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1. About this Report

Reporting Boundary
This Report gives an overview of the sustainability performance of BOC Hong Kong (Holdings) Limited ("the Company") and its subsidiaries ("the Group"), including its principal operating subsidiary Bank of China (Hong Kong) Limited ("BOCHK"), during 2021. It covers the Group's sustainability strategy and governance, communication with stakeholders, material issues, TCFD progress, risk management and compliance culture, sustainable finance, green operations, financial inclusion, employee care initiatives and philanthropic activities, etc.

To fully understand the Group’s sustainability concepts, measures and performance, we recommend that this Report should be read in conjunction with the Group’s Annual Report 2021, the Sustainability section of its website, and sustainability-related policies provided on its website.

Unless otherwise stated, the information and data contained in this Report cover the period from 1 January to 31 December 2021.

Preparation of the Report
We are committed to continually enhancing the quality of our disclosure. This Report has been prepared in accordance with

- Global Reporting Initiatives ("GRI") Standards: Core Option
- The Environmental, Social and Governance Reporting Guide (Main Board Listing Rules Appendix 27) ("ESG Guide") issued by the Hong Kong Exchanges and Clearing Limited ("HKEX")
- The Task Force on Climate-related Financial Disclosures ("TCFD") recommendations

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

- The Sustainability Accounting Standards Board ("SASB") Standards,
- The United Nations Sustainable Development Goals ("SDGs"),
- ISO 26000: 2010 Guidance on Social Responsibility

Section 13 of this Report outlines the Group’s data related to sustainability performance and provides a content index. The calculation methods for the data used in this Report are stated where appropriate.

The content and data contained in this Report were collected by the Corporate Social Responsibility Office in conjunction with various departments. The Report has been prepared after seeking professional advice.

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

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

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

Corporate Social Responsibility Office
esg@bochk.com

Investor Relations Division
investor_relations@bochk.com

1 102-50
2 102-54
3 102-48
4 102-32
5 102-53
BOC Hong Kong (Holdings) Limited ("the Company") is one of the largest and major listed companies and commercial banking groups in Hong Kong, holding the entire equity interest of Bank of China (Hong Kong) Limited ("BOCHK"), its principal operating subsidiary. Bank of China ("BOC") established its foothold in Hong Kong in September 1917. Following the restructuring of the businesses of Bank of China Group's member banks in Hong Kong, the Company was incorporated in Hong Kong on 12 September 2001, and has been listed on the Main Board of the Stock Exchange of Hong Kong since 25 July 2002, with stock code “2388” and ADR OTC Symbol “BHKLY”. BOC holds approximately 66.06% of the equity interest of the Company through BOC Hong Kong (BVI) Limited, an indirect wholly-owned subsidiary of BOC.

BOCHK is committed to pursuing its strategic goal to “Build a First-class Regional Banking Group” and promoting sustainable and high-quality development. Capitalising on its advantages as a major commercial banking group in Hong Kong, BOCHK continues to increase local market penetration, captures business opportunities in the Greater Bay Area and actively expands its business development in Southeast Asia. We strive to provide customers with comprehensive, professional and high-quality services. Entering a new era of smart banking, we endeavour to become a customer-centric digital bank by enhancing customer experience with innovative technology and offering intelligent products and services.

As one of the three note-issuing banks and the sole clearing bank for Renminbi ("RMB") business in Hong Kong, BOCHK has strong market positions in all major businesses. Our strong RMB franchise has made us the first choice for customers in RMB business. We have the most extensive branch network and diverse service platforms in Hong Kong, as well as efficient e-channels such as Internet and Mobile Banking services. We offer a comprehensive range of financial, investment and wealth management services to personal, corporate and institutional customers.

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

As a leading commercial and internationalised regional bank with deep roots in Hong Kong for over 100 years, BOCHK upholds its mission of “Bridge China and the World for the Common Good”. We are committed to undertaking our corporate social responsibilities, promoting long-term and balanced sustainable development, and delivering greater value for our stakeholders and the community.
About BOC Hong Kong (Holdings) Limited

Our Vision, Mission and Values

**Vision**
Build a first-class global banking group

**Mission**
Bridge China and the world for the common good

**Values**
Provide excellent service
Innovate with prudence
Uphold openness and inclusiveness
Collaborate for mutual growth

**BOCHK’s Strategic Goal:**
Build a first-class regional banking group
3. Message from the Chairman

In 2021, the global economy and international environment remained unstable amid the continued impact of the COVID-19 pandemic. Despite unprecedented challenges, worldwide progress towards sustainable development did not lose momentum. As China published its goals for “carbon peak and carbon neutrality”, China and the United States signed the Declaration on Enhancing Climate Action and the EU launched carbon tariffs, making it clear to all that green and low-carbon transition has become mainstream of global economic and social development. As the nation’s 14th Five-Year Plan commenced, Bank of China introduced its mission of “Bridge China and the World for the Common Good” and outlined its vision of “Build a First-class Global Banking Group”. By strongly supporting green industries across the globe, BOC continued to implement the nation’s green development strategies for facilitating biodiversity conservation, achieving “carbon peak and carbon neutrality,” and realising the goals of The Paris Agreement as quickly as possible. Taking sustainable and high-quality development as the core concept of its five-year plan, BOCHK enhanced its banking business development and operational management in all aspects, achieving good results. MSCI ESG Research awarded BOCHK its highest “AAA” rating for the first time, placing it among the top 3% of the constituent banks in the 2021 All Country World Index (ACWI), ahead of its Hong Kong peers.
Strengthening governance and fully implementing the concept of sustainable development. BOCHK was among the first listed banks in Hong Kong to define the sustainable development responsibilities of its Board of Directors and management, as well as establishing specific committees. Since this three-tier governance structure was established at the end of 2019, the Board, management and cross-departmental working group have all assumed their respective duties with the aim of incorporating sustainability concepts into our governance structures. We have formulated the 2021-2025 Sustainability Plan of BOCHK Group and studied on integrating climate risk into our comprehensive risk management framework. We enhanced international exchange and cooperation, became a signatory of the Task Force on Climate-related Financial Disclosures (TCFD), and actively disclosed climate-related information. In 2021, our parent bank BOC also became a signatory of the Principles for Responsible Banking of the United Nations and a member of the UN Environment Program Finance Initiative (UNEP FI).

Generating green finance business opportunities through innovations and transformation. To meet the needs of the thriving green finance market, we are committed to becoming a pioneer in the local green finance market and provided diverse green finance options for all sectors of society. During the year, we developed several innovative green finance products, such as Hong Kong’s first green mortgage plan and first ESG multi-asset retail fund with RMB share class, etc. We believe that such product and service innovation would allow the gradual transformation of traditional business models towards low-carbon development. We strongly advocated green operations and low-carbon lifestyles, set five-year goals and working plans for emission reduction, proactively practised “green office“ measures such as saving water and reducing energy and resource consumption, etc., and promoted ESG concepts among our employees.

Combatting the COVID-19 pandemic with concerted efforts. Since the outbreak of the pandemic, BOCHK has spearheaded an array of anti-pandemic financial support initiatives to help local SMEs and residents respond to challenges. Faced with a fifth wave of the pandemic at the end of 2021, we strengthened our efforts by launching six financial support initiatives, including supplying credit resources of HKD50 billion. We also coordinated and supported various financial relief initiatives and economic development programmes launched by the HKSAR Government to help all sectors and industries in Hong Kong to overcome challenges, in order to help facilitate economic recovery. BOCHK’s Southeast Asian entities also rolled out various relief measures based on local conditions to ride out the hardships of the pandemic alongside local communities.

Capitalising on our strengths to actively contribute to the nation’s overall development. Tremendous opportunities have arisen from the ongoing development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the implementation of related reforms and innovations for promoting complementary advantages and regional cooperation. During the year, BOCHK became one of the first batch banks in Hong Kong to launch “Cross-Boundary Wealth Management Connect”. With continuous enhancement of its “GBA Account Opening” service and “GBA Loan” cross-border mortgage service, BOCHK caters to the needs of people both in the GBA and Hong Kong for cross-border account opening, foreign currency exchange, remittance and wealth management, building a new channel for GBA residents to conveniently manage their wealth. In addition, we actively responded to the Belt and Road initiative and continually promoted regional development. During the year, we established the Yangon Branch in Myanmar and set up the Hanoi Representative Office in Vietnam. With our services now covering nine Southeast Asian countries, we further leveraged the advantages of our global operations and provided professional comprehensive financial services to customers in the Belt and Road regions.
Deepening digital transformation with technology. With technology deployment accelerating in the post-pandemic era, banking service channels have become more intelligent and mobile. BOCHK is committed to pushing forward our business development through technologies that drive digital transformation and provide a better customer experience. During the year, the daily average mobile banking transactions doubled, the number of BoC Pay users exceeded one million, and the intelligent Global Transaction Banking (iGTB) platform was further upgraded. As such, members of the public continued to enjoy all-round banking services despite the pandemic. Our outstanding performance in digital transformation was recognised with the “Hong Kong’s Best Digital Bank 2021” award from Asiamoney.

Joining hands together to serve the community and care for grassroots. BOCHK has long been engaged in charitable activities, with cumulative donations standing at over HKD1.4 billion. In 2021, we carried out over 70 charity projects related to poverty alleviation, youth development, environmental protection and carbon reduction, sporting activities and the arts, with beneficiaries participating in more than three million occasions. Over 8,200 BOCHK volunteers attended more than 90 diverse community-based volunteer activities and recorded more than 17,000 service hours throughout the year, demonstrating our active devotion to volunteering. During the year, we won the “Corporate Award” of the Hong Kong Volunteer Award (HKVA) organised by the Agency for Volunteer Service.

The year 2022 marks the 25th anniversary of Hong Kong’s return to the motherland, the 110th anniversary of BOC’s founding, and the 105th year of continuous service in Hong Kong. We will strive to “Bridge China and the World for the Common Good”, cultivate our deep roots in Hong Kong and serve the city and put into practice our core values to “Provide Excellent Service; Innovate with Prudence; Uphold Openness and Inclusiveness; Collaborate for Mutual Growth”. With all these in mind, we will take the initiative and embrace creativity to drive high-quality sustainable development in order to become the preferred bank for green finance in Hong Kong. We wish to join hands with all sectors in Hong Kong to firmly pursue green development, address climate change, build a community for all life on earth, protect our living environment and move towards a better future together.

LIU Liange
Chairman
Hong Kong, 29 March 2022
The COVID-19 pandemic persisted throughout 2021, causing unfavourable economic consequences for countries across the world. The global economy faltered, the pace of recovery was slow and the global outlook was clouded by uncertainties, creating considerable challenges for financial markets and the operating environment for banks. Following the plans and decisions of our parent bank BOC and the Board of Directors, BOCHK formulated and implemented our five-year plan and continued to deepen our commitment to the local market while growing our business in Southeast Asia and the Greater Bay Area. The Group played an active role in accelerating regional business development, digitalisation and service integration. Strictly adhering to our robust risk principles while proactively capturing market opportunities, we outperformed the market in terms of the Group’s major businesses and made a strong start in the implementation of our five-year plan. In 2021, we were again awarded “Strongest Bank in Asia Pacific and Hong Kong” by The Asian Banker and again named “Bank of the Year in Hong Kong” by The Banker. BOCHK embraces the core values to “Provide Excellent Service; Innovate with Prudence; Uphold Openness and Inclusiveness; Collaborate for Mutual Growth”, incorporates the concept of sustainability into our corporate governance, products and services, risk management, information disclosure, corporate culture and daily operations, and actively promotes the development of green finance businesses. With all these, we strive to become a leading bank for sustainable development.
Strengthening corporate governance and implementing a sustainable development roadmap. The Group has well in place Board-level Sustainability Committee and a well-designed and vigorous three-tier governance structure for sustainable development. We formulated the BOCHK 2021-2025 Sustainability Plan, with four major strategies of promoting customers’ low-carbon transition, cultivating regional green finance, reinforcing social harmony and solidarity, and implementing efficient and transparent management, coupled with over 30 action plans. All of these are aligned with the green finance aspects of our parent bank BOC in responding to the 14th Five-Year Plan and serve as a comprehensive and systematic blueprint for the next stage of our sustainability development. Through a series of internal monitoring and control systems, we ensured the smooth rollout of all plans during the year.

Developing innovative products and services to become strong partners with our customers for green and low-carbon transition. We actively captured development opportunities in green finance in response to market trends and our customers’ low-carbon transition needs. Having developed and innovated our products and services, we successfully scaled up our green finance businesses and became a local market pioneer in various fields. Building on the launch of our green deposits at the end of 2020, we became the first retail bank in Hong Kong to provide RMB personal green time deposits in 2021. We launched Hong Kong’s first ESG multi-asset fund with RMB share class, and our “sustainable and smart living” themed green RMB bond was well-received by the market. We joined hands with Sino Group to introduce Hong Kong’s first-ever green mortgage plan; became the first bank to collaborate with the HKQAA in its new online “Green Loan e-Assessment” platform, and launched the “SME Green Financing Incentive Scheme”. We acted as a green advisor for multiple projects to help customers access the financial support they need to achieve low-carbon transition. We also continued to provide a range of green and sustainable financial products and services, including sustainability-linked loans, green loans and green deposits, to support the low-carbon transition of the real economy. By the end of 2021, the balance of the Group’s green and sustainability-linked loans had increased by 3.1 times compared to the prior year-end; the number of ESG-related bonds successfully underwritten had increased by around 1.7 times compared to that of 2020, and the balance of green deposits had risen by 3.5 times compared to the end of 2020. All of this served to accelerate the growth of our sustainable finance businesses throughout the year.

Taking a forward-looking approach to integrate environmental and climate risks into risk management mechanism. We carried out forward-looking climate risk management using a toolkit that includes climate risk identification and quantitative assessment, as well as other practical measures. Climate and environmental risks were integrated into our risk management system and fully embedded into our business procedures. During the year, we were invited to participate in the HKMA’s first pilot project on climate risk stress testing (CRST), becoming one of the first banks to conduct a CRST. Furthermore, we established a reporting mechanism on climate and environmental risks and duly submitted our CRST test results to the HKMA. Meanwhile, we designed a customer due diligence questionnaire on climate risk, which will be progressively rolled out in the Group’s Southeast Asian entities so as to lay a solid foundation for enhancing credit assessment procedures and climate risk pricing in the future. Becoming a TCFD signatory has further demonstrated our determination and commitment to gradually improve our levels of climate-related financial disclosure. Strictly adhering to related principles regarding responsible banking operations, we strived to invest with responsibility and integrity while making contributions to tell a good China’s financial story and share Chinese financial wisdom on the international stage.
Advocating green and low carbon concept and implementing our carbon neutrality goals and plans. We formulated the carbon neutrality goals and plans in October 2021 as a solid foundation for accelerating green and carbon reduction for our own operations. With focus on achieving the carbon neutrality goal, we continued to promote low carbon and efficient operations. Our paper consumption, electricity usage, water consumption, carbon emission and waste disposal reduced significantly from 2019. We also successfully launched multiple activities to advocate the concept of sustainable development, including ESG promotion and training, a month-long “Go ESG” campaign, themed workshops and online training.

Riding on our financial strength to fight against the pandemic. Since the COVID-19 outbreak, BOCHK has actively supported all sectors of society to fight against the pandemic. We launched a series of financial relief initiatives including a special loan scheme to support SMEs impacted by the pandemic, and worked with HKMC Insurance Limited to offer the Special 100% Loan Guarantee Scheme under the SME Financing Guarantee Scheme. As the main founding member and participating bank of the “Banking Sector SME Lending Coordination Mechanism”, we gave full support to the HKMA’s Pre-approved Principal Payment Holiday Scheme. We also backed the HKSAR Government’s Special 100% Personal Loan Guarantee Scheme, offered mortgage principal moratorium measures to provide timely relief to our individual customers. We actively provided services regarding the anti-pandemic relief measures introduced by the SAR Government, benefiting people from all walks of life. When the fifth wave of the pandemic spread across Hong Kong, we further upgraded our financial support initiatives and launched six major relief measures. We allocated HKD50 billion of credit resources to ease local SMEs’ financial pressures and continued to participate in various relief schemes launched by the HKSAR Government and the HKMA, offering service fee waivers and reductions as well as other favourable rates to assist different industries and communities in navigating the difficult times. In this way, we strived to provide our corporate and personal customers with enhanced financial relief measures while actively cooperating with the HKSAR Government in the fight against the pandemic. In addition, we continued to strengthen our own pandemic contingency planning to ensure the health and safety of our employees and to safeguard our continued business operations.

Caring for the grassroots and serving the community. We have always actively participated in various charitable activities and have long worked with the BOCHK Charitable Foundation to engage in a range of charitable projects, donating more than HKD1.4 billion in total over the years. In 2021, we organised over 70 charitable projects, covering the areas of poverty alleviation, youth development, environment protection and carbon reduction, sporting activities and the arts, etc., with beneficiaries participating in more than three million occasions. Through the efforts of our BOCHK volunteer teams, we served the community and shouldered our social responsibilities. In 2021, more than 8,200 employees engaged in volunteer activities, a 55% increase compared to last year. We also organised over 90 volunteer projects benefitting the elderly, families from grassroots communities, children and young people. More than 17,000 volunteer service hours were recorded, up 41% compared to 2020. We also ran a special “BOCHK Volunteer Day” to promote a volunteering culture and advocate the “Everyone Can Volunteer” concept across the Group, with 25 volunteer projects carried out by over 4,000 participants from all departments, including me and all management members, and employees of our Southeast Asian entities. We were conferred the “Corporate Award” of the Hong Kong Volunteer Award organised by the Agency for Volunteer Service for the first time. We were also recognised by the Social Welfare Department with the “Award of 10,000 Hours for Volunteer Service” and the “Gold Award for Volunteer Service (Organization)” for the 11th consecutive year.
Enhancing our influence and strengthening our leading bank status in sustainable development. We actively support the green finance initiatives introduced by regulatory authorities including the HKMA and HKEX. We are one of the Cornerstone Members of the HKMA-IFC Alliance for Green Commercial Banks and participated in writing of HKEX’s first book on green and sustainable finance. We also co-chaired the Green and Sustainable Finance Working Group of the Hong Kong Green Finance Association, and actively joined various international forums such as the Asian Financial Forum and the HKIB Banking Conference, to convey our message in the field of green finance.

Thanks to the concerted efforts of the whole Group, our work in sustainable development has gained much public recognition and support. Having previously been rated “AA” by MSCI ESG Research for five consecutive years, the Group received the highest “AAA” rating for the first time in 2021, placing it among the top 3% of the 189 constituent banks of the All Country World Index (ACWI). We have also been a constituent stock of the Hang Seng Corporate Sustainability Index Series for 12 consecutive years. In 2021, we ranked first among the banking sector in the HKBSI’s 6th “Hong Kong Business Sustainability Index”, the HKBSI’s 2nd “Greater Bay Area Business Sustainability Index” and the HKBSI’s first “Greater China Business Sustainability Index”, as well as being named as an “Exemplar”. Other awards received in 2021 included the “ESG Excellence Award” at the Hong Kong Corporate Governance and ESG Excellence Awards 2021 organised by the Chamber of Hong Kong Listed Companies, the “Gold Award (Servicing and Trading)” at the Hong Kong Awards for Environmental Excellence organised by the Environmental Campaign Committee; and the “Outstanding Award for Green and Sustainable Loan Facilitator (Greater Bay Area Enterprises)” and “Outstanding Award for Green and Sustainable Bond Lead Manager (Financial Investment Industry)” at the Hong Kong Green and Sustainable Finance Awards 2021 organised by the HKQAA.

The year 2022 marks the 110th anniversary of Bank of China and the 105th year of our operations in Hong Kong. The Group will continue the strategic deployment set by our parent bank and the Board of Directors and seize development opportunities arising from both our motherland and Hong Kong. We will deepen our commitment to high-quality sustainable development and a green and low-carbon transition. Furthermore, we will continue to create value for our shareholders, investors and society, and together create an even brighter tomorrow.

SUN Yu
Vice Chairman & Chief Executive
Hong Kong, 29 March 2022
5. Business Performance

2021 Financial Highlights\(^{10}\)

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<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(For the Year)</td>
<td>HK$m</td>
<td>HK$m</td>
<td>%</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>24,999</td>
<td>28,468</td>
<td>-12.2</td>
</tr>
<tr>
<td>Profit attributable to equity holders of the Company</td>
<td>22,970</td>
<td>26,487</td>
<td>-13.3</td>
</tr>
<tr>
<td>Basic earnings per share (HK$)</td>
<td>2.1726</td>
<td>2.5052</td>
<td>-13.3</td>
</tr>
<tr>
<td>Return on average total assets (%)</td>
<td>0.70</td>
<td>0.86</td>
<td>-0.16pp</td>
</tr>
<tr>
<td>Return on average shareholders' equity (%)</td>
<td>7.67</td>
<td>9.05</td>
<td>-1.38pp</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(At year-end)</td>
<td>HK$m</td>
<td>HK$m</td>
<td>%</td>
</tr>
<tr>
<td>Total assets</td>
<td>3,639,430</td>
<td>3,320,981</td>
<td>+9.6</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>2,331,155</td>
<td>2,183,709</td>
<td>+6.8</td>
</tr>
</tbody>
</table>

Serving the real economy\(^{11}\)

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

Deeply cultivating the Hong Kong market

In line with our customer-centric approach, we continued to deeply cultivate the local market, strengthened our services for personal and corporate customers in Hong Kong, and actively responded to the HKSAR Government’s various relief initiatives to help SMEs and individuals to overcome their difficulties. As such, our business development helped to enhance Hong Kong’s status as an international financial centre and promote prosperity in the places where we operate.

For details, please refer to the “Practising Financial Inclusion” section.

\(^{10}\) 201-1
\(^{11}\) 203-1, 203-2, B8.1
Supportive measures for anti-pandemic financial initiatives

Since the outbreak of COVID-19, we have launched an array of anti-pandemic financial support initiatives to help Hong Kong SMEs and residents overcome challenges and relieve pressures on operations and capital turnover. Faced with a new wave of the pandemic from late 2021 to early 2022, we have further strengthened our financial services support, including the following key measures.

- Providing HKD50 billion of credit loans to support local SMEs;
- Continuing to participate in the various support programmes of the HKSAR Government and the HKMA;
- Offering fee waiver and cash rebates to reduce SMEs’ operating costs;
- Ensuring reliable and convenient online financial services to facilitate SMEs’ business operations; and
- Helping individual customers relieve financial pressures through a variety of online financial services.

For details, please visit the [BOCHK website](#).
Actively supporting the Belt and Road initiative and financial development in Southeast Asia

Actively responding to the Belt and Road initiative, the Group promoted regional integration and provided professional integrated financial services for customers in regions along the Belt and Road, thus leveraging its distinctive advantages to “Bridge China and the World”. In 2021, faced with the continuing pandemic in Southeast Asia, we implemented anti-pandemic measures, took action to prevent risks, and continued to provide safe and stable services for customers in the region.

During the year, we set up the Yangon Branch in Myanmar and the Hanoi Representative Office in Vietnam, further expanding our business network in the region and extending business coverage to nine Southeast Asian countries. As BOC’s Asia-Pacific syndicated loan centre, we proactively led and participated in regional syndicated loan projects in Southeast Asia, ranking high in various Southeast Asian markets. We also jointly introduced several green finance programmes with local customers. In addition, our iGTB Corporate Mobile Banking platform was introduced in Southeast Asia, providing diverse services for local corporate customers.

Malaysia
BOC Malaysia launched an e-KYC remote account opening service via mobile banking as well as the “Easy Banking eWB” mobile application, became the first bank in Malaysia to launch an online one-stop investment and wealth management service platform, and successfully handled the first local blockchain electronic bill of lading for letter of credit business.

Cambodia
Yangon Branch launched the “BOC Wealth Management” service and promoted mutual brand recognition and preferential offers within Hong Kong, Malaysia and Cambodia to assist local customers.

Brunei
A mobile banking service was launched to provide customers with online financial services.

The Philippines
Manila Branch cooperated with BancNet, a local ATM consortium in the Philippines, to launch PHP/RMB dual-currency debit card products.

Thailand
BOC Thailand won “Best Cross-Border Service Bank in Thailand in 2021”.

Indonesia
Jakarta Branch launched mobile banking services and once again placed first among foreign banks in the rankings of Indonesia’s bank operations.

The Asian Banker
“Strongest Bank in Asia Pacific and Hong Kong”
Jointly promoting the development of the Guangdong-Hong Kong-Macao Greater Bay Area

During the year, the central government promulgated the Master Plan of the Development of the Guangdong-Macao Intensive Cooperation Zone in Hengqin and the Plan for Comprehensive Deepening Reform and Opening Up of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, while the HKSAR Government announced the Northern Metropolis Development Strategy. These plans will bring new development opportunities to Hong Kong by advancing multiple reforms, innovations and further opening up, and promoting regional cooperation and synergistic advantages. We continued to improve our cross-border financial services to meet demands from customers in the region:

- We completed several blockchain trade and financing transactions with large enterprises and SMEs through the eTradeConnect platform. The eTradeConnect platform is now connected to the PBC Trade Finance Platform ("PBCTFP"), providing more convenient trade and finance services for importers and exporters from the Chinese mainland and Hong Kong.

- We were among the first batch of local banks to provide Cross-boundary Wealth Management Connect services to meet demand from the Chinese mainland and Hong Kong for cross-border foreign currency exchange, remittance and wealth management, etc., and to provide a convenient channel for cross-border wealth management to residents in the GBA.

- We comprehensively improved our “GBA Loan” mortgage service, providing a suite of professional financial services including mortgage, property mortgage and personal loans for Hong Kong residents who plan to run businesses and live in the GBA.

- We helped young people from Hong Kong adapt to daily life, education, employment and entrepreneurship opportunities in the GBA by launching the “GBA Youth Card” in cooperation with the Greater Bay Area Homeland Youth Community Foundation, and youth federations from Guangdong, Hong Kong and Macao.

- We were the first bank in Hong Kong to cooperate in the provision of the “Bay Area Social Security Service”, offering convenient collection services to help Hong Kong residents who live, work or study in Shenzhen to participate in the local social insurance scheme.

- We continued to improve our “GBA Account Opening” service by optimising its digital channels and making daily livelihood purchases more convenient, to help Hong Kong residents adapt to life in the GBA.

Asiamoney
“Best Chinese Bank for the Greater Bay Area”
Strengthening Hong Kong’s position as an offshore RMB hub

BOCHK is the largest and most important RMB clearing bank in the offshore RMB market, providing RMB clearing services to over 200 local and overseas participating banks. Our RMB Real Time Gross Settlement System (“RMB RTGS”) has the longest operating hours, processes the largest transaction value, and deploys the most advanced technology in the offshore RMB markets. During the year, we further increased overall payment and clearing efficiency to ensure the stable and smooth operation of our RMB clearing services.

According to the Society for Worldwide Interbank Financial Telecommunication (“SWIFT”), the value of RMB processed in Hong Kong in 2021 accounted for approximately 75% of total offshore RMB transaction value, well ahead of the world’s other offshore markets. Hong Kong Interbank Clearing Limited (“HKICL”) also announced that the total transaction value processed via the Hong Kong RMB RTGS System in 2021 reached RMB357.7 trillion, representing year-on-year growth of 26.6%.

The Group continued to enhance its RMB business-related services to meet the needs of regional markets:

- **BOCHK became one of the first batch of designated market makers appointed by the Hong Kong Monetary Authority (“HKMA”) for Southbound trading under Bond Connect, continued to provide cross-border clearing services for the Central Money Markets Unit (CMU) of the HKMA, and acted as the clearing bank for RMB business in Hong Kong.** It also became a Direct Participant in the Cross-Border Interbank Payment System (“CIPS”), allowing it to provide high-quality clearing services to other participating banks.

- **Bank of China and BOCHK Jakarta Branch were designated as Appointed Cross Currency Dealers by the central banks of China and Indonesia respectively, thus serving as the designated banks for Local Currency Settlement services. Together, they completed multiple RMB/IDR direct quotation exchanges and remittance transactions.**

- **BOCHK launched the Hong Kong PBoC Bills Repo Market-making Mechanism, further increasing the trading activity and secondary market usage of PBoC bills in Hong Kong.**

- **The Manila Branch officially launched RMB clearing services, enabling customers to conduct two-way cross-border RMB remittance services. The Manila Branch and BOC Malaysia were appointed as Direct Participants in the Cross-Border Interbank Payment System (CIPS) and successively rolled out forward services with BOCHK Phnom Penh Branch.**

- **BOC Thailand and BOC Malaysia launched the FXall online transaction platform and completed the first RMB/local currency quotation transactions with major peers in the region.**
Facilitating regional economic cooperation and exchange
During the year, we actively promoted exchange and cooperation between governments, regulators and the industry with a view to consolidating Hong Kong's position as an international financial centre and offshore RMB hub. We organised, sponsored and participated in a series of events in 2021 to facilitate cross-border industry cooperation and development, including the “China International Import Expo”, the “Corporate Overseas Fund Management and RMB Business Forum” and the “Belt and Road Summit”.

For more details on our business performance in 2021, please refer to the 2021 Annual Report.
6. ESG Highlights 2021

Environmental

- Continued to expand the scale of green finance:
  - Green loans: +311%
  - Green deposits: +354%
  - ESG-related bond underwriting: +1.7 times

- Formulated the 2021-2025 Sustainability Plan and thoroughly advanced our ESG-related work through a top-down approach

- Introduced the ERP cloud-based accounting service for SMEs, benefiting ≈5,000 SMEs and became the first local bank to use commercial data throughout the entire loan approval process for SME customers

- Continued to expand the scale of green finance:
  - Green loans: +311%
  - Green deposits: +354%
  - ESG-related bond underwriting: +1.7 times

- Launched a number of pioneering green products in Hong Kong
  - Green mortgage plan
  - Green time deposit plan for personal customers
  - ESG Multi-Asset retail fund with RMB share class

- The Group’s ESG bond investment: +1.3 times compared with the end of last year

- Established 5 green operation goals

Social

- Introduced the ERP cloud-based accounting service for SMEs, benefiting ≈5,000 SMEs and became the first local bank to use commercial data throughout the entire loan approval process for SME customers

- Committed to employee care
  - Organised >30 seminars for management and employees

- Carried out extensive charitable activities
  - Sponsored >70 projects
  - Benefited >3 million people/participations
  - 8,200 employees joined volunteer teams
  - Organised over 90 volunteer activities with a total volunteer service of 17,000 hours

- Response rate of 88% for the annual employees’ opinion survey

Governance

- Formulated the 2021-2025 Sustainability Plan and thoroughly advanced our ESG-related work through a top-down approach

- Revised the Credit Risk Management Policy of BOCHK Group and actively coped with climate change

- Became a TCFD signatory and progressively enhanced related disclosures in accordance with the TCFD recommendations framework

- Included as a constituent stock of the “HSI Low Carbon Index”, “HSI ESG Enhanced Index” and “HSI ESG Enhanced Select Index”
We began our ESG journey more than a decade ago. Through step-by-step exploration, research, innovation and promotion, we continued to move forward and accumulate experience. Here are our key ESG initiatives since 2010:

2010

- Confirmed 2010 “Top Donor
- included as a constituent
- Published the first
- Set up the CSR Committee
  chartered by the Chief
  Executive and formulated
  the Corporate Social
  Responsibility Policy
  - Published the first
  standalone Corporate Social
  Responsibility Report
  - Included as a constituent
  stock of the Hang Seng
  Corporate Sustainability
  Index Series
  - Started an online staff
    engagement survey

2011

- Formulated the Environmental Policy and
  Supply Chain Code of Conduct
- Included as a constituent
  stock of the Hang Seng
  Corporate Sustainability
  Index Series
- Started an online staff
  engagement survey

2012

- Formulated the Information
  Disclosure Policy, Succession
  Policy for Directors, Board
  Diversity Policy and Policy
  on Managing Conflicts of
  Interest of Directors
- Incorporated environmental
  protection, social impact
  and corporate governance
  factors into credit risk
  assessment
- Introduced the first-ever
  voice-navigation ATM in
  Hong Kong

2013

- Formulated the Information
  Disclosure Policy, Succession
  Policy for Directors, Board
  Diversity Policy and Policy
  on Managing Conflicts of
  Interest of Directors
- Incorporated environmental
  protection, social impact
  and corporate governance
  factors into credit risk
  assessment
- Introduced the first-ever
  voice-navigation ATM in
  Hong Kong

2014

- Prepared our Corporate Social
  Responsibility Report with
  reference to the Environmental,
  Social and Governance
  Reporting Guide issued by the
  HKEx
- Launched our stakeholder
  engagement plan
- Issued the “Commemorative
  Banknote in Celebration of the
  Centenary of Bank of China”
  and donated all net proceeds to
  local charitable causes

2015

- Sponsored the “BOCHK
  Corporate Environmental
  Leadership Awards
  Programme” since 2015,
  which has continued to the
  present day, to encourage
  enterprises in Hong Kong
  and the Pan-Pearl River
  Delta region to practise
  environmental protection
  measures and minimise
  pollution and carbon
  emissions

2016

- Supported the Hong Kong
  Mortgage Corporation
  Limited’s SME Financing
  Guarantee Scheme and the
  Trade and Industry
  Department’s SME Loan
  Guarantee Scheme
- Rated “AA” by MSCI ESG
  Research LLC, a rating that
  was then maintained for five
  consecutive years since
  2016
- Supported the concept of
  financial inclusion
  advocated by the HKMA,
  launched a branch
  transformation programme,
  and enhanced SME services
- Signed and participated in
  the 4T partnership dialogue
  platform launched by the
  Environment Bureau of the
  HK SAR Government

2017

- Added “Message from
  the Chairman” to the
  Corporate Social
  Responsibility Report
- Issued the “Bank of China
  (Hong Kong) Centenary
  Commemorative
  Banknote” and donated
  all net proceeds to local
  charitable causes

2018

- Issued multi-currency
  green bonds, supporting
  Hong Kong’s role as an
  international green
  finance hub
- Supported the concept of
  financial inclusion
  advocated by the HKMA
  and enhanced SME services
- Participated in and
  supported the work of the
  Hong Kong Green Finance
  Association
- Named as “Best Bank for
  CSR in Hong Kong” by
  Asiamoney, a title we
  have retained for three
  consecutive years since
  2018

2019

- Established the Board-level Sustainability
  Committee
- Ranked in the top 10 of the Hong Kong
  Business Sustainability Index
- Sustainability report verified by an
  independent third party every year since
  2018
- Provided charitable organisations with the
  “E-Donate Platform” for handling
  donations

2020

- Conferred the “Top Donor
  Award” by The Community
  Chest of Hong Kong
- Pioneered five major
  initiatives
- Became the first bank
  to collaborate with the
  HKMA on the new online
  “Green Loan e-Assessment”
  platform, and introduced
  the “SME Green Financing
  Incentive Scheme”
- Pioneered five major
  financial relief schemes
  introduced employee
  care initiatives in response
  to the COVID-19 pandemic
- Conferred the “Top Donor
  of the Year Award” and
  “Benefactor of the Year
  Award” by The Community
  Chest of Hong Kong

2021

- Formulated the 5 years Sustainability
  Plan and carbon neutrality targets
- Launched a number of pioneering
  green products, continued to grow
  our green finance and ESG related
  investments
- Widely recognised by the market:
  MSCI ESG Research awarded BOCHK
  its highest “AAA” rating; granted “ESG
  Excellence Award” by the Chamber
  of Hong Kong Listed Companies,
  the “Gold Award (Servicing and
  Trading)” at the Hong Kong Awards
  for Environmental Excellence;
  “Corporate Award” of the
  Hong Kong Volunteer Award

2022

2022 marks the 110th
anniversary of Bank of China
and the 105th anniversary of
its service to Hong Kong. We
will uphold our mission of
“Bridge China and the World
for the Common Good” and
continue to enhance our
ESG measures to meet the
rising expectations of our
stakeholders.
Sustainable Development: driving forward a Better Society

Promoting Sustainable Development

Board-level Sustainability Committee comprises five Independent Non-executive Directors and the Executive Director and Chief Executive

Rigorous and effective three-tier sustainability governance structure for implementation of sustainability work

Adopted 18 material issues based on materiality assessment and stakeholder communication

Enhance transparency and facilitate multi-channel stakeholder communication

Formulated > 30 specific action plans to support the 2021-2025 Sustainability Plan

A constituent stock of 3 newly launched HSI ESG Indexes
Sustainability is a core long-term strategy at BOCHK and a management-level Corporate Social Responsibility Committee was set up in 2010. In 2019, to further advance our sustainability efforts, an enhanced and rigorous three-tier sustainability governance structure was established with the Sustainability Committee in Board level and the Sustainability Executive Committee in the management level. The Board, with the assistance of the Sustainability Committee, reviews and approves the Group’s sustainability strategies, goals, priorities and related initiatives, including environmental protection and climate-related work. The Board also monitors the Group’s sustainable development performance.

The Sustainability Committee (the “Committee”)

The Committee was established in December 2019. As of 31 December 2021, the Committee comprises six members including five independent non-executive directors and the Executive Director and Chief Executive. The Committee is responsible for overseeing the Group’s strategy, policies and implementation regarding sustainability and corporate culture, with a view to achieving its sustainability goals. It also closely monitors climate change issues and related opportunities, in order to enhance the Group’s sustainability performance.

Details of the roles and responsibilities of the Sustainability Committee are set out in the Mandate of the Sustainability Committee. For information on the profiles of the Committee members, please refer to the 2021 Annual Report.

The composition and major duties of the Committee as of 31 December 2021 are as follows:

<table>
<thead>
<tr>
<th>Composition</th>
<th>Major Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mdm CHENG Eva (Chairman)</td>
<td>Reviewing the Group’s sustainability strategies, goals and priorities, as well as material sustainability-related policies</td>
</tr>
<tr>
<td>Mr SUN Yu</td>
<td>Reviewing environmental, social and governance issues which are material to the Group, and related measures</td>
</tr>
<tr>
<td>Dr CHOI Koon Shum</td>
<td>Overseeing the Group’s sustainability performance</td>
</tr>
<tr>
<td>Mr KOH Beng Seng</td>
<td>Overseeing the Group’s corporate culture and reviewing related policies</td>
</tr>
<tr>
<td>Mr LAW Yee Kwan Quinn</td>
<td>Determining appropriate reporting principles and boundaries, and reviewing the Sustainability Report</td>
</tr>
<tr>
<td>Mr TUNG Savio Wai-Hok</td>
<td></td>
</tr>
</tbody>
</table>

Remarks:
1. Madam Fung Yuen Mei Anita was appointed a member of the Committee on 3 March 2022
2. Independent Non-executive Director
3. Executive Director
Two Committee meetings were held in 2021. Members reviewed, discussed and provided valuable opinions on a number of issues including the 2021-2025 Sustainability Plan of BOCHK Group, the Sustainability Report 2020 and related material issues; the Sustainability-related policies of the Group, including the Sustainability Policy, Report on Bank Culture Building, Report on Annual Review of Staff Code of Code; plans and measures to help customers transition to the low-carbon economy; new regulatory requirements and market updates on climate risks, and the Group’s latest implementations of climate risk measures; the best practices and recommendations of the TCFD and the Group’s progress in TCFD-related work; and the progress and effectiveness of the Group in enhancing its corporate culture.

The Sustainability Executive Committee (the “Executive Committee”)
The Executive Committee is chaired by the Chief Executive of the Company and its members are composed of the management team and heads of relevant departments. The Executive Committee is responsible for promoting and implementing matters related to:
(1) Sustainability;
(2) Charity;
(3) Corporate culture; and
(4) Responsibilities for consumer rights protection.

Two Executive Committee meetings were held in 2021. The Executive Committee helped to formulate the Group's annual and medium-to-long-term sustainability goals, backed by specific plans and measures; discussed sustainability issues ahead of their submission to the Board for review, and followed up on the strategic requirements of the Board and the Committee regarding the effective implementation of the Group’s sustainability strategy.

The Sustainability Strategy Working Group (the “Working Group”)
The cross-departmental Working Group is composed of members from relevant departments. It is primarily responsible for the coordination and execution of sustainability-related work. During the year, the Working Group coordinated BOCHK’s sustainability-related strategic planning and business-related measures as well as cross-departmental sustainability initiatives.

Our Corporate Social Responsibility Office, with its specialist and professional staff, is also responsible for CSR and sustainability-related issues.
Sustainability training

The Group’s Board and management members have diverse knowledge, experience and skills, allowing them to effectively perform their governance responsibilities and offer constructive recommendations regarding sustainability and climate-related issues. During the year, we arranged information-sharing sessions in which professional bodies offered updates to Board, senior executives of key relevant departments and the Group’s Southeast Asian entities on the latest market trends and developments in climate change and sustainable development which included topics, among others, climate governance in the banking industry; the impact of environmental, climate and social governance on credit ratings, and disclosures on climate risks. In addition, we invited a professional institute to offer seminars on TCFD recommendations and best practices to facilitate the effective management and monitoring of sustainability-related (including climate risk) issues by the Board and the management.

Sustainability-related policies

We have formulated sustainability-related policies, mechanisms and procedures in various areas with reference to local and international sustainability guidelines and standards. All member institutions of the Group must strictly comply with and implement these policies.

**Sustainability Policy**

Sets out the Group’s key principles for promoting and implementing sustainable development, covering various issues related to the environment, society, governance and addressing climate change.

**Credit Risk Management Policy of BOCHK Group**

Embeds sustainable development into the Group’s credit risk framework and procedures, including making sustainable development one of the core principles of credit risk management and emphasising environmental, climate and social risk considerations as factors in credit assessment. Furthermore, credit transactions directly engaged in gambling, pornography and the manufacturing and trading of lethal arms/weapons are categorised as “prohibited transactions”, while ecologically sensitive loans are categorised as “special credit transaction/counterparty” and require stricter credit approval requirements.

**Occupational Safety and Health Management Policy**

Elaborates the Group’s occupational safety and health management system, including management structure, relevant training, supervision, crisis analysis and control measures, and preventive measures, etc.

**Sustainable Procurement Policy**

Incorporates sustainability into the Group’s supply chain management, ensuring that the Group conducts product and service procurement based on environmental and social considerations while encouraging all suppliers to effectively manage the social and environmental impacts of their operations.

**Supply Chain Code of Conduct**

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

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

We have adopted a forward-looking approach to elevate sustainability to the long-term strategic level of the bank. We have also thoroughly and systematically integrated sustainable and high-quality development concepts at all levels in a top-down manner, thus promoting the long-term and balanced sustainable development of the Group and advancing our mission of “Bridge China and the World for the Common Good”.

Within the Group’s 2021-2025 Strategic Development Plan, we place sustainability and high-quality development at the heart of our future development. As a sub-plan of our Strategic Development Plan, we formulated the 2021-2025 Sustainability Plan of BOCHK Group, to provide a comprehensive and systematic blueprint in the next stage of sustainable development.

Key Sustainability Plans and Progress:

Mission
Bridge China and the World for the Common Good

Philosophy
Sustainable and High-quality Development

Strategy
- Drive a low-carbon transition for our customers
- Develop regional green finance
- Create a better and mutually beneficial society
- Achieve efficient and transparent management

Actions/Results in 2021
- Launched various innovative sustainable financial products and services, becoming a “green partner” for customers
- ESG bond investment increased by 1.3 times compared with the end of last year
- Cultivated sustainability awareness and culture in our Southeast Asian entities and integrated sustainability governance into local governance structures and risk management mechanisms
- Served the public and corporate customers through inclusive finance, livelihood finance, cross-border finance, technology finance, etc.
- Launched the SME Green Financing Incentive Scheme, addressing the financial needs of SME customers
- Launched more than 70 charitable projects, which supported over 3 million participations
- Formulated the 2021-2025 Sustainability Plan
- Continued digital transformation, promoted environmental protection and carbon emission reduction, and actively prepared for the national carbon neutrality goal
- Became a TCFD signatory
- Improved the quality of disclosure with reference to international best practices
The 2021-2025 Sustainability Plan (the “Sustainability Plan”)
The Sustainability Plan sets out a number of quantitative and qualitative development goals and implementation targets, covering areas such as serving enterprises and individual customers and the capital market, strengthening environmental (including climate risk) and social risk management, developing low-carbon banking, improving the quality and transparency of information disclosure, and cultivating corporate culture and nurturing talent. It also outlines more than 30 specific action plans, which were launched step-by-step during the year.

We adopted the following principles in the planning, preparation and execution of our sustainability plans, with a view to creating stakeholder value in a flexible and orderly manner:

- Implement sustainability plans appropriate to local conditions, including the development stage and location, cultural customs, geographical environment, institutions and religions of different countries and regions.
- Consider the expectations of different countries/regions and stakeholders.
- Balanced consideration of ESG and economic development.
- Implement plans gradually, based on social, regulatory and customer requirements.
- Update action plans in response to market changes and with reference to international best practices, based on the core values and risk appetite of the Group.
- Balanced development.
- Orderly progress.
- Prudent openness.
- Multi-dimensional development.

Measures to achieve carbon neutrality
In response to the national and HKSAR Government carbon neutrality targets, we are actively accelerating the carbon reduction progress of our bank. At the same time, we are closely monitoring climate-related risks and opportunities, and actively developing sustainable financial products and services to assist customers to achieve low-carbon transition.

To pursue carbon neutrality in the Group’s own operations, we embraced green banking concepts and developed targets and implementation paths, including integrating targets into our annual assessment indicators to ensure effective execution. We also conducted a large-scale Group-level carbon audit covering all subsidiaries to gain a better understanding of carbon emissions across all aspects of the Group’s operations in Hong Kong and Southeast Asia. We are on track to publish targets for carbon neutrality in our own operations in the coming year.

We have also formed green partnerships with our peers and stakeholders. We fully supported the “Carbon Neutrality Partnership” launched by the Environment Bureau by further reducing the Group’s carbon emissions and increasing energy efficiency. We advocated environmental protection and reduced carbon emission by implementing paperless services for our customers, promoting the “No Paper Receipts Plan” to our merchant clients, and encouraging sustainable procurement among our suppliers. As such, we have promoted awareness of environmental protection and carbon reduction among the public and future generations through broad collaboration in the journey towards achieving carbon neutrality in a progressive, target-oriented and systematic manner.

For more details, please refer to the “Green Development for a Better Environment” section.
8.3 Communication with Stakeholders

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

Stakeholder engagement channels

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

Key Communication Channels

- **Investors and Shareholders**
  - Annual general meeting
  - Corporate communications and announcements
  - Annual and interim reports
  - Results briefings, road shows and corporate day events
  - Company visits, conference calls and video conferences
  - Annual conferences and seminars held by investment banks
  - Corporate website and social media
    - Investor relations emails and hotline

- **Customers**
  - Communication with frontline staff and relationship managers
  - Contact centres
  - Online workshops and seminars
  - BOCHK iService 24-hour video banking service
  - Customer satisfaction surveys
  - Official WeChat accounts of BOCHK, BOC Credit Card, BOC Life, BOCHK Research and Southeast Asian entities
  - Corporate website
  - Online surveys/interviews
  - Press conferences, press releases and media interviews
  - Results announcements, annual and interim reports, corporate website and social media
  - Media enquiries

- **Employees**
  - Employee mobile communication app EIM (Enterprise Instant Message), integrated mobile business platform eWorkplace, department meetings/online meetings
  - Staff forums, breakfast meetings, corporate culture and recreational activities
  - Staff publications, intranet and internal circulars
  - Performance assessment, staff awards and recognition activities
  - Chief Executive's mailbox and staff hotline
  - Staff and volunteer activities
  - Online surveys/interviews

- **Media**
  - Meetings, daily communication and reports
  - BOCHK representatives on committees of major industry and government bodies
  - Sponsorship and participation in forums, seminars and talks
  - Circulars and guidelines of regulatory authorities
  - On-site visits and inspections

- **Professional Institutions**
  - Representatives on committees of professional bodies
  - Forums, seminars and talks
  - Events sponsorship

- **Community Partners**
  - Sponsorships and donations
  - Post-event evaluation reports
  - Seminars, forums and sharing sessions
  - Meetings and communication
  - Diverse activities for the community (including volunteer events, tours, exchanges and visits)

- **Suppliers**
  - Meetings and communication
  - Due diligence procedures
  - Online surveys and regular reviews
  - On-site inspections

- **Government and Regulators**
  - Meetings, daily communication and reports
  - BOCHK representatives on committees of major industry and government bodies
  - Sponsorship and participation in forums, seminars and talks
  - Circulars and guidelines of regulatory authorities
  - On-site visits and inspections

15 102-40, 102-42, 102-43
Stakeholders’ perspectives on BOCHK

“Dr Rebecca Lee Lok Sze, polar environmental protection expert:

In recent years, many large corporates have placed great emphasis on sustainability. As early as 2008, under the “Green Olympics” theme of the Beijing Olympics, BOCHK spearheaded the “Hong Kong Charity Green Walk”, which was the first large-scale event in Hong Kong to advocate for protecting environmental resources and ecological balance. The Prehistoric Story Room, which was established later, as well as BOCHK’s recent sponsorship of the “Human and Nature Inclusion Programme”, have actively promoted conservation about biological diversity, ecology and culture among primary and middle school students. Looking forward, I hope that BOCHK can continue to enhance young people’s knowledge of the environment and ecological conservation through training and inspection activities.

“Prof. Carlos Lo Wing-Hung at The Chinese University of Hong Kong, ESG expert:

Highly established in sustainability management with the basis setting on the Board-level Sustainability Committee, and contributed to a wide range of UN SDGs. Very impressive environmental and social projects, particularly the green finance and those timely caring initiatives in responses to COVID-19 Pandemic, like those measures for SMEs. Hope that BOCHK would be able to integrate the international best practices into its overall ESG management in the time ahead.
Mr. Ma Fung-kwok, experienced arts and cultural administrator:

Etiquette is an important part of our splendid traditional Chinese culture. I believe that the “Etiquette Campaign for Chinese Heritage and Culture” project sponsored by BOCHK is of great significance in cultivating the patriotism of students in Hong Kong. To enhance middle school students’ understanding of etiquette and to make etiquette an essential part of their make-up, the first step is to have good courses and teachers. The lectures and training of teachers are well designed, meaning that through this project, traditional Chinese culture can become even more popular in Hong Kong.

Ms. Melissa Fung, Assessment Consultant:

BOCHK’s Sustainability Report demonstrated its commitment to sustainability, showcasing various concrete plans and initiatives involving both internal and external stakeholders. Although BOCHK has incorporated elements of green and sustainable finance into its corporate strategy, I think it could also consider disclosing more information such as climate risks and scenario analysis under TCFD, as well as its target-setting and action plans for achieving carbon neutrality. Enhancing transparency will allow more stakeholders to stay updated on the latest developments in BOCHK’s efforts to deal with climate risks. With its prudent governance framework and strong determination, I believe BOCHK will continue to excel in sustainable development.
## Our responses to stakeholders’ view

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Concerns</th>
<th>Our Action/Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investors</strong></td>
<td>Every sector is now taking action to address climate change. What actions is the Group taking to respond to climate-related risks?</td>
<td>As well as minimising the environmental impact of our own business operations, we are working with our customers to realise a smooth transition to a sustainable and low-carbon economy by developing sustainable finance. During the year, we became a signatory of TCFD and participated in the Pilot Banking Sector Climate Risk Stress Test exercise initiated by the HKMA. Through identifying and assessing climate-related risks, we formulated control measures and strategies for effectively responding to such risks.</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>Branch opening hours are limited, and many customers need to inquire or conduct transactions outside of business hours. Although online banking is available, it does not allow for face-to-face exchange and consultation.</td>
<td>We launched a 24-hour online chat service which can answer customers’ questions online as well as provide transaction services. In the future, we will continue to enhance our online chat service to provide more timely and flexible services.</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>Career development is important to staff. What actions are the Group taking to help employees realise continuous development?</td>
<td>Our mobile banking services have rolled out in Southeast Asian institutions with Personal banking service and continuously improved our mobile banking functions to allow customers to conduct various transactions online. For example, BOC Malaysia launched the mobile banking app “E-Banking eWB”, and mobile banking “ePocket” accounts that allow customers to open accounts without leaving their homes, becoming the first local bank to launch an online one-stop investment and wealth management service platform. At the same time, it took the lead in launching. In addition, the mobile banking services of BOC Malaysia and BOC Thailand support local real-time transfer, enabling customers to conduct banking transactions anytime and anywhere during the pandemic.</td>
</tr>
<tr>
<td></td>
<td>Employees are hoping that the Group will roll out further employee care initiatives as the pandemic continues.</td>
<td>We provide employees with diversified training (including courses in technology innovation, digital transformation and ESG) as well as innovation leadership training projects and cross-departmental exchange programmes, in order to enhance employees’ capabilities in management, communication and innovation and thus ensure that staff can achieve progress together with the Group.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In response to the pandemic, we offered various employee care initiatives based on employees’ needs, including working from home and reimbursing overtime travel and COVID-19 testing expenses. We also provided employees with anti-pandemic materials such as surgical masks and rapid testing kits. Our psychological counselling service, diverse recreational and parent-child online activities and hobby classes have enhanced employees’ sense of belonging. We encouraged employees to get vaccinated by excusing them from work on the day of vaccination and offering them further vaccination leave. In our recent employee opinion survey, employee care initiatives were rated by staff as one of the most satisfactory items.</td>
</tr>
</tbody>
</table>
8.4 Material Issues

We place great emphasis on our stakeholders’ opinions and concerns, and undertake stakeholder engagement activities to understand the materiality of different issues for the Group and our stakeholders. In 2020, we solicited opinions on sustainability-related issues by inviting major internal and external stakeholders to participate in online surveys, focus group discussions and one-to-one interviews. 18 medium-to-long-term material issues were identified and ranked according to their materiality.

In 2021, we assessed the 18 material issues identified in 2020 based on both changes in the operational environment and regular communications with stakeholders, and decided to re-confirm our adoption of those material issues.

Procedures for confirming material issues\(^\text{17}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
</table>
| Material issues and their rankings were confirmed in 2020 based on stakeholder opinions solicited through surveys, focus groups, individual interviews, and internal and external assessment and market analysis | | In 2021, the 18 material issues adopted in 2020 were re-confirmed based on internal assessment and market analysis.

\(^{17}\) 102-43, 102-46
Upgrading the importance of “Addressing Climate Risk”

In recent years, climate change and its related risks have attracted close attention around the globe. In 2021, Hong Kong’s Green and Sustainable Finance Cross-Agency Steering Group, co-initiated by the HKMA and the Securities and Futures Commission, announced the mandatory implementation of the climate-related disclosures recommended by the TCFD by 2025. The HKEX also issued its Guidelines for Climate Information Disclosure at the end of 2021, providing a practical reference on information disclosure for listed companies.

In consideration of the above, we upgraded the importance of the material issue “Addressing Climate Risk” from “Related Disclosures” to “Important Disclosures”. During the year, we launched a series of initiatives in response to climate risks. For more details, please refer to the TCFD Progress section.

Materiality Matrix
The following material issues were reviewed and confirmed by the Sustainability Executive Committee, the Sustainability Committee and the Board[^18]. The respective content can be found in the related sections of this report, as below.

### 18 Material Issues[^19]

**Environmental: Relevant Sections**
- **Addressing Climate Risks**
  - 8.1 Sustainability Governance
- **Sustainable Finance**
  - 11.1 Development of Sustainable Finance
- **Managing Environmental Footprint**
  - 11.2 Implementing Green Operations
- **Technology Innovation**
  - 12.2 Improving Customer Experience

**Social: Relevant Sections**
- **Economic Performance**
  - 5 Business Performance
- **Financial Inclusion**
  - 12.1 Practising Financial Inclusion
- **Customer Experience and Satisfaction**
  - 12.2 Improving Customer Experience
- **Fair Transactions**
  - 12.2 Improving Customer Experience
- **Talent Acquisition and Development**
  - 12.3 A People-oriented Approach
- **Health, Safety and Wellbeing**
  - 12.3 A People-oriented Approach
- **Community Investment**
  - 12.4 Community and Public Welfare

**Governance: Relevant Sections**
- **Corporate Governance**
  - 8.1 Sustainability Governance
- **Systematic Risk Management**
  - 9.2 Risk Management
- **Business Continuity Plan**
  - 9.2 Risk Management
- **Data Management**
  - 9.2 Risk Management
- **Cyber Security**
  - 9.2 Risk Management
- **Business Ethics and Conduct**
  - 9.3 Integrity and Compliance Culture
- **Prevention of Financial Crime**
  - 9.3 Integrity and Compliance Culture

[^18]: 102-32
[^19]: 102-47
Every step forward builds on a century of our dedication

Prudent Governance

Average training hours of each Director: 20 hours

Strictly complied with our risk management

Three Lines of Defence* to ensure stable operations

With Business Continuity Plan to respond quickly to the pandemic and emergencies

Taking a zero-tolerance attitude, the Board is responsible for monitoring our anti-corruption and anti-bribery plan

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

Established a rigorous internal whistleblowing reporting policy and mechanism
9.1 Corporate Governance

Corporate governance structure

The Group is committed to maintaining and upholding high standards of corporate governance. The Board is at the core of our corporate governance framework and act honestly and in good faith and to make decisions objectively in the best interests of the Group with a view to maximising long-term shareholder value while fulfilling our corporate responsibilities to other stakeholders. There is a clear division of responsibilities between the Board and the management, with the Board being responsible for providing effective oversight of the management. The roles of Chairman and Chief Executive are segregated and held by two different individuals. The Chairman focuses on leading the Board and monitoring corporate governance and shareholder issues, while the Chief Executive leads the management to perform the Group’s day-to-day operations. Our Mandate of the Board stipulates the Board’s duties and responsibilities as well as matters to be approved by the Board. In line with latest regulatory requirements, market norms and international best practices, the Board has established five standing Board Committees which assist the Board in discharging its duties. Each Board Committee has a well-defined mandate that delineates its roles and responsibilities. The majority of the Board Committees are mainly comprised of Independent Non-executive Directors. Our corporate governance structure is as follows:

Independence and expertise of the Board

As of 31 December 2021, the Board of the Company comprises nine Directors, including one Executive Director, three Non-executive Directors and five Independent Non-executive Directors. Both the number and percentage of Independent Non-executive Directors of the Company are well above the requirements set by relevant rules and regulations. All Directors are eminent individuals from diverse disciplines with extensive professional experience, who are able to make objective judgements. We have formulated the Policy on the Independence of Directors, and believe that our Independent Non-executive Directors help to provide necessary checks and balances to protect the interests of relevant parties, play a significant role in monitoring, and bring valuable external experience.

Madam Fung Yuen Mei Anita has been appointed as Independent Non-executive Director on 3 March 2022

Board members possess the essential knowledge and professional expertise required for discharging their duties, and attend training sessions and access training materials from the Group, regulatory authorities and professional firms on an ongoing basis. Such training covered a wide range of topics including risk management and internal control, corporate governance, anti-corruption, AML, digitalisation, regulatory technology, and sustainability-related issues such as climate risk management, climate-related disclosures, and green and sustainable finance. In 2021, each director spent an average of 20 hours in training.
Our Policy on the Independence of Directors is set out in the "Corporate Governance" section under "About Us" on the BOCHK website.
Board diversity
We have formulated and regularly review the Board Diversity Policy, which guides Board composition by stipulating that board diversity shall be considered in various aspects, including but not limited to, gender, age, cultural and educational background, ethnicity, geographical location, professional experience, skills, knowledge and track records, etc., in order to ensure the diversity of Board members and their perspectives. Nominations and appointments of directors are made on merit, in the context of the skills and experience required of the Board as a whole, with due consideration given to each of the aforementioned board diversity aspects.

During the year, Board composition* was as follows:

**Gender**
- Male (8), 88.9%
- Female (1), 11.1%

**Designation**
- Executive Director (1), 11.1%
- Non-executive Director (3), 33.3%
- Independent non-executive Director (5), 55.6%

**Age Group**
- 45-55 (2), 33.3%
- 56-65 (4), 44.4%
- Over 65 (3), 22.2%

**Geographical Location**
- Hong Kong, China (4), 44.4%
- Mainland China (3), 33.3%
- Singapore (1), 11.1%
- United States (1), 11.1%

* BOCHK appointed Madam FUNG Yuen Mei Anita as Independent Non-executive Director with effect from 3 March 2022, which increased the proportion of female directors from 11.1% to 20%. The Board complied with the gender diversity requirement of the Listing Rules and is committed to enhancing board diversity by taking into account the overall operation of the Board and the latest business requirements of the Group when identifying candidates for the Board.
9.2 Risk Management

Risk management
We believe that sound risk management is crucial to the success of any organisation. The Board is ultimately responsible for risk management and is the highest decision-making body for risk management matters. We place great importance on risk management in our daily operations while emphasising the necessary balance between risk control and business development.

Risk management organisational structure

Risk management policies and procedures
We have a comprehensive set of risk management policies and procedures, with dedicated units and personnel responsible for each duty and procedure. There are established mechanisms in place to identify, measure, monitor and manage major risks. To address internal control deficiencies, we have also set up corresponding internal controls and procedures. We regularly review and update our risk management policies and procedures to keep pace with changes in market and business strategies, and provide our Southeast Asian entities with regular professional guidance to enhance their risk management capabilities and ensure that their operations comply with local regulatory requirements.

Climate risk management
With climate change impact now a global concern, we have taken active steps to prepare for and mitigate the impact of climate risks by responding flexibly to changes in the market environment, climate risks and green transition risks. During the year, we incorporated sustainability principles, as well as environmental, climate and social risks considerations, into our risk management policies and industry guidelines. We developed a climate risk customer questionnaire and participated in the pilot climate risk stress test exercise initiated by the HKMA. We will refine our climate risk stress test methodology, continue to conduct scenario analysis and stress testing, and enhance the reporting mechanism to the management and/or the Board of Directors about our environmental and climate risk profile. We have arranged workshops on ESG-related risks, including climate risk, for over 50 core staff in the Risk Management Department in order to enhance their understanding and management of ESG-related risks.

For details on climate risk, please refer to the "TCFD Progress" section.
During the year, the Group maintained steady and healthy development in strict compliance with its risk management policies and procedures.

For details on risk management, please refer to Annual Report 2021.

First Line of Defence: Individual business units
Responsible for soliciting business in compliance with risk management policies and procedures, and assessing and monitoring the risks of their businesses.

Second Line of Defence: Risk management units and supporting units
Risk management units are responsible for:
- Day-to-day management of different kinds of risks, and providing independent due diligence by identifying, measuring, monitoring and controlling risks
- Drafting various risk management policies and procedures
- Reporting on the implementation of risk management policies and risk profiles to the Board, management and relevant Board Committees, and providing support and recommendations to aid their decision-making.

Supporting units are responsible for:
- Providing day-to-day operations support to ensure there are adequate human resources and systems in place to support risk management.

Third Line of Defence: Group Audit
Responsible for conducting independent audit and assessment, and reporting to the Board on the quality of the Group’s risk management supervision and the adequacy of and compliance with risk management policies, procedures and internal control.
Business continuity plan
The Group is committed to providing stable and uninterrupted banking services to all sectors of society. We have formulated our business continuity plan in accordance with the “Business Continuity Planning” section of the HKMA’s TM-G-2 Supervisory Policy Manual to ensure that we can respond quickly to emergencies. During the year, we reduced the disruptive effects of the COVID-19 pandemic on our customers by continuously providing key banking services to all sectors in Hong Kong and Southeast Asia.

Contingency Working Groups
We have established contingency working groups, contingency measures and reporting mechanisms to set out the relevant organisational structure, responsibilities, management mechanisms, training, regular drills, reviews and other details.

IT System
Our emergency handling manual classifies incidents into different levels, with specific reporting mechanisms and handling procedures for the activation of the disaster recovery centre. Regular drills are conducted, with all members of the Group completing the annual drill during the year.

Safety and Security Work
A “Safety and Security Group” in each department conducts self-inspection of safety aspects. To ensure the safety of personnel, equipment and facilities, we also have various security work contingency plans in place.

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

Information Security Management
We are committed to enhancing data information security. The Board-level Risk Committee and the Information Security Committee chaired by the Chief Operating Officer are responsible for supervising data management and customer data protection. Our Data Centre successfully obtained the ISO 27001 Information Security Management System certification. We continued to raise the cyber-security awareness and technology risk management capabilities of employees and related contract staff. All employees attended various compliance training sessions, covering information security, technology risk management, personal data protection and privacy.

We engaged external advisors to complete an assessment based on the HKMA’s Cyber Resilience Assessment Framework. The assessment report confirmed that we have various effective management and control measures in place across the major domains of technology risk and cyber security and have attained “Advanced” maturity level in cyber resilience.

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We engaged external advisors to complete an assessment based on the HKMA’s Cyber Resilience Assessment Framework. The assessment report confirmed that we have various effective management and control measures in place across the major domains of technology risk and cyber security and have attained “Advanced” maturity level in cyber resilience.
Protection of Personal Data Privacy
The Bank stores large amounts of the personal data of customers, employees, suppliers and business partners, and places great emphasis on personal data privacy protection. Our personal data privacy policy has been formulated in accordance with the Personal Data (Privacy) Ordinance of Hong Kong and is reviewed annually. All departments and subsidiaries are required to strictly implement this policy.

We collect customer information in an appropriate manner, prudently safeguarding such information and preventing any unauthorised or accidental access, processing, deletion, loss or use. Customers can request to access or correct their personal data. If a complaint regarding customer privacy is received, a dedicated unit will conduct an investigation in accordance with our mechanism for handling customer complaints. The complainant shall be notified of the investigation results.

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

Cyber Security
Given the fast-changing nature of financial technology, cyber threats cannot be ignored. To ensure that our cyber security stands at the forefront of the industry, we have developed a series of measures to provide safe and sustainable services for customers.

The Board-level Risk Committee is responsible for approving our technology risk management policy and material revisions, and for overseeing its implementation.

We have established a sound “Three Lines of Defence” technology risk management structure which clearly states the responsibilities of the Board, senior management, various departments and major affiliates in technology risk management, in order to ensure that all technology risks can be identified, evaluated, monitored, controlled and reported.

Internal audit conducts annual reviews of various areas such as information technology policies and systems, alongside further assessment by an independent external auditor, to ensure that the Group provides stable and uninterrupted financial services.

The Group's data centre implements 24/7 real-time monitoring and holds the ISO 27001 Information Security Management System certification. We have introduced AI technology to bolster our cyber defences and conduct regular drills for cyber incidents.

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

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

Owing to the continuous enhancement of our cyber-security capabilities, no major cyber-security incident occurred during the year. We also attached great importance to ensuring online banking security for customers, and continually educated and reminded customers to take precautions when making online transactions through various channels.

For more details, please refer to the “Group's online security information and tips” on the BOCHK website.
9.3 Integrity and Compliance Culture

Business Ethics

We are committed to operating our business in an ethical and responsible manner, and to ensuring that all employees (including full-time, part-time and contract employees) maintain high standards of personal integrity and professional ethics in the course of their work, thus protecting customer interests.

Compliance Culture

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

Staff Code of Conduct

The Staff Code of Conduct specifies that employees at all levels must comply with laws and regulations as well as the Group’s various rules, regulations and systems. It guides and regulates employee behaviour, prohibits the soliciting of personal benefits through business relationships, corruption and bribery, collecting commissions, embezzlement and other malpractice, and ensures that in no way shall any benefits be conveyed to any person through improper means, etc.

Training

Since 2013, we have run annual compliance training courses which are compulsory to all employees of the Group and its subsidiaries. Training topics covered include anti-money laundering, personal information protection, prevention of fraud and malpractice, employees’ reporting of misconduct, sanction compliance, operational risk management, anti-bribery and anti-corruption, the Staff Code of Conduct, laws, compliance and reputational risk management, and the Group’s comprehensive risk management system, etc.

Regular Review

We review the Staff Code of Conduct every year and conduct regular audits to ensure compliance with the HKMA Code of Conduct. We also regularly review monitoring mechanisms related to business ethics in different departments.

In addition, we link compliance behaviour to employee performance appraisal and compensation, our reward system not only considers employees’ business performance, but also measures whether employees have adhered to our corporate culture and behavioural standards.
Our Policy on Handling Staff Reporting of Irregularities, the Administrative Measures on Staff Reporting of Irregularities and the Staff Code of Conduct state that an employee can report on improper behaviours including deception, fraud, theft, forgery, corruption, money laundering or other illegal activities, or cases involving employees’ personal conduct or violation of the Staff Code of Conduct according to the established procedures.

We have stipulated our management structure, division of roles, reporting principles, mechanisms, channels, procedures and whistleblower protection measures to encourage employees to report irregularities in good faith while ensuring that their legitimate rights are protected. Whistleblowing reports and related information are strictly confidential. Any department or individual handling or having access to information related to whistleblowing shall strictly follow the legal provisions to protect the privacy, rights and interests of both whistleblowers and the subjects of whistleblowing allegations. Said departments or individuals shall be held accountable in the event of any leaks of such information.

On receiving an employee’s report, we inform the Board-level Audit Committee and promptly conduct a fair and independent investigation according to the prescribed procedures, and propose improvements and recommendations. The investigation report is then submitted to the management and the Audit Committee. In addition, we offer induction training on internal whistleblowing rules for new employees, as well as annual bank-wide refresher training to raise employees’ awareness of reporting measures and policies.

The Group has adopted the Guidelines for Reporting Suspicious Transactions and the BOCHK Anti-Bribery and Anti-Corruption Policy, which set out whistleblowing mechanisms for suspicious transactions, AML, and anti-bribery and anti-corruption. After receiving a report, we conduct analysis and investigation within a specified timeframe and report suspicious transactions with reasonable grounds to the Joint Financial Intelligence Unit in accordance with the law.

Financial Crime Prevention

Anti-bribery and anti-corruption

Our Group is committed to safeguarding the interests of the Bank and its customers and takes a zero-tolerance attitude towards bribery and corruption. The overall anti-corruption and anti-bribery plan is jointly supervised by the Board, its committees and the management of the Group. The Board is responsible for setting the top-down strategic direction and upholding our commitment to strictly abide by relevant laws and regulations, as well as our compliance culture.

A specialised group supervises matters related to anti-corruption and anti-bribery. In accordance with local regulations including the Prevention of Bribery Ordinance and A Practical Guide for Bank Managers issued by the Hong Kong Independent Commission Against Corruption, as well as local best practice, we have formulated an anti-corruption and anti-bribery management framework as well as the BOCHK Anti-Bribery and Corruption Policy, which is applicable to the Group and its subsidiaries and Southeast Asian entities.

We regularly conduct bank-wide institutional corruption and bribery risk assessments to evaluate the effectiveness of our anti-bribery and anti-corruption management, monitor changes in related risks and identify potential deficiencies, and report the results to the Board with suggestions for improvement.

We have established a long-term anti-bribery and anti-corruption training programme covering all employees, and actively participate in anti-corruption training conducted by the HKSAR Government and regulatory agencies for banking practitioners. During the year, all members of the Board and all employees of the Group have received anti-corruption training.
Anti-Money Laundering and Counter-Financing of Terrorism

Anti-money laundering and counter-financing of terrorism ("AML/CFT") and crime prevention work are especially important for the Bank. We formulated the Anti-Money Laundering and Counter-Terrorist Financing Policy in compliance with the relevant laws and regulatory requirements of Hong Kong, the Group's risk management strategies and the recommendations of international organisations such as the Financial Action Task Force.

Our AML Committee sets rules for various units and subsidiaries to follow. Acting in accordance with relevant policies and regulatory requirements, our staff conscientiously carries out AML tasks in respect of customer acceptance, customer due diligence, ongoing monitoring, suspicious transaction investigation and reporting, and customer and transaction record keeping, etc. We have a comprehensive set of sanctions screening systems and suspicious transaction monitoring mechanisms for identifying suspicious customer accounts and transactions, and regularly enhance their functions. We also plan to utilise regulatory technology to assist in suspicious transaction alert analysis and transaction screening, thus enhancing supervision and compliance efficiency.

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

We continued to provide training for all employees, including in Southeast Asia, and regularly shared financial crime case studies in our training and internal circulars. All employees of the Bank have received training courses related to AML, sanction compliance and anti-corruption.
Case study - Commended for Involvement in “Project Silver Arrow” of the Hong Kong Police Force

We are a founding member of Project Silver Arrow, launched by Yau Tsim Police District in 2018 to combat crime in the banking sector, and continually provide updates to frontline units to help them understand criminals’ latest modus operandi and remain alert to crime prevention. In 2021, Yau Tsim Police District commended 48 bank employees for their excellent performance in crime prevention, out of whom 19 were colleagues from BOCHK Yau Tsim Branch. Our staff received a Certificate of Appreciation.

Case study - Commended for Assisting the Police in Tracking Down Loco London Gold Fraud

Mr Vincent Cheung, Head of Global Markets Trading at BOCHK, received the Good Citizen Award from the Hong Kong Police Force for his assistance in the prevention and detection of crime. Mr Cheung and his team organised training courses on Loco London Gold trading for police officers in 2019 and 2020, enhancing investigators’ professional knowledge by dissecting the techniques of Loco London Gold fraudsters and sharing methods for gathering evidence. He also volunteered as an expert witness for the Police and wrote reports to bring fraudsters to justice.
Embracing low-carbon development to turn climate challenges into opportunities

TCFD Progress

Became a TCFD signatory in 2021

Among the first to take part in the HKMA’s pilot climate risk stress tests

Identifying climate risks and supporting customers’ low-carbon transition

Continuous growth of sustainable financial products and services

Advancing a climate and green finance strategy for SE Asia based on local conditions
As a leading financial institution in the field of sustainability, BOCHK proactively manages climate risks and opportunities while reducing the environmental impact of its operations. We have continually advanced work related to the Task Force on Climate-related Financial Disclosures (TCFD) in recent years, becoming a TCFD signatory in 2021. During the year, we took multiple steps to strengthen the Group’s climate resilience and address climate challenges together with our stakeholders, including improving our climate risk management policies and procedures, conducting scenario analysis and advancing the development of green finance. We started to disclose our TCFD-related work progress in 2020 and will continue to gradually disclose more climate change-related information in line with the TCFD framework.

10.1 Governance

As part of our sustainability efforts, we manage climate-related work through a three-tier governance structure led by the Board-level Sustainability Committee.

For more information, please refer to the “Sustainability Governance” section.
10.2 Strategy\textsuperscript{24, 25}

We identify and assess the short, medium and long-term climate risks, impacts and opportunities of different businesses and develop corresponding strategies to strengthen our management of specific climate risks while effectively grasping related opportunities.

Climate change risks

Climate change represents one of the major risks in the global economy. Climate risks can be classified into physical risks and transition risks, and are closely related to the eight traditional risks of the banking industry. We have conducted assessments of climate risk impact in order to understand the specific impact of different climate risks on traditional banking risks. Among them, the impact on credit and market risk is the most significant, and will affect banks in the following ways:

<table>
<thead>
<tr>
<th>Risk Factor</th>
<th>Physical Risks</th>
<th>Transition Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Type</td>
<td>Credit Risk</td>
<td>Market Risk</td>
</tr>
<tr>
<td>Risk Description</td>
<td>Credit risks resulting from the continuing impacts of climate change and extreme weather on customers' business operations and asset value.</td>
<td>Disasters caused by climate change will become even more frequent and severe, directly influencing financial stability.</td>
</tr>
<tr>
<td>Business Affected</td>
<td>Personal and corporate finance</td>
<td>Financial markets (mainly the agriculture, manufacturing and real estate industries)</td>
</tr>
</tbody>
</table>

\textsuperscript{24} 403-7, G4-FS2, G4-FS3
\textsuperscript{25} 201-2
Climate-related strategies and measures

Assisting customers’ low-carbon transition

<table>
<thead>
<tr>
<th>Target Customer</th>
<th>Corporate Customers</th>
<th>Individual Customers</th>
<th>Financial Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Direction</td>
<td>Assist corporate customers in realising high-quality transition in line with national strategies</td>
<td>Provide financial support for the high-quality transition of society</td>
<td>Direct capital flows towards sustainable investment assets</td>
</tr>
<tr>
<td>Key Measures</td>
<td>• Enrich our sustainable financial product line and expand the scale of sustainable finance in response to corporate customers’ financing requirements for the transition towards a high-quality, low-carbon economy. • Enhance the provision of products such as green deposits, green loans and bonds, as well as green syndicated loans and green advisory services, and become a trusted business partner for customers in their low-carbon transition.</td>
<td>• Enrich sustainable financial products and services for individual customers to satisfy their financial needs and ESG investment preferences • Improve the low-carbon customer experience across the whole process through digitalisation • Provide products and services to support green lifestyles and meet customers’ livelihood finance needs.</td>
<td>• Increase investments in sustainable bonds based on the Group’s risk appetite • Launch funds themed on sustainability concepts to meet market demand</td>
</tr>
</tbody>
</table>

For more details on the sustainable financial products and services launched during the year, please refer to the “Development of Sustainable Finance” section.

Cultivating regional green opportunities
We have implemented a climate and green finance strategy for Southeast Asia based on local conditions. For countries with clear regulatory requirements such as Malaysia, the Philippines, Indonesia, Vietnam and Thailand, we promoted the local development of sustainable finance based on local regulatory requirements and in line with our risk appetite principles. This involved incorporating sustainability governance into local governance structures, improving our environmental, climate and social risk management and risk appetite, and re-examining credit policies. For countries without clear climate-related regulatory requirements, such as Laos, Cambodia, Myanmar and Brunei, we focused on strengthening our sustainability capabilities while cultivating sustainability awareness and culture.

Promoting low-carbon and efficient banking operations
As well as developing green finance, we are committed to reducing the environmental footprint of our own business operations. We have set emission reduction targets for the next five years, including five key indicators for carbon emission, electricity consumption, paper consumption, water consumption and waste disposal. We also rolled out a series of digitalisation measures to speed up the implementation of green operations.

For details of the initiatives, please refer to the “Implementing Green Operations” section.
Climate scenario analysis

During the year, we participated in the HKMA’s pilot climate risk stress test (CRST) exercise to assess our climate risk exposure under three scenarios: a physical risk scenario involving a worsening climate situation and two scenarios envisaging orderly and disorderly transitions towards a low-emission economy. We assessed the impacts of extreme weather events, different levels of carbon tax and changes in energy demand on relevant credit portfolios and industries. We also independently studied links between individual sectors and climate risk attributes in order to map out sector-specific climate risk transmission pathways, with the aim of estimating changes in the credit quality of each sector under different stress scenarios, as well as the related financial impact on the Group.

<table>
<thead>
<tr>
<th>Climate Risk Scenario</th>
<th>Physical Risk</th>
<th>Transition Risk – Disorderly Transition</th>
<th>Transition Risk – Orderly Transition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Timeline of Testing</strong></td>
<td>2051 – 2060</td>
<td>2031 – 2035</td>
<td>2021 – 2050 in 5-year intervals</td>
</tr>
</tbody>
</table>
| **Scenario Description** | Hong Kong will be affected by acute impacts of extreme weather events, including:  
- Increasing temperature  
- Rising sea levels  
- More intense tropical cyclones  
- Authorities will promote early and progressive actions to achieve targets set by The Paris Agreement with the availability of new technology  
- The impact on global economy will be noticeable as there will be substantial friction in the transition to low-emission energy sources and production processes  | • Authorities will not introduce climate policies until 2030, leading to an abrupt reduction in greenhouse gas emissions afterwards in order to achieve The Paris Agreement targets  
• This will give rise to conspicuous changes in energy consumption patterns and carbon price. As a result, high-emitting industries will be significantly affected  
• The impact on global economy will be noticeable as there will be substantial friction in the transition to low-emission energy sources and production processes  | • Authorities will take early and progressive actions to achieve targets set by The Paris Agreement with the availability of new technology  
• The Paris Agreement targets will be achieved in a more orderly manner and there will be fewer disruptions to global economy throughout the process |

*Source: “Pilot Banking Sector Climate Risk Stress Test” published by the HKMA in December 2021

The results found that, under the climate risk scenarios, the expected credit losses and risk-weighted assets of portfolios that are sensitive to climate risk (e.g. residential mortgage loans and lending to high-emitting sectors) would both increase but the overall climate risk is manageable. We also continued to evaluate the impact of climate risks on the market risk portfolio through such measures as climate risk stress testing and scenario setting, and will continue to assess the impact of climate change on trading book positions. This has significantly enhanced our capacity to manage climate risks and helped us to devise measures and action plans to address such risks.
Our climate risk identification and assessment include analysis of the economic and financial impacts on the Group's operations and business. Once projects have been risk-assessed, we develop corresponding control measures and strategies to improve our risk management process and capability.

**Climate risk management process**

1. **Policies and systems**
   - **Supporting Mechanism**
     Improve policies and procedures related to environmental, climate and social risk management
   - **Key Measures**
     - Embed the relevant factors in risk management policies and procedures, and continuously enhance related risk identification, measurement, monitoring, reporting, control and mitigation frameworks.

2. **Risk Identification**
   - **Supporting Mechanism**
     Identify and assess customers' environmental, climate and social risks
   - **Key Measures**
     - Take customers' sustainable development situation into account when considering risks
     - Assess customers' exposure and resilience to climate risks to identify potential business opportunities and adopt appropriate credit strategies

3. **Stress Test and Scenario Analysis**
   - **Supporting Mechanism**
     Perform stress testing and scenario analysis on climate risk sensitive industries to evaluate the impact of obligors on the rating migration, earnings and capital level of the Group under climate risk stress scenarios, and appropriately integrate the results into regular risk assessment tools
   - **Key Measures**
     - Integrate the Group's business development with regulatory requirements. Gradually implement and improve the specific coverage, scenario setting and testing methodology, etc.

4. **Risk Reporting and Mitigation**
   - **Supporting Mechanism**
     Climate and environmental risk monitoring and reporting mechanism
   - **Key Measures**
     - Gradually implement work related to climate and environmental risk monitoring and reporting mechanisms according to the 2021-2025 Sustainability Plan of the Group
10.4 Metrics and Targets

Business achievements of climate-related financial products

<table>
<thead>
<tr>
<th>Climate-related Products</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Green loans, green deposits, SME Green Financing Scheme, SFGS, green bond underwriting, ESG syndicated loan arrangement, green advisor, etc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Green loans</strong>: We provide green loans and sustainability-linked loans to support eligible green projects that feature environmental benefits, or to finance corporate customers’ progress towards sustainable development goals.</td>
</tr>
<tr>
<td><strong>Green deposits</strong>: Green deposits support projects in green building, renewable energy and pollution prevention and treatment, so as to drive the transition towards low-carbon, climate change-resilient and sustainable development.</td>
</tr>
<tr>
<td><strong>Green bond underwriting</strong>: We provide ESG-related bond issuance services in the primary market, assisting clients in achieving their sustainable development goals through capital market financing.</td>
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<tr>
<td><strong>Green advisor</strong>: Acting as a green finance advisor, we support corporate customers in establishing sustainable business models and launching green finance frameworks. We develop such frameworks in compliance with international standards such as Green Loan Principles and Green Bond Principles, assisting companies in screening green projects and setting clear guidelines for the usage of funds. We also coordinate with third-party entities to verify such frameworks. Together, this facilitates the arrangement of green financing for future green projects.</td>
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<table>
<thead>
<tr>
<th>2021 Business Achievements</th>
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<tbody>
<tr>
<td>1. The balance of green loans at the end of 2021 increased by 311% compared with the end of 2020.</td>
</tr>
<tr>
<td>2. Green deposits at the end of 2021 increased by 354% compared with the end of 2020.</td>
</tr>
<tr>
<td>3. ESG-related bond underwriting in 2021 increased by 173% compared with the end of 2020.</td>
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</table>
Green operations

We are committed to the goal of carbon neutrality and launched a series of green banking measures during the year. For details on our green operations and indicators such as carbon emissions, electricity consumption, paper consumption, water consumption and waste disposal, please refer to the "Implementing Green Operations" and "Sustainability Performance Indicators" section.
Dedicated to responsible investment: ESG bond investment
1.3 times compared to the previous year-end

Balance of green loans ▲311% from the end of last year

Launched several pioneering green finance products in Hong Kong: Green Mortgage Plan, Personal Green Time Deposit, and ESG Multi-Asset retail fund with RMB share class

Adopted five green operation goals

Fostering a green culture and promoting carbon reduction together with customers

BOC became a signatory of the UN Principles for Responsible Banking
Climate change and biodiversity represent two major worldwide priorities in environmental protection, with a global roadmap and set of goals being developed during the year by the 26th Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change and the 15th Conference of the Parties (COP15) to the Convention on Biological Diversity. To support the nation’s goals for “carbon peak and carbon neutrality” and the policies in the 14th Five-year Plan for promoting green development and building Hong Kong into a green financial centre, we have adopted a three-pronged approach by advancing green banking through innovative technology, developing sustainable finance, and promoting sustainable development and low-carbon transition together with our customers and stakeholders.

During the year, BOC became a signatory of the Principles for Responsible Banking of the United Nations and a member of the United Nations Environment Programme Finance Initiative (UNEP FI), and we actively cooperated with our parent bank in implementing the relevant principles. We are committed to responsible investment principles and have incorporated ESG factors into our investment strategies, planning and workflows. We prioritise ESG investment opportunities in our investment decision process in line with the Bank’s risk appetite. The size of our ESG bond investment increased by 1.3 times compared to the end of last year.

11.1 Development of Sustainable Finance

During the year, we achieved sustainable growth in various sectors by actively promoting green financial products and services:

- **Green Deposits**: 354%
- **Green Loans**: 311%
- **ESG-related Bond Underwriting**: 173%
- **Accumulative ESG Fund Sales**: 20 Times
- **Penetration Rate of Green Mortgages**: ~80%

**Facilitating customers’ low-carbon transition**

Sustainable development is one of our core strategic goals. We have introduced various sustainable finance products and services and act as a green advisor to help customers set up green financial frameworks in order to establish sustainable commercial models and transition to a low-carbon economy.
Promoting customers’ emission reduction

We encourage customers to pay more attention to green operations and help them apply for green loan certification, thus supporting key enterprises’ carbon emission reduction and encouraging more customers to participate in green finance.

Setting up a framework of industry standards

We have gradually established standard framework requirements to better define and guide the development of the green loan sector, as well as building a green transition loan framework for customers in our capacity as a green financial advisor.

Case study: “Sustainability Trade Finance” agreements that encourage enterprises to establish sustainability performance targets

We signed a “Sustainability Trade Finance” agreement with Combine Will International Holdings Limited that included sustainability performance targets to support its purchase of sustainable raw materials as well as exports of products manufactured using sustainable raw materials and technologies. Such finance agreements incentivise sustainable business models and effectively encourage customers to use sustainable raw materials.

Case study: Completing the first green transition loan framework with HKQAA

Serving as the green financial advisor of CNOOC Gas Power Group, BOCHK, together with HKQAA, completed the formulation and certification of the first green transition loan framework in China’s natural gas sector. The framework is not only our latest exploration in practicing sustainable development concepts in the petroleum industry, but also lays a foundation for assisting oil and gas customers in transitioning to a greener future.
Innovating green finance products
We continued to enrich our green finance products and services in order to provide a wealth of options for all sections of society to participate in the development of green finance, rapidly becoming a pioneer in multiple local markets.

To support the rapid development of green financial markets, we successfully issued “sustainable and smart living” themed green bonds in Hong Kong. The funds raised will be used to support eligible projects, such as renewable energy, green building and clean transportation, that meet the requirements of the International Capital Market Association. BOCHK is the issuer, underwriter and sole green advisor of the bonds, which have obtained certification from HKQAA. The bond issuance received an overwhelming market response, being 4.5 times oversubscribed.

The first green mortgage plan in Hong Kong
- In collaboration with Sino Group, we provided digitalised and paperless mortgage services to the potential buyers of designated residential projects that have received the BEAM Plus “Platinum” or “Gold” Rating for adopting sustainable building standards and introducing energy conservation measures. This mortgage plan is now available to both primary and secondary market buyers of private and government-subsidised residential projects certified with the BEAM Plus “Platinum” or “Gold” Rating, encouraging citizens to support green building and transition to a low-carbon lifestyle.

The first personal green time deposit in Hong Kong
- We became the first retail bank in Hong Kong to launch a personal green time deposit product that is certified by an independent third party, thus further expanding our green finance services for personal customers. Deposit funds will be used to support projects in green building, renewable energy and pollution prevention, in order to accelerate green and low-carbon transition.

The first ESG multi-asset retail fund with RMB share class in Hong Kong
- We launched the “BOCHK All Weather ESG Multi-Asset Fund” to allow personal customers to participate in ESG investment via asset allocation within a portfolio of fixed-income and equity securities that are consistent with ESG investment principles.

Supporting low-carbon practices through various initiatives
In recent years, we have actively expanded green deposits and issued green bonds and funds for customers, resulting in continuous growth in related business scale and becoming a green partner to our customers.

| Cross-currency Green Time Deposit Plan | By combining the features of cross-currency and green time deposits, we supported green deposit e-vouchers and encouraged corporates to practise sustainability. Funds are mainly used to support projects in green building, renewable energy and pollution prevention. |
| Green and Blue Bond Programme | As a green advisor, we successfully issued “green and blue” bonds, thus providing more diversified products and services for customers. |
| Global Environmental Fund | BOCHK and Pictet Asset Management (“Pictet AM”) jointly launched a global environmental fund to offer more high-quality green investment options to retail investors. We have also joined forces with Pictet AM to support the coral restoration programme of WWF-Hong Kong. |

Accelerating industrial customers’ transition with green credit
Given the significance of the energy, real estate and construction sectors in reducing carbon emissions, we have devised policies to actively support the new energy industry and help accelerate the transformation of traditional industries. Our green loans cover multiple industries, including:

- Natural gas energy
- Wind power/solar energy generation
- Clean energy electricity
- Real estate
- Manufacturing
- Optical fibre construction projects

Green Development for a Better Environment
Highlight: Joining hands with peers to implement Hong Kong's largest-ever green loan

We collaborated with five banks to provide green loans totalling HKD13 billion to Hysan Development. The funds will be used for green business projects and the introduction of sustainable features to Hysan's property portfolio, including measures such as higher energy efficiency, renewable energy, waste treatment and water conservation.

Highlight: Supporting the development of solar and wind energy

As the green financial adviser of Xinyi Energy, we successfully granted a HKD600 million green loan for the acquisition of solar power generation projects.

We assisted CR Power in certifying a RMB2 billion green loan for its 12 wind power generation projects.

Highlight: Promoting low-carbon transition of public transportation with green loans

We agreed a five-year HKD500 million green loan with Kowloon Motor Bus ("KMB") to fund its purchases of the latest models of eco-buses and electric buses, as well as environmental installations such as solar panels, etc., allowing KMB to reduce its carbon emissions.
Highlight: Sustainability-linked loan

BOCHK signed an agreement with China State Construction International Holdings Limited ("CSCI") to convert an HKD bilateral revolving loan into a sustainability-linked loan. The sustainability performance goals in the agreement include achieving a target for the reduction of greenhouse gas emission intensity, using a predetermined ratio of FSC-certified wood in Hong Kong, and keeping the occupational injury rate below a defined level. CSCI shall enjoy a discounted loan rate once it achieves the abovementioned goals. This approach allows us to encourage enterprises to develop a sustainable business model.

HKQAA - Hong Kong Green and Sustainable Finance Awards 2021:

• Outstanding Award for Green and Sustainable Bond Issuer (Hong Kong Commercial Banking Industry) – Largest Single RMB Green Bond
• Outstanding Award for Green and Sustainable Bond Lead Manager (Financial Investment Industry) – Largest Amount of Green Bonds
• Outstanding Award for Green and Sustainable Bond Lead Manager (Shipping Industry) – Largest Single Blue Bond
• Outstanding Award for Green and Sustainable Loan Facilitator (Greater Bay Area Enterprises) – Greatest Number of Green and Sustainability-linked Loan, Green Loan e-Assessment

Promoting green finance development through multi-stakeholder cooperation

During the year, we worked with all sectors of society to jointly promote Hong Kong’s green finance development. We actively engaged in green finance development initiatives with regulators such as the HKMA and HKEX, appeared as a guest speaker at the first roundtable conference of the Alliance for Green Commercial Banks jointly initiated by the HKMA and IFC, and made contributions to HKEX’s first book on green and sustainable finance. We also became the co-chairman of the Green and Sustainable Banking Working Group of the Hong Kong Green Finance Association ("HKGFA") and supported multiple international forums such as the Hong Kong Institute of Bankers ("HKIB") Annual Banking Conference, Asian Financial Forum and HKGFA Annual Forum.

In addition, we led or participated in syndicated loan projects in Southeast Asia to support the business development of enterprises in the region’s industrial parks, and established a database of ESG projects in the Southeast Asia region. We promoted the implementation of multiple green finance projects in Southeast Asia with a focus on sewage treatment, wastepaper recycling, LNG power generation, wind power generation, and solar power generation, etc.
We are committed to always minimising the potential environmental impact of our business operations. Our Sustainability Policy sets out sustainable operations practices, and we take measures towards low-carbon and energy-efficient operations in line with the green banking concept.

Reducing the environmental footprint of our operations

We have set five green operation goals, covering energy, carbon emissions, water consumption, paper consumption and wastes disposal, to manage the environmental footprint of our operations. Details of which will be announced in due course.

Our environment management system in practice

We abide by local environmental laws and international standards, including the Waste Disposal Ordinance (Chapter 354) and Water Pollution Control Ordinance (Chapter 358), and have implemented a series of green management systems at our major business premises, including ISO 14001 Environmental Management Systems certification, ISO 50001 Energy Management Systems certification, the Indoor Air Quality Certificate awarded by the Environmental Protection Department, and the Certificate of Quality Water Supply Scheme for Buildings – Fresh Water (Plus) issued by the Water Supplies Department, among others.
To cope with climate change, we have put in place measures for energy saving, carbon reduction and emission reduction in order to eliminate unnecessary carbon emissions from our daily operations and gradually move towards carbon neutrality.

• **Implementing smart energy management.** We have applied retro-commissioning (RCx) to chiller systems in core buildings and made plans for BEAM Plus certification to continuously enhance energy efficiency.

• **Promoting the development of renewable energy.** Solar photovoltaic panels have now been installed at BOC Cheung Sha Wan Building, and we are planning to conduct a series of measures on our other office buildings regarding the installation of solar panels, wind power technology and green roofs.

• **High energy efficiency.** We are gradually introducing highly energy-efficient equipment and green products, such as energy-saving lighting, high-efficiency air-conditioning systems, water-saving sanitary appliances, electrical appliances with Grade 1 energy labels, etc., and selecting low-carbon and recyclable materials for carpets, stone and ceilings, etc., during the renovation and enhancement of our branches.
  - Over 60 branches are using green materials
  - Over 30% branches are using energy-saving LED lighting

• **Smart lighting.** We are adopting natural lighting in our lobbies and installing solar insulation window films to reduce solar gain, in order to save electricity and enhance the efficiency of chiller systems.

• **Promoting intelligent banking.** We have set up eZones to provide green business services and reduce paper consumption in our banking centres.
In addition, we have implemented multiple measures for energy saving and carbon reduction in our offices.

| Phasing in energy-saving LED lighting devices, installing motion and daylight sensors and timers | Prioritising “Grade 1 energy label” electric appliances during procurement | Offering a daily vegetarian menu in the staff canteen, using biodegradable containers and ceasing to provide plastic straws | Using faucet and sanitary appliances certified under the Water Efficiency Labelling Scheme (WELS) of the Water Supplies Department |
| Setting up 3-colour recycling bins, together with glass bottle and food container recycling bins, etc. | Organising energy management training, environmental competitions and workshops, and “Go Green” green office ideas solicitation activities |

**Case study: Retro-commissioning (RCx)**

In response to a promotion by the Electrical and Mechanical Services Department, we enhanced the efficiency of the chiller systems in our core office buildings by upgrading them from manual operation to automatic centralised control. This is expected to generate electricity tariff savings of as much as 5%.

**Case study: Installation of solar photovoltaic panels at BOC Cheung Sha Wan building**

We have installed solar photovoltaic panels at the BOC Cheung Sha Wan Building to support the development of renewable energy. The energy output from July to December 2021 reached 6,616 kWh.
Fostering a green culture for carbon reduction

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<th>2021</th>
<th>2020</th>
<th>2019</th>
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<tbody>
<tr>
<td>Paper purchase (tonnes)</td>
<td>436.57</td>
<td>496.54</td>
<td>576.55</td>
</tr>
<tr>
<td>Paper purchase per capita (kg/employee)</td>
<td>35.89</td>
<td>39.54</td>
<td>45.79</td>
</tr>
<tr>
<td>Waste disposal (tonnes)</td>
<td>556.03</td>
<td>184.30</td>
<td>611.60</td>
</tr>
<tr>
<td>Waste disposal per capita (tonnes/employee)</td>
<td>0.046</td>
<td>0.015</td>
<td>0.049</td>
</tr>
<tr>
<td>Water consumption (megalitre)</td>
<td>104.20</td>
<td>97.15</td>
<td>110.23</td>
</tr>
<tr>
<td>Water consumption per capita (megalitre/employee)</td>
<td>0.0086</td>
<td>0.0077</td>
<td>0.0088</td>
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</tbody>
</table>

Compared with base year 2019:

- Total paper purchase and paper purchase per capita decreased by 24% and 22%, respectively.
- Total waste disposal decreased by 55.6 tonnes and waste disposal per capita decreased by 6%.
- Total water consumption reduced by 5% and water consumption per capita reduced by 2%.

For details, please refer to 13.1 Sustainability Performance Indicators.
We practise “green, diligent and thrifty operations” to conserve resources in our daily operations. In response to many enterprises’ growing focus on reducing paper consumption, we have launched a series of measures to reduce paper consumption at source:

• Replacing paper forms and approvals with electronic processes
• Using e-Tendering paperless platform
• Purchasing FSC-certified paper
• Posting notices in offices to remind employees to reduce paper usage and minimise printing requirements

We also promoted waste reduction at source during the year. For example, we committed to reduce food waste by signing the Food Wise Charter of the Environment Bureau, and our staff canteen stopped providing plastic straws, plastic bags and disposable utensils in order to reduce waste disposal.

Case study: Going to work with an “Environmental-friendly Suit”
Our employees are allowed to work in casual wear, and frontline branch employees are provided with casual and environment-friendly uniforms made of all-season, easy-to-wash, iron-free fabrics for working on Fridays and Saturdays.

Promoting environmental protection and carbon reduction together with our customers
Adhering to the concept of sustainable business development, we actively involve our customers as “green partners” to reduce carbon emissions together. In addition, in line with our digital transformation, we provide high-quality and diversified online banking services and are committed to promoting paperless banking.

• During the year, the ratio of new online account opening exceeded 50% of the total account opening.

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

  Covering 50% of target customers

• Encouraged customers to choose e-Statements

  During the year, the number of customers using e-Statements 18%, with a penetration rate of > 90% for new customers

• Actively promoted the use of mobile banking

  Total number of mobile banking customers 15% year-on-year
  Average daily transactions 90% year-on-year

Case study: Global Shipping Business Network
BOCHK became the first financial institution in the world to collaborate with the Global Shipping Business Network (GSBN) to share shipping information, eliminating the need to providing paper shipping documents and optimising the trade financing process.

For details on innovative financial technology, please refer to the “Improving Customer Experience” section.
11.3 Promoting Sustainable Procurement

As well as paying attention to our own operations’ environmental impact, we also attach great importance to our suppliers’ performance in all aspects of social responsibility, ethics, corporate governance, environmental protection and labour conditions. We formulated the Supply Chain Code of Conduct and Sustainable Procurement Policy to set up a supplier evaluation mechanism, and conducted regular surveys and added questionnaires to tender documents in order to better understand their business models. We also strengthened communication with suppliers and provided feedback on their social and environmental performance.

We are committed to enhancing suppliers’ sustainability awareness by encouraging innovative thinking, new designs and the application of new technologies. We use life-cycle analysis and give active consideration to procuring environmentally friendly products and services that support sustainable development. We strictly adhere to ethical standards and responsible behaviour when collaborating with our suppliers, with the aim of developing long-term business relationships based on trust and cooperation.

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

Sustainable Procurement Policy: This sets out the entrance requirements and annual evaluation standards for our suppliers, including procedures for new suppliers such as register search and risk assessment. We have also put in place a supplier management system to ensure compliance with sustainable development principles.

We strictly comply with the Competition Ordinance, the Prevention of Bribery Ordinance and other applicable laws and regulations, and pursue the principle of fair competition when selecting suppliers. We require all new suppliers to complete a Supply Chain Code of Conduct Assessment Questionnaire, and carry out due diligence on their information security, technology risk and related legal persons, and will only consider them if they meet the required regulations and standards. If a supplier fails to meet the standards, we will take appropriate action including delisting them from our supplier list.

We have clear requirements for suppliers’ due diligence on AML and anti-bribery matters. When selecting suppliers, we follow the BOCHK’s Anti-Bribery and Anti-Corruption (“ABAC”) Policy and related working arrangements. We attach great importance to our suppliers’ anti-bribery and anti-corruption management. To support due diligence on suppliers and monitor the procurement process, we have established policies and mechanisms such as the Centralised Procurement, Tender and Price Comparison Rules and the Administrative Measures for Supplier Management.
As financial technology continues to develop, the Group has introduced more technology-enabled supply chain services, including big data, cloud platforms, AI, Open API and other new technologies. We devised the Operating Rules for Supplier Information Security and Technology Risk Inspection, which clearly set out our inspection categories, frequencies and methodologies for suppliers, in order to continuously implement supplier information security management and customer data protection.

During the year, we conducted “Sustainability and Environmental Protection” evaluation for all our approved suppliers and continued to implement the relevant requirements. Over 80% of our suppliers are based in Hong Kong. Our major procurement items are roughly classified into the following six categories:
11.4 Green Community

Achieving sustainable development requires collaboration from all sectors of society. By supporting and sponsoring various partners to promote a diverse range of environmental projects, we will build a green future together with our stakeholders.

BOCHK Corporate Environmental Leadership Awards Programme
- We have sponsored the “BOCHK Corporate Environmental Leadership Awards”, jointly organised with the Federation of Hong Kong Industries (FHKI) for seven consecutive years, encouraging enterprises to adopt green and sustainable measures. More than 823 enterprises participated in 2021, implementing over 2,736 green projects. The widely renowned programme has become a notable brand in the field of environmental protection.

Instilling the concept of carbon reduction at an early age
The next generation is our future. To leave a beautiful environment for the next generation, we must “practice what we preach” by educating our children to value environmental protection and carbon reduction, and teaching them to turn ideas into action. During the year, we launched a series of programmes to help young people integrate green concepts into their daily life and behaviour.

"Towards Carbon Neutrality” Youth Education Programme
- By supporting the “Towards Carbon Neutrality” Youth Education Programme, we cultivated low-carbon lifestyles among young people and strengthened their understanding of national policies, goals and action plans on carbon neutrality.
- Hong Kong students’ paintings about environmental protection were shown at the COP15’s Convention on Biological Diversity held in Kunming in October 2021, expressing local young people’s hopes of protecting biodiversity. The paintings were featured in the World Environment magazine of the Ministry of Ecology and Environment of the People’s Republic of China.

“Conservation for a Better Future on the Planet” Programme
- We supported the “Conservation for a Better Future on the Planet” programme launched by Ocean Park Conservation Foundation Hong Kong and sponsored 12 conservation programmes in Hong Kong and other parts of Asia to promote the conservation of biological diversity.

“Green Climate Pioneer” Programme
- We sponsored the “Green Climate Pioneer” youth leadership programme of Tung Wah Group of Hospitals to raise awareness of climate change and guide students to make innovative reforms and promote environmental protection.
"Human and Nature Inclusion Programme"
• We continued to sponsor the Polar Museum’s “Human and Nature Inclusion Programme” and launched a series of education programmes to support young people to reduce carbon emissions and practise sustainability in their daily lives.

"The Community Chest Virtual Walk for Millions"
• We sponsored the “The Community Chest Virtual Walk for Millions” activities, integrating carbon reduction, health and charitable giving. Due to the pandemic, the event was run online for the first time. Our employees actively participated in the event together with 5,500 citizens, accumulating nearly 600 million steps.

"Carbon Neutrality Challenge" Programme
• By supporting the “Carbon Neutrality Challenge” programme organised by Kadoorie Farm and Botanic Garden, we raised citizens’ awareness of climate disaster risks and explored the use of natural solutions to cope with climate challenges and mitigate climate change.

Computer Donation
• In response to the needs of people with low incomes and new immigrant families for computers, we donated reusable office equipment to various charitable organisations. In 2021, we donated over 8,000 computers, printers and computer screens.
Showing our Care and Building a Better Future for the Next Generation

Building a Harmonious Society

The most extensive network in HK:
187 branches;
SE Asia: 35 banking sites

Provided HKD 50 billion of credit loans to help SMEs fight the pandemic

Average training hours for employees: >47 hours

Percentage of female employees: 57%

Cumulative amount of charitable donations:
>HKD1.4 billion

76 charitable and community projects in 2021, benefiting more than 3 million participations

Offering a variety of services to meet the needs of the elderly and the underprivileged

>30 seminars and focus groups for the management and employees

8,200 employee volunteers
12.1 Practising Financial Inclusion

In line with our customer-centric philosophy, the Group actively practises financial inclusion by providing diversified and convenient services to people from different walks of life, based on the following strategies:

- Adopting new technologies and green operations to extend the reach of our banking network to remote areas and public housing estates.
- Actively participating in financial market infrastructure development and livelihood financial services to boost the local economy and support people’s livelihood.
- Developing more convenient services for SMEs and solving their problems in account opening, financing and operations.
- Taking care of the needs of elderly customers and providing services to the underprivileged to ensure equal access to banking services.

Most Extensive Banking Network in Hong Kong

We own the most extensive local branch and self-service banking network in Hong Kong, widely distributed across the city’s districts:

- **187** branches in Hong Kong
- **Over 280** automated banking sites with **24-hour service**
- Over **40%** of our sites are located in (or within a **10-minute walk of**) public housing estates
- **630** ATMs
- Foreign Currency ATM service extended to **13** sites
- **24/7** Online Chat service and “Bonnie” chatbot
Accommodating customers in remote areas

- We opened new sites in a number of remote public housing estates and areas in 2021, with some of the sites upgraded with BOCHK iService, offering video banking services delivered by live agents. Customers can also conduct cash withdrawal transactions through video calls.
- Over 150 sites are located at public organisations such as hospitals, universities and public transport hubs, including MTR stations, the airport and ports.
- We provide efficient electronic channels such as online banking and mobile banking and continually expand the scope of their services and functions, to meet customers’ needs for banking services “anytime, anywhere”.
- Easy Chat, an AI chatbot launched by BOC Life, provides customers with convenient 24/7 services including enquiry, payment, change of policy and claim settlement.

Livelihood financial services

In response to the pandemic, we cooperated with the Government and public organisations to implement various financial measures and initiatives. By actively participating in the development of financial market business infrastructure and public financial services, we helped to boost local economic development and support people’s livelihood.

- We supported the HKSAR Government's Cash Payout Scheme Community Care Fund's “One-off Subsidy to Low-income Households Not Living in Public Housing Nor Receiving Comprehensive Social Security Assistance” (CSSA), in distributing a monthly cash allowance to applicants who have been waiting for public housing for more than three years and not covered by the CSSA.
- We provided payment services support to the Government and public organisations through credit card, Octopus card, FPS, and QR codes.
- For the Government's Consumption Voucher Scheme, we launched a series of activities including WeChat Pay and Alipay, BoC Pay x Bill rebate offers and online seminars, etc. Branch staff also helped answer elderly people's questions and helped them register for the programme.
- In response to the HKMA's call to strengthen anti-pandemic measures, we launched the well-received BoC Pay and Mobile Banking e-laisee service. We also launched corporate eLaisee. Corporate customers can give red packets online up to 10,000 employees at a time. It is efficient and environmental friendly, which supports company towards low-carbon transition.
Continuous improvement in SME services

As robust SME business performance is especially important to Hong Kong’s economic development, we provided a series of services to facilitate SMEs’ business growth during the year.

- We promoted financial support measures to help SMEs overcome the challenges caused by the adverse operating environment. This included credit loan products under the SME Financing Guarantee Scheme and the Enhancements to the Special 100% Loan Guarantee launched by HKMC Insurance Limited, as well as the Pre-approved Principal Payment Holiday Scheme launched by the HKMA.
- We were the first partner bank of the Hong Kong Quality Assurance Agency’s new Green Loan E-Assessment Platform, and launched the SME Green Financing Incentive Scheme.
- Leveraging our parent bank’s cross-border matchmaking service and BOC E-cooperation platform, we helped SMEs explore business opportunities, attract exhibitors and investors, and facilitate matchings and transactions. Our Southeast Asian entities also encouraged local SMEs to participate in business-matching activities such as the China International Import Expo (CIIE) and other commercial matchmaking activities to advance their growth.
- We cooperated with the Hong Kong Productivity Council to advance SMEs’ digital transformation by hosting webinars such as “Promoting Smart Financial Cities, Grasping the Development of Commercial Data” and “Identifying New Trends in Digital Marketing, Seizing the Market Opportunities in the Greater Bay Area”, and hosted sharing sessions with Hong Kong Science Park to help enterprises learn about plans for the GBA and related cross-border financial opportunities.
- We became the first local bank to launch the “ERP Cloud Services – Accounting Cloud” (“Accounting Cloud”) service, providing a one-stop bookkeeping and financial management cloud service to improve accounting efficiency for SMEs and reduce their operating costs in a reliable manner.
- We supported the HKMA in building Commercial Data Interchange (CDI), which simplifies the loan application process and helps to solve financing difficulties for SMEs. During the year, we have become the first bank in local market to apply commercial data of an enterprise, as a replacement of financial report based assessment framework, for loan approval in entire end-to-end process in the 2nd phase of CDI Proof-of-Concept study and technical connection.
We use the BoC Bill Integrated Billing Service as it can support a variety of electronic payment methods, which reduces the burden on store colleagues from handling different electronic payment tools while also improving customer experience.

We also adopted the use of iGTB NET and the newly launched Accounting Cloud, which have given our employees a simpler way to handle daily accounts. Thanks to BOCHK’s online and phone support as well as online training, our employees can easily operate the system and we can optimise our operating efficiency, allocate resources more effectively and expand our business. Also, we can contribute to sustainable development by incorporating ESG concepts in our business.

Serving the elderly and the underprivileged

We have introduced various services to meet the needs of the elderly and the underprivileged, to ensure equal access to banking services.

| Financial products and services | • We launched finger vein authentication, and provided free standing instruction remittance for social security payments to the elderly for the Hong Kong Social Welfare Department’s Guangdong Scheme, Fujian Scheme and Portable Comprehensive Social Security Assistance Scheme.  
| | • We participated in the Reverse Mortgage Programme and supported the HKSAR Government in the issuance and sales of its sixth Silver Bond, which enhances financial flexibility and provides steady returns for senior residents.  
| Branches | • All our branches have installed barrier-free access or ramps for portable wheelchairs that allow mobility-challenged customers to gain easy access, with some branches equipped with elevators.  
| | • Our branches provide service bells so that those in need can seek timely assistance from our Customer Service Ambassadors.  
| | • We provide an assistive listening device to facilitate communication with hearing-impaired customers.  
| ATMs | • All ATMs have tactile indicators, and the design of the keypad protective covers has been optimised for the convenience of people with disabilities.  
| | • All ATMs feature wheelchair-friendly design to allow wheelchair users to easily reach the screen and keypads.  
| | • We have set up more than 270 voice-navigation ATMs across Hong Kong.  

Organised by Hong Kong Internet Registration Corporation Limited and co-organised by the Office of the Government Chief Information Officer: BOC Life won the Gold Award of the 2020–2021 Web Accessibility Recognition Scheme
Financial inclusion in our Southeast Asian entities

With 35 banking sites in Southeast Asia, our Southeast Asian entities have helped local customers to overcome difficulties amid the ongoing impact of the COVID-19 pandemic. BOC Thailand provided relief measures such as the Principal Payment Holiday Scheme, lower loan interest rates and waivers of default interest rates, and cut credit card minimum payments from 10% to 5%, thus making customers’ credit card debts akin to long-term loans. BOC Malaysia also provided supportive measures such as repayment extensions for customers with low-to-medium incomes.

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

In terms of convenient banking services for customers in Southeast Asia, BOC Thailand became the first local bank to offer mobile banking wealth management services, as well as the first Chinese-invested bank to launch mobile banking online account opening services in Thailand. The Jakarta Branch and Brunei Branch launched mobile banking, and BOC Malaysia introduced the first local mobile banking e-KYC account opening platform and the first one-stop mobile digital investment platform in Malaysia.

Case study: Catering to customers’ needs by providing microfinance services

Due to the geographical conditions of some Southeast Asian countries, the market penetration of traditional banking services is relatively low, making it difficult for residents to access banking services. In response, we provide loans to local microfinance institutions in order to reach more people. For instance, our Jakarta Branch made loans to two financial companies in Indonesia, who in turn provided financing to local SMEs. In Cambodia, commercial banks’ target customers are mainly SMEs and individual customers in cities, while the target customers of small loan companies are small and micro-sized enterprises and farmers in rural areas, two underbanked customer groups. Our Phnom Penh Branch provided loans of nearly US$65 million to four local small loan companies, indirectly participating in the most active local microfinance market without opening any new branches. This provided indirect financial support for small and micro-sized enterprises and farmers, contributing to financial inclusion in Cambodia.

For more details, please refer to the “Improving Customer Experience” section.
12.2 Improving Customer Experience

At BOCHK, we ensure that customer voice is always clearly heard through our diversified communication channels, with the aim of constantly providing brand-new, convenient and high-quality banking services.

Customer-centric approach
Leveraging the unmatched breadth of our regional branch network, our excellent service culture and our diversified digital banking features, we constantly strive to surpass customer expectations and offer a superior experience. In addition, we have developed such refined services as Private Wealth, Wealth Management, Enrich and i-Free Banking to satisfy various customer needs.

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

Given that customer needs vary, we conduct different feedback surveys targeting different customer groups in order to continuously enhance the quality of our products and services.

<table>
<thead>
<tr>
<th>Transactional Net Promoter Score (tNPS)</th>
<th>Customers are invited to rate their experience and provide feedback upon completing a transaction through branches, mobile or online banking, thus driving service improvement.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Customer Satisfaction Survey</td>
<td>We conduct a customer service survey through our interactive voice response system immediately after phone inquiry. In 2021, around 370 corporate customers provided positive feedback through an email survey carried out by a third-party consultant.</td>
</tr>
</tbody>
</table>

Improving policies to protect customers’ interests

To safeguard the interests of our customers, we have developed regulations and provisions for our banking services based on all relevant laws and regulations applicable to Hong Kong.

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

Our professional training and education teams ensure that employees are well-briefed on customer financial security issues, so as to provide customers with the highest-quality services.

- We provide comprehensive training courses for new customer service employees, covering topics related to customer financial security such as the *Treat Customers Fairly Charter*, compliance, service quality and our customer experience model. In addition, all frontline employees participate in mandatory compliance training each year, covering the Deposit Protection Scheme and other matters.

- Employees in branches must participate at least once a year in an online training and testing session related to the *Treat Customers Fairly Charter*. Covering our corporate culture of treating customers fairly, it requires employees to specify and explain the main characteristics of products and related risks and terms, while taking customers’ interests into consideration.

- We regularly release compliance reports and reminders, and arrange training on weekly market information and various investment products.

- Before and after a new product is launched, we strengthen communication and training for employees and remind them of its key points.

- We encourage employees to participate in seminars and information exchange meetings to continuously improve and enrich their knowledge.

Keeping customers safe

To improve customer service, we strive to provide a safe and comfortable environment in our branches and outlets.

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

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

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

- We encouraged our customers to safely access our banking and wealth management services via online, mobile and phone channels.
Promoting public financial education

To enable our customers to make informed financial decisions, we provide fair and transparent information regarding our products and services while striving to promote financial knowledge among the general public.

<table>
<thead>
<tr>
<th>Offering sufficient and transparent information</th>
<th>We have a designated department responsible for advertising, with administrative measures, operating rules and employee guidelines in place for advertising and marketing activities. All promotional content is reviewed by the relevant department.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing compliance training for frontline employees</td>
<td>We provide training on compliance for all frontline customer service employees when they join BOCHK and thereafter on an annual basis. This gives detailed and clear guidance on proper selling procedures, fair customer treatment, and avoiding the use of fraudulent and misleading advertisements and sales materials.</td>
</tr>
<tr>
<td>Enhancing knowledge of products and wealth management</td>
<td>We provide an e-version of Monthly Global Market Investment Insight and a diverse range of online investment seminars for wealth management customers.</td>
</tr>
<tr>
<td>Raising awareness of green investment and green finance</td>
<td>Livestreams and recordings on wealth management are available via mobile banking. Experts in Hong Kong have also been invited to share their experiences in green wealth management and investment.</td>
</tr>
</tbody>
</table>


Case study: Enhancing the financial knowledge of the next generation

We jointly hosted a lecture on investment with the Investment Society of the HKUSU to promote financial knowledge among the younger generation. At the lecture, participants learned about investment strategies, financial decision-making services and wealth management products for first-time investors.

Case study: BOC Life New Generation Financial and Technology Designers’ Programme

BOC Life has announced a two-year STEAM-themed “BOC Life New Generation Financial and Technology Designers’ Programme” in partnership with St. James’ Settlement. Customised to students’ needs, the programme adopts an interactive approach to inspire students’ interest in programming and STEAM (science, technology, engineering, arts and mathematics), together with knowledge about wealth management, fintech and recycling.
Building a Harmonious Society

A sound complaint handling mechanism

We highly value customer feedback as a means of continuously improving our services, and have established a rigorous complaint handling mechanism to deal effectively with complaints while responding to complainants in a timely manner.

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

Case study: Young Expert in Finance education programme

To raise awareness of financial matters and promote healthy budgeting at the community level, we supported the “Young Expert in Finance” education programme launched by Tung Wah Group of Hospitals. The programme involves a series of activities targeted at children and parents in low-income families, including lectures for low-income students, budgeting groups for low-income families and leaflets with budgeting information, with the aim of fostering healthy budgeting habits among low-income families.

Channels: diversified and 24/7

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

Principles: fairness, impartiality, confidentiality

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

Measures: rapid action, continuous improvement

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

Technology can both improve our quality of life and promote socioeconomic development. During the year, we pushed forward technology-driven business reform, launched a number of innovative financial technology services, and provided brand-new digital solutions in areas such as customer services, financial products, service flows, operational management, and risk monitoring and control. The outbreak of COVID-19 pandemic also accelerated our progress towards digitalised banking services.

Technology innovation mechanism

An internal technology innovation mechanism has been set up to develop digitalised banking services.

We also organised internal and external activities to foster a conducive atmosphere for innovation.

Case study: BOCHK Challenge 2021-22

We held a fintech innovation competition to unlock the potential of young people’s talents for the sector.

Case study: BOCHK Ideation Contest

We held our annual Ideation Contest around the theme of “Innovative Products, Innovative Management, Innovative Technology and Innovation Experience” to encourage our employees to be innovative and creative, fuelling our digital transformation.
Technology innovation measures

We always strive to apply innovative fintech to create digitalised services in response to customers’ wealth management needs. Since 2019, we have also employed robotic process automation across various operating processes and internal procedures to improve service efficiency.

During the year, we launched a series of innovative financial services so as to offer a premium service experience to our customers.

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>iAM Smart mobile account opening</strong></td>
<td>BOCHK became the first bank in Hong Kong to adopt the iAM Smart technology launched by the HKSAR Government for mobile account opening, driving forward the digital transformation of the banking sector.</td>
</tr>
<tr>
<td><strong>PlanAhead wealth planning service via mobile banking</strong></td>
<td>PlanAhead provides a pioneering one-stop wealth planning service to meet the needs of young customers for convenient investment services.</td>
</tr>
<tr>
<td><strong>Interbank QR Code Cash Withdrawal</strong></td>
<td>Through the UnionPay QR Code Cash Withdrawal service, customers can set up a cash withdrawal instruction via BOCHK mobile banking and then scan the QR code at any bank ATM equipped with the service to withdraw the cash.</td>
</tr>
<tr>
<td><strong>Mobile Banking 5.0</strong></td>
<td>With a brand-new User Interface, Mobile Banking 5.0 introduced optical character recognition (OCR) and facial recognition to strengthen eKYC customer identity authentication, as well as AI to facilitate personalised banking services and information.</td>
</tr>
<tr>
<td><strong>BoC Pay and BoC Bill payment services for transport</strong></td>
<td>This allows customers to pay for transport (including buses) via credit card and QR code to make travel more convenient.</td>
</tr>
<tr>
<td><strong>ERP Accounting Cloud service</strong></td>
<td>Accounting Cloud is a groundbreaking one-stop cloud-based accounting management service that helps SMEs grasp business opportunities and make financial management more efficient.</td>
</tr>
<tr>
<td><strong>iGTB API service</strong></td>
<td>Corporate customers can now experience digital corporate banking services directly on their own business platforms.</td>
</tr>
<tr>
<td><strong>Free Trade Zone Knowledge Base</strong></td>
<td>The Free Trade Zone Knowledge Base hosts the latest policies, business information and studies of various research institutes regarding free trade zones, the GBA and RMB internationalisation.</td>
</tr>
<tr>
<td><strong>Digital transformation of supply chain</strong></td>
<td>BOCHK signed a memorandum of understanding with the Global Shipping Business Network (GSBN) to streamline the trade finance process between the shipping and finance industries, thereby increasing efficiency for suppliers and reducing costs.</td>
</tr>
</tbody>
</table>

Our branches and subsidiaries in Southeast Asia also proactively drive technology innovation, improving services via electronic channels and helping local residents to safely access financial services. In 2021, mobile personal banking services were available from all of BOCHK’s branches and subsidiaries in Southeast Asia which provide personal banking services, with the penetration rate increasing by over ten percentage points compared to the prior year-end.
We continued to improve our fintech scenario ecosystem based on various scenarios including real estate, government affairs, transport, education, cross-border transactions, wealth management and health, in response to various customer needs. During the year, we witnessed a notable increase in customer demand for e-services.

**Case study: Wellness Ecosystem**
BOC Life launched the “Live Young Rewards Programme”, which encourages customers to adopt healthy lifestyles by enabling them to earn points through different activities and redeem them as e-vouchers. An embodiment of the Group’s ESG philosophy, the programme integrates customers’ daily life, sports and fitness activities, and social interactions.

**Recognition**
- *Asiamoney Best Bank Awards 2021*: Hong Kong’s Best Digital Bank 2021
- *Asian Banking & Finance*: Best Mobile Banking and Payment Programme in Hong Kong
- *HK01 – Fintech 2021*: 01 Fintech Award – Digital Banking Services for SMEs
- *iMoney Magazine – iMoney Enterprise Brand 2021*: Best Mobile App for Property Purchasing
12.3 A People-oriented Approach

We consider our employees to be our most valuable assets. We are committed to creating a harmonious, diverse and friendly working environment in order to attract, identify and nurture talent. We help our employees to maximise their potential while growing together with us.

**Promoting staff development**

Having established strategic goals for talent cultivation, we enhanced our human resources management system and reinforced talent acquisition and cultivation in emerging areas such as financial technology, digital transformation, green finance and compliance technology. We are committed to providing employees with long-term and sustainable professional development.
Empowering staff and cultivating talent

We attach great importance to staff training and development. Through diversified learning courses, we offer continuing education opportunities and provide targeted training programmes to help staff at all levels to improve their capabilities, in order to facilitate the mutual development of employees and the Group.

- We boosted our leaders’ ability to drive change through Innovation and Leadership Development Programmes, growing the pool of employee talent that embraces new leadership mindsets.
- We continued to enrich our training resources in line with the Group’s corporate developments. During the year, we organised various types of training courses including Certified ScrumMaster® (CSM) and Certified Scrum Product Owner® (CSPO).
- We collaborated with professional and academic institutions such as the Hong Kong Vocational Training Council and Hong Kong Polytechnic University to provide continuing education courses for frontline licensees. We also offered ESG-related training for management and core staff in cooperation with professional organisations such as the Hong Kong Quality Assurance Agency and Standard & Poor’s.
Recruiting and cultivating excellent young talent

- We place strong emphasis on youth development in Hong Kong and provide a platform for local young people to realise their potential by strengthening the Group’s reserve of outstanding young talent.

- During the year, we participated in a number of youth development and employment programmes organised by the HKSAR Government and external organisations, providing more than 300 positions.

- We also supported the Hong Kong Athletes Career & Education Programme (HKACEP) launched by the Sports Federation & Olympic Committee of Hong Kong, China, providing internships and full-time and part-time job opportunities.
Case study: Management Trainee Programme
Sin Shu Woon Sherman, Business Strategy Manager, Personal Digital Banking Product Department
As a retired archer, I was successfully employed by BOCHK as a Management Trainee in 2018. Nurtured by tailor-made career coaching that included job rotation, career planning and leadership training, I have mapped out a career path that enables me to play to my strengths. Having laid down my bow, I will continue to take aim at my goals through the new platform of BOCHK.

Case study: Greater Bay Area Youth Employment Scheme
In 2021, BOCHK recruited over 60 Greater Bay Area Trainees to work at BOC Guangdong Branch, BOC Shenzhen Branch and its subsidiary BOC Equity Management Investment (Shenzhen) Limited. This enabled young people in Hong Kong to understand the development of the GBA and gain leading-edge industry knowledge, broadening their career opportunities and providing diversified development paths.

BOCHK Asset Management Limited – Chan Ho Nam
When I was assigned to work in the Qianhai subsidiary in Shenzhen, I saw from personal experience that mobile payments, transportation, accommodation and dining in the Chinese mainland are convenient and well-developed. Although the office environment and culture in the two cities are different, they both had a good working atmosphere and highly skilled professionals that have benefited me a lot.

Commercial Banking Department – To Chun Yin
During the six months that I was seconded from Hong Kong to the Shenzhen branch, I participated in various tasks including drafting offline marketing campaign plans, assisting the departments and the teams in the major marketing projects, etc. After work, I visited local cultural attractions with my colleagues and regularly played basketball with colleagues and customers, which was enriching and made me feel the warmth of the BOC family. During this period, I have adapted to communicate in Putonghua and Simplified Chinese, and my Chinese language skills have been greatly improved. This laid a good foundation for my better integration into both work and life in the GBA, as well as becoming a cross-border financial talent in the GBA.
Upgrading to a mobile office

During the year, we launched the eWorkplace mobile office solution in line with our business operation requirements and the MyLearning mobile classroom solution to support our on-the-job training priorities. Both platforms have served our employees well, especially during the pandemic, helping staff to improve work efficiency and enhance the learning experience.

CTgoodjobs “Best HR Awards 2021”
- Best Talent Acquisition & Onboarding Strategy Award – Grand Award
- Best L&D Technology Implementation Award – Grand Award
- Best Graduate and Management Trainee Programme Award – Gold Award
- Best Innovative L&D Initiative Award – Gold Award

The Hong Kong Institute of Bankers – Hong Kong Banking Industry Talent Development Awards Programme:
- The HKIB Talent Development Award

A diverse and inclusive team

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>14,553</td>
<td>4,915</td>
<td>19,468</td>
</tr>
<tr>
<td>2020</td>
<td>14,915</td>
<td>5,116</td>
<td>20,031</td>
</tr>
<tr>
<td>2019</td>
<td>14,668</td>
<td>5,116</td>
<td>19,784</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Female in management positions (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>39%</td>
</tr>
<tr>
<td>2020</td>
<td>39%</td>
</tr>
<tr>
<td>2019</td>
<td>39%</td>
</tr>
</tbody>
</table>
Promoting team diversity and ensuring equal opportunity\(^{37}\)

- We strive to promote diversity and inclusion in our teams, strictly compliance with relevant laws and regulations, and have formulated the *Staff Guidelines on Eliminating Discrimination*. Meanwhile, we offer diversity and inclusion training and apply the principle of equal opportunity to all policies related to human resources, remuneration and benefits, as well as ensuring employment opportunities for people of all kinds. Any discrimination or harassment against employees owing to their marital status, pregnancy, breastfeeding/or expressing breast milk, disability, family status, race or gender are prohibited.

- We adopt a fair and open recruitment policy which is regularly reviewed and updated with reference to the relevant laws and regulations of the regions in which we operate. In addition, we endeavour to employ local staff (including the senior management) from the places in which we operate, to better serve local customers and society.

- We follow rigorous procedures in our recruitment processes to avoid child and forced labour. In line with the political, social and cultural contexts of the places in which we operate, we support and respect our staff’s human rights and their legitimate rights as recognised on an international basis. We have also formulated the *Supply Chain Code of Conduct* which requires our suppliers to act in compliance with relevant human rights and labour standards. \(^{38}\)

Care and communication

We continually invest in improving employee care and optimising employee benefits, while striving to foster open communication with our employees based on mutual trust. We take each employee’s input and views into account, and respond appropriately.

Comprehensive employee benefits\(^{39}\)

- We continually optimise employee benefits, such as our group medical insurance plan covering outpatient, inpatient, dental and maternity care, as well as a family medical insurance plan offering the same coverage.
- We care for the physical and mental health of our employees and provide psychological counselling services for those in need.

- We offer remuneration packages that exceed statutory requirements, preferential rates on mortgages and personal loans to help employees manage their finances flexibly, as well as banking services and other offers.
- We offer a range of employee care initiatives, such as red packets for Chinese New Year and gifts for birthdays, weddings and retirement. Our major office buildings feature staff canteens, staff clinics, medical rooms and breastfeeding rooms. A retiree club holds regular activities to facilitate contact and communication among retired employees, who are also provided with medical benefits.
Improving remuneration packages to motivate our staff

- We offer competitive remuneration packages to our employees. In accordance with the HKMA’s Guideline on a Sound Remuneration System, we review our remuneration packages periodically and recognise employees for outstanding performance.

- All employees are required to undergo regular performance evaluation. For frontline staff engaged in sales activities, we not only consider their business performance, but also assess their overall contributions. We have established a comprehensive incentive mechanism that measures an individual’s overall service performance, in order to cultivate a good banking culture.\(^{40}\)

- Owing to the recovery in Hong Kong’s economy and employment market in 2021, fierce competition for talent has pushed up the overall turnover rate in the industry. Although our staff turnover rate has risen from previous years, it is still lower than the industry average.

Streamlining communication and feedback channels to respond to staff concerns \(^{41}\)

- We organised over 30 seminars and focus groups to enhance communication between management and employees and solicit employees’ opinions and suggestions.

- We collected opinions and suggestions from our employees through surveys and responded with appropriate feedback and follow-up, including enhancing our working environment, management policies and procedures. Our annual employee survey achieved a high response rate of 88% in 2021, with staff generally reporting a positive sense of affinity to the Bank.

- Since the outbreak of the COVID-19 pandemic, we have disseminated regulators’ latest requirements and arrangements through a variety of channels and in a timely manner. We also provided our employees with various support measures and set up a dedicated hotline to answer their queries and address their concerns.

- In addition to speaking to their direct supervisors, employees can voice their opinions according to the Rules of Handling Employee Complaints, through the staff hotline and the “Chief Executive’s Mailbox”. We actively handle and follow up on all employee suggestions and feedback.

\(^{40}\) 404-3 \\
\(^{41}\) 402-1

14.6% Voluntary employee turnover rate in HK, lower than the industry average

>30 seminars and focus groups jointly attended by management and employees

Employee survey response rate: 88%
Employee health and safety

In light of the pandemic, we implemented a number of care measures to protect employees and organised various health-related talks to help employees safeguard their physical and mental health.

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

- Encouraging employees to get vaccinated, with over 98% of our employees receiving at least one dose
- Equipping main offices with virus testing arrangements
- Reimbursing costs for COVID-19 tests
- Working from home and staggered working hours
- Properly implementing physical separation at work

Refining safety guidelines and promoting physical and mental health

- We have formulated the Occupational Health and Safety Guidelines, with a designated team responsible for coordinating and monitoring their implementation, developing a risk assessment process, and conducting regular safety inspections.
- Bank of China Tower and Bank of China Centre have ISO 45001-certified occupational health and safety management systems. During the year, we continued to organise relevant training courses on an ongoing basis, including basic fire prevention courses, anti-robbery and evacuation drills, occupational health and safety seminars and talks, and first-aid certificate courses.
- Our monthly staff journal features a Three Prevention Tips section. We also organised a series of “Three Prevention Security” training sessions for employees who are responsible for the “Three Preventions” in all branches and departments.
- We supported employees’ physical and mental health and organised various recreational activities for our employees

Extended coverage of the staff medical insurance and medical check-up plan

Provided 600 instances of psychological counselling services to employees

Organised photography competitions and singing contests

Jointly organised online events with The Community Chest of Hong Kong

Organised various staff recreational activities such as “BOC Parent-Child Open Day”

Mandatory Provident Fund Schemes Authority
The “Good MPF Employer Award” for two consecutive years
**Cultivating a strong corporate culture**

During the year, we vigorously advocated the Group’s core values of providing excellent service, innovating with prudence, upholding openness and inclusiveness, and collaborating for mutual growth. Through lectures, training, workshops, contests, online courses and expert interviews, we enhanced the cultivation of our corporate culture with the aim of motivating employees to practise our corporate values and strengthen team cohesion.

**Incorporating ESG into core corporate culture**

- We organised sustainable development training for the Board and senior management to share the latest industry trends and strategic initiatives.
- We launched six large-scale real-time online ESG sustainable development workshops to deepen our employees’ theoretical and practical understanding of green finance, carbon neutrality, green bonds, climate risks and inclusive finance.
- We arranged multiple ESG-themed workshops and online training sessions, launched “Exploring ESG Month”, and introduced the “ESG Sustainable Development Study Roadmap” to raise awareness of sustainable development concepts within the Group.

**Encouraging a culture of innovation and accelerating digital transformation**

- Our “BOCHK Ideation Contest” helped to encourage and promote an innovative culture.
- We established a 4D training system for digital talent.
- We launched online courses on digital transformation for all employees, and jointly organised open courses on digital transformation and risk compliance with BOC Academy, inviting well-known professors and consultant experts to share their specialist knowledge. More than 2,000 employees participated.
- We organised the “Smart Operations Workshop” to raise staff awareness of digital transformation and related practices.

For details about our compliance culture, please refer to the “Integrity and Compliance Culture” section.
12.4 Community and Public Welfare

We care about the communities we serve. Through a diverse range of initiatives, we aim to promote community development and encourage voluntarism among our staff. By sharing the success of our corporate development with the community, we strive to build a harmonious society.

The BOCHK Charitable Foundation (the “Foundation”) was established in 1994. Over the years, BOCHK and the Foundation have actively supported and participated in various charitable activities, with total donations reaching over HKD1.4 billion.

In recent years, we have focused on local social needs and devised philanthropic policies and strategies with an emphasis on poverty alleviation and youth development. Taking the SDGs as a reference, we are determined to make practical efforts to pursue relevant goals and targets. In 2021, we cooperated with over 70 charitable organisations and community partners to carry out around 76 charity projects, covering poverty alleviation, youth development, environmental protection and carbon reduction, sporting activities and the arts, etc., with beneficiaries participating in more than 3 million occasions.

Moreover, to celebrate and commemorate the Beijing 2022 Winter Olympic Games, BOCHK issued the Commemorative Banknote of the Beijing 2022 Winter Olympic Games, in the denomination of HK$20, for public subscription. Net proceeds will be donated to support local charitable causes.

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In addition to making donations, we also encourage our employees to serve their community and give back to society. The Group has established a comprehensive volunteer management system and structure, divided into five specialised volunteer teams for Caring, Community, Education, Youth, and Environmental Protection. With the general managers of various departments acting as chief conveners, we advocated the “Everyone Can Volunteer” spirit and successfully engaged a range of volunteers from senior management to frontline employees. During the year, over 8,200 BOCHK volunteers organised and participated in diverse community service activities in over 10 countries and regions, recording over 17,000 hours of volunteer service.
Anti-pandemic donations
When the pandemic’s fifth wave hit Hong Kong from the end of 2021 to the beginning of 2022, we immediately coordinated with The Community Chest of HK, Tung Wah Group of Hospitals, Po Leung Kuk, the HK Community Anti-Coronavirus Link and several other local charitable and social service organisations to engage in charitable donation projects. Up to now, we donated a total of over HKD26 million to deliver anti-pandemic supplies to grassroots communities and provide protection for the anti-pandemic volunteers to give full support to Hong Kong’s all-out battle against the pandemic.

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

Case study: BOCHK Youth Development Programme
Alliance Primary School teacher and fencer Henry Leung Wai-hang took part in the BOCHK Youth Development Programme, reporting that learning fencing has taught his students to focus. As fencing requires continuous mental strategising against one’s opponent, he encourages his students to recap after every contest and reflect on the strategy adopted, in order to make steady progress.

Case study: BOCHK Community Football Partnership Programme
This community football programme provides football training to young people aged 5 to 17 to increase their interest and passion towards football and cultivate positive character traits.

Medical services
To show our care for the physical and mental health of grassroots communities, we subsidise medical services provided by social welfare institutions and universities, helping the sick and injured while relieving pressures on the public healthcare system. We have also extended our support to a wide range of medical services, including illness prevention, rehabilitation and nursing, to help meet society’s comprehensive health needs.

Case study: “Buurtzorg” neighbourhood care
Supported by BOCHK, the City University of Hong Kong has launched the “HomAge: Home-based Aging for Transformative Community Care” project. The project takes inspiration from the advanced “Buurtzorg” neighbourhood care model developed in the Netherlands and adopted by over 10 countries in Europe and Asia. It includes home care, telemedicine and community services, and aims to develop a solution for sustainable and affordable holistic home-based care.
Improving living environments

Living environments in Hong Kong have become the subject of much concern in recent years. Through our community partners, we have financially supported grassroots families to improve their home environments and install barrier-free facilities.

Case study: Sam, student majoring in Interior Design at Hong Kong Polytechnic University — Subdivided Unit Families Project

I can apply what I have learned into practice. I have designed and assembled furniture for the families to make their home environment more comfortable.

Case study: Ms. Cheung, BOCHK volunteer, Home Renovation Support Volunteer Training Programme

The training programme offered us opportunity to learn different renovation skills, such as how to use electric drills and how to paint the walls. I then applied those skills in my volunteer services and practiced the concept of “helping people to help themselves”.

Supporting grassroots communities

We have always been concerned with poverty alleviation in Hong Kong and remain committed to promoting balanced development and social equity. We help those in need via our community partners, as well as directly serving grassroots communities to help them alleviate their plight.

Case study: Food Angel @ BOCHK

Madam Cheung and her family of four live in a village house in the remote Sham Tseng area. Her husband, a construction worker, injured himself at work. Coupled with the pandemic, this meant the family faced financial difficulties. Food Angel reached out to Madam Cheung and consistently provided the family with nutritious food from the project’s food truck. This has helped them to reduce their food expenses and overcome difficult times.

Case study: Supporting the pandemic battle in the New Territories

BOCHK worked with community partners to visit different communities in the New Territories and deliver care packages containing anti-pandemic materials, benefitting both the elderly and the underprivileged.
Elderly care
We care deeply for the welfare of the elderly, especially as aging has become a social problem in Hong Kong. Through diverse services including gerontechnology, aging at home and carer support, we helped improve the living quality of the elderly and their family members.

Case study: Training programme for elderly people with cognitive impairments
Grandma Wong originally thought that people naturally become forgetful as they age. Through this training programme, she realised that there is in fact a difference between forgetfulness and cognitive impairment, and learned how training could help slow down the progress of cognitive impairment. Grandma Hwang’s family members are also very supportive of her training.

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

Case study: ABDUS Samee (Hong Kong-born Pakistani), Project Event Assistant, Culture Inclusion Centre
“I grew up with the dream of working in the social welfare sector, as I feel it is meaningful to be able to serve the underprivileged. The project organises various activities to help non-Chinese speakers to overcome language barriers in their daily life, so that they can understand what their children have learned at school and make their daily communication easier. I am proud to be part of the project and to see the progress our participants have made in their language studies.”

Case study: SEN Family Academy
BOCHK sponsored the Heep Hong Society to set up the SEN Family Academy, which supports families with children who have special educational needs by offering courses designed for children, young people and parents. The Academy continues to empower families and enhance the community’s understanding of SEN and the inclusion of children with special educational needs.
Communication and respect
We support an open and inclusive society in which sincerity and courtesy is encouraged in interpersonal exchanges, and value the open-minded attitude of taking others’ views into account and seeking common ground while putting aside differences.

Case study: 40 mins @ Harmony Space
We funded Harmony House to establish the Family Harmony Space, which aims to prevent and reduce domestic violence via education and advocacy.

Youth development
Strongly committed to child and youth development, we provide platforms for young people to realise their potential in the hope of cultivating future leaders imbued with national concepts, Hong Kong sentiments and international perspectives.

Case study: Ms. Ng, Student Winner, Tung Wah Group of Hospitals Scholarship
I had the honour of being enrolled in my dream university, the Central Academy of Fine Arts, which is also the dream university of many other art students. I hope to become an illustrator or a 3D designer after graduation, and contribute to the country’s art industry.

Case study: The Elderly’s Family Reconciliation Café
“IT’S up to the doer to undo the knot: the elderly’s family reconciliation café” is a family-centred suicide prevention service that provides support to the family and carers of seniors with depression or suicidal tendencies, with the aim of lowering suicide risks.
Citizens’ moral education
We place high value on moral education, which helps young people to establish correct national concepts, values and civic responsibility, and continue to promote young people’s understanding of our profound Chinese culture and long-standing Chinese history. In addition, we seek to raise their awareness of the rule of law and enhance their capabilities in crime prevention, as well as their IT acumen.

Case study: BOCHK Excellence Scholarship in Chinese History
The scholarship students appreciate that studying Chinese history teaches them to learn from the past and helps them to make better decisions. They are also grateful that their schoolteachers have given lively history lessons which have inspired their interest in the subject, motivating them to study Chinese history in more depth in the future.

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

Case study: Compiling the “Hong Kong Chronicles”
We sponsored the compilation of the first “Hong Kong Chronicles”, a comprehensive and consolidated profile of Hong Kong. It records changes to Hong Kong’s social landscape over time, and serves to preserve our history, inspire our leaders and cultivate our young people.

Case study: Etiquette Campaign for Chinese Heritage and Culture
We sponsored the Hong Kong Institute for the Promotion of Chinese Culture to launch a project to promote Chinese etiquette and culture among young people. The project targets kindergartens, primary and secondary schools and promotes traditional Chinese culture through various methods including teacher training, storytelling, and musical and artistic competitions.

Case study: Music outreach programme
We have been working with the Tung Foundation since 2017 to provide opportunities for different sectors of society, including the disadvantaged, to enjoy music. We were also proud to be awarded the “Hong Kong Arts Development Award” by the Hong Kong Arts Development Council in recognition of our contributions in promoting arts and culture in Hong Kong during the year.
During the year, the Group’s Southeast Asian entities actively supported local charities in the spirit of fulfilling their social responsibilities.

- The Group’s Southeast Asian entities assisted in rolling out the “Spring Sprout” vaccine programme in their respective countries and regions for Chinese nationals living and working abroad.

- BOC Thailand donated funds to the Thai Red Cross Society to assist the Thai government in purchasing anti-pandemic supplies.

- The Phnom Penh Branch donated anti-pandemic materials to the Civil Society Alliance Forum of Cambodia.

- BOCHK Hochiminh City Branch donated funds to Lac Hong University in Vietnam to help low-income college students affected by the pandemic to finish their studies.

- BOC Malaysia distributed “520 Care Pack” to low-income communities.

- The Manila Branch participated in the “Community Kitchen” charity donation programme organised by the local Chinese embassy.

- The Brunei Branch donated anti-pandemic materials to local Ministry of Health and organised a charity donation event.

- The Yangon Branch in Myanmar donated food packages to local elderly centres and schools.

Social engagement

We encourage our employees to devote their spare time and expertise to serve the community and participate in public welfare activities. During the year, over 120 employees from the senior management and supervisory level of the Group served on government committees and public organisations, as well as charitable and non-profit organisations. They participated in decision-making and provided opinions regarding the economy and serving people’s livelihood, and made suggestions for the development of Hong Kong and the welfare of its people.
## 13. Overview of Sustainability Performance

### 13.1 Sustainability Performance Indicators

#### Environment

**GHG Emissions**

<table>
<thead>
<tr>
<th>GHG emissions</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct GHG emissions (Scope 1)</td>
<td>tCO₂e</td>
<td>265</td>
<td>282</td>
<td>350</td>
</tr>
<tr>
<td>Indirect GHG emissions (Scope 2)</td>
<td>tCO₂e</td>
<td>45,580</td>
<td>63,394</td>
<td>65,083</td>
</tr>
<tr>
<td>Other indirect GHG emissions (Scope 3)</td>
<td>tCO₂e</td>
<td>64</td>
<td>61</td>
<td>68</td>
</tr>
<tr>
<td><strong>Total Scope 1 and 2 emissions</strong></td>
<td>tCO₂e</td>
<td>45,845</td>
<td>63,676</td>
<td>65,433</td>
</tr>
<tr>
<td><strong>Total Scope 1, 2 and 3 emissions</strong></td>
<td>tCO₂e</td>
<td>45,909</td>
<td>63,737</td>
<td>65,501</td>
</tr>
</tbody>
</table>

**GHG emissions intensity**

<table>
<thead>
<tr>
<th>Scope, 1, 2 and 3 emissions per employee</th>
<th>tCO₂e/employee</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Scope 1, 2 and 3 emissions per area</strong></td>
<td>tCO₂e/m²</td>
<td>0.20</td>
<td>0.25</td>
<td>0.24</td>
</tr>
</tbody>
</table>

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45 The scope of environmental performance includes the Group’s business outlets, branches, office buildings for own operations and leased offices over the reporting period.

46 Including the diesel and petrol consumption by corporate fleet.

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

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

50 The Scope 2 emissions decreased by about 28% compared with 2020. This is mainly due to energy efficient retrofitting of the office buildings over the year.

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

52 The Scope 3 emissions in 2019 have been restated to integrate a more accurate dataset.
### Energy

<table>
<thead>
<tr>
<th>Total energy consumption</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
</table>

**Energy consumption**

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct energy consumption</td>
<td>GJ</td>
<td>2,177</td>
<td>2,254</td>
<td>2,685</td>
</tr>
<tr>
<td>Diesel consumption for corporate fleet</td>
<td>GJ</td>
<td>529</td>
<td>677</td>
<td>612</td>
</tr>
<tr>
<td>Petrol consumption for corporate fleet</td>
<td>GJ</td>
<td>1,648</td>
<td>1,577</td>
<td>2,073</td>
</tr>
<tr>
<td><strong>Indirect energy consumption</strong></td>
<td>GJ</td>
<td>292,306</td>
<td>339,500</td>
<td>346,338</td>
</tr>
<tr>
<td>Electricity</td>
<td>GJ</td>
<td>290,405</td>
<td>337,374</td>
<td>343,810</td>
</tr>
<tr>
<td>Towngas</td>
<td>GJ</td>
<td>1,901</td>
<td>2,126</td>
<td>2,528</td>
</tr>
<tr>
<td><strong>Total energy consumption</strong></td>
<td>GJ</td>
<td>294,483</td>
<td>341,754</td>
<td>349,023</td>
</tr>
</tbody>
</table>

**Energy intensity**

<table>
<thead>
<tr>
<th>Energy intensity per employee</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>GJ/employee</td>
<td>24.21</td>
<td>27.22</td>
<td>27.72</td>
<td></td>
</tr>
</tbody>
</table>

### Paper

<table>
<thead>
<tr>
<th>Total paper purchased</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper purchased</td>
<td>tonnes</td>
<td>436.57</td>
<td>496.54</td>
<td>576.55</td>
</tr>
</tbody>
</table>

**Paper purchase intensity**

<table>
<thead>
<tr>
<th>Paper purchased per employee</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>kg/employee</td>
<td>35.89</td>
<td>39.54</td>
<td>45.79</td>
<td></td>
</tr>
</tbody>
</table>

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

55 302-1, A2.1

56 302-3, A2.1

57 301-1, A2.5

58 Based on the amount of office A4 paper purchased.
### Waste and recycling

<table>
<thead>
<tr>
<th>Non-hazardous waste recycled</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>tonnes</td>
<td>175.41</td>
<td>261.30</td>
<td>297.64</td>
</tr>
<tr>
<td>Plastic</td>
<td>tonnes</td>
<td>0.17</td>
<td>0.58</td>
<td>0.41</td>
</tr>
<tr>
<td>Aluminum</td>
<td>tonnes</td>
<td>0.09</td>
<td>1.35</td>
<td>0.38</td>
</tr>
<tr>
<td>Food waste</td>
<td>tonnes</td>
<td>73.98</td>
<td>50.06</td>
<td>65.06</td>
</tr>
<tr>
<td><strong>Total non-hazardous waste</strong></td>
<td>tonnes</td>
<td>249.64</td>
<td>313.29</td>
<td>363.49</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hazardous waste recycled</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rechargeable battery</td>
<td>No.</td>
<td>92</td>
<td>62</td>
<td>68</td>
</tr>
<tr>
<td>E-waste</td>
<td>No.</td>
<td>8,383</td>
<td>7,159</td>
<td>3,709</td>
</tr>
<tr>
<td>Fluorescent tubes</td>
<td>No.</td>
<td>5,445</td>
<td>458</td>
<td>851</td>
</tr>
<tr>
<td><strong>Total hazardous waste</strong></td>
<td>No.</td>
<td>13,920</td>
<td>7,679</td>
<td>4,628</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Waste disposed to landfill</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>General waste to landfill</td>
<td>tonnes</td>
<td>556.03</td>
<td>184.30</td>
<td>611.60</td>
</tr>
<tr>
<td><strong>Waste disposal intensity</strong></td>
<td>Unit</td>
<td>2021</td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>General waste to landfill per employee</td>
<td>tonnes/employee</td>
<td>0.046</td>
<td>0.015</td>
<td>0.049</td>
</tr>
</tbody>
</table>

### Water

<table>
<thead>
<tr>
<th>Total water consumption</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption</td>
<td>Megalitre</td>
<td>104.20</td>
<td>97.15</td>
<td>110.23</td>
</tr>
<tr>
<td><strong>Water intensity</strong></td>
<td>Unit</td>
<td>2021</td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Water consumption per employee</td>
<td>Megalitre/employee</td>
<td>0.0086</td>
<td>0.0077</td>
<td>0.0088</td>
</tr>
</tbody>
</table>

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59. 306-4, A1.4
60. 306-4, A1.3
61. Including fluorescent light tubes and compact fluorescent lamps, collected by qualified contractors. The quantity of recovered fluorescent light tubes and compact fluorescent lamps increased mainly due to replacement of LED tubes at the common area of the office buildings during the year.
62. 306-3; A1.4
63. Since September 2021, we extend the coverage by incorporating waste generated from IT and office at Shau Kei Wan.
64. 303-3, A2.2
65. The water consumption in 2019 have been restated to integrate a more accurate dataset.
## Employee

### Total number of employees by geographical region, employee type and gender

<table>
<thead>
<tr>
<th>Geographic Region</th>
<th>Employee Type</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unit</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td><strong>Hong Kong</strong></td>
<td>Permanent</td>
<td>No. 6,594</td>
<td>5,264</td>
<td>11,858</td>
</tr>
<tr>
<td></td>
<td>Non-permanent</td>
<td>No. 210</td>
<td>97</td>
<td>307</td>
</tr>
<tr>
<td><strong>The Chinese mainland</strong></td>
<td>Permanent</td>
<td>No. 444</td>
<td>188</td>
<td>632</td>
</tr>
<tr>
<td></td>
<td>Non-permanent</td>
<td>No. 0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Southeast Asia and others</strong></td>
<td>Permanent</td>
<td>No. 1,100</td>
<td>632</td>
<td>1,732</td>
</tr>
<tr>
<td></td>
<td>Non-permanent</td>
<td>No. 13</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td><strong>Hong Kong Total</strong></td>
<td>Unit</td>
<td>No. 6,804</td>
<td>5,361</td>
<td>12,165</td>
</tr>
<tr>
<td><strong>The Chinese mainland Total</strong></td>
<td>Unit</td>
<td>No. 444</td>
<td>189</td>
<td>633</td>
</tr>
<tr>
<td><strong>Southeast Asia and others Total</strong></td>
<td>Unit</td>
<td>No. 1,113</td>
<td>642</td>
<td>1,755</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>No. 8,361</td>
<td>6,192</td>
<td>14,553</td>
</tr>
</tbody>
</table>

### Total number of employees by contract type and gender

<table>
<thead>
<tr>
<th>Employee Type</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unit</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Full-time</td>
<td>No. 8,326</td>
<td>6,188</td>
<td>14,514</td>
</tr>
<tr>
<td>Part-time</td>
<td>No. 35</td>
<td>4</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>No. 8,361</td>
<td>6,192</td>
<td>14,553</td>
</tr>
</tbody>
</table>

### Total number of employees by geographical region, age group and gender

<table>
<thead>
<tr>
<th>Geographic Region</th>
<th>Employee Type</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unit</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td><strong>Hong Kong</strong></td>
<td>18-30</td>
<td>No. 1,638</td>
<td>1,336</td>
<td>2,974</td>
</tr>
<tr>
<td></td>
<td>31-40</td>
<td>No. 1,656</td>
<td>1,622</td>
<td>3,278</td>
</tr>
<tr>
<td></td>
<td>41-50</td>
<td>No. 1,952</td>
<td>1,400</td>
<td>3,352</td>
</tr>
<tr>
<td></td>
<td>51 or above</td>
<td>No. 1,558</td>
<td>1,003</td>
<td>2,561</td>
</tr>
</tbody>
</table>

---

66 102-8, B1.1
### Total number of employees by geographical region, age group and gender

<table>
<thead>
<tr>
<th>Employee type</th>
<th>Unit</th>
<th>2021</th>
<th></th>
<th>2020</th>
<th></th>
<th>2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>Male</td>
<td>Total</td>
<td>Female</td>
<td>Male</td>
<td>Total</td>
</tr>
<tr>
<td><strong>Mainland China</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-30</td>
<td>No.</td>
<td>317</td>
<td>85</td>
<td>402</td>
<td>202</td>
<td>79</td>
<td>281</td>
</tr>
<tr>
<td>31-40</td>
<td>No.</td>
<td>82</td>
<td>53</td>
<td>135</td>
<td>113</td>
<td>76</td>
<td>189</td>
</tr>
<tr>
<td>41-50</td>
<td>No.</td>
<td>38</td>
<td>31</td>
<td>69</td>
<td>74</td>
<td>38</td>
<td>112</td>
</tr>
<tr>
<td>51 or above</td>
<td>No.</td>
<td>7</td>
<td>20</td>
<td>27</td>
<td>5</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td><strong>Southeast Asia and others</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-30</td>
<td>No.</td>
<td>509</td>
<td>189</td>
<td>698</td>
<td>542</td>
<td>214</td>
<td>756</td>
</tr>
<tr>
<td>31-40</td>
<td>No.</td>
<td>399</td>
<td>259</td>
<td>658</td>
<td>380</td>
<td>254</td>
<td>634</td>
</tr>
<tr>
<td>41-50</td>
<td>No.</td>
<td>155</td>
<td>149</td>
<td>304</td>
<td>151</td>
<td>139</td>
<td>290</td>
</tr>
<tr>
<td>51 or above</td>
<td>No.</td>
<td>50</td>
<td>45</td>
<td>95</td>
<td>37</td>
<td>34</td>
<td>71</td>
</tr>
<tr>
<td><strong>Hong Kong Total</strong></td>
<td>No.</td>
<td>6,804</td>
<td>5,361</td>
<td>12,165</td>
<td>7,072</td>
<td>5,485</td>
<td>12,557</td>
</tr>
<tr>
<td><strong>The Chinese mainland</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>No.</td>
<td>444</td>
<td>189</td>
<td>633</td>
<td>394</td>
<td>213</td>
<td>607</td>
</tr>
<tr>
<td><strong>Southeast Asia and others</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
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<td>641</td>
<td>1,751</td>
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<td>No.</td>
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<td>6,192</td>
<td>14,553</td>
<td>8,576</td>
<td>6,339</td>
<td>14,915</td>
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</tbody>
</table>

### Total number of employees by employee category and gender

<table>
<thead>
<tr>
<th>Employee type</th>
<th>Unit</th>
<th>2021</th>
<th></th>
<th>2020</th>
<th></th>
<th>2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>Male</td>
<td>Total</td>
<td>Female</td>
<td>Male</td>
<td>Total</td>
</tr>
<tr>
<td><strong>Senior management</strong></td>
<td>No.</td>
<td>335</td>
<td>527</td>
<td>862</td>
<td>324</td>
<td>508</td>
<td>832</td>
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<tr>
<td><strong>Middle level staff</strong></td>
<td>No.</td>
<td>3,286</td>
<td>3,205</td>
<td>6,491</td>
<td>3,155</td>
<td>3,141</td>
<td>6,296</td>
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<tr>
<td><strong>General employees</strong></td>
<td>No.</td>
<td>4,740</td>
<td>2,460</td>
<td>7,200</td>
<td>5,097</td>
<td>2,690</td>
<td>7,787</td>
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<tr>
<td><strong>Total</strong></td>
<td>No.</td>
<td>8,361</td>
<td>6,192</td>
<td>14,553</td>
<td>8,576</td>
<td>6,339</td>
<td>14,915</td>
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### Gender by employee category

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<th>2020</th>
<th></th>
<th>2019</th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>Male</td>
<td>Total</td>
<td>Female</td>
<td>Male</td>
<td>Total</td>
</tr>
<tr>
<td><strong>Board</strong></td>
<td>%</td>
<td>11</td>
<td>89</td>
<td>11</td>
<td>89</td>
<td>10</td>
<td>90</td>
</tr>
<tr>
<td>Senior management</td>
<td>%</td>
<td>2.30</td>
<td>3.62</td>
<td>2.17</td>
<td>3.41</td>
<td>2.09</td>
<td>3.31</td>
</tr>
<tr>
<td>Middle level staff</td>
<td>%</td>
<td>22.58</td>
<td>22.02</td>
<td>21.15</td>
<td>21.06</td>
<td>20.49</td>
<td>20.65</td>
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<tr>
<td>General employees</td>
<td>%</td>
<td>32.57</td>
<td>16.91</td>
<td>34.17</td>
<td>18.04</td>
<td>34.65</td>
<td>18.81</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>%</td>
<td>57.45</td>
<td>42.55</td>
<td>57.49</td>
<td>42.51</td>
<td>57.23</td>
<td>42.77</td>
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</table>

---

67 405-1
68 Board members not included in Total.
### Age by employee category

<table>
<thead>
<tr>
<th>Employee category</th>
<th>Unit</th>
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<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Senior management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-30</td>
<td>No.</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>31-40</td>
<td>No.</td>
<td>101</td>
<td>107</td>
<td>108</td>
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<tr>
<td>41-50</td>
<td>No.</td>
<td>423</td>
<td>395</td>
<td>401</td>
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<tr>
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<td>338</td>
<td>330</td>
<td>283</td>
</tr>
<tr>
<td><strong>Middle level staff</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-30</td>
<td>No.</td>
<td>660</td>
<td>600</td>
<td>635</td>
</tr>
<tr>
<td>31-40</td>
<td>No.</td>
<td>2,582</td>
<td>2,508</td>
<td>2,354</td>
</tr>
<tr>
<td>41-50</td>
<td>No.</td>
<td>2,080</td>
<td>2,078</td>
<td>2,029</td>
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<tr>
<td>51 or above</td>
<td>No.</td>
<td>1,169</td>
<td>1,110</td>
<td>1,016</td>
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<tr>
<td><strong>General employees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-30</td>
<td>No.</td>
<td>3,414</td>
<td>3,699</td>
<td>3,740</td>
</tr>
<tr>
<td>31-40</td>
<td>No.</td>
<td>1,388</td>
<td>1,496</td>
<td>1,416</td>
</tr>
<tr>
<td>41-50</td>
<td>No.</td>
<td>1,222</td>
<td>1,440</td>
<td>1,583</td>
</tr>
<tr>
<td>51 or above</td>
<td>No.</td>
<td>1,176</td>
<td>1,152</td>
<td>1,103</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-30</td>
<td>No.</td>
<td>4,074</td>
<td>4,299</td>
<td>4,375</td>
</tr>
<tr>
<td>31-40</td>
<td>No.</td>
<td>4,071</td>
<td>4,111</td>
<td>3,878</td>
</tr>
<tr>
<td>41-50</td>
<td>No.</td>
<td>3,725</td>
<td>3,913</td>
<td>4,013</td>
</tr>
<tr>
<td>51 or above</td>
<td>No.</td>
<td>2,683</td>
<td>2,592</td>
<td>2,402</td>
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</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Geographical region</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>%</td>
<td>86.45</td>
<td>87.25</td>
<td>86.31</td>
</tr>
<tr>
<td>The Chinese mainland</td>
<td>%</td>
<td>80.00</td>
<td>80.00</td>
<td>75.00</td>
</tr>
<tr>
<td>Southeast Asia and others</td>
<td>%</td>
<td>32.93</td>
<td>33.78</td>
<td>43.08</td>
</tr>
<tr>
<td>Overall</td>
<td>%</td>
<td>81.32</td>
<td>82.45</td>
<td>82.70</td>
</tr>
</tbody>
</table>

---

69 405-1, 81.1
70 202-2 (Number of senior management in the specific region hired from the local community / Total number of senior management in the specific region) x 100%
### New hire by gender, age and geographical region

<table>
<thead>
<tr>
<th>Gender</th>
<th>2021 No.</th>
<th>2020 No.</th>
<th>2019 No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>1,589</td>
<td>1,018</td>
<td>1,613</td>
</tr>
<tr>
<td>Male</td>
<td>1,263</td>
<td>764</td>
<td>1,397</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-30</td>
<td>1,756</td>
<td>1,149</td>
<td>1,877</td>
</tr>
<tr>
<td>31-40</td>
<td>658</td>
<td>408</td>
<td>760</td>
</tr>
<tr>
<td>41-50</td>
<td>240</td>
<td>160</td>
<td>271</td>
</tr>
<tr>
<td>51 or above</td>
<td>198</td>
<td>65</td>
<td>102</td>
</tr>
<tr>
<td>Region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2,321</td>
<td>1,283</td>
<td>2,466</td>
</tr>
<tr>
<td>The Chinese mainland</td>
<td>254</td>
<td>212</td>
<td>99</td>
</tr>
<tr>
<td>Southeast Asia and others</td>
<td>277</td>
<td>287</td>
<td>445</td>
</tr>
<tr>
<td>Total</td>
<td>2,852</td>
<td>1,782</td>
<td>3,010</td>
</tr>
</tbody>
</table>

### Employee voluntary turnover rate by gender, age and geographical region

<table>
<thead>
<tr>
<th>Gender</th>
<th>2021 No.</th>
<th>2020 No.</th>
<th>2019 No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>1,352</td>
<td>618</td>
<td>1,068</td>
</tr>
<tr>
<td>Male</td>
<td>1,090</td>
<td>515</td>
<td>865</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-30</td>
<td>1,335</td>
<td>649</td>
<td>1,148</td>
</tr>
<tr>
<td>31-40</td>
<td>719</td>
<td>288</td>
<td>495</td>
</tr>
<tr>
<td>41-50</td>
<td>308</td>
<td>148</td>
<td>223</td>
</tr>
<tr>
<td>51 or above</td>
<td>80</td>
<td>48</td>
<td>67</td>
</tr>
<tr>
<td>Region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2,162</td>
<td>984</td>
<td>1,696</td>
</tr>
<tr>
<td>The Chinese mainland</td>
<td>61</td>
<td>44</td>
<td>28</td>
</tr>
<tr>
<td>Southeast Asia and others</td>
<td>219</td>
<td>105</td>
<td>209</td>
</tr>
<tr>
<td>Total</td>
<td>2,442</td>
<td>1,133</td>
<td>1,933</td>
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</table>
Parental Leave 73

<table>
<thead>
<tr>
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<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
<td>Total</td>
</tr>
<tr>
<td>Employees that were entitled to parental leave</td>
<td>No.</td>
<td>7,926</td>
<td>5,881</td>
</tr>
<tr>
<td>Employees that took parental leave</td>
<td>No.</td>
<td>211</td>
<td>150</td>
</tr>
<tr>
<td>Employee that returned from parental leave</td>
<td>No.</td>
<td>200</td>
<td>147</td>
</tr>
<tr>
<td>Rate of return from parental leave</td>
<td>%</td>
<td>95</td>
<td>98</td>
</tr>
<tr>
<td>Employees still employed 12 months after return to work</td>
<td>No.</td>
<td>188</td>
<td>134</td>
</tr>
<tr>
<td>Employees still employed 12 months after return to work</td>
<td>%</td>
<td>94</td>
<td>91</td>
</tr>
</tbody>
</table>

Occupational health and safety performance 74

<table>
<thead>
<tr>
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<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of high consequence work-related injuries</td>
<td>No.</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Rate of high consequence work-related injuries 54</td>
<td>%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lost day due to work injury</td>
<td>Number of days</td>
<td>390.1</td>
<td>969.3</td>
<td>686.0</td>
</tr>
<tr>
<td>Rate of lost day due to work injury 75</td>
<td>%</td>
<td>2.6</td>
<td>5.8</td>
<td>4.5</td>
</tr>
<tr>
<td>Number of fatalities as a result of work-related injury</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fatalities rate as a result of work-related injury 75</td>
<td>%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of recordable work-related injuries 76</td>
<td>No.</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Rate of recordable work-related injury 75</td>
<td>%</td>
<td>0</td>
<td>0.006</td>
<td>0</td>
</tr>
</tbody>
</table>

73  401-3
74  403-9, B2.1, B2.2
75  Calculated based on every 200,000 hours worked
76  Recordable work-related injury relates to injury, disease (or even death) contracted during the course of employment and diagnosed by licensed health care professional, resulting in the employee being unable to perform normal work duties for 6 months or above.
## Training and development

<table>
<thead>
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<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
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<tr>
<td></td>
<td>Female</td>
<td>Male</td>
<td>Total</td>
</tr>
<tr>
<td>Average training hours by employee category and gender</td>
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<td></td>
</tr>
<tr>
<td>Senior management</td>
<td>Hour</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>44.13</td>
<td>49.74</td>
<td>47.56</td>
</tr>
<tr>
<td>Middle level staff</td>
<td>Hour</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>41.07</td>
<td>46.00</td>
<td>43.51</td>
</tr>
<tr>
<td>General employees</td>
<td>Hour</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>47.52</td>
<td>59.33</td>
<td>51.55</td>
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</table>

### Total average training per employee

<table>
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<tr>
<th></th>
<th>Hour</th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>44.85</td>
<td>51.62</td>
<td>47.73</td>
<td>26.24</td>
<td>28.16</td>
<td>27.05</td>
<td>33.50</td>
<td>39.03</td>
<td>35.86</td>
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</table>

### Percentage of employees who received training

<p>| | | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>97.31</td>
<td>96.77</td>
<td>96.98</td>
<td>91.79</td>
<td>92.37</td>
<td>92.14</td>
<td>96.09</td>
<td>94.85</td>
<td>95.33</td>
</tr>
<tr>
<td>Middle level staff</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>96.38</td>
<td>96.38</td>
<td>96.38</td>
<td>95.78</td>
<td>95.22</td>
<td>95.50</td>
<td>98.74</td>
<td>99.17</td>
<td>98.96</td>
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<tr>
<td>General employees</td>
<td>%</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>96.05</td>
<td>93.33</td>
<td>95.13</td>
<td>91.17</td>
<td>90.64</td>
<td>90.99</td>
<td>99.08</td>
<td>97.39</td>
<td>98.48</td>
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</table>

### Total percentage of employees who received training

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>96.23</td>
<td>95.20</td>
<td>95.79</td>
<td>92.89</td>
<td>93.04</td>
<td>92.95</td>
<td>98.84</td>
<td>98.06</td>
<td>98.51</td>
</tr>
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</table>
Number and percentage of employees who received training on the following topics by employee category and gender

<table>
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<tr>
<th></th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td><strong>Anti-corruption</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Employee category</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board</td>
<td>No.; %</td>
<td>9</td>
<td>100</td>
<td>9</td>
</tr>
<tr>
<td>Senior management</td>
<td>No.; %</td>
<td>827</td>
<td>95.94</td>
<td>809</td>
</tr>
<tr>
<td>Middle level staff</td>
<td>No.; %</td>
<td>6,202</td>
<td>95.55</td>
<td>6,058</td>
</tr>
<tr>
<td>General employees</td>
<td>No.; %</td>
<td>6,699</td>
<td>93.04</td>
<td>6,364</td>
</tr>
<tr>
<td><strong>Region</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Hong Kong</td>
<td>No.; %</td>
<td>11,656</td>
<td>95.82</td>
<td>12,043</td>
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<td>The Chinese mainland</td>
<td>No.; %</td>
<td>633</td>
<td>100</td>
<td>594</td>
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<tr>
<td>Southeast Asia and others</td>
<td>No.; %</td>
<td>1,439</td>
<td>81.99</td>
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<td><strong>Total</strong></td>
<td>No.; %</td>
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<td>94.33</td>
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<td>Full-time</td>
<td>%</td>
<td>85.92</td>
<td>88.21</td>
<td>12.34</td>
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<tr>
<td>Part-time</td>
<td>%</td>
<td>100</td>
<td>100</td>
<td>20.90</td>
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<td><strong>Occupational health and safety</strong></td>
<td>No.; %</td>
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<td>85.95</td>
<td>13,162</td>
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<td>94.95</td>
<td>81.87</td>
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<td>Corruption</td>
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78 205-2
79 Board members not included in Total.
80 205-3, 406-1, B7.1
## Suppliers

### Number of suppliers by geographical region 81

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<tr>
<th>Region</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
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</thead>
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<tr>
<td>Hong Kong</td>
<td>No.</td>
<td>629</td>
<td>607</td>
<td>622</td>
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<tr>
<td>The Chinese mainland</td>
<td>No.</td>
<td>81</td>
<td>93</td>
<td>104</td>
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<tr>
<td>Southeast Asia and others</td>
<td>No.</td>
<td>38</td>
<td>35</td>
<td>36</td>
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<tr>
<td><strong>Total number of suppliers</strong></td>
<td>No.</td>
<td>748</td>
<td>735</td>
<td>762</td>
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## Customer

### Customer privacy 82

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<thead>
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<th>Substantiated complaints received concerning breaches of customer privacy</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
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<tr>
<td>Complaints received from outside parties and substantiated by the organization</td>
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<tr>
<td>Complaints from regulatory bodies</td>
<td>No.</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Identified leaks, thefts, or losses of customer data</td>
<td>No.</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Customers and employees affected by company's data breach</td>
<td>No.</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Information security breaches or other cybersecurity incidents</td>
<td>No.</td>
<td>0</td>
<td>0</td>
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<td>Fines/penalties paid in relation to information security breaches or other cybersecurity incident</td>
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<td>External audits conducted on the IT infrastructure and information security management systems</td>
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## Banking Service Channels

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<td>192</td>
<td>194</td>
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<td>Southeast Asia and others</td>
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<td>35</td>
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<tr>
<td><strong>Total</strong></td>
<td>No.</td>
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<td>227</td>
<td>229</td>
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<td>Number of automated banking sites</td>
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<td>287</td>
<td>287</td>
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<td>Automated banking sites with 24/7 banking capacity</td>
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<td>100</td>
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<td>ATMs</td>
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<td>630</td>
<td>642</td>
<td>668</td>
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81 102-9, 85.1  
82 418-1  
83 Including Malaysia, Indonesia, Thailand, Cambodia, Vietnam, the Philippines, Laos, Brunei (Including Yangon branch that has no retail banking services).  
84 Including Malaysia, Indonesia, Thailand, Cambodia, Vietnam, the Philippines, Laos, Brunei
13.2 Performance in Major Sustainability Indexes, Ratings and Awards

**ESG Indexes and ratings:**

**MSCI ESG Research LLC:**
Highest "AAA" rating, making BOCHK the highest rated bank in Hong Kong.

**Sustainalytics ESG Risk Rating:**
Rated 23.4 points, similar level to major peers in Hong Kong.

**Overall ESG Rating:** "AA"

**Constituent Stock of the following HSI Indexes:**
- Hang Seng Corporate Sustainability Index Series
- HSI ESG Index
- HSI ESG50 Index
- HSI Low Carbon Index
- HSI ESG Enhanced Index
- HSI ESG Enhanced Select Index

**Ranked Second in the 6th Hong Kong Business Sustainability Index (HKBSI): Highest in the local banking sector.**

**Ranked Second in HKBSI 2nd Greater Bay Area Business Sustainability Index (GBABSI): Highest in the local banking sector.**

**Ranked Second in HKBSI 1st Greater China Business Sustainability Index (GCBSI): Highest in the local banking sector.**
ESG Awards:

The Chamber of Hong Kong Listed Companies ("CHKLC"), Hong Kong Corporate Governance and ESG Excellence Awards 2021: “ESG Excellence Award”

Environmental Campaign Committee, Hong Kong Awards for Environmental Excellence (Servicing and Trading): “Gold Award”

Agency for Volunteer Service, 9th Hong Kong Volunteer Award: “Corporate Award”

Bloomberg Businessweek/ Chinese Edition ESG Leading Enterprise Awards 2021:
- “ESG Leading Enterprise Award”
- “Leading Environmental Initiative Award”
- “Theme Award - Crisis Management”

The Hong Kong Economic Journal, Financial Services Awards of Excellence 2021: “Excellent Sustainability CSR Award”
### 13.3 Content Index

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<th>GRI Standards</th>
<th>HKEX ESG Guide</th>
<th>SASB</th>
<th>Description</th>
<th>Page number(s) and/or explanations</th>
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<td>GRI 102: General Disclosures 2016</td>
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<td>102-1</td>
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<td>102-2</td>
<td>Activities, brands, products, and services</td>
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<td>Location of operations</td>
<td>About BOC Hong Kong (Holdings) Limited (p.3)</td>
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<td>Ownership and legal form</td>
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<td>Markets served</td>
<td>About BOC Hong Kong (Holdings) Limited (p.3); BOCHK Website</td>
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<td>102-7</td>
<td>Scale of the organisation</td>
<td>About BOC Hong Kong (Holdings) Limited (p.3); Overview of Sustainability Performance (p.99)</td>
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<td>8 Decent Work and Economic Growth; 10 Reduced Inequalities</td>
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<td>102-8</td>
<td>B1.1</td>
<td>Information on employees and other workers</td>
<td>Overview of Sustainability Performance (p.99)</td>
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<td>102-9</td>
<td>BS General Disclosure; BS 1; BS 2; BS 4</td>
<td>Supply chain</td>
<td>Promoting Sustainable Procurement (p.64); Overview of Sustainability Performance (p.109)</td>
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<td>Corporate Governance section</td>
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<td>102-12</td>
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<td>External initiatives</td>
<td>The Group is a TCFD signatory, and a member of SWIFT’s global payment innovation project. It has also been a signatory of the Treat Customers Fairly Charter, the Talent-Wise Employment Charter, the Racial Diversity &amp; Inclusion Charter, the Charter on External Lighting - Platinum Award, Fluorescent Lamp Recycling Programme, Green Event Pledge, and more.</td>
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<td>102-13</td>
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<td>Membership of associations</td>
<td>The Company participated in associations and organisations, including HKAB, ICMA, HKGFA, and more</td>
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<td><strong>STRATEGY</strong></td>
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<td>102-14</td>
<td>MDR - 13</td>
<td>Statement from senior decision-maker</td>
<td>Message from the Chairman (p.5); Message from the Chief Executive (p.8)</td>
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<td>102-15</td>
<td>MDR - 13</td>
<td>Key impacts, risks, and opportunities</td>
<td>Message from the Chairman (p.5); Message from the Chief Executive (p.8); 2021 Annual Report</td>
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<td>HKEX ESG Guide</td>
<td>SASB</td>
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<td>Values, principles, standards, and norms of behaviour</td>
<td>About BOC Hong Kong (Holdings) Limited (p.4); Integrity and Compliance Culture (p.41); A People-oriented Approach (p.90)</td>
<td>16 Peace, Justice and Strong Institutions</td>
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<td>102-17</td>
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<td>Mechanisms for advice and concerns about ethics</td>
<td>Integrity and Compliance Culture (p.41)</td>
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<td>102-18</td>
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<td>Governance structure</td>
<td>Corporate Governance (p.34); Sustainability Governance (p.21); 2021 Annual Report Corporate Governance section</td>
<td>5 Gender Equality; 16 Peace, Justice and Strong Institutions</td>
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<td>Sustainability Governance (p.21)</td>
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<td>Executive-level responsibility for economic, environmental, and social topics</td>
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<td>Composition of the highest governance body and its committees</td>
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<td>Nominating and selecting the highest governance body</td>
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<td>Role of highest governance body in setting purpose, values, and strategy</td>
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<td>Collective knowledge of highest governance body</td>
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<td>102-29</td>
<td>MDR - 13</td>
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<td>Identifying and managing economic, environmental, and social impacts</td>
<td>Sustainability Governance (p.21)</td>
<td>16 Peace, Justice and Strong Institutions</td>
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<td>102-30</td>
<td>MDR - 13</td>
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<td>Effectiveness of risk management processes</td>
<td>Sustainability Governance (p.21)</td>
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<td>102-31</td>
<td>MDR - 13</td>
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<td>Review of economic, environmental, and social topics</td>
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<td>102-32</td>
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<td>Highest governance body's role in sustainability reporting</td>
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<td>Process for determining remuneration</td>
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<td>102-40</td>
<td>MDR - 14</td>
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<td>List of stakeholder groups</td>
<td>Communication with Stakeholders (p.26)</td>
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<tr>
<td>102-41</td>
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<td>Collective bargaining agreements</td>
<td>There is no collective bargaining agreement in place in our Group. However, according to the Staff Code of Conduct, all employees of the Group have the right to join any legal organisation.</td>
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</table>
## GRI Standards HKEx ESG Guide SASB Description Page number(s) and/or explanations Relevant SDG Targets

### GRI 102: General Disclosures 2016

#### STAKEHOLDER ENGAGEMENT

- **102-42 MDR - 14** Identifying and selecting stakeholders Communication with Stakeholders (p.26)
- **102-43 MDR - 14** Approach to stakeholder engagement Communication with Stakeholders (p.26); Material Issues (p.30)
- **102-44 MDR - 14** Key topics and concerns raised Communication with Stakeholders (p.29)

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- **102-45 MDR - 15** Entities included in the consolidated financial statements [2021 Annual Report](#)
- **102-46** Defining report content and topic boundaries Material Issues (p.30)
- **102-47 MDR - 14** List of material topics Material Issues (p.32)
- **102-48** Restatements of information About this Report (p.2)
- **102-49** Changes in reporting No material change
- **102-50** Reporting period About this Report (p.2)
- **102-51** Date of most recent report The last report was issued in June 2021
- **102-52** Reporting cycle Report annually
- **102-53** Contact point for questions regarding the report About this Report (p.2)
- **102-54** Claims of reporting in accordance with the GRI Standards About this Report (p.2)
- **102-55** GRI content index Content Index (p.112)
- **102-56** External assurance Verification Statement (p.123)

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#### ECONOMIC PERFORMANCE

- **GRI 103: Management Approach 2016**
  - **103-1** Explanation of the material topic and its Boundary Material Issues (p.30-32)
  - **103-2** The management approach and its components Business Performance (p.12-17); [Sustainability Policy](#) on our website
  - **103-3** Evaluation of the management approach Business Performance (p.12-17); [Sustainability Policy](#) on our website

- **GRI 201: Business Performance 2016**
  - **201-1** Direct economic value generated and distributed Business Performance (p.12); [2021 Annual Report](#) 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure
  - **201-2** A4 General Disclosure; A4.1 FN-CB-550a.2 Financial implications and other risks and opportunities by climate change TCFD Progress (p.47) 13 Climate Action
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<td><strong>TOPIC-SPECIFIC STANDARDS: ECONOMIC</strong></td>
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<td>Explanation of the material topic and its Boundary</td>
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<td>103-2</td>
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<td>The management approach and its components</td>
<td>Business Performance (p.12-17); Sustainability Policy on our website</td>
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<td>Proportion of senior management hired from the local community</td>
<td>Overview of Sustainability Performance (p.104)</td>
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Overview of Sustainability Performance
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13.4 Verification Statement

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by BOC Hong Kong (Holdings) Limited ("the Company") to conduct an independent verification for its Sustainability Report 2021 ("the Report"). The Report gives an overview of the sustainability performance of the Company and its subsidiaries ("the Group"), including its principal operating subsidiary Bank of China (Hong Kong) Limited ("BOCHK"), during 2021. The information and data contained in the Report cover the period from 1 January to 31 December 2021.

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

Level of Assurance and Methodology

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

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

Independence

The Company was responsible for the collection and presentation of the information. HKQAA did not involve in the preparation of the Report. Our verification activities were entirely independent and there was no relationship between HKQAA and the Company that would affect the impartiality and independence for providing the verification service.

Conclusion

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

- The Report has been prepared in accordance with GRI Standards: Core Option and the TCFD recommendations framework, and fulfills the mandatory disclosure provisions of the ESG Guide issued by the HKEX;
- The Report has been prepared with reference to the aforementioned latest international guidelines;
- The Report illustrates the Group's sustainability performance, covering all material and relevant aspects and topics, in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

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

Signed on behalf of Hong Kong Quality Assurance Agency

KT Ting
Director, Strategic Services Development
March 2022