



A Century of Services, Always With You

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Note: Please refer to 2016 Annual Report for details of Corporate Governance and Awards and Recognition.



1. About this Report

Scope of the Report

This Report gives an annual overview of the corporate social responsibility (“CSR”) performance of BOC Hong Kong (Holdings) Limited¹ (“the Company”) and its subsidiaries [comprising Bank of China (Hong Kong) (“BOCHK”), Chiyu Banking Corporation Limited² (“Chiyu Bank”) and others³, collectively referred to as “the Group” or “we”]⁴ during 2016⁵.

This Report serves as part of our annual reporting for our major stakeholders to better understand the Group’s CSR initiatives, endeavours and related performance. To fully understand the Company’s performance, this Report should be read together with the [2016 Annual Report](#) ▶, which is available on our website.

The Report covers the Group’s CSR management, stakeholder engagement, business development and economic contributions, caring for employees, environmental protection, contributions to communities and supply chain management. Corporate Governance is an integral part of CSR, and the related disclosure is contained in the [2016 Annual Report](#) ▶.

Unless otherwise stated, the information and data in this Report cover the period from 1 January 2016 to 31 December 2016⁶.

Preparing this Report

This Report is prepared in accordance with the “Core Option” of the Global Reporting Initiative (“GRI”) G4 Sustainability Reporting Guidelines and the Environmental, Social and Governance (“ESG”)⁷ Reporting Guide (Main Board Listing Rules Appendix 27) issued by the Hong Kong Exchanges and Clearing Limited (“HKEx”). In this Report, we explain the impacts of the Group’s daily operations on the economy, environment and society and disclose the Group’s CSR performance. The Group maintains regular communication with its stakeholders in its daily operation to better understand their areas of concern.

Section 11 of this Report outlines the relevant CSR data. The calculation methods for data used for this Report are stated where appropriate. To increase data accuracy, past data and information for certain indicators have been restated with effects and reasons reflected and explained where appropriate⁸.

The Report was approved by the Board following the review by the Group’s senior management and CSR Committee.

Your Feedback

Please share your feedback on our CSR report by filling in the [online feedback form](#) ▶. If you have any other comments, please contact our Corporate Social Responsibility Team (email: csr@bochk.com)⁹.

¹ G4-3

² On 22 December 2016, the Company made a joint statement with Bank of China Limited in relation to the disposal of all the issued shares of Chiyu Bank. The disposal was completed on 27 March 2017. Upon completion, Chiyu Bank ceased to be a subsidiary of both the Company and BOCHK.

³ The Company has completed the acquisition of share capital of BOC Malaysia on 17 October 2016. Its CSR performance has been included in this report.

⁴ G4-7

⁵ G4-13

On 18 December 2015, the Company made a joint announcement with Bank of China Limited in relation to the disposal of all the issued shares of Nanyang Commercial Bank Limited (“NCB”). The disposal was completed on 30 May 2016. Upon completion, NCB ceased to be a subsidiary of both the Company and BOCHK. Unless stated otherwise, this Report does not include the CSR performance of NCB.

⁶ G4-28

⁷ G4-32

⁸ G4-22

⁹ G4-31



2. About BOC Hong Kong (Holdings) Limited

In 1917, Bank of China established its presence in Hong Kong. In 2001, the Bank of China Group in Hong Kong was restructured, and BOC Hong Kong (Holdings) Limited (“the Company”) was incorporated to hold the entire equity interest of its principal operating subsidiary, the Bank of China (Hong Kong) Limited (“BOCHK”). Bank of China Limited (“BOC”), with stock code “3988”, holds a 66.06% equity interest in the Company. The Company began trading on the Main Board of the Stock Exchange of Hong Kong on 25 July 2002 and is one of the largest listed companies in Hong Kong¹⁰, with stock code “2388” and ADR OTC Symbol “BHKLY”. As of 31 December 2016, the Company’s market capitalisation was HK\$293.4 billion, making it among the top 20 leading stocks on the Main Board of the Stock Exchange of Hong Kong in terms of market capitalisation¹¹.



BOCHK is a leading listed commercial banking group in Hong Kong with a total of 12,836 employees as of 31 December 2016. It has the most extensive local branch network in Hong Kong with diverse service platforms, including 197 branches, efficient e-channels with more than 1,000 self-service machines¹², Internet and Mobile Banking Services. It offers a comprehensive range of financial services¹³ to personal, corporate, SME, multinational and institutional customers. To implement the overseas development strategy of the BOC Group, BOCHK strives to drive its regional development and expand its business in the Southeast Asia region. In accordance with the strategic plan of BOC Group, through the acquisitions of Bank of China’s institutions in Southeast Asia, and with the establishment of a branch in Brunei, BOCHK has been expanding into the Southeast Asian market and transforming gradually into a regional bank¹⁴.

BOCHK is one of the three note-issuing banks and the sole clearing bank for Renminbi (“RMB”) business in Hong Kong. With its strong RMB franchise, BOCHK is

the first choice of customers in this business. Through close collaboration with its 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 mainstream bank with a centenary of service in Hong Kong¹⁵ and a regional financial group, we are committed to fulfilling our social responsibility and promote sustainable development to create value for customers, shareholders, employees and communities¹⁶.

The Group has been widely recognised for its financial strengths and outstanding performance in its main business areas, which has further strengthened its market position and brand image. In 2016, the Group was named the Strongest Bank in Asia Pacific and Hong Kong and the Best Retail Bank by *The Asian Banker* for the third and second consecutive year respectively. Our continuous innovation in products and services has not only enhanced customer experience, but also won us wide recognition in the industry with various awards covering our RMB business, cash management, SME business, online and mobile banking, as well as credit card services. Our participation in CSR has also been widely recognised. For awards details, please refer to our 2016 Annual Report.

¹⁰ G4-7

¹¹ G4-9

¹² Only include BOCHK branches and self-service machines in Hong Kong, but do not include any of NCB and Chiyu Bank.

¹³ G4-4

¹⁴ G4-6

¹⁵ G4-5

¹⁶ G4-8

Our Vision, Mission and Values¹⁷

Our Vision is to be **YOUR PREMIER BANK**

Our Core Values are



Our Mission is to

- B** **Build** customer satisfaction and provide quality and professional service
- O** **Offer** rewarding career opportunities and cultivate staff commitment
- C** **Create** values and deliver superior returns to shareholders

Combining the initials of Mission we have

“BOC”

Combining the initials of Core Values we have

“S.P.I.R.I.T.”

Together we have

“BOC SPIRIT”



TIAN Guoli
Chairman



3. Chairman's Message¹⁸

2016 was an extraordinary year. Under the five development concepts of innovation, coordination, green development, opening up and sharing, the Chinese Government highly pushed forward sustainable development. For the first time, the Group of Twenty Summit (G20) in Hangzhou devised the Action Plan on the 2030 Agenda for Sustainable Development, proposing a series of cooperation initiatives in areas such as green finance, financial inclusion, energy security and environmental protection, as well as food security. This proposal demonstrates the resolution and vision of these countries to face challenges and solve problems. The Chinese Government has officially announced the Charity Law of the People's Republic of China. This means that relief and charity work in China is now part of the legal framework, marking a new age of conducting philanthropy according to law. Moreover, the State Council and relevant ministries and commissions launched several policies in relation to the promotion of financial inclusion, the development of a green finance system and the implementation of social responsibility in state-owned enterprises, in order to provide more detailed guidelines for the further development of CSR in the finance industry. The year was also the first one in the new five-year plan, in which the Chinese Government will "win the war against poverty" to help realise its vision of being a well-off society by lifting 70 million poor people in rural areas out of poverty by 2020.

After the return of Hong Kong to China, the Government of the Hong Kong Special Administrative Region established the Council for Sustainable Development in as early as 1999, to facilitate community participation and promote sustainable development in Hong Kong. As more companies participate in CSR activities with improvements in the relevant legal framework, the content of CSR in Hong Kong continues to be enhanced and a CSR system has been gradually developed involving community engagement,

environmental protection, business ethics and staff care. The system aims to encourage corporates to strengthen cooperation with stakeholders to address the challenges arising from the ever-changing economy, society and environment.

Corporations and society are interdependent. The finance industry is at the core of the modern economy and plays an important role in supporting and affecting economic development. The finance industry is also closely related to the development of society and the well-being of its people. BOCHK, as a company with a century of continuous operating history in Hong Kong, has the responsibility to play a more significant role in serving national strategies, supporting Hong Kong's development and contributing to communities and customers. We endeavour to achieve a balance between business value and social responsibility by creating momentum for Hong Kong's long-term prosperity and stability, while generating outstanding performance in return for the trust and support of stakeholders.

In 2016, the Group explored business opportunities arising from the national strategies to create returns for shareholders and value for stakeholders. We supported the national Belt and Road Initiative and provided diversified financing and services to enterprises going global and infrastructure construction investment in countries along the Belt and Road. In addition, we pushed forward business integration in Southeast Asia and completed the acquisition of Bank of China (Malaysia) Berhad. We also established Bank of China (Hong Kong) Brunei Branch, our first overseas institution under the BOCHK brand, extending BOC's network coverage to all ten ASEAN countries. In January 2017, we completed the acquisition of Bank of China (Thai) Public Company Limited. In February 2017, we entered into acquisition agreements with our parent bank in relation to the acquisitions of the Indonesia business and Cambodia

¹⁸ G4-1

business. We have made significant progress in our regional expansion. In view of RMB internationalisation, we are committed to promoting the steady development of the offshore RMB market and the stability of Hong Kong's financial system, as well as contributing to Hong Kong's status as an international financial centre. During the year, the Group achieved stellar business performance and was the best performing stock among all blue chips in Hong Kong, bringing good returns for shareholders and investors.


The Group drives development through innovation, while supporting financial inclusion and financial technologies. We continuously enhance our services to SMEs and personal customers. During the year, we launched a branch transformation project, which strengthened our service capabilities for SMEs and provided strong support to the development of local enterprises and the real economy. As a result, our commercial and industrial loans as well as SME loans recorded a significant year-on-year growth. In recognition of the Group's long-standing support of SMEs in Hong Kong, BOCHK received the Best SME's Partner Award from the Hong Kong General Chamber of Small and Medium Business for the ninth consecutive year.

Capitalising on our most extensive branch network in Hong Kong, we are committed to providing customer-centric services, treating customers fairly and supporting financial inclusion. During the year, we established 44 new self-service banking centres in areas such as public housing estates, public hospitals and the Hong Kong International Airport. We launched a number of innovative internet finance products which were the first of their kind in the market or the banking industry. These included our BOCHK iService 24-hour Video Banking Service and the implementation of blockchain and biometric authentication, which helped continuously enhance customer experience and facilitate the development of financial technologies in the banking industry.

The Group is devoted to philanthropy, while actively participating in community affairs and charity activities during the year. We aim to serve the underprivileged and waive part of the service charges. Besides, we continued to join the Reverse Mortgage Programme launched by the Hong Kong Mortgage Corporation, and provided barrier-free services to people with special needs. We also offered non-governmental organisations a comprehensive banking solution with preferential fees to reduce their banking expenses.

To express our care for young people, we supported various educational, sports and cultural charitable projects. We also offered local graduates a number of internship and employment opportunities in Hong Kong and the Mainland. As part of our commitment to environmental protection, we integrated green practices into our business development, daily operations, services, products and supply chain management. This commitment was also extended to our credit policies to implement green finance. During the year, BOCHK and the BOCHK Charitable Foundation donated HK\$13 million to fully support youth education, charities and environmental protection. In recognition of the Group's care for employees, we were honoured to have received awards such as the 2015/16 Family-Friendly Employers Award by the Family Council, the Gold Award for Volunteer Service by the Social Welfare Department, and Social Capital Builder Logo Awards by the Community Investment and Inclusion Fund of the Labour and Welfare Bureau.

The year 2017 marks the centenary of Bank of China's service in Hong Kong - a milestone in our history and the beginning of a new journey for us. Action is strength. By adhering to our strategic goal of Serving Society, Delivering Excellence, we will continue to drive our business innovation and transformation as well as regional and sustainable development to strengthen our foundation for the new century ahead. We are committed to creating greater value for our stakeholders, making new contributions to the long-term prosperity and stability of Hong Kong, as well as strengthening and enhancing its position as an international financial centre.



TIAN Guoli
Chairman



YUE YI
Vice Chairman &
Chief Executive

4. Chief Executive's Message

In 2016, the Group diligently implemented its business strategy and the decisions of the Board by adhering to its strategic goal of Serving Society, Delivering Excellence. Taking advantage of market opportunities, we proactively explored new markets and introduced reforms and innovation. As a result, we attained another year of record results. Meanwhile, we attached great importance to our stakeholders' needs and opinions, striving to create greater value for them and promote sustainable development.

BOC Hong Kong (Holdings) Limited was selected as a constituent of the Hang Seng Corporate Sustainability Index Series for the seventh consecutive year and named a top 20 performer in the Hong Kong Business Sustainability Index for the second consecutive year, in recognition of our excellence in sustainable development and implementation of CSR initiatives. The Group has also been selected as a Caring Company by the Hong Kong Council of Social Service for 14 consecutive years since 2003. In addition, BOCHK was named the Strongest Bank in Asia Pacific and Hong Kong for the third consecutive year as well as the Best Retail Bank in Hong Kong for the second consecutive year by *The Asian Banker*.

As a mainstream banking group and a systematically important domestic bank, we truly understand our responsibility to promote the long-term development of Hong Kong and reinforce its position as an international financial centre. During the year, we grasped market opportunities for transforming our business model and pursued innovation to meet the needs of customers. We aimed to achieve business diversification and solidify our foundation for sustainable development. In addition, we endeavoured to support Belt and Road projects and Mainland enterprises going global. We also assisted in the development of small- and medium-sized enterprises ("SMEs")

and Hong Kong's real economy, while enhancing our services to the government and the public sector. As the sole clearing bank for offshore RMB business in Hong Kong, we continued to strengthen the competitive edge of the clearing bank, improving our core competitiveness in the RMB business, as well as promoting the healthy development of the Hong Kong offshore RMB business.

The Group's profitability continued to rise in 2016 and created greater economic value for society. Profit attributable to the equity holders grew by 105.7% year-on-year to HK\$55,503 million, with adjusted profit¹⁹ increasing by 6.8% to HK\$23,712 million. Return on average total assets ("ROA") and return on average shareholders' equity ("ROE") stood at 2.38% and 26.47% respectively. The Group maintained a strong capital base, with a total capital ratio of 22.35% and Tier 1 capital ratio of 17.69%, up 4.49 percentage points and 4.80 percentage points respectively. As at the end of 2016, total assets amounted to HK\$2,327,781 million. Customer deposit balances reached HK\$1,507,501 million while customer loan balances stood at HK\$973,071 million, up 9.8% and 11.7% year-on-year respectively, both growing faster than the market average. During the year, we continued to improve our risk governance system and enhance our integrated risk management. We promoted a proactive risk management philosophy of planning ahead and managing risk in a more professional and proactive manner. Our internal control and compliance management were also strengthened to prevent and tackle internal and external fraud. We also refined the Group's anti-money laundering measures and procedures for more effective control to better support the Group's sustainable and healthy development.

With roots firmly planted in Hong Kong for a century, we remain committed to providing convenient banking services to people from all sectors of the community and

¹⁹ Without taking into consideration factors such as profit from discontinued operations and gain from disposal of certain equity instruments.

supporting the development of financial inclusion. BOCHK has the most extensive and the most accessible local branch network with the largest number of service platforms, including 197 branches and over 1,000 self-service machines across all districts of Hong Kong, providing convenient services to customers. During the year, we set up 44 new automated banking centres at public housing estates, public hospitals, the Hong Kong International Airport and others. We also pioneered automated banking centres at a new public housing estate in remote area and introduced BOCHK iService 24-hour Video Banking Service to provide round-the-clock banking services beyond the conventional operating hours of branches, so as to better serve residents in that area.

Recognising the importance of SMEs to Hong Kong's economic growth, we value and greatly support SME customers. We implemented various measures to assist them in handling issues such as difficulties in account opening, financing and accessing to information. To fully capitalise on our competitive edge in having the most extensive branch network in Hong Kong, and to align with our customer-centric philosophy, we launched a full-scale branch transformation project during the year. This project, coupled with the optimisation of our business processes, has significantly improved our services to SMEs.

Furthermore, we organised economic and business seminars on a regular basis to provide SME customers with updates on the market and timely business opportunities. Through the cross-border matching activities of our parent bank, we have facilitated investment, technology exchange and trade collaboration for SMEs from Hong Kong, the Mainland of China and overseas. This has helped SMEs explore business opportunities and created a win-win situation for all parties. In recognition of our long-standing support of SMEs in Hong Kong, we have received the Best SME's Partner Award from the Hong Kong General Chamber of Small and Medium Business for nine years in a row.

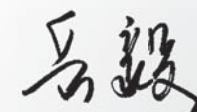
Upholding the principle of caring for the community and building a harmonious society, the Group is committed to contributing to the community and sharing its achievements with society. In 2016, BOCHK and the BOCHK Charitable Foundation donated over HK\$13 million to a total of 28 charity projects in support of education, assistance to the underprivileged, environment protection and others. We value community investment. By cooperating with various charitable organisations and industry associations as well as encouraging our staff to participate in volunteer activities, we promoted stable and healthy growth in the community through different programmes. We aim to bring positive energy and promote social harmony. Our volunteer team, joined by their family members and friends, participated in about 90 volunteer activities of different scale and contributed nearly 49,000 hours of community service, a 10% increase as compared with 2015. The number of participations in the

community activities even tripled to 11,818. We have been recognised with the Gold Award for Volunteer Service by the Social Welfare Department for seven consecutive years.

We have also supported the Hong Kong Corporate Citizenship Programme organised by the Hong Kong Productivity Council for seven consecutive years. The Programme aims to encourage enterprises to fulfil their social responsibility. More than 800 enterprises and over 5,000 participants have taken part in CSR activities over the past seven years under this Programme which has effectively raised the awareness of the commercial sector and the public on CSR.

Looking ahead, we are confident in our prospects despite the challenging business environment. We have developed a series of business strategies and measures to drive further development. Leveraging our advantages, we will step up our business diversification and regional development to reinforce our overall financial strength and business competitiveness.

The year 2017 marks BOCHK's centenary of service in Hong Kong and the 20th anniversary of the return of Hong Kong to our motherland. A century ago, our scale was small with not more than 10 employees. Today, we are a mainstream financial group with the most extensive branch network in Hong Kong. We have not only played a vital role in Hong Kong's economic development but also contributed to its stability and prosperity. We are proud of BOC Group's centenary development in Hong Kong. We also anticipate making more contributions to Hong Kong's long-term development, prosperity and stability, and together to create a bright future. The Group attributes its achievements to stakeholders' trust and support, and will continue to meet their expectations. We will create greater value for them with our steadfast commitment to drive the long-term sustainable development of the Group.



YUE Yi

Vice Chairman & Chief Executive

5. Corporate Social Responsibility Management

We attach great importance to CSR and regard it as an important endeavour in sustaining our core competitiveness and enhancing brand value. Adhering to the strategy of Serving Society, Delivering Excellence, we regard CSR as an integral part of our business operations. This is in line with the Group's overall development strategy to operate responsibly. We have formulated and constantly enhanced our CSR Policy and Management Structure. We have also established effective stakeholder communication mechanisms and are committed to making positive impacts on our key stakeholders as well as the local economy, society and the environment.



5.1 CSR Policy and Management Mechanism

The Group's CSR implementation is guided by a **CSR Policy** and an **Environmental Policy**. These policies have been formulated with reference to various international and local guidelines on CSR and sustainability, including the UNEP ("United Nations Environmental Programme") Statement by Financial Institutions on the Environment and Sustainable Development, ISO 26000-2010: Guidance on Social Responsibility, and other sustainability-related principles. The Group also has a Sustainable Procurement Policy and a Supply Chain Code of Conduct to ensure that our suppliers comply with our requirements on ethics, corporate governance, environmental standards and fair labour conditions. As we transform from a local bank into a regional bank, all members of the Group are required to comply with and implement the Group's CSR Policy. Our overseas branches/subsidiary banks also make reference to this Policy and the best CSR practices of the areas where they operate, as well as local legal/compliance requirements in formulating their own policy.

For effective implementation of our CSR strategies, we have established a management framework. The Group's CSR Policy has outlined the duties of the Board, the senior management, the CSR Committee²⁰, the CSR task force and members of the Group²¹. For details, please refer to the **CSR Policy** on our website.

5.2 Stakeholder Communication Mechanism

The Group places great value on stakeholders' opinions and considers them carefully when mapping our overall development strategy. Through internal studies and discussions, we have identified the stakeholder groups²² most relevant to our business and have developed effective communication channels and platforms. We regularly solicit stakeholders' views for the review and evaluation of the Group's CSR performance.

²⁰ The CSR Committee is chaired by the Group's Chief Executive and its members include senior management of the Group and its subsidiaries.

²¹ G4-34

²² G4-25

5.2.1 Stakeholder Engagement Platforms²³

Key stakeholders	Key engagement platforms	
Customers	<ul style="list-style-type: none"> • Communications with front-line staff • Call centre • Customer satisfaction surveys • Collection of customer feedback • Focus group discussions • Online surveys 	<ul style="list-style-type: none"> • Corporate website • Quality Assurance Division to respond to customers' opinions and suggestions • Customer talks and seminars • BOCHK iService 24-Hour Video Banking Service
Employees	<ul style="list-style-type: none"> • Regular updates through staff magazine, intranet and announcements • Department meetings • Chief Executive's mail box • Online surveys • Focus group discussions 	<ul style="list-style-type: none"> • Online platforms to collect staff's feedbacks and suggestions • Staff discussion forums • Staff hotline • Staff performance assessments • Staff networking events • Awards and recognition activities
Shareholders and the investment community	<ul style="list-style-type: none"> • Company's Annual General Meetings • Company communications: annual reports, interim reports and announcements • Corporate website 	<ul style="list-style-type: none"> • Investors' emails and conferences • Global road shows • Investors conferences held by investment banks • Online surveys
Government and regulators	<ul style="list-style-type: none"> • Meetings, daily communications and reports • Representatives on committees of major industries or government bodies • Forums, seminars and talks 	
Suppliers	<ul style="list-style-type: none"> • Meetings and communications • Regular supplier reviews • Supplier management 	<ul style="list-style-type: none"> • Online surveys • Focus group discussions
Community	<ul style="list-style-type: none"> • Sponsorships and donations • Seminars, forums and sharing sessions • Diverse community activities for the grassroots and the underprivileged 	<ul style="list-style-type: none"> • Visits and exchanges • Volunteer activities • Focus group discussions

5.2.2 Assessment of CSR Issues

To ensure that the Report covers CSR issues that are material to the Group and addresses our stakeholders' key concerns appropriately, we engaged an external professional body to design and conduct a series of stakeholder engagement activities, and analyse the disclosure practices of peer banks. These helped confirm the material aspects for inclusion in the Report.

Materiality Assessment²⁴

1 Identification

- A list of CSR issues was identified through referencing social policies, industry benchmarks and best practices, media reports, GRI G4 Sustainability Reporting Guidelines, HKEx ESG Guide, etc, for the Group's consideration and further evaluation.
- Major peer banks' CSR reports were referenced to assess the importance of these issues to the banking industry.

2 Evaluation

- Internal and external stakeholders of the Group, including employees, customers, investors, regulatory authorities, professional institutions, suppliers and charity partners, were invited to participate in the evaluation process.
- Stakeholders shared their views with us via focus group meetings, interviews and questionnaire surveys. The importance of CSR issues was then evaluated.

3 Ranking and Confirmation

- Issues were ranked according to the corresponding scores provided by stakeholders.
- The results were submitted to the Group's senior management for review and confirmation. The material issues and related performance were disclosed in different sections of this Report as well as other reports published by the Group.

5.2.3 Material Issues ^{25,26}

CSR Categories ²⁷	Material Issues	Cross Reference
Economic	<ul style="list-style-type: none"> • Economic Performance • Indirect Economic Impacts 	<ul style="list-style-type: none"> • Business Development and Economic Contributions • CSR Performance Data Overview • 2016 Annual Report
Human Resources and Labour Practices	<ul style="list-style-type: none"> • Employment • Labour Management Relations • Occupational Health and Safety • Employee Training and Education • Diversity and Equal Opportunity • Grievance Mechanisms for Employees 	<ul style="list-style-type: none"> • Caring for Employees • CSR Performance Data Overview
Society	<ul style="list-style-type: none"> • Non-discrimination • Security Practices • Contribution to Local Community • Anti-corruption 	<ul style="list-style-type: none"> • Business Development and Economic Contributions • Caring for Employees • Contributions to the Community • CSR Performance Data Overview
Product Responsibility	<ul style="list-style-type: none"> • Product and Service Labelling • Customer Privacy • Compliance (Product Responsibility and services) • Marketing Communications 	<ul style="list-style-type: none"> • Business Development and Economic Contributions
Environmental Requirements	<ul style="list-style-type: none"> • Material • Energy • Greenhouse Gas Emissions • Water • Waste • Products and Services with Environmental Considerations • Overall 	<ul style="list-style-type: none"> • Environmental Protection • CSR Performance Data Overview

²⁵ G4-20, G4-21, G4-27

²⁶ Except Indirect Economic Impacts and Security Practices (outsourced service), all aspect boundaries are categorised as "inside the Group".

²⁷ G4-19

6. Business Development and Economic Contributions

As a mainstream banking group in Hong Kong, we implement the sustainable development strategy of the Group. We make use of our competitive advantages to provide customers with comprehensive, professional and high-quality services. While maintaining our sustainable business growth, we make every effort to contribute to the enhancement of Hong Kong as an international financial hub, as well as its long-term prosperity and development²⁸.

For more details about the Group's business performance in 2016, please refer to the [2016 Annual Report](#) ▶.



6.1 Business Performance²⁹

2016 Financial Highlights

	2016	2015	Change
For the year	HK\$m	HK\$m	+/(-)%
Profit attributable to the equity holders of the Company	55,503	26,982	+105.7
Earnings per share	5.2496	2.5520	+105.7
Return on average total assets (%)	2.38	1.19	+1.19pp
Return on average shareholders' equity (%)	26.47	14.45	+12.02pp
	2016	2015	
At year-end	HK\$m	HK\$ 'm	
Total assets	2,327,781	2,382,815	-2.3
Deposits from customers ³⁰	1,507,501	1,373,311	+9.8

6.2 Fostering Economic Growth³¹

The further implementation of a number of national strategies such as the Belt and Road Initiative and RMB internationalisation, together with Hong Kong's plan to develop as the hub for corporate treasury centres and enhance its position as a global offshore RMB hub, will bring great opportunities to Hong Kong's banking industry. As a major banking group in Hong Kong, BOCHK will ride on Hong Kong's role of "super-connector" and grasp the opportunities to fully support the country with Hong Kong's strength, to contribute to Hong Kong's long-term development and enhance Hong Kong's position as an international financial hub.



The Group has launched a full scale branch transformation project to enhance our service capabilities for SMEs.

²⁸ G4-DMA (Economic Performance)

²⁹ G4-17, G4-EC1

³⁰ Due to the NCB disposal and proposed disposal of interest in Chiyu Bank, deposits from the customers at year-end 2015 has been adjusted.

³¹ G4-DMA (Indirect Economic Impact)



As the sole clearing bank in Hong Kong's offshore RMB business since 2003, BOCHK is the first RMB clearing bank established in the offshore market. We are committed to strengthening the infrastructure of the RMB clearing bank and promoting Hong Kong's offshore RMB business. BOCHK currently serves more than 200 local and overseas participating banks. We are the RMB clearing bank with the largest clearing amount, the longest real time operating hours and the most advanced technologies in the offshore market. Hong Kong's RMB payment transaction value accounted for 70% of the offshore market, according to SWIFT data. In 2016, the annual RMB clearing transaction value through Hong Kong exceeded RMB201 trillion, with 4.4 million transactions conducted, ranking the first among all the offshore RMB markets³².

During the year, BOCHK obtained the approval from the People's Bank of China to participate in the Cross-border Interbank Payment System (CIPS) and became the first offshore bank to join the CIPS as a direct participant. BOCHK is also the only offshore bank participating in both the CIPS and CNAPS systems, providing clearing services to the RMB cross-border business. BOCHK's participation in the CIPS will further enhance the coverage and efficiency of Hong Kong's RMB clearing network, facilitate the use of RMB in overseas and cross-border transactions, strengthen Hong Kong as a global offshore RMB business hub and promote the development of RMB internationalisation.

Following the introduction of Shanghai-Hong Kong Stock Connect at the end of 2014, Shenzhen-Hong Kong Stock Connect was officially launched in December 2016. This marks the enhancement of the mutual market access mechanism of the secondary



Belt and Road Summit 2016

equity markets among Shanghai, Shenzhen and Hong Kong. It is also another important initiative to strengthen the connection between capital markets in the Mainland of China and Hong Kong. BOCHK obtained all the business qualifications for Shenzhen-Hong Kong Stock Connect as it did with Shanghai-Hong Kong Stock Connect. It has been appointed as the sole Settlement Bank for the Northbound Trading of the Shenzhen-Hong Kong Stock Connect by the Hong Kong Securities Clearing Company Limited ("HKSCC"). In addition, it was appointed as the cross-border fund settlement bank for the Southbound Trading of Shenzhen-Hong Kong Stock Connect by the China Securities Depository and Clearing Corporation Limited ("CSDCC") as well as the sole designated bank of CSDCC at HKSCC. Fully capitalising on its competitive edge, BOCHK will extend its quality services from Shanghai-Hong Kong Stock Connect to Shenzhen-Hong Kong Stock Connect and continue to drive the steady development of the offshore RMB market.

To make the most of the historic opportunity arising from the Belt and Road Initiative, BOC Group is implementing strategies to build a financial artery along the Belt and Road to facilitate and contribute to the opening up of our country. To implement the

³² G4-EC8



We have organised different seminars to help promote the development of e-finance.



strategy of the BOC Group, BOCHK has also developed its own strategy that enables it to play an important role as a regional centre in ASEAN and other parts of Asia. By extending our services, products and resources across the Belt and Road region, we achieved the transformation from a local bank into a regional bank. We also expanded our business by serving Mainland enterprises going global, leading local corporates and cross-border customers while actively exploring the Southeast Asian markets.

During the year, we completed the acquisition of the shares of BOC Malaysia and set up a branch in Brunei, becoming the first Chinese bank there. We helped drive the development of the real economy through the financial services we offered and provided fundamental support to local economies. Our closer relationships and financial cooperation with ASEAN countries have significant meaning in enhancing Hong Kong's position as an international financial centre and extending the influence and leadership of Hong Kong to Southeast Asia.

Corporates may face challenges when capitalising on opportunities arising from the countries and regions along the Belt and Road. Such challenges include that companies need to manage multi-territorial operations, multi-currency funds and cross-border supply chains. Our transaction banking services can help these enterprises manage multi-currency trading and payments systems, and provide support to their projects of the Belt and Road Initiative at different stages. In 2016, we launched 35 new types of non-major currency outward payment services and continued to increase our coverage in the countries along the Belt and Road.

We support Hong Kong's development as an international financial hub, trade centre and shipping centre to promote economic and trade development by organising and participating in relevant major forums. During the year, we sponsored the Belt and Road Summit held by the HKSAR Government. At this event, Zhang Dejiang, Chairman of the Standing Committee of China's National People's Congress, delivered the keynote speech "Give Play to the Unique Advantages of Hong Kong and Jointly Create a Bright Future for the Belt and Road". More than 40 government officials, business leaders and representatives of international organisations from the Mainland of China,

Hong Kong, ASEAN, West Asia and other regions spoke at the Summit. Additionally, more than 2,000 domestic and overseas guests shared their insights at this event. We also supported the Hong Kong New Opportunities - Challenges of the 13th Five-Year Plan Summit, the Hong Kong Offshore RMB Centre Annual Forum 2016, Boao Forum for Asia Financial Co-operation Conference Banquet, and Going Global Choosing Hong Kong Forum, among others. Furthermore, we held more than ten RMB forums in overseas countries and regions, including Indonesia, Malaysia, the United Arab Emirates, the UK, Luxembourg and Hungary. During these events, we discussed with local companies and Mainland enterprises going global about economic cooperation between China and local markets, and business opportunities from RMB internationalisation, in an effort to promote the rapid development of the offshore RMB market.

BOCHK Brunei Branch celebrated its grand opening on 20 December 2016



Pehin Abu Bakar, Minister of Home Affairs of Brunei, said in the ceremony,

"Both Brunei Darussalam and China have a long tradition of friendship. In line with Brunei's Vision 2035 and China's Belt and Road Initiative, there are many areas of cooperation and common goals between the two countries. Today marks the start of the first Chinese financial institution in Brunei. BOC is well known as one of the leading banking groups globally and provides comprehensive and professional banking services to customers ranging from corporates to individuals. I believe BOC will help Brunei to satisfy its demand for achieving Vision 2035. I am also glad to know that BOC is implementing its strategy to transform BOCHK into a competitive regional bank. I look forward to BOCHK's great success by providing more choices to Brunei financial markets and customers, as well as making a unique contribution to the development and prosperity of this beautiful country."

Her Excellency Madam Yang Jian, Ambassador of the People's Republic of China to Brunei, Darussalam, said,

"BOC's presence in Brunei marks a new stage of cooperation between China and Brunei. On the back of the continuous upgrading of China's relations with ASEAN countries, BOC is expanding its business in Southeast Asia. The relationship between China and Brunei is excellent and the bilateral cooperation is expanding in many fields. I believe that BOCHK Brunei Branch will provide quality financial services to Bruneian as well as Chinese enterprises, serve the local society, and promote the economic and trade cooperation between China and Brunei."



6.3 Promoting Financial Inclusion

Adhering to the Group's customer-centric philosophy, we offer convenient banking and financing services to people from all sectors of the community and support the concept of financial inclusion advocated by the Hong Kong Monetary Authority ("HKMA"). It is not only our core business, but also our responsibility to the community. The Group is a supporter of the Treat Customers Fairly Charter set out by the HKMA. We enhance staff training so that they clearly understand the principles of the Charter to implement relevant policies and practices.

During the year, through innovative financial technology, we launched a video banking service at a new public housing estate in remote areas of Hong Kong to address the needs of the general public. To support the development of industrial and commercial industries as well as SMEs, we adopted a number of measures to address current issues including difficulties in opening accounts, obtaining credit and accessing information, in order to improve our services to SMEs.

Hong Kong's Largest Branch Network³³

BOCHK provides convenient banking services to the public through its most extensive, convenient and largest branch network in Hong Kong. As of the end of 2016, BOCHK had 197 branches across different districts of Hong Kong and more than 1,000 self-service machines in its 255 automated banking centres³⁴. About half of these branches and automated banking centres are located in public housing estates or within 10 minutes' walking distance.

The Group continues to review and optimise its network service model. By taking into consideration the needs of customers, each district's characteristics, the Group's business strategy and other factors, we are committed to providing diversified, professional and efficient banking services. In 2016, the Group set up 44 new automated banking centres in different locations including public housing estates, public hospitals and the Hong Kong International Airport, to provide convenient services to the local community and overseas tourists.



³³ G4-FS13

³⁴ The number of branches and ABCs does not include Nanyang Commercial Bank and Chiyu Bank.



We provide barrier-free services for people with special needs. All of our ATMs are installed with protruding symbols. 99% of our ATMs, up from 95% last year, have soft keypads installed on both sides of the screens for account and service selection. We were also the first local bank to introduce Voice Navigation ATMs which are now available in Kwun Tong, Cheung Sha Wan, Sheung Wan, Wong Tai Sin and Tuen Mun, for the convenience of the visually impaired. To provide wheelchair access to branches, we installed sloping platforms. In addition, we have facilities in our branches such as bells so that our Customer Service Ambassadors can provide timely assistance to those in need. In addition, our ATMs are installed at a level where the keypads and screens are suitable for wheelchair access. Our ATMs are also designed to give better wheelchair access.

During the year, we received the Barrier-free Facilities Caring Award from the People of Fortitude International Mutual-aid Association for the Disabled. BOCHK was the only financial institution to receive this honour. The Award recognises businesses with a strong sense of social responsibility and that are working to remove barriers in their properties or facilities. The organiser acknowledged our high-quality service when dealing with complaints and assisting customers. The Award also reflects our responsiveness to the needs of all customers - when we were informed that some of our branches were inconvenient for wheelchair users, we promptly responded by making the Aberdeen Branch, Shanghai Street (Prince Edward) Branch and Choi Hung Road Branch more accessible.

We have seven branches in Malaysia, including Kuala Lumpur, Muar, Penang, Klang, Johor Bahru, Puchong and Kuching to offer tailored services to different customers in different regions.



Innovative Technology for an Enhanced Customer Experience

To provide secure banking services to our customers anytime and anywhere, we continued to apply FinTech extensively to various banking services, with more innovative and broader e-channel coverage, in addition to optimising our branch network. During the year, we launched our BOCHK iService 24-hour Video Banking Service, which is available at Discovery Bay on Lantau Island, D • PARK in Tsuen Wan, Shui Chuen O Estate in Shatin, and Wing On House Branch in Central, offering a 24x7 video banking service with wider service network and longer opening hours³⁵. BOCHK iService covers services such as credit card, personal loan, mortgage, travel insurance, home insurance, payroll service registration, existing customer account opening, time deposits, Integrated Account Service upgrades, banknote reservation, money transfer and currency exchange service. We also pioneered the first smart robot (RoBOC) in the banking industry at our Wing On House Branch in Central, which can interact with customers in Cantonese, Mandarin and English, guide customers to the appropriate service counter, provide information and answer their enquiries.

Norman Chan, Chief Executive of the Hong Kong Monetary Authority, said at the BOCHK iService launch ceremony on 5 September 2016

"I am pleased that BOCHK launches its BOCHK iService in the newly established Shui Chuen O Estate today. Together with other facilities in the automated banking centre, it provides flexible banking services to residents of the Shui Chuen O Estate, which is located away from the town centre of Shatin. This will better address the needs of the general public for basic banking services, putting the spirit of financial inclusion into practice. In the future, I hope that large banks in Hong Kong, particularly the note-issuing banks, can fulfil their social responsibility and always commit to the spirit of customer-centrism in providing appropriate and convenient banking services for the general public."



³⁵ BOCHK iService Video Banking Service provided at D • PARK in Tsuen Wan is available during the opening hours of the shopping mall.



We are also the pioneer of the finger vein authentication service introduced at our Wing On House Branch in Central. Without the need for an ID card, ATM card or signature, the new technology enables customers to make over-the-counter transactions, which include cash withdrawals, money transfers and bill payments. As a result, the transaction time is shortened, giving customers a more secure and convenient banking service.

Another simple, convenient and secure service we introduced during the year was contactless mobile payment through the platform provided by Apple and Credit Card International. With this service, customers can use a one-time unique security code to authorise the transaction while enjoying a better customer experience with greater security and privacy. We also provided the Small Value Transfer service that allows customers to make instant transfers via mobile banking by simply inputting recipients' mobile numbers. The payment limit is up to HK\$5,000 per day, with no restriction on the number of transactions, to provide a secure and reliable P2P payment service to customers with real-time registration but no handling fee.

During the year, we enhanced the procedures of some of our services. For instance, we pioneered the launch of blockchain technology for property valuations, which improves data traceability and accuracy, while shortening the approval time for property evaluation and loan applications, thus increasing efficiency. We also launched

the Wealth Management Instant Ticketing and Counter Appointment Service, which shortens customers' queuing time at branch counters. Our Wealth Management customers can get an e-ticket instantly via mobile application to make an appointment for Wealth Management counter services for up to seven business days in advance to meet their schedules. In addition, we offered a pre-approved online loan service to our selected customers, without any supporting documents required. Customers can complete all application procedures via Internet Banking or mobile app and have the



loan approved in five minutes, compared to traditional loan approval process of at least one day. It has significantly improved the efficiency of our loan service.

Supporting Business Development of SMEs

Small- and medium-sized enterprises ("SMEs") are important to Hong Kong's economic growth. As of the end of 2016, there were approximately 320,000 SMEs in Hong Kong, accounting for more than 98% of Hong Kong's total commercial entities.

We value SME customers who are our main focus of support. To help them address issues such as difficulties in account-opening, financing and access to information, we implemented a number of measures. In order to fully capitalise on our most extensive branch network in Hong Kong, and to be consistent with our customer-centric vision, we launched a branch transformation project to enhance our service capabilities for SME customers. They can now open accounts at any branch, as opposed to certain designated branches in the past. Meanwhile, the enhancement of business processes has significantly improved our services to SMEs.

Through the SME Financing Guarantee Scheme of Hong Kong Mortgage Corporation Limited and the SME Loan Guarantee Scheme of the Trade and Industry Department, we offered a financing scheme to qualified SMEs to meet their needs for business development. For the fifth consecutive year, BOCHK continued its sponsorship of SME One, a consultancy centre established by the Hong Kong Productivity Council that provides information on the latest market trends, technology developments and SME financing, with an aim to fully support SMEs to develop local and Mainland markets.



We have been sponsoring the Young Industrialist Awards of Hong Kong cum Industrialist of the Year Award for many years.

We also hold regular economic and business seminars with market updates for SME customers. During the year, we co-organised a seminar with the Hong Kong Institute of Certified Public Accountants, enabling clients to obtain market information, understand the risk control mechanism of banks, and enhance their knowledge of daily business operations. Through the cross-border business matching activities of our parent bank, we have facilitated investment, technology and trade collaboration for SMEs from Hong Kong, the Mainland of China and overseas. These activities helped SMEs explore business opportunities and created a win-win situation for all parties. In recognition of the industrialists and manufacturers who have made significant contributions to Hong Kong's economy, we have been sponsoring the Young Industrialist Awards of Hong Kong, Industrialist of the Year Award and Hong Kong Awards for Industries for many years.

In recognition of the Group's long-standing support to SMEs in Hong Kong, BOCHK received the Best SME's Partner Award from the Hong Kong General Chamber of Small and Medium Business for the ninth consecutive year. We also received the Outstanding Import & Export Industry Partner Awards in the Outstanding Import & Export Enterprise Awards 2016 by the Hong Kong Chinese Importers' & Exporters' Association for the third consecutive year.



Ho Wai Man, Director of Gallant Sport Supplies Limited

"My company was set up in 1978 and has been mainly engaged in the sporting goods wholesale and retail business for about 38 years. After completing my overseas studies, I assisted my father in managing his business and took it over after his retirement. In 1993, I began using BOC's services and developed good relation with the Bank since then.

In 2016, BOCHK, which has the most extensive branch network, launched a branch transformation project to provide services that can better meet my daily banking needs as compared to other banks. I see the bank as a good partner and always ask for their professional advice regarding my business expansion. After the branch transformation, I have developed an even closer relationship with the Bank at both the individual and company level. I think its services are more comprehensive in taking care of the needs of SMEs and I have no reservation in recommending them to my friends and relatives."



Cheong Sang Chan, Gathering Management Co. Limited

"I set up Triple Image Limited in 1989 and opened an account at BOC. Later, in 2005, I set up Triple Image Technology Limited and manufactured printed circuit boards at my self-owned plant in Daya Bay in Shenzhen, while the Hong Kong company was responsible for taking orders.

However, since 2014 my business has slowed down. In 2015, I sold the plant and purchased a shop in Kowloon Bay for rental. After that, I began my restaurant business. In 2016, I set up a restaurant management company. Like any newly-established company, my restaurant required a large amount of cash, which I could not afford at the moment. So I applied for a Small Business Loan from the Bank and asked the Bank to handle my company's property insurance, payroll services and MPF all at once.

In the past 30 years of my business transformation, BOCHK has provided me with one-stop services and has become my most reliable business partner."

We are the first bank to expand the Reverse Mortgage Programme to the subsidised sale flats with unpaid land premium to help retirees plan for their financial security.

Service to Senior Customers

To further provide appropriate and flexible retirement financial arrangement for senior customers, we proactively participate in the Reverse Mortgage Programme of the Hong Kong Mortgage Corporation. This Programme allows qualified senior citizens to use their residential properties as collateral in return for a stream of annuity payments. Under this Programme, customers can continue living in their residence without the need to repay the loan. We are a major bank in this Programme, handling over 70% of the successful cases³⁶ in Hong Kong.

We organised seminars and briefings in various districts to introduce reverse mortgage products to seniors and to share relevant experiences with retirees and those who are planning to retire. Through this flexible Programme, retirees are able to generate capital growth, increase their quality of life and enjoy better protection³⁷.

We also participated in the Premium Loan Insurance Scheme launched by the Hong Kong Mortgage Corporation, which provides land premium mortgages to subsidised housing owners aged 50 or above. This Scheme allows owners to lease or sell their properties, hence providing higher flexibility for their financial needs after retirement.

During the year, the Reverse Mortgage Programme was extended to subsidised sale flats with unpaid land premiums, with an aim of improving quality of life for the senior owners. BOCHK was the first to support this enhancement and accepted senior citizens aged 60 or above to apply for reverse mortgage loan, using their subsidised sale flats with the unpaid land premium as collateral. Currently, there are around 400,000 subsidised sale flats units with unpaid land premiums, so this enhancement will help more people in need to apply for our reverse mortgage loans.

To support the Portable Comprehensive Social Security Assistance Scheme and the new Guangdong Scheme for Old Age Allowance by the Social Welfare Department, we offered senior customers preferential rates on remittances to the Mainland of China. Under both schemes, any senior citizen with a BOCHK account can continue to receive cash assistance in Guangdong or Fujian province. We also continued to support the Senior Citizen Card Scheme of the Social Welfare Department with preferential interest rates on time deposits and a fee waiver on gift certificates.



In collaboration with the Hong Kong Association of Banks, we organised several talks on automated banking at elderly centres, so as to help seniors to learn more about basic banking services. During the year, we held workshops at Wealth Management Expo 2016, providing relevant materials to interested customers and followed up on their needs³⁸. Our volunteers also visited elderly centres operated by charitable organisations to demonstrate the use of simplified ATM cards and introduce the ATM services.

Helping the Underprivileged³⁹

We provide convenient banking services for the underprivileged and waive the minimum monthly balance charges and ATM card charges for their HKD savings accounts. Account holders aged 65 or above or below 18, as well as recipients of Government Disability Allowances/Comprehensive Social Security Assistance, can enjoy a service fee waiver for counter transactions. In addition, no service fee is charged on dormant accounts in support of the HKMA's Treat Customers Fairly Charter.

For NGOs, we provide a comprehensive banking solution with preferential rates to reduce their banking expenses. The services we offer include one-stop cash management and donation collections through our Electronic Bill and Presentment and Payment Service, which help increase the administrative efficiency of NGOs. Charitable organisations can also enjoy waivers of the transaction processing fees for donations made through BOC credit cards. For the New Home Association - a charitable organisation that provides services to new arrivals, ethnic minorities and the underprivileged - we provide convenient banking services to their members.

³⁶ G4-FS7

³⁷ G4-FS16

³⁸ G4-FS16

³⁹ G4-FS14



i-Free自在
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Easy Way Extra Advantages

Services for the Young and Families

To educate young customers about financial management, we have extended our i-Free Banking service to secondary school students aged 11 or above, including savings accounts, Internet and Mobile Banking.

Family is the core of our society. To meet our customers' needs for family savings, housing, investments and insurance, we proactively innovate and offer suitable products such as monthly savings plans, family securities products (e.g. Family Securities Accounts), and BOC Family Medical Insurance Plan. Through our one-stop services, customers and their family members can have better family financial planning.

We are committed to advocating investors education and assisting customers in capturing investment opportunities and managing risks using the latest financial technologies. One of the investors education initiatives we organised in the past few years was a series of simulated investment contests that incorporated the "learning before investing" concept. These contests provided customers with a free interactive platform for virtual securities trading with virtual funds and real-time stock prices, allowing them to learn about securities trading procedures and accumulate investment experience.

During the year, together with the Hong Kong Applied Science and Technology Research Institute, we have applied an Artificial Intelligence Investment Model to our Simulated Investment Platform and co-organised a Smart Investment Contest. In this contest, we invited tertiary students to use the Smart Investment Programme to make stock investment decisions according to suggestions provided under pre-defined investment strategies, and trade via the simulated investment platform. We expect participants can enhance their knowledge about stock markets, financial technologies and the importance of risk management in investments through this contest.



6.4 Responsible Business Practice⁴⁰

As a socially responsible organisation, we conduct our business responsibly and strictly abide by the laws and regulations of the jurisdictions in which we operate, as well as the requirements of the corresponding regulatory institutions. We are committed to prudently managing our potential impacts on the financial industry, the economy and the community arising from our products, services and our relationships with stakeholders, in order to ensure the Group's stable and healthy growth. In addition, we provide financial products and services in a fair and responsible manner and conduct our business in an ethical manner. We are also committed to improving our service standards on a continuous basis, so as to ensure customer satisfaction.

A Customer-centric Banking Group

In adherence to our customer-centric vision, the Group has established a dedicated customer relationship management team to manage customer relationships and better understand their needs. We have also built a suitable product management framework for different product categories for formulating the Group's product strategy, developing new products, strengthening or maintaining our existing products, as well as managing the associated risks. We aim to ensure that our products meet the different needs of customers while following the principle of fair treatment of customers.

By listening to customers' opinions and enhancing our customer service mechanism, we are able to achieve continuous improvement. In order to communicate with customers and gather their opinions more effectively, we continue to enhance the management of our Quality Assurance Division, which was established to handle banking service-related feedback, as well as receiving views and recommendations of personal banking customers. To improve our service standards, opinions are also collected through multiple channels such as focus group discussions, direct communication between the management and frontline staff with customers, as well as customer satisfaction surveys. Seminars and interviews with our corporate customers are held regularly so that we can better communicate with them and understand their needs, which help them to explore business opportunities and expand their business.

When formulating rules as well as terms and conditions for our banking services, we thoroughly consider all the laws and regulations applicable to Hong Kong. These include the Code of Banking Practice launched by the Hong Kong Association of Banks and recognised by the HKMA, as well as the circulars and guidelines issued by the HKMA from time to time. The objective is to ensure that our daily business operations are in compliance with the laws and regulations, and have appropriately taken our customers' interests into consideration⁴¹. During the year, we did not have any serious breach in terms of products and services labelling or marketing⁴².



Protection of Customer Privacy⁴³

The Group has in place a personal data privacy policy and administrative measures in accordance with the Personal Data (Privacy) Ordinance with which all units are requested to comply. These mainly include:

- collecting customers' information in appropriate manners and keeping such information with prudence and preventing any unauthorised or unexpected access, processing, deletion, loss or use; strictly complying with the Personal Data (Privacy) Ordinance and prohibiting using customers' information for direct marketing without customers' consent.

Our [Privacy Policy Statement](#) and [Data Policy Notice](#) are available on the BOCHK website.

Preventing Fraud

To raise customer awareness of the latest financial scams through fake calls, SMS, e-mails and fraudulent websites, as well as important notes for online banking security, we implemented a number of measures during the year. These include publishing anti-fraud tips on our monthly statements, mobile banking and websites, voice reminders, as well as anti-fraud videos provided by the HKMA.

⁴⁰ G4-DMA (Product Responsibility)

⁴¹ G4-DMA (Product Responsibility), HKEx B6.5

⁴² HKEx B6 General Disclosure

⁴³ G4-DMA (Customer Privacy)

⁴⁴ HKEx B7 General Disclosure

Anti-money Laundering and Financial Crime⁴⁴

The Group attaches great importance to anti-money laundering and financial crime, which are also one of the most critical compliance requirements in implementing our business strategy. The Group strictly abides by the laws stipulated in the jurisdictions where we operate, as well as the requirements set by corresponding regulatory institutions. The Group has established relevant policies and mechanisms against money laundering, terrorist financing and financial crimes. Our employees are in strict compliance with these policies, rules and guidelines in their daily work and in the way they handle customer account openings, carry out due diligence, and constantly monitor the accounts, keep customers and transaction records.

We have an Anti-money Laundering Committee, which formulates policies that all members of the Group must comply with. The Committee reports to the Chief Risk Officer of the Group, the Management Committee and the Risk Committee under the Board of Directors on the implementation of these policies or any non-compliance with the Group's anti-money laundering policies and risk appetite⁴⁵. Additionally, the Group has a Financial Crime Compliance Department, which is responsible for formulating policies, regulations and management framework, as well as consultation, training and implementation of financial crime control. We also have a comprehensive monitoring mechanism that we review and modify from time to time, in order to strengthen the management and ensure our monitoring processes, systems and structures are up to date and effective, to facilitate the sustainable and steady development of the Group. Our money laundering risk assessment model for customers, products and countries is also reviewed regularly. Thorough and effective reviews are conducted regularly on issues such as money laundering or terrorist financing risks with regard to clients, products or services, delivery or distribution channels as well as regions. These reviews help the Group to analyse money laundering risks and adopt the appropriate risk mitigation measures.

In 2016, the Group continued to invest substantial resources in optimising our anti-money laundering practices. For our governance structure, we further clarified the duties and responsibilities of the three lines of anti-money laundering and set up the risk appetite, basic principles and key risk indicators of anti-money laundering to achieve the objectives of our effective risk management. In our operations, we have strengthened our monitoring and reporting mechanism, enhanced our transaction monitoring system and increased the number of monitoring staff, in order to improve our overall monitoring capabilities. With our transformation into a regional banking group, we have set up a Southeast Asian team responsible for the anti-money laundering activities of our new Southeast Asian branches and subsidiary banks, to further enhance the Group's anti-money laundering mechanism.

We conducted different types of training to raise the Group's awareness and capabilities in anti-money laundering and financial crime. All new and current staff must complete relevant compliance courses. We also invite anti-money laundering experts to

provide regular briefings and training for directors, senior management and employees to share the latest anti-money laundering regulatory requirements and international insights to enhance their understanding of international anti-money laundering standards. In 2016, we conducted 47 training courses on anti-money laundering, including 84 face-to-face training courses and 11 online training sessions. In addition, to advance our employees' professional knowledge we subsidised staff to apply for the internationally-recognised Certified Anti-Money Laundering Specialists programme and actively participate in the HKMA's Anti-Money Laundering Enhancement Capacity Framework.



Strengthened Cyber Security Resilience won Cyber Security Professionals Awards

Gold Award in Management: Chan Wan Shan from Group Audit

Gold Award in Practitioner: Lam Tsz Yin from Group Audit

Merit Awards: Lau Tak Wa from IT Department; Yiu Yu Leung and Lee Wai Leuk from Group Audit

As the internet is getting more popular, Hong Kong jumped from 58th place in 2014 to 7th in 2016 in the cyber threat ranking in the Asia Pacific region. In recent years, we have been strengthening our cyber security infrastructure and raised employees' security awareness. To understand our employees' alertness on fraudulent emails, we took an exercise to send emails with fake hyperlinks to our employees last year. If the recipients clicked the hyperlinks by mistake, the system would display another webpage with a reminder to them. We aimed to raise our employees' awareness of phishing emails via this practice.

BOCHK employees were honoured with five awards in the first-ever Cyber Security Professionals Awards in Hong Kong, including Gold Awards in Banking & Finance Management and Practitioner, being the best performing financial institution with the most awards.

The Cyber Security Professionals Awards were co-organised by the Hong Kong Police Force, the Government Computer Emergency Response Team Hong Kong and the Hong Kong Computer Emergency Response Team Coordination Centre.

We were much encouraged by these awards. The Group is committed to standing on the frontier of cyber security, and has been allocating resources to ensure the security and interests of our customers. In fact, cyber security no longer falls only within the scope of information technology. Modern enterprises should learn how to coexist with cyber security and build a robust risk management system for front, middle and back offices to participate.

⁴⁵ HKEx B7.2



7. Caring for Employees

The Group considers employees as our precious assets. Adhering to our people-oriented culture, we continue to improve our human resources management system and to attract, identify and nurture talent. We are committed to providing a harmonious, dynamic and friendly working environment for our employees and helping them develop their potential.

7.1 People-oriented Approach⁴⁶

The Group attaches great importance to team building and talent development. We have a fair and open recruitment policy, and provide employment opportunities to people regardless of their age, gender, marital status or pregnancy, family status, race, religion, nationality or physical condition. We ensure our employees are well respected in the workplace. The Group employs senior executives locally, where appropriate, to better understand the needs of local customers and the community, and promote local economic development. When enacting our human resources management system, we have made reference to the Employee Ordinance, Code of Practice on Employment under the Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance, Race Discrimination Ordinance, and Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation in Hong Kong. We adhere to all government laws, ordinances and regulations of the jurisdictions in which the Group operates⁴⁷. Our equal opportunities workplace practices are also included in our Staff Code of Conduct. We require all employees to comply with these practices and policies, and have zero tolerance for any acts of discrimination, harassment or assault in workplace.

We recruit talent from diverse backgrounds to promote the Group's sustainable development. As an employer that advocates equal opportunity, we have signed the Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme initiated by the Labour and Welfare Bureau, the Rehabilitation Advisory Committee, the Hong Kong Council of Social Service and the Hong Kong Joint Council for People with

Disabilities to offer internships and job opportunities to the physically-challenged, thereby contributing to a barrier-free workplace and a caring community.

The Group has been widely recognised for its staff caring endeavours. During the year, we were awarded the Family-Friendly Employers 2015/16, Special Mention Award 2015/16 and Award for Breastfeeding Support 2015/16 by the Family Council; Gold Award for Volunteer Service, Award of 10,000 Hours for Volunteer Service and Merit Award of Highest Service Hour Award (Private Organisation – Category 1) by the Social Welfare Department; and Social Capital Builder (SCB) Award by the Community Investment and Inclusion Fund of the Labour and Welfare Bureau.

Remuneration and Benefits

As an equal opportunity employer, we offer competitive remuneration packages based on the requirements of our businesses and staff positions, as well as their abilities and performance. We regularly evaluate our remuneration packages and assessment criteria and have put incentive schemes in place to reward and recognise our employees for their performance. For our sales staff, we have developed a scorecard mechanism to ensure that their assessments take into account factors such as sales performance and compliance.

We offer our employees a comprehensive benefits package covering Occupational Retirement Scheme or Mandatory Provident Fund Scheme, life and accident insurance, free and regular health checks, medical plans, paid paternity leave

⁴⁶ G4-DMA (Labour Practices and Decent Work), HKEx B1 General Disclosure

⁴⁷ HKEx B4 General Disclosure, HKEx B4.1, G4-DMA (Non-Discrimination)

as well as paid maternity leave of 14 weeks. Our employees enjoy preferential rates on mortgages, personal loans and banking services to help them flexibly manage their wealth.

We offer a range of employee-care benefits, such as birthday, wedding and retirement gifts, as well as early leave for birthdays and festivals. Employees working at the Bank of China Tower can enjoy subsidised meals at staff canteen, while those working in other offices are eligible for meal allowances. We have a retiree club which organises regular activities to facilitate their liaison and communication⁴⁸. Retired staff can also enjoy medical benefits.

Staff Training and Talent Development⁴⁹

We aim to provide an ideal career development platform for our employees. Through our internal recruitment mechanism, we support upward mobility of staff within the Group to facilitate mutual development of our employees and the Company.

The Group invests sufficient resources in staff training and development to sustain and enhance its competitiveness. We have a well-established talent pool consisting of professionals with diverse backgrounds and experience, in support of succession planning. To align our staff development plan with the Group's medium- and long-term business strategies, we have a Leadership Model and a Fundamental Competency Model specifying the respective competency levels for leadership and non-leadership roles. Both models provide clear objectives for personal development and serve as the foundation for our talent recruitment and staff performance assessments. In addition, we arrange appropriate training courses for middle and senior management, and encourage regular job rotations and staff exchange among different units for staff to gain experience and training.

We recruit graduates who aspire to join the financial industry through our Management Trainee Programme every year to bring fresh perspectives to the Group, as well as to develop talent for the industry. We provide classroom training, on-the-job training, job rotations and mentoring so that trainees can prepare for their future career according to the business streams they are interested in. We also arrange for some management trainees to visit our corporate clients and gain experience in client services.

Every year, we offer internship opportunities to talented students who wish to



The Group has organised various team building activities to enhance cohesion among staff.

develop their career in the banking industry from local, Mainland and overseas tertiary institutions. Our internship programme allows them to strengthen their knowledge of economics and the financial sector, gain valuable work experience and lay a foundation for their future career development. The interns can also join the Bank through our Management Trainee Programme or Graduate Programme for their long-term development.

The Group provides staff with continuing education opportunities. Besides subsidies, we also provide diversified learning programmes and development platforms that help meet our staff's personal goals and the Group's long-term development objectives. In keeping with our "four-in-one" people development culture, we encourage senior executives, department heads and human resources personnel to devise training activities together. These training activities are designed to enhance employees' work performance and meet our business development needs, which further strengthen employees' professional knowledge and skills⁵⁰.

We develop training courses tailored to the job requirements of new frontline staff that help them adapt to the Group's corporate culture. By making compliance training courses mandatory for every employee, we aim to strengthen the Group's compliance culture. In 2016, we organised various thematic seminars for employees to learn about the new opportunities arising from national strategies such as the Belt and Road Initiative, as well as the Group's strategic objectives and business development strategies. We also encourage staff to fulfil their learning objectives by engaging in continuous self-learning through our e-learning platform. In 2016, the average training time for each full-time employee was about 46 hours.

⁴⁸ G4-LA2

⁴⁹ G4-DMA (Labour Practices and Decent Work), HKEx B3 General Disclosure

⁵⁰ G4-LA10



Staff seminar on compliance culture and accountability of senior management



Regular check-ups on the Three Lines of Defense

7.2 Compliance Culture⁵¹

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

We have formulated a strict Staff Code of Conduct (“Code”) which guides and confines employees to ensure they are aware of the need to maintain a high level of personal integrity and good conduct in business operations and when dealing with their personal finances. According to the Code, staff should be self-disciplined to avoid conflicts of interest or roles. For example, staff should not obtain any personal benefits through business relationships, engage in corrupt practices, charge a commission, misappropriate public funds, or transfer benefits to any persons by any improper means. The Group also has a clear policy guiding employees on the correct way to handle gifts or personal interests from outside parties. The Code further specifies that employees have the responsibility to maintain the Group’s good reputation and should stay alert about matters that would lead to deceit, fraud, theft, forgery, corruption or other illegal activities. Employees should report suspicious illegal activities through the internal reporting mechanism⁵².

All employees are required to comply with the laws and regulations governing the operation of banks, including the statutory guidelines of the Hong Kong Monetary Authority’s Code of Conduct, the Guideline on Anti-Money Laundering and Counter-Terrorist Financing, and relevant legislation on intellectual property rights. They must also comply with the rules and regulations of the Group’s business operations and human resources management. In addition, regular training programmes are held to convey the Group’s operational objectives and related regulatory and legal requirements in order to improve awareness of compliance among staff.

7.3 Occupational Health and Safety⁵³

The Group endeavours to provide a safe working environment for employees. We organise regular training to raise employees’ knowledge of occupational health and safety to identify any potential safety risks, increase their alertness and assist those in need. These include basic fire prevention programmes, occupational health and safety seminars as well as first aid certification programmes⁵⁴. We also have a designated team to coordinate and monitor the implementation of our Occupational Health and Safety Policy and conduct regular safety inspections to prevent medical emergencies and accidents.

Our Management Guidelines on the Three Lines of Defence (defence from robbery, fire and physical damage) helps protect frontline employees, particularly when handling emergency and harassment issues. We also organise regular training to deal with different emergency situations. During the year, we completed onsite security inspections of frontline branches, focusing on anti-theft, fire systems and fire exits. We also reviewed the implementation of the Three Lines of Defence and other security issues as preventive measures.

In addition to providing a safe working environment for our staff, we also help safeguard the mental health of our employees. The Group cooperates with the Whole Person Development Institute to offer staff psychological counselling services. Employees can enjoy free clinical counselling, such as psychological consultation and treatment services to address personal physical and mental health issues, as well as problems encountered in family, work and interpersonal relationships. If staff members have a personal emergency, the Group will provide special support to help them overcome the difficulties they are facing.



⁵¹ G4-56

⁵² G4-58, G4-DMA (Anti-Corruption), G4-SO4, HKEx B7 General Disclosure, HKEx B7.2

⁵³ G4-DMA (Occupational Health and Safety), HKEx B2 General Disclosure

⁵⁴ HKEx B2.3



Listening and Communication

To keep employees abreast of the latest developments of the Group, we communicate important Group messages through intranet, email, departmental briefings and internal monthly magazine.

We value feedback from our employees and provide them with a variety of channels to express their views. Besides reporting to direct supervisors, employees can also voice their opinions according to the Procedures and Rules of Handling Employee Complaints /Opinions, the Human Resources Account Manager System, and the Policy on Handling Staff Reporting of Irregularities stipulated by the Group Audit, or through a discussion forum on the intranet and the Chief Executive's Mailbox⁵⁵. After receiving staff complaints, the Human Resources Department will establish an investigation task force within the Department or together with the Audit Committee to follow up and respond to the complainants within a designated timeframe. We also collect opinions through employee satisfaction survey to strengthen communication with staff. We provide appropriate feedback and take follow-up actions based on the opinions collected, and continually optimise our working environment, management policies and measures.

We take our employees' views into account when formulating and reviewing critical policies related to staff benefits. We will also explain new policies, particularly the complex ones, to staff before their official release⁵⁶. For example, before the branch network transformation we organised a training seminar Building a Strong and Sustainable Sales Culture to explain the support, guidance and supervision we would provide, incentives offered and ways to increase the cohesion and efficiency of sales teams. As a result, we are able to maximise the benefits of the branch network transformation project. In addition, we conduct regular visits to communicate with staff on major staff policies. We also organise staff focus groups to improve our understanding of the needs and expectations of employees.

Moreover, we promote after-work activities that reflect our corporate core values, such as staff sports matches, trips, artistic performances and online quizzes. On our corporate enterprise information portal, staff can access information on different business units, employee welfare and benefits, corporate culture and related activities.

We recognise outstanding staff and teams at our annual award presentation ceremony. The management, winning teams and individuals, managers and staff representatives of each department attend the ceremony, during which the Chief Executive delivers a speech to encourage staff, relays important messages and the Group's management philosophy. Highlights of the ceremony, the speech delivered by the Chief Executive, and statements from the winning teams and individual winners are then featured in the internal monthly magazine Zhong Yuan to share with the staff.



⁵⁵ G4-58, G4-DMA (Grievance Mechanisms for Staff) , HKEx B4.2

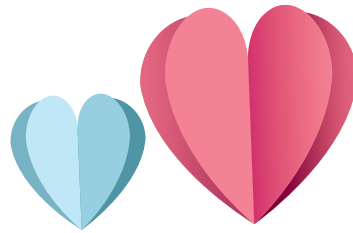
⁵⁶ G4-LA4

7.4 Work-life Balance

The Group advocates the importance of work-life balance and encourages employees to strike a balance between their career development and personal life. We organise recreational activities such as yoga, handicrafts and photography classes, singing contests, and basketball and athletic competitions. These activities not only enrich employees' leisure time but also help them relieve stress. What's more, we form sports teams and cultural performance groups for football, tennis, dragon boat racing, basketball, lion dancing, table tennis, badminton, athletics and bowling, as well as a choir and a dance group. They perform and participate in various competitions organised by the banking industry and Chinese enterprises.

During the year, our sports teams made impressive achievements in various competitions. The athletics team won the overall championship in the 7th Athletic Meet organised by the Hong Kong Chinese Enterprise Association; our basketball team also won the Team Champion of the Basketball Competition organised by the Chinese Bankers Association, Hong Kong; and our bowling team was Team Champion in the Shanghai Commercial Bank Challenge Cup Bowling Tournament of the Hong Kong Banking and Financial Industry 2016 organised by the Chinese Bankers Club.

In addition, we joined the 4th Happy@Work event, organised by the Employers' Federation of Hong Kong. Through various sports and activities, Happy@Work promoted causes such as health in the workplace and environmental protection. Out of the 14 corporate teams, we won the Team Challenges Champion and the Best Costume Champion after a series of competitions, fully reflecting our strong team spirit and corporate culture.



In 2016, we hosted a Staff and Family Members Carnival at Hong Kong Disneyland for our staff and their family members. The Carnival attracted over 28,000 participants. We also invited grassroots families and seniors from the NGOs to join us at the Carnival. At the same time, we encouraged our employees and their relatives to join volunteer activities and contribute to our community together.



We have organised various activities for our colleagues and their families.



Overall Champion

The 7th Athletic Meet of the Hong Kong Chinese Enterprises Association
 Organiser: The Hong Kong Chinese Enterprises Association



Sha Tin Dragon Boat Race

Phoenix Boat Open – Third Runner-up; Fifth in BOCHK Cup (Men);
 Fifth in Wing Lung Bank Cup (Mixed)
 Organiser: Sha Tin Sports Association



Green Power Hike

50km Bank Cup First Runner-up & Second Runner-up;
 25km Bank Cup First Runner-up
 Organiser: Green Power



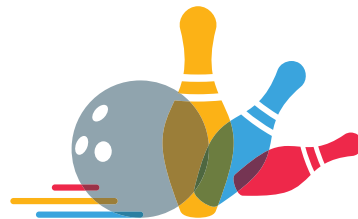
BOCHK Challenge Cup

Men's Individual Second Runner-up; Women's Individual First Runner-up & Third Runner-up
 Organiser: Chinese Bankers Club, Hong Kong



Bowling Team

Team Champion: Team Second Runner-up: Men's Individual Champion—Fok Kin Keung (Corporate Credit Management Centre); Men's Individual Second Runner-up—Leung Yat Fai Andrew (Bank-wide Operation Department); Men's Individual Third Runner-up—Tsang Lai Chung (Channel Management Department)
Chinese Bankers Club, Hong Kong, Hong Kong Banking and Financial Industry Shanghai Commercial Bank Challenge Cup Bowling Tournament
Organiser: Chinese Bankers Club, Hong Kong



Wang Buyun, Global Corporate Banking Department

“As a workplace freshman, 2016 was not an ordinary year to me. The path from knowing BOCHK, coming closer to it, to joining the bank, was full of uncertainties. As time passed by, I gradually transformed from being a student in an ivory tower to a relationship manager who has to face clients and handle problems independently. Exploring the financial world and trying to excel at it has been challenging yet exciting. 2016 was also a year of thankfulness. I was grateful that I got to know all my supportive peers and knowledgeable mentors in the Graduate Programme. Not only did they guide me with patience and care at work but also gave me valuable advice for my career and future development.”



Lam Chung Keung, Transaction Banking Department

“In 2016, I took part in a number of volunteer activities, including the BOCHK's elderly home visit programme, PHAB Day Camp, BOCHK's Computer Donation Programme to New Home, Food Angel's Voluntary Day and WWF's Costal Watch.

What impressed me most was the elderly home visit programme. The seniors were not too willing to talk to us when we first visited. However, we continued our regular visits and listened to their needs. A year passed by, they gradually opened their hearts and talked to us just like family members. This change warmed my heart. I thanked the Company for organising such a meaningful charity event so that we could have a chance to care for the seniors around us after work, and I come to know a group of friends like our family members.”



Chan Yuk Lin, BOC Malaysia

“In 2016, BOC Spirit was the theme of all team building activities in BOC (Malaysia). These activities not only shortened the distance between the management and staff, the head office and its branches and subsidiaries, but also helped convey the expectations of Bank of China, BOCHK and BOC Malaysia. Bank of China is a century-old multinational financial group with historical superiority and brilliant achievements. I am so proud to be part of it. Yet I reminded myself that I should understand my own strengths, contribute my expertise to work and try my best to help my colleagues so as to drive more achievements for the Bank.”





8. Environmental Protection

The Group's **Environmental Policy**, which is available on the Company's website, encourages environmentally responsible business practices and guides us in reducing the environmental impacts of the Group's operations. It aims to promote sustainable development and environmental awareness among our stakeholders. We have integrated environmental protection with our business development in our daily operations, services and products⁵⁷.



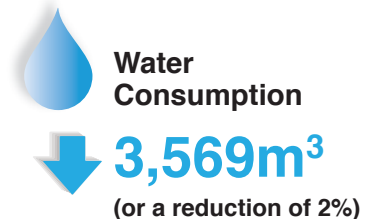
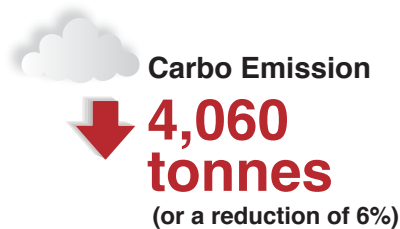
8.1 Effective Use of Resources

A more efficient use of energy and resources can reduce both environmental impacts and operating costs. In 2016, the Group continued to implement various measures such as waste reduction at source to protect the environment.

When renovating our branches, we replaced less energy-efficient light fixtures with more efficient T5 fluorescent tubes and LED light fixtures. These and other energy saving measures helped us reduce carbon emissions in 2016 by about 6%, or 4,060 tonnes⁵⁸. To save water, automatic faucets and water-saving flush tanks were installed in toilets at our properties, reducing water consumption by 2%, or 3,469 m³, in 2016⁵⁹.



We have participated in Charter on External Lighting to save energy.



The Group promotes the use of electronic platforms to reduce paper consumption. For example, expense claim applications, personal information updates and other internal documents are now handled electronically. We also have an e-performance system for staff appraisals. For paper, we only use A4 paper certified by the Forest Stewardship Council ("FSC")⁶⁰. The amount of A4 paper used in 2016 was 3.2% (about 3.33 million sheets) less than that of 2015⁶¹. Also, we purchase furniture and electrical appliances that meet the green specifications of the Environmental Protection Department of Hong Kong SAR.



To monitor energy consumption in our operation processes in a more comprehensive manner, we have implemented internationally applicable energy management systems in our major properties to ensure that our environmental management is on a par with international standards.

⁵⁷ G4-DMA (Environment), HKEx A1 General Disclosure, A2 General Disclosure, A4 General Disclosure

⁵⁸ G4-EN19, HKEx A1.5

⁵⁹ HKEx A2.4

⁶⁰ G4-DMA (Materials)

⁶¹ HKEx A1.6



Buildings

Bank of China Tower

Awards and Certifications

- Excellence level by the Building Environment Assessment Method (BEAM)
- ISO 50001:2011 Energy Management System Certification⁶²
- UKAS ISO14001:2004 Certification
- certified by the Hygiene Control System of the Hong Kong Quality Assurance Agency
- Indoor Air Quality Certificate – Excellent Class by the Environmental Protection Department
- Certificate of Quality Water Recognition Scheme for Buildings by the Water Supplies Department

Bank of China Building

- UKAS ISO14001:2004 Certification
- Indoor Air Quality Certificate – Good Class by the Environmental Protection Department
- Certificate of Quality Water Recognition Scheme for Buildings by the Water Supplies Department

Bank of China Wanchai Commercial Centre

- ISO 50001:2011 Energy Management System Certification
- UKAS ISO14001:2004 Certification
- Indoor Air Quality Certificate – Excellent Class by the Environmental Protection Department
- Certificate of Quality Water Recognition Scheme for Buildings by the Water Supplies Department

Bank of China Centre

- ISO 50001:2011 Energy Management System Certification
- UKAS ISO14001:2004 Certification
- Indoor Air Quality Certificate – Excellent Class by the Environmental Protection Department
- Certificate of Quality Water Recognition Scheme for Buildings by the Water Supplies Department



⁶² G4-DMA (Energy).



Support for Recycling⁶³

We have waste separation facilities in our offices to sort recyclable items such as waste paper, plastic bottles, aluminium cans, rechargeable batteries, computers, fluorescent tubes and compact fluorescent light-bulbs. Besides reducing waste at source, we also supported recycling to convert waste into useful resources again after special treatment. For instance, we have been recycling food waste collected from our staff canteen at BOC Tower since 2012. The collected food waste is then converted into fish feed.

Furthermore, we donate recyclable facilities to charities from time to time. During the year, we donated a total of 5,398 recyclable computers and electronic accessories to various charities. We also delivered a total of 9,470 computers and electronic accessories to recognised waste recyclers⁶⁴.

Ecological Conservation

Since 2009, we have discontinued consuming shark's fin, endangered reef species and black moss in our corporate banquets. To promote marine conservation, we have also participated in the No Shark's Fin Pledge campaign of World Wide Fund (WWF) Hong Kong since 2011, pledging not to have any promotions related to shark's fin. In addition, we take into consideration the local ecological environment during our branch renovation.

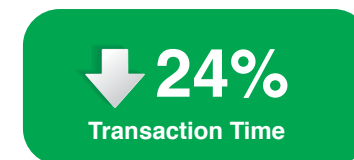
In 2016, the Group joined the Charter on External Lighting organised by the Environment Bureau of Hong Kong SAR. We are committed to switching off decorative, promotional or advertising lighting installations that affect the outdoor environment from 11pm to 7am on the following day, so as to reduce light pollution.

8.2 Promoting Green Finance Services⁶⁵

To reduce paper consumption, we encourage our customers to use e-statements⁶⁶ instead of paper statements and offer a 24-hour e-statement registration service to facilitate the arrangement. As at the end of 2016, nearly 850,000 customers use consolidated e-statements, a 20.3% increase as compared with 2015. In addition, with our paperless branch teller model at all branches, we

850,000
Customers Opting for
e-statement increase
(or a rise of 20.3%)

reduce average transaction duration by 24%, thus enhancing the customer experience. We also proactively promoted our electronic banking services such as encouraging customers to use e-cheques instead of paper cheques and online application channels to reduce usage of paper application forms.



We have integrated environmental factors into our credit policies to facilitate our risk management and fulfil our social responsibility. We have also incorporated elements related to environmental protection, energy and emissions reduction as well as public health and safety in our credit risk policy and procedures. When making credit decisions, we take into consideration our customers' environmental performance, their credit projects, and the potential positive and negative social or environmental impacts that might arise as a result of our lending. In 2016, we continued to provide loans to enterprises involved in developing new energy sources, renewable energy and water conservation projects in support of environmental protection and community development.

During the year, BOCHK acted as the joint global coordinator, joint bookrunner and joint lead manager for the issuance of a three-year US\$500 million bond for the Bank of China London Branch - the first Bank of China offshore Green Covered Bond.

Furthermore, we continued to participate in the Energy Efficiency Loan Scheme launched jointly by two local electricity companies, namely China Light and Power and HK Electric. The Scheme provides loans to commercial and industrial customers interested in implementing energy conservation projects, and encourages the use of highly energy efficient designs for system and facility renovations to save energy.



⁶³ G4-DMA (Waste)

⁶⁴ HKEx A3.1

⁶⁵ G4-DMA (Product and Services with Environmental Consideration)

⁶⁶ G4-EN27

8.3 Supporting Environmental Protection⁶⁷

We understand that financial services institutions can play an active role in promoting sustainable environmental development. Since 2015, the Group and the Federation of Hong Kong Industries have jointly organised the BOCHK Corporate Environmental Leadership Awards Programme⁶⁸ which aims to encourage enterprises from manufacturing and service industries operating in Hong Kong and the Pan-Pearl River Delta region to fulfil their CSR by integrating environmental philosophy into operational strategies and management measures, as well as reducing environmental pollution. One of the key features of the Programme is the Belt and Road Environmental Leadership Recognition Award, which recognises enterprises having outstanding performance in environmental protection in areas along the Belt and Road route.

In 2016, the Programme received an overwhelming response of over 530 corporate participants under which they have completed 1,118 green projects that have collectively reduced annual electricity consumption by more than 223 gigawatt hours (equivalent to the electricity consumed by 24,600 average four-member households in one year). Other collective achievements included lowering the annual water usage by 21.7 million tonnes (approximately equal to the volume of 5,490 standard 50-metre swimming pools) and reducing annual waste by 1.1 million tonnes (an amount that would cover Shing Mun Reservoir about 410 times). In addition, almost 350,000 tonnes of materials were recycled (an amount that would cover an area equivalent to the size of about 9,300 Victoria Parks).

During the year, we also sponsored WWF's environmental education programme to promote sustainable lifestyles among young people. Under the programme, WWF held environmental seminars and workshops for about 750 primary school students and organised an outdoor adventure study. In addition, we continued our sponsorship of WWF's Earth Hour initiative by turning off all non-essential lighting in our major office buildings for one hour on 28 March 2016, helping to raise public awareness of reducing energy consumption.

For three consecutive years, we have supported Greeners Action's "Red Packets Recycling Campaign" with collection points at

our key office buildings and 60 branches to provide convenience for public involvement. We received a total number of 8.8 million recycled red packets in 2016 with an estimate weight of 27 tonnes. This campaign encouraged people to develop the habit of reclaiming and reusing red packets.



⁶⁷ G4-DMA (Overall Environmental Situation)

⁶⁸ G4-EN31

9. Contributions to the Community

Rooted in Hong Kong, the Group has a strong commitment to build a caring and harmonious society, as well as providing assistance to those in need. We are also keen on promoting the stable and healthy development of the community, as well as making a positive influence on society by various means⁶⁹.

9.1 Sharing Achievements

We place great value on community investment and strive to benefit society. Through cooperating with charitable organisations and industry associations, as well as encouraging our staff to participate in community affairs, we share the success of our corporate development with the community and make efforts to build a harmonious society.

Founded in 1994, the BOCHK Charitable Foundation (the "Foundation") has been supporting local charity activities which cover various areas such as poverty alleviation, environmental protection and carbon reduction, culture and education, as well as sports and arts⁷⁰. It has donated over HK\$220 million to the community since its inception⁷¹. In 2016, BOCHK and the Foundation donated over HK\$13 million to a total of 28 charity projects. We also extended the scope of beneficiaries and participated in various community events through corporate or commercial sponsorships⁷².

For seven consecutive years, we have supported the Hong Kong Corporate Citizenship Programme organised by the Hong Kong Productivity Council. The Programme aims to encourage enterprises to fulfil and promote social responsibility, and raise public awareness of CSR. In 2016, the Programme received broad support from 236 companies, some of which were sizable companies, a significant rise from 196 last year. More than 800 enterprises with over 5,000 participants have taken part in



activities under this Programme over the past seven years. This Programme has drawn the attention of the commercial sector and public on CSR. During the year, we organised various events, including the newly added CSR Pioneer Scheme, to educate students on corporate citizenship. We also organised briefings, published e-brochures and held exhibitions for corporates to share their experience and promote corporate citizenship.



The Group established the BOCHK Charitable Foundation in 1994 as a locally registered charitable organisation. BOCHK donates annually to the Foundation in support of its sustainable development activities in the community, including education, environmental protection and sports, to meet the needs of all sectors of society.

⁶⁹ G4-DMA (Contribution to Local Communities) HKEx B8 General Disclosure

⁷⁰ HKEx B8.1

⁷¹ G4-SO1, HKEx B8.2

⁷² G4-SO1, HKEx B8.2



We have participated in various charitable activities.



Caring for the Community

In 2016, we supported a meaningful new project, Food Station, an initiative of Food Angel that caters for the needs of low-income families and promotes environmental protection. We rendered our support to Food Angel in setting up Food Station to recycle edible food. The collected food is centralised and processed to prepare hot meals and food packages for grassroots seniors and low-income families. This project not only helps the less privileged, but also minimises the environmental problem of massive food wastage. Food Station also has a training centre that provides on-the-job training in food recycling for the underprivileged, which has in turn created job opportunities. Since its trial opening in August 2016, Food Station has recycled 176,000 kilograms of food and produced 271,000 hot meals and 105,000 food packages, benefiting nearly 400,000 people.

Additionally, we continued our partnership with the New Home Association (“NHA”) in the BOCHK-NHA Computer Donation Programme to donate recycled computers to members of ethnic minorities, new immigrants, underprivileged families and the elderly to help them integrate into the digital age. We also continued to support the Child Development Fund of the Labour and Welfare Bureau to offer services to underprivileged children, such as special savings accounts and Club Deposit. Through this Programme, they can have their own accounts that allow them to learn about the importance of financial planning and develop self-discipline at an early age. Our branch staff have extended their working hours to help students open accounts.



As a long-standing supporter of the Community Chest (the “Chest”) of Hong Kong, we encourage our staff members to take part in various fund-raising programmes organised by the Chest apart from just making donations. In 2016, we sponsored a charity concert jointly organised by the Chest and the Hong Kong Police Force, which attracted an audience of 4,000 and raised a total of HK\$3.8 million for children with special education needs. In addition, we continued our support to the Community Chest Corporate Challenge, the Community Chest Swim for Millions and the Community Chest Walkathon by engaging our staff to participate in these events besides making donations. We also sponsored the Hospital Authority’s New Year Run, an event that raises funds for patient support groups and chronic patients.

Community care transcends boundaries. BOC Malaysia fulfils its CSR to local society. Staff members at Kuching Branch located in East Malaysia pay regular visits to local orphanages and provide them with financial assistance for food. BOC Malaysia also sponsored the fund raising activities of the charity society, Rumah Victory, in Kuala Lumpur, with 25 staff joining the Charity Run.

9.2 Developing Talent

The Group offers scholarships and bursaries to encourage tertiary students to pursue their studies and to support students who have financial needs. Since 1990, the Group has been providing scholarships and bursaries to 10 local universities successively. In support of the Upward Mobility Scholarship of Future Star organised by the Commission on Poverty of the Hong Kong SAR Government, we have also sponsored 100 scholarships. Schools and the social service sector can nominate youngsters who have demonstrated strength and have a positive attitude amid adversity for the scholarships. Furthermore, we strived to deepen young people's understanding of Chinese culture and history, as well as our national development, in order to help them build a sense of history and national value. To achieve this, we sponsored the establishment of the Excellence Scholarship in Chinese history for the Endeavour Education Centre, encouraging students to study and thus deepening their understanding of Chinese history.

To widen the horizons of young people, we sponsored the New Media Internship Programme 2016. It offered internship opportunities for 400 Hong Kong students to work in 40 leading corporates and institutions in the



We offer scholarships and bursaries to encourage tertiary students to pursue their studies and to support students who have financial needs.

Mainland of China, where students witnessed the latest developments of the country and learned about new media trends in both the Mainland of China and Hong Kong. This Programme paves the way for students' career and encourages positive interaction between Hong Kong and the Mainland students. In addition, we supported the Operation Zhang Qian – Student Summer Internship Programme 2016 organised by the Maritime Silk Road Society. Under this Programme, 100 university students got to learn more about the development of national strategies such as the Belt and Road Initiative, as well as opportunities arising from those strategies. Among these students, 17 were offered internship opportunities at Bank of China Beijing and Singapore branches to gain overseas working experience, helping to nurture talents for society.

During the year, we organised a Career Sharing Session for a number of local educational institutions and overseas universities. We introduced to students our major businesses, organisational structure, corporate culture and career development opportunities, enriching their knowledge about the banking industry that will be useful for their career planning.

Apart from local education programmes, we provided a subsidy to a national grade poverty county in Xianyang City of Shaanxi Province to support the education development there, improve school conditions and give the underprivileged a chance to receive education. Understanding that it is not easy for Chinese to run Chinese-funded schools in Malaysia. BOC Malaysia's Kuching Branch took part in three charity fairs at the invitation of the local Chinese vernacular schools and helped raise funds for the schools in local Chinese communities.



We encourage our employees to make good use of their time and strengths to serve the community.

9.3 Serving the Community

We encourage our employees to make good use of their time and strengths to serve the community. Over 100 staff members including the senior management and department heads are members of different government committees, public utilities, charity organisations and NGOs in which they participate in decision making and consultations. Focusing on economic and livelihood development, we made every endeavour to contribute to Hong Kong's development and the welfare of the general public. About 1,400 of our staff are members of our Dynamic Volunteer Team. Training is arranged for them every year to enhance their skills in volunteer services. In 2016, our volunteer team spent nearly 49,000 hours on community service, a 10% rise compared with 2015. The number of participations in community activities tripled to 11,818. The dedication of our volunteers has been recognised by the Social Welfare Department through its Gold Award for Volunteer Service for seven consecutive years.



In 2016, our volunteer team, joined by their family members and friends, participated in 90 volunteer events to serve children and youngsters, the elderly and people with special needs, as well as to promote environmental activities. We also organised various workshops to help low-income families and young people learn more about savings and financial management. These workshops included activities and games that allowed students to apply what they have learned about money management to their daily lives. During the year, we worked with the Hong Kong Red Cross Blood Transfusion Service to organise blood donation days at BOC Tower and BOC Centre. To promote and support social enterprises, we co-organised a seminar on social enterprise innovation with the All-China Women's Federation Hong Kong Delegates Association Limited, inviting Mr Bernard Charnwut Chan, the Chairperson of the Hong Kong Council of Social Service, as the guest speaker.

9.4 Promotion of Sports and Cultural Diversity

We are a steadfast advocate of sports and promote the message of physical and mental health, team spirit and a positive life attitude. Since 1999, we have contributed more than HK\$17.45 million to the development of badminton and various badminton competitions, activities and training courses, attracting the participation of over 1.4 million people. Meanwhile, we are supportive of badminton talents development. Ng Ka Long, Angus, an ace player of the Hong Kong badminton team, is a good example of how our sponsorship benefits the sport. Angus was twice elected as an Outstanding Junior Athlete by the Sports Federation & Olympic Committee of Hong Kong, China. In 2016, he set a record by becoming the first Hong Kong player to win a gold medal at the Hong Kong Open Badminton Championships. During the year, leading international and Hong Kong badminton players were invited to visit local communities and schools, where they promoted the benefits of sports to the grassroots through demonstrations.

Since 2002, we have been sponsoring the Hong Kong Island & Kowloon Regional Inter-school Sports Competition to promote sports development in secondary schools



We are a steadfast advocate of sports and cultural diversity.



and encourage sportsmanship among the students. In 2016, around 80,100 athletes participated in over 8,000 matches in 20 sports events of this competition. Meanwhile, more than 510 students participated in the BOCHK Schools Sports Volunteer Scheme, contributing over 9,800 hours of volunteer service.

Football is one of the most popular sports in Hong Kong. In cooperation with the Hong Kong Football Association Limited (HKFA), BOCHK Life was the title sponsor of the 2015-2017 season of the Hong Kong Premier League. Through our sponsorship, we aim to promote the sport of football locally and encourage more people to take up this healthy sport.

The Group supports a wide range of cultural activities. One of our key sponsorships during the year was the Hong Kong Philharmonic Orchestra's Season Opening Concerts by the world-renowned cellist, Yo-Yo Ma. The Concerts attracted an audience of around 2,000. For the fourth consecutive year, BOCHK Private Banking sponsored the Hong Kong Art Gallery Association in organising Hong Kong Art Week. The 12-day event involved 50 galleries and over 100 shows and activities, including guided tours, artist seminars, studio visits and family activities. This year, our volunteer team and their family members actively participated in the Family Art Day, to demonstrate their commitment to CSR while enjoying family time with the public. To promote tea culture, we have sponsored the Hong Kong Trade Development Council's Tea Rendezvous for six consecutive years.

As 2016 marked the 150th anniversary of the birth of Dr Sun Yat-sen, we sponsored a large-scale exhibition jointly organised by the Hong Kong Culture Association and Hong Kong Museum of History, with an aim to study, inherit and carry on his patriotism and progressive spirit. The year 2016 was also the 110th anniversary of the birth of Zhao Wangyun, one of the founders of the Chang'an School of ink painting. To commemorate the master's work, we sponsored artists from Hong Kong and the Mainland of China to revisit the route where Zhao created his masterpieces, to facilitate cultural and arts exchanges between the two places.

We were also the title sponsor of the BOCHK Hong Kong New Year Countdown Celebrations 2017 organised by the Hong Kong Tourism Board. The event not only conveyed a positive message of joy and harmony to all Hong Kong citizens, but also marked the beginning of the celebration of the Bank of China's centenary of service in Hong Kong. The night attracted over 330,000 citizens and visitors who enjoyed a pyro musical show together at Victoria Harbour. To make the event more meaningful, we invited about 50 grassroots families and members of minority groups to join the countdown ceremony and celebrate the new year with other guests.



Future Star - Upward Mobility Scholarship

Bu, Scholarship recipient

"My parents are hearing-impaired and we live in poverty. They know little about my studies. I learned to take care of myself since I was little and never let my parents worry about my studies. Ever since getting into high school, my homework workload has become more overwhelming and the curriculum more difficult. Fortunately, this scholarship could cover the extra cost of tutorial lessons, alleviate the financial burdens on the family and soothened my parents' worries. Apart from paying for tutorial lessons, I also wish to make use of the scholarship to develop my personal interests. Due to the language barrier, I seldom communicate with my parents since I was little. Therefore, I plan to use part of the scholarship to learn sign language. I hope to improve my relationship with my parents and better understand them, rather than limiting our communications to just daily interactions. I also expect to serve the deaf and mute in the future and I believe that sign language will help connect us with more people."



Open University Scholarship

Wu, Scholarship recipient

"I am thankful for BOCHK's care and support, which reminds us, a group of part-time students, not to give up no matter how difficult it is or how old we are. We believe that as long as we are determined and hardworking, eventually we will be on the road to success. I will make good use of this scholarship to take up useful courses to enrich my knowledge. I will contribute what I have learned to the community, just as BOCHK does, and relay the spirit to others, to improve our living environment and make it more harmonious."

Guests of the BOCHK Hong Kong New Year Countdown Celebrations 2017

Mr Chan

"The event was well organised by the Bank and the reception staff were very friendly. They were meticulous even about those minor things easily overlooked for participants, like the transportation arrangement and the location map for the gathering point. These made us feel respected. I wish Hong Kong and everyone all the best."

Ms Hong

"It has been 20 years since Hong Kong's return to the Mainland of China, and it has been almost seven years since I have come to Hong Kong. The fireworks tonight were particularly pleasing to me. I feel great seeing these patterns of smiling faces. Wish Hong Kong enjoy political and social harmony, and everyone here are happy."



Food Station

Kin, Staff

"I joined Food Station as a Warehouse Assistant in June 2016, and my main duty is to process recycled food. Although I have disabilities, I am an optimistic and hardworking person and good at my job. It is my pleasure to be able to work at Food Station, where I get along well with my colleagues and volunteers. The job means a lot to me, because I am proud that I could handle several tonnes of food ingredients every day, which will help many people in need."



Elderly lady Yuet-sim – Beneficiary of Food Station

"I live alone in a tenement house in Sham Shui Po District and often come to Food Angel's community centre for a free meal. Since its opening in October, I have been receiving free food packages every Friday and could have food during weekend or on public holidays. I feel lucky and happy about that."



10. Supply Chain Management

Sustainable Procurement Policy⁷³

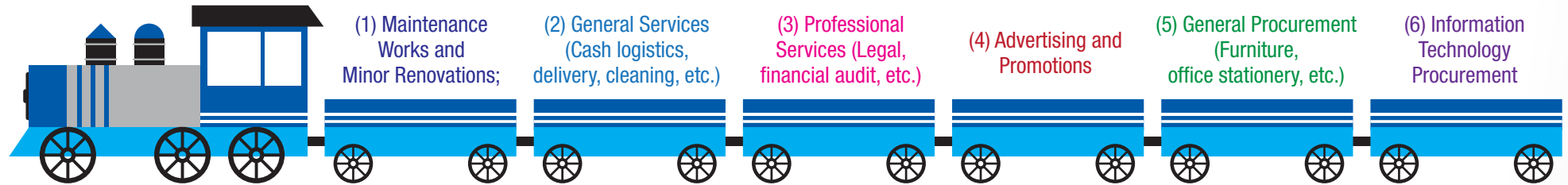
The Group developed a Sustainable Procurement Policy in 2011 to provide guidelines for the major categories of goods and services that the Group purchases and encourage suppliers to reach certain social and environmental standards. We have adopted the following principles for our procurement:



Principles	
More Sustainable and Resource-efficient Products and Services	We purchase and use more sustainable and resource-efficient products and services. Examples include eco-friendly toner cartridges to replace all original ones, and vehicles that have fulfilled the Euro V standard to reduce emission of air pollutants. We only procure electrical appliances with Grade 1 energy labels, and office furniture items that have fulfilled the green specifications of the Environmental Protection Department
Ethical Standards and Responsible Behaviour	When dealing with suppliers, we adhere to ethical standards and responsible behaviour. We reduce the potential environmental and social impacts brought by the Group's supply chain through better selection and use of the goods and services our suppliers provide. We also strive to raise suppliers' awareness of sustainable development and offer feedback on their environmental and social performance where possible.
More Business and Employment Opportunities for SMEs and NGOs	We take steps to provide more business and employment opportunities to SMEs and non-governmental organisations, directly or indirectly. During the year, we employed the Hong Kong Federation of Handicapped Youth Flower Workshop and Hong Chi Kwong Fuk Wai Yin Workshop for gardening services.
Regular Training	We offer regular training to procurement staff to ensure the Group's procurement policy is implemented effectively.

⁷³ HKEx B5 General Disclosure

The majority of the Group's suppliers are based in Hong Kong and the Mainland of China. Products and services procured can be classified in the following six major categories⁷⁴:



Enforcing the Supply Chain Code of Conduct⁷⁵

To better implement the Group's Sustainable Procurement Policy, we formulated our Supply Chain Code of Conduct⁷⁶, with reference to international labour standards and the principles of Decent Work based on the International Labour Organisation ("ILO") Core Conventions. The Code outlines the requirements for the ethical, corporate governance and environmental standards as well as fair labour conditions that the Group expects all its suppliers to comply with.

The Group integrates the Code into its supplier selection procedures by assigning a weight to these factors when evaluating potential suppliers.

Suppliers from whom we make potential annual purchases reaching or exceeding a certain value are required to submit a Supply Chain Code of Conduct Assessment Questionnaire and will be considered only if they fulfil the Group's requirements. If our existing suppliers cannot fully comply with the requirements set out by the Code, we will communicate with them closely to improve their sustainability performance. If certain issues cannot be resolved or rectified, we will offer them improvement guidelines. Termination of cooperation may also be considered if no improvement is observed. To enhance our supply chain management, last year a total of 125 existing recognised

suppliers with an annual purchase value of over HK\$100,000 and 18 newly recognised suppliers were required to complete the Supply Chain Code of Conduct Self-Assessment Questionnaire. All of them met our requirements.

For major suppliers with an annual purchase value of over HK\$5 million, the Group conducts regular site visits to make sure that their sustainability performance is aligned with the results of their written self-assessment. During the year, we visited 19 suppliers in this category, all of them met our required standards.

Strengthening Communication with Suppliers

For suppliers to strictly follow the Group's Supply Chain Code of Conduct, we have formulated a supplier communication strategy and trained our procurement staff so that they can relay our standards and requirements to our suppliers. Meanwhile, we continued to engage an independent consultant to conduct interviews with our suppliers to understand their expectations of the Group's sustainability performance, and to evaluate the existing codes and relevant training content to further enhance the social and environmental performance of the Group and our suppliers. We will continue this practice with our suppliers to achieve win-win solutions.

⁷⁴ G4-12

⁷⁵ G4-HR10, G4-LA14, HKEx B5.2

⁷⁶ For IT procurement, the Group follows another policy in which CSR is one of the factors to evaluate IT suppliers. We grade suppliers based on their CSR performance and relevant policies, including actively promoting environmental protection policies, abiding by labour laws and regulations, supporting charitable events, etc. When necessary, we will also relay our grades and comments to suppliers for them to improve their performance. During the year, all suppliers with purchase records participated in this evaluation.

11. CSR Performance Data Overview

Employee Data⁷⁷

As of 31 December 2016, the Group had 12,836 employees⁷⁸.

Total workforce⁷⁹

	Male	Female	Total workforce
Full-time employees	5,371	7,136	12,507
Non-full-time employees	112	217	329
Total workforce	5,483	7,353	12,836

Total workforce (by age)⁸¹

Age	Number	Percentage
18-30	3,480	27.11%
31-40	3,364	26.21%
41-50	3,754	29.25%
50 or above	2,238	17.43%

Total workforce (by employee category and gender)⁸⁰

Rank	Male	Female	Total	Percentage
Departmental/ Division heads or above	347	197	544	4.24%
Middle management	2,586	2,398	4,984	38.83%
General employees	2,550	4,758	7,308	56.93%

Total workforce (by location)⁸²

Location	Number	Percentage
Hong Kong	11,971	93.25%
The Mainland of China	477	3.72%
Others	388	3.03%

⁷⁷ Apart from total workforce, total number of new hires and rate of employee turnover, other figures do not cover areas other than Hong Kong and the Mainland of China.

⁷⁸ G4-9, HKEx B1.1

⁷⁹ G4-10, HKEx B1.1

⁸⁰ G4-LA12, HKEx B1.1

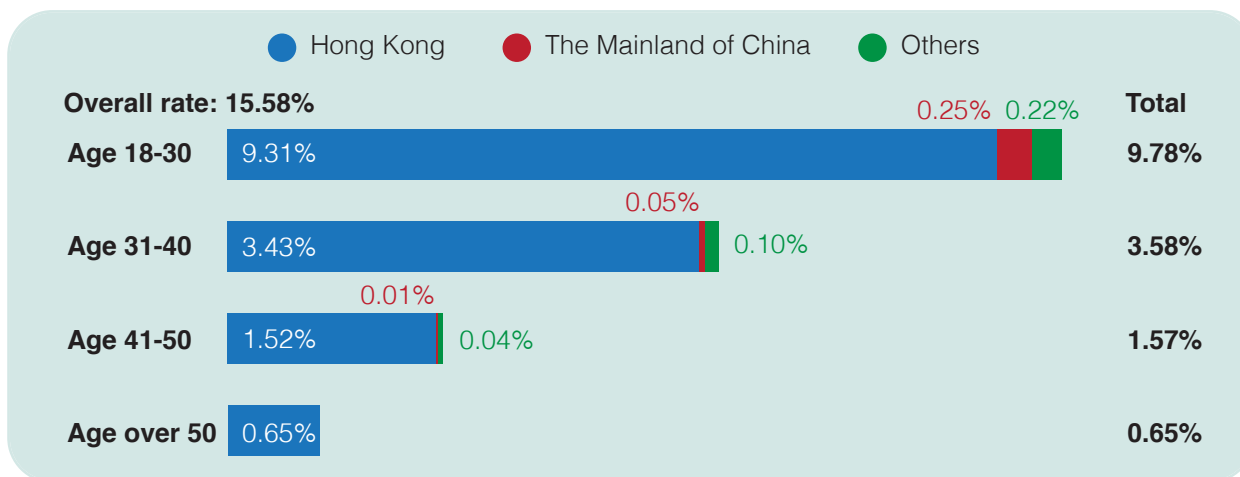
⁸¹ G4-LA12, HKEx B1.1

⁸² G4-10

Total number of new hires (by location and gender, and by location and age)⁸³

Total number of new hires : 2,602						
	Male	Female	Age 18-30	Age 31-40	Age 41-50	Age over 50
Hong Kong	45.61%	48.92%	64.37%	17.79%	7.61%	4.77%
The Mainland of China	0.96%	0.96%	1.50%	0.38%	0.04%	0.00%
Others	1.20%	2.35%	2.07%	0.97%	0.42%	0.08%
Total	47.77%	52.23%	67.94%	19.14%	8.07%	4.85%

Rate of employee turnover (by age and location)⁸⁴



Return to work and retention after parental leave (by gender)⁸⁵



⁸³ G4-LA1

⁸⁴ G4-LA1, HKEx B1.2

⁸⁵ G4-LA3

Training and Education

The average training hours and rate (by employee category and gender)⁸⁶

The average training hours: 46.1

Rank	Male (hours)	% of total	Female (hours)	% of total
	51.3	42.5%	42.2	57.5%
Departmental/Division heads or above	36.3	2.8%	33.5	1.6%
Middle management	33.2	20.1%	31.6	18.6%
General employees	71.6	19.6%	47.7	37.3%

Occupational health and safety performance⁸⁷

	Male	Female	Overall
Injury rate ⁱ	0.21%	0.26%	0.24%
Lost day rate per 100 full-time employees ^{i,ii,88}	5.07%	11.88%	8.98%
Total number of work-related fatalities ^{iii,89}	0	0	0

i: All Injury Rates and Lost Day Rates are normalised to 200,000 worked hours, which is approximately equal to the number of hours worked by 100 full-time employees in one year.

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

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

Economic Performance⁹⁰

2016 Financial highlights

	Year 2016 (HK \$ million)	Year 2015 (HK \$ million)	Percentage change (+/-%)
Profit attributable to the equity holders of the Company	55,503	26,982	+105.7
Earnings per share Profit for the year	5.2496	2.5520	+105.7
Return on average total assets (%)	2.38	1.19	+1.19pp
Return on average shareholders' equity (%)	26.47	14.45	+12.02pp
At year-end	Year 2016 (HK \$ million)	Year 2015 (HK \$ million)	
Total assets	2,327,781	2,382,815	-2.3
Deposits from customers ⁹¹	1,507,501	1,373,311	+9.8

⁸⁶ G4-LA9

⁸⁷ G4-LA6

⁸⁸ HKEx B2.2

⁸⁹ HKEx B2.1

⁹⁰ G4-EC1

⁹¹ In response to the disposal of NCB and the proposed disposal of Chiyu Bank, this figure as at the end of 2015 has been restated.

Environmental Performance

	Unit	Year 2016	Year 2015	Percentage change
Paper⁹²				
Paper purchases	kg	492,900	509,575 ⁹³	-3.3%
Paper purchases intensity				
By number of employees	kg/ person	39	41	-4.9%
Total energy consumption^{94, 95}				
Total electricity consumption ⁹⁶	kWh	86,778,942	86,314,433	+0.5%
	GJ	312,404	310,732	
Total consumption of towngas	unit	44,900	50,357	-10.8%
	GJ	2,155	2,417	
Total fuel consumption for vehicles ^{97, 98}	L	60,142	56,696	+5.6%
	GJ	2,039	1,930	
Energy intensity⁹⁹				
By number of employees	GJ/ person	25	25	0%
Greenhouse Gas GHG emissions^{100,101}				
Direct emissions (Scope 1) ¹⁰²	tonnes	277	280	-1.1%
Indirect emissions (Scope 2) ¹⁰³	tonnes	58,532	62,455	-6.3%
Other indirect emissions (Scope 3) ¹⁰⁴	tonnes	120	116	-3.1%
Total Greenhouse Gas GHG emissions ¹⁰⁵	tonnes	58,929	62,852	-6.2%
Greenhouse Gas emissions intensity¹⁰⁶				
By number of employees	tonnes / person	4.7	5.0	-6.0%
Water consumption^{107, 108}				
Total water consumption	cubic metres	197,686	201,155	-1.72%
Water consumption intensity¹⁰⁹				
By number of employees	cubic metres / person	15.8	16.0	-1.25%

Cases of Discrimination and Corruption

Total number of incidents of discrimination ¹¹⁰	0
Confirmed incidents of corruption ¹¹¹	0

⁹² G4-EN1

⁹³ This figure has been restated to improve accuracy.

⁹⁴ G4-EN3, G4-EN6, HKEx A2.1, A2.3

⁹⁵ Calculated based on the guide set out in GRI G3.1

⁹⁶ In addition to the main properties and office towers of the Group, some branches are also included.

⁹⁷ Including diesel and gasoline.

⁹⁸ In addition to the main properties and office towers of the Group, some branches are also included.

⁹⁹ G4-EN5

¹⁰⁰ 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, Feb 2010 Edition issued by the Environmental Protection Department.

¹⁰¹ This figure has been restated to improve accuracy.

¹⁰² G4-EN15; including related GHG emissions of towngas and vehicles

¹⁰³ G4-EN16; including related GHG emissions of towngas and vehicles

¹⁰⁴ G4-EN17; including related GHG emissions of towngas and vehicles

¹⁰⁵ HKEx A1.2, A1.5

¹⁰⁶ This figure has been restated to improve accuracy.

¹⁰⁷ HKEx A2.2

¹⁰⁸ This figure has been restated to improve accuracy.

¹⁰⁹ This figure has been restated to improve accuracy.

¹¹⁰ G4-HR3

¹¹¹ G4-SO5, HKEx B7.1

12. GRI G4 Content Index

General Standard Disclosures		
General Standard Disclosures	Description	Cross-reference
STRATEGY AND ANALYSIS		
G4-1	Statement from the most senior decision-makers of the organisation	Chairman's Message (p.5); Chief Executive's Message (p.7)
ORGANIZATIONAL PROFILE		
G4-3	Name of the organisation	About this Report (p.2)
G4-4	Primary brands, products, and services	About BOC Hong Kong (Holdings) Limited (p.3); Business Development and Economic Contributions (p.13); 2016 Annual Report (p.100); BOCHK website
G4-5	Location of the organisation's headquarters	About BOC Hong Kong (Holdings) Limited (p.3); BOCHK website
G4-6	Number of countries where the organisation operates	About BOC Hong Kong (Holdings) Limited (p.3); BOCHK website As at the end of 2016, the Group has operations in Hong Kong, the Mainland of China, Macau, Malaysia and Brunei.
G4-7	Nature of ownership and legal form	About this Report (p.2); About BOC Hong Kong (Holdings) Limited (p.2)
G4-8	Markets served	About BOC Hong Kong (Holdings) Limited (p.3); BOCHK website
G4-9	Scale of the organisation	About BOC Hong Kong (Holdings) Limited (p.3); CSR Performance Data Overview (p.43)
G4-10	Employee statistics	CSR Performance Data Overview (p.43)
G4-11	Percentage of total employees covered by collective bargaining agreements	According to the Staff Code of Conduct, all employees of the Group have the right to join any legal organisations.
G4-12	Organisation's supply chain	Supply Chain Management (p.42)
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	About this Report (p.2)

General Standard Disclosures	Description	Cross-reference
<u>ORGANIZATIONAL PROFILE</u>		
G4-14	Explanation of whether and how the precautionary approach or principles are addressed by the organisation	Corporate Governance section of the 2016 Annual Report (p.70)
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	This is reflected in the Business Development and Economic Contributions, Contributions to the Community and other sections of this Report. The Group has been a signee of the Treat Customers Fairly Charter, the Talent-Wise Employment Charter and the Charter on External Lighting. For details of related awards and recognition of the Group, please refer to the 2016 Annual Report (p.112).
G4-16	Memberships of associations and advocacy organisations	2016 Annual Report
<u>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</u>		
G4-17	Entities included in the organisation's consolidated financial statements	Business Development & Economic Contribution (p.13)
G4-18	Process for defining the report content and the Aspect Boundaries	Corporate Social Responsibility Management (p.11)
G4-19	Material aspects identified in the process for defining report content	Corporate Social Responsibility Management (p.12)
G4-20	Aspect boundary of each material aspect within the organisation	Corporate Social Responsibility Management (p.12)
G4-21	Aspect boundary of each material aspect outside the organisation	Corporate Social Responsibility Management (p.12)
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	About this Report (p.2);
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	No significant changes

General Standard Disclosures	Description	Cross-reference
<u>STAKEHOLDER ENGAGEMENT</u>		
G4-24	List of stakeholder groups engaged by the organisation	Corporate Social Responsibility Management (p.10)
G4-25	Basis for identification and selection of stakeholders with whom to engage	Corporate Social Responsibility Management (p.9)
G4-26	Approaches to stakeholder engagement	Corporate Social Responsibility Management (p.10)
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns	Corporate Social Responsibility Management (p.12)
<u>REPORT PROFILE</u>		
G4-28	Reporting period	About this Report (p.2)
G4-29	Date of most recent previous report	Our last CSR Report was issued in August 2016
G4-30	Reporting cycle	Report annually
G4-31	Contact point for questions regarding the report or its contents	About this Report (p.2)
G4-32	GRI Content Index, the “in accordance” option the organisation has chosen and the reference to the external assurance (if any)	About this Report (p.2)
G4-33	Policy and current practice with regard to seeking external assurance for the report	The Group has not sought external assurance for this Report.
<u>GOVERNANCE</u>		
G4-34	Governance structure of the organisation	Corporate Social Responsibility Management (p.9) For the governance structure of the organisation, please refer to the Corporate Governance section of the 2016 Annual Report (p.70); for the CSR governance structure, please refer to the Corporate Social Responsibility Management section of this Report (p.9).

General Standard Disclosures	Description	Cross-reference
<u>ETHICS AND INTEGRITY</u>		
G4-56	Organisation's values, principles, standards and norms of behaviour	About BOC Hong Kong (Holdings) Limited (p.4); Caring for Employees (p.26)
G4-58	The internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity	Caring for Employees (p.27)

Special Standard Disclosures		
GRI G4	Description	Cross-reference
CATEGORY: ECONOMIC		
<u>ECONOMIC PERFORMANCE</u>		
G4-DMA	Disclosures on Management Approach	Business Development and Economic Contributions (p.13)
G4-EC1	Direct economic value generated and distributed	Business Development and Economic Contributions (p.13); CSR Performance Overview (p.45); 2016 Annual Report (p.117)
<u>INDIRECT ECONOMIC IMPACTS</u>		
G4-DMA	Disclosures on Management Approach	Business Development and Economic Contributions (p.13); CSR Performance Data Overview (p.46); Environmental Policy posted in our website
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Business Development and Economic Contributions (p.14)
CATEGORY: ENVIRONMENTAL		
<u>MATERIALS</u>		
G4-DMA	Disclosures on Management Approach	Environmental Protection (p.31); Environmental Policy posted in our website
G4-EN1	Materials used by weight or volume	CSR Performance Data Overview (p.46)

Special Standard Disclosures	Description	Cross-reference
<u>ENERGY</u>		
G4-DMA	Disclosures on Management Approach	Environmental Protection (p.32); Environmental Policy posted in our website
G4-EN3	Energy consumption within the organisation	CSR Performance Data Overview (p.46)
G4-EN5	Energy intensity	CSR Performance Data Overview (p.46)
G4-EN6	Reduction of energy consumption	CSR Performance Data Overview (p.46)
<u>WATER</u>		
G4-DMA	Disclosures on Management Approach	Environmental Protection (p.31); Environmental Policy posted in our website
G4-EN8	Total water withdrawal by source	CSR Performance Data Overview (p.46)
<u>EMISSIONS</u>		
G4-DMA	Disclosures on Management Approach	Environmental Protection (p.31)
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	CSR Performance Data Overview (p.46)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	CSR Performance Data Overview (p.46)
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	CSR Performance Data Overview (p.46)
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Environmental Protection (p.31)
<u>WASTE</u>		
G4-DMA	Disclosures on Management Approach	Environmental Protections (p.33) Environmental Policy posted in our website
G4-EN23	Total weight of waste by type and disposal method	Taking into account the public's rising concern over municipal solid waste, as well as the Government's plan on implementing the waste charging scheme, we are dedicated to enhancing our relevant measures and disclosures.

Special Standard Disclosures	Description	Cross-reference
<u>PRODUCTS AND SERVICES WITH ENVIRONMENTAL FACTORS</u>		
G4-DMA	Disclosures on Management Approach	Environmental Protection (p.33); Environmental Policy posted in our website
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Environmental Protection (p.33)
<u>OVERALL ENVIRONMENTAL SITUATION</u>		
G4-DMA	Disclosures on Management Approach	Environmental Protection (p.34); Environmental Policy posted in our website
G4-EN31	Total environmental protection expenditures and investments by type	Environmental Protection (p.34) As stated in our Environmental Policy, we are committed to integrating the concept of environmental protection into daily business operation. We take actions to invest in and support environmental projects when conducting business.
CATEGORY: SOCIAL		
<u>LABOUR PRACTICES AND DECENT WORK</u>		
<u>EMPLOYMENT</u>		
G4-DMA	Disclosures on Management Approach	Caring for Employees (p.24)
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	CSR Performance Data Overview (p.44)
G4-LA3	Return to work and retention rates after parental leave, by gender	CSR Performance Data Overview (p.44)
<u>LABOUR/MANAGEMENT RELATIONS</u>		
G4-DMA	Disclosures on Management Approach	Caring for Employees (p.24)
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Caring for Employees (p.27)

Special Standard Disclosures	Description	Cross-reference
<u>OCCUPATIONAL HEALTH AND SAFETY</u>		
G4-DMA	Disclosures on Management Approach	Caring for Employees (p.26)
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	CSR Performance Data Overview (p.45)
<u>EMPLOYEE TRAINING AND EDUCATION</u>		
G4-DMA	Disclosures on Management Approach	Caring for Employees (p.26)
G4-LA9	Average hours of training per year per employee by gender, and by employee category	CSR Performance Data Overview (p.45)
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Caring for Employees (p.25)
<u>DIVERSITY AND EQUAL OPPORTUNITY</u>		
G4-DMA	Disclosures on Management Approach	Caring for Employees (p.26)
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Caring for Employees (p.26); CSR Performance Data Overview (p.43)
<u>GRIEVANCE MECHANISM FOR STAFF</u>		
G4-DMA	Disclosures on Management Approach	Caring for Employees (p.27)
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	When staff complaints are received, Human Resources Department and relevant business units are tasked to investigate the complaints. The number of complaints is not disclosed in this Report.

Special Standard Disclosures	Description	Cross-reference
<u>HUMAN RIGHTS</u>		
<u>NON-DISCRIMINATION</u>		
G4-DMA	Disclosures on Management Approach	Caring for Employees (p.26)
G4-HR3	Total number of incidents of discrimination and corrective actions taken	CSR Performance Data Overview (p.46)
<u>SECURITY PRACTICES</u>		
G4-DMA	Disclosures on Management Approach	We have ensured that the outsourced security personnel have attended ethics courses provided by their employers.
G4-HR7	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations	The Group has a designated unit to standardise the management of internal security personnel in accordance to the "operation management and procedures" developed by the Group. Every year, all security personnel attend several training events relevant to the Security Code of Conduct in accordance with the above procedures, including training on the execution of the code of ethics and conduct in their daily work. Regarding the outsourcing of security personnel, the specified unit within the Group hired security companies qualified by the Government in accordance with the management practices from regulatory bodies. Meanwhile, the security companies employed by the Group also undertake outsourced security work from other major industries. The Group regularly monitors whether it is in compliance with the regulatory requirement.

Special Standard Disclosures	Description	Cross-reference
<u>SOCIETY</u>		
<u>CONTRIBUTION TO LOCAL COMMUNITIES</u>		
G4-DMA	Disclosures on Management Approach	Contributions to the Community (p.35)
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Contributions to the Community (p.35)
G4-FS13	Access points in low-populated or economically disadvantaged areas by type	Business Development and Economic Contributions (p.16)
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	Business Development and Economic Contributions (p.20)
<u>ANTI-CORRUPTION</u>		
G4-DMA	Disclosures on Management Approach	Caring for Employees (p.26)
G4-SO4	Communication and training on anti-corruption policies and procedures	Caring for Employees (p.26)
G4-SO5	Confirmed incidents of corruption and actions taken	CSR Performance Data Overview (p.46)
<u>PRODUCT RESPONSIBILITY</u>		
<u>PRODUCT AND SERVICE LABELING</u>		
G4-DMA	Disclosures on Management Approach	Business Development and Economic Contributions (p.22)
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Business Development and Economic Contributions (p.22)
G4-FS16	Initiatives to enhance financial literacy by type of beneficiary	Business Development and Economic Contributions (p.20)

Special Standard Disclosures	Description	Cross-reference
<u>MARKETING COMMUNICATIONS</u>		
G4-DMA	Disclosures on Management Approach	Business Development and Economic Contributions (p.13)
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	No such incident that led to fines or warning was recorded during the year.
<u>CUSTOMER PRIVACY</u>		
G4-DMA	Disclosures on Management Approach	Business Development and Economic Contributions (p.22)
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	The number of complaints has dropped compared to the previous year.
<u>COMPLIANCE (PRODUCT AND SERVICES)</u>		
G4-DMA	Disclosures on Management Approach	Business Development and Economic Contributions (p.13)
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	During the year, the Group did not breach any laws or regulations concerning the provision and use of products and services that led to significant fines.

13. HKEx ESG Reporting Guide Content Index

In order to select important issues to report on, we evaluated the importance of the following issues to stakeholders according to the “Materiality” reporting principle stipulated in the ESG Guide. For further details of the evaluation process, please refer to the section “Corporate Social Responsibility Management” of this Report.

Item	Description	Cross-reference
Subject Area A – Environment		
Aspect A1: Emission		
General Disclosure		Environmental Protection (p.31)
A1.1	Types of emissions and respective emissions data	The Group is a financial services organisation and does not generate significant amount of air emissions.
A1.2	Greenhouse gas emissions in total (and intensity, if applicable)	CSR Performance Data Overview (p.46)
A1.3	Total hazardous waste produced (and intensity, if applicable)	Currently no data is disclosed in this Report. However, we have disclosed the amount of our hazardous waste recycled in our Environmental Protection – Supportive Environmental Protection section (p.36) instead.
A1.4	Total non-hazardous waste produced (and intensity, if applicable)	Currently no data is disclosed in this Report. Taking into account the public's rising concern over municipal solid waste, as well as the Government's plan on implementing the waste charging scheme, we are dedicated to enhancing our relevant measures and disclosures.
A1.5	Measures to mitigate emissions and results achieved	Environmental Protection (p.31); CSR Performance Data Overview (p.46)
A1.6	How hazardous and non-hazardous wastes are handled, reduction initiatives and results are achieved	Environmental Protection (p.31)

Item	Description	Cross-reference
Aspect A2: Use of Resources		
General Disclosure		Environmental Protection (p.31)
A2.1	Direct and/or indirect total energy consumption and intensity by type	CSR Performance Data Overview (p.46)
A2.2	Water consumption in total and intensity	CSR Performance Data Overview (p.46)
A2.3	Description of energy use efficiency initiatives and results achieved	Environmental Protection (p.33); CSR Performance Data Overview (p46)
A2.4	Issues in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Environmental Protection (p.31); Water used in ourHong Kong Office is provided by the Water Supplies Department in Hong Kong. No major issue concerning sourcing water has been encountered.
A2.5	Total packaging material used for finished products (with reference to per unit produced, if applicable)	The Group is a financial services institution and does not require massive consumption in packaging.
Aspect A3: The Environment and Natural Resources		
General Disclosure		Environmental Protection (p.33)
A3.1	Significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environmental Protection (p.33)

Item	Description	Cross-reference
Subject Area B – Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure		Caring for Employees (p.24)
B1.1	Total workforce (breakdown by gender, employment type, age group and geographical region)	CSR Performance Data Overview (p.43)
B1.2	Employee turnover rate (breakdown by gender, age group and geographical region)	CSR Performance Data Overview (p.44)
Aspect B2: Health and Safety		
General Disclosure		Caring for Employees (p.26)
B2.1	Number and rate of work-related fatalities	CSR Performance Data Overview (p.45)
B2.2	Lost days due to work injuries	CSR Performance Data Overview (p.45)
B2.3	Occupational health and safety measures adopted	Caring for Employees (p.26)
Aspect B3: Development and Training		
General Disclosure		Caring for Employees (p.25)
B3.1	The percentage of employees trained by gender and employee category	CSR Performance Data Overview (p.45)
B3.2	The average training hours completed per employee by gender and employee category	CSR Performance Data Overview (p.45)
Aspect B4: Labour Standards		
General Disclosure		Caring for Employees (p.24)
B4.1	Measures to review employment practices to avoid child and forced labour	Caring for Employees (p.24)
B4.2	Steps taken to eliminate such practices when discovered	Caring for Employees (p.27)

Item	Description	Cross-reference
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure		Supply Chain Management (p.41)
B5.1	Number of suppliers by geographical region	Determined as a less important aspect in the materiality assessment.
B5.2	Description of practices related to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Supply Chain Management (p.42)
Aspect B6: Product Responsibility		
General Disclosure		Business Development and Economic Contributions (p.22)
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	The Group is a financial services institution and does not have any significant safety and health risks from providing products and services to customers.
B6.2	Number of products and service related complaints received and how they are dealt with	Complaints received by the Group will be recorded by a responsible unit. Investigation will then begin based on our internal complaint management procedures. The Group will then respond to the complaining customer regarding the investigation findings. Our internal complaint management procedures are established in accordance with the IC-4 Complaint Handling Procedures in the Supervisory Policy Manual of the HKMA, and the Code of Banking Practice issued by the Hong Kong Association of Banks and the DTC Association.
B6.3	Description of practices relating to maintaining and protecting intellectual property rights	The Group strictly follows relevant laws, regulations and rules of intellectual property rights set out by the Government and related regulatory bodies in daily operation. The Group provides legal advice and conducts daily monitoring via internal legal and marketing departments.

Item	Description	Cross-reference
B6.4	Description of quality assurance process and recall procedures	The Group is a financial services institution and does not need to develop quality assurance process and product recall procedures.
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Business Development and Economic Contributions (p.22)
Aspect B7: Anti-corruption		
General Disclosure		Business Development and Economic Contributions (p.22); Caring for Employees (p.26)
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	CSR Performance Data Overview (p.46)
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Business Development and Economic Contributions (p.23); Caring for Employees (p.26)
Community		
Aspect B8: Community Investment		
General Disclosure		Contributions to the Community (p.35)
B8.1	Focus areas of contribution	Contributions to the Community (p.35)
B8.2	Resources contributed to the focus area	Contributions to the Community (p.35)