage the potential impacts arising from our products, services and our relationships with stakeholders in the financial industry, the economy and society. We provide financial products and services in a fair and responsible manner and conduct various businesses in an ethical manner. We are also committed to providing responsible banking services to all sectors of society.

A Customer-centric Banking Group

We adhere to a customer-centric philosophy and motivate our staff to continually improve services standards so as to enhance customer experience and create values for our customers. We do not chase short-term gain and economic benefit at the expense of customer value.

- When formulating the rules and terms and conditions of our banking services, we strictly abide by all laws and regulations applicable to Hong Kong. These include the *Code of Banking Practice* issued by the Hong Kong Association of Banks (“HKAB”) with the endorsement of the HKMA, the circulars and guidelines issued by the HKMA, as well as the *Treat Customers Fairly Charter* formulated by the HKMA and the banking industry, to which all retail banks in Hong Kong are signatories. This is to make sure that our daily operations are in compliance with applicable laws and regulations, and have appropriately taken our customers’ interests into consideration.
- We organised exchange sessions for staff from different businesses in order to foster a better understanding of the Group’s business processes and key features. “Operational Risk Comic Strips” were also published to share operational risk management messages in an engaging format.
- To ensure that high-quality products and services are delivered to customers, BOCHK has implemented a quality management system according to the ISO 9001 international standard since 2011, and has also achieved ISO 9001:2015 certification.



- To continually enhance customer experience, we directly communicate with customers and carry out customer satisfaction surveys through different channels in order to identify and explore areas of improvement. We value customer feedback and organise visits to understand customers’ needs and assist customers in growing their businesses. We have a well-established complaint handling mechanism that effectively handles and responds to customers’ concerns.

Protection of Customer Privacy²⁸

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

- Collecting customer information in an appropriate manner, prudently safeguarding such information and preventing any unauthorised or accidental access, processing, deletion, loss or use; strictly complying with the requirements of *Personal Data (Privacy) Ordinance* and abstaining from using customers’ personal data for direct marketing purposes without customers’ consent.
- Customers are entitled to instruct the Group at any time to cease to use or transfer their personal data to other parties for direct marketing purposes.
- The Group put in place the administrative measure for handling of customer complaints in accordance with the IC-4 Complaint Handling Procedures, *Supervisory Policy Manual* of the HKMA and the *Code of Banking Practice* jointly issued by the HKAB and the DTC Association. Complaints regarding customers’ privacy received by the Group are registered by a dedicated unit that collaborates with relevant departments to proceed to investigation in accordance with our administrative measure for handling of customer complaints. The complainant shall be notified of the investigation results.
- The Bank organises annual bank-wide information security and desktop management checks to make sure information is properly handled. An information leak prevention system is also in place to provide best protection for customers’ data.

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



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²⁷ B6 General Disclosure, B7 General Disclosure

²⁸ 418-1, B6.2, B6.5



Ensuring Cyber Security

The Group has established a comprehensive technology risk management (“TRM”) framework, including management policies, procedures, organisation and structure, responsibilities and a reporting system. It clearly defines the responsibilities of the Board, Risk Management Committee, senior management, all departments and major subsidiaries, and fully covers all positions, personnel and every aspect of our daily operations, with the aim of ensuring that all technology risks can be identified, assessed, monitored, controlled and reported.

We review our technology risk management policies and information security management procedures and standards on a regular basis. Rigorous security management systems and policies are in place to monitor and prevent technology risks, thus ensuring that BOCHK’s information security management is at the forefront of the industry, and support the stability and development of our financial services.

The data centre of the Group implements 24/7 real-time monitoring and is certified with ISO 27001:2003 to ensure the continuous enhancement of safety levels. In addition, we have introduced AI techniques in order to improve our ability to analyse cyber security incidents, by integrating and accumulating information and knowledge from various external sources so as to improve our incident alert and response capability. To continuously strengthen our capability to react to different cyber risk scenarios, we have increased the number of cyber incident drills during the year, including scenarios of massive customer data leaks and massive virus or malware outbreaks. We also adopted various methods for enhancing the cyber security awareness and technology risk management capabilities of our employees and contracted staff. During the year, we held a number of bank-wide seminars and training sessions on cyber security awareness, preventive measures against cyber attacks and identity theft, personal data protection, latest trends in cybercrime and the security risks arising from the Internet of Things, as well as publishing a bilingual monthly Technology Risk Newsletter and featuring relevant security issues in the staff internal magazine. We continue to organise trainings on technological risk and information security in order to cultivate awareness of cyber security.



We value communication within the industry. During the year, we were invited as a keynote speaker to the “Government Information Security Symposium”, where we shared IT risk management and audit experiences, as well as challenges in technology risk management from multiple perspectives. We also exchanged views with participants on how to drive professional development.

With e-banking services becoming more prevalent, the public is paying increasing attention to online security. The Group publishes [security information](#) and [security tips](#) online to remind and educate customers through different channels about the appropriate precautions for online transactions. We also issue press releases to alert customers of fake websites in a timely manner, so as to further ensure transaction security.

Emphasising Anti-Money Laundering and Countering-Financing of Terrorism²⁹

The Group is in full compliance with all of the relevant anti-money laundering and countering financing of terrorism (“AML/CFT”) laws and regulations of Hong Kong. The Group has put in place a robust internal mechanism, including policies and procedures, workflow controls, professional staff and systems, to facilitate the work of AML/CFT and anti-crime efforts in general. With reference to the applicable laws and regulatory requirements of Hong Kong, as well as the recommendations of relevant international organisations (such as the Financial Action Task Force), we have formulated the *AML/CFT Policy*. Our AML Committee formulates resolutions for the Group’s members to follow accordingly. Group members are obliged to report to the Group’s senior management, AML Committee, the Management Committee and the Risk Committee under the Board in a timely manner, according to the requirements of the policies.

With respect to AML/CFT management and monitoring, we have a robust AML/CFT internal monitoring mechanism that requires periodic reviews in order to strengthen our AML/CFT management and ensure that the effective monitoring of workflows, systems and structures has been implemented. We continue to allocate a considerable amount of resource to strengthening the AML/CFT control infrastructure. We have a comprehensive set of sanction screening systems and suspicious transaction monitoring mechanisms, and regularly optimise the relevant system functions in order to effectively identify customers’ suspicious accounts and transactions.

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²⁹ 102-17, B7.2



The Group has established money laundering/terrorist financing (“ML/TF”) risk assessment models for customers, products, channels and countries, which are reviewed periodically. Thorough and effective institutional ML/TF risk assessment is conducted on a regular basis, taking into account different dimensions including customers, products and services, delivery and distribution channels and geographic locations, etc. These assessments effectively help the Group to analyse its ML/TF risk exposure and thereby adopt appropriate risk-mitigating measures.

Our staff act in accordance with policies and regulatory requirements and conscientiously carry out tasks in respect of customer acceptance, customer due diligence, ongoing monitoring, suspicious transaction investigation and reporting, and customer and transaction record keeping, etc. Our Southeast Asian entities are also obliged to engage in the Group’s compliance reviews, as well as in other AML/CFT risk management work. To enhance staff’s understanding of how to identify and report suspicious transactions, we have developed the *Guideline for Reporting Suspicious Transactions*, which specifies responsibilities for suspicious transaction reporting, suspicious transaction red flags, criteria for reporting and the information to be included in reports. We invite external AML/CFT experts to provide regular briefings and trainings for directors, senior management and employees in order to share the latest AML/CFT regulatory requirements and international insights and cases, so as to enhance our staff’s knowledge of international AML/CFT standards. As of the end of 2019, we had conducted over 100 training courses on AML/CFT and 191 employees had obtained qualifications recognised by the HKMA’s *Enhanced Competency Framework on AML/CFT*.



BOCHK proactively participates in the Fraud and Money Laundering Intelligence Taskforce (“the FMLIT”), which was created by the Hong Kong Police Force to develop a cooperative mechanism for detecting, preventing and deterring serious financial crime and money laundering activities. Through the FMLIT, the Group cooperates with law enforcement agencies, regulatory authorities and its peers to exchange intelligence information in a timely manner in order to jointly combat serious financial crime and money laundering activities, maintain the reputation of Hong Kong as an international financial centre and provide a safe business environment for customers.

During the year, the Group proactively raised customers’ awareness of AML/CFT by continuing to publish AML/CFT leaflets in branches and displaying AML/CFT reminders on our websites. These reminded customers to provide updated and accurate profiles, account purposes and transaction counterparties, to refrain from allowing their accounts to be used by unauthorised persons, and to understand tax obligations and remittance limits, etc.

Anti-Bribery and Anti-Corruption³⁰

Our Group takes a zero-tolerance attitude towards bribery and corruption, and strives to implement effective anti-bribery and anti-corruption (“ABAC”) management and control. In addition to designating professionals to monitor relevant ABAC matters, we completed the annual review of the *ABAC Policy* to ensure that the Group has appropriate fundamental guidance on ABAC matters.

In order to promote an ABAC culture and continuously enhance ABAC knowledge and information, we have established a long term ABAC training programme for all our employees that provided all employees with regular ABAC refresher courses. These cover, among other things, an introduction to areas where there is potential for corruption, ABAC laws and regulations and the sharing of corruption case studies from the banking industry. During the year, all Board members and staff attended anti-bribery trainings on the Group’s policies and cases sharing.

In addition, we have successfully established a regular communication channel with the Hong Kong Independent Commission Against Corruption (“ICAC”) in order to support timely corruption-related intelligence exchange, which helps us to stay abreast of the latest corruption trends in Hong Kong.

During the year, our Group kickstarted to conduct the institution-level bribery and corruption risk assessment with a view to evaluating the effectiveness of our ABAC control measures and identifying the relevant risk dynamics.

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Thematic Training on Procurement

In 2019, BOCHK has invited the Hong Kong ICAC to deliver a thematic ABAC training on procurements to employees concerned, which covers the introduction of corruption trend in the banking industry, ABAC laws and regulations, common corruption prone areas in procurement, recommendations, etc., in order to enhance the employees' knowledge and understanding of fair procurement and awareness in ABAC.

BoC Pay - Innovative Banking Services Received Market Recognition

BoC Pay is the first mobile app for cross-border payment launched by a bank in Hong Kong. It was well received by customers and won the "Innovation in New Products and Services" Award at the FT Asia-Pacific Innovative Lawyers Awards 2019, organised by the UK's *Financial Times*. The BOCHK legal team took an active role in offering practical solutions and recommendations on all legal issues during the development and implementation of the BoC Pay cross-border payment app. Moreover, the marketing campaign for BoC Pay won an award for "Excellence in Innovation" at the HKMA/TVB Awards for Marketing Excellence 2019, organised by the Hong Kong Management Association, demonstrating our outstanding performance in marketing innovation.



Professional Judgment Prevented a Case of Deception

Lin Yiu Tang, Assistant Personal Banking Manager

A customer remittance conducted at a branch was cancelled due to inaccurate receiver information. When we requested new remittance information, we noticed that the new information was completely different from the previous information. We asked for details and found out that the customer in question had met a foreigner on the internet who was planning to come to Hong Kong and marry her. After investigation, we discovered that the remittance information was inconsistent with the remittance location, and came to suspect that this was an internet "love scam". Mr. Lin explained the suspicious aspects to the customer, who finally realised what was happening and thus cancelled the remittance. Mr. Lin's professional judgment and careful analysis successfully detected the scam, and he was highly praised by the customer for his high-quality service.

Customer-centric Provision of High-quality Services

Hong Kong International Airport Branch

BOCHK Airport Branch won the "Mystery Shopper Programme Excellent Services Awards (Retail)" at the 2019 HKIA Customer Service Excellence Programme Award held by Hong Kong International Airport. We received one of the highest scores among over 300 competing shops, demonstrating our excellence in high-quality service provision.



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7. Caring for Employees

The Group considers its employees to be the most precious assets. Based on our people-oriented philosophy, we constantly enhance our human resources management system so as to attract, identify and nurture talents. We provide a harmonious, diverse and friendly working environment for our employees and help them realise their potential.

**SUSTAINABLE
DEVELOPMENT
GOALS**



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

We try our best to employ staff from the places in which we operate, so as to better serve local customers and societal needs. In formulating our human resources management system, we have made reference to the *Employment Ordinance*, the *Sex Discrimination Ordinance*, the *Disability Discrimination Ordinance*, the *Family Status Discrimination Ordinance*, the *Race Discrimination Ordinance*, and the *Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation* in Hong Kong. The Group also complies with the relevant laws and regulations of the regions in which we operate. Policies regarding equal opportunities and anti-discrimination have been put in place. All

employees are required to abide by these policies so as to establish and maintain equality in the working environment. We do not tolerate any acts of discrimination, harassment or assault, and we prohibit child labour or forced labour in our workplaces.

We place a strong emphasis on building a diverse workforce that draws in talent from different backgrounds and promotes the sustainability of the Group. As an employer that advocates equal opportunity, we have signed up to the “Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme” to collaborate in building a barrier-free workplace and a caring and supportive community. In order to promote a workplace culture of racial diversity and inclusion, we participated in the “Racial Diversity & Inclusion Charter for Employers” launched by the Equal Opportunities Commission. We promise to formulate policies and employment guidelines for equality and inclusion and build a culture of inclusiveness through training and education. With the enhancement of working environment, strengthening of communication and effective handling of complaints, we aim to create an inclusive working place.



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The Group has been widely recognised for its efforts in employee care. During the year, we received several awards in the Asia Recruitment Awards 2019 and HR Distinction Awards 2019 organised by *Human Resources* magazine, including the “Best Graduate Recruitment Programme – Gold Award”, the “Best Internship Programme – Gold Award”, and the “Excellence in Learning and Development – Silver Award”. We also received the “Good MPF Employer” Award from the Mandatory Provident Fund Scheme Authority; and the “HKIB Talent Development Award” in the Banking Industry Talent Development Award Programme organised by the Hong Kong Institute of Bankers.



insurance, free health check-ups, paid leaves (including annual leave, marital leave, compassionate leave, personal leave, paternity leave as well as 14 weeks’ maternity leave) and lunch allowances. We also provide our employees with preferential rates on mortgages and personal loans to help them manage their finances flexibly, as well as banking services and other offers. Moreover, the Group offers a range of employee care initiatives, such as red packets for Chinese New Year and gifts for birthdays, weddings and retirement. Our major office buildings feature staff canteens, staff clinics, medical rooms and breastfeeding rooms. A retiree club holds regular activities to facilitate contact and communication among retired employees, who are also provided with medical benefits.

Remuneration and Benefits ³²

In line with the Group’s business and human resources needs, we offer competitive remuneration packages in accordance with employees’ abilities and performance. The Group reviews its remuneration packages periodically and provides a competitive incentive scheme to reward and recognise employees for their performance. For those engaged in sales, we adopted a matrix evaluation system combining their behaviour and performance with a scorecard mechanism to reflect employees’ compliance with corporate culture and behavioural standards, and thus comprehensively evaluate employees’ overall performance. Our reward system not only considers the business performance of employees, but also measures whether employees adhere to corporate culture and behavioural standards. We hold a grand award ceremony every year to commend outstanding individuals and teams who have achieved impressive performances, as well as to uplift morale.

The Group deployed more resources and increased its efforts in caring for our employees, and continued to optimise employee benefits. During the year, we continued to provide a number of benefits for full-time employees, including optimising group medical insurance and comprehensively increasing the medical coverage of employees’ outpatient, inpatient, dental and childbirth expenses. We significantly improved medical insurance for family members so that the scope and amount of protection are consistent with that of employees. In addition, after listening to the opinions of employees, we introduced a number of new arrangements, including Casual Friday, getting off work early on the eves of holidays, and an increment in the standards of continuing education allowance, to further express our care and concern for our employees. Other employee benefits include the Occupational Retirement Scheme and MPF Scheme, life and accident



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Staff Training and Development³³

The Group attaches great importance to staff training and development, and builds agile, efficient and professional teams around strategic and business development needs. We strive to provide an ideal career development platform for our staff. To enhance employees' career development and strengthen their professional capabilities and sense of accomplishment, we adopt various means, such as job rotation and inter-departmental exchanges, in order to facilitate the mutual development of employees and the Company. We have a well-established mechanism for talent pool management, and provide targeted training for employees with great potential.

The Group provides staff with continuing education opportunities and draws up career development plans that align employees' personal aspirations with the Group's long-term development. In keeping with our "four-in-one" talent development culture, we encourage senior executives, department heads, human resources department and the employee to devise training activities together in order to enhance employee performance and meet the Group's business development needs, so as to further strengthen their professional knowledge and skills.

We are devoted to nurturing young talent. With the establishment of excellent young talent pools and regional talent pools, we strive to explore and train key personnel effectively. Through the "Management Trainee Programme" and "Professional Opportunities", the Group globally recruits elite, high-potential university graduates who aspire to join the financial services sector. These young professionals are provided with long-term career development opportunities through a systematic training, including classroom training, on-the-job training, job rotation and other relevant schemes such as career mentorship and career planning programmes.



The Group strives to promote and facilitate employees' on-the-job training and development. Different training courses are offered, covering product and business knowledge, customer service, operational management, compliance, AML/CFT, anti-bribery and anti-corruption and risk management, key personnel training, team management and leadership, etc. In 2019, each full-time employee undertook an average of around 37 hours in training. During the year, we encouraged employees to take part in inter-departmental exchanges and provided Chinese mainland and overseas exchange opportunities for colleagues to enrich their business knowledge and broaden their horizons. The Group also developed internal training courses with reference to the Specification of Competency Standards ("SCS"). So far, we have established six SCS-based courses, ranging from level three to five (equivalent to a Bachelor's degree) under the Qualifications Framework, which are recognised by the Hong Kong Council for the Accreditation of Academic and Vocational Qualifications. We continued to improve the "Operational Excellence Academy" and "Personal Banking Academy", thus enriching the content of our professional trainings. We organised several staff training courses in Hong Kong for BOC China, regional linkage training programmes, regional management lectures and workshops, and team coaching virtual classroom trainings, etc., to broaden students' international perspective. In addition, we will re-hire retired employees with rich work experience and individual expertise, depending on the situation and needs of individual units.

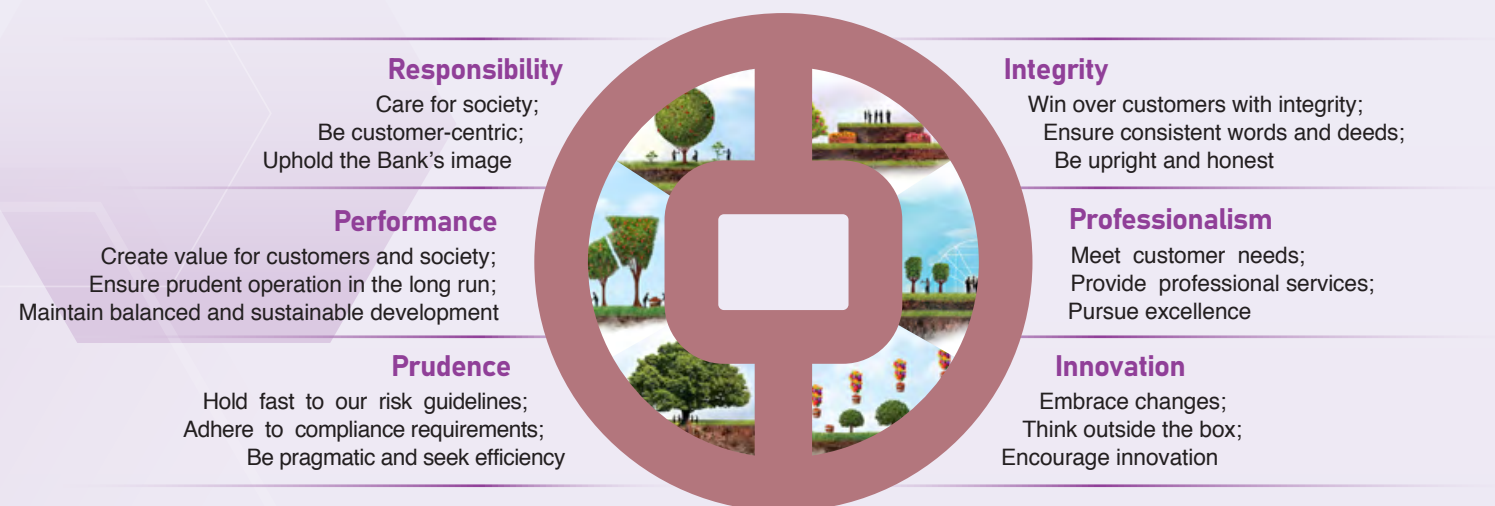
We conduct BOCHK culture development training programmes for our Southeast Asian entities to promote deep integration of systems, mechanisms and culture. For four consecutive years, we have arranged for the management and key personnel of our Southeast Asian entities to undertake exchange in Hong Kong so that they can learn from the best practices of Hong Kong's financial system, thus cultivating international talent for the Group and promoting its steady development. Our staff magazine also introduces the history, culture, and economy of Southeast Asia, deepening the understanding and cohesion of all employees about the Southeast Asia region.



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Culture is the soul of an enterprise. For a century of service, BOC has passed down the fine tradition of “love and dedication, honesty, customer first”. Based on this we have consolidated and formulated the Group’s core values as “Responsibility, Integrity, Professionalism, Innovation, Prudence and Performance”.



The Group conscientiously implements the requirements set out in the HKMA’s “Bank Culture Reform” circular. We believe that carrying out culture development is key to achieving the Group’s own sustainable development and stability, and is also an important foundation for executing the Group’s development strategy and achieving sustainability. The Group attaches great importance to the development of corporate culture and has formulated a clear responsibility structure. During the year, we established the Sustainability Executive Committee, chaired by the Chief Executive and comprising members from the management and persons-in-charge of the relevant departments. The Committee is responsible for guiding and supervising the related work of sustainable development, charity and corporate culture. In terms of developing corporate culture, the Committee is responsible for reviewing the culture development, overall arrangements of the regulatory requirements, the goals related to our corporate culture, content and main measures, as well as guiding and coordinating our various departments, Southeast Asian entities and subsidiaries to implement our work related to corporate culture development.



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The Group actively implements our corporate values through top-down management. The management at all levels lead by example, integrating the Group's values into their daily behaviour and actual work, to set a good example for the rest of our employees. We actively practise and promote culture development. In line with regulators' expectations, we are committed to making the Group an industry exemplar. We are also widely recognised for our cultural development. We aim to build a top-class, full-service and internationalised regional bank by cultivating an excellent banking culture.

Inheritance of Corporate Culture

We have extensively promoted our corporate culture and enhanced employees' understanding and knowledge of our corporate values. We introduced the "Corporate Culture Award" to our annual grand award ceremony so as to motivate and promote individuals who have demonstrated outstanding performance in realising our corporate values. In order to promote our cultural values, including the core value of "customer-centric", we introduced an "Excellent Events in Banking Culture" in our monthly staff magazine, in which



we select good examples of corporate cultural values and customer-centric deeds on a quarterly basis so as to promote employees' deep understanding of corporate culture implementation.

We strengthened the development of our corporate culture through online and offline visual formats, including mobile

phones and other media, and carried out a variety of promotional activities through mini-movies, promotional posters and corporate culture calendar cards, combined with videos and mini-games. In this way we ensure that our colleagues could understand the spirit and meaning of the Group's values more vividly, and encouraged all employees to actively practise them.

The BOCHK History Gallery, located in Bank of China Building, encapsulates our historical inheritance and the strong foundations on which we build. Based in a Grade 1 historic building that has stood for nearly 70 years, the gallery has injected new impetus into BOCHK's transformation and development, corporate culture and brand influence. During the year, we formed a voluntary visitor guide team for the gallery. To date, 36 employees have joined the team, providing multilingual guided tours for colleagues and guests, and thus becoming ambassadors and spokespersons for the Group's corporate culture promotion. They play an indispensable role in promoting BOCHK's history, culture and core values.

In addition, we encourage our staff to be innovative. This year, we have organised the "BOCHK Ideation Contest" with the theme "Technology-based and Innovation-driven Development". We aim to create an innovative atmosphere and stimulate staff's creativity for supporting the Group's digitalisation development.



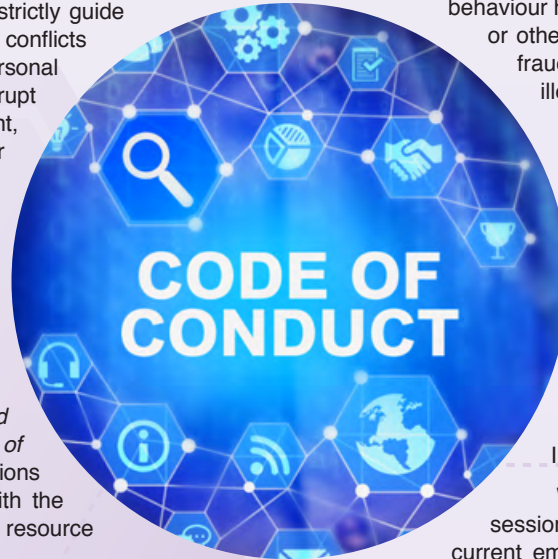
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A Solid Compliance Culture³⁴

Integrity is one of the Group's core values. We are committed to actively promoting integrity and responsible professional ethics, while establishing and maintaining a solid compliance culture. Employees at all levels must adhere to public discipline and demonstrate good moral conduct. We have formulated a *Staff Code of Conduct* which aims to strictly guide and regulate employee behaviour, including avoiding conflicts of interest or position and refraining from securing personal benefits through business relationships; evading corrupt or bribe, collection of commissions or embezzlement, conveying benefits to any person through improper means, or other malpractices, etc. At the same time, we have also formulated guidelines to effectively prevent corruption and conflicts of interest in our charitable donation activities.

Employees of the Group must comply with various regulatory and legal requirements regarding bank operations, including but not limited to the *Code of Conduct* in the HKMA's *Supervisory Policy Manual*, the *Guideline on Anti-money Laundering and Counter-Financing of Terrorism*, the *Prevention of Bribery Ordinance* and relevant laws and regulations related to intellectual property rights, as well as with the Group's various business operations and human resource management requirements³⁵.



The Group's *Staff Code of Conduct* also clearly states that employees have the responsibility to maintain the Group's good reputation, and should be alert to matters involving illegal activities. We have a sound internal reporting policy and mechanism. If an employee discovers that improper behaviour has occurred or may have occurred within the business or other aspects of the Group, including cases of deception, fraud, theft, forgery, corruption, money laundering or other illegal activities; or discovers behaviour that involves the personal conduct of employees of the Group or violates the *Staff Code of Conduct*, a report shall be filed in accordance with the *Policy on Handling Staff Reporting of Irregularities*, the *Administrative Measures on Staff Reporting of Irregularities* and the *Staff Code of Conduct*. We also have an anti-money laundering reporting system for reporting incidents outside of the Group. After receiving a report, we are obliged to complete the relevant analysis and investigation within a specified timeframe. After investigation, the suspicious transaction will be reported to the Joint Financial Intelligence Unit in accordance with the law³⁶.

We regularly organise various compliance training sessions to increase compliance awareness. All new and current employees must complete relevant compliance training courses. To promote our cultural development, we also launched a multi-level, 360-degree comprehensive special training series on Group's culture so as to strengthen the employees' grasp of the core elements of our Group's culture.



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³⁴ 102-16

³⁵ B6.3

³⁶ 102-17, B7.2

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

The Group values feedback from employees and provides them with a variety of channels to express their views. In addition to speaking to their direct supervisors, employees can voice their opinions according to the *Procedures and Rules of Handling Employee Complaints / Opinions*, through staff hotline, intranet discussion forums, the reporting channels stated in the *Policy on Handling Staff Reporting of Irregularities or Code of Conduct* and via the “Chief Executive’s Mailbox”. The Group proactively follows up and handles all complaints by the employees. We also collect opinions and suggestions from the Group’s employees through an employee satisfaction survey to strengthen communication with staff. We provide appropriate feedback and take follow-up actions based on the opinions collected, and continually optimise our working environment, management policies and measures.

The Group takes employees’ views into account before rolling out critical policies related to staff benefits. We explain new policies to staff before their official release, particularly those that have far-reaching effects and involve complex content. In addition, various staff focus groups have been organised so as to gain a better understanding of employee needs and expectations.



The Group strives to provide a safe working environment for employees. We organise regular training courses to enhance our employees’ knowledge of occupational safety and health, including basic fire prevention courses, anti-robbery and evacuation drills, occupational safety and health seminars as well as first-aid certificate courses, thus helping them to enhance their knowledge, identify potential safety risks, increase their alertness and provide assistance to those in need. In addition, we have a designated team responsible for coordinating and monitoring the implementation of the *Occupational Health and Safety Guidelines* and conducting regular safety inspections so as to prevent accidents.

In order to improve employees’ awareness of occupational safety and health, the Group has prepared an Occupational Safety and Health Booklet and distributed it to all employees. We have formulated the *Management Measures of BOCHK Group for Three Prevention Security* and the *Rules of BOCHK for Implementation of Three Prevention Management*, which include guidelines on preventing robbery, theft, fire and vandalism. We also publish a monthly journal sharing “Three Prevention Tips” to raise employees’ awareness of self-protection and accident prevention.

During the year, the Group introduced several ergonomic products such as spinal cushions, adjustable keyboard trays, computer screen protectors, gel mouse pads, screen-attached document holders and eye-protecting lamps, in order to provide a more comfortable and safer working environment for our employees. We also held an “Occupational Safety and Health New Product Trial Session”, inviting employees to try out and give feedback on more than a dozen related products.

We provide health lectures to our employees at appropriate times. Our employees are offered free influenza vaccination to strengthen their immunity. We help to safeguard the mental health of our employees by offering psychological counselling. Employees can access free clinical counselling, including psychological consultation and treatment services, to address physical and mental health issues, as well as problems encountered in family, work and interpersonal relationships. Furthermore, we provide emergency support to staff in need and help them overcome their difficulties.



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7.5 Work-life Balance

The Group advocates work-life balance. Every year, we organise various recreational activities for our employees, including handicrafts workshops, cooking classes, dynamic fitness dances, yoga classes, dragon boat experiences and fun days, so as to stimulate their enthusiasm, explore various aspects of their talents and enhance team cohesion while giving play to their creativity. In addition, we have formed various artistic groups and sports teams, including teams for football, tennis, basketball, table tennis, badminton, bowling, athletics, lion dancing and dragon boat racing, as well as a choir and a dancing team. They take part in various performances and competitions organised by the banking industry and other Chinese enterprises, and have won several awards. Through these activities, employees can realise their potential and demonstrate their talents.

In 2019, we invited our employees and their families to visit the Ocean Park in Hong Kong, attracting the participation of nearly 30,000 employees and their families. We also invited about 1,000 mobility-challenged people, senior citizens, and families from grassroots communities to join us and spent a happy day together. In addition, BOC Life has held a “Summer Family Day” for five consecutive years, inviting employees to bring family members or children to the workplace, thus deepening the family’s understanding of their working environment and strengthening parent-child relations.

The Group actively organises a diverse range of youth-friendly activities to enable young employees to better integrate into the Group’s culture. During the year, we organised seven exchange-learning courses in locations including Beijing, Shanghai and Nanjing. We also held visits and exchanges in the Greater Bay Area, the “Tennis Invitational Tournament of the BOC Group in the Greater Bay Area”, and drone experience activities, etc., to strengthen staff exchanges and friendships.



Caring for Employees



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The Group encourages its employees to use their spare time and expertise to serve the community and participate in public welfare activities. We also arrange volunteer training to improve the skills of our volunteer service teams. At present, more than 2,900 employees participate in the “BOCHK Dynamic Volunteer Team”, an increase of 40% over the previous year. During the year, we continued to cooperate with different social welfare organisations to organise and participate in a variety of volunteer activities. For example, we arranged for about 1,500 employees and their families to participate in the “Walk for Millions” organised by the Community Chest, and continued to cooperate with Tung Wah Group of Hospitals to recruit volunteers to help count cash donations for the “Tung Wah Charity Gala”. Throughout the year, we recorded more than 42,000 hours of volunteer service and over 12,500 volunteer services. Our enthusiasm for volunteering was highly recognised by society. During the year, we received the “Award of 10,000 Hours for Volunteer Service”, the “Merit Award for Highest Service Hour Award (Private Organisations — Category I)”, and the “Gold Award for Volunteer Service” from the Social Welfare Department.

BOCHK Dynamic Volunteer Team



>2,900 employees participated | **↑40%** compared to last year



completed

>42,000 hours of volunteer service | **>12,500** volunteer services



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The BOCHK Dynamic Volunteer Team focuses on caring for communities, environmental protection and educational volunteer activities. Its beneficiaries include the elderly, young people, children, and people with disabilities. During the year, we cooperated with social welfare organisations such as Po Leung Kuk to carry out a series of caring social activities, including the “New Year’s Day Walk”, “Warm Winter Solstice”, and “Happy Reunion in Mid-Autumn Festival”. We also cooperated with the Spastics Association of Hong Kong and Hong Chi Association to organise volunteer activities that integrate people with and without disabilities, including green leisure activities in the autumn and floral arts integration workshops. We care about the development of young people and children and cooperated with Yan Oi Tong, the Hong Kong Society for the Protection of Children and other organisations to organise youth-focused volunteer activities such as Adventure Challenge Day and Colourful Creative Party, etc. Environmental protection is another focus for the volunteer team. We participated in environmental volunteer activities such as “Country Parks Hiking and Planting Day” organised by the Agriculture, Fisheries and Conservation Department, and “Beach Clean-up” organised by Rotary Club of Central, Hong Kong. We spared no effort in education. We arranged for volunteers to participate in financial education workshops organised by the Hong Kong Association of Banks, as well as the “Life Buddies” mentoring scheme launched by the HKSAR Government’s Commission on Poverty, etc.

Our care transcends borders. The Group’s volunteer team is spread across Hong Kong and Southeast Asian region and actively participates in different community and volunteer activities. For example, staff of BOC Malaysia organised visits to the Kiwanis Club Special Children’s Centre to bring care, warmth and support to the children.



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Thoughts on participating in the Exchange Training Course Wong Lap Hei, Global Corporate Banking Department

This one-week exchange and training course was organised by the College of International Finance and taught by professors from Tsinghua University, Peking University, and National Defence University. It not only improved my level of theoretical knowledge, but also gave me a more comprehensive understanding of the nation's economic and defence development process and achievements. China is developing rapidly and attaches great importance to Hong Kong in terms of policy. We should seize this golden development opportunity, strive to integrate into the overall national development situation, actively participate in the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, and contribute our own strengths to the prosperity of the country and Hong Kong.



Operational Excellence Academy

Since the establishment of the Operational Excellence Academy in 2013, the Group has cultivated lots of operational professionals. The programmes of the Academy were accredited professional qualifications of the Qualifications Framework of the HKSAR Government, which give a higher market value to the certificate holders. In 2019, the Professional Certificate Programme (QF L5) was successfully re-accredited by the Hong Kong Council for Accreditation of Academic & Vocational Qualifications for a period of 3 consecutive years. The qualification of the certificate holders has been further assured to meet the professional requirements of the Qualifications Framework of the HKSAR Government in the coming three years. Meanwhile, it guarantees the smooth integration of the Certificate programme (QF L3), Higher Certificate Programme (QF L4) with the Professional Certificate Programme (QF L5), which will nurture more talents for the further development of the Group.

Measures taken by various unit of the Group to deepen corporate culture

- **Organising a “Happy Workplace”:** employees may release information on the theme of happiness and health in mutual respect, thus deepening corporate culture. This cares for the needs of employees, gives full play to the spirit of mutual assistance, and enhances employees' cohesion and sense of belonging.
- **Establishing a departmental “Culture Wall”:** to strengthen cultural development in an interactive manner, each “Culture Wall” displays information about the department's team building and public welfare activities, etc.
- **Organising interesting activities and competitions:** various activities and competitions related to corporate culture and compliance knowledge were organised to stimulate employees' creative thinking and strengthen employees' knowledge and awareness of corporate culture.
- **Introducing the concept of sustainable development:** new employees are guided in the orientation courses to understand both the work of their departments and the value that the Group places on corporate culture and sustainable development.
- **Posting promotional posters:** the Group integrates corporate culture into the working environment through posters in the elevator lobbies and meeting rooms of its main office buildings.



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8. Environmental Protection

The Group understands that financial institutions play an important role in supporting environmental sustainability and advocates environmentally responsible business practices. To cope with the increasingly severe issue of climate change, we reduce our carbon footprint by reducing resource consumption, enhancing resource efficiency and using renewable energy, thus minimising the potential environmental impact and related risks arising from our business development.



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The Group abides by local and international environmental standards, including *Waste Disposal Ordinance (Chapter 354)*, *Water Pollution Control Ordinance (Chapter 358)*, *ISO 14001 Environmental Management System Certification*, among others. We have formulated an **Environmental Policy**, which is available for review on our corporate website, that commits us to actively promoting environmental sustainability. We support the low-carbon economy and have adopted a “green bank” strategy in order to integrate environmental protection into our business development via our daily operations, services and products. By promoting environmental protection through our own management initiatives as well as through our promotion within the industrial and commercial sectors, our business partners and local communities, we aim to enhance environmental awareness across the Group and beyond, and do our part to mitigate the impacts of climate change.

Premises Management

BOCHK has implemented a series of environment-related management systems at its major business premises. We plan, execute, review and refine our environmental protection initiatives in an orderly manner. We have obtained the *ISO 14001 Environmental Management System Certification*, *ISO 50001 Energy Management Systems Certification* and other environmental protection certificates so as to ensure that our environmental management of these premises is on par with local and international standards. The electrical facilities in these buildings are also continuously improved in order to reduce carbon emissions.



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⁴⁰ A1 General Disclosure, A2 General Disclosure, A2.4, A3 General Disclosure



Environment-related Certification and Certificates

Bank of China Tower



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

Bank of China Centre



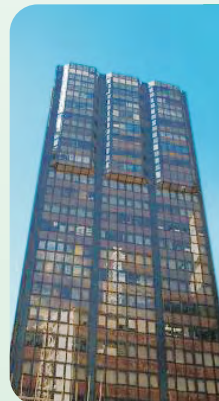
- ISO 14001 Environmental Management Systems Certification
- ISO 50001 Energy Management Systems Certification
- Indoor Air Quality Certificate - Excellent Class, awarded by the Environmental Protection Department
- Certificate of Quality Water Supply Scheme for Buildings - Fresh Water (Plus), awarded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

Bank of China Building



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

Bank of China Wanchai Commercial Centre



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

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Energy Saving and Emission Reduction Measures on Our Premises

	Reduction in Power Consumption (kWh)	Reduction in Carbon Emissions (tonnes of CO ₂ e)
Bank of China Tower		
The air-conditioning system on some floors was converted to a Variable Air Volume (VAV) system, with individual floors also equipped with Variable Speed Drives	About 8%	N/A
Some staircase lighting was changed from T5 fluorescent tube lights to LED tube lights	40,002	32,002
Phased introduction of a Variable Voltage Variable Frequency (VVVF) Speed Control System for elevators, replacing a DC Motor System	About 30%	N/A
Bank of China Centre		
The ceiling lighting in the lift lobby was replaced by LED tube lights	2,912	18.33

8.2 Green Operations⁴¹

Improving energy and resource efficiency can effectively reduce the Group's carbon footprint, thus reducing the environmental impact of our operations as well as saving operating costs. The Group has adopted various measures to make best use of resources, reduce energy consumption and support waste reduction at source, in order to protect the environment and natural ecology.

Cherish Resources⁴²

- Supporting the CLP “Renewable Energy Certificate” Scheme to purchase 250,000 kWh of electricity produced locally from renewable sources, thus driving the development of renewable energy in Hong Kong. Local renewable energy sources include solar power, wind power and landfill gas projects, all of which will reduce resource consumption and pollution.
- Installing solar-powered renewable energy systems at suitable locations on our premises and participating in the “Renewable Energy Feed-in Tariff Scheme” to help combat climate change.
- Installing solar-powered lights and LED lights with motion sensors where appropriate; modifying the air-conditioning system with a Variable Air Volume System and Variable Speed Drives; introducing a Variable Voltage Variable Frequency Speed Control System for elevators; and installing automatic turn-off controls in offices and conference rooms to save energy at night.
- Setting up video-conferencing systems in conference rooms and replacing business travels with video-conferences to reduce carbon emissions.
- Continuously optimising the cooling and ventilation systems of our offices and major information technology facilities to improve energy efficiency, and installing electronic sensor water taps and water-saving flushing water tanks in toilets to save water.
- Gradually installing high speed hand dryers in all toilets of our premises to reduce paper towels consumption and save water.



- Signing up to the “Charter on External Lighting” launched by the Environment Bureau (“ENB”) by pledging to switch off decorative, promotional or advertising lighting installations that affect the outdoor environment between 11pm and 7am, to reduce energy wastage and light pollution. We received a Platinum Award from the ENB for our participation.

Waste Reduction

- Donating reusable office equipment to charitable organisations. During the year, we donated over 3,700 computers and peripherals to various charitable organisations.
- Participating in the “Green Event Pledge” initiated by the Environmental Protection Department (“EPD”). With reference to the EPD’s A Waste Reduction Guidebook for Large Scale Event Organisers, we adopted measures to reduce the waste generated during our events, including using recycled materials for stage setup, re-using event supplies and sending unwanted materials to recycling or donation centres.
- Setting up collection facilities for recyclable items including waste paper, plastics, metals, rechargeable batteries, fluorescent tubes, compact fluorescent light bulbs, toner cartridges and red packets.
- Collecting leftover food from the staff canteen and arranging them to be converted into fish feed by a third party.



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⁴¹ A1 General Disclosure, A1.5, A1.6, A2 General Disclosure, A3 General Disclosure

⁴² A2.3

Ecological Conservation

- Having made donations in 2018 to support Ocean Park Conservation Foundation Hong Kong's events, during the year we sponsored the "Conservation Alliance", which raises funds to support wildlife conservation and research programmes in Asia. The funding will help protect Asia's wild and endangered species, promote biodiversity and respond to the impact of climate change on animal habitats, as well as supporting community education with a view to raising environmental awareness in all sectors of society.
- Using A4 paper certified by the Forest Stewardship Council.
- Pledging not to serve such foods as shark fin, endangered reef fish species and black moss at our corporate banquets.
- Participating in the No Shark Fin Pledge of WWF Hong Kong, thus pledging not to supply shark fin or launch any promotions related to its consumption.
- Discontinuing the supply of plastic straws at our staff canteen to promote a plastic-free life.
- Selecting systems that use eco-friendly refrigerants, when replacing air conditioning systems.
- Endeavouring to avoid practices that create adverse ecological impacts during the renovation of our branches.



Green Financial Services ⁴³

We have integrated environmental protection into our bank policies to facilitate the development of green financial services that promote sustainability.

Promoting Digitalisation across All Channels

- Incorporating technology into the customer experience and digitising customer information in order to reduce carbon emissions and save energy, e.g. online and mobile banking services, account enquiry and wealth management information services via WeChat, and electronic monthly statements. As of the end of 2019, over 1.9 million customers have opted to receive consolidated e-statements, an increase of more than 30% over the last year.



- Providing paperless and digitised banking services such as electronic signing pads, finger vein authentication biometric identification, e-insurance and claim application, MPF electronic account management, e-posters and promotional screens, electronic forms, etc..
- Developing automatic operations using green paperless robots and introducing "Robot Process Automation" to replace manual clearing work, thus greatly reducing demand for paper, protecting the environment and saving operating costs.
- Applying blockchain technology to property valuations, which considerably reduced paper consumption from printing valuation reports.

Environmental Protection



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Promoting the Development of Green Finance

Global climate change is one of the main risks affecting human wellbeing. Since the Paris Agreement on Climate Change was adopted in 2015, the development of green finance has gained momentum.

- During the year, the HKMA unveiled three sets of measures, namely Green and Sustainable Banking, Responsible Investment, and the establishment of a Centre for Green Finance, to work with the financial industry and other stakeholders to tackle climate change risks and accelerate the development of green finance. As an internationalised regional financial institution, the Group has a social responsibility to promote the development of green finance and related products. As such, we proactively promoted the concept of green finance to our customers and supported green finance with practical actions, in order to create a sustainable future.
- We sponsored the “Hong Kong Green Finance Association Annual Forum” hosted by the Hong Kong Green Finance Association for the second consecutive year. Themed “Fast Tracking Green Finance for the Greater Bay Area”, the Forum brought together approximately 300 delegates, including government officials and industry elites, to hold discussions on how to connect green finance and policy formulation in the Greater Bay Area to the real economy, and to identify new opportunities for expanding green finance cooperation.



- We invited the Hong Kong Quality Assurance Agency (“HKQAA”) to deliver a seminar to our frontline staff, updating them on the latest market trends in green finance, details of the Green Finance Certification Scheme and how green finance has created opportunities for businesses to actively respond to customer needs. In addition, we continued to hold seminars related to sustainability, so as to contribute to the development of green finance.

Supporting Green Credit

- The Group formulated the *CSR Credit Management Policy* so as to conduct its credit business in a responsible manner. We prioritise socially and environmentally sustainable projects in an effort to support the sustainable development of society. The Group closely monitors emerging green industry trends and supports green credit. During the year, the Group successfully obtained a green loan certification from HKQAA. BOCHK actively assisted clients in issuing green bonds and act as green advisor. As of the end of 2019, BOCHK's balance of green and sustainability-linked loan had increased almost eightfold compared to the prior year-end.
- The Group persists to promote renewable energy development and strengthens efforts to promote energy conservation and environmental protection. During the year we continued to participate in the “Energy Efficiency Loan Scheme” run by CLP Power and HK Electric, which provides financing services to industrial and commercial customers for the purpose of implementing energy conservation projects.

Balance of green and sustainability-linked loan

↑ ≈ 8 times



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Supporting Environmental Protection⁴⁴

The Group understands that financial institutions play a significant role in promoting the sustainable development of the environment, and strives to promote environmental protection by supporting various projects. Furthermore, we organised various activities, including environmental protection workshops and energy management training, to encourage our employees to adopt green practices. We also shared tips for green living and other green information in our staff magazine.

• BOCHK Corporate Environmental Leadership Awards Programme

Since 2015, BOCHK and the Federation of Hong Kong Industries have jointly hosted the “BOCHK Corporate Environmental Leadership Awards”, which aims to encourage enterprises from the manufacturing and service industries operating in Hong Kong and the Pan-Pearl River Delta region to integrate an environmental protection philosophy into their daily operations and reduce pollution. One of the key features of the programme is the “Belt and Road Environmental Leadership Recognition Award”, which recognises enterprises with outstanding performance in environmental protection in areas along the Belt and Road. The “SME Award” and the “Guangdong-HongKong-Macao-Bay Area Environmental Leadership Recognition Award”, aim to commend enterprises for their contributions to environmental improvement in the Greater Bay Area. In 2019, the Programme engaged more than 760 corporate participants, successfully encouraging them to complete a total of 2,600 environmental projects. This had the effect of reducing electricity consumption by more than 381 gigawatt-hours (equivalent to the annual electricity consumption of over 110,000 average three-person households in Hong Kong); saving more than 13 million cubic metres of water (equivalent to the volume of nearly 7,000 standard 50-metre swimming pools); reducing more than 630 million tonnes of waste (equivalent to the weight of over 1.8 million fully-loaded Boeing 777-300ER passenger aircrafts); and saving more than 2.4 million tonnes of resources were recycled (equivalent to the weight of over 160,000 double-decker buses); and reducing 280,000 tonnes of emissions (equivalent to the carbon dioxide absorbed by more than 12 million trees every year).



Environmental Protection



✓ **2,600** environmental projects completed by over 760 corporates

Water Usage
↓ **13** million cubic metres
= the volume of nearly 7,000 standard 50-metre swimming pools

Waste
↓ **630** million tonnes
= the weight of over 1.8 million fully-loaded Boeing 777-300ER passenger aircrafts

Recycled Materials
↓ **> 2.4** million tonnes
= the weight of over 160,000 double-decker buses

Electricity
↓ **381** gigawatt-hours
= the annual electricity consumption of over 110,000 average three-person households in Hong Kong

Emissions
↓ **280,000** tonnes
= the carbon dioxide absorbed by over 12 million trees annually



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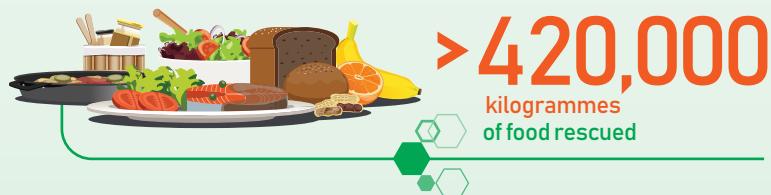


• Food Angel x BOC Food Rescue and Assistance Project

Since 2016, we have sponsored Food Angel's "Food Station" project, through which edible surplus food is prepared into hot meals and food packs for people in need, in an effort to reduce the environmental impact arising from large-scale food waste. Food Angel logistics vehicles efficiently distribute hot and frozen meal boxes, soups, and fresh food packs to eight remote areas of Hong Kong twice a day. During the year, the programme has rescued over 420,000 kilogrammes of food.



Food Angel x BOC Food Rescue Project



• Human and Nature Inclusion Programme

During the year, we supported the Polar Museum Foundation's plans to promote life-wide learning through its "Human and Nature Inclusion Programme" for primary and secondary school students. The programme aims to develop young people's respect for nature and interest in nature conservation, and improve their self-confidence and knowledge so that they can positively respond to various future environmental and social challenges. The programme offers students environmental lectures, outdoor training activities and fieldwork, scientific research training and specific seminars. A total of approximately 9,000 primary and secondary students are expected to benefit.



• Earth Hour

Since 2009, the Group has supported the WWF's "Earth Hour" initiative, turning off all non-essential lighting in our major office buildings during a specified time period so as to advocate energy conservation.



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• Lai See Packet Recycle and Reuse Programme

Since 2014, we have sponsored Greeners Action's Lai See Packet Recycle and Reuse Programme. During Chinese New Year, we set up collection points at our key office buildings and some of our branches to encourage the public to recycle and reuse red packets. The programme received wide support from the public and our staff.

• Promoting the practice of environmental protection for employees

We organised a number of environmental protection workshops, energy management training activities and "environmental ambassador" sharing sessions for our staff. We added recycling facilities and put up posters with environmental messages in the lobby and offices of our premises, and shared tips and knowledge on green living and sustainable development in our staff magazine so as to develop employees' environmental awareness and green habits. The BOCHK Dynamic Volunteer Team also participated in various environmental protection services, including tree planting and beach cleaning.



• Promoting green dining

To promote a healthy diet, our staff canteen offers green menus, vegetarian dishes and soups every Monday, which has been widely welcomed by colleagues. We also organise activities to promote green living and diet to our employees through various channels. For example, we have organised activities where employees bring their own cups would receive small gifts.



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Producing renewable energy from solar panels

During the year, BOCHK actively researched on the installation of solar panels on the roof of the BOC Cheung Sha Wan Building to generate renewable electricity. It is expected to be completed in mid-2020 and will generate over 1,100 kWh of electricity each year.



Winner of the "Gold Award in Manufacturing Sector" and "Guangdong-Hong Kong-Macao-Bay Area Environmental Leadership Recognition Award" at the "BOCHK Corporate Environmental Leadership Awards".

The Hong Kong and China Gas Co Ltd

The Hong Kong and China Gas Co. Ltd. was honoured to receive the awards. Our bio-oil upgrading project in Zhangjiagang, Jiangsu Province, as an example, developed a patented technology that uses biological waste oil to refine hydrogenated vegetable oil ("HVO"), thus turning waste into energy while achieving zero wastewater discharge. Compared with traditional diesel, the production of HVO can significantly reduce carbon emission by around 90%. In addition, our South East New Territories Landfill Gas Utilisation Project, which converts landfill gas to natural gas, is expected to reduce 56,000 tonnes of carbon dioxide per year, equivalent to the annual carbon absorption of 2.4 million trees. We will continue to promote more innovative environmental protection projects, supply clean energy and potable water, research and develop environmentally friendly energy solutions, and support community development.



Various green measures by different units⁴⁵

- Installing sensors in conference rooms that turn off lights automatically when the rooms are not occupied. Office lights be automatically turned off at 8pm every day, and can be manually extended for two hours at a time as needed;
- Conducting daily inspections by the Environmental Protection Ambassadors of some units to ensure that employees turn off lights and air conditioning when leaving the office;
- Posting energy-saving reminders on each floor to remind employees to set the appropriate temperature control for the air-conditioning system;
- Requesting employees to turn off their desktop computers instead of turning on hibernation mode at the end of the day; turn off the lights and air-conditioning of conference rooms after meetings; and, being the last person to leave the office, turn off the lights, air-conditioning system and any other unnecessary power-consuming devices;
- Pre-setting the photocopiers to double-sided printing mode;
- Encouraging employees to bring their own cups to reduce the use of paper cups; and
- Fixing posters in conspicuous places in the staff canteen to promote a culture of food cherish and food waste reduction.



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9. Supply Chain Management

The Group acknowledges that sustainable development principles must be applied to our supply chain management. As such, promoting sustainable procurement is one of the most important pillars of the Group's responsible business practices. We set clear requirements on the standards that suppliers must meet with regard to all aspects of social responsibility, ethics, corporate governance, environmental protection and labour conditions.

**SUSTAINABLE
DEVELOPMENT
GOALS**



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We attach great importance to supplier management and have established stringent standards to monitor suppliers' ethical and environmental performance. These standards are mandatory for all suppliers. This allows us to achieve sound business operations while ensuring that our suppliers are performing responsible business practices.

- Our *Sustainable Procurement Policy* sets out the entrance requirements and annual evaluation standards for our suppliers. All departments of the Group must properly engage in supplier management, including register searching and risk assessment for new potential suppliers, to ensure compliance with the principle of sustainable development.
- Our *Supply Chain Code of Conduct* provides guidelines for the Group's procurement of major products and services. We have integrated this Code into our supplier selection procedures, thus encouraging suppliers to meet certain social and environmental standards. In particular, we made reference to the *International Labour Standards* and *Principles of Decent Work* set out by the International Labour Organisation Core Conventions and specifically request suppliers to meet the required standard. We also require suppliers to formulate policies and recruitment measures in accordance with Hong Kong regulations, including those related to the prohibition of child labour and forced labour.

In addition, we pursue the principle of fair competition when selecting suppliers. In strict compliance with the *Competition Ordinance*, the *Prevention of Bribery Ordinance* and other applicable laws and regulations, we assess the products and services offered by each supplier on a fair basis. We also provide trainings to our employees to help them remain alert to possible corruption risks arising in daily procurement work, and offer them advice on how to prevent corruption.



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In order to achieve a sustainable supply chain, we reinforce our supplier management by conducting regular surveys, adding questionnaires to tender documents as needed, and operating an evaluation mechanism. In cases where major suppliers have procurement contracts exceeding a certain value, we will study their business models in greater depth in order to assess their potential social and environmental impacts. We conduct site visits or third-party audits to ensure the accuracy of such assessments. We require all newly recruited suppliers to submit a Supply Chain Code of Conduct Assessment Questionnaire, and will only consider them if they meet the required standards. If a supplier fails to meet the standards, we will take appropriate action including delisting them from the Group's suppliers list.

At the same time, we have strengthened our communication with suppliers and provided them with feedback on their social and environmental performance where practicable. When collaborating with our suppliers, we adhere strictly to ethical standards and responsible behaviour, with the aim of developing long-term relationships based on trust and cooperation.

During the year, all new suppliers of the Group were evaluated on their social and environmental performance, and they all met the required standards. 80% of our suppliers are based in Hong Kong. The major products and services we procure can be classified in the following six major categories:

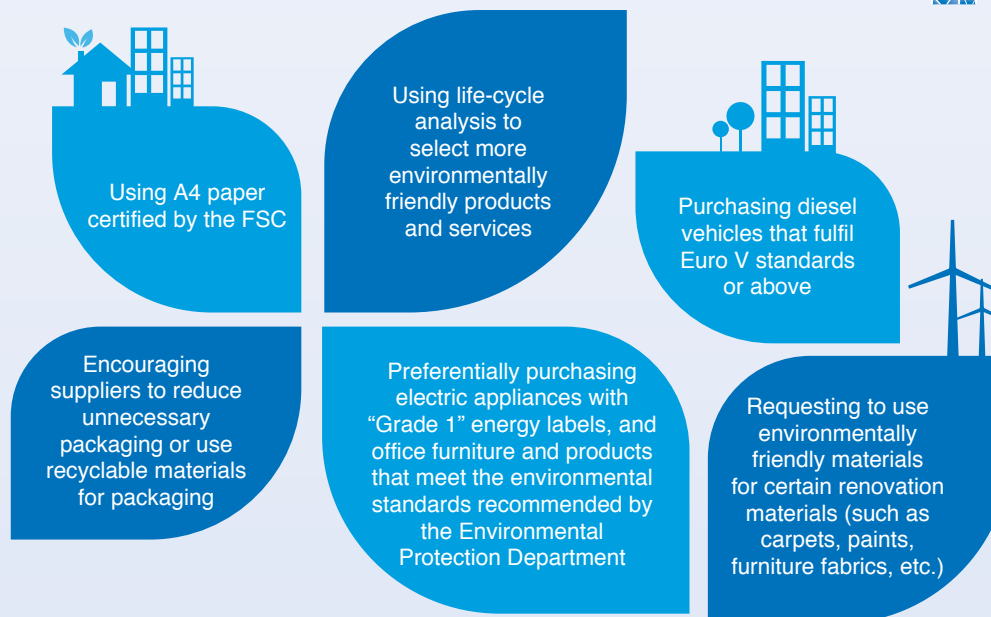


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The Group has formulated the *Sustainable Procurement Policy* to support green procurement. By combining environmental and social factors with market-based best practices and guidelines, we are better placed to select products and services that will minimise the social and environmental impact of the Group's supply chain. We also encourage our suppliers to effectively manage the social and environmental impacts of their operations, with the aim of building a supplier system that uses resources effectively and properly implements environmental and social risk management.

We are committed to raising suppliers' awareness of sustainable development. We encourage innovative thinking, application of new technologies and new designs, and support sustainable energy-saving products and services, such as:



Green Procurement Training

During the year, we provided a green procurement training for the representatives of various departments, including training on the definitions of green procurement and green products, important considerations in green procurement, the practice and implementation of green procurement in Hong Kong, and the establishment of the Group's corporate environmental goals.



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10. Contributions to the Community⁴⁸

The Group contributes to society and attaches great importance to community investment. Through a diverse range of initiatives, we aim to promote steady community development and generate positive energy towards a better society. We also encourage our staff to participate in volunteer activities. We strive to build a harmonious society and to ensure that the community shares the success of our corporate development. The Group received the “Best Bank for CSR in Hong Kong” awards from *Asiamoney* for two consecutive years in 2018 and 2019, and has been recognised as a “Caring Company” by the Hong Kong Council of Social Service for 17 consecutive years since 2003.

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⁴⁸ 413-1, B8 General Disclosure, B8.1, B8.2

The BOCHK Charitable Foundation (the “Foundation”) was established in 1994. Over the years, BOCHK and the Foundation have actively supported and participated in charitable activities in various fields, with a total donation of more than HK\$770 million. In 2019, we sponsored more than 40 charity projects, including projects supporting the disadvantaged, youth development, environmental protection and carbon reduction, sporting activity and the arts, reaching more than 3 million beneficiaries.

In celebration of the 100th anniversary of Bank of China’s service to Hong Kong, BOCHK issued the “Bank of China (Hong Kong) Centenary Commemorative Banknote” (“Commemorative Banknote”) in 2017, receiving an enthusiastic response from the public. During the year, we announced that the net proceeds of HK\$627 million from the sales of the Commemorative Banknote have been donated through the “BOCHK Centenary Charity Programme”. Of the total net proceeds, HK\$100 million has been allocated through the Community Chest of Hong Kong, while Tung Wah Group of Hospitals and Po Leung Kuk each receiving a HK\$50 million donation from the Programme. The remaining HK\$427 million will be used to fund projects selected through an open call for proposals from eligible local charities. It is expected that these charity projects will be launched in 2020. With the support of various sectors of society and the public, the donation of net proceeds from the Commemorative Banknote will make our celebrations of BOCHK’s centenary of service to Hong Kong even more meaningful.



Accumulated donations

> HK\$ 770 million

In 2019

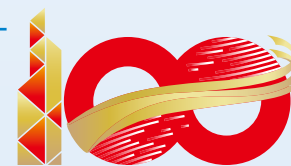
> 3 million beneficiaries

> 40 charity projects

Net proceeds of

HK\$ 627 million

from the Commemorative Banknote
donated for local charity



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10.2 Community Care

BOCHK is committed to fulfilling its social responsibilities. As we advance our own development, we remain dedicated to helping the poor, caring for the underprivileged, and providing assistance to those in need by supporting various charitable projects.



Poverty Alleviation

BOCHK has supported Food Angel's "Food Station" programme since 2016. Food Station rescues edible food from potential wastage in order to create hot meals and food packages for low-income neighbourhoods and elderly people living in grassroots communities. In 2019, we worked with Food Angel again to sponsor a new four-year "Food Angel x BOC Food Rescue and Assistance Project". We introduced two new "Food Rescue Vehicles", each equipped with thermal insulation, to efficiently distribute hot and frozen meal boxes, soups and fresh food packs to underprivileged communities in remote areas such as Sai Kung and Sheung Shui twice a day. Since the programme was launched, more than 1.5 million meal boxes and food packs have been distributed to people in need.



We have also donated to Tung Wah Group of Hospitals to support its Yiu Tung Community Kitchen Hot Meal Service, which provides affordable and nutritious hot meals to low-income elderly people to relieve their financial stress and enhance their quality of life.



To care for elderly and disadvantaged people who have swallowing difficulties, we supported Po Leung Kuk and the Swallowing Research Laboratory of the University of Hong Kong to carry out the Engay Foods Project, using innovative methods to create Engay Food meals appropriate for people with dysphagia and help them regain the joy of eating.

To support the underprivileged women and the elderly, we donated to the BOC Caring Hearts for the Elderly Project of the Hong Kong Single Parents Association. Through various training courses, this project helps women from grassroots communities, especially single mothers, to understand their own interests and abilities and to improve their capabilities. The project also organised a volunteer ambassador team to attend to the needs and relieve the difficulties of poor and elderly people who live alone. This is expected to benefit about 15,000 people.

BOC Caring Hearts for the Elderly Project of the Hong Kong Single Parents Association



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As a long-term partner of multiple charitable organisations, we make regular donations and encourage our employees to participate in various fundraising projects. In 2019, the Group donated and provided its full support to two “Walk for Millions” events hosted by the Community Chest of Hong Kong. We also organised 1,800 customers, employees and their family members to participate in “The Community Chest 50th Anniversary Walk for Millions”, which raised funds of over HK\$19 million and was supported by over 20,000 participants.

We sponsored the “Hospital Authority New Year Run” of the Hospital Authority Charitable Foundation; the “PHAB Walk for Integration x Sports Day” of the Hong Kong PHAB Association; and the “ACCA Community Day” of the Association of Chartered Certified Accountants (ACCA), to support those in need.



PHAB Walk for Integration x Sports Day

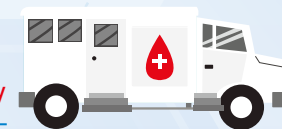
Free Medicine and Medical Consultation

We care about the physical and mental health of people from grassroots communities, and support medical services to help people in need and relieve the pressure on the local public healthcare system. During the year, we donated to the Hong Kong Red Cross Blood Transfusion Service of the Hospital Authority in order to procure a new model of vehicle for mobile blood donation that will make it easier for members of the public to donate blood and thus benefit more patients.

The vehicle will travel to schools and community halls in Hong Kong to facilitate the participation of young blood donors. It is estimated that this blood donation vehicle will reach 3,000 blood donors each year. In addition, we subsidised the Chinese Medicine General Outpatient Clinic, attached to Kwong Wah Hospital and Tung Wah Group of Hospitals, to provide free consultations for bone injury and Chinese medicine outpatients, as well as free orthopaedic medicine for external application, to alleviate injuries and illnesses for grassroots communities. We also donated to support Po Leung Kuk in launching two Chinese Medicine Mobile Clinics and two supporting plans — “Health Supplement Education”, and “Chinese Medicine Consultation and Pain Relief Treatment for Elderly People” — with the aim of providing affordable, convenient and high-quality Chinese medicine services to people from grassroots areas. It is expected that these two clinics will be able to serve about 6,000 people a year.

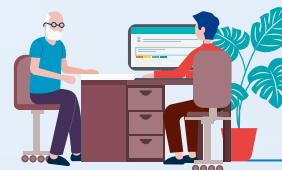
Blood Donation Vehicle
expected to reach

3,000 donors annually



To raise awareness of cognitive impairment among grassroots communities, patients and caregivers, we donated to Po Leung Kuk to launch the “Joyous Cognitive Impairment Training Programme”. Through public education, professional assessment and patient training, we aim to raise awareness of cognitive impairment prevention among the public, elderly and caregivers, as well as recognising the benefits and importance of early detection and early intervention. About 7,500 people are expected to benefit.

Joyous Cognitive Impairment Training Programme



≈7,500
expected beneficiaries



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For children with special needs, we sponsored Tung Wah Group of Hospitals (“TWGH”) to launch the “Play Arts Family — Children Emotional Wellbeing Enhancement Community Project” and the “Brain-based Emotion Coaching Parenting Programme” to provide appropriate emotional support to children and parents, enhance children’s emotional intelligence, provide an equal starting point for development and help them grow up in good health. It is expected to benefit more than 7,000 people.

To help children born with cleft lips and cleft palates smile again, the Ho Chi Minh City Branch of the Group in Vietnam donated 100 million Vietnam Dong (VND) to Operation Smile – Vietnam Cleft Lip Foundation in support of the “2019 Children Cleft Lip Operation Programme” to provide medical treatment for children with cleft lips and palates. Since 2014, the Ho Chi Minh City Branch has donated a total of VND 550 million to treat 104 children with cleft lips and palates from underprivileged families.

Disaster Relief and Rescue

Natural disasters are cruel, but compassion is always in our hearts. The Group has always cared for people affected by disasters and is committed to supporting local governments and organisations in disaster areas. In January and March 2019, the Jakarta Branch of the Group donated twice to the Indonesian Red Cross with 200 million Indonesian Rupiah each to alleviate the sufferings of people affected by the severe tsunami in Indonesia’s Banten Province at the end of 2018, and the extreme flooding in Papua Province in March 2019.

In June 2019, a seven-storey building collapsed in Preah Sihanouk City of Cambodia, causing many deaths and injuries. The Phnom Penh Branch of the Group donated funds for rescue activities and to support the local government in carrying out various rescue and rehabilitation work. In August 2019, abnormal climate conditions triggered a historic large-scale flood in the southern-central part of Laos. Several trunk roads were blocked by floods, resulting in water and food shortages. Out of deep concern for the victims, the Vientiane Branch of the Group actively responded to the donation initiatives of the Embassy of China in Laos, Bank of the Lao P.D.R, and the Lao Chinese Chamber of Commerce, giving 500 million Lao Kip to the local Red Cross to assist people suffering from the floods.

The Two TWGH Programmes

>7,000
expected beneficiaries



Ho Chi Minh City Branch donated
550 million
Vietnamese Dong
to Vietnam Cleft Lip Foundation

Jakarta Branch donated twice
200 million
Indonesian Rupiah each
to the Indonesian Red Cross



Vientiane Branch donated
500 million Lao Kip
to local Red Cross



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The Group places strong emphasis on child and youth development and strives to contribute to the nurturing of the future pillars of society by cultivating the virtues of ethics, intellect, physical health and aesthetics in a holistic manner. We are also committed to providing a platform and ladder for young people to realise their potential and to create a social environment that is conducive for young people to achieve their dreams.

Citizens' Moral Education

The Group highly values moral education as it helps young people to establish correct values and identities, and encourages the spirit of tolerance, respect, and seeking common ground while putting aside differences. We sponsored Tung Wah Group of Hospitals to launch the "PoNeteens — Healthy Internet Use Project", which supports young people and their families in combating improper online information and addiction problems, and instilling positive values in them for their future growth. It is expected to reach about 37,000 beneficiaries. To strengthen young people's understanding of Chinese culture and China's long-standing history, we donated to the Endeavour Education Centre to set up the "BOCHK Excellence Scholarship in Chinese History", encouraging students to deepen their knowledge of Chinese history and establish an accurate understanding of our history as a nation through tertiary education. We also supported Our Hong Kong Foundation in carrying out various activities to raise young people's awareness of Chinese history and culture as well as our country's development, including "China Masters Series", the "360° View on China Lecture Series", "Innotech Expo", "Hong Kong: Now and Then", "A Summer Course on History and Culture for Secondary School Students", and "Mainland Expedition on Entrepreneurship & Technology". Together, these initiatives are expected to benefit more than 100,000 young people every year. Since 2013, BOC Life has supported the "Healthy Engineer Programme" organised by Hong Kong Sheng Kung Hui Welfare Council

PoNeteens –
Healthy Internet Use Project
expected beneficiaries

≈ 37,000 annually



and the "Kids The Future Programme" organised by Hong Kong Family Welfare Society, to promote an all-round healthy lifestyle for students, encourage them to discover extracurricular interests and cultivate a positive outlook on life. The cumulative numbers of beneficiaries have exceeded 4,500 and 850 respectively.

Widening Horizons

BOCHK has established various scholarships and bursaries to encourage students to pursue their studies and provide financial support to underprivileged students. Since 1990, the Group has provided scholarships and bursaries to students in ten local universities, donating over HK\$22 million and benefitting over 2,500 students. We also gave our continued support to the "Future Stars-Upward Mobility Scholarship" programme launched by the Commission on Poverty, donating 100 scholarships to young people who have demonstrated persistence in the face of adversity, as well as positive values and a constructive attitude towards life. In addition to various types of scholarships, we also supported a wide range of youth exchange and internship programmes to boost youth development. In 2019, we organised "Youth Exchange in the Mainland" to expand the horizons of young people and help them think about the way forward. We organised or participated in various internship programmes, such as the "Scheme on Corporate Summer Internship on the Mainland and Overseas"; the "Youth Flying over GBA Corporate Summer Internships Scheme"; the "Youth Dynamic University Students Internships Leading Scheme" and the "BOCHK Summer Internship Programme", providing 150 internship placements to help university students in Hong Kong better prepare for their future careers. We also cooperated with the Hospital Authority to launch the "Exchange Programme for Young Achievers" and hosted the first innovation competition for university students in the Greater Bay Area, Southeast Asia and Hong Kong. These programmes provided a broad platform to support youth development in diverse and comprehensive ways.



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Encouraging Sportsmanship

Since 2002, BOCHK has sponsored the “Inter-Secondary Schools Sports Competition (Hong Kong Island and Kowloon)” in an effort to promote sports development among secondary students while cultivating a sense of sportsmanship embodied by a proactive attitude and an unrelenting drive for improvement. In the 2018/19 school year, this programme engaged nearly 80,000 enrolments from around 270 secondary schools in 20 sports and more than 8,100 competitions. Meanwhile, more than 500 students participated in the “BOCHK Schools Sports Volunteer Scheme”, contributing over 11,000 hours of volunteer service. In addition, the “BOCHK Junior Sports Reporters Scheme” offered training on conducting interviews and reporting to about 40 students, with the aim of promoting the inter-school sports events.



During the year, we launched the “BOCHK Excellent Young Sports Students Exchange Group” to fund school representatives to participate in large-scale international middle school sports competitions alongside overseas athletes, in order to gain valuable experience.

Inter-Secondary Schools Sports Competition (Hong Kong Island and Kowloon)



≈ 80,000 | ≈ 270 | > 8,100
enrolments | secondary schools | competitions

We also sponsored young people in Hong Kong to participate in the Second National Youth Games organised by the General Administration of Sport of China, to identify and train young sporting talent and nurture the next generation of Hong Kong athletic delegations.

During the year, we continued to support the BOCHK Community Football Partnership Programme, which includes the Grassroots Football Planner Programme, PL Junior Programme and School Football Experience Programme. These programmes aim to provide students from grassroots communities with the opportunity to participate in professional football training, and have benefitted more than 18,000 young people.

Arts and Aesthetic Education

We supported the “Budding Hong Kong Talents Programme” of the Musicus Society, selecting talented and outstanding young musicians from all walks of life in Hong Kong and nurturing them into international artists by providing opportunities to perform on stage with internationally renowned musicians in the Chinese mainland and overseas regions. We continued to support the “Music Integrates” programme of the Hong Kong Chinese Orchestra, which nurtures local musical talent, provides opportunities for the disadvantaged to enjoy Chinese music and promotes community inclusion. Nearly 8,000 people from underprivileged communities are benefitted every year. During the year, arrangements were made for members of the Hong Kong Youth Chinese Orchestra to undertake exchanges with young people from the Chinese mainland to enrich their musical knowledge. We also supported the “Lion Rock Can Do Spirit” Music Exchange Programme of the Hong Kong String Orchestra, which comprised six major projects organised under the three categories of “Exchange, Connect and Revitalise”, showcasing the diversity of music in Hong Kong and conveying a positive spirit. It is expected that around 90,000 people will be benefitted each year.



“Lion Rock Can Do Spirit” Music Exchange Programme expected beneficiaries

≈ 90,000 annually

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10.4 Promotion of Cultural Diversity



BOCHK has always supported the development of a diverse and pluralistic society, and sponsored a wide range of cultural events with the aim of enriching the public's cultural and recreational life. To celebrate the 70th Anniversary of the founding of the People's Republic of China and the 22nd Anniversary of Hong Kong's reunification with the Motherland, BOCHK served as the Chief Charity Partner for "A Journey Through Springtime Along the River Version 3.0", a digital exhibition in Hong Kong co-organised by the Palace Museum and Phoenix TV. The exhibition was held at the AsiaWorld-Expo from July to August 2019. With the theme of "A Day in an Open City", the Hong Kong exhibition was the first stop of a global exhibition tour that served as a landmark project for cultural and tourism exchange between the Chinese mainland and Hong Kong in 2019. The exhibition presented a digital translation of the original scroll painting and a visual communication of the historical background, which immersed visitors back into the prosperous age of the Northern Song Dynasty 900 years ago. We invited our customers and over a thousand of the underprivileged to visit the exhibition, and provided about 90 staff volunteers to offer guided tours. This exhibition attracted



a tremendous number of Hong Kong people and visitors from the Chinese mainland and overseas. We also supported the "Variety Show in Celebration of the 70th Anniversary of the Founding of the People's Republic of China" organised by the Association of Compatriots in Hong Kong to mark the Celebration of the National Day of the People's Republic. With the theme of "Connecting Our Hearts with the Motherland", the show treated audiences to wonderful performances in the form of music, dance, and singing, praising the nation's brilliant achievements over the past 70 years and deepening our collective sense of national identity.



We sponsored the "Hong Kong Corporate Citizenship Programme" organised by the Hong Kong Productivity Council for the tenth consecutive year. This programme encourages enterprises to fulfil and promote CSR and incorporate the philosophy of corporate citizenship into their business strategies and management practices. In 2019, the number of participating corporates increased to 363 from 349 of the previous year. Over the past ten years, more than 1,940 corporates have taken part in the programme's activities, successfully promoting awareness and understanding of CSR among the business community and the public.

Hong Kong Corporate Citizenship Programme

>1,940 corporate participants
over the past 10 years



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Staff volunteer supporting “A Journey through Springtime Along the River Version 3.0” Hong Kong Exhibition Liang Xun, Financial Crime Compliance Department

On July 28, in cooperation with several NGOs such as Pok Oi Hospital and New Home Association, BOCHK invited 1,000 underprivileged people from social welfare institutions to visit “A Journey through Springtime Along the River” Hong Kong Exhibition, which was co-organised by the Palace Museum and Phoenix TV. BOCHK was the Chief Charity Partner and 90 staff volunteers from BOCHK offered guided tours.



Under the current complex social environment, I felt it was important for all colleagues to join hands and boost positive energy into society and fulfil the CSR of the Group. Although this was the first time I had participated in volunteer work, I deeply appreciated the service spirit of my colleagues and also felt satisfaction and happiness from my volunteer service.

Food Angel x BOC Food Rescue and Assistance Project Engay Foods Project by Po Leung Kuk

BOCHK has always been concerned with the wellbeing of elderly people from grassroots communities, and provides donations to various projects to improve their living environment and help them live comfortably and with dignity.

Giu is an 86-year-old woman who lives in a tin house located in a remote area of Kwu Tung in Sheung Shui. The furniture in the house is basic and simple, and Giu finds it difficult to go out to purchase food ingredients and cook by herself. Through the “Food Angel x BOC Food Rescue and Assistance Project”, however, a mobile food rescue vehicle sends hot meals to a local elderly service centre which then transfers them to Giu's home, relieving her financial burden and solving her difficulties with cooking.



Yung is a 93-year-old woman who has lived in Po Leung Kuk Comfort Court for The Senior since August 2018. Yung suffers from hypertension, dementia, cataracts and other diseases, and was diagnosed with moderate swallowing difficulties. With the assistance of the Engay Foods Project, Yung received eight weeks of soft meals (a total of 15 meals), and was able to finish them every time. She gained weight and her emotion improved significantly, enhancing her quality of life.

Po Leung Kuk also launched a recipes and online channel which demonstrate how to make 45 Engay Food dishes, enabling caregivers of patients with dysphagia to provide home-cooked meals that offer great taste, pleasant texture, balanced nutritional value and an inviting appearance for the frail and elderly.

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Future Stars - Upward Mobility Scholarship 2019

Student Ma from SKH Tsang Shiu Tim Secondary School, Scholarship Recipient

I am very grateful for being awarded the scholarship, and thank BOCHK for its support. During the preparation for HKDSE, I was under great pressure. At the same time, a sudden accident occurred to my family. I experienced financial difficulties that made me very emotionally unstable and thus lost my motivation to study. Fortunately, with the help of the “Future Stars — Upward Mobility Scholarship”, I can continue my studies. The scholarship inspired me to maintain a positive attitude in adversity, study hard, and strive to change my current status. I want to encourage young people facing difficulties not to give up easily, but to keep improving and to keep in mind that there are always people stand by you.



BOCHK Hackathon 2019



BOCHK hosted the BOCHK Hackathon 2019 themed “Unleash our Future, Starting with FinTech”. The competition was co-organised by BOCHK and the Hong Kong Science and Technology Parks Corporation and attracted a total of 90 teams. After 24 consecutive hours of marathon competitions, the award was eventually granted to seven teams.

The application of innovative technology is a leading trend in the banking industry development. Our Hackathon attracted many outstanding young participants to generate highly creative proposals, some of which could bring new experiences to our customers. BOCHK will continue to cooperate with other parties in order to actively encourage young people to unleash their potentials so as to promote fintech development.



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11. Data Overview on Sustainability Performance



Employee Data⁴⁹

As at 31 December 2019, the Group has 14,668 employees.

Total workforce

(by employee type, geographical region, contract type and gender)

Employee type	Male	Female	Total
Permanent	6,171	8,121	14,292
Non-permanent	102	274	376
Total	6,273	8,395	14,668
Geographical region	Permanent	Non-permanent	Total
Hong Kong	12,259	333	12,592
The mainland	441	7	448
Southeast Asia and others	1,592	36	1,628
Total	14,292	376	14,668
Contract type	Male	Female	Total
Full-time	6,264	8,337	14,601
Part-time	9	58	67
Total	6,273	8,395	14,668

Total workforce (by employee category and gender)

Employee category	Male	Female	Total	Percentage
Senior management ⁱ	485	307	792	5.40%
Middle level staff	3,029	3,005	6,034	41.14%
General employees	2,759	5,083	7,842	53.46%
Total	6,273	8,395	14,668	
Percentage	42.77%	57.23%		

i: Senior management refers to division heads or above.

Total workforce (by geographical region and age)

Geo-graphical region \ Age	18-30	31-40	41-50	51 or above	Total	Percentage
Hong Kong	3,482	3,136	3,641	2,333	12,592	85.85%
The mainland	166	153	112	17	448	3.05%
Southeast Asia and others	727	589	260	52	1,628	11.10%
Total	4,375	3,878	4,013	2,402	14,668	
Percentage	29.83%	26.44%	27.36%	16.37%		

Proportion of senior management hired from the local community (by geographical region)

Geographical region	Percentage
Hong Kong	86.31%
The mainland	75.00%
Southeast Asia and others	43.08%
Total	82.70%



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⁴⁹ 102-7, 102-8, 405-1, B1.1

**Total number of new hires (by gender, age and geographical region)⁵⁰**

	Number	Rate
Gender		
Male	1,397	9.52%
Female	1,613	11.00%
Age		
18-30	1,877	12.79%
31-40	760	5.19%
41-50	271	1.85%
51 or above	102	0.69%
Geographical region		
Hong Kong	2,466	16.81%
The mainland	99	0.67%
Southeast Asia and others	445	3.04%
Total	3,010	20.52%

Employee turnover (by gender, age and geographical region)⁵¹

	Rate
Gender	
Male	5.96%
Female	7.36%
Age	
18-30	7.92%
31-40	3.40%
41-50	1.54%
51 or above	0.46%
Geographical region	
Hong Kong	11.69%
The mainland	0.19%
Southeast Asia and others	1.44%
Total	13.32%

Use of parental leaveⁱⁱ (by gender)⁵²

	Male	Female
Total number of employees that were entitled to parental leave	6,066	8,063
Total number of employees that took parental leave	193	272
Total number of employees that returned to work after the end of parental leave	192	263
Percentage of employees that returned to work after the end of parental leave (return rate)	99%	97%
Total number of employees that returned to work after the end of parental leave that were still employed 12 months after their return to work	188	246
Percentage of employees that returned to work after the end of parental leave that were still employed 12 months after their return to work (retention rate)	98%	94%

ii: Parental leave refers to maternity leave and paternity leave.

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⁵⁰ 401-1
⁵¹ 401-1, B1.2
⁵² 401-3

Average training hours and percentage of employees trained (by employee category and gender)⁵³

Average training hours: 36.8				
Total number of employees trained: 14,449				
Percentage of employees trained: 95.8%				
Employee category	Male		Female	
	Average training hours	Percentage of employees trained	Average training hours	Percentage of employees trained
Senior management	28.4	96.7	31.2	99.3
Middle level staff	31.9	98.2	30.9	97.4
General employees	50.6	94.1	35.8	94.2
Total	39.8	96.3	33.9	95.5

Occupational health and safety performance⁵⁴

	Total
Number and rate of high-consequence work-related injuries ^{iii,vii}	0 employee 0 (Every 200,000 worked hours)
Number and rate of lost time ^{iv,vii}	686.03 days 4.54 (Every 200,000 worked hours)
Number and rate of fatalities as a result of work-related injury ^{v,vii}	0 employee 0 (Every 200,000 worked hours)
Number and rate of recordable work-related injuries ^{vi,vii}	0 employees 0 (Every 200,000 worked hours)

iii: High-consequence work-related injury refers to injury which the employee cannot recover, or does not or is not expected to recover fully to pre-injury health status within six months (excluding fatality).

iv: Lost time refers to the working days lost due to a work-related injury sustained by an employee for which the employee misses one or more scheduled workdays after the day of the injury.

v: Fatality refers to the death of employee or contractor as a result of a work-related injury incident in the course of employment.

vi: Recordable work-related injury relates to injury, disease (or even death) contracted during course of employment and diagnosed by licensed health care professional, resulting in the employee being unable to perform normal work duties.

vii: The total number of hours worked in 2019 is 30,238,461. Rate of high-consequence work-related injuries, rate of lost time, rate of fatalities as a result of work-related injury and rate of recordable work-related injuries are all normalised to 200,000 worked hours, which is approximately equal to the number of hours worked by 100 full-time employees in a year.

Cases of discrimination and corruption⁵⁵

	Total
Confirmed incidents of discrimination	0
Confirmed incidents of corruption	0

Percentage of suppliers by geographical region⁵⁶

Geographical region	Percentage
Hong Kong	81.6%
The mainland	13.7%
Others	4.7%
Total	100%



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⁵³ 404-1, B3.1, B3.2

⁵⁴ 403-2 (2016), B2.1, B2.2

⁵⁵ 205-3, 406-1, B7.1

⁵⁶ B5.1



Environmental Performance⁵⁷

	Unit	2019	2018 ⁵⁸	Difference
Paper⁵⁹				
Paper purchased	kg	576,549	618,847	-7%
Paper purchase intensity				
By number of employees	kg/person	45.79	50.40	-9%
Total energy consumption^{60, 61, 62}				
Total electricity consumption	kWh	95,502,750	95,830,567	-0.3%
	GJ	343,810	344,990	
Total Towngas consumption	unit	52,676	53,370	-1%
	GJ	2,528	2,562	
Total diesel consumption for corporate fleet	L	17,010	18,995	-10%
	GJ	612	684	
Total gasoline consumption for corporate fleet ⁶³	L	62,803	54,101	16%
	GJ	2,073	1,785	
Total energy consumption	GJ	349,023	350,021	-0.3%
Energy intensity⁶⁴				
By number of employees	GJ/person	27.72	28.51	-3%
Greenhouse gas (GHG) emissions⁶⁵				
Direct GHG emissions (Scope 1) ⁶⁶	tCO ₂ e	350	333	5%
Indirect GHG emissions (Scope 2) ⁶⁷	tCO ₂ e	65,083	65,003	0.1%
Other indirect GHG emissions (Scope 3) ⁶⁸	tCO ₂ e	39	49	N/A
Total GHG emissions ⁶⁹	tCO ₂ e	65,472	65,385	N/A

	Unit	2019	2018 ⁵⁸	Difference
Greenhouse gas (GHG) emissions intensity⁷⁰				
By number of employees	tCO ₂ e/person	5.20	5.33	N/A
By floor area	tCO ₂ e/m ²	0.24	0.25	N/A
Water^{71, 72}				
Total water consumption	Megalitre	65	81	N/A
Water consumption intensity				
By number of employees	Megalitre/person	0.0052	0.0066	N/A
Waste disposal⁷³				
General waste	Ton	611.60	860.71	-29%
Waste disposal intensity				
By number of employees	Ton/person	0.049	0.070	-31%
Major waste recovered⁷⁴				
Non-hazardous⁷⁵				
Waste paper	Ton	297.64	282.77	5%
Plastic bottle	Ton	0.41	0.35	17%
Aluminium can	Ton	0.38	0.21	81%
Food waste	Ton	65.06	79.28	-18%
Hazardous⁷⁶				
Rechargeable battery	pcs	68	85	-20%
Electronic waste	pcs	3,709	4,293	-28%
Fluorescent lamp and compact fluorescent light bulbs	pcs	851	1,186	-28%

⁵⁷ As we were unable to receive relevant data for the whole year from relevant Government department, some fresh water consumption related figures, which include greenhouse gas emissions, greenhouse gas emissions intensity, water and water consumption intensity, reflect the data of reporting period from Jan to Oct 2019 only. Since the data between 2018 and 2019 are not comparable, the relevant percentage differences in the table are not available. The data has been restated to improve data accuracy.

⁵⁸ 301-1
⁵⁹ 302-1, A2.1, A2.3

⁶⁰ Including main properties, office towers and most branches of the Group in Hong Kong, except public electricity consumption of specific buildings

⁶¹ These conversion factors are used to standardise the units to gigajoules (GJ): Electricity (0.0036GJ/kWh), town gas (0.048GJ/unit), diesel (0.036GJ/L), gasoline (0.033GJ/L)

⁶² Including diesel and gasoline use of BOCHK, but excluding that of its subsidiaries

⁶³ 302-3, A2.1

⁶⁴ Calculated based on the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong issued by the Environmental Protection Department and the Electrical and Mechanical Services Department

⁶⁵ 305-1, A1.1; including GHG emissions related to Towngas and vehicles

⁶⁶ 305-2, A1.1; including GHG emissions related to electricity and Towngas

⁶⁷ 305-3, A1.1; including GHG emission related to water consumption and wastewater discharge

⁶⁸ A1.2

⁶⁹ 305-4, A1.2, A1.5

⁷⁰ 303-1(2016), A2.2

⁷¹ Including main properties, office towers and most branches of the Group in Hong Kong, except public water consumption of specific buildings

⁷² A1.3, A1.4; including main properties and office towers of the Group in Hong Kong; disposal amount of non-hazardous waste and hazardous waste are counted in total due to the insignificant amount of hazardous waste disposal

⁷³ A1.6; including main properties and office towers of the Group in Hong Kong

⁷⁴ A1.4

⁷⁵ A1.3

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12. HKEx ESG Guide Content Index, GRI Content Index and Mapping of the United Nations SDG Indicators⁷⁷

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

For the Materiality Disclosures Service, GRI reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. For the SDG Mapping Service, GRI Services reviewed that the disclosures included in the content index are appropriately mapped against the SDGs. The review are based on the English version of the Report.



GRI 101: Foundation 2016				
General Disclosures				
GRI 102: General Disclosures 2016	HKEx ESG Guide	Description	Page number(s) and/or direct answers	SDG Indicators
ORGANISATIONAL PROFILE				
102-1		Name of the organisation	About BOC Hong Kong (Holdings) Limited (p.3)	
102-2		Primary brands, products, and services	About BOC Hong Kong (Holdings) Limited (p.3); 2019 Annual Report > (p.1, p.99); BOCHK Website >	
102-3		Location of the organisation's headquarters	Bank of China Tower, 1 Garden Road, Hong Kong	
102-4		Number of countries where the organisation operates	About BOC Hong Kong (Holdings) Limited (p.3)	
102-5		Nature of ownership and legal form	About BOC Hong Kong (Holdings) Limited (p.3)	
102-6		Markets served	About BOC Hong Kong (Holdings) Limited (p.3); Message from the Chairman (p.5); Message from the Chief Executive (p.7); Business Development and Economic Contributions (p.18); BOCHK Website >	
102-7		Scale of the organisation	About BOC Hong Kong (Holdings) Limited (p.3); Data Overview on Sustainability Performance (p.68)	
102-8	B1.1	Employee statistics	Data Overview on Sustainability Performance (p.68)	8 Decent Work And Economic Growth 10 Reduced Inequalities
102-9	B5 General Disclosure, B5.2	Organisation's supply chain	Supply Chain Management (p.55, 56)	
102-10		Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	No significant changes	



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⁷⁷ 102-55

General Disclosures				
GRI 102: General Disclosures 2016	HKEx ESG Guide	Description	Page number(s) and/or direct answers	SDG Indicators
ORGANISATIONAL PROFILE				
102-11		Explanation of whether and how the precautionary approach or principles are addressed by the organisation	2019 Annual Report > ; Corporate Governance section (p.65)	
102-12		Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	This is reflected in the Business Development and Economic Contributions, Contributions to the Community and other sections of this Report. The Group has been a signatory of the <i>Treat Customers Fairly Charter</i> , the <i>Talent-Wise Employment Charter</i> , the <i>Racial Diversity & Inclusion Charter For Employers</i> , the <i>Charter on External Lighting</i> , Fluorescent Lamp Recycling Programme, Green Event Pledge, etc. For details of related awards and recognition of the Group, please refer to the 2019 Annual Report > (p.109).	
102-13		Memberships of associations and advocacy organisations	Environmental Protection (p.48); BOCHK Website >	
STRATEGY				
102-14		Statement from the most senior decision-makers of the organisation	Message from the Chairman (p.5); Message from the Chief Executive (p.7)	
102-15		Description of the organisation's key impacts, risks, and opportunities	Message from the Chairman (p.5); Message from the Chief Executive (p.7)	
ETHICS AND INTEGRITY				
102-16		Organisation's values, principles, standards and norms of behaviour	About BOC Hong Kong (Holdings) Limited (p.4); Caring for Employees (p.37)	16 Peace, Justice and Strong Institutions
102-17	B7.2	The internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity	Business Development and Economic Contributions (p.28); Caring for Employees (p.37)	16 Peace, Justice and Strong Institutions



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General Disclosures				
GRI 102: General Disclosures 2016	HKEx ESG Guide	Description	Page number(s) and/or direct answers	SDG Indicators
GOVERNANCE				
102-18		Governance structure of the organisation	Governance for Sustainability (p.10); 2019 Annual Report: Corporate Governance section (p.65)	
102-19		Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Governance for Sustainability (p.10)	
102-20		Appointment of executive-level position(s) with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Governance for Sustainability (p.10)	
102-22		Composition of the highest governance body and its committees	2019 Annual Report > : Corporate Governance section (p.65)	5 Gender Equality 16 Peace, Justice and Strong Institutions
102-23		Whether the Chair of the highest governance body is also an executive officer	2019 Annual Report > : Corporate Governance section (p.65)	16 Peace, Justice and Strong Institutions
102-24		Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting the highest governance body members	2019 Annual Report > : Corporate Governance section (p.65)	5 Gender Equality 16 Peace, Justice and Strong Institutions
102-25		Processes for the highest governance body to ensure conflicts of interest are avoided and managed	2019 Annual Report > : Corporate Governance section (p.65)	16 Peace, Justice and Strong Institutions
102-26		Role of highest governance body in setting purpose, values, and strategy	Governance for Sustainability (p.10)	
102-30		Effectiveness of risk management processes	Governance for Sustainability (p.14)	
102-32		Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures all material aspects are covered	About this Report (p.2); Governance for Sustainability (p.16)	

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General Disclosures				
GRI 102: General Disclosures 2016	HKEx ESG Guide	Description	Page number(s) and/or direct answers	SDG Indicators
GOVERNANCE				
102-35		Remuneration policies for the highest governance body and senior executives	2019 Annual Report > : Corporate Governance section (p.65)	
102-36		Process for determining remuneration	2019 Annual Report > : Corporate Governance section (p.65)	
STAKEHOLDER ENGAGEMENT				
102-40		List of stakeholder groups engaged by the organisation	Governance for Sustainability (p.15)	
102-41		Percentage of total employees covered by collective bargaining agreements	There is no collective bargaining agreement in place in our Group. However, according to the <i>Staff Code of Conduct</i> , all employees of the Group has the right to join any legal organisation.	
102-42		Basis for identification and selection of stakeholders with whom to engage	Governance for Sustainability (p.15)	
102-43		Approaches to stakeholder engagement	Governance for Sustainability (p.15)	
102-44		Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns	Governance for Sustainability (p.16)	
REPORTING PRACTICE				
102-45		Entities included in the organisation's consolidated financial statements or equivalent document	2019 Annual Report > : (p.14)	
102-46		Process for defining the report content and the topic boundaries	Governance for Sustainability (p.16)	
102-47		Material aspects identified in the process for defining report content	Governance for Sustainability (p.17)	
102-48		The effect of and reasons for any restatements of information provided in previous reports	About this Report (p.2)	
102-49		Significant changes from previous reports in material topics and topic boundaries	Governance for Sustainability (p.17)	



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General Disclosures				
GRI 102: General Disclosures 2016	HKEx ESG Guide	Description	Page number(s) and/or direct answers	SDG Indicators
REPORTING PRACTICE				
102-50		Reporting period	About this Report (p.2)	
102-51		Date of most recent report	Our last report was issued in May 2019	
102-52		Reporting cycle	Report annually	
102-53		Contact point for questions regarding the report or its contents	About this Report (p.2)	
102-54		Claims of reporting in accordance with the GRI Standards	About this Report (p.2)	
102-55		GRI Standards Content Index	HKEx ESG Guide Content Index, GRI Content Index and Mapping of the United Nations SDG Indicators (p.72)	
102-56		Policy and current practice with regard to seeking external assurance for the report	Verification Statement (p.88)	

Topic-specific Standards and Sector-specific Standard Disclosures				
GRI Standards and Disclosures	HKEx ESG Guide	Description	Page number(s) and/or direct answers	SDG Indicators
CATEGORY: ECONOMIC				
ECONOMIC PERFORMANCE				
GRI 103: Management Approach 2016		103-1, 103-2, 103-3 Disclosures on Management Approach	Business Development and Economic Contributions (p.18)	
GRI 201: Economic Performance 2016		201-1 Direct economic value generated and distributed	Business Development and Economic Contributions (p.19); 2019 Annual Report > (p.14)	8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure

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GRI Standards and Disclosures	HKEx ESG Guide	Description	Page number(s) and/or direct answers	SDG Indicators
CATEGORY: ECONOMIC				
INDIRECT ECONOMIC IMPACTS				
GRI 103: Management Approach 2016		103-1, 103-2, 103-3 Disclosures on Management Approach	Business Development and Economic Contributions (p.20); Environmental Policy ► on our website	
GRI 203: Indirect Economic Impacts 2016		203-1 Development and impact of infrastructure investments and services supported	Business Development and Economic Contributions (p.20)	5 Gender Equality 9 Industry, Innovation and Infrastructure 11 Sustainable Cities and Communities
GRI 203: Indirect Economic Impacts 2016		203-2 Significant indirect economic impacts, including the extent of impacts	Business Development and Economic Contributions (p.20)	1 No Poverty 3 Good Health and Well-Being 8 Decent Work and Economic Growth
ANTI-CORRUPTION				
GRI 103: Management Approach 2016	B7 General Disclosure	103-1, 103-2, 103-3 Disclosures on Management Approach	Business Development and Economic Contributions (p.27)	
GRI 205: Anti-corruption 2016		205-2 Communication and training on anti-corruption policies and procedures	Business Development and Economic Contributions (p.29)	16 Peace, Justice and Strong Institutions
GRI 205: Anti-corruption 2016	B7.1	205-3 Confirmed incidents of corruption and actions taken	Data Overview on Sustainability Performance (p.70)	16 Peace, Justice and Strong Institutions



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GRI Standards and Disclosures	HKEx ESG Guide	Description	Page number(s) and/or direct answers	SDG Indicators
CATEGORY: ENVIRONMENTAL				
MATERIALS				
GRI 103: Management Approach 2016	A2 General Disclosure, A3 General Disclosure	103-1, 103-2, 103-3 Disclosures on Management Approach	Environmental Protection (p.44, 47, 53); Environmental Policy ➤ on our website	
GRI 301: Materials 2016	A2.5	301-1 Materials used by weight or volume	Data Overview on Sustainability Performance (p.71); the Group is a financial services institution. It does not require large-scale consumption in packaging.	8 Decent Work and Economic Growth 12 Responsible Consumption and Production
	A3.1	Extent of impact mitigation of environmental impacts of products and services	Environmental Protection (p.48)	
ENERGY				
GRI 103: Management Approach 2016	A2 General Disclosure, A3 General Disclosure	103-1, 103-2, 103-3 Disclosures on Management Approach	Environmental Protection (p.44, 47, 53); Environmental Policy ➤ on our website	
GRI 302: Energy 2016	A2.1	302-1 Energy consumption within the organisation	Data Overview on Sustainability Performance (p.71)	7 Affordable and Clean Energy 8 Decent Work and Economic Growth 12 Responsible Consumption and Production 13 Climate Action
GRI 302: Energy 2016	A2.1	302-3 Energy intensity	Data Overview on Sustainability Performance (p.71)	7 Affordable and Clean Energy 8 Decent Work and Economic Growth 12 Responsible Consumption and Production 13 Climate Action



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GRI Standards and Disclosures	HKEx ESG Guide	Description	Page number(s) and/or direct answers	SDG Indicators
CATEGORY: ENVIRONMENTAL				
ENERGY				
	A2.3	Energy use efficiency initiatives and results achieved	Environmental Protection (p.47); Data Overview on Sustainability Performance (p.71)	
WATER RESOURCES				
GRI 103: Management Approach 2016	A2 General Disclosure, A3 General Disclosure, A2.4	103-1, 103-2, 103-3 Disclosures on Management Approach	Environmental Protection (p.44, 47, 53); Environmental Policy ➤ on our website	
GRI 303: Water 2016	A2.2	303-1 Total water withdrawal by source	Data Overview on Sustainability Performance (p.71)	6 Clean Water and Sanitation
EMISSIONS				
GRI 103: Management Approach 2016	A1 General Disclosure, A3 General Disclosure	103-1, 103-2, 103-3 Disclosures on Management Approach	Environmental Protection (p.44, 47, 53); the Group is a financial services organisation. It does not generate significant amount of airborne emissions.	
GRI 305: Emissions 2016	A1.1	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)	Data Overview on Sustainability Performance (p.71)	3 Good Health and Well-Being 12 Responsible Consumption and Production 13 Climate Action 14 Life Below Water 15 Life On Land
GRI 305: Emissions 2016	A1.1	305-2 Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Data Overview on Sustainability Performance (p.71)	3 Good Health and Well-Being 12 Responsible Consumption and Production 13 Climate Action 14 Life Below Water 15 Life On Land



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CATEGORY: ENVIRONMENTAL				
EMISSIONS				
GRI 305: Emissions 2016	A1.1	305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)	Data Overview on Sustainability Performance (p.71)	3 Good Health and Well-Being 12 Responsible Consumption and Production 13 Climate Action 14 Life Below Water 15 Life On Land
GRI 305: Emissions 2016	A1.2	305-4 Greenhouse gas (GHG) emissions intensity	Data Overview on Sustainability Performance (p.71)	13 Climate Action 14 Life Below Water 15 Life On Land
	A1.5	Measures to mitigate emissions and results achieved	Environmental Protection (p.47); Data Overview on Sustainability Performance (p.71)	
EFFLUENTS AND WASTE				
	A1 General Disclosure, A3 General Disclosure	Disclosures on Management Approach	Environmental Protection (p.44, 47, 53); Environmental Policy ➤ on our website	
	A1.3, A1.4, A1.6	Total weight of waste by type and disposal method	Environmental Protection (p.47, 50); Data Overview on Sustainability Performance (p.71)	

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CATEGORY: SOCIAL				
EMPLOYMENT				
GRI 103: Management Approach 2016	B1 General Disclosure	103-1, 103-2, 103-3 Disclosures on Management Approach	Caring for Employees (p.32, 33)	
GRI 401: Employment 2016	B1.2	401-1 Total number and rates of new employee hires and employee turnover	Data Overview on Sustainability Performance (p.69)	5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities
GRI 401: Employment 2016		401-2 Benefits provided to full-time employees but not to temporary or part-time employees	Caring for Employees (p.33)	3 Good Health and Well-being 5 Gender Equality 8 Decent Work and Economic Growth
GRI 401: Employment 2016		401-3 The use of parental leave	Data Overview on Sustainability Performance (p.69)	5 Gender Equality 8 Decent Work and Economic Growth
LABOUR/MANAGEMENT RELATIONS				
GRI 103: Management Approach 2016	B4 General Disclosure	103-1, 103-2, 103-3 Disclosures on Management Approach	Caring for Employees (p.32, 38)	
GRI 402: Labor/ Management Relations 2016		402-1 Minimum notice periods regarding significant operational changes, including whether these are specified in collective agreements	Caring for Employees (p.38)	8 Decent Work and Economic Growth
	B4.1	Review of employment practices to avoid child and forced labour.	The Group strictly prohibits employment of children and all forms of forced labour by effective recruitment procedure, which ensures compliance with laws and regulations.	

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CATEGORY: SOCIAL				
LABOUR/MANAGEMENT RELATIONS				
	B4.2	Steps taken to eliminate child and forced labour practices when discovered	The Group duly complies with all applicable laws and regulations that are binding on the Group and strictly prohibits the employment of children and all forms of forced labour. No such incident of non-compliance was discovered for the reporting year.	
OCCUPATIONAL HEALTH AND SAFETY				
GRI 103: Management Approach 2016	B2 General Disclosure, B2.3	103-1, 103-2, 103-3 Disclosures on Management Approach	Caring for Employees (p.38)	
GRI 403: Occupational Health and Safety 2016	B2.1, B2.2	403-2 Work-related injuries	Data Overview on Sustainability Performance (p.70)	8 Decent Work And Economic Growth
EMPLOYEE TRAINING AND EDUCATION				
GRI 103: Management Approach 2016	B3 General Disclosure	103-1, 103-2, 103-3 Disclosures on Management Approach	Caring for Employees (p.34)	
GRI 404: Training and Education 2016	B3.1, B3.2	404-1 Average hours of training per year per employee by gender, and by employee category	Data Overview on Sustainability Performance (p.70)	4 Quality Education 5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities
GRI 404: Training and Education 2016		404-2 Programmes for lifelong learning that support the continued employability of employees and assist them in managing career endings	Caring for Employees (p.34)	8 Decent Work and Economic Growth



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CATEGORY: SOCIAL				
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103: Management Approach 2016		103-1, 103-2, 103-3 Disclosures on Management Approach	Caring for Employees (p.32)	
GRI 405: Diversity and Equal Opportunity 2016	B1.1	405-1 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, and other indicators of diversity	Data Overview on Sustainability Performance (p.68)	5 Gender Equality 8 Decent Work and Economic Growth
NON-DISCRIMINATION				
GRI 103: Management Approach 2016		103-1, 103-2, 103-3 Disclosures on Management Approach	Caring for Employees (p.32)	
GRI 406: Non-discrimination 2016		406-1 Total number of incidents of discrimination and corrective actions taken	Data Overview on Sustainability Performance (p.70); No such incident that led to significant fines or warnings was recorded during the year.	5 Gender Equality 8 Decent Work and Economic Growth
LOCAL COMMUNITIES				
GRI 103: Management Approach 2016	B8 General Disclosure, B8.1, B8.2	103-1, 103-2, 103-3 Disclosures on Management Approach	Contributions to the Community (p.40, 58)	
GRI 413: Local Communities 2016		413-1 Operations with local community engagement, impact assessments, and development programs	Contributions to the Community (p.58)	

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CATEGORY: SOCIAL				
LOCAL COMMUNITIES				
G4-FS7		Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Message from the Chief Executive (p.7); Business Development and Economic Contributions (p.21); Environmental Protection (p.48)	1 No Poverty 8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure 10 Reduced Inequalities 11 Sustainable Cities and Communities
G4-FS13		Access points in low-populated or economically disadvantaged areas	Business Development and Economic Contributions (p.23)	1 No Poverty 8 Decent Work and Economic Growth 10 Reduced Inequalities
G4-FS14		Initiatives to improve access to financial services for the disadvantaged	Business Development and Economic Contributions (p.23)	1 No Poverty 8 Decent Work and Economic Growth 10 Reduced Inequalities
SUPPLIER SOCIAL RESPONSIBILITY PERFORMANCE				
GRI 103: Management Approach 2016	B5 General Disclosure	103-1, 103-2, 103-3 Disclosures on Management Approach	Supply Chain Management (p.55)	

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CATEGORY: SOCIAL				
SUPPLIER SOCIAL RESPONSIBILITY PERFORMANCE				
GRI 414: Supplier Social Assessment 2016	B5.2	414-1 New suppliers that were screened using social criteria	Supply Chain Management (p.56)	5 Gender Equality 8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions
	B5.1	Number of suppliers by geographical region	Data Overview on Sustainability Performance (p.70)	
CUSTOMER HEALTH AND SAFETY				
GRI 103: Management Approach 2016	B6 General Disclosure	103-1, 103-2, 103-3 Disclosures on Management Approach	Business Development and Economic Contributions (p.27)	
GRI 416: Customer Health and Safety 2016		416-2 Describe by type of outcomes, the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services	No such incident of non-compliance was discovered during the reporting year.	16 Peace, Justice and Strong Institutions
MARKETING COMMUNICATIONS				
GRI 103: Management Approach 2016	B6 General Disclosure	103-1, 103-2, 103-3 Disclosures on Management Approach	Business Development and Economic Contributions (p.27)	
GRI 417: Marketing and Labeling 2016		417-3 Differentiate by type of outcomes, the total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	No such incident of non-compliance was discovered during the reporting year	16 Peace, Justice and Strong Institutions



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Topic-specific Standards and Sector-specific Standard Disclosures

GRI Standards and Disclosures	HKEx ESG Guide	Description	Page number(s) and/or direct answers	SDG Indicators
CATEGORY: SOCIAL				
CUSTOMER PRIVACY				
GRI 103: Management Approach 2016	B6 General Disclosure, B6.5	103-1, 103-2, 103-3 Disclosures on Management Approach	Business Development and Economic Contributions (p.27)	
GRI 418: Customer Privacy 2016	B6.2	418-1 Total number of substantiated complaints regarding of customer privacy and losses of customer data	Business Development and Economic Contributions (p.27) For the reporting year, only a small number of complaints were received by the Group. The Privacy Commissioner did not impose any fine or penalty regarding such complaints for the reporting year. Complaints received by the Group regarding data privacy are mainly handled by a designated department with the support from other relevant units. The Group will conduct thorough investigation based on the internal complaint management procedures and then respond to the complainants regarding the investigation findings. Our internal complaint management procedures were formulated in accordance with HKMA's Supervisory Policy Manual IC-4 Procedures for Handling Complaints, and the Code of Banking Practice issued by the Hong Kong Association of Banks and the DTC Association.	16 Peace, Justice and Strong Institutions

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Topic-specific Standards and Sector-specific Standard Disclosures

GRI Standards and Disclosures	HKEx ESG Guide	Description	Page number(s) and/or direct answers	SDG Indicators
CATEGORY: SOCIAL				
SOCIOECONOMIC COMPLIANCE				
GRI 103: Management Approach 2016		103-1, 103-2, 103-3 Disclosures on Management Approach	Business Development and Economic Contributions (p.27)	
GRI 419: Socioeconomic Compliance 2016	B6 General Disclosure	419-1 Describe relevant total value of significant fines and the frequency of non-monetary punishments for non-compliance with laws and regulations in the social and economic area	The Group has not breached any legal and/or regulatory requirements that led to fines or other non-monetary penalties during the reporting year.	16 Peace, Justice and Strong Institutions
	B6.3	Description of practices relating to maintaining and protecting intellectual property rights	Caring for Employees (p.37); the Group in its daily operation strictly follows all relevant laws, regulations and rules regarding the protection of intellectual property rights. The Legal and Regulatory Division is responsible for rendering legal advice in this respect while the marketing teams of relevant business departments are responsible for the monitoring work.	

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Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by BOC Hong Kong (Holdings) Limited ("the Company") to conduct an independent verification for its Sustainability Report 2019 ("the Report"). The Report gives an overview of the sustainability performance of the Company and its member institutions comprising Bank of China (Hong Kong) Limited and its subsidiaries. These subsidiaries include the Southeast Asian entities, BOC Group Life Assurance Company Limited and BOCHK Asset Management Limited (collectively referred to as "the Group"). The information and data in the Report cover the period from 1 January to 31 December 2019.

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 the Core option of the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), the Environmental, Social and Governance Reporting Guide (Main Board Listing Rules Appendix 27) ("HKEx ESG Guide") issued by Hong Kong Exchanges and Clearing Limited, and with reference to the United Nations Sustainability Development Goals.

Level of Assurance and Methodology

The process applied in this verification was based on 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 in accordance with the standard for the purpose of devising the verification conclusion.

The verification procedures performed included discussion of the materiality analysis process, reviewing systems and processes for collecting, collating and reporting of the performance data, verifying relevant documentation, interviewing responsible 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 the collection and presentation of the information. HKQAA did not involve in the collection and calculation of data or the compilation of the reporting contents. HKQAA's verification activities were entirely independent and there was no relationship between HKQAA and the Company that would affect the independence of HKQAA for providing the verification service.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the GRI Standards: Core option and fulfills the mandatory disclosure provisions of the HKEx ESG Guide;
- The Report illustrates the Group's sustainability performance, covering all material and relevant aspects and topics, in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

The Report reflects prudently the sustainability context and materiality of the Group. Also, it allows stakeholders to understand the Group's commitments, performance and progress towards sustainability.

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham
Head of Audit
April 2020



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