



中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

Stock Codes: 2388 (HKD counter) and 82388 (RMB counter)

2023
Sustainability Report



CONTENTS

○ 1	Key messages and report overview	2	○ 5	Customer first	45
1.1	Message from the Chairman	2	5.1	Financial inclusion	46
1.2	Message from the Chief Executive	3	5.2	Customer experience optimisation	53
1.3	Report overview	4	5.3	Technological innovation	59
1.4	About BOC Hong Kong (Holdings) Limited	5	5.4	Information security	62
○ 2	Outstanding achievements in sustainability	6	○ 6	Caring and sharing for all through a people-oriented approach	65
2.1	2023 Sustainability performance highlights	6	6.1	Talent development and well-being	66
2.2	Economic performance	9	6.2	Diversity, equality and inclusion	80
2.3	Widely recognised in the market	10	6.3	Caring for and investing in the community	82
○ 3	Strategic review in an orderly manner	15	○ 7	Efficiency and transparency as the foundation for robust governance	96
3.1	Sustainability strategies	16	7.1	Well-designed governance structure	97
3.2	Communication with stakeholders	18	7.2	Sound risk control	102
○ 4	Green development in quality and quantity	25	7.3	Business ethics	104
4.1	Sustainable finance	26	○ 8	Sustainability performance overview	108
4.2	Combatting climate change	32	8.1	Sustainability performance indicators	108
4.3	Environmental impacts of operations	33	8.2	Content index	118
4.4	Sustainable supply chains	40	8.3	Verification statement	127
4.5	Biodiversity	42			



Solidify and Grow: Advancing toward a New era of High-quality, Sustainable Development

Sustainability focuses on harmony and coexistence, which is best represented by the concept of family in Chinese culture. BOCHK treats all stakeholders as one of our family members so we respect and value the needs of different members. This highlights our value of people first as our philosophy for sustainable development. In the picture, the mother and son are looking through photos and reliving the beautiful memories of their family. This is consistent with this year's Sustainability Report, which reviews our fruitful results covering different stakeholders in 2023. The background of the picture overlooks the blue sky, white clouds, green mountains and clear waters with a broad view, reflecting our prospectus for a beautiful future environment and also symbolises BOCHK's forward-looking vision.

1.1 MESSAGE FROM THE CHAIRMAN

Message from the Chairman

In 2023, the world faced significant challenges, including the intensification of climate change, rising energy demands and water scarcity. At the same time, the emergence of innovative green technologies, widespread deployment of renewable energy and digital transformation have paved the way for global sustainable development. BOCHK is upholding our mission to “serving where our roots are”, thoroughly implementing the sustainable development strategies of the country, actively addressing and executing the green development initiatives set forth by HKSAR Government, fulfilling social responsibilities and striving to facilitate Hong Kong’s positioning as Asia’s green finance centre while expediting the green and low-carbon transition.

Focusing on the development of the low-carbon economy and empowering sustainable development.


BOCHK is committed to integrating ESG concepts into our development plan, enhancing comprehensive products and services spectrum of green finance, including loans, bonds, insurance and funds. In 2023, the remaining balance of green and sustainability-related loans increased by 86.9% from the end of the previous year, where green and sustainable bond investment and the underwriting of green bonds also witnessed significant growth. We supported the HKSAR Government in issuing the world’s first government-issued tokenised green bonds and Hong Kong’s first ESG-themed ETF investing in the Greater Bay Area. The Group also actively supported green finance development in Southeast Asia and successfully granted third-party verified bilateral green loans and social loans in the Philippines, Thailand, Indonesia and Cambodia. By leveraging Hong Kong’s role as a “super-connector”, we strive to connect global capital with mainland’s green and low-carbon projects, while reinforcing Hong Kong’s position as an international financial centre. BOCHK has received various ESG-related awards, including the “Asia-Pacific Climate Leader” by the Financial Times for the second consecutive year and being selected as one of the 40 leading companies with an outstanding ESG performance in China by Fortune China.

Optimising corporate governance strategy in line with the latest green developments. BOCHK implements our sustainability strategies in “three steps”. Through the three Five-Year Plans, we gradually realised the blueprint for sustainable development. The year 2023 marked the pivotal phase of the first Five-Year Plan, we stayed close to the latest development and revised the objectives of the Five-Year Plan, optimised the strategic framework and ensure timely response to stakeholder concerns. We place great emphasis on environmental and social risks, refining our development strategy towards ESG sensitive industries such as coal-fired power generation, coal mining, oil and gas, forestry, etc., with the aim to actively support the low-carbon transition of customers in the high-carbon sectors, while demonstrates the Group’s commitment to sustainable development. Focusing on the global challenge of climate change, we published the first Climate-related Financial Disclosures Report in 2023, outlining BOCHK’s management and performance regarding climate risks and opportunities, so as to provide valuable insights into the practical implementation of green and low-carbon transition to relevant industries, while inspiring more customers and employees to jointly address the challenge of climate change.

Achieving eminent environmental savings through green operations. With the target of achieving carbon neutrality in own operation by 2030, we actively managed our operational environmental footprint. Our four major green operations goals, covering electricity consumptions, carbon emissions, water consumption and paper consumption, have achieved double-digit decrease compared to the baseline year. To enhance the digitalisation level of green operations continuously, we launched a Carbon Emission Data Management Platform for better tracking of our carbon emission data and the effectiveness of our reduction initiatives, facilitating daily follow-up and management. On the other hand, we have introduced different environmental protection and energy-saving measures in our owned properties, thereby enhancing smart energy management and improving the energy efficiency of our buildings and operations. Following the BOC Tower, our Bank of China Building, Bank of China Centre, BOC Credit Card Centre and Bank of China Wan Chai Commercial Centre were also awarded the highest rating under the BEAM Plus Existing Buildings certification in 2023.

Committing to philanthropy and promoting harmonious social development. BOCHK is committed to a people-oriented approach and focuses on the needs of the local community with an emphasis on poverty alleviation, care for the underprivileged and provision of equitable and affordable financial services. We actively responded to people’s livelihood needs for home ownership, leading the market in both reverse mortgage and public housing mortgage, while our overall market share in the local mortgage business has remained at the top. We have devised philanthropic policies and strategies that align with our available resources, and supported a wide range of charitable initiatives. In 2023, we carried out over 80 charity projects with more than 6.6 million beneficiaries, and 145 diverse community activities were organised with over 23,000 volunteer service hours recorded. In 2023, we have been awarded the “Market Leader for Corporate Social Responsibility in Hong Kong” by Euromoney, “Asia’s Best CSR” by Corporate Governance Asia and “Leading Social Initiative Award” by “Bloomberg Businessweek”.

Going forward, BOCHK will continue to provide high-quality financial services and advance its sustainable development strategy, supported by our solid business foundation and strong brand presence. The Group will uphold this philosophy and continue on our journey of sustainable development, striving to set a benchmark in the industry and create value for all stakeholders as we move together with all sectors of community towards a greener and more prosperous future, embarking on a journey to script a new chapter in sustainable development.



GE Haijiao
Chairman

Hong Kong, 28 March 2024

1.2 MESSAGE FROM THE CHIEF EXECUTIVE

Message from the Chief Executive

2023 is a year for BOCHK to build on previous achievements and further implement the Five-Year Sustainability Plan. As the impact of the pandemic fades, our business is gradually picking up and returning to normal, but the business environment is still dynamic and complex. Against this backdrop, BOCHK has been continuing to enhance our strategic execution, solidify the foundation of development, strengthen our unique advantages, engage in high-quality development and continue to create value for our stakeholders.

Understanding stakeholder needs to optimise sustainable development strategy. The year 2023 marks the midpoint in the implementation of our Five-Year Sustainability Plan. Given the continuously-changing focus of stakeholders on sustainable development and the gradual maturation of the sustainable finance market, we have reviewed the original Five-Year Plan by analysing global market trends, focus areas in the society, and internal and external factors related to the Group's development. This strategic review has ensured that our approach to sustainable development is up-to-date and capable of meeting new demands for the upcoming sustainable business development. Concurrently, we conducted a comprehensive review of our material issues by adopting the 'double materiality' approach. Through extensive and diverse stakeholder participation, we further identified key issues for sustainable development. This process allowed us to have a deeper understanding of stakeholder expectations in relation to our sustainable development commitments.

Promoting green finance and implementing green operations. BOCHK continued to actively promote the development of green and sustainable finance, leading customers and society towards a low-carbon transition with our financial expertise. In 2023, size of our green and sustainability finance grew rapidly, while we completed several key projects within the year, including supporting the HKSAR Government in issuing the world's first government-issued tokenised green bonds, participated in the launch of the "BOCHK Greater Bay Area Climate Transition ETF", Hong Kong's first ESG-themed ETF investing in the Greater Bay Area. Moreover, we completed our first sustainability-linked loan for aircraft and our first green RMB reverse repo transaction, marking key milestones in our green finance development. Furthermore, BOCHK has made progress in our green finance businesses in Southeast Asia and granted third-party verified bilateral green loans and social loans in the Philippines, Thailand, Indonesia and Cambodia, so as to promote the green finance development locally. BOCHK had also actively implemented green banking operations. In 2023, as the first Chinese bank outside of the Chinese mainland to make a carbon neutrality commitment for its operations, we publicly pledged to achieve operational carbon neutrality by 2030 and announced specific green operation goals for 2025. In 2023, we endeavoured to pursue these commitments by reducing carbon emissions from our operations through energy-saving measures, equipment optimisation, and intelligent operations. With the collective efforts of all employees, we are on schedule to meet our green operation goals, laying a solid foundation to fulfil our commitments.

Actively implementing inclusive finance and high-quality customer services. To support the development of small and medium-sized enterprises ("SMEs"), we have been closely monitoring the needs of SMEs and helping them to gain access to working capital, and we have acted as a reliable source of support for them by participating in the SME Financing Guarantee Scheme and the Dedicated 100% Loan Guarantee Schemes launched by Hong Kong Mortgage Corporation Insurance Limited ("HKMCI"). Meanwhile, BOCHK was the first bank to grant loans under the Dedicated 100% Loan Guarantee Schemes to effectively support our customers and address their financing difficulties, so as to support the recovery of the cross-boundary passenger transport and travel sector. In addition, the Group launched the pioneering mobile app "BOC Connect" to support corporate digital transformation and provide a digital ecosystem for enterprises. On the other hand, we actively cooperated with the policy implementation of the HKSAR Government by supporting financial projects for the people's livelihoods, including the Consumption Voucher Scheme, the Silver Bond Series and the Green Bond

Programme. We will continue to enhance our service level with an open and innovative attitude, committed to creating greater value for our customers and partners.

Technology-led business development and innovation-driven transformation. In today's transformative era, the vigorous development of technology has become a powerful engine driving our business development, and innovation is the driving force behind our transformation and upgrading. To further revitalise our business, we are bolstering our technical foundation, advancing digital transformation and business upgrading, and improving our capabilities in online services and transaction handling. We have completed the proof of concept for blockchain and smart contract technology and introduced these advanced technologies in our business, actively promoting the research and development ("R&D") of digital currency. As the first commercial bank participating in the cross-boundary e-CNY piloting, BOCHK launched the cross-boundary shopping festival to initiate large-scale e-CNY promotion event for local customers in Hong Kong. We have also launched the "corporate e-CNY cross-boundary transaction pilot" and completed the first-ever e-CNY cross-boundary transaction for bulk commodities. Besides, we actively participated in Project mBridge and the e-HKD Pilot Programme by the Hong Kong Monetary Authority ("HKMA").

Fulfilling social responsibility and supporting charitable activities. In 2023, we carried out more than 80 charity projects covering poverty alleviation, youth development, environmental protection and carbon reduction, culture, sports and arts, and innovative technology, etc. We launched a number of signature projects, including the "Gazing at Sanxingdui: New Archaeological Discoveries in Sichuan" special exhibition, the "HKPM Showtime Carnival" and the second BOCHK Science and Technology Innovation Prize, to promote the development of Hong Kong into an East-meets-West centre for international cultural exchange as well as an international innovation and technology centre. Besides, we supported multiple large-scale projects and international events with significant social impact, including the Bank of China (Hong Kong) Hong Kong-Zhuhai-Macao Bridge (HK Section) Half Marathon and the Bank of China Hong Kong Tennis Open 2024 – ATP international men's professional tennis tour event, which are the "M" Mark Events supported by the HKSAR Government. Our volunteer team continued to grow to 8,400. During the year, a total of 145 community volunteer activities were organised and recorded more than 23,000 service hours. We were once again honoured with the "Outstanding Corporate" and "Top Ten Highest Volunteer Hours" of the "Hong Kong Volunteer Award 2023", co-organised by the Home and Youth Affairs Bureau of the HKSAR Government and the Agency for Volunteer Service.

Going forward, BOCHK will continue to uphold our mission to "serving where our roots are", and promote high-quality and sustainable development with its century-long foundation in Hong Kong, support from all sectors of society, and the efforts of all colleagues. This will empower Hong Kong to better integrate into the national development framework and become an international green financial centre. At the same time, we will provide our customers with more comprehensive financial solutions through our exceptional risk management and sustainable financial products and contribute to the low-carbon transformation in collaboration with all sectors by leveraging BOCHK's professional capabilities in finance. In the future, BOCHK will work with different stakeholders to create greater value for customers and society, realising the common goal of sustainable development.



SUN Yu

Vice Chairman & Chief Executive
Hong Kong, 28 March 2024

1.3 REPORT OVERVIEW

Scope of this Report¹

This 2023 Sustainability Report (the “Report”) provides 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”) in 2023.

The Report highlights our performance in respect of sustainability initiatives, sustainability strategy and governance, communication with stakeholders and material issues, sustainable finance and inclusive finance, green operations, protection of consumer interests, employee care measures, charitable and public welfare activities, risk management, and business ethics.² We recommend reading this Report in conjunction with the Group’s *2023 Annual Report*, and the *Sustainability section* and *sustainability-related policies* on our website, in order to fully understand our sustainability philosophy, measures and performance. Unless otherwise stated, the information and data contained in this Report cover the period from 1 January to 31 December 2023, which aligns with the Group’s Annual Report.³

Report preparation principles

We have prepared this Report in accordance with the Global Reporting Initiative (“GRI”) Standards and the Environmental, Social and Governance Reporting Guide (“ESG Guide”) set out in Appendix 27 to the Main Board Listing Rules issued by Hong Kong Exchanges and Clearing Limited (“HKEX”).

In preparing this Report, we followed the four major reporting principles of the ESG Guide — “Materiality”, “Quantitative”, “Balance” and “Consistency” — and referred to the following guidelines:⁴

- The Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations⁵
- The Sustainability Accounting Standards Board (“SASB”) Standards
- The United Nations Sustainable Development Goals (“SDGs”)

¹ MDR-15

² 2-2

³ 2-3

⁴ MDR-14

⁵ Additional climate-related disclosures related to TCFD requirements are included in the 2023 Climate-related Financial Disclosure Report published by the Company.

⁶ 2-5

⁷ 2-3

Materiality	We have identified a range of key environmental, social and governance issues, and we have set out the framework and content of this Report accordingly. The key issues identified have been approved by the Board of Directors (the “Board”). For details, please refer to the “ <i>Communication with stakeholders</i> ” section.
Quantitative	Section 8 of this Report covers the sustainability performance data and the standards and approaches used to calculate the data.
Balance	We disclose the Group’s sustainability performance in an unbiased, fair and objective manner, with a view to enabling investors to evaluate our performance objectively and rationally.
Consistency	We use consistent reporting and calculation methods to the extent reasonably practicable, and we detail significant changes in data or methods, if any, in the corresponding sections to facilitate meaningful comparisons.

Assurance and approval of the Report⁶

This Report has been independently verified by Hong Kong Quality Assurance Agency (“HKQAA”). The scope and basis of the verification are set out in the Verification statement in Section 8 of this Report.

This Report has been published on the websites of HKEX and BOCHK after being reviewed by the Sustainability Executive Committee of the Management Committee of the Group, and after being approved by the Sustainability Committee under the Board and the Board of the Group.

Your feedback⁷

We welcome your comments and recommendations regarding our Report and other sustainability-related matters. Please fill in the *online feedback form* or contact us through the following email addresses:

- Sustainability Strategy Team (email: bochk_esg@bochk.com)
- Investor Relations Division (email: investor_relations@bochk.com)

1.4 ABOUT BOC HONG KONG (HOLDINGS) LIMITED⁸

BOC Hong Kong (Holdings) Limited is one of the largest listed companies and commercial banking groups in Hong Kong, holding the entire equity interest of Bank of China (Hong Kong) Limited, 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. Its stock codes are “2388” (HKD counter) and “82388” (RMB counter), and its ADR OTC Symbol is “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 promoting sustainable and high-quality development. Capitalising on our advantages as a major commercial banking group in Hong Kong, we continue to increase local market penetration, capture business opportunities in the Greater Bay Area and actively expand our business development in Southeast Asia. Adhering to our customer-centric philosophy, we explore every possibility to meet customers’ needs. We elevate customer experience with new technology and strive to make green and sustainable development a reality. We provide customers with comprehensive, professional and high-quality services, connecting them with opportunities to achieve more.

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

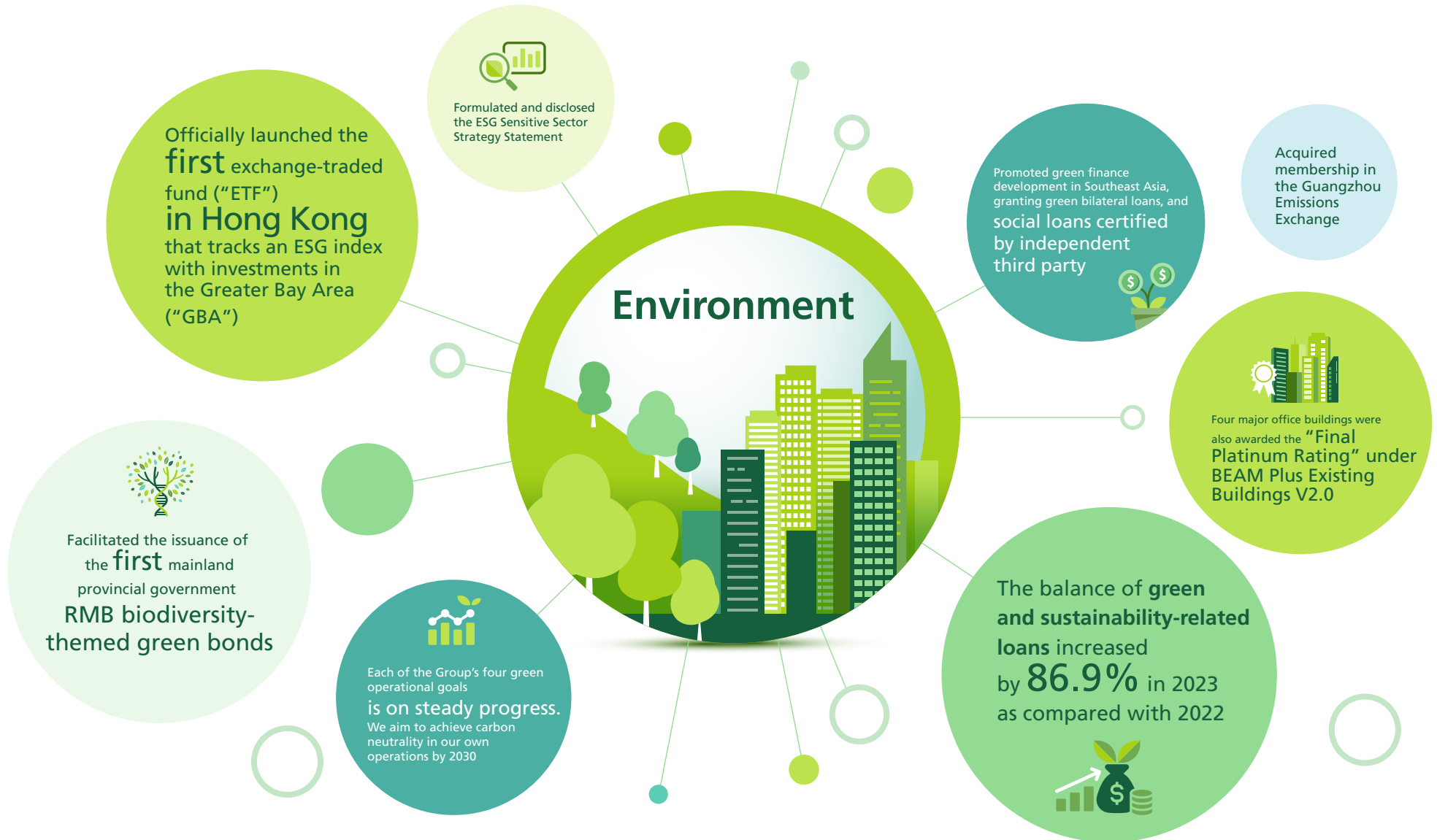
We are actively expanding our business in the Southeast Asian region. With our branches and subsidiaries in Malaysia, Thailand, Indonesia, Cambodia, Vietnam, the Philippines, Laos, Brunei and Myanmar, we support customers in the region with professional and high-quality financial services. Through close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

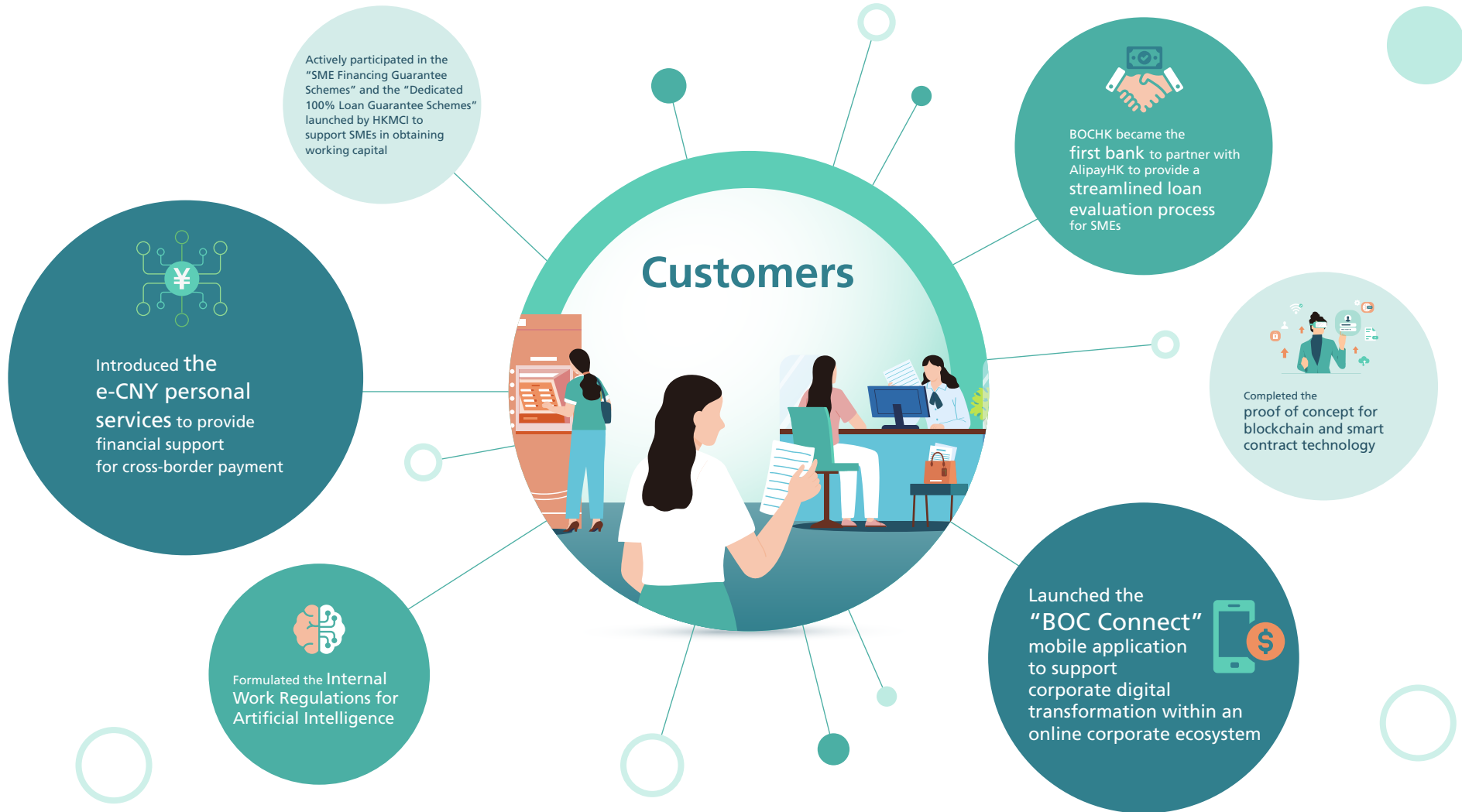
As a leading commercial and regional bank with deep roots in Hong Kong for over 100 years, BOCHK is committed to “serving where our roots are”, undertaking our corporate social responsibilities and delivering greater value for our stakeholders and the community.



⁸ 2-1, 2-6

2.1 2023 SUSTAINABILITY PERFORMANCE HIGHLIGHTS







2.2 ECONOMIC PERFORMANCE

2023 Financial highlights^{*9}:

	2023	2022	Change
(For the year)	HK\$m	HK\$m	%
Profit for the year	34,857	27,230	28.0
Profits attributable to equity holders of the Company	32,723	25,940	26.1
Basic earnings per share (HK\$)	3.0950	2.4535	26.1
Return on average total assets (%)	0.90	0.75	0.15pp
Return on average shareholders' equity (%)	10.60	8.50	2.1pp

	2023	2022	Change
(At year-end)	HK\$m	HK\$m	%
Total assets	3,868,783	3,666,505	5.5
Deposits from customers	2,503,841	2,377,207	5.3

	2023	2022
(For the year)	HK\$m	HK\$m
Direct economic value generated	65,498	54,215
Direct economic value distributed	40,303	36,603
Operating costs	4,079	4,861
Employee wages and benefits	10,725	9,946
Providers of capital	19,070	15,737
HKSAR Government	5,690	5,427
Governments outside Hong Kong	703	596
Community investments	36	36

* On 1 January 2023, the Group adopted the requirements of HKFRS 17 "Insurance Contracts" retrospectively. The comparative information for the year 2022 has been restated accordingly.

For details, please refer to the [2023 Annual Report](#).

2.3 WIDELY RECOGNISED IN THE MARKET

Key awards



The Banker:
Bank of the Year in Hong Kong



The Asian Banker:
The Strongest Bank in Hong Kong and Asia Pacific



The Asian Banker:
The Second Strongest Bank in the World

ESG awards:



Euromoney Market Leader 2023:

- Market Leader for Corporate Social Responsibility in Hong Kong
- Market Leader for Environmental, Social and Governance in Hong Kong
- Market Leader for Digital Solutions in Hong Kong



Financial Times in collaboration with research firm Statista:
Asia-Pacific Climate Leaders 2023



Fortune China ESG Impact List 2023:

- Elected as one of the 40 leading companies with an outstanding ESG performance in China



Corporate Governance Asia –
The 13th Asian Excellence Award 2023:

- Asia's Best CSR
- Best Environmental Responsibility
- Best Investor Relations Company
- Best Corporate Communications



FinanceAsia Awards 2023:

- Best ESG Impact Bank – Hong Kong SAR



The Asset ESG Corporate Awards 2023:

- Platinum Award



Bloomberg Businessweek/Chinese Edition, ESG Leading Enterprise Awards 2023:

- ESG Leading Enterprise Award
- Leading Social Initiative Award



The Hong Kong Management Association – Hong Kong Sustainability Award 2023:

- Hong Kong Sustainability Award – Distinction Award (Large Organisation Category)



The 5th BDO ESG Awards 2023:

- Best in ESG Awards (Merits)
- Theme Award (Merits)



The Hong Kong General Chamber of Small and Medium Business:

- ESG Leading Enterprise Award 2023



Jockey Club Age-friendly City Partnership Scheme 2022:

- Our City's Story Award
- Age-friendly Facilities Award



The Hong Kong Economic Journal, Financial Services Awards of Excellence 2023:

- Excellent Sustainability CSR Award



Ming Pao – ESG Award 2023:

- Excellence in ESG Sustainable Finance
- Excellence in Caring Award
- Elite of Sustainability Performance Award



Ming Pao – Awards for Excellence in Finance 2023:

- Financial Service – Brand Value: Award for Excellence in ESG



Hong Kong Ta Kung Wen Wei Media Group – Hong Kong International ESG Ranking 2023:

- Best ESG Pioneer
- Best Listed Company at ESG Practices
- Best ESG Financial Service Provider



Sing Tao News Corporation and The Hong Kong Polytechnic University, Outstanding ESG Enterprises Recognition Scheme 2023:

- Level 1 (Highest Honours) Prestigious ESG Accomplishment of the Year
- Outstanding ESG Environmental Performance Awards
- Outstanding ESG Social Performance Awards
- Outstanding ESG Corporate Governance Awards
- ESG Commendation Awards



Bloomberg Businessweek/Chinese Edition “Financial Institutions 2023”:

- Banking Sector Training Programme of the Year



The Hong Kong Institute of Bankers “Hong Kong Banking Industry Talent Development Awards Programme”:

- Category I: Talent Development Award 2023
- Category II: Talent Development Excellence Award 2023



The Hong Kong Management Association "Award for Excellence in Training and Development 2023":

- Excellence in Digital Transformation



The Hong Kong Volunteer Award 2023, co-organised by the Home and Youth Affairs Bureau of the HKSAR Government and the Agency for Volunteer Service:

- "Outstanding Corporate" (Corporate with 100 or above full-time employees)
- "Top Ten Highest Volunteer Hours" (Corporate with 1,000 or above full-time employees)



CTgoodjobs – Best HR Awards 2023:

- Best Corporate Social Responsibility Award – Grand Award, Triple Crown (received the award for 3 consecutive years)
- Employer of the Year – Grand Award
- Best Employee Engagement Strategy Award – Grand Award
- Best in HR Digitalisation Award – Grand Award
- Best Graduate and Management Trainee Programme Award – Gold Award
- Best Talent Management Strategy Award – Gold Award



Association of Marketing and Communication Professionals – Communitas Awards:

- Leadership in Community Service and Corporate Social Responsibility
- Leadership in Ethical and Environmental Responsibility



The Hong Kong Council of Social Service:

- Caring Company

ESG indexes and ratings



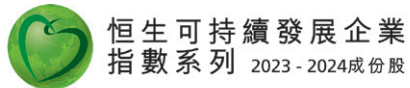
MSCI ESG Research LLC:

- Awarded “AA” rating



Sustainalytics ESG risk rating:

- Score of 23.2, similar to major peers in Hong Kong



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

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



Global (Asia-Pacific) Business Sustainability Index

- Rated as “Exemplar”



Greater China Business Sustainability Index 2022
大中華企業可持續發展指數 2022

Greater China Business Sustainability Index

- Rated as “Exemplar”



Greater Bay Area Business Sustainability Index 2022
粵港澳大灣區企業可持續發展指數 2022

Greater Bay Area Business Sustainability Index

- Rated as “Exemplar”



Hong Kong Business Sustainability Index 2022
香港企業可持續發展指數 2022

Hong Kong Business Sustainability Index

- Rated as “Exemplar”



3 STRATEGIC REVIEW IN AN ORDERLY MANNER

3.1 Sustainability strategies 16

3.2 Communication with
stakeholders 18

3.1 SUSTAINABILITY STRATEGIES¹⁰

BOCHK never stops its steps forward on its sustainability journey. In 2023, we launched and successfully completed two major strategic initiatives. First, we completed the interim review of the 2021-2025 Sustainability Plan. In consideration of the latest market trends and internal and external needs, we revised the objectives of the Five-Year Plan to “Solidify & Grow: Advancing toward a New Era of High-quality and Sustainable Development”, formulated the strategic framework of “one goal”, “three strategies” and “five key measures” and updated the corresponding work plans. Second, we completed the reassessment of sustainability material issues to promote stakeholder engagement. Based on the double materiality principle, we identified 15 sustainability material issues that have significant impact on the Group and key stakeholders from the two dimensions of “financial materiality” and “impact materiality”. Through the above two major reviews, we have improved our understanding of the stakeholders’ needs, optimised the strategic policy of sustainable development, and gained a clearer understanding of our current ESG performance, while positioning the next stage of higher-quality sustainable development.

We implement our sustainability strategies in “three steps”. Through the three “Five-Year Plans”, we have formulated a comprehensive and systematic blueprint for sustainable development to guide relevant tasks and integrated the concept of sustainability and high-quality development into all levels of the Group from multiple dimensions, with a view to maintaining balanced and steady development in the long term.

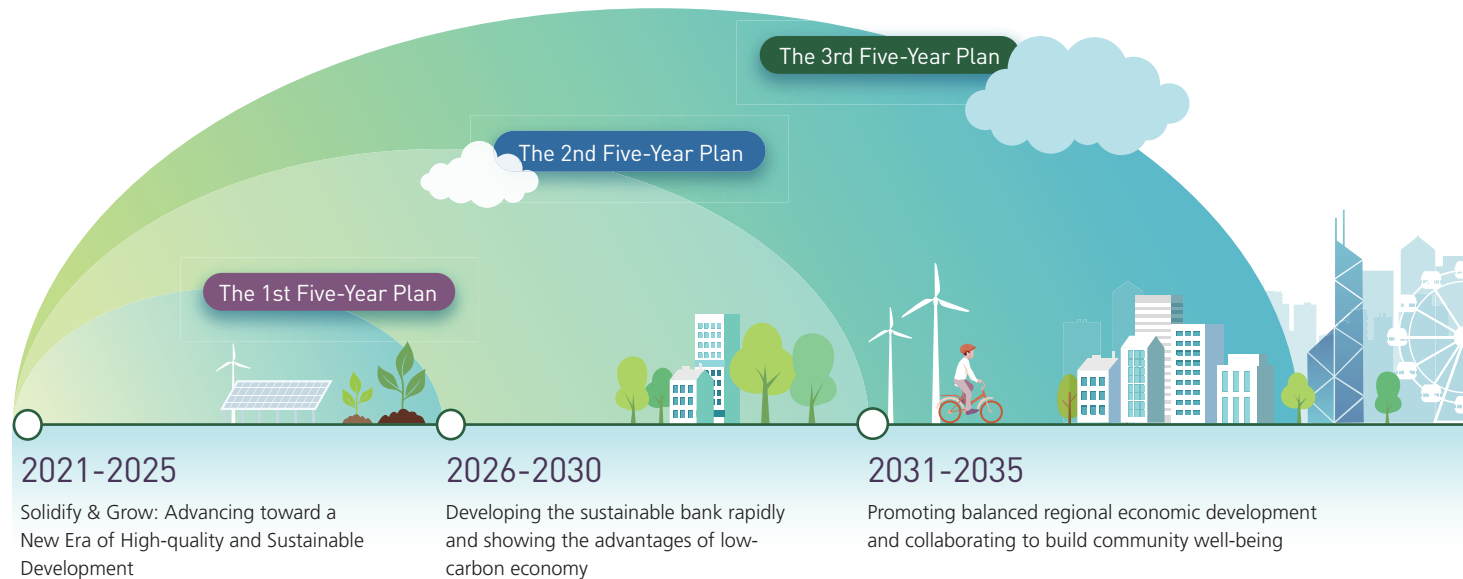
The Bank’s ESG development and the changing trend within and outside the Bank in the past years have posed both challenges and opportunities to us, which imply additional costs and growth of new business. 2023 marks the midpoint of the first Five-Year Plan in the “Three Steps”. Our

past works related to sustainable development are fruitful in preparing complete infrastructure for building a sustainable bank, which can be translated into a new force driving high-quality sustainable development at the new stage. We are also aware that stakeholders’ focus on sustainable development issues are changing in recent years. As the sustainable financial market becomes more mature, we need to make timely adjustments according to the current situation and the internal and external environment. Given that sustainable development has entered a new stage, we have reviewed the 2021-2025 Sustainability Plan. By studying and analysing internal and external factors such as the global market trend, the concern of all sectors of society and the Group’s development, we have reviewed the existing sustainability strategies, goals, actions and initiatives, then revised the objectives of the Five-Year to “Solidify & Grow: Advancing toward a New Era of High-quality and Sustainable Development”. We aim to adjust the strategic framework of sustainable development to ensure that sustainability policies move

with the times, consolidate our leading edge in sustainable development, capture the latest trends and market opportunities and actively respond to the new requirements of promoting sustainable development at the new stage.

We will integrate the reviewed strategic objectives and framework of sustainable development with the annual plan. We have developed specific action plans and corresponding quantitative and qualitative development goals in the five “key measures” of products and services, policies and procedures, talent and culture, systems and operations, and disclosure and brand, taking into account the need for a solid foundation and future development, and embedding risk management and control throughout the process. Through assigning goals and tasks, we have built a detailed and complete sustainability work system to ensure the orderly and rapid progress of various tasks. We aim to achieve the overall goal in a gradual manner and steadily support BOCHK as it moves towards a new stage of high-quality sustainable development.

“Three Steps” Development Path



¹⁰ 2-22, G4-FS1, MDR-13

Sustainability strategy goals and framework



Solidify and Grow: Advancing toward a New Era of High-quality, Sustainable Development

Three strategies

Promoting green and high-quality development

- Accelerate the low-carbon transformation. We will continue to expand the scale of our green finance business and pursue product and service innovation in Hong Kong, the GBA and Southeast Asia. In addition, we will reduce carbon emissions arising from the Group's investment and financing activities at both the business and customer levels
- Actively improve our own green operations, and refine and optimise energy-efficiency and emissions-reduction measures



Building a mutually beneficial society

- Fulfil our social responsibility by promoting the further development of inclusive finance and providing support for SMEs
- Engage in a wide variety of charitable activities and mobilise the entire bank to offer care for disadvantaged groups
- Demonstrate care for employees and embed the concept of sustainability into our corporate culture

Strengthening efficient and transparent governance

- With a view to maintaining a strong corporate governance structure, continue to enrich and improve our governance policies and systems, and ensure that the Board and management effectively supervise and manage corporate affairs
- Continue to enhance the quality of disclosure based on the latest developments by strictly following international trends and regulatory standards

Five Key Measures

Products and services

Policies and procedures

Talent and culture

Systems and operations

Disclosure and brand

Embedded with comprehensive risk management and control measures

3.2 COMMUNICATION WITH STAKEHOLDERS

We use a range of communication platforms to seek opinions and recommendations from our stakeholders so as to continuously understand their views and expectations. Their valuable opinions assist us to seek continuous improvement and enhance our overall sustainability performance and help us better understand how we can fulfil our commitments and meet their needs.

Customers

- Communication with frontline staff
- Contact centres and customer feedback line/mailbox
- Online and offline workshops, seminars and various customer activities
- Digital communication channels, such as online customer service, RM Chat and email
- Net Promotor Scores
- Official WeChat accounts of BOCHK, BOC Credit Card (International) Limited ("BOCCC"), BOC Group Life Assurance Company Limited ("BOC Life"), BOCHK Research and Southeast Asia entities
- Corporate website
- Online surveys/interviews

Employees

- Employee mobile communication app Enterprise Instant Messaging ("EIM"), integrated mobile business platform eWorkplace, department meetings/online meetings
- Staff forums, corporate culture events and recreational activities
- Staff publications, Intranet and internal circulars
- Performance assessments, staff awards and recognition activities
- Chief Executive's mailbox, staff hotline and mailbox, and HR Chatbot
- Social and volunteer activities
- Online surveys/interviews



Stakeholder engagement channels¹¹

We maintain open communication with key stakeholders through the following major channels. For details, please refer to the [Sustainability webpage](#).

Investors and shareholders

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



A brand new BOCHK sustainability webpage

During the year, BOCHK launched a brand new sustainability webpage bringing better user experience. By sharing our ESG targets, initiatives and performance with different stakeholders, we encourage people from all walks of life to actively participate in and care for sustainable development. Together, we build a better future.



Media

- Press conferences, press releases and media interviews
- Results announcements, annual and interim reports, corporate website and social media
- Media enquiries



Professional institutions

- Representatives on committees of professional bodies
- Forums, seminars and talks
- Event sponsorships



Community partners

- Sponsorships and donations
- Post-event evaluation reports
- Seminars, forums and sharing sessions
- Meetings and communications
- Diverse community activities (including volunteer events, tours, exchanges and visits)
- Sustainability webpage



Key communication channels

Government and regulators

- Meetings, daily communication and reports
- Representatives on committees of key industries and government bodies
- Sponsorship and participation in forums, seminars and talks
- Circulars and guidelines of regulatory authorities
- On-site visits
- Online surveys/interviews



Suppliers

- Meetings and communications
- Due diligence procedures
- Online surveys and regular reviews
- On-site inspections
- Annual questionnaire surveys
- Introducing policies to incorporate suppliers' ESG performance into the tendering process for major procurement initiatives



¹¹ G4-FS5, 2-16, 2-29, 3-1

Our responses to key stakeholder opinions

Concerns of stakeholders

Our action/response



Investors and shareholders

- Has the Group developed a more substantive action plan to address challenges brought by carbon reduction and energy transition initiatives?
- While actively exploring digital innovation, how does the Group improve its risk management and control system to protect data and information security?



When we established our own operational carbon neutrality target in 2022, we had already developed more than 60 energy-saving and emission-reduction plans, which are being implemented in an orderly manner. We will make dynamic adjustments according to the actual situation.

We have established, maintained, and continually improved our information security and data management systems according to regulatory requirements and market developments, managing and controlling the processing and application of data information to ensure data security. Specific measures include:

1. An "Information Security Committee" has been established under the Management Committee, which is responsible for organising, managing, supervising, and coordinating the information security and cybersecurity-related work of the Group;
2. We have developed a robust information security management system, which includes regulatory documents like the *BOCHK Information Security Administrative Measures* and the *Implementation Rules for Information Security Classification and Protection*. This system clarifies the framework strategy of our bank's information security management and helps establish the management mechanisms for information security classification, personal data protection, and information security emergency response;
3. The establishment of a robust "Three Lines of Defence" technology risk governance framework helps clarify the responsibilities of the Board, senior management, various departments, and major subsidiaries in technology risk management, ensuring all the technology risks can be identified, assessed, monitored, controlled and reported;
4. We will conduct regular data security risk assessments, as well as promote the importance of data security and related requirements to our employees and unit representatives through group-wide training and cross-unit data management meetings; and
5. The Group's internal auditors conduct annual audits on information technology policies and systems, with additional audits carried out by the external auditors, ensuring that the Group operates in compliance with regulations and is able to provide stable financial services.



Customers

Concerns of stakeholders

In respect of green financial products and related business, customers hope that the Group will communicate more effectively about the benefits of our products and business lines from an ESG perspective

Our action/response

We are constantly developing more channels and methods to communicate with customers in order to help them understand the benefits of green products for social development, environmental protection, and other areas. For example, while promoting green mortgages, we are enhancing our customers' understanding of green buildings and green mortgages through initiatives such as conducting lectures with developers and designing different promotional materials.



Employees

Some employees hope that additional communication channels will be established so that they can learn more about ESG and the Group's overall ESG development and performance. They believe these changes will support the Group efforts to cultivate an "ESG culture"

Employees are concerned about measures related to their welfare, and particularly initiatives that promote their physical and mental well-being as well as work-life balance

We attach great importance to staff training and development. To further promote the building of corporate culture and the effective implementation of the Group's ESG strategy, we have endeavoured to raise the awareness of all staff on sustainable development by launching the "Green Finance Academy" on our online platform, designing a tiered talent development framework and a one-stop information platform, with both internal and external green finance learning resources, and provide annual ESG-themed training for all our employees.

Employees are the most valuable asset of the bank. We have always valued and cared for their well-being. To demonstrate our care and concern for them, we continue to optimise our employee benefits and packages to help them achieve a better work-life balance. We care about the mental health of our employees and offer them the "Wellness Programme", which allows employees and their families to use free clinical counselling services, psychological consultation, counselling and treatment to address issues related to mental and physical health, family, work, and interpersonal relationships. In addition, we also organise psychological seminars and workshops for our employees. We have also set up a Health Management Centre at the BOC Centre, which is equipped with fitness devices, stress relieving facilities, and health testing devices for staff use.

To help staff strike a better balance between work and family, we regularly hold various types of staff activities, including the "BOCHK Family Fun Day" and "BOCHK Parent-Child Fun" events. Staff can bring their family members to the office to learn more about the working environment and enhance parent-child relationships. We also organise a variety of volunteer activities to encourage employees and their families to give back to society together.

Materiality assessment¹²

We attach great importance to the opinions and concerns of our stakeholders. To ensure that the Group's sustainability policies and performance meet the expectations of key stakeholders, we continue to engage with them through various channels to obtain a better understanding of their views on different issues, and we use this guidance to drive our sustainability processes.

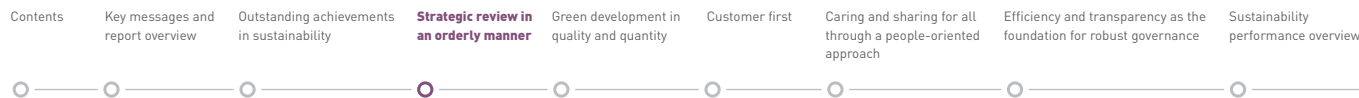
Since 2015, BOCHK has been conducting materiality assessments so as to better understand the impact of different sustainability issues on the Group and its major stakeholders and obtain guidance for the Group's sustainability strategy and reporting initiatives. By following the market practice of conducting a comprehensive materiality assessment approximately every 3 years as a cycle, we conducted a large-scale assessment of material sustainability issues in 2023 by reference to the requirements of the latest international standards and guidelines and the double materiality principle to identify the risks and opportunities that have a significant impact on the Group and its stakeholders from the two dimensions of "financial materiality to the Group" and "impact on stakeholders", with the goal of strengthening the Group's sustainability initiatives.

Material issues identification process



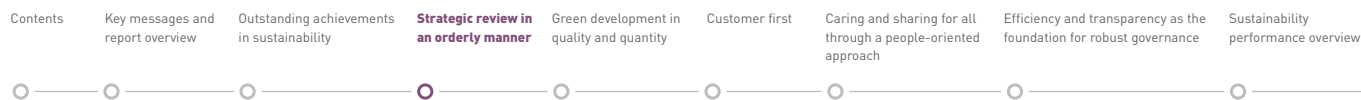
¹² MDR-13, 2-16, 3-1, 3-3

¹³ 2-14



2023 list of material sustainability issues

Issues	Definition	Relevant sections
Dedicated to green development		
Sustainable finance	Supports and promotes sustainable economic development through financial activities. Banks can integrate ESG factors into their business, investment and credit strategies, as well as develop different sustainable financial products that drive customers to accelerate their transformations, which will in turn enable the low-carbon transition of the banks' own investment portfolios. For BOCHK, sustainable financial development is not limited to only Hong Kong, but also includes business in the GBA and other overseas jurisdictions.	4.1 Sustainable finance
Addressing climate risks	By conducting assessments of climate risks and opportunities and improving climate resilience, banks can respond more effectively to climate-related risks arising from investment and financing activities, and reduce their own operational footprints.	4.2 Combatting climate change
Environmental impacts of operations	Includes the use of resources (such as energy and water) and emissions into the external environment (such as air pollutants, solid waste and wastewater) during daily business operations. Through sound management, banks can improve the efficiency of their resource utilisation and reduce emissions, thereby reducing any adverse impact on the environment.	4.3 Environmental impacts of operations
Sustainable supply chain	Includes key elements such as the environmental and social risk assessment of suppliers, as well as sustainable procurement. Comprehensive and standardised management of suppliers and the creation of a sustainable supply chain will facilitate the sustainable development of the entire value chain.	4.4 Sustainable supply chain
Biodiversity	Biodiversity refers to the preservation of plant and animal species, genetic diversity, and natural ecosystems. Through their investment and financing activities, banks can encourage companies to use natural resources more reasonably and protect biodiversity and natural ecosystems.	4.5 Biodiversity
Practising "customer-first"		
Financial inclusion	Provides affordable financial services to vulnerable groups in society and SMEs, such as microfinance offerings, convenient branch locations and mobile banking services. By pursuing inclusive finance, banks can help promote social equality and drive sustainable business development.	5.1 Financial inclusion
Quality customer experience	Covers key elements such as fair transactions, responsible marketing, the provision of high-quality products and convenient services, and improvements to after-sales services (e.g., addressing customer concerns in a timely manner and providing clear terms and conditions for products). An excellent customer experience lays the foundation for a bank's business operations.	5.2 Customer experience optimisation
Technology innovation	Covers the application of digital banking, big data, cloud computing, artificial intelligence ("AI") and other relevant technologies. As the core driver of corporate development, technology innovation can effectively enhance the customer service experience, boost the efficiency of business operations and strengthen competitiveness.	5.3 Technological innovation
IT security	Covers key elements such as network security management, data protection and privacy policies. With the development and use of online banking and cloud storage technologies, banks need to be more cautious in addressing the risk of data breaches, ensure that data use complies with relevant standards and strengthen the daily maintenance of network information systems, with a view to protecting the personal information and privacy of customers.	5.4 Information security



Committed to a people-oriented approach		
Talent development and well-being	A well-developed talent development system and attractive remuneration packages could enhance our competitiveness in talent attraction. While we need to ensure that our employees are equipped with the latest knowledge and skills, and guarantee the reserve of high-quality financial talent, we also need to provide market competitive welfare to our employees and support their physical and mental well-being in order to enhance employee satisfaction, thereby attracting and retaining talent.	6.1 Talent development and well-being
Equality, diversity and inclusion	Insists on respecting differences, being inclusive and providing an open and equal platform to build a diverse and inclusive team. An atmosphere of equality, diversity and inclusiveness will be conducive to enhancing team cohesion and creativity, bringing long-term value to banks.	6.2 Diversity, equality and inclusion
Caring for and investing in the community	This includes giving back to the local community and society through charitable donations, volunteer services and public welfare activities. By investing in our community, we uphold our commitment to corporate social responsibility.	6.3 Caring for and investing in the community
Strengthening high-quality corporate governance		
Well-designed governance structure	Covers key elements such as the structure of the Board of Directors and management, executive compensation, board diversity, and ESG knowledge. A robust governance structure can ensure effective oversight of company affairs by the Board and enhance management efficiency.	7.1 Well-designed governance structure
Sound risk control	Covers key elements such as the risk governance system, cultivation of a risk culture and management of emerging risks. Maintaining a sound risk management system can ensure effective and prompt responses to address risks arising from changes in the financial system or general market conditions, while helping avoid business interruptions and other negative events.	7.2 Sound risk control
Business ethics	Includes codes of conduct related to prevention and prohibition of insider trading, pricing monopolies, market manipulation, fraud, money laundering, corruption and bribery, and financing of terrorism. Robust governance and business ethics can prevent financial crimes and ensure that business activities are legal and compliant, which will protect the interests of stakeholders while also improving a bank's goodwill and competitiveness.	7.3 Business ethics

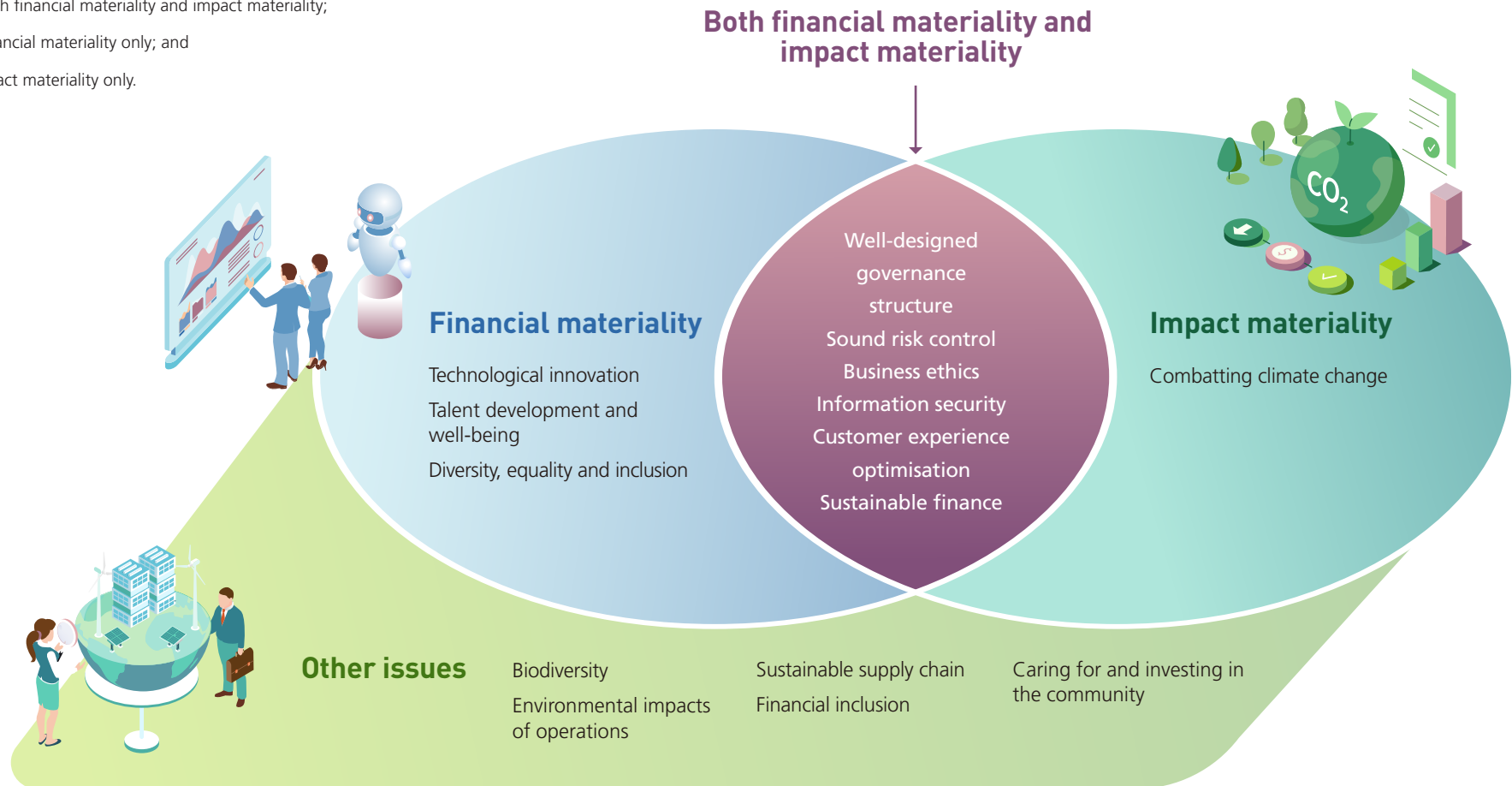
Materiality assessment results

10 financial and/or impact material issues¹⁴

We reviewed and analysed the feedback collected in the assessment, and identified:

- 6 issues with both financial materiality and impact materiality;
- 3 issues with financial materiality only; and
- 1 issue with impact materiality only.

The results of the materiality assessment are summarised in the list of material issues below:



¹⁴ MDR-14, 3-2, 3-3



4 GREEN DEVELOPMENT IN QUALITY AND QUANTITY

4.1 Sustainable finance	26	4.4 Sustainable supply chains	40
4.2 Combatting climate change	32	4.5 Biodiversity	42
4.3 Environmental Impacts of Operations	33		



4.1 SUSTAINABLE FINANCE¹⁵

Banks play an essential role in promoting green and sustainable financial development, particularly with regard to the low-carbon transition. To align with the country's strategy for reaching "peak carbon emissions by 2030 and carbon neutrality by 2060" (the "Dual Carbon goals") and the HKSAR Government's plan for the development of green and sustainable finance, the Group actively provide financial and professional support to green and sustainability-related projects in Chinese Mainland, Hong Kong and Southeast Asia by following our Parent Bank, Bank of China's overall strategy. We endeavour to become a reliable partner for our customers in their low-carbon green transition journey while driving the development of sustainable financial products and services.

We also continuously promote the development of sustainable finance in the market and industry, actively participate in green finance development initiatives undertaken by regulators such as the HKMA and HKEX, and support multiple large-scale forums and events to tell positive and real stories of Hong Kong, while making recommendations on the development of a sustainable financial market. We are also a cornerstone member of the Alliance for Green Commercial Banks. In this capacity, we jointly promote financial innovation and investment in emerging markets, lead emerging markets in addressing climate change and environmental risks, and help finance the infrastructure and business solutions needed to drive sustainable economic development. After signing a strategic partnership agreement with the Guangzhou Emissions Exchange in 2022 to advance carbon emissions trading and green finance development, and in 2023, we became a member of the Guangzhou Emissions Exchange.



Green and sustainable deposits **increased by 19.9%**



Green and sustainability-related loans **increased by 86.9%** from the end of the previous year



The subscription amount of governmental retail green bonds reached a new record high, with the subscription amount and number of subscribers **ranked first in the market for two consecutive years**



The monthly average number of green mortgage loans granted **increased 4.4 times** compared with last year



The balance of ESG bond investment **increased by 80.7%**

¹⁵ 2-6, 2,28, 3-3, 203-1, 203-2, G4-F55, B8.1, B8.2

Green and sustainable corporate financial products and services

To meet customer demand for diversified green and sustainable products and services, we have been seizing tremendous opportunities for green development in Hong Kong, the GBA and Southeast Asia. We have developed a wide range of innovative green and sustainable finance products and services to promote our corporate customers' green and low-carbon transitions. We are actively supporting the development of high-quality green industries and the transition of high-carbon enterprises through the effective allocation of resources and by providing professional advice, and we are strengthening our financing capabilities by innovating and diversifying our green product offerings to better support the green and low-carbon transition of the real economy. Our diversified green corporate finance solutions include green and sustainability-linked loans, issuance of blue, green and sustainability-linked bonds, and green time deposits.

Our green and sustainability-linked loans cover a wide range of sectors:

 Wind Power/ Solar Energy Generation	 Clean Energy Electricity	 Real Estate
 Manufacturing	 Infrastructure Projects	 Transportation
 Agriculture	 Food and Beverage	 Water Utility

Green and sustainability-related loans

We are committed to promoting green and sustainable development, and we acknowledge the importance of enterprises' low-carbon transition. For this reason, we have introduced different types of green and sustainable corporate loans, such as green loans and sustainability-linked loans, and set up dedicated service teams to provide professional advisory services for green and sustainable corporate loans. We actively promote the development of new-energy industries and support the key enterprises and traditional industries in accelerating their transition.



Case study

BOCHK led the issuance of a syndicated green loan for a renewable energy company

In FY2023, BOCHK led an AUD\$277 million syndicated green term loan for ACEN Corporation's Australian renewable energy company, a member of the Ayala Group, with BOCHK as the sole green loan structuring bank. The loan is the platform's largest green term loan facility for ACEN as of 1Q2023. The funds will be allocated to finance the development and construction of ACEN's solar project pipeline in Australia, which will help to grow ACEN's renewables capacity and support the achievement of its relevant strategic objectives.



Case study

Green and social responsibility syndicated loan

BOCHK acted as the lead bank and bookrunner to participate in the syndicated loan project of a leading overseas financial institute by joining hands with other banks. The syndicated loan, which was amounted to US\$300 million, have been used for financing and refinancing qualified sustainable development projects under the borrower's established sustainable financing framework, in accordance with the Green Loan Principles and the Social Loan Principles.



Case study

Providing a sustainability-linked loan to a leading Chinese shipbuilding group

In 2023, BOCHK successfully facilitated a sustainability-linked ship financing club loan for Vista Shipholding, a subsidiary of China State Shipbuilding Corporation to support its pursuit of more aggressive sustainability goals. Under the loan agreement, the interest rate on the loan will be reduced if the Group reaches a predefined sustainability goal, reducing its financing costs.

The loan provides funding for the Group to purchase new environmentally friendly ships that are more efficient and emit lower emissions. In this way, the Group will be able to play its part in accelerating the shipping industry's low-carbon transition and sustainable development journey.



ESG-related bonds

To encourage institutions and customers to participate in green and sustainable development, and to assist key enterprises and traditional industries in their low-carbon transformations, we spare no effort in promoting the development of the ESG bond market and providing funding and the corresponding green and sustainable financial consulting services to sustainable projects, and assisting customers in building green or sustainable bond frameworks in accordance with international standards so as to promote the transition to a low-carbon economy.

Case study

The first RMB biodiversity-themed green bonds for a Chinese mainland provincial government

In 2023, the Group assisted the People's Government of Hainan Province in another successful RMB bond issuance in Hong Kong, including the first RMB biodiversity-themed green bonds issued by a mainland provincial government, as well as the issuance of blue bonds and a sustainability bonds for the second consecutive year.

The scale of bonds issued amounted to RMB5 billion, including two-year sustainability bonds of RMB3 billion, three-year biodiversity-themed green bonds of RMB1 billion, and five-year blue bonds of RMB1 billion, attracting active subscription from international investors. The total subscription amount received reached RMB12.9 billion, which was 2.58 times the total issue size. Funds raised will be used to finance medical care, education and other key areas related to people's livelihoods, as well as environmental monitoring and restoration, species conservation and marine protection, with a view to further implementing sustainability strategies.

BOCHK was involved in all processes of the project, including research, execution, pricing, and settlement. We also took the lead in organising roadshow and marketing activities, and assisted in obtaining certificates for the blue bonds, biodiversity-themed green bonds and sustainability bonds from the HKQAA.

BOCHK serves as a reliable partner to its customers in their green and low-carbon journeys. Using our green finance framework, we act as a green finance advisor for bond issuers and provide comprehensive services — from asset management and bond issuance, to market-making services and market research. We strive to promote Hong Kong's role as a leading sustainable finance hub in the region while building a greener and more sustainable future across Asia.



Corporate green deposits

We are actively expanding the scale of corporate green time deposits and the coverage of related green projects. These deposits will be used to fund green projects in areas such as green buildings, pollution prevention and sustainable agriculture, with the goal of promoting the transition to a low-carbon, climate-resilient and sustainable economy.

In 2023, BOCHK launched four tranches of the Corporate Green Time Deposit Scheme. The value of BOCHK's corporate green deposit transactions has achieved double-digit growth year-over-year. Since its launch in December 2020, this programme has attracted more than 600 international and SME customers, generating significant funding for green-industry loan projects and strengthening our influence in green finance.



Green and sustainable personal financial products

In response to the increasing demand from our personal customers for green and sustainable financial services, BOCHK is actively enriching the diversified personal green finance solutions including ESG-themed funds, green deposits, green mortgages, green personal loans, green insurance and green retail bonds, among others.

In terms of meeting customers' financing needs, we are the first bank in Hong Kong to launch green mortgages and green personal loans. We also continuously improve financial products application experience and expand product coverage to provide financial support for customers to embrace a low-carbon lifestyle. In 2023, the balance of green mortgages and green personal loans increased by 274% and 62.4% year-over-year respectively.

In terms of meeting customer's investment needs, we dedicate a team of customer relationship managers to proactively understand our customers' asset portfolios and ESG investment preferences (such as green energy), through conducting investment surveys and providing financial planning analysis services, so that we can introduce our ESG asset allocation plan that is best matched for our customers' needs.

In terms of meeting information needs, we communicate with customers about ESG-related issues through multiple channels such as online livestreaming, marketing articles, content marketing and social media. By connecting ESG themes to our product and service promotions, we continuously encourage more customers to participate in our diversified sustainable financial products and services.

"BeLeaf" in BOCHK mobile banking

In 2023, BOCHK mobile banking launched "BeLeaf" turning our mobile banking app into an interactive platform for digital wealth management and green living. The existing content covers 3 major scenarios, including "Wealth Management", "Smart Spending" and "Low-carbon Living".

Taking everyday wealth management as a starting point, "BeLeaf" encourages customers to integrate wealth management into their green lifestyles by regularly sharing green product information and tips for green living.

We will further optimise and enrich the mobile app's offerings (including features like "carbon footprint calculator") so that we can join hands with our customers to put low-carbon lifestyles into practice.



Case study

The first Distribution of Third Party Structured Note, Mutual Fund Linked Note ("MFLN") by BOCHK Private Banking

BOCHK Private Banking endeavours to fulfil high-end customers' needs by offering for green investment solutions. In 2023, the first batch of the MFLN in green note format was distributed to our customers. By expanding the investment offerings for ESG-related products, BOCHK is offering customers a wide spectrum of green investment opportunities, participating in sustainable banking and fulfilling social responsibilities.



Case study

Sustainability investment

To meet customers' needs in diversified green and sustainable investments, we are endeavouring to offer customers more investment choices by enriching our sustainable finance products. We actively embrace innovation by introducing and exploring different sustainability-related funds and attract more retail customers by lowering investment thresholds.

In addition, we actively supported the retail green bond programme launched by the HKSAR Government, which attracted an enthusiastic response from our customers with the average subscription amount 30% higher than that of the previous round of retail green bond issuance.

Case study

BOCHK GBA Climate Transition ETF

On 31 March 2023, the BOCHK Greater Bay Area Climate Transition ETF was successfully listed on the main board of HKEX. This ETF is the first exchange-traded fund in the Hong Kong market that tracks an ESG index with investments in the GBA, giving investors the opportunity to capture the economic growth opportunities driven by climate transition in the GBA.



Case study

Sustainable equity funds

With retail investors' increasing interest in sustainable development, BOCHK introduced UBS (Lux) Strategy SICAV – Income Sustainable and the Da Cheng China Sustainable Equity Fund in 2023 to offer wealth growth and income-oriented investment options, helping customers to capture green investment opportunities.

The Da Cheng China Sustainable Equity Fund is the first fund in Hong Kong that tracks the S&P BOCHK China Hong Kong Greater Bay Area Net Zero 2050 Climate Transition Index.

BOCHK participated in the initial subscription of the fund in order to assist customers to capture potential growth opportunities in the Chinese ESG market, and work with our business partners to meet customers' growing green investment demand.



Green insurance

BOC Life supports the development of a green finance ecosystem. Prior to the issuance of a green insurance product, an independent third-party agency would be engaged to independently certify the product in accordance with international standards, ensuring the product bears the features of green insurance.

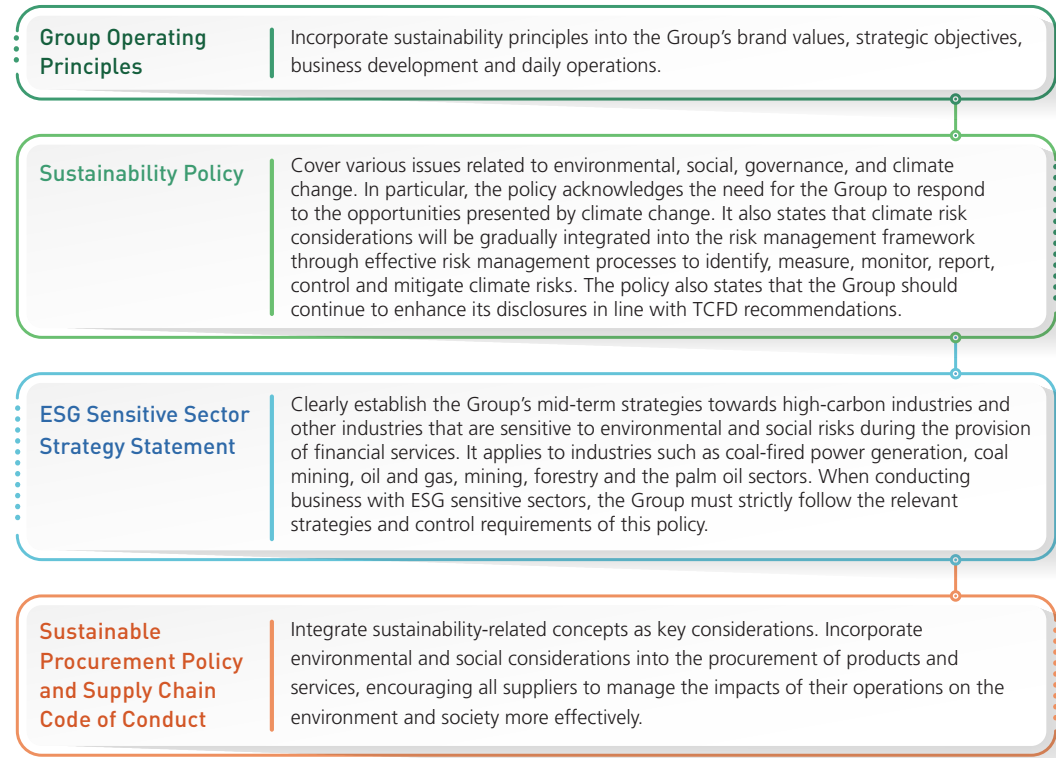


4.2 COMBATTING CLIMATE CHANGE¹⁶

With extreme weather events frequently occurring around the world, causing disasters, losses and other consequences that are becoming ever more intense, climate change has become a pressing sustainability concern for the international community. We are deeply aware that climate change has both impacts and opportunities for the Group. To control risks within an acceptable level and seize opportunities brought by the low-carbon transition, we have adopted various measures to manage climate-related risks and strengthen our carbon reduction strategies and measures. Since 2020, we have gradually increased the disclosure of information related to climate management in our sustainability reports based on the TCFD's recommended disclosure framework, and in 2022, we released the first independent TCFD report.

Climate-related policies

To strengthen governance of climate-related issues within the Group and develop formal goals and standards for different processes, we have established policies and mechanisms for relevant areas with reference to local and international sustainability guidelines and standards. All member institutions of the Group are required to strictly comply with and implement these policies and mechanisms.



For more climate-related information, please refer to the Group's [2023 Climate-related Financial Disclosure Report](#).

¹⁶ 201-2, A4 General Disclosure, A4.1

4.3 ENVIRONMENTAL IMPACTS OF OPERATIONS^{17,18}

Environmental protection and adherence to green and sustainable development are major development strategies at both the national and HKSAR Government levels, and they also represent a global consensus on the approach to economic and social development. In an effort to diligently implement the relevant requirements of both the country and our Parent Bank, Bank of China, BOCHK has formulated the *Sustainability Policy*, and it has been embedding the concept of green development into operations management and business development, carrying out trials in carbon neutrality for its own operations, and adopting key performance indicators (“KPIs”) and other monitoring mechanisms to periodically evaluate the effectiveness of our environmental projects.

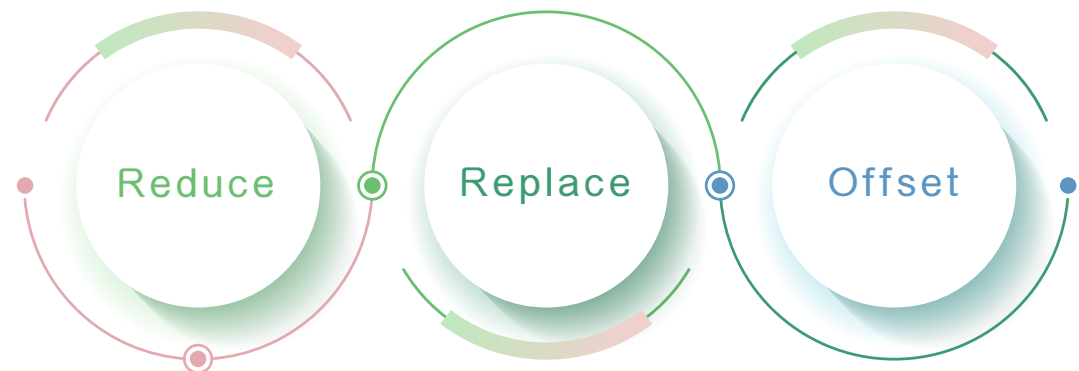
We abide by local environmental laws and both international and national standards, including the Waste Disposal Ordinance (Chapter 354) and the Water Pollution Control Ordinance (Chapter 358). To ensure sound environmental management across the entire operations, we have implemented a series of green management systems at different locations, including BOC Tower, the BOC Building, the BOC Centre and the BOC Wan Chai Commercial Centre. The systems and standards implemented include the ISO 14001 Environmental Management Systems Certification, ISO 50001 Energy Management Systems Certification, the Indoor Air Quality Certificate issued by the Environmental Protection Department, and the Quality Water Supply Scheme – Fresh Water (Plus) Certificate issued by the Water Supplies Department, among others.

Carbon neutrality in our own operations

As a leading commercial and regional bank with deep roots in Hong Kong for over 100 years, BOCHK is committed to meeting its corporate social responsibility, playing an active role in addressing global warming and improving resource utilisation for the benefit of future generations. We have been closely following both the national and HKSAR Governments’ carbon neutrality targets, and we aim to achieve carbon neutrality in our own operations¹⁹ by 2030 in order to move further forward to serve as a leader in sustainability banking.

Overall strategy for carbon neutrality

We adopt the strategy of “first reduce, then replace, and offset at last”. We do this by first using green initiatives to reduce carbon emissions from our own operations, then by exploring the use of renewable energy in our properties, and last, by offsetting our own carbon emissions using multiple methods.



¹⁷ A3.1

¹⁸ A1 General Disclosure, A2 General Disclosure, A3 General Disclosure

¹⁹ Meaning, Scope 1 emissions from direct operations, covering greenhouse gas (“GHG”) emissions emitted directly from operations owned or controlled by the Company, and Scope 2 emissions, covering indirect GHG emissions produced from the Company’s internal consumption (purchased or acquired) of electricity, heat, cooling, and steam

Four green operations goals²⁰

To achieve carbon neutrality in our own operations, we have set four major green operations goals for 2025 — with 2019 as the baseline year — covering energy, carbon emissions, water consumption and paper consumption, to manage the environmental footprint of our operations.

Four green operations goals

Electricity consumption

17% reduction by 2025

Carbon emissions (Scope 1 and 2)

40% reduction in absolute carbon emissions by 2025

Water consumption

5% reduction by 2025

Paper consumption

20% reduction by 2025

Progress in 2023²¹

2019 Baseline year

Electricity consumption

↓ 10%

Carbon emissions (Scope 1 and 2)

↓ 26%

Water consumption

↓ 23%

Paper consumption

↓ 35%

Carbon reduction measures of the Group²²

Establishing a carbon emissions data collection platform

In 2023, we strengthened our data system and constructed a platform for collecting carbon emissions data, improved process and system requirements on the collection and preparation of data and statistics for energy consumption and carbon emissions, among other data, and regularly monitored our carbon emissions performance at both the local and overall operational levels in a digital manner. Using the digital platform improves data collection efficiency, enhances data accuracy, completeness and timeliness, and enables data analysis to provide better support for operational and management decision-making.

Energy saving and emissions reduction

To achieve the goal of carbon neutrality in our own operation, we implemented emissions reduction measures across three areas: in our owned properties, in our branches and in our daily operations. We have incorporated green building elements into our owned properties and emissions reduction measures into our branches to improve energy efficiency, reduce carbon emissions, and decrease the impact of our daily activities and operations on the environment. In our overall day-to-day operations, we also actively adopt various energy saving and emissions reduction measures to reduce unnecessary carbon emissions and practise the sustainability philosophy.

Energy efficiency and emissions reduction measures in our owned properties

In recent years, BOCHK has implemented various environmental protection and energy efficiency measures in its owned properties. We have also enhanced intelligent energy management at our facilities and installed energy-efficient equipment in our buildings to raise the energy efficiency of our properties and operations. We strive to strengthen collaboration and foster synergy among our departments internally and in the society as a whole. We are also studying proposals to effectively upgrade our existing systems and equipment, with the aim of achieving our sustainability goals and engaging in low-carbon operations at our major office buildings. In 2022, BOC Tower was awarded the “Platinum Rating” under BEAM Plus Existing Buildings V2.0 (Comprehensive Scheme A). In 2023, our four key office buildings — BOC Building, BOC Centre, BOC Credit Card Centre and BOC Wan Chai Commercial Centre — were awarded the “Platinum Rating” under BEAM Plus Existing Buildings V2.0 (Comprehensive Scheme A), the highest level of recognition under the programme.

²⁰ 302-4, 305-5, A1.5, A1.6, A2.3, A2.4

²¹ The reporting of water consumption and paper consumption data covers only the Group’s business outlets, branches, office buildings (owned) and leased offices in Hong Kong during the reporting period. Paper consumption refers to purchases of paper.

²² A1.5, A3.1

BEAM Plus



Energy efficiency and emissions reduction measures

- To cope with climate change, we have put in place measures to save energy and reduce carbon emissions and other pollutants, with a view to minimising unnecessary environmental impact of our daily operations and gradually moving towards carbon neutrality
- To conserve resources, enhance efficiency and improve benefits, we engage in upgrading and retrofitting existing energy-consuming equipment in different properties, include upgrading central air conditioning systems to building automation systems, installing water-saving devices and strengthening electrification operations etc.



Implementing smart energy management

- We have applied retro-commissioning (“RCx”) to the cooling systems to enhance energy efficiency. We have also installed solar panels, wind power turbine and green roofs to promote the use of renewable energy
- We have also implemented intelligent lighting devices to maximise natural lighting in its lobbies, and installed heat-insulation film on the exterior glass walls of buildings to reduce the heat entering the room, which saves electricity and enhances the efficiency of the cooling systems
- We installed smart electricity meters on key energy-consuming equipment, established a prototype energy management platform to further enable grid-based and fine-grained management of energy usage, and to better align with the Company’s goal on carbon neutrality in our own operations



We are actively exploring the installation of new emission reduction facilities and replacing traditional electricity usage in part of our office premises with renewable energy sources. In 2022, we installed solar photovoltaic panels in one of our owned buildings, generating approximately 13,000 kWh of electricity annually. In 2023, we have also identified the potential to install new energy generation equipment in other owned properties. One of these properties will install both wind and solar energy devices, creating a “wind-solar complementary” green energy system that outputs alternating current electricity by combining wind power and solar photovoltaics.



Our five key green office buildings

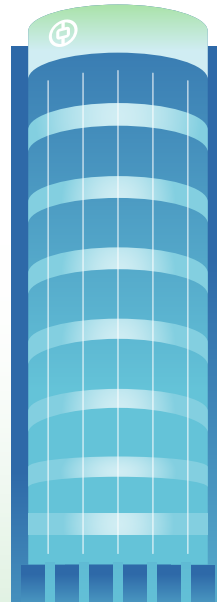
BOC Tower



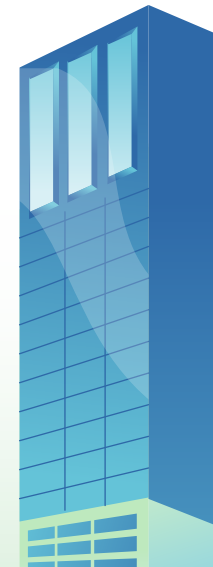
BOC Building



BOC Centre



BOC Wan Chai Commercial Centre



BOC Credit Card Centre



Emissions reduction measures at branches

BOCHK is fully committed to implementing the “Green Branch Pilot Scheme”. When opening new branches or performing renovation work, BOCHK uses ESG-certified environmentally friendly materials and energy-efficient equipment, redeploys facilities based on the principle of “reuse whenever possible” to avoid unnecessary purchases and waste, and implements energy conservation and emissions reduction practices, with the goal of reducing energy consumption at each branch and promoting environmental protection.

In 2023, we completed various improvements at our branches, including:



Adjusted signboard lighting's on/off time at all branches



Installed water-saving valves for water taps at all branches



Installed energy-efficient and environmentally friendly lighting at branches



Introduced e-Advice for automated banking devices, which has been used for more than 2 million ATM transactions throughout this year

We also digitally empowered branch operations, implemented the “new branch model” and put in place more self-service and intelligent devices. Branches are acting as “Smart Bankers” and helping customers complete transactions with their mobile devices. Meanwhile, frontline staff are providing active guidance to customers throughout the electronic banking process. In line with the principle of “self-service first, then assistance”, we are decreasing the number of cash counters at branches, while also reducing the paper usage, thereby promoting low-carbon operations at the branches.

Case study

Whampoa Garden Branch

After finishing “greenification” and intelligent renovation, the Whampoa Garden branch has added an eZone area and a private wealth centre, dedicated to providing customers with high-quality branch services that align with the concept of sustainable development.

Before renovation



After renovation



Day-to-day energy efficiency and emissions reduction measures

In 2023, we continued implementing energy efficiency and carbon reduction measures to reduce unnecessary carbon emissions in our daily operations and move towards carbon neutrality:



- Tube lighting and air conditioners at the offices are turned off when they are not needed, and lights are turned off for one hour during lunchtime
- Screens are set to automatically turn off when a computer is idle for more than 15 minutes
- The temperature and fan speed of air conditioners in some office buildings are standardised, with the temperature set to 26°C
- Regularly holds exchange activities for second-hand items, recycling activities, etc.

Resource conservation^{23, 24}

Waste management²⁵

We endeavour to reduce the waste generated during our daily operations. Currently, our waste is mainly generated at offices and branches. We engage qualified contractors to properly manage the waste generated at our workplaces during daily operation, and all hazardous and general waste is managed in accordance with relevant environmental laws and regulations.

To reduce waste at source, we have adopted various measures to raise waste reduction awareness among our employees:



- When renovating branches and offices, we strive to reuse existing furniture and equipment and reduce disposal based on the principle of “reuse whenever possible”
- Food waste from the staff canteens are sent to environmental recyclers to be converted into useful materials. We also stop providing disposable tableware to reduce plastic waste
- We continue to study the placement of recycling bins in various buildings and encourage recycling instead of disposal

Case study

BOC Nanning implements garbage sorting measures

BOC Digital Services (Nanning) Company Limited (“BOC Nanning”) has implemented measures to separate waste by placing bins for recyclable garbage, food waste and other garbage on each floor, and it has provided training to staff members on waste classification. At BOC Nanning, food waste is centrally collected and recycled by a catering company, and the cleaning staff on each floor reminds employees to separate waste, develop relevant habits, and fully recycle recyclable materials, with a view to reducing environmental pollution.



²³ A1.6, A2.4, A3.1

²⁴ The reporting of water consumption, paper consumption and waste data covers only the Group’s business outlets, branches, office buildings (owned portion) and leased offices in Hong Kong during the reporting period.

²⁵ 306-2, A1.6



Paper use²⁶

We continue to implement paperless office measures and expand paperless operations at our branches. We plan to reduce paper purchases by 20% by 2025 (compared with the baseline year of 2019). We have launched a series of measures to reduce paper consumption:



- Fully implemented the policy of purchasing FSC-certified paper and promoted digital office practices
- Promoted e-transactions and paperless operations at branches
- Prepared quarterly statistics regarding photocopying and paper consumption by department, and encouraged staff members to reduce paper usage and use double-sided printing
- Adopted a rigorous and scientific approach to calculating and comparing paper consumption within each department between the current year and the prior year, and monitored this data to ensure that the ratio of paper usage to business volume remains normal
- Replaced paper forms and approvals with electronic processes, replaced written approvals with email approvals, and optimised processes to reduce unnecessary photocopying and paper usage.
- Posted notices in offices to remind employees to reduce paper usage and minimise printing
- Aligned with HKEX's Fast Interface for New Issuance ("FINI") regime

Water use²⁷

The Group obtains water from the municipal water supply, and it has not experienced any water shortage problems. To reduce water waste, we plan to reduce water consumption by 5% by 2025 (compared with the baseline year of 2019). During 2023, we actively implemented a series of water conservation initiatives to reduce water waste:



- Replaced water supply pumps in each building and introduced water-saving faucet controllers
- Recycled buildings' cooling water for use in data centre water towers, also to be used for flushing water

²⁶ A1.6, A3.1

²⁷ A2.4

Promoting green banking services²⁸

Based on our sustainability philosophy, we strive to actively enlist our customers as “green partners” while pursuing business development, and work together to reduce the burden on the environment and integrate an environmental protection mindset into our daily lives.

To embrace digital transformation, we provide high-quality and diversified online banking services and strive to promote paperless services.

We actively promote the usage of mobile banking

Total number of mobile banking customers exceeded

2.95 million



increased by over **17%** compared with the previous year

- In 2023, BOCHK mobile banking introduced approximately 200 functional upgrades, including new tradeable products, registration services and new designs of processes optimisation. The new “My Pick” function helps customers select the most suitable shortcuts based on big data analysis. Through this function, customers can customise their own mobile banking homepages to match their personal preferences. We also launched a “lite version” mobile banking app specifically designed for the elderly. It comes with six pre-set essential functions and font size customisation, providing a simple and convenient user experience

We encourage customers to use digital channels for applications and general transfer

- We encourage customers to apply for mortgages through digital channels. The annual proportion of online mortgage applications continued to increase and reached around 60% as at the end of 2023
- We encourage customers to apply for personal loans through digital channels. In 2023, the number of e-applications rose 70% year-over-year. The procedures for personal loans have also been improved. For example,

the “paperless archiving of credit documents” project is expected to reduce paper consumption by about **15,000 pieces** for the whole year



- Following the launch of the first mobile banking platform for the subscription of IPO retail bonds and secondary bonds in Hong Kong in 2022, BOCHK supported the HKSAR Government in issuing retail green bonds in 2023 by providing both online banking and mobile banking channels for customer subscriptions and enquiries. The subscription amount and the number of subscribers ranked first in the market for the second consecutive year

We encourage customers to use e-statements to reduce paper consumption

- We use various measures, including customer communication, rebates and e-transformation, to promote e-statements. In 2023, the e-statement penetration rate for new customers under the age of 65 increased to 98%
- A total of 170,000 BOC Credit Card accounts have switched to e-Advice



e-Advice has been used for more than **2 million** ATM transactions throughout this year

4.4 SUSTAINABLE SUPPLY CHAINS²⁹

We are well aware of the impact our suppliers have on social responsibility and environmental protection, and hence attach great importance to their actions. In line with BOCHK's goal of becoming a green bank, we strive to extend sustainability-related principles into our supply chain and incorporate them into the procurement decision-making process, with a view to exerting influence on the supply chain and delivering a positive impact on society and the environment. By devising the *Supply Chain Code of Conduct* and the *Sustainable Procurement Policy*, the social and environmental risk management mechanism for suppliers has been put into place. These measures help ensure that our suppliers comply with the sustainability principles that we uphold, and they lay the foundation for the development of long-term business relationships based on trust and cooperation.



Supply Chain Code of Conduct

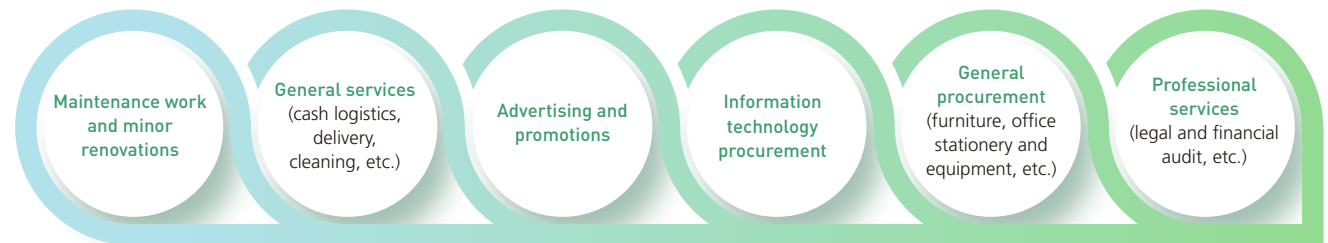
With reference to the International Labour Standards and the Principles of Decent Work set out by the International Labour Organisation's Core Conventions, this Code stipulates clear requirements for suppliers that encourage them to meet certain social and environmental standards in the areas of social,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



Sustainable Procurement Policy

When procuring products and services, suppliers' sustainability practices must be taken into consideration. This policy sets out the eligibility requirements and annual evaluation standards for our suppliers, as well as requirements on the company search and risk assessment process for new suppliers, with the goal of enabling proper management of suppliers and ensuring their alignment with sustainability-related principles.

We are committed to enhancing suppliers' awareness of sustainability and encouraging innovative thinking, new designs and the application of new technologies. We incorporate life-cycle analysis into our procurement process so as to actively consider procuring environmentally friendly products and services that support sustainable development. We strictly adhere to ethical standards and responsible behaviour when collaborating with suppliers, with the aim of developing long-term business relationships based on trust and cooperation. Over 80% of our suppliers are based in Hong Kong. We mainly procure products and services in the following six categories:



In 2023, we conducted training sessions on our centralised procurement system, covering our centralised procurement management practices and procedures, and reaffirmation of requirements for new supplier eligibility. These sessions are designed to ensure that employees in relevant positions possess a thorough understanding of sustainable procurement, while helping build a sustainable procurement culture within the Group. During 2023, a total of 1,013 employees from 35 departments and units participated in these training sessions.

²⁹ 3-3, 308-1, 414-1, B5 General Disclosure, B4.1, B4.2, B5.2, B5.3, B5.4

Environmental and social risk assessment of suppliers

Supplier evaluation system

We have put in place an evaluation system to annually assess our supplier performance against the *Supply Chain Code of Conduct*, covering areas such as labour, prohibition of child labour or forced labour, employee benefits, corruption and corporate governance, the environment and complaint mechanisms. We also take environmental and social risks into consideration when undertaking selection processes and procurement decisions for new suppliers. We include the *Supply Chain Code of Conduct* Assessment Questionnaire in the tender documents, and score the sustainability reports/corporate social responsibility (“CSR”) reports, and environmental certificates/verifications provided by new suppliers to ensure that they align with BOCHK’s sustainability policy. To ensure the accuracy of the assessment, we conduct on-site investigations or engage third parties to perform audits as necessary.

Environmental risk assessment for suppliers

To ensure that our suppliers meet the Group’s environmental requirements, we include questions on environmental performance in the *Supply Chain Code of Conduct* Assessment Questionnaire to investigate whether suppliers have complied with applicable environmental laws and regulations, or whether they have set up environmental management measures at their workplace and organised relevant training. We also ask questions regarding the suppliers’ environmental mechanisms in various areas, including energy, air emissions, water resources, pollutants and waste management, land use, and biodiversity, to ensure that suppliers’ operations do not cause significant negative impacts on the environment and align with the Group’s environmental policy.

Social risk assessment for suppliers

The Group also assesses the social risks posed by suppliers, including their integrity and compliance. We strictly comply with the Competition Ordinance, the Prevention of Bribery Ordinance, and other applicable laws and regulations, and follow the principle of fair competition when selecting suppliers. We require all new suppliers to complete the *Supply Chain Code of Conduct* Assessment Questionnaire, and we carry out a company search and risk assessment when selecting new suppliers. If needed, we also conduct due diligence to ensure that suppliers adhere to relevant laws and regulations and meet our expectations. If a supplier does not meet the relevant standards, we take appropriate actions, which may include removing the supplier from our supplier list. In 2023, we did not identify any instances of non-compliance with the *Supply Chain Code of Conduct among suppliers*.

We uphold the highest standards of integrity in all of our business relationships, and we adopt a zero-tolerance approach against all forms of corrupt behaviour and bribery. During the supplier selection process, we ensure that all relevant suppliers comply with BOCHK Group’s *Anti-Bribery and Corruption Policy* and all relevant laws and regulations. In addition, the Group has established policies and mechanisms such as the *Centralised Procurement, Tender and Price Comparison Rules* and the *Administrative Measures for Supplier Management* to safeguard against direct and indirect corrupt behaviour and bribery during the vendor selection process. We also conduct due diligence on suppliers and continuously monitor them over the course of the procurement process.

As financial technology continues to evolve, the Group has introduced suppliers of fintech solutions in areas such as big data, cloud platforms, AI technologies, Open API and other new technologies in order to meet the needs of our daily operations and the market. To address the potential risk to information security and technology posed by fintech suppliers, we have devised the *Implementation Rules For BOCHK’s Service Providers Information Security And Technology Risk Assessment*, which clearly sets out the categories, frequencies and methodologies for supplier inspections to ensure that suppliers have put in place robust information security management and customer data protection mechanisms.



Contents	Key messages and report overview	Outstanding achievements in sustainability	Strategic review in an orderly manner	Green development in quality and quantity	Customer first	Caring and sharing for all through a people-oriented approach	Efficiency and transparency as the foundation for robust governance	Sustainability performance overview
----------	----------------------------------	--	---------------------------------------	--	----------------	---	---	-------------------------------------

4.5 BIODIVERSITY

The natural ecosystem provides the essential foundation for human and societal development, and biodiversity is key to maintaining the normal operation of the ecosystem. However, due to over-exploitation of land, pollution, climate change and other factors, the world is currently facing significant threats related to loss of biodiversity.

In recent years, the international community has been discussing and directing greater attention towards biodiversity protection. BOCHK acknowledges that it plays a crucial role in promoting finance for nature conservation. To this end, in 2023, the Group formulated the ESG Sensitive Sector Strategy Statement to clarify that the impact of customers or projects on the environment and society is a key consideration when the Group provides financial services, and relevant control measures are formulated for customers and projects operating in certain sensitive sectors (such as mining, forestry and projects located in ecologically or culturally protected areas) to ensure that they do not adversely impact biodiversity or the natural ecosystem.

It requires collaboration from all sectors of the society to promote sustainable development. We actively advocate for the concept of harmonious coexistence between human and nature. We are committed to promoting nature conservation and are also using our investment and financing activities to promote the more reasonable use of natural resources as well as to protect biodiversity and the natural ecosystem. In 2023, BOCHK assisted the People's Government of Hainan Province in successfully issuing the first mainland provincial government RMB biodiversity-themed green bonds in Hong Kong. The funds raised will be used for projects in areas such as environmental monitoring and restoration, species conservation and marine protection, with a view to further implementing our sustainability strategy.

At BOCHK, we place great importance on conserving nature and preserving biodiversity. We proudly support and sponsor a wide range of ecological conservation projects with various partners to protect the environment we all share.



Case study

Human and Nature Inclusion Programme – Biodiversity Academy

We are the inaugural title sponsor of the “BOCHK Human and Nature Inclusion Programme – Biodiversity Academy” launched by the Polar Museum Foundation. This project aims to promote the Convention on Biological Diversity and the International Day for Biological Diversity through activities such as training biodiversity ambassadors, hosting a local wildlife photo contest, holding a series of expert talks, and participating in the Global City Nature Challenge.

The programme raises awareness of the Task Force on Nature-related Financial Disclosures (TNFD) and the Kunming-Montreal Global Biodiversity Framework’s vision that, by 2050, “biodiversity is valued, conserved, restored, and wisely used, sustaining a healthy planet and delivering benefits essential for all people”. Through practice and knowledge sharing, it gives students and the general public an in-depth understanding of biodiversity’s impact on our lives.



Case study

2023 Hong Kong Tree Planting Day

BOCHK fully supported “2023 Hong Kong Tree Planting Day” by Green Fun, with 200 BOCHK volunteers planting 8,000 saplings alongside 2,100 members of the public. This event contributes to caring for our local nature, protecting trees and making Hong Kong greener. Volunteers mainly planted native species, such as Lingnanshan Bamboo, Schima superba, Myrica rubra, and Haloxylon ammodendron, to enhance the ecological value and biodiversity of our country parks.



Ms Li, BOCHK volunteer

“It was a very interesting and meaningful experience. Planting the trees made me feel the importance of protecting natural resources and motivated me to take better care of the environment in my daily life.”



Case study

Holding the FamilyMAX nature conservation event

Aside from aiming to support our customers and their families in wealth management, BOCHK also endeavours to support the next generation of customers at different growth stages. In 2023, BOCHK held a nature conservation event for “Wealth Management” customers and invited celebrity to take part.

Parents and children were enthralled by the chance to see sloths, macaws, and giant pandas Ying Ying and Le Le, as well as feed sea lions during the event.

Through direct interaction, children’s understanding of animals is deepened, their love for them is nurtured, and conservation awareness is cultivated.

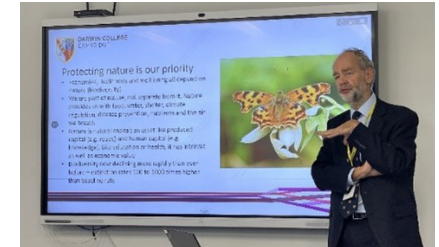


Case study

Organising an internal forum on “Financial Support for Biodiversity”

In recent years, the impact of financial institutions’ business on the ecological environment, and particularly biodiversity, has been attracting more attention. To enable our employees to gain a deeper understanding of this emerging sustainability issue, on 20 November 2023, the Group held an internal forum called “Financial Support for Biodiversity” and invited Dr Mike Rands, deputy vice-chancellor of the University of Cambridge, master of Darwin College and founding director of the Cambridge Conservation Initiative, to deliver a keynote speech covering areas such as the feasible paths and international experience for financial supporting biodiversity conservation, the role Hong Kong can play in protecting biodiversity as a leading hub for sustainable finance in the region, and the potential impacts of global conservation initiatives on the financial, social and climate landscape in Asia.

Employees from different departments attended the forum and held in-depth discussions with the speaker in areas such as strategic planning, academic research, industry practices and international exchanges on biodiversity issues. The participants were actively engaged and seized the opportunity to discuss the challenges and opportunities facing the financial industry in addressing biodiversity at this enriching forum.



Contents	Key messages and report overview	Outstanding achievements in sustainability	Strategic review in an orderly manner	Green development in quality and quantity	Customer first	Caring and sharing for all through a people-oriented approach	Efficiency and transparency as the foundation for robust governance	Sustainability performance overview
----------	----------------------------------	--	---------------------------------------	---	-----------------------	---	---	-------------------------------------



5 CUSTOMER FIRST

5.1 Financial inclusion	46
5.2 Customer experience optimization	53

5.3 Technological innovation	59
5.4 Information security	62

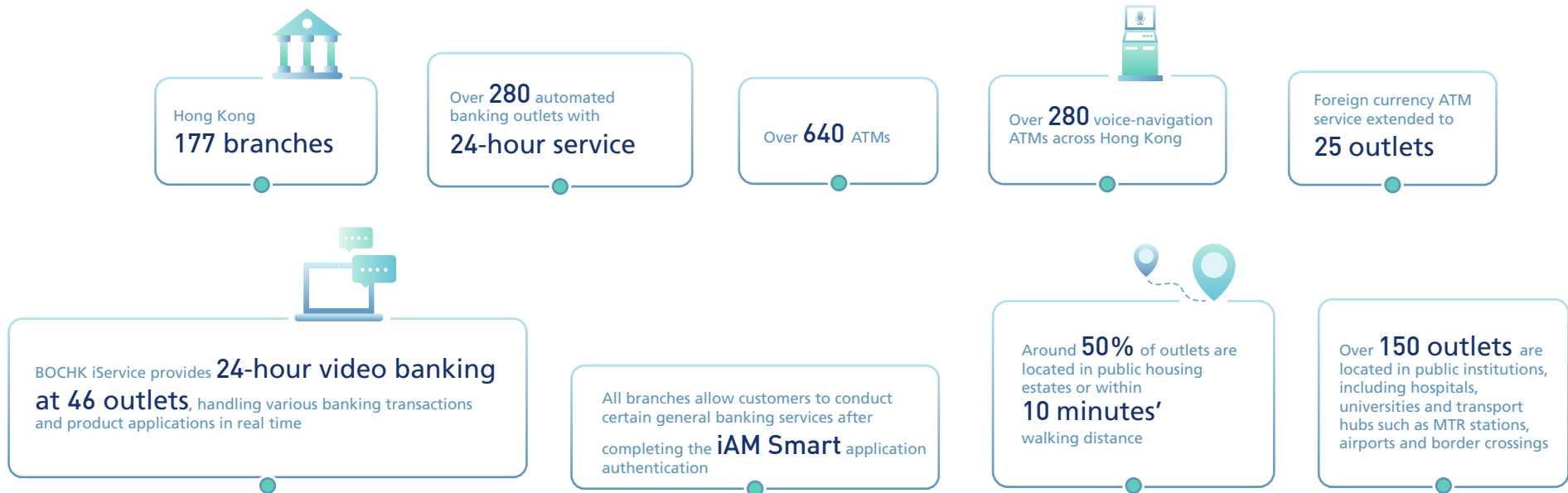


5.1 FINANCIAL INCLUSION³⁰

Upholding the Group's customer-centric philosophy, we are committed to providing affordable financial services to underprivileged groups and SMEs to promote social equity and business sustainability.

Most extensive network of local branches and self-service banking in Hong Kong

We have built the largest network of branches and self-service banking centres in Hong Kong in order to provide our customers with the services they need in a timely manner, improve customer convenience and help meet the needs of the underprivileged groups. Our network is leading in terms of density of sites, number of branches, number of ATMs, service hours and coverage of the underprivileged groups in the community:



³⁰ 2-6, 3-3, 203-1, 203-2, G4-F55, G4-F513, G4-F514, G4-F516, B8.1, B8.2

Supporting the local economy and people's livelihoods

We have been making every effort to facilitate the financial measures and strategies of the HKSAR Government and other public institutions. We are committed to supporting the financial market's infrastructure and delivering public financial services that strengthen the local economy and support people's livelihoods.



Cash Payout Scheme Pilot: We offer a designated payment service to support the government's effort to provide cash allowances to relieve the hardship faced by households who have been waiting a long time for public housing.



Supporting the HKSAR Government and offering public sector payment services: We continued to expand BoC Pay's application scenarios, which now cover parking meters in Hong Kong, all routes run by major franchised buses in Hong Kong, the Hong Kong-Zhuhai-Macao Bridge Shuttle Bus, and HKeToll top-up. The BoC Pay "Transit Code" payment service is now available on Hong Kong Tramways and ferries, marking a step forward in Hong Kong's effort to become a smart city.



Continued to support the HKSAR Government in the Consumption Voucher Scheme: In 2023, BOCHK continued to support the HKSAR Government in enabling the public to collect and use consumption vouchers of \$5,000 in two phases of \$2,500, with a view to stimulating the public's desire for consumption and drive the local economy. BoC Pay also provides an online registration and discount redemption platform for consumption voucher customers to distribute e-laisee and bank financial rewards. We have been working together with merchants to revitalise the retail industry in Hong Kong by promoting a series of spending privileges and launching paperless marketing campaigns to promote merchants, customers can enjoy a variety of spending privileges and financial services discounts by registering through the BoC Pay application.

Case study

Promotion of the e-CNY large scale cross-border application in Hong Kong

In 2023, BOCHK introduced e-CNY personal services to local customers in Hong Kong. Local customers can register for e-CNY wallet after BoC Pay registration, they can also top up the e-CNY wallet using BOCHK accounts for any spending in Chinese mainland.

We have also been actively expanding the scenarios for e-CNY applications to meet the customer expectations of cross boarder retail spending and payment needs of inbound & outbound customer. In terms of acceptance, our Bank has completed the deployment of payment terminals accepting e-CNY payments at merchants, with the first batch of over 300 merchants accepting e-CNY payments now. We will continue to introduce more new partners by expanding our payment network. As the number of outbound customers is increasing, a total of more than 14,000 Hong Kong customers have successfully opened e-CNY wallets since BOCHK fully rolled out the e-CNY services in September 2023.



Serving SME customers

SMEs represent a pillar of the Hong Kong economy, and the city depends heavily on their prosperity and performance for its overall development. To support local businesses and SME customers, we strive to better meet their needs and develop tailor-made solutions based on our industry expertise and digital capabilities.

In 2023, we have developed a credit approval model for SMEs to enhance the efficiency and accuracy of the credit approval process and facilitate SMEs in their business development. In addition, to meet regulatory requirements and the business needs of our corporate customers, we have taken multiple measures to further automate account-opening and pre-loan review processes, using data technology and process optimisation to boost efficiency.

In the face of a changing business environment, BOCHK remains firmly committed to supporting local financial services and assisting SMEs in gaining access to working capital through the SME Financing Guarantee Schemes and the Dedicated 100% Loan Guarantee Schemes launched by HKMCI, as well as the Pre-approved Principal Payment Holiday Scheme launched by the HKMA to alleviate the financial pressure faced by local enterprises.

By optimising differentiated financial service models for innovation and technology (“I&T”) companies, the Group has helped the SME I&T sector development. SMEs are seizing the advantages of cross-border services offered by BOCHK including channels with multiple parties and support for the expansion of business districts and industrial chain customers. Through the collaboration with our Parent Bank, Bank of China, especially with Guangdong branch and Shenzhen branch, and cooperation with science parks, as well as universities in Hong Kong, we provide comprehensive information and upstream and downstream support for enterprises. Moreover, we have strengthened the construction of the cross-border collaborative ecosystem. We introduce venture capital institutions, overseas investors and various financial service-related companies to SMEs to broaden their domestic and overseas financing channels. Meanwhile, we provide a full range of financial products and intensive services to local SMEs in order to facilitate them to better connect with Chinese mainland.

To tap into opportunities arising from the HKSAR Government’s effort to promote innovation and technology, the Group has adopted multi-dimensional measures to support SMEs in developing technological and innovative business in the region. We have continued to play an active role and participate in rolling out the Commercial Data Interchange (“CDI”) and the financial infrastructure set up by the HKMA, while stepping up support for SMEs.

Case study

Co-hosting Seminars on Corporate Transformation and Upgrading in the Era of New Industrialisation

The HKSAR Government actively promotes “Innovation and Technology” and unveiled the “Hong Kong Innovation and Technology Development Blueprint” in December 2022. It outlines four broad development directions, including “to enhance the I&T ecosystem and promote ‘new industrialisation’ in Hong Kong”. We actively cooperate with the government in promoting the development of “new industrialisation”, combining “new industrialisation and “industry specialisation” in an innovative way.

In early 2023, we have been working with the Hong Kong Productivity Council (“HKPC”) to organise Seminars on Corporate Transformation and Upgrading in the Era of New Industrialisation. The seminars cover relatively labour-intensive industries such as food and catering, construction and engineering maintenance, warehousing and logistics, textile and clothing, and SMEs. At the seminars, HKPC started from a technical perspective, introducing advanced industry technologies by experts. Using this information, enterprises can more effectively monitor the entire production process, minimise material and energy consumption during production, improve production line productivity and efficiency and enhance their corporate social responsibility. Apart from technology, HKPC also introduced various funding programmes by the HKSAR Government which are applicable to industries. From our expertise in financial products, financing and digital services, we collaborate with HKPC to provide comprehensive support for the transformation and upgrading of SMEs in Hong Kong in the context of “new industrialisation, aiming to meet the requirements of being more environmentally friendly, efficient and cost-effective, so as to promote sustainable development for SMEs.

We will continue to deepen our collaboration with HKPC to support the “new industrialisation” of SMEs in Hong Kong, provide updated and precise industry dynamics and market information along with professional technical expertise, government funding programmes and specialised financial services. Our goal is to assist SMEs in enhancing their competitiveness, working together towards carbon neutrality and contributing to ESG initiatives.



Meanwhile, in line with BOCHK's digital and online development approach, we have continued to enhance our intelligent Global Transaction Banking ("iGTB") online e-commerce services and optimise the customer experience. Customers can enter information and upload documents for loan applications through online platforms such as iGTB NET and iGTB MOBILE. In addition, the BOC Connect mobile app provides a one-stop digital platform for enterprises to conveniently access common online banking applications and services. It also serves as an online corporate ecosystem and communication channel for businesses and their partners. We have also launched an API trading solution that seamlessly connects our corporate customers' systems to ours, enabling a truly digital workflow and enhancing productivity.

The Group attaches great importance to corporate social responsibility. In 2023, we continued to collaborate with the Federation of Hong Kong Industries to organise the BOCHK Corporate Low-Carbon Environmental Leadership Awards, aiming to encourage enterprises to implement environmental protection measures and reduce environmental pollution. The number of participating companies reached new heights, and the scale and impact continued to expand. We introduced the "Best SME Award" and "SME Merit Award" to encourage more participation from SMEs, broadening the scope of participation and encouraging more companies to join the ranks of environmental protection.

Case study

BOC Connect supports support for SMEs to expand their businesses

To meet the multi-dimensional demands of SMEs and support corporate digital transformation, BOCHK launched the BOC Connect mobile app in 2022, with a view to creating an online corporate ecosystem and providing a one-stop digital platform for businesses to conveniently access online banking applications and services.

With coverage spanning from the GBA to as far as Southeast Asia, BOC Connect caters to the diverse demands of local and non-local companies for market information, business intelligence and business expansion opportunities. In addition, we are expanding special functions such as BOC Connect Live and My Network to cover more service scenarios, support SMEs' daily operations and innovatively push the boundaries of banking services. For example, enterprises can open accounts and apply for loans online, and access corporate banking services and other financial services with the click of a button. In this way, we are meeting companies' business needs at various stages. Since the launch of the app, the number of users who have downloaded BOC Connect has been steadily increasing.





The Hong Kong General Chamber of Small and Medium Business:

- Best Strategic Partner for SME Award 2008-2023
- ESG Leading Enterprise Award 2023

Asian Banking and Finance:

- Asian Banking and Finance Retail Banking Awards 2023: "SME Bank of the Year – Hong Kong"
- Asian Banking and Finance Retail Banking Awards 2023: "Digital Business Banking Initiative of the Year – Hong Kong"

BusinessFocus:

- BusinessFocus Business Award 2023 – "Best Strategic Partner for SMEs Award"

Bloomberg Businessweek (Chinese Edition):

- Bloomberg Businessweek's Financial Institution 2023 "SME Engagement Outstanding Award"
- Bloomberg Businessweek's Financial Institution 2023 "Insurance Sector – Online Platform – Excellence Award"

The Hong Kong Economic Journal:

- Financial Services Awards of Excellence – Excellence in SME Business and Financial Services 2019-2023

HKET:

- HKET Excellence Awards 2023 – "Excellence in SME Financial Services (Greater Bay Area)"

HK01:

- HK01 GMA Award 2022 – "Outstanding Cash Management Services"
- BOCHK's and PuraPharm's cash management partnership won the Outstanding Treasury Management Award

ET Net:

- FinTech Awards in Corporate Banking – Outstanding Innovative SME Banking Services 2021-2023

Ming Pao:

- Awards for Excellence in Finance 2023 – Brand Value: Outstanding Enterprise in Community Contribution

Job Market:

- Employer of Choice Award 2023

Metro Finance:

- GBA Enterprises Sustainable Awards 2023 – Outstanding GBA Enterprise Corporate Sustainability Award

Contents	Key messages and report overview	Outstanding achievements in sustainability	Strategic review in an orderly manner	Green development in quality and quantity	Customer first	Caring and sharing for all through a people-oriented approach	Efficiency and transparency as the foundation for robust governance	Sustainability performance overview
----------	----------------------------------	--	---------------------------------------	---	-----------------------	---	---	-------------------------------------

Serving the elderly and the underprivileged

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



Financial products and services

- We launched Finger Vein Authentication for the elderly and provided free standing-instruction remittance for social security payments to the elderly under the Hong Kong Social Welfare Department's Guangdong Scheme, Fujian Scheme and Portable Comprehensive Social Security Assistance Scheme
- We participated in the Reverse Mortgage Programme and supported the HKSAR Government in the issuance and sale of the Silver Bond, which provides steady returns for senior residents. The total amount and number of subscribers for the Silver Bond through BOCHK reached a record high and the number of people who applied via mobile banking increased by more than 20% compared with the previous year due to the quick and convenient subscription process
- In 2023, we continued to expand the coverage of our banking network to ageing and remote public housing estates and areas to provide quality services to the public. For example, we opened a self-service banking centre at Ching Tin Estate; a self-service banking centre at Chi Lok Fa Yuen; an ATM at Lei Tung Estate; and an ATM at Heung Yuen Wai Border Control Point
- In terms of financial inclusion and banking facilities, we provided basic banking services for patients with dementia and mental disabilities. We also provided barrier-free banking facilities at our various outlets, including ATMs with voice navigation functionality, ramps for wheelchair users and assistive listening devices. Guides dogs are welcome in all our branches. Through the measures above, we strive to ensure that every person has access to basic banking services



Branches

- We have included barrier-free access in our *Branch Improvement Plan*. Specifically, we aim to introduce wheelchair-friendly design at our branches, as well as ATMs with accessible screens and keypads, tactile indicators, etc.
- We provide age-tailored facilities for customers within the local community, including tables and chairs with adjusted heights
- We also provide assistive listening devices to facilitate communication with hearing-impaired customers
- Barrier-free access design is used whenever possible. Service bells and other caring services are provided so that those in need can seek timely assistance from our Customer Service Ambassadors. These measures represent a small part of our effort to demonstrate care for disadvantaged groups in the community



ATMs

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



Internet and mobile banking

- launched a "lite version" mobile banking app specifically designed for the elderly. It comes with six pre-set essential functions and font size customisation, providing a simple and convenient user experience



Life insurance

- To ensure disadvantaged groups receive important messages in a timely manner, BOC Life follows up with such customers after a policy takes effect to ensure the customers concerned clearly understand the key messages and contents to note

Contents	Key messages and report overview	Outstanding achievements in sustainability	Strategic review in an orderly manner	Green development in quality and quantity	Customer first	Caring and sharing for all through a people-oriented approach	Efficiency and transparency as the foundation for robust governance	Sustainability performance overview
----------	----------------------------------	--	---------------------------------------	---	-----------------------	---	---	-------------------------------------

Financial inclusion in Southeast Asia

BOCHK has been actively promoting the regional development of iGTB. To promote financial inclusion among our Southeast Asian entities, we have successfully expanded iGTB to eight Southeast Asian countries — Thailand, Malaysia, Vietnam, Philippines, Cambodia, Laos, Brunei and Myanmar — and in 2023, we launched over 100 online products and functionalities. After conveniently connecting their bank accounts at BOCHK's Southeast Asian entities to the iGTB platform, corporate customers can handle related business activities with centralised account management. In addition, the iGTB platform has been designed to suit the practices of local markets in Southeast Asia, and it supports payroll in multiple currencies. With iGTB, customers can also access a number of special payment services in Southeast Asia. The iGTB platform delivers all-round digital financial solutions for corporate customers in Southeast Asia, while effectively raising the operating efficiency and service quality of our Southeast Asian entities.

BOCHK's Southeast Asian institutions are working to help local customers find success amid difficult times. For example, BOC Thailand continues to offer relief measures for mortgage loan customers, such as interest repayment instead of capital repayment, waivers of default interest rates, reducing the minimum credit card repayment amount from 10% to 5% and allowing customers to convert their credit card debts into long-term loans. The Ho Chi Minh City branch also offers relief measures for mortgage loan customers, including reducing its interest rate by 0.7%-1.2%.

To support people with disabilities and disadvantaged groups, BOC Thailand provides audio services that describe the contents of account-opening applications and terms and conditions to help visually-impaired customers open accounts and ensure that they fully understand the services.

Personal mobile banking services are now offered by all of BOCHK's entities in the Southeast Asian region to provide convenient banking services to customers in the region. As of 2023, the range of functionalities of the mobile banking services has been steadily enriched through upgrades and iterations. BOC Malaysia launched the first one-stop mobile investment platform in the country. Five Southeast Asian entities began offering instant local payments to customers through connecting to respective national-level payment settlement systems, and five entities also started providing online RMB salary direct remittance service targeting expatriates from the Chinese mainland.

Case study

Jakarta Branch provides RMB payroll service

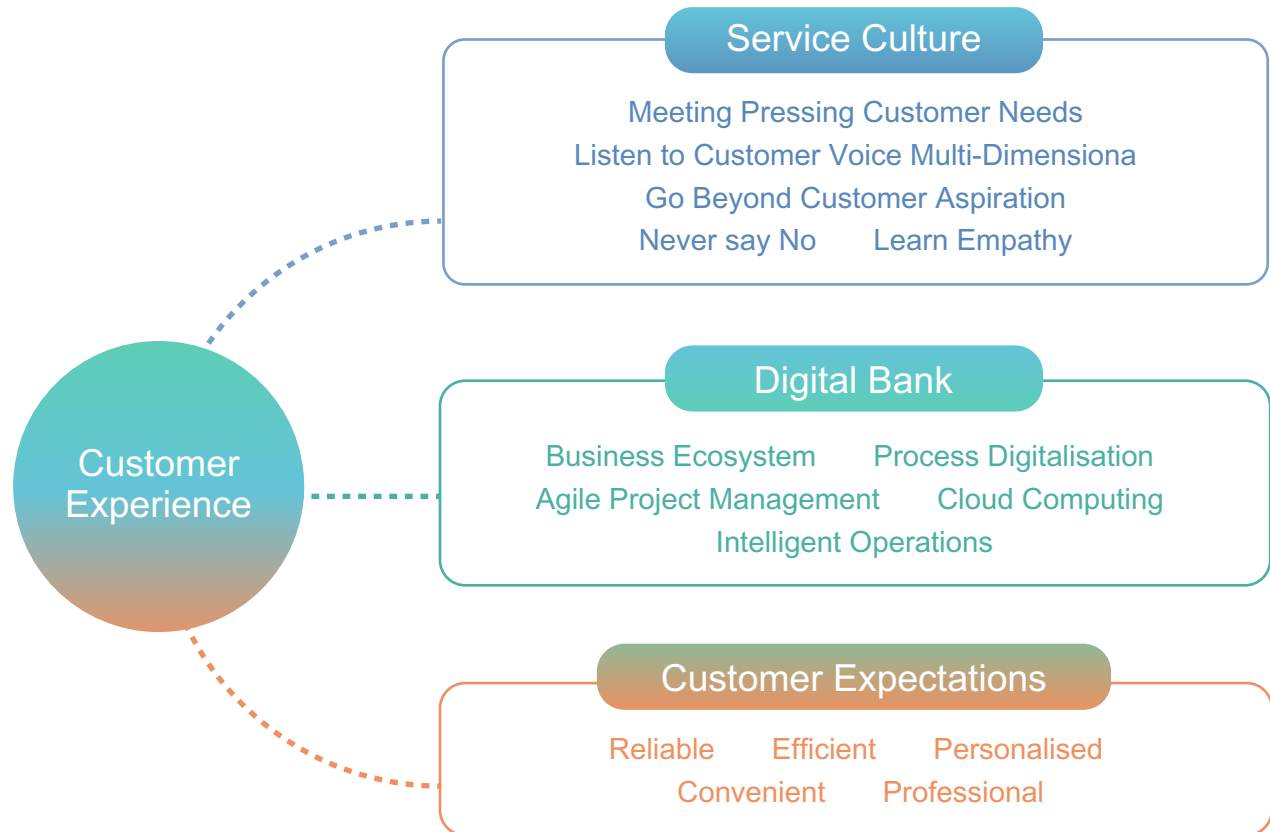
In 2023, Jakarta Branch dispatched business expansion teams to industrial parks and factory zones to open bank accounts for Chinese employees working on key projects under the Belt and Road initiative, providing RMB payroll services that enhance the administrative efficiency of enterprises. It has provided payroll services for more than 300 local Chinese enterprises so far.



5.2 CUSTOMER EXPERIENCE OPTIMISATION

BOCHK adheres to the service philosophy of “Customer First” and endeavours to build long-term and trusted relationships with our customers. To provide more convenient and quality banking services, we utilise a variety of communication channels and platforms to keep in touch with our customers and understand their needs.

With the most extensive branch network in Hong Kong, BOCHK provides quality services to meet the needs of different customers. We offer a wide range of sophisticated services such as Private Banking, Private Wealth, Wealth Management, Enrich and i-Free Banking services, as well as continuously launch a variety of digital banking services to satisfy customers’ expectations and enhance their experience.



Comprehensive protection of customers' interests

Customer confidence and trust are the cornerstones on which a bank builds its business. To best safeguard the interests of our customers, we have developed policies/procedures and provisions governing our banking services. These rules are based on applicable laws and regulations, including:

The Group has signed the Treat Customers Fairly Charter formulated by the HKMA and the banking industry. All retail banks in Hong Kong are signatories. The charter encourages banks to cultivate a corporate culture of treating customers fairly and ensure that the interests of customers are taken into account by banks in their business dealing with customers.



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

Since 2011, we have implemented a quality management system in accordance with the ISO 9001 international standard. In addition, a growing number of the Group's operational units have successfully obtained the ISO 9001:2015 Quality Management System certification, strengthening the quality of our customer services.

We have established operating rules for various types of lending activities including setting out product management principles and operating procedures for loan applications, loan repayments and loan collection, and provided training to relevant employees. At the same time, we provide customers with various options for loan amendments, including loan term adjustments. Customers can also request top-up loans or flexible payment periods.

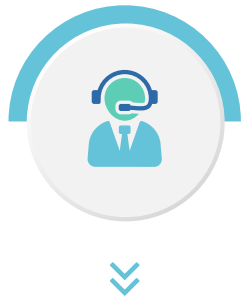
The Risk Committee under the Board is responsible for reviewing and approving the Group's *Product Development and Risk Monitoring Management Policy*, which sets out the principles and processes governing the Group's product development and risk due diligence processes, including the post-implementation review after product launch, comparison and analysis of the actual effects after product launch against the pre-launch plan, and evaluation from the perspectives of financial performance, risk control, customer service and other areas to identify matters of concern and make timely improvements.

During 2023, the *Product Development and Risk Monitoring Management Policy* and the *Administrative Measures for Product Development and Risk Monitoring Management* were modified to include additional management requirements on green and sustainable finance products, with a view to strengthening management's ability to safeguard against greenwashing risk.

Providing high-quality services³¹

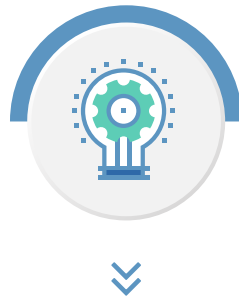
In line with the Code of Banking Practice, we provide services that are tailored to the needs of our customers while firmly protecting their interests. Meanwhile, we have put in place internal mechanisms to ensure that our services and performance meet the relevant requirements. We also proactively drive our operational units in the Group to obtain the ISO 9001:2015 Quality Management System certification. In addition, by aligning with the spirit of Guideline on a Sound Remuneration System issued by the HKMA, we have closely linked employee compensation incentives with their adherence to the Group's corporate culture, with a view to encouraging ethical conduct by employees and safeguarding consumers' rights to fair transactions.

To ensure that our employees are fully equipped with expertise in customer financial protection and can provide the highest quality service while complying with regulatory requirements, we offer various types of professional training to help our employees deepen their understanding of regulatory and compliance obligations and stay up-to-date with the latest market developments.



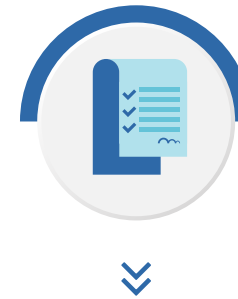
We provide comprehensive training courses that cover topics related to the protection of customers' financial interests, such as the Treat Customer Fairly Charter, compliance knowledge, service quality, and customer experience models to our new frontline customer service staff. Current frontline marketing and operational employees are required to participate in mandatory sales compliance training annually, which covers topics such as compliance culture development, the prohibition of untruthful and misleading advertising and sales materials, proper sales procedures, and detailed instructions to ensure the fair treatment of customers.

Relevant branch staff are required to regularly participate in the online training and testing session on the Treat Customers Fairly Charter at least once a year. This training programme covers the corporate culture of treating customers fairly. Staff members are reminded to recall and explain the main features, potential risk and terms of the products and ensure that the interests of customers are taken care of. The Human Resources Department coordinates the Bank's annual online refresher training courses in accordance with compliance requirements.



We have a dedicated department to manage advertising and the relevant operational manuals to provide clear guidelines to our employees regarding advertising and marketing activities.

We regularly release compliance reports and reminders, and provide investment product training by utilising pertinent market information sourced from various business units.



Before and after the launch of a new product, in order to ensure that the employees' sales activities of financial products are in accordance with the law and regulations, the staff in the relevant positions must be reminded the key factors and trained appropriately in order to master the relevant product knowledge and sales regulations such as product characteristics, risks, appropriate matching of the sales targets and sales processes.

We encourage employees to participate in seminars and conventions to continuously improve and enrich their knowledge.



³¹ B6 General Disclosure, B6.2

Customer satisfaction surveys

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



We conduct simple surveys after customers make designated transactions to understand the opinions regarding those transactions of existing customers. In order to continuously improve the service quality, we also conduct surveys to understand the overall satisfaction level of local customers towards our personal banking services.



After personal banking customers complete designated transactions at branches or customer contact centres, the system will send emails to the relevant customers to collect the customers satisfaction level with the staff's behavioural performance, which will be used as a service rating and feedback to frontline staff. It helps management understand the day-to day service delivery performance of frontline staff, so as to enhance the quality of service.



We use an interactive voice response system to conduct customer service surveys immediately after customer phone inquiries. In addition, in 2023, around 405 corporate customers responded to email surveys carried out by an independent third-party consultant to understand their views on our services. Out of 10, the overall score of platinum customers was 9.83 points, while the overall score of premium customers was 9.92 points. Business units regularly review the ratings and comments from our customers, study measures for enhancement, implement timely monitoring and optimising mechanisms, and continually enhance the customer service experience.

Monitoring of customer feedback by designated divisions

We greatly value customer feedback and have set up internal mechanisms to continuously enhance the quality of our services in the pursuit of service excellence.

Quality Assurance Division

- Responsible for service inspection ratings, service quality monitoring and promote a “customer-oriented” banking culture through various staff service activities to ensure prompt and appropriate handling of customer feedback.

Customer Experience Division

- Establish a customer experience management framework to drive end-to-end customer journey optimization. Review and propose improvement solutions from customer’s perspective, and enhance overall customer satisfaction with our banking services.

Insight Community

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

A sound complaint handling mechanism

We highly value customer feedback and have established a rigorous complaint handling mechanism to sincerely handle complaints. In this way, we aim to respond to complainants in a timely manner, address relevant issues and continuously improve our services. We have established an independent unit responsible for coordinating, following up and monitoring customer complaints.

We have formulated administrative measures for handling customer complaints in accordance with the Supervisory Policy Manual IC-4 which was related to the complaints handling issued by the HKMA, as well as the Code of Banking Practice jointly issued by the HKAB and the DTC Association. These rules set out the principles, timeframe, procedures, supervisory measures and review processes for handling customer complaints, and our employees follow these processes to ensure customer complaints are handled in compliance with regulatory requirements.



We have set up various channels to receive customer feedback and complaints, including online banking, mobile banking, at branches, customer opinion hotline, customer service hotline, fax, letters, email and customer feedback forms, etc.

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

We take immediate measures to resolve and respond to customers’ requests. In addition, we regularly collate and analyse complaints to understand customer needs and provide training, with the goal of constantly improving our services and procedures.

By the end of 2023, BOCHK received 2,116 complaints related to financial products and/or services³², where 54 complaints were confirmed to be substantiated. Both figures were similar to 2022.

³² Figures of BOCHK

Enhance Public Financial Literacy³³

In order to assist our customers in making informed financial decisions, we provide fair and transparent product and service information to our customers, as well as actively promote financial knowledge to the public. We also organise various activities to help the public enhance their financial capability.

Enhance product and financial management knowledge



We enriched mobile banking live broadcast programmes, such as revamping “FX & Commodity Trading Tuesday” by adding commodity and RMB market dynamics analysis, releasing the e-version of our Monthly Global Market Investment Insight and hosting diversified online investment seminars.

Continuously optimising the “FTZ Knowledge Base”



Continuously enriching the collection of the Free Trade Zone Base, regular updates of the “Editor’s Choice” column are provided. Through the “Popular Policies” and “Top Reading List” sections, the latest policies and market trends are shared with users, aiming to enhance their interactive experience and ensure timely access to information.

Raising awareness of green investment and green finance



We regularly share green product information and green living tips for daily lives through our new mobile banking function “BeLeaf”, which covers 3 major scenarios, including “Wealth Management”, “Smart Spending” and “Low-carbon Living”. We enriched the mobile banking live broadcast programmes by inviting celebrities to host the BOC live broadcasts and introduce green lifestyle

Raising anti-fraud awareness among financial consumers



The Bank has set up an Online Security Tips and Information page on the BOCHK portal, with a view to raising the public’s anti-fraud awareness.

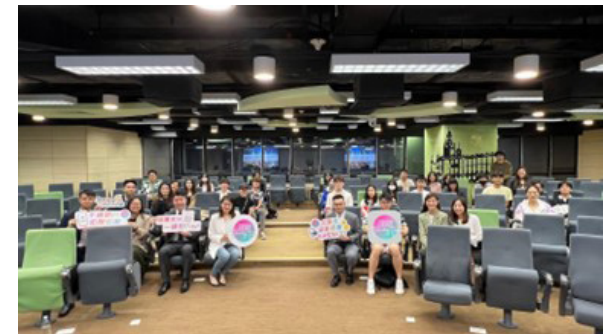
Case study

BOCHK and HKU’s Investment Society co-organise a wealth management seminar

Wealth management education is crucial to the future development of the young generation. BOCHK is committed to laying a solid financial foundation for young people and equipping them with financial management skills that will help them avoid unnecessary losses from being misled.

In early November 2023, BOCHK’s Personal Banking team was invited to the University of Hong Kong (“HKU”) to host a seminar titled the Secret to Financial Freedom with HKU’s Investment Society.

The seminar taught university students the investment and financial practices, financial information, and investment fallacies, and the importance of risk control. From the perspective of novice investors, we explained to the university students the importance of having good financial management habits, and how beginners should approach and handle investment tools. To deepen students’ understanding of financial management, we prepared games to demonstrate financial management topics that young people care about, such as the compound interest effect and wealth appreciation. The students actively took part in the games and enjoyed this seminar.



³³ G4-FS16

5.3 TECHNOLOGICAL INNOVATION

Fostering fintech innovation³⁴

As emerging technologies such as AI and blockchain mature, we are making significant investments in digital transformation and technological innovation in order to modernise our traditional banking business and keep abreast of changing trends. We aim to provide innovative customer services and financial products and set up digital processes that improve operating efficiency and risk control. At the same time, we keep launching to provide cutting-edge fintech services to keep pace in the era of digital banking.

Fostering in-house technology innovation

In-house technology innovation capabilities help us maintain our technological edge as a leading digital bank:



Digitalisation Committee

- Chaired by the Chief Executive, Chief Digital Officer and general manager from departments as committees
- Responsible for strategic coordination of the Group's digital development strategy, driving the Group's digital transformation strategic planning and promoting innovative development



Innovation Lab

- Located in Hong Kong Science Park
- Serves as an experimental base for financial technology for the purposes of validating advanced technology applications, optimising product design and development, and researching new business models

Over the past two years, a total of 9 projects that originated from the Innovation Lab, were conceptualised, feasibility validated and successfully delivered for practical business applications. In 2023, we completed proof-of-concept for blockchain and smart contract technology, and we are now introducing the technology to the Group's business, while promoting and studying application scenarios. In this way, we are contributing to the construction of an ecosystem for Web 3.0 and virtual assets in Hong Kong.

Technology innovation initiatives

To better meet financial needs of our customers and further enhance our service efficiency, we are continually strengthening our innovative financial technology applications and actively expediting digitisation of our services. Since 2019, we have been introducing robotic process automation (“RPA”) applications in various banking processes and internal workflows in order to enhance service efficiency.

 Number of BoC Pay users exceeded **1.49 million**

 Total number of mobile banking customers exceeded **2.95 million**



Data platform for carbon emissions

- BOCHK has built a data collection platform to digitally track and monitor carbon emissions from its own operations. Using the Group’s green database, we can carry out diversified data and performance analyses, simplify repetitive data collection processes, capture our own operating data and carbon emissions metrics in real time, and strengthen accuracy and timeliness of reporting by each work unit. The data platform for carbon emissions has been introduced for BOCHK, its domestic subsidiaries, and the Southeast Asian entities.



BoC Pay’s New Features in 2023

- The BoC Pay “Transit Code” payment function has been extended to tram services, ferry and major franchised buses (Citybus, Kowloon Motor Bus and Long Win Bus) in Hong Kong, making a step forward in Hong Kong’s effort to become a smart city. BoC Pay supports HKeToll top-up and provides special fare discounts to the public and drivers to promote the use of e-payment.



Ongoing training of chatbot Bonnie

- By leveraging intelligent analytics engines to automatically analyse customers’ footprints and needs, seamlessly redirect customers to online customer services and mobile banking, forming an integrated omnichannel and a digital customer journey.



Strengthening iGTB functionality of Corporate Banking Services Online

- The iGTB API offers a range of services for account and transaction status information to corporate customers, including real-time enquiries, e-receipts and customised statements, in order to meet their corporate financial management needs. We have been actively promoting the iGTB platform regionally, gradually introducing real-time fraud monitoring for payment transactions to Southeast Asia, providing a full range of digital corporate financial services for local and foreign companies operating in the Southeast Asian market, with a view to improving their operating efficiency in the region.
- Introduced secure file transfer protocol to the iGTB platform. By continually enriching digital channels, we provide comprehensive digital service solutions to customers.



Fintech empowering online customer service quality assurance, risk management and data analysis (E-Compliance)

- As part of the digital transformation strategy, introducing new fintech solutions such as “voice/text analytics” and optimising data processing can enhance the monitoring process. This involves transitioning from a fully manual sampling model to a system-driven approach that screens high-risk cases, addressing the pain points of relying on manual methods to review recorded transactions in branches and customer communications for quality assurance. Monitoring personnel can focus on high-risk cases, dynamically maintain risk rules and screening criteria, and adapt to future regulatory requirements, promoting comprehensive digital transformation in monitoring and enhancing monitoring efficiency.



Intelligent anti-fraud platform

- We have been improving intelligent risk controls and anti-fraud management, integrating AI models and RPA into our intelligent anti-fraud platforms, applying AI models for actual business purposes, conducting real-time (post-event) monitoring of credit card transactions, and using technology to improve the management and monitoring of anti-fraud work across e-channels.



Promoting e-CNY cross-border applications

- We have been promoting e-CNY cross-border applications, and we launched the “Cross-border Shopping Festival” together with the parent bank. Customers can spend e-CNY at designated brick-and-mortar merchants across the border and also on mainstream e-commerce platforms in the Chinese mainland. In this way, we are strengthening our leading position in cross-border GBA business.



Faster Payment System (“FPS”)

- FPS x PromptPay QR code payment: We have continued to optimise the “QR code payment/receipt” mobile banking function to support connectivity between FPS and Thailand’s PromptPay. Customers can pay Thai merchants by scanning the PromptPay QR code by using this function.
- New suspicious identification code reminder: We have optimised the FPS transfer platform to address the trend of rising fraud, especially on the platform. When a customer’s payment phone number/email address/FPS ID is classified as “High Risk” by the Hong Kong police, a warning message will be displayed on the transaction confirmation page to remind customers to double-check the authenticity and reliability of the payee to ensure transaction security.



Mobile banking optimisation

- In 2023, BOCHK mobile banking introduced approximately 200 functional upgrades, including new product trading, registration services and optimised process designs. The new “My Pick” function helps customers select the most suitable shortcuts based on big data analysis and customise their own mobile banking homepages to suit their personal preferences. We also launched a “lite version” mobile banking app specifically designed for the elderly. It comes with six pre-set essential functions and font size customisation, providing a simple and convenient user experience.



Promoting smart operations

- We have been promoting the implementation of smart operations, reconstructing processes from end to end, pursuing the digital transformation of operating processes, optimising operating procedures, minimising the use of paper documents, streamlining work processes, improving operational efficiency, and piloting the use of APIs to drive intelligent automation.



Commercial Data Interchange (“CDI”)

- Participating in HKMA’s Commercial Data Interchange (“CDI”) project, we can directly obtain company search information from the Companies Registry (CR) via API, with the aim of supporting digital financial development in Hong Kong. We will actively support and expand the application of the CDI concept and use fintech to help SMEs address financing difficulties.



Data-based financing pilot

- We have been working with AlipayHK to launch a new data-based financing pilot programme that will use e-wallet transaction data provided by AlipayHK merchants to simplify the loan approval process and create more financing opportunities for SMEs.



Launching of the “BOC Connect” mobile application

- In 2023, BOCHK actively launched a number of new functions on BOC Connect, such as “My Network”, “FX Quotes” and “Services Application”. Through an innovative banking service scenario, these provide corporations with an all-in-one digital platform that offers information sharing, interactive communication, and online banking services, and that fully supports their digital transformation.

Technology innovation activities

BOCHK organised various internal and external activities during the year for promoting an innovative culture.

Case study

“BOCHK Challenge 2023”

In the distinguished event titled “Forefront Technology for an Innovative Future”, prolific minds from higher education institutions alongside eminent representatives of burgeoning start-up ventures engaged in the esteemed “BOCHK Challenge”. Here, they pioneered ground-breaking solutions to address pressing challenges within the extant financial services sector by leveraging advanced technologies specific to financial, insurance, compliance, investment, and environmental domains. Notably, in the year 2023, the participation of students from higher education institutions soared to an impressive 90%, marking the highest rate of engagement in recent years. Our initiative through such competitions is to earnestly provide youthful intellects with a platform to unfurl and enhance their innate capacities for ingenuity.



Case study

“BOCHK Ideation Contest”

The annual “BOCHK Ideation Contest” imbued with “InnoVenture” (Innovative and Adventure) as its central theme for 2023, broke new ground by welcoming AI deep-learning digital human to participate in its finals for the first time. The finale was marked by a dynamic exchange during the question and answer session; intelligent queries generated by AI were posed to the elite top 10 contending teams, cultivating active bilateral engagement. The commencement of this year’s contest registrations was held in September, witnessing an inspiring assembly of teams constituting a total of 139 dedicated colleagues. The participants vied for supremacy across four pivotal spheres of innovation, encapsulating product development, managerial strategies, technological advancements, and user experience enhancements. Furthermore, the event witnessed vibrant participation of nearly 1,600 colleagues, who contributed through a plethora of activities including polling and creation of AI-generated imagery to commemorate the event. In its recent editions, the contest has risen to prominence, symbolising an invaluable platform where our colleagues can showcase their problem-solving acumen, passionate pursuit of novel innovations, and distinctive thought processes.

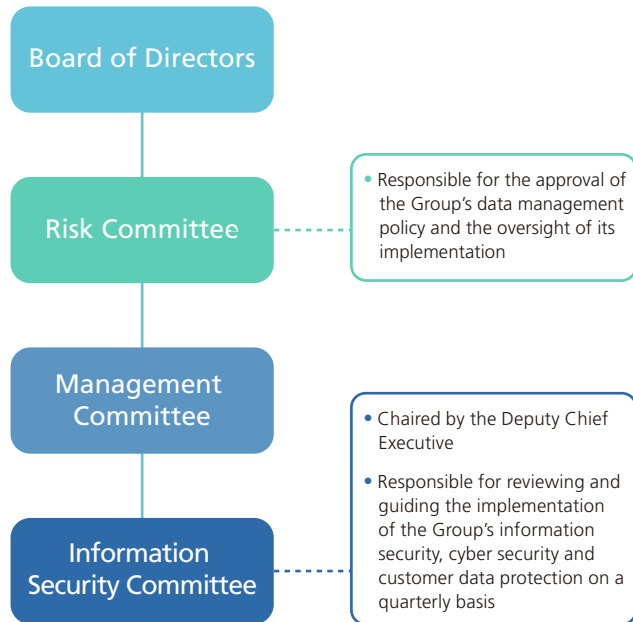


5.4 INFORMATION SECURITY

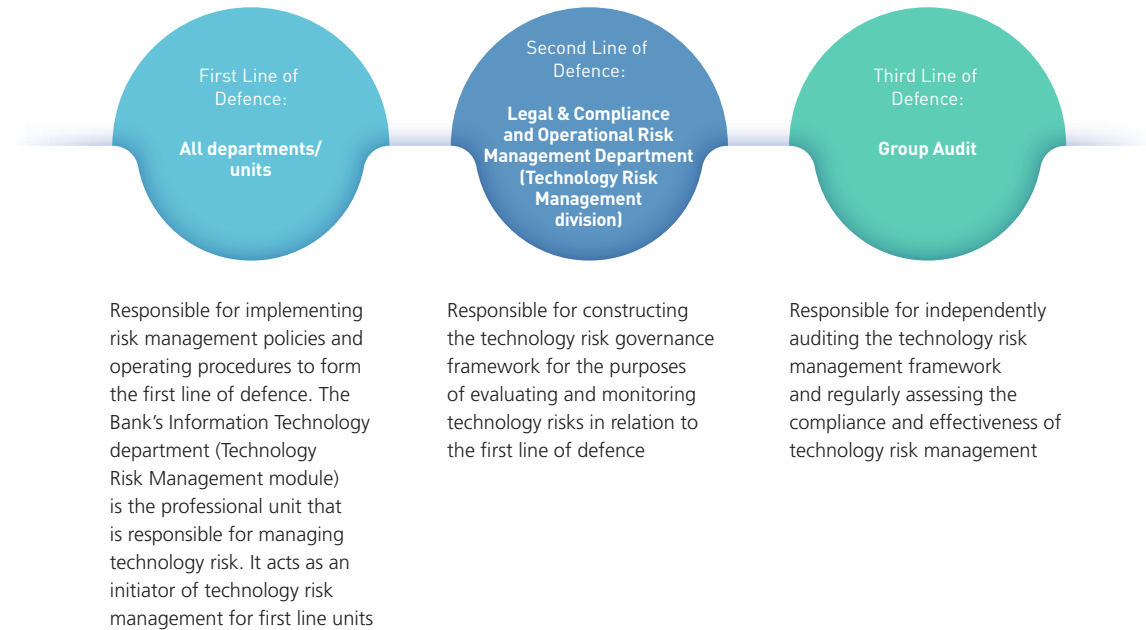
Information security management³⁵

We have been proactively pursuing digital transformation and empowering our smart banking services. At the same time, we take great efforts to strengthen and safeguard data security and privacy and protect customer information during the process of digital transformation.

At the Board of Directors level, the Risk Committee is responsible for the approval of the Group's data management policy and the oversight of its implementation. At management level, the Information Security Committee is responsible for overseeing and leading the implementation of network security, customer security and data security on a quarterly basis.



We have put in place a secure “Three Lines of Defence” technology risk governance structure:



In hardware support area, our data centre implemented 7x24 hours real-time monitoring and has received the ISO 27001 Information Security Management System Certification, basically all systems and operations of the Group are operated within our data centre. In the context of technological transformation, we have organised compliance training sessions for our employees and relevant contract staffs, covering information security, technology risk management, protection of personal information and privacy, with the goal of raising employees' awareness of cyber-security and technology risks and minimising the occurrence of information security incidents.

We strive to steadily strengthen data governance, including by continuously optimising the Bank's data management regulations and clarifying data security classifications. In addition, we hold the bank-wide data veracity training to promote data management requirements, and we regularly conduct data security risk assessments and data governance self-evaluations.

³⁵ B6 General Disclosure, B6.5

Contents	Key messages and report overview	Outstanding achievements in sustainability	Strategic review in an orderly manner	Green development in quality and quantity	Customer first	Caring and sharing for all through a people-oriented approach	Efficiency and transparency as the foundation for robust governance	Sustainability performance overview
○	○	○	○	○	●	○	○	○

Cyber security³⁶

Facing changing and complex cyber threats, we strive to protect our customers with leading measures and initiatives to ensure cyber security:



Training on cyber-security management

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



Raising employee awareness of technology risk and information security

We invite external consultants to host seminars on technology risk each quarter, and we publish the bilingual Technology Risk Monthly Newsletter for all Group employees, with a view to enhancing their awareness of technology risk and information security.



Regular internal and external audits

We conduct annual audits on IT policies, systems and related measures, and additional audits are also carried out by external auditors, to ensure that the Group is able to continuously provide stable financial services.

External consultants were engaged to conduct a maturity assessment under the HKMA's Cyber Resilience Assessment Framework, and they concluded that BOCHK generally complies with HKMA requirements and attained "Advanced" maturity level of cyber resilience.

We are continuously working to enhance our cyber-security capabilities, and we use various channels to emphasise the security of our banking services and remind and educate customers about security issues related to online transactions. No major cyber-security incidents occurred in 2023.

For details, please refer to "The Group's online security tips and information" on the BOCHK website.

³⁶ B6.5

Protecting personal data and privacy³⁷

As a bank with a robust corporate culture and ethical standards, we prioritise efforts to protect the personal data of our stakeholders, including customers, employees, suppliers and business partners. We are committed to protecting and respecting the personal data in our possession and require all departments and subsidiaries to strictly comply with the Personal Data Privacy Policy, which was formulated in accordance with Hong Kong's Personal Data (Privacy) Ordinance. At the same time, the outsourcing service providers are also required to comply with the *Administrative Measures of Personal Data Protection*.

Protective measures for data collection and transfer

When collecting and retaining customer information, we use encryption technology to protect personal information from unauthorised or accidental access, processing, erasure, loss or use. We have formulated internal measures that require all our business units to collect personal data only for business or work-related purposes, or directly related to those purposes, and the data is adequate but not excessive. At the same time, they also specify the retention period of the personal data according to the business and function they are responsible for. Customers can make a request to access or make correction of their personal data. If a complaint regarding customer privacy is received, a dedicated unit will conduct an investigation in accordance with our mechanism for handling customer complaints. The complainant will be notified of the investigation results.

Any unit that intends to transfer personal data held by the Bank to any third party should assess in advance whether the third party is in the class of transferee originally specified to the data subject, whether the purpose of use after the data transfer conforms to the purpose of use originally stated to the data subject or directly related to that purpose; and the data transferred is not excessive and on the need-to-know or need-to-use basis. At the same time, it should also ensure that the party receiving the data has appropriate data control measures in place and implements such measures effectively.

³⁷ B6.5

³⁸ B6.3

Emergency measures and notification system

Our *Administrative Measures for Cyber Security Incident Response* provide guidance on the monitoring, identification, reporting, assessment investigation and handling procedures for cybersecurity incidents, including data breaches, and formulates processes for handling personal data leakage cases and reporting to the regulators. Once an incident is detected, prompt response measures would be taken in accordance with the guidelines to assess, contain, investigate and take necessary follow-up measure, so as to protect the interests of customers and reduce the impact and losses incurred. In addition, we will also analyse the cause of the incident and conduct a follow-up review and develop a rectification plan to avoid similar incidents from occurring.

We protect customer privacy and data security by taking various measures related to information security, including, but not limited to:

- Grants access rights according to the Need-to-Know Principle and review regularly to ensure that all employees hold the right permissions
- On-site examinations of key service providers to ensure that their security management measures effectively protect BOCHK's information
- Conduct Clear-Desk Inspections regularly
- Annual staff training on information and cyber-security awareness
- Ongoing education regarding the latest cyber attacks to ensure staff understand how to protect customer security and privacy.

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

Intellectual property rights protection³⁸

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

Management of AI applications

The growing popularity of AI applications is creating opportunities for banks but also presenting new challenges in risk management. In this context, we have developed the *Internal Work Regulations for AI* to manage AI applications and set out guidelines and standards for AI applications based on the Group's latest development level. These rules define the roles, governance requirements and responsible parties at each stage of an AI application project. They also specify the deliverables and approval management for different processes, including requirement analysis, system design, AI model training, AI model validation, acceptance testing, and ongoing monitoring and maintenance. Under these rules, the Bank exercises control over the risks presented by AI applications and ensures that its AI applications comply with all related regulatory requirements. Currently, we have 27 AI systems that are already in production or being implemented, covering over 34 application scenarios. Regarding the state-of-the-art generative AI technology, we have established a cross-departmental "GPT Task Force" to handle the application of generative AI. The task force systematically advances the concept validation of different scenarios in stages, including internal institutional and regulatory knowledge bases, financial statement analysis and marketing information generation etc., exploring the potential and opportunities for various business applications. Furthermore, the task force concurrently formulates relevant risk management measures, particularly focusing on data privacy and information security during model training, ensuring service reliability, accuracy, and interpretability when applying generative AI by implementing safeguards and measures.

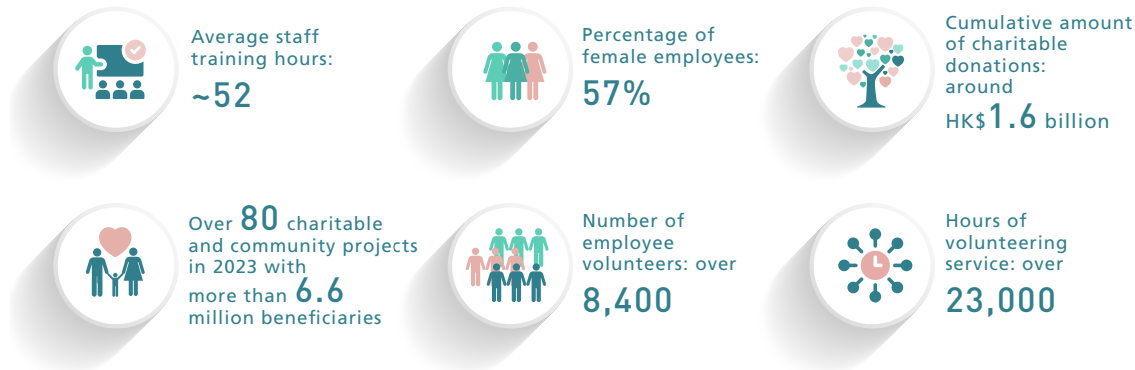


6 CARING AND SHARING FOR ALL THROUGH A PEOPLE-ORIENTED APPROACH

6.1 Talent development and well-being	66
6.2 Diversity, equality and inclusion	80
6.3 Caring for and investing in the community	82



6.1 TALENT DEVELOPMENT AND WELL-BEING³⁹



Talent is our most valuable asset and the cornerstone of our sustainable development. Committed to a people-oriented approach, we actively attract, identify, nurture and retain talent by cultivating a harmonious, diverse and equitable working environment. Our employees are provided with career development opportunities that enable them to unleash their potential and continue to grow alongside the Group.

6.1.1 Human Resource Development Strategy⁴⁰

We have a comprehensive strategy and plan in place for human resources development. In view of business needs and market conditions, we conduct regular review, evaluation and analysis of our talent pool. We have formulated a talent management strategy and acquisition plan, promote talent cultivation and development, and attend to people risks. Our goal is to establish a professional team that provides robust and reliable banking services to all sectors of society and delivers high-quality customer experiences. We adopt talent management strategies that support the Bank's strategic development, adhere to a people-oriented approach, and cultivate a market-centric, professional, localised and integrated talent management mechanism that can unleash the vitality and potential of our talented staff. In response to changes in our business model and market conditions, we have adopted several new talent management strategies:



³⁹ 2-7, 3-3, B1 General Disclosure, B3 General Disclosure

⁴⁰ 404-2

Digitalising human resources management

We are committed to enhancing the quality and efficiency of our human resource management by gradually using more digital applications. Such applications have been incorporated into various aspects of recruitment, daily communication, training and development, employee assessment, and human resource development. This enhances efficiency, improves employees' experiences and reduces carbon emissions.

- Digitised recruitment process: Introduced digital interview tools and artificial intelligence technology to improve recruitment efficiency and enhance candidate experience.
- Electronic contracts: Replaced traditional printed contracts to support a paperless office, speed up employee onboarding and enhance the onboarding experience.
- More efficient response to staff enquiries: Optimised our "HR Chatbot" by expanding the scope of queries and strengthening its promotion across multiple channels to encourage more use by employees.
- "My Learning" online learning platform: Provided a diverse range of online courses through the "My Learning" system, allowing employees to flexibly take part in online training and tests, and supporting the Group in various training and compliance initiatives.
- "My Performance" electronic performance management system: Strengthened the performance assessment process by improving recordkeeping, providing comprehensive employee appraisal, and enhancing overall human resources management efficiency.

6.1.2 Talent recruitment, retention and succession

The sustainable development of the Group depends on the efforts and contributions of our workforce. We are committed to recruiting individuals with talent potential, building diverse teams, nurturing and retaining talent, promoting a culture of learning, and empowering employees with professional and leadership capabilities.

Diverse recruitment channels

In accordance with the latest market trends and our business development needs, we recruit talent through various channels including cross-industry recruitment, collaborations with external organisations and academic institutions, specialised recruitment events, industry events and competitions, and government innovation and technology recruitment programmes. We also inform our employees about job vacancies through internal channels, providing opportunities for career advancement, with over 90% of management positions filled through internal promotions. This offers excellent employees opportunities for professional growth and enables us to better retain talent.

In addition, we have adopted new talent attraction strategies:



Attracting diverse talent: Recruiting through multiple channels, supporting and participating in various talent programmes to attract talent from the local market, the Chinese mainland, Southeast Asia, and other overseas regions.



Focusing on key talent acquisition: Hiring key professionals in areas such as sales, digitisation, risk and compliance, ESG and various businesses to meet strategic development needs.



Nurturing young talent: Attracting and cultivating younger generations who are interested in joining the banking industry, helping them achieve their career goals through systematic development programmes that activate their creativity and enhance their professional capabilities.



Cultivating outstanding young talent

We believe that the younger generation will be the driving force behind the Bank's future development. A number of young talent development programmes have been launched to recruit talented university graduates from around the world who are interested in joining the financial services industry. We continued to provide a platform for young people to grow and realise their potential, offering guidance and support for their growth and development, and helping us build our talent reserves and pipeline.

Our major young talent development programmes include:

- **Management Trainee Programme:** This 18-month training programme includes a diverse range of classroom training, on-the-job training, and departmental rotations. Trainees are also provided the opportunity to rotate through Southeast Asia and the Chinese mainland and participate in cross-departmental projects. Trainees can broaden their horizons, build their networks, gain practical experience, and receive comprehensive support and development.
- **Greater Bay Area Trainee:** During the 18-month training period, trainees have the option of working for at least 12 months within Bank of China Group's institutions in the Greater Bay Area, as well as attending relevant training in both Hong Kong and the Chinese mainland. This enables them to accumulate banking knowledge and practical experience, laying a solid foundation for their future career development in the banking industry.
- **Global Markets Young Talent Programme:** Aligned with our regional development strategy, this programme aims to strengthen the talent pool of our Southeast Asian entities and foster business integration. Through training rotations within our Southeast Asian entities and Hong Kong headquarters, we aim to cultivate future management personnel for global market operations in Southeast Asia and equip them with the capabilities needed for future development, strengthening the Group's talent pool in the process.

During the year, we actively participated in a number of youth career and development programmes organised by the HKSAR Government and external organisations, including the "Fintech Career Accelerator Scheme", "The Third Future Youth Scheme", "Pilot Apprenticeship Programme for Private Wealth Management", "Greater Bay Area Youth Employment Scheme", "Scheme on Corporate Summer Internship on the Mainland and Overseas 2023" and "ERB (Employees Retraining Board) Youth Internship Programme".



Case Study

Management Trainee Programme

Li Yan, Management Trainee

Passionate about starting work, I joined BOCHK as a management trainee in the Information Technology Department. Through diverse training programmes, I gained insights into the Bank's operations and the application of financial technology, which expanded my professional knowledge and enhanced my overall understanding of the industry. During my rotational training, I participated in various IT projects, which honed my teamwork and communication skills. This enabled me to quickly respond to challenges, collaborate closely with colleagues, and achieve project goals together. Patient guidance from my mentor has allowed me to clearly grasp my career path and ignited my passion for success in this field. In the future, I will continue to strive to learn, embrace greater challenges, explore my potential, and gradually develop myself into a professional banking practitioner. I want to contribute my efforts to the growth of BOCHK.

Guang Hao, Management Trainee

I have always had a strong interest in the field of fixed income investment and greatly valued the opportunity to join the Financial Markets segment to gain practical experience in this area. The 18-month Management Trainee Programme has been immensely beneficial, giving me the opportunity to learn about the entire operational process and regulatory requirements of fixed income products from issuance, trading, investment, to risk and compliance management from a global perspective. This experience has enhanced my professional knowledge and managerial skills, and I've also gained cutting-edge insights and international perspectives on the industry. During the rotation, my supervisors and colleagues patiently provided guidance on different business areas along with valuable advice on career development and life planning. These will become the cornerstone of my future career development and I will apply what I have learned to provide our clients with high-quality investment solutions.

Talent reserve and appointment

We employ people based on merit and continually identify outstanding employees with potential to be included in our “talent pool” for cultivation. Currently, over 2,000 employees have been enrolled to the Bank’s talent pool. The “talent pool” serves not only as a resource for the Group’s business development, but also as a platform for high-performing employees to showcase their potential. We have a well-established planning and management system for talent reserve and cultivation. This clearly defines various types of talents, the selection procedures for enrolment in the “talent pool”, targeted deployment planning and personalised training measures, and continuous assessment and evaluation. We also formulate annualised talent reserve and cultivation targets to gradually enhance the talent pool’s professionalism and competence. When there are vacant positions in the Group, we will prioritise the selection and appointment of “talent pool” members. We have also established “talent sub-pools” to further categorise talents into management talent, regional talent, young talent, digital talent, ESG talent, and financial professional talent, with the aim of strengthening our talent reserves in these key areas to meet the Bank’s strategic and business development needs.

Talent exchange programme

We actively promoted exchange programmes to enhance employees’ integrated capabilities and understanding of various banking businesses, motivate them to pursue career development, and facilitate cross-departmental communication and collaboration. During the year, more than 2,000 employees participated in talent exchange programmes via diverse means. Programmes were not limited to exchanges within a single department or entity, but also extended to cross-department and cross-institution exchanges within the Group, creating opportunities for talent exchange with our parent bank and other institutions within the Bank of China Group. These exchanges provide employees with exposure to different departments and positions, and facilitate the sharing of professional knowledge and experiences between different departments and regions. This deepens cooperation among departments and institutions, strengthens team communication and mutual understanding, and helps foster collaboration and problem-solving capabilities across departments.

Case Study

Exchange to the Manila Branch

Rachel Suen

BOCHK actively encourages colleagues to engage in exchanges and work assignments in our Southeast Asian entities. I was fortunate to have the opportunity to participate in a short-term exchange programme for three months at our Manila Branch last year, where I had the chance to communicate and interact with local colleagues to gain a better understanding of the branch’s culture and work environment. I observed that Manila Branch colleagues came from diverse racial, educational and professional backgrounds, and that the branch organised various employee care and team-building activities to promote integration and communication among colleagues. During my stay, I actively shared my work experiences and ideas with local colleagues. We learned from each other, and I also suggested some improvements. This helped promote mutual understanding of work culture and behaviour patterns between the two cities, allowing us to cooperate and communicate more smoothly in the future. Additionally, I witnessed the Bank’s commitment to fostering employees’ diverse development and its emphasis on nurturing young talent. This exchange experience has not only broadened my horizons and enriched my practical experience, but also brought me closer to my colleagues at the Manila Branch, enhancing my cross-cultural communication and collaboration skills.



Contents	Key messages and report overview	Outstanding achievements in sustainability	Strategic review in an orderly manner	Green development in quality and quantity	Customer first	Caring and sharing for all through a people-oriented approach	Efficiency and transparency as the foundation for robust governance	Sustainability performance overview
○	○	○	○	○	○	○	○	○

Succession planning

We have a well-established succession plan in place. Every year, we recruit outstanding talent from the market and promote candidates internally. We provide targeted training and development opportunities for these individuals, such as job rotations and participation in key projects, to cultivate their talent and enhance their readiness for succession. We take into consideration individual characteristics, talent, and the specific requirements of the positions when designing such development plans. In line with this, we have implemented the “I-Leadership Programme” for three consecutive years, training over 500 individuals, including those from Southeast Asian institutions, to enhance the leadership skills of our core employees. For members of our “Management Talent Pool”, the focus is on enhancing their overall management capabilities and leadership skills. We employ various means to strengthen their training and provide opportunities for them to gain practical experience, ensuring they are well-prepared for succession opportunities.

Committed to talent retention

A shortage of talent has been a major challenge faced by the financial sector in recent years, with demand for finance and banking talent being extremely high within a keenly competitive recruitment market. Through a series of initiatives to nurture and retain talent, we achieved an overall voluntary turnover rate of 13.13% in 2023, of which the Group’s voluntary turnover rate in Hong Kong is 11.37%. Our average voluntary turnover rate in Hong Kong over the past three years is 13.66%, lower than the market average.

	2023	2022	2021
Total voluntary turnover rate*	13.13%	17.38%	16.49%
Voluntary turnover rate in Hong Kong	11.37%	15.02%	14.60%

* Including Hong Kong, the Chinese mainland and Southeast Asia entities



6.1.3 Talent development

We have implemented a strategic talent development programme to cultivate key talent and promote a culture of continuous learning that keeps our employees up-to-date with the latest market developments. We offer a range of targeted internal training programmes and arrange external professional qualification courses for employees to ensure they possess the necessary professional knowledge and skills for their work.

To provide flexible and diverse learning opportunities, we augment our face-to-face training courses by continuously enhancing our online learning platform, “My Learning”, and launching a series of virtual academies including the Leadership Academy, Innovation and Digital Academy, Personal Finance Academy, Green Finance Academy, and Operational Excellence Academy. These academies integrate resources and thus support employees with one-stop online learning. In 2023, we recorded more than 520,000 attendees with over 770,000 total training hours completed, an average of 52 training hours per employee.

A well-developed, tiered talent development system

We have in place a comprehensive talent development and training system for different levels and functions. Each year, we take account of our business strategy and talent development needs in order to drive employee participation in various training programmes. We provide targeted training programmes for our key talent pool, covering management talent, digital talent, ESG talent, regional talent and financial talent, with the aim of continuously empowering our employees.

- **Cultivating strategic mindsets and management skills for management personnel via our leadership training series**

In 2023, we provided specialised training programmes for management personnel across different levels, with around 3,230 attendees recorded. For senior management, department-level management and key business personnel, we launched BOC Expert Talks to develop strategic and innovative mindsets. For senior managers and above at the Group level, we introduced the Leadership Essential Programme to enhance communication and team management abilities. We also organised Leadership Skills Training for newly promoted middle and junior-level managers. In addition, we offered a Leadership Online Learning Pack to enhance the team building, communication and performance management skills of all employees with managerial responsibilities.

- **Enhancing all employees’ digital awareness and capabilities via digitalisation training**

During the year, we organised the “Go Digital” · 2023 Quintet of Digital Transformation Learning Series, attracting nearly 2,200 attendees. This series included two sharing sessions on digital transformation, three hands-on agile tools workshops and three “Digital Thinking” workshops. Furthermore, we organised four training classes for our technology professionals, with around 130 employees successfully obtaining digitalisation-related professional certifications. We also integrated internal and external learning resources and launched a Digital Transformation Resource Gallery, providing colleagues with a one-stop online learning experience to enhance their digital awareness and capabilities.

- **Nurturing talents in green finance and various ESG fields in line with our sustainable talent development strategy**

To cultivate ESG awareness among all employees, we have implemented targeted training programmes at different levels, including launching the Green Finance Academy and ESG in Action – Green Finance Seminar Series. By inviting external and internal experts to share cutting-edge ESG insights, we help employees understand the latest regulatory trends, green finance business cases, ESG risk management knowledge and more. Over 3,300 individuals have participated in these training initiatives. We have also launched two online courses on the topics of carbon-intensive companies’ transitions and the management of “greenwashing” risk. Through case studies, we enhanced employees’ understanding and practical skills in relevant areas. We also partnered with the Hong Kong Management Association to offer its Executive Certificate in ESG for our key ESG personnel. Over 200 employees have completed the training and obtained the certification, which further enhanced the Group’s ESG capabilities and green finance talent.

Management

- **Provided thematic training on the latest trends and value creation opportunities in green finance**

Professional staff

- **Encouraged key ESG personnel to enrol in Hong Kong Management Association’s Executive Certificate in ESG Planning**

- **Strengthening specialised training to meet the need for regional business and talent development**

To align with the Group’s strategic focus on Southeast Asian business and our talent development needs, we launched a series of specialised training sessions for our Southeast Asian operations. A total of 38 sessions were held during the year, along with an online learning pack. This covered areas including personal finance, corporate finance, financial markets, compliance and internal control, and financial management, with over 3,900 attendees recorded.

- **Sourcing talent for high-quality financial services and cultivating high-calibre financial professionals**

We organised various function-specific training sessions and compliance-focused workshops for frontline sales and management staff at our branches, as well as an innovative livestream training that attracted over 10,000 views. In addition, we offered courses such as Moody’s Commercial Credit Online, the Advanced Certificate for Assistant Relationship Managers in Corporate Banking, and training for operational specialists, with more than 10,300 employees in total completing these programmes. We also provided continuing education for licensed intermediaries and certified professionals, launching professional qualification certification courses such as ECF, with over 17,000 attendees recorded.

All staff members

- **Launched the Green Finance Academy, a one-stop online information platform**
- **Hosted six sessions of ESG in Action – Green Finance Seminars**
- **Rolled out online courses on ESG case studies**

New employees

- **Strengthened employees’ understanding of ESG principles and enhanced their awareness of the Group’s ESG strategic planning, development, and key initiatives, thus improving their ability to adopt sustainable development practices in their daily work**

Contents	Key messages and report overview	Outstanding achievements in sustainability	Strategic review in an orderly manner	Green development in quality and quantity	Customer first	Caring and sharing for all through a people-oriented approach	Efficiency and transparency as the foundation for robust governance	Sustainability performance overview
----------	----------------------------------	--	---------------------------------------	---	----------------	--	---	-------------------------------------

Collaborating with third-parties to offer professional training and educational subsidies

To promote a culture of continuous learning and talent cultivation, the Group collaborates with third-party institutions to provide employees with professional training. Employees participating in external training are also offered educational subsidies to encourage continuous learning and development, helping to drive the Group's growth.

During the year, we partnered with various third-party professional organisations to launch a series of training courses for our staff. These included the "Executive Certificate in ESG Planning" launched in collaboration with the Hong Kong Management Association to cultivate ESG and green finance professionals and enhance their expertise. We also collaborated with Deloitte, PwC, EY, Kaplan, the Hong Kong Financial Services Institute, and Ivey Business School, among others, to offer a range of professional training covering areas such as Leadership Essential Programme (LEP), continuing education courses for licensed intermediaries, specialised anti-money laundering training, the Green Finance Lecture Series, core and advanced business knowledge courses for corporate banking, ongoing customer service training, and audit-specific workshops.



Total training hours:
772,945 hours



Average training hours per employee :
~ 52 hours



Sustainability-related training hours :
21,713 hours



Participation in sustainability-related training:
All staff



~ 145 management participated in the I-Leadership Programme

In 2023, BOCHK was honoured with the following awards for talent development:

"Training Programme of the Year — Excellence" from *Bloomberg Businessweek (Chinese Edition)*

"The HKIB Talent Development Award" and "Talent Development Excellence Award" from the Hong Kong Institute of Bankers

"Award for Excellence in Training and Development 2023 — Excellence in Digital Transformation" from the Hong Kong Management Association

6.1.4 Cultivating a Strong Corporate Culture

We place great emphasis on corporate culture. To support our business development, we are committed to strengthening multilateral communication and constructing a strong corporate culture. Through different channels such as lectures, training sessions, short films, group activities and computer screensaver messages, we aim to promote and integrate the essence of our corporate culture into our daily routines. This helps enhance employees' sense of belonging and cohesion, thereby boosting the Group's intangible strengths.



Developing an integrity and compliance culture focused on customer interests

We strive to build and promote a positive corporate culture based on prudent risk management. Rigorous ethical standards are in place to encourage appropriate employee behaviour and positively impact customers. To guide and regulate employee behaviour, we have established a clear *Staff Code of Conduct*. This outlines the ethical and professional behaviour standards employees should adhere to in their job performance and personal financial dealings, ensuring that employees maintain a high level of personal integrity and professional ethics in their business operations. We conduct an annual review of the Code and provide comprehensive training to all employees. To enhance employees' compliance awareness, we shared case studies and launched the online courses "Case Studies of Overseas Banking Conduct Incidents", which detailed compliance violations by other financial institutions. This enabled our employees to understand the importance of risk management and internal control and enhance their awareness of customer data protection. We also regularly issue "Employee Information and Compliance Reminders" to deepen employees' awareness and understanding of relevant management requirements. In addition, we conduct specialised training on conflicts of interest to analyse situations where such conflicts may arise in daily work, thus strengthening employees' knowledge of how to prevent them. Finally, we provide regular online legal and regulatory training to review key policies and enhance employees' understanding of risk and compliance.

Incorporating ESG into the core of our corporate culture

To further promote the development of our corporate culture and the implementation of our ESG strategies, we have launched various targeted ESG training activities across the Group to enhance employees' understanding of sustainable development and improve their practical skills. Customised sustainable development training courses and learning resources are provided for employees at different levels and functions, ensuring that all employees can put the concepts of sustainable development into practice in their work, and contribute to the high-quality and sustainable development of the Group.

Building a straightforward and open communication culture

Taking into account strategic implementation, talent cultivation and staff expectations, we made creating a "simple and fresh, open and inclusive" communication culture a key focus of our corporate culture development in 2023. During the year, we developed BOCHK Communication Mottoes that encapsulate our communication principles, attitudes and methods in a vivid and creative manner, encouraging employees to implement these in their work. We also organised the "Communication Collaboration Let's join forces" activity week to spread the ethos and philosophy of our corporate culture through a variety of multi-faceted activities, such as animated videos, case studies, posters, and quizzes offering prizes.



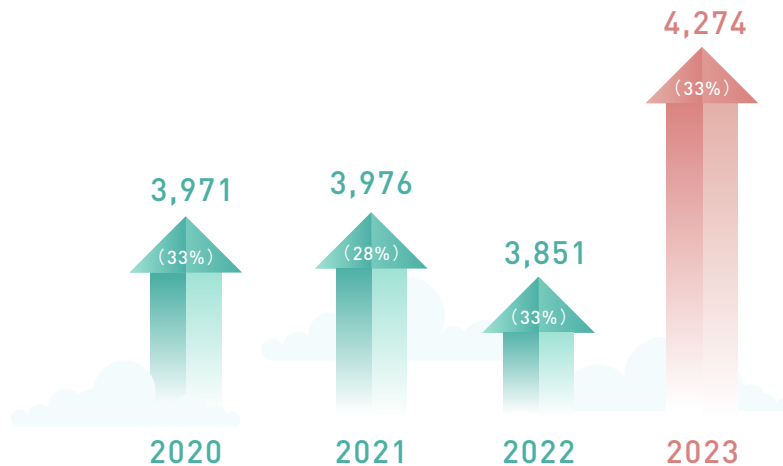
6.1.5 Communication and listening

We always value the feelings and opinions of our employees and strive to create an optimal employee experience, from recruitment to onboarding and beyond, in the hope of strengthening their sense of belonging and commitment to the Group. We provide diverse channels for employees to express their views and make suggestions, actively listening to their needs and expectations of the Group, proactively studying their feedback and responding with practical actions, utilising our resources where they are needed, and working together to create a positive and cohesive working environment in which our employees can unleash their full potential.

Employee feedback and response

We place great importance on employees' opinions and conduct an annual "Employee Opinion Survey", in which a sample of employees is invited to anonymously share their perceptions of the Group as well as their views and suggestions for different management areas. Based on in-depth analysis of these employee opinions, targeted improvement measures are formulated and implementation is regularly followed up, so as to continuously optimise management and enhance employee experience. Our 2023 survey attracted a positive response, with an employee response rate of 89% and the number of employees expressing positive perceptions of the Group increasing from 78% in 2022 to 80% in 2023.

Number of participants (% of total employees):



Diverse communication channels

Communication is the foundation for building mutual trust between an organisation and its employees. Given its importance, we have enhanced internal communication efficiency by setting up channels such as "Enterprise Instant Messaging Platform" (EIM) for employees' mobile phones, the eWorkplace integrated mobile office desk, our intranet, employee publications and internal announcements. Apart from giving feedback to their supervisors, employees can also express their views through the employee hotline, dedicated mailboxes and the "President's Mailbox". We actively follow up on all employee feedback.

In accordance with the *Rules of Handling Employee Complaints*, we strictly adhere to the principle of confidentiality in handling staff grievances and ensure that the complainants are treated fairly. No unit or individual is allowed to use any excuse or means to pursue or retaliate against the complainant. If any relevant behaviour is found and substantiated, it will be dealt with seriously in accordance with disciplinary procedures. If the complainant is not satisfied with the outcome of the case, he/she may lodge an appeal. Depending on the circumstances, we will organise an "Appeals Review Committee" to re-investigate the cause of the case and deliberate on the decision.

HR Chatbot

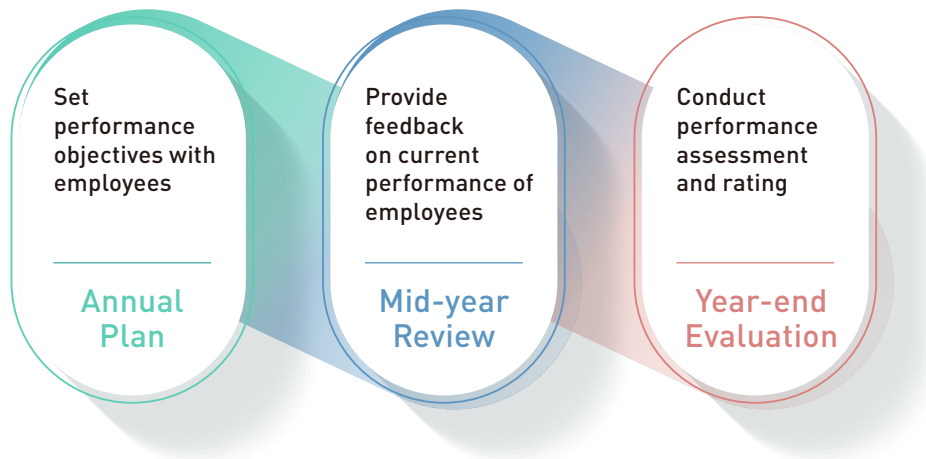


As part of our commitment to the digital transformation of human resources management, we have launched an HR Chatbot, "Bonnie", to enhance service quality and efficiency. "Bonnie" provides a 24/7 self-service inquiry channel for employees, allowing them to ask questions anytime, anywhere, and receive round-the-clock assistance. During the year, "Bonnie" received over 27,000 queries from around 10,000 employees.

In 2023, BOCHK's HR Chatbot was honoured with: "Best in HR Digitalisation Award – Grand Award" at the CTgoodjobs Best HR Awards 2023

Assessing job performance and encouraging employee development⁴¹

We have established a rigorous and fair employee performance appraisal mechanism. Performance targets and plans are set at the beginning of each year, and performance coaching and communication are carried out continuously during the year. Employees are evaluated annually based on their performance and overall contributions, including their performance in fulfilling our corporate values. At the end of the year, an appraisal and feedback process is carried out, which summarises the results of employee performance and behaviours observed. Strengths and major deficiencies in job performance and behaviour are objectively analysed, and discussions are conducted to explore ways to enhance performance and competence, with the aim of continuous improvement. We have also put in place a mechanism to clarify the appraisal and grievance process, including follow-up arrangements. Appraisal results are closely linked to bonus incentives, salary adjustments and promotions, and serve as important references for career development and training arrangements. To strengthen the medium and long-term performance orientation of managerial staff with a focus on long-term sustainable and healthy development, the management personnel of the Group are subject to a long-term appraisal cycle as well as annual appraisal. For frontline bankers engaged in sales, business performance and overall contributions are evaluated in a holistic manner, so as to establish a mechanism that will motivate individuals to provide comprehensive services while fostering a healthy banking culture. In addition to the annual appraisal mechanism, we encourage supervisors at all levels to conduct ongoing performance feedback to help employees understand and improve their own performance.



To facilitate the implementation of the Group’s sustainability and climate risk-related strategies, the Group has introduced climate and sustainability-related key performance indicators into the performance appraisal of the senior management, including quantitative targets for green and sustainable financial services, operational carbon neutrality targets, and qualitative indicators for key initiatives in sustainability and climate risk management. These qualitative and quantitative indicators are supervised by the Board and are regularly reviewed to ensure their relevance and effectiveness.

Employee appreciation programmes to recognise outstanding performance

To express our gratitude for our employees’ hard work and dedication, the Group organises Annual Employee Honours and Awards and on-site award presentation ceremonies. We publicise the winners’ stories through various means for all employees to discover and learn from, such as EIM mobile apps, short videos and internal staff publications. These employee appreciation activities not only motivate our staff, but also demonstrate the importance and care that we attach to our employees and our commitment to building a positive working environment.



⁴¹ 404-3

6.1.6 Fostering employee well-being⁴²

Attracting and retaining high-quality talent is key to the success of sustainable business development. We provide our employees with all-round care and support to enhance their quality of life through competitive remuneration packages and labour protection, continuous enhancement of diverse employee welfare measures, and a well-established retirement protection system. We have continued to optimise our employee benefits. Starting from January 2024, maternity leave has been increased from 16 to 20 weeks and paternity leave from 10 to 50 days, while a care leave of 4 hours per month has been introduced to promote better work-life balance. In addition, we have established staff canteen and breastfeeding rooms in our major office buildings, and implemented a number of employee care initiatives such as distributing red packets during the Lunar New Year and giving gifts for birthdays, weddings, and retirement. We have also established a retiree association to promote communication and connection among our retired employees.



⁴² 201-3, B1 General Disclosure

Diverse employee benefits for a happy workplace⁴³



⁴³ 401-2, 403-6

⁴⁴ Starting from January 2024

Employee health and work-life balance

We encourage all employees to cultivate a healthy work-life balance and promote well-being in the workplace. To care for our employees’ physical and mental health, we have organised more than ten sports and recreational teams, including table tennis, badminton, bowling, men’s soccer, women’s basketball, tennis, athletics, dragon boating, lion dance, choir, dance, and a musical band. We bring together employees with a passion for sports and recreation, providing them with opportunities to joyfully compete, relieve stress and improve their work-life balance while also fostering teamwork. Furthermore, we regularly organise various employee activities to enhance team cohesion and morale. In 2023, the Group organised large-scale employee and family carnivals, BOCHK Family Fun Day, parent-child activities and a bowling fun day, which were highly appreciated by employees.

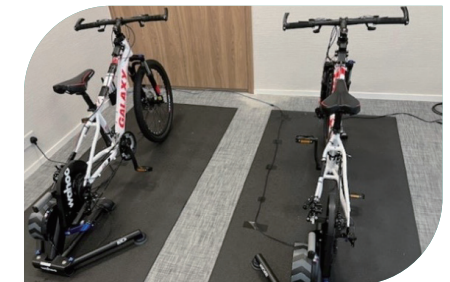


6.1.7 Employee health and safety⁴⁵

We value the health and safety of our staff and have formulated the Occupational Health and Safety Guidelines to ensure the health and safety of all Group employees. A dedicated team has been set up to coordinate and monitor the relevant health and safety systems, and a risk assessment process has been established to conduct regular safety inspections of each workplace to ensure safe working environments. If an accident occurs, we will investigate the incident, identify potential safety hazards at an early stage and take improvement measures to prevent recurrence. Our occupational health and safety management system at Bank of China Tower and Bank of China Centre have been certified to ISO 45001. We also organise relevant health and safety training courses on an ongoing basis, including basic fire prevention courses, anti-robbery and evacuation drills, occupational health and safety seminars and talks, and first-aid certification courses.

To ensure that employees receive the latest health and safety information in a timely manner, we distribute a monthly safety newsletter and organise regular “Security and Safety Awareness” training for security staff in branch offices and departments. We have also launched three sessions of our “Office Occupational Safety and Health Series” course to further strengthen employees’ awareness of occupational safety and health.⁴⁶

In addition to workplace health and safety, the Group also cares about the physical and mental well-being of employees. We regularly organise various employee activities, not only to enhance team cohesion and morale, but also to provide support and resources for employees. To take care of employees’ mental health, we offer the “Healthy Life Programme,” which provides free individual clinical counselling services for employees and their family members to address personal mental health, family, work, and interpersonal challenges.



To fulfil the Group’s commitment to employee welfare, we have introduced further measures to actively manage and provide support for the emotional, mental, stress and health challenges our employees face. Through our healthcare room and Health Management Centre, we help employees manage their health and alleviate stress. This contributes to their overall physical and mental well-being, and boosts their sense of belonging and satisfaction with the Group. In addition to staff clinics at BOC Tower and BOC Centre, we set up the Health Management Centre on the 30th floor of BOC Centre to explore the potential of preventative approaches to safeguarding employee welfare, which received positive feedback from staff. The centre has equipment for fitness, stress relief and health testing for all staff to use.

Since becoming operational at the end of 2022, the centre averages 200 visits per month, underscoring its role in guiding employees towards stress relief and health awareness. By facilitating better health management and physical well-being, we aim to reduce work-related stress and enhance employees’ sense of belonging and commitment to the Group.



Health Management Centre has served approximately **200 individuals** per month on average

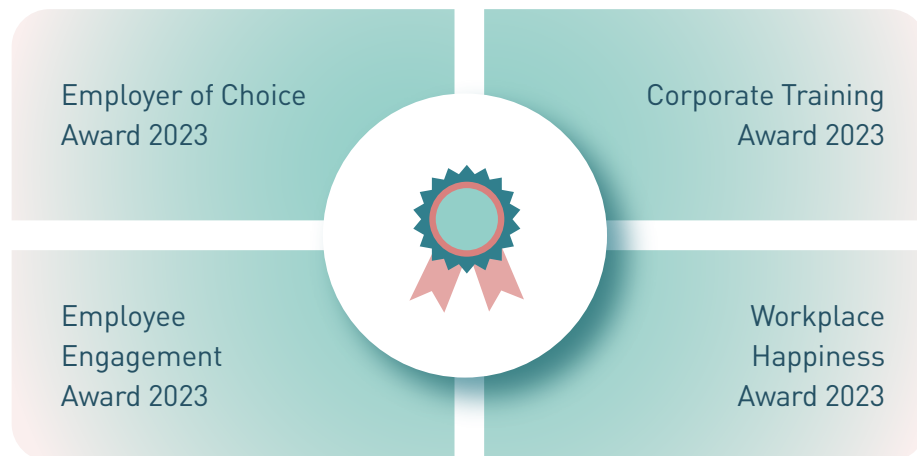
⁴⁵ 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, B2 General Disclosure, B2.3

⁴⁶ 3-3

CTgoodjobs – Best HR Awards 2023



JobMarket – Employer of Choice Award 2023



6.2 DIVERSITY, EQUALITY AND INCLUSION⁴⁷

As a people-oriented Bank, we emphasise the value of diversity, equality and inclusion (DEI) in creating a friendly workplace environment and ensuring that people with different attributes are respected at work. This improves the employee experience, fostering a stronger sense of belonging and giving employees peace of mind as they develop their careers. We prohibit child labour and the employment of forced labour in our business operations. All of our employees are of legal working age in their place of employment and participate in the workforce in a legal and safe manner.

Equal opportunities and anti-discrimination: encouraging a diverse and inclusive culture

A diverse workforce and inclusive culture are conducive to a healthy working environment. As an equal opportunity employer, we support the development of a diverse and inclusive workplace as well as strictly complying with relevant laws and regulations such as the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance and the Race Discrimination Ordinance. In 2019, we signed the Racial Diversity & Inclusion Charter for Employers launched by the Equal Opportunities Commission, and joined the Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme introduced by the Labour and Welfare Bureau in collaboration with relevant organisations. We have also pledged to adopt the HKSAR Government's Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation.

We have formulated the *Staff Guidelines on the Elimination of Discrimination* to clearly communicate our equal opportunity policy to our employees. We have fully embedded the principle of equal opportunity in our recruitment, remuneration and benefits, training, promotions, and transfers, so as to protect employment and career opportunities for all employees. We do not tolerate any form of discrimination, harassment or vilification on the grounds of gender, marital status, pregnancy, breastfeeding or expressing milk, disability, family status or race, etc. We will not impose unreasonable requirements or conditions that would result in unfair treatment to our employees, so that they are treated with respect and courtesy, and are free from bullying and humiliation at work.

⁴⁷ 3-3, B1 General Disclosure, B4 General Disclosure

⁴⁸ B4.1, B4.2

Adhering to the principles of fairness and openness in our recruitment policy to ensure that all applicants (including women, ethnic minorities, people with disabilities, etc.) are given equal opportunities.

Enforcing stringent procedures in the selection and hiring of employees to prevent the employment of child labour or forced labour.

Regularly reviewing policies and procedures in accordance with relevant laws or regulations of the countries in which we operate to ensure that our people work in a fair and barrier-free environment, and employ local staff (including senior management) to better serve local customers and communities.

Formulating and promoting our *Supply Chain Code of Conduct*, which requires suppliers to comply with labour standards consistent with those of the Group.⁴⁸

In addition to providing relevant training to all employees, we have in place guidelines for staff complaints and a well-established complaint handling process. Staff at all levels who have genuine and reasonable grounds for suspecting that they have been subjected to discrimination or harassment on the grounds of gender, marital status, pregnancy, breastfeeding or expressing milk, disability, family status or race, etc., may lodge a complaint. In such cases, we will make every effort to seek a mutually satisfactory solution through negotiation and conciliation in order to maintain a harmonious working environment.

- We are a participating institution of the Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme



- We are a signatory of the Equal Opportunities Commission's Racial Diversity & Inclusion Charter for Employers



- We have pledged to adopt the HKSAR Government's Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation

Building a culturally diverse workforce

Always taking a people-centric approach, we are committed to building a diverse workforce and fostering a harmonious and inclusive corporate culture that promotes unity and collaboration. In 2023, we launched a series of short films entitled "Talent Convergence, Cultural Inclusion", featuring employees from different countries and regions with diverse cultural backgrounds and career experiences, sharing their experiences of working at BOCHK.

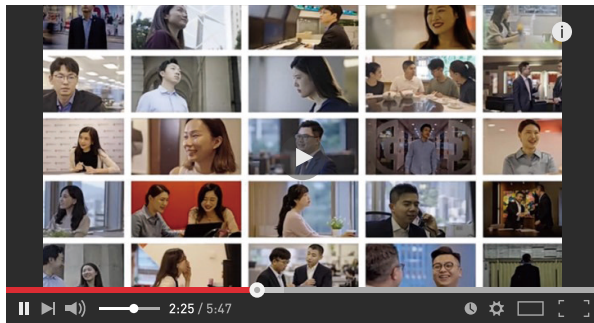
Employee feedback:

"BOCHK is very diversified, and having the opportunity to work together in teams with cross-cultural backgrounds has enabled me to gain a better understanding of my area of specialisation, enhance my business skills and broaden my horizons."

"The opportunity to get to know colleagues from different cultural backgrounds allows me to complement their strengths in my work."

"The inclusive culture at BOCHK has enabled me to build strong relationships with colleagues from various backgrounds, fostering a supportive environment of mutual respect."

"BOCHK gives me a strong sense of belonging, making it feel like a second home."



Diverse team composition⁴⁹

	2023	2022	2021
Number of employees	14,916	14,832	14,553
Percentage of female employees (%)	57	57	57
Percentage of female employees in management positions (%)	39	39	39

Compensation ratio by gender

As an equal opportunity employer, the Group adheres to the principles of meritocracy and gender equality, and does not set different compensation levels according to gender. The gender pay gap table represents the pay difference (average and median) between male and female employees of the Group, and is to some extent correlated with employee structure.

Gender Pay Gap	
Average	24.1%
Median	26.8%

Note: According to the basic salary data of employees as of the end of 2023.

Proportion of employees hired from the local community

The Group is actively developing its business in Southeast Asia, with offices in Thailand, Malaysia, Vietnam, the Philippines, Indonesia, Cambodia, Laos, Brunei, and Myanmar. We intentionally employ local staff to better serve customers and the public in these countries. Currently, over 90% of employees in our Southeast Asian offices are local staff.

⁴⁹ 2-7, 405-1, B1.1

6.3 CARING FOR AND INVESTING IN THE COMMUNITY⁵⁰

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 and philanthropic activities, with cumulative donations of around HK\$1.6 billion.

In recent years, we have focused on the needs of the local community and devised philanthropic policies and strategies with an emphasis on poverty alleviation and youth development. At the same time, guided by the UN Sustainable Development Goals (SDGs), we are determined to incorporate the SDGs into our projects. In 2023, we cooperated with a wide range of charitable organisations, community partners and universities to carry out more than 80 charity projects, covering poverty alleviation, youth development, environmental protection and carbon reduction, culture, sports and arts, and innovative technology, etc., serving more than 6.6 million beneficiaries.

As well as donating funds, we also encourage our employees to give back to society by supporting community activities. The Group has established a comprehensive volunteer management system and structure. In addition to departmental volunteer teams, we also have five specialised professional volunteer teams for Caring, Community, Education, Youth, and Environmental Protection. With the heads of various departments acting as chief conveners, we advocate an “Everyone Can Volunteer” spirit, uniting all of our people to take part in volunteering. During the year, the Group’s volunteer team reached 8,400 in size and organised and participated in 145 diverse community activities, notching up a total of over 23,000 volunteer service hours. We were awarded the “Outstanding Corporate” and “Top Ten Highest Volunteer Hours” at the Hong Kong Volunteer Award 2023, co-organised by the Home and Youth Affairs Bureau of the HKSAR Government and the Agency for Volunteer Service.

1. Poverty alleviation

As a socially responsible organisation, BOCHK is committed to alleviating poverty and caring for the underprivileged, and supports a wide range of charity projects to help those in need.

Supporting grassroots communities

BOCHK has always been concerned about the poverty issue in Hong Kong. We are committed to helping those in need by cooperating with our community partners and actively reaching out to grassroots communities to alleviate their hardships.

Case Study

The Community Chest 55th Anniversary Walk for Millions (Hong Kong-Zhuhai-Macao Bridge - Hong Kong Link Road)

Fully supported by BOCHK and the Community Chest, “The Community Chest 55th Anniversary Walk for Millions (Hong Kong-Zhuhai-Macao Bridge-Hong Kong Link Road)” was successfully held at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Link Road. As landmark infrastructure connecting Guangdong, Hong Kong and Macao, the Hong Kong-Zhuhai-Macao Bridge represents a mega project for the development of the Greater Bay Area. The Walk for Millions is the first major fundraising activity to be held on the bridge and attracted over 170 walking teams from industrial and commercial organisations, as well as individual walkers, making a total of about 11,000 participants in the event. More than 1,120 employees and family members of BOCHK supported this activity, while 60 BOCHK volunteers assisted in the event arrangements. Together with donations from BOCHK, the event raised a total of nearly HK\$15 million, which was used to support 24 member organisations of the Community Chest to provide family and child welfare services, with all administrative expenses waived.



Ms Wong, a participant

“This is a rare opportunity to walk on the Hong Kong-Zhuhai-Macao Bridge and enjoy the scenery along the way. As there is no exit point along the route on the bridge in this year’s event, it meant that we had to insist on walking until the end, which was good training for the children.”

⁵⁰ 413-1, B8 General Disclosure, B8.1, B8.2

Case study

Food Angel @BOCHK

BOCHK has been working with Food Angel since 2016 to establish a centralised food processing centre, “Food Station”, to assist in the recycling and effective use of edible surplus food for hot meals and food packs. From 2019 onwards, BOCHK has also funded the “Meals on Wheels” initiative, providing food support to people in need, especially those who are living in remote areas or have mobility difficulties, so as to alleviate their burdens of living. Riding on food delivery vehicles, BOCHK volunteers further showed their care to the elderly in remote areas by providing them with health check-ups, helping more than 19 million beneficiaries since the inception of the programme. The programme also offers on-the-job training to provide employment opportunities for the underprivileged, so that they can join the workforce and help increase social capital.



Miss Yu, Caritas Yuen Long Rural Community Development Project

“More than 40 families in Kam Sheung Road, Yuen Long, are recipients of a frozen meal distribution service from the BOCHK Food Angel Meals on Wheels programme on a regular basis. Some of the low-income and ethnic minority families would like to contribute to the community while receiving their meals. Therefore, they take turns in volunteer work twice a week, assisting in meal distribution, and organising festive activities to connect with other families receiving the service.”

Elderly Care

Hong Kong faces the challenges of an ageing society, and we are deeply concerned about the welfare of the elderly. Through various services including gerontechnology, aging at home and carer support, we help improve the quality of life of the elderly and their families.

Case study

“Happy & Healthy Ageing – Support Services for the Elderly” programme

We support the “Happy & Healthy Ageing – Support Services for the Elderly” programme launched by the Hong Kong Women Development Association. The programme aims to enhance the quality of life of the elderly and enrich their twilight years through the provision of elderly support services, in three areas including recreational and social activities, health education and gerontechnology. With the support of the Labour and Welfare Bureau, “Happy & Healthy Ageing” Teahouse provided elderly people living in nursing homes with traditional teahouse delicacies and decorations, recreating the feeling of being in a teahouse environment and helping them to engage more easily in social life.



Ms Wong, Head of Hostel, The Kowloon Women’s Welfare Club Wong Cheung Kin Memorial Hostel for the Elderly

“The elderly in this hostel were extremely happy to recapture the joy of going to a teahouse and enjoying wonderful delicacies. Through this activity, they were introduced to soft food which was made in the shape of dim sum and their resistance to soft food was reduced. We are also thinking of introducing soft diets to those elderly people with swallowing difficulties so that they can regain the joy of eating.”

Case Study

“Be My TimeMate” Community Project

To support the establishment of a caring and friendly community, BOCHK supported Hong Kong Sheng Kung Hui Lady MacLehose Centre in launching the “Be My TimeMate” Community Project. This project uses the “time bank” concept as a platform for a mutual support network in the community, facilitating the exchange of time, skills and resources among people to alleviate the stress of family caregivers.



Ping, project beneficiary

“The programme has helped me a lot as I met my neighbours who live in the same building. We help each other buy food and pick up the kids from school.”

Medical assistance

We care about the physical and mental health of grassroots communities. To help sick and injured people, we subsidised the medical services provided by social welfare institutions and universities. We also pay attention to the need for disease prevention, rehabilitation and nursing care, etc., thus alleviating pressure on the public medical system.

Case Study

“SUPPORT+” mobile app

To help advanced cancer patients and their carers, BOCHK has sponsored the University of Hong Kong to launch the “SUPPORT+” mobile app. Since its inception, a total of 9,000 patients have benefitted from the app. It provides cancer patients and their caregivers with information on cancer, palliative care and hospice services, so that they can equip themselves with the necessary knowledge and skills for better home care, supporting them to lead positive.



Diversity and inclusion

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

Case Study

Para Sports Ambassador Programme

BOCHK sponsored Para Athletes and Friends to launch the “Para Sports Ambassador Programme” to support the personal development and life skills training of active, retiring, and retired para-athletes. The programme uncovers alternative pathways for later life, enhances their soft skills, creates added value and provides future education and career opportunities to para-athletes. It also encourages active and retired para-athletes to contribute to society by organising ambassador sharing sessions, disability sports experiential workshops, and mentorship programmes. These initiatives celebrate the stories and achievements of para-athletes, spreading positivity within the community and fostering resilience, especially among young people. The programme promotes para-sports, inclusivity, and reduces prejudice and discrimination against persons with disabilities, ultimately fostering social inclusion.

Case Study

“Across-aged Utilisation of Technology & Innovation for Social Missions” (A.U.T.I.S.M.) programme

BOCHK funded the “Across-aged Utilization of Technology & Innovation for Social Missions (A.U.T.I.S.M.)” launched by the Evangelize China Fellowship Holy Word School and The Chinese University of Hong Kong, which supports persons with autism spectrum disorders (ASD) from one to 50 years old. The programme combines social robots and course materials to teach persons with ASD to exercise self-management and improve their communication skills, providing relevant interventional treatment to persons with ASD to improve their quality of life at various life stages. After effective therapy and counselling, persons with ASD and their families can find employment, thus creating value for community development and promoting social harmony and inclusion. The programme received the award of “Leading Social Initiative” at the ESG Leading Enterprise Awards 2023 organised by *Bloomberg Businessweek – Chinese Edition*.



Mother of Tze Kin, a student with ASD

“Caring of a child with ASD is not easy. This programme helps the child to make progress step by step. Those parent seminars, parent-child therapy and workshops support the needs of families and give parents more strength to walk the road ahead.”



Case Study

Elderly Community Service in the New Territories

BOCHK funded Hong Kong Women Development Association to launch the “Elderly Community Service in the New Territories” programme. Based on the concept of a “mobile elderly community centre”, it provides convenient and flexible one-stop health promotion and community care support services to people aged 50 or above, in particular those who reside in the remote rural areas of the New Territories. At the same time, it offers professional training on caregiving skills for women from local grassroots communities, training them to become “carers for the elderly” who can provide services such as, home caring, household cleaning, meal delivery, purchasing groceries and daily necessities, and accompanying elderly people in the same districts to attend medical consultations, thus relieving pressure on elderly care services. More than 80 female volunteers have been trained under the programme, helping over 100,000 beneficiaries.



Elderly resident living in the rural New Territories

“I am very happy that the programme has brought the activities to the village council. I seldom go to elderly centres to participate in activities due to inconvenient transportation. Now not only can I have physical checks at the village council, but I can also take part in interest classes, which is very convenient. Thanks to BOCHK and the Hong Kong Women Development Association for the thoughtful arrangements for the elderly in rural areas.”

Mental health

In recent years, Hong Kong society has become increasingly concerned about the mental health of the elderly, young people and the general public. To this end, we have launched a number of emotional support projects for different age groups and walks of life, raising the people’s awareness of mental health and the importance of taking day-to-day care of their physical and mental well-being.

Case Study

Re:Fresh E-mental Health CarePlatform

BOCHK sponsored Baptist Oi Kwan Social Service to launch the “Re:Fresh E-mental Health Care Platform”. It provides convenient, flexible and self-guided one-stop online professional support for mental health, including free online services such as self-help courses, interactive workshops, physical and mental health information, one-on-one professional psychological consultation, emotional assessment, etc., helping more than 30,000 beneficiaries.



Winnie, Re:Fresh platform user

“I would like to thank the counsellors of Re:Fresh for helping me get out of my dead-end during our online interviews. So that I can put myself in their shoes and enjoy a quiet and comfortable time to feel myself and calm my emotions.”

Case study

Tung Wah Group of Hospitals x BOCHK “Mental Health Support” Programme

BOCHK supports Tung Wah Group of Hospitals to provide mental health educational activities to the public through online and offline activities. The programme targets specific groups including carers, ethnic minorities and social workers, offering them training for early identification of people with mental health needs. It also provides mental health assessment and referral services for those in need.



Yau, a participant

“This is my first time to attend this kind of workshop, I am busy in my daily life and I don’t have time to take care of myself and have a good rest. Through this workshop, I have a chance to relax and understand my emotional state, which made me realise how important it is to take care of my body and my mind. I hope that the organiser can organise similar activities more often in the future.”

2. Youth development

BOCHK has always been concerned about the development of children and young people, including actively supporting the education concerning moral values. We seek to provide platforms for young people to realise their potential, in the hope of nurturing future leaders who love the country and Hong Kong, so that young people can embrace our country and seize the opportunities arising from the development of the Greater Bay Area.

Patriotic education

We greatly value moral and patriotic education, and continue to promote young people’s understanding of our profound Chinese culture and long-standing Chinese history. We help young people develop correct concepts of the country, values, and civic responsibility, and consciously safeguard national unity and solidarity.

Case study

“Hong Kong Youth Art & Culture Development Scheme” GBA Exchange Programme

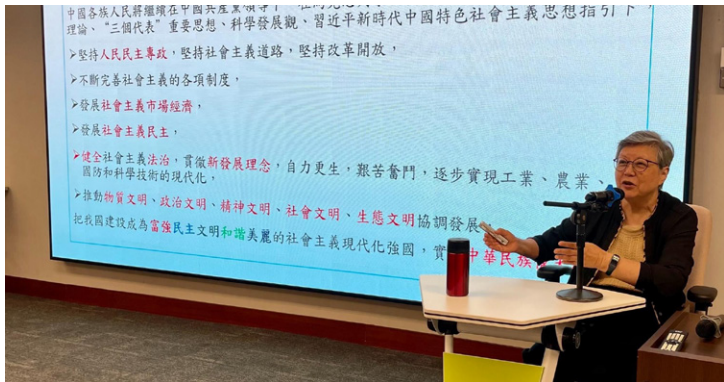
To enable local students to experience national development and deepen their understanding of the country, BOCHK funded the Hong Kong Cultural Association to organise a GBA exchange programme. Exchange activities were held for nearly 400 teachers and students from Hong Kong in cities in the Greater Bay Area. The programme arranged visits to national educational science centres, renowned enterprises, historical and cultural monuments, and schools in the GBA to learn about the motherland’s development achievements in different fields, such as aerospace science and technology, biotechnology and industrial technology. This programme aims to enhance young people’s sense of national identity and cultural confidence, as well as inspire them to contribute to the prosperity and development of the motherland in the future.



Case study

“Know Your Nation’s Development” programme

Since 2016, BOCHK has been sponsoring the Endeavour Education Centre to organise a series of educational programmes on Chinese culture and current development trends. The “Know Your Nation’s Development” programme invites experts who are familiar with China’s national development to share with teachers and students the current situation in China across various aspects, such as politics and law, life and culture, innovation and technology, youth employment and environmental conservation. It helps participants grasp the current development of the country and better understand Hong Kong’s strengths in order to prepare them for the future. So far, over 500 lectures have been organised, with more than 130,000 teachers and students participating in the programme.



Broadening horizons

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

Case study

Strive and Rise Programme

We fully support the Strive and Rise Programme launched by the HKSAR Government. We actively encourage our staff to participate in the project as mentors and provide support for group activities to help disadvantaged young people broaden their horizons and promote social harmony. Over 200 mentors from BOCHK signed up for the first round of the programme to lead their mentees in personal development planning and setting life goals through a variety of basic training and group activities, helping them to take the first steps in their life planning. We also organised 18 group activities, attracting over 720 mentors and mentees to join. We received the “Strategic Partner Award” from the programme.



Katherine Tsui, a mentor from BOCHK

“I remember that the day before the orientation day, I was informed by the organiser that my mentee is a girl with a physical disability. When I was asked if I had any concerns, I immediately replied that I had none. I believed what she needed more encouragement and love, which was a great sense of mission and meaning to me. She is actually a smart and energetic girl. We had tea and chatted together, watched performances and visited the Hong Kong Palace Museum. Every time we went out, we had to overcome a lot of difficulties. We were lucky to meet a lot of nice people who came to our aid, which made us feel that there is love in this world, as well as her courage and kindness. Although the graduation ceremony has already been held, it is the beginning of another stage for us. I will continue to be by her side and create a better future together!”

Case study

Junior Police Call (JPC) x BOC Smart City Pioneer Project

To promote the younger generation’s understanding of innovation and technology as well as smart cities, BOCHK supported the Junior Police Call (JPC) of the Hong Kong Police Force in launching the “Smart City Pioneer Project”. The “JPC x BOC STEM-Up Innovation and Technology Competition” was held to explore young people’s potential in science and innovation and unleash their creative thinking to drive the future development of Hong Kong. In addition, we also organised exchange and internship programmes in the Chinese mainland to enable young people to experience the unlimited opportunities brought about by the country’s technological and economic development, so as to cultivate them to become future leaders of society.



Pan and Tang, students from St. Paul’s Co-Educational College

“The “JPC x BOC STEM-Up Innovation and Technology Competition” has taught us how STEM can improve our lives and how to use APP Inventor to write programmes. Winning the award has built up our self-confidence and made us feel proud of our efforts. It also inspires us to continue to pursue excellence and creativity.”



Supporting sportsmanship

BOCHK recognises the significant role that sportsmanship plays in shaping young people’s perseverance and determination, as well as in fostering social harmony. Since 2002, we have been sponsoring local inter-school sports competitions and have supported the Hong Kong Football Association and the Hong Kong Fencing Association in organising a number of training programmes for children and young people to promote their physical and mental health and build a positive outlook on life.

Case study

BOCHK Community Football Partnership Programme

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



Mr Ko, Director of Sham Shui Po Football Team

“The most important thing is to let the students get to know the Sham Shui Po Football Team through this event, so that the team can have more contact with schools and the community, and let the students understand the life of a professional football player. This activity has strengthened the relationship between the football team and local schools, and we look forward to more collaboration.”



A student from SKH Wing Chun Primary School

“I’m really happy to have the chance to play with a team of professional football players, and it also aroused my passion for football. I hope I can watch a professional football match and continue to participate in this sport.”



3. Arts and culture

We support a diverse range of arts and cultural activities. By subsidising various organisations to organise concerts, exhibitions and arts appreciation activities, we hope to enrich the cultural life of the general public and promote the development of arts and culture in Hong Kong.

Case study

The Hong Kong Palace Museum

Since becoming a strategic partner of the Hong Kong Palace Museum in 2022, BOCHK has been actively involved in supporting a wide range of arts and cultural activities that benefit local communities, including the exclusive sponsorship of the “Gazing at Sanxingdui: New Archaeological Discoveries in Sichuan” special exhibition, and funding the launch of the brand new “HKPM Showtime Carnival”, which provides local artists with a platform for performances as well as indirect employment opportunities. Since 2022, we have sponsored more than 50,000 tickets for the underprivileged, and organised a number of volunteer activities to bring the elderly, students, ethnic minorities and people with disabilities to visit the museum, with a view to promoting Chinese arts and culture and supporting Hong Kong’s development as an East-meets-West centre for international cultural exchange.



Shek, a student from CCC Chuen Yuen College

“Thanks to the generous sponsorship and support of BOCHK, I was able to visit the Sanxingdui Exhibition on the 74th National Day of the People’s Republic of China. During this visit, I was amazed by the craftsmanship of our ancestors, which had reached such an incredibly high level. Every cultural relic is so inspiring. They made me feel even more interested in the history and culture of China. I would like to wish our motherland peace and prosperity!”

4. Sports development

BOCHK is committed to promoting the development of sports in Hong Kong by supporting various types of sporting activities. We aim to promote the important messages of physical and mental health, team spirit and positive attitudes, as well as generating positive energy in society.

Case study

Inaugural Bank of China (Hong Kong) Hong Kong-Zhuhai-Macao Bridge (HK Section) Half Marathon

BOCHK sponsored the inaugural Bank of China (Hong Kong) Hong Kong-Zhuhai-Macao Bridge (HK Section) Half Marathon organised by the Hong Kong, China Association of Athletics Affiliates. It was the first half-marathon to be held on the Hong Kong-Zhuhai-Macao Bridge, the longest bridge-tunnel-crossing link in the world, with elite runners from all over the world invited to come to Hong Kong. By sponsoring this iconic “M” Mark mega sports event, we aimed to promote interaction and integration within the Greater Bay Area, contribute to the development of sports in Hong Kong and enhance Hong Kong’s image as a vibrant world-class city.



Ms Lam, a Hong Kong runner

“Holding such a competition on the Hong Kong-Zhuhai-Macao Bridge is indeed a pioneering initiative and I was so excited to set foot on the bridge. It’s a really extraordinary experience to run on the bridge, as usually the only chance to get on the bridge is in a car, not on your own two feet. As a woman, I find running is a very suitable sport. It keeps me fit, happy and full of energy.”



Nearly 8,000 runners participated in the half marathon on the bridge, making history together in Hong Kong.

Case study

Bank of China Hong Kong Tennis Open 2024

“Bank of China Hong Kong Tennis Open 2024”, the ATP international men’s professional tennis tour event title sponsored by BOCHK and organised by the Hong Kong, China Tennis Association was successfully held from 31 December 2023 to 7 January 2024. As an ATP 250 level tournament, this event marked the long-awaited return of the ATP Tour to the city for the first time since 2002. By sponsoring this event, BOCHK aims to promote the sustainable development of mega sports events in the city and provide tennis enthusiasts with the opportunity to relish top-tier professional competition which has been recognised “M” Mark event by the HKSAR Government. Through sports, we strive to bring people together, foster social cohesion and inclusive development in our community.



Mr Ho, an audience member

“As a tennis fan, I felt truly excited to watch ATP international men’s professional tennis tour in Hong Kong and support my favourite local player who was participating in the tournament! As my son has just started playing tennis, it was fun to spend the holiday with him watching the matches and feeling the exciting vibe. We had a great time in the Tournament Village, especially when we were lucky to encounter a tennis star and take a photo together, which made our day!”

5. Environmental protection and carbon reduction

Promoting sustainable development requires the cooperation of all sectors of the community. We support and sponsor a wide range of environmental projects with different partners to put the concept of environmental protection into action. Climate change has led to an increase in climate anomalies around the world, and has become one of the world’s most pressing sustainability concerns in recent years. Through public education, we are committed to addressing the challenges by taking practical steps and promoting climate awareness and action.

Case study

Moving Towards Carbon Neutrality: Youth of the Greater Bay Area

We supported Lang Qing Charity’s “Moving Towards Carbon Neutrality: Youth of the Greater Bay Area” to promote low-carbon habits and strengthen connections among the youth of the Greater Bay Area. This initiative helped extend carbon neutrality education to the GBA. In 2023, the programme held a carbon neutrality forum and arranged secondary school students in Hong Kong to visit carbon-neutral facilities in Zhuhai, with some students participating in a carbon neutrality course in Tsinghua University in Beijing. In addition to strengthening youth exchanges in the GBA, it also enabled Hong Kong youth to understand the direction of national carbon neutrality policy, and to better integrate into the overall development of the country.



Mok, a Hong Kong student

“I participated in the “Carbon Neutral World in Children’s Minds” painting exhibition. In my painting, the ‘hot gas’ that is the carbon dioxide emitted from factories, which was causing global warming, can be converted into ‘cold gas’. In reality, we could help the earth ‘cool down’ by developing new energy technologies that reduce carbon dioxide and other greenhouse gas emissions.”

Case study

“2023 Hong Kong Secondary School Model UNESCO (MUNESCO) Conference”

To promote continuous efforts towards sustainable development goals, BOCHK exclusively sponsored the “Hong Kong Secondary School Model United Nations Educational, Scientific and Cultural Organisation (MUNESCO) Conference” organised by UNESCO Hong Kong Association. The conference aims to strengthen students’ understanding of the UN Sustainable Development Goals and the latest international development trends, providing them with a platform to propose innovative solutions and learn about the application of interdisciplinary skills, including negotiation, systems thinking, critical thinking, adaptability to contingency situations, integrated problem-solving, and strategic planning. Some of the students even represented Hong Kong while participating in the “International Model United Nations UNESCO Conference” held in Kazakhstan, in which they shared the story of Hong Kong in the global arena from a young person’s perspective and were selected as the “Best Delegation” by their international peers.



Lau, a student from Pooi To Middle School

“The clear explanations given by the camp’s instructors enhanced my understanding of world heritage and its true significance, as well as clearing up my misconceptions about traditional culture and heritage.”

Case study

Carbon Neutral Challenge

BOCHK supports the Carbon Neutral Challenge Programme organised by the Kadoorie Farm, which encourages the public to participate in a “seven-day low carbon living challenge”. More than 160,000 carbon-reducing action pledges, equivalent to 516,000 kg of CO2 emission reduction, were collected to promote low-carbon living practices. With carbon neutrality as the goal, the programme has benefitted over 200,000 students and members of the public through information sharing, training, and the exchange of creative proposals to promote public awareness of climate disaster risks and actions to prepare for and mitigate climate change.



6. Innovative Technology

Technology innovation strengthens the momentum of development and improves people’s quality of life. Over the years, BOCHK has actively embraced new technologies and ideas, and is committed to promoting digital transformation and technology-driven social development to better serve the general public as well as enterprises.

Case study

BOCHK Science and Technology Innovation Prize

The BOCHK Science and Technology Innovation Prize aims to promote the development of science and technology innovation in Hong Kong, with a focus on five major areas, namely artificial intelligence and robotics, life and health, new materials and new energy, advanced manufacturing, and fintech. Since its inception in 2022, the prize has gained wide support from universities, scientific researchers, and technology ventures. After rigorous assessment by local and overseas experts, the second BOCHK Science and Technology Innovation Prize in 2023 has selected six laureates to recognise their remarkable contributions in their fields of scientific research. The winner (or team) in each area was awarded HK\$2 million, with a grand total of HK\$10 million.

At a subsequent knowledge sharing session, the 2023 winners shared their experiences on scientific research ideas, innovative technology research and result transfer with more than 140 outstanding technology professionals.



Case study

Youth Aerospace TechEd Programme

To nurture a new generation of future talent in the field of aerospace technology, we sponsored the Hong Kong Federation of Education Workers and the Hong Kong Productivity Council to jointly organise Hong Kong’s first “Youth Aerospace TechEd Programme”. A series of training courses was organised for local students, including a visit to the Zhuhai Aerospace Land, a brand-new science research base for young people in Zhuhai, to experience the advancement of national aerospace science and technology, and to exchange and discuss with Mainland aerospace experts to learn about the latest aerospace technology and space science.



“

Chung, a student from Diocesan Girls’ School

“I was so excited to see the Long March launch vehicles at Zhuhai Aerospace Land, which I had only seen in a textbook before the visit. I find the programme fascinating.”

7. Charitable Donations in Southeast Asia

Love has no boundaries and BOCHK is a compassionate company. While being committed to our own development, we have always insisted on fulfilling our corporate social responsibility to local communities, actively contributing to the regions in which we operate, and fostering closer ties with ASEAN countries.

Case study

Chinese Braille for the Blind

With the Belt and Road initiative promoting connectivity between countries along the route, economic and cultural exchanges between China and Thailand are deepening. This has resulted in higher demand for Chinese Braille teaching materials for 17 schools for the visually impaired in Thailand. To help the visually impaired to practise reading and writing in Chinese more efficiently, BOC Thailand donated funds to support the Thailand Association of the Blind to collaborate with lecturers at the School of Sinology at Mae Fah Luang University to develop Chinese Braille teaching materials.



Zhang, a student from the School of Sinology at Mae Fah Luang University

“Before the publication of Chinese Braille textbooks in Thailand, Chinese characters were usually pronounced in English Braille, but the pronunciation was often not very accurate. Now, the textbook not only adopts the Pinyin Braille system to make pronunciation more accurate, but also adds Chinese tones and provides a Chinese-Thai Braille comparison, which makes learning to read and write Chinese much easier.”

Case study

Advancement in Reading and Learning (ARAL) Programme in the Philippines

Reading is the foundation of children's learning. Poor reading and comprehension abilities have a negative impact on a child's ability to master other subjects.

The Manila Branch donated funds to support the “Advancement in Reading and Learning (ARAL) Programme” organised by the Gawad Kalinga Community Development Foundation in the Philippines. This programme enables well-trained teachers and volunteers in 10 learning communities to provide 24 to 36 hours of reading comprehension classes to 20 to 30 public school students (aged from seven to 13) who have been assessed as having the greatest learning gaps, to improve their reading and learning skills.



8. Social engagement

We encourage our employees to devote their free time and expertise to serving the community and participating in public welfare activities. During the year, employees of the Group served a total of 280 times on government advisory and statutory bodies, public organisations, industry and trade associations, charitable and non-profit organisations. They participated in decision-making or provided advice focusing on the economy and serving people's livelihoods, and made recommendations for the development of Hong Kong and the well-being of its.



7 EFFICIENCY AND TRANSPARENCY AS THE FOUNDATION FOR ROBUST GOVERNANCE

7.1 Well-designed governance structure	97
7.2 Sound risk control	102
7.3 Business ethics	104

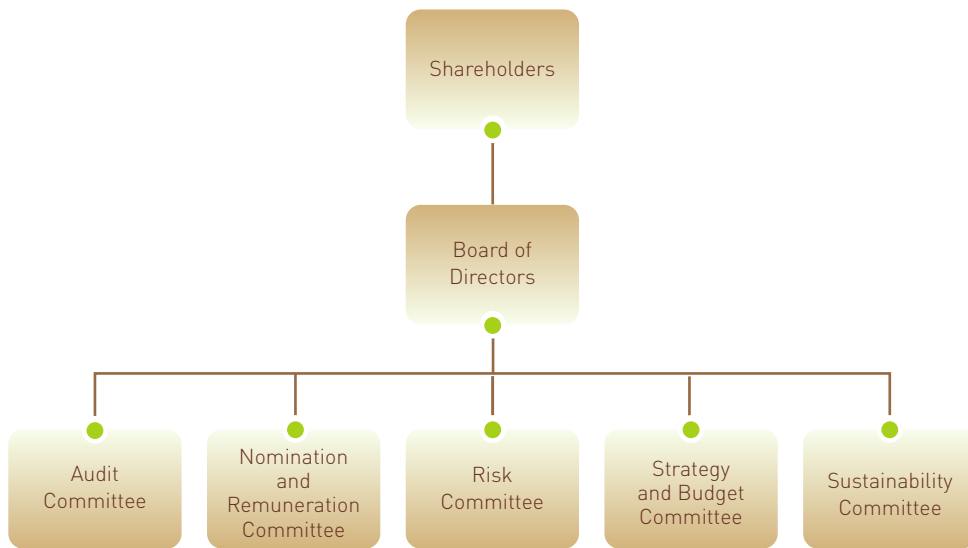


7.1 WELL-DESIGNED GOVERNANCE STRUCTURE⁵¹

BOCHK is committed to upholding high standards of corporate governance to protect the interests of its shareholders, customers and employees. As the linchpin of the corporate governance framework, the Board strives to maximise shareholder value in the long term while also place emphasis on corporate responsibility towards other stakeholders. Guided by this principle, the Board strives to make thoughtful and fair decisions that are in the Group's best interests.

Responsibilities are clearly divided between the Board and the Management, with the Board responsible for providing high-level guidance for and effective oversight of the Management. The Chairman and the Chief Executive roles are segregated, and the positions are 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 day-to-day operations and related affairs.

To maintain an effective governance structure, the Mandate of the Board is in place to stipulates the Board's duties and responsibilities as well as matters to be approved by the Board. In line with the 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 been assigned a well-defined mandate that delineates its roles and responsibilities. Board Committees comprised a majority of Independent Non-executive Directors. The Company's corporate governance structure is as follows:



⁵¹ 2-9, 2-11, 2-12, G4-FS1

⁵² 2-9

Board composition⁵²

The Board comprised 11 directors, and its composition is as follow:

Designation



Gender



Age group



Geographical location



Independence



The Board need to maintain independence to ensure fair and impartial decisions. Independent Non-executive Directors (“INEDs”) with different backgrounds bring extensive experience and a broader perspective to the Board. We ensure that both the number and percentage of INEDs exceed the requirements set by relevant rules and regulations, and we have formulated the *Policy on Independence of Directors* to set out independence considerations for directors.


Our *Policy on Independence of Directors* is included on BOCHK’s website: About Us >Corporate Governance> Documents relating to Corporate Governance Policy.

Professionalism⁵³



All directors are distinguished in their respective fields and possess the knowledge and professional experience needed to exercise objective judgement. To ensure that Board have the essential knowledge and professional expertise to perform their duties, Directors attend external and internal training sessions on an ongoing basis covering topics including risk management and internal control, corporate governance, anti-corruption, anti-money laundering (“AML”), fintech, GBA development and sustainability-related issues such as climate risk management, climate-related information disclosures, and green and sustainable finance. In 2023, each director attended approximately 20 hours of training on average.

Diversity⁵⁴



To ensure the diversity of the Board of the Group, we have adopted the *Board Diversity Policy*. The policy guides the Board’s composition by requiring the consideration of the Board’s diversity across various areas, including but not limited to gender, age, cultural and educational background, ethnicity, geographical location, professional experience, skills, knowledge, track record and any other factors deemed relevant and applicable by the Board from time to time, to ensure the diversity of the Board’s members and 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 aspects of board diversity.⁵⁵

We review and enhance the Board’s diversity periodically based on the latest developments to ensure that the Board’s composition is proportional in all aspects and consistent with the trend of corporate diversity. We also review our policy regularly to identify areas for improvement and make updates.

As of 31 December 2023, female directors accounted for 18% of the total members on the Board. The Board has complied with the gender diversity requirement under the Listing Rules; and when identifying candidates, the Board is committed to enhancing its diversity, taking into account the overall operation of the Board and the Group’s latest business requirements.

For details, please refer to the “Corporate Governance” section in the Group’s 2023 Annual Report and the “Corporate Governance” section under “About Us” on the BOCHK website.

⁵³ 2-17

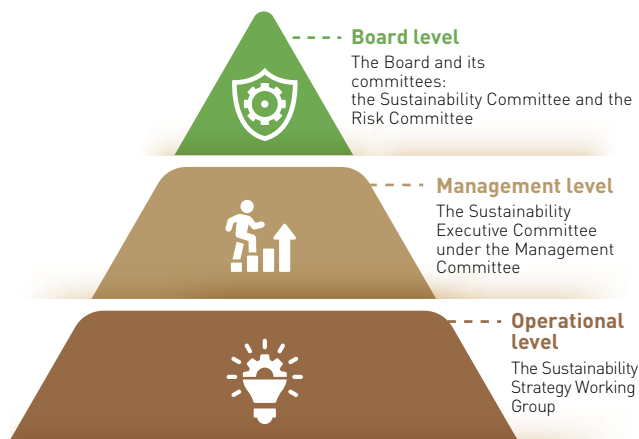
⁵⁴ 405-1

⁵⁵ 2-10

Sound sustainability governance⁵⁶

In 2019, we established a comprehensive and rigorous three-tier sustainability governance structure, including a Sustainability Committee at the Board level and a Sustainability Executive Committee at management level, with a view to advancing various sustainability measures. The Board has positioned sustainability at the centre of our corporate culture. Based on regular reporting from the Sustainability Committee, the Board reviews and approves the Group's sustainability strategies, goals, prioritisation of material ESG issues and relevant improvement initiatives. It also provides advice and suggestions to the Sustainable Committee, and leads and supervises the implementation of the Group's sustainable development strategies, objectives and policies. In addition, the Board oversees the management of the Group's sustainability-related risks through its Risk Committee. For details, please refer to "7.2 Sound Risk Control".

Three-tier governance structure



Sustainability Committee (the "Committee")⁵⁷

The Committee is a standing committee under the Board that was established in December 2019. As at 31 December 2023, the Committee comprised eight members: seven INEDs, the Executive Director/Chief Executive. To improve the Group's overall sustainability performance, the Committee is responsible for overseeing the Group's strategies and policies related to sustainability and corporate culture, and it closely monitors the latest market developments in order to make timely adjustments to the Group's strategies and policies. The Committee also oversees the implementation of the Group's sustainability strategies and policies, as well as progress towards achieving its targets.

Details of the roles and responsibilities of the Sustainability Committee are set out in the Mandate of the Sustainability Committee. For brief biographies of the committee members, please refer to the 2023 Annual Report.

As at 31 December 2023, the composition and main responsibilities of the Sustainability Committee were as follows:

Composition	Main responsibilities
Mdm CHENG Eva (Chairman) ^{1, 58} Mr SUN Yu ² Dr CHOI Koon Shum ¹	<ul style="list-style-type: none"> Review the Group's sustainability strategies, goals and priorities, as well as material sustainability-related policies
Mdm FUNG Yuen Mei Anita ¹ Mr LAW Yee Kwan Quinn ¹	<ul style="list-style-type: none"> Review ESG issues that are material to the Group, and related measures
Mr LEE Sunny Wai Kwong ¹ Mr LIP Sai Wo ¹	<ul style="list-style-type: none"> Oversee the Group's sustainability performance
Prof MA Si Hang Frederick ¹	<ul style="list-style-type: none"> Oversee the Group's corporate culture and review related policies
	<ul style="list-style-type: none"> Determine appropriate reporting principles and boundaries, and review the Sustainability Report

Note:

- Independent Non-executive Director
- Executive Director

Two Committee meetings were held in 2023. The Committee discussed several sustainability-related issues. Key topics included approval of the 2022 Sustainability Report and material issues, 2023 Sustainability Plan, review of the Five-Year Sustainability Plan, reviewing the report on carbon emission calculation in investment and financing activities, progress of bank culture building, innovative green financial products, the mechanism and rules for the management of greenwashing risk and carbon neutrality in our own operations. The Committee provided valuable advice and shared experience on various topics.

Sustainability Executive Committee (the "Executive Committee")

The Sustainability Executive Committee is chaired by the Company's Chief Executive, and its members comprise senior management and general managers of relevant departments. The Executive Committee is responsible for promoting and implementing matters related to:

- Sustainability (including but not limited to the Group strategic goals, sustainable finance businesses, operations, risk management and appraisal mechanism)
- Charity
- Corporate culture development
- Consumer rights protection

In 2023, the Executive Committee oversaw the implementation of various measures related to sustainability, corporate culture development and consumer protection. Two meetings were held and the key discussion topics include the 2022 Sustainability Report and material issues, the 2023 Sustainability Plan, the review of the Five-Year Sustainability Plan, the quantification of carbon emissions in investment and financing activities, the progress of bank culture building, innovative green financial products, the mechanism and rules for the management of greenwashing risk and carbon neutrality in our own operations.

Sustainability Strategy Working Group (the "Working Group")

The cross-departmental Working Group, comprising members from relevant departments, is mainly responsible for the organisation, coordination and implementation of the Group's sustainability initiatives to ensure that sustainability is embedded in our business and daily operations. In 2023, the Working Group continued to coordinate the strategic planning for the Group's sustainable development and business-related measures, while also tracking the latest market trends and regulatory requirements, and coordinating the implementation of sustainable development efforts across various business units.

⁵⁶ 2-13

⁵⁷ 2-12, 2-14

⁵⁸ 2-11




Contents	Key messages and report overview	Outstanding achievements in sustainability	Strategic review in an orderly manner	Green development in quality and quantity	Customer first	Caring and sharing for all through a people-oriented approach	Efficiency and transparency as the foundation for robust governance	Sustainability performance overview
○	○	○	○	○	○	○	○	○





Sustainability training⁵⁹

The Board of Directors and the Management of the Group possess diversified knowledge, experience and skills, which enables the Board of Directors and the Management to perform their governance responsibilities pertaining to sustainability and climate-related issues more effectively and put forward effectual and constructive advice. We regularly provide the Board of Directors with information related to sustainable development and provide the Management with internal and external resources and expertise available for the ESG management process, including the latest climate change and sustainability trends as well as information in the market, so that our sustainability strategies are more forward-looking. In 2023, we continued to provide the Committee members with the latest information in different ways.

Sustainability-related policies⁶⁰

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

 <p>Sustainability Policy</p>	A document that guides the Group's sustainability performance, covering various issues related to environment, society, governance and climate change.
 <p>Group Operating Principles</p>	The document confirms that the Group's commitment to sustainability and social responsibility are important initiatives for creating long-term core competitiveness and enhancing brand value; and sets out sustainability requirements in the Group's strategic planning, institutionalised management, internal and external evaluation mechanisms, training and business operations, etc.
 <p>Risk Management Policy Statement of BOCHK Group</p>	As the highest-level guidance for the Group's risk management, the <i>Risk Management Policy Statement</i> of BOCHK Group has incorporated sustainability as a key risk management principle. It specifies that the Group should consider the impact on environment and society in its business operations, and should conduct proper due diligence and prudent risk assessments on ethically, socially or ecologically sensitive industries. Meanwhile, consideration of the impact of climate risk should be gradually embedded into the management framework for various related risks, relevant policies and the risk appetite statement with continuous improvement in the management of related risks.

 <p>Credit Risk Management Policy of BOCHK Group</p>	The document incorporates sustainable development into the Group's credit risk framework and procedures. Specifically, it makes sustainable development a core principle of credit risk management, which emphasises environmental, climate and social risks as one of the key considerations in credit assessment. At the same time, the policy stipulates clearly that prohibitive transactions or specialised credit transactions/counterparties must either be strictly prohibited or subjected to stringent review and control. This includes prohibition on conducting credit transactions directly engaged in gambling, pornography, and the manufacturing, sales and purchase of lethal arms/weapons; ethical, social or ecological sensitive loans should be categorised as "specialised credit transactions" that would be subjected to stricter credit approval requirements (approved at a minimum by the senior management level of relevant member institutions) to ensure compliance with the Group's credit risk appetite and business development strategy.
 <p>Occupational Safety and Health Management Policy</p>	The document outlines the Group's occupational safety and health management system, including management structure, relevant trainings, supervision, and crisis analysis, as well as control measures, preventive measures, etc.
 <p>Sustainable Procurement Policy</p>	The document incorporates sustainability into the Group's supply chain management. It requires that relevant departments take environmental and social factors into consideration when procuring products and services, and encourages all suppliers to manage the social and environmental impacts of their operations.
 <p>Supply Chain Code of Conduct</p>	The document sets out requirements for suppliers in terms of social impact, the environment, ethics, corporate governance, labour conditions, etc., and establishes an assessment mechanism.

⁵⁹ G4-FS4

⁶⁰ 2-22, MDR-13

ESG Sensitive Sector Strategy Statement



In order to foster the implementation of sustainability strategies and targets of the Group, the document establishes the Group’s mid-term strategies towards high-carbon industries and other industries that are sensitive to environmental and social risks during the provision of financial services, which includes industries such as coal-fired power generation, coal mining, oil and gas, mining, forestry and the palm oil sectors. When conducting credit and financial market related businesses with ESG sensitive sectors, the Group must strictly follow the relevant strategies and control measures set forth in this policy.

Major ESG sensitive sectors	Detailed strategies and control requirements
<p>Coal-fired power generation and coal mining</p>	As coal combustion is one of the major sources of the world’s greenhouse gas emissions, coal-related sectors are the main focus of low-carbon transition. Therefore, the Group targets to exit businesses in scope of the policy which involves coal-fired power generation and coal mining where customers fail to meet the requirements stipulated in the General Principle by 2040 or before. Prior to fully exiting, the Group has adopted a series of control measures effective from Oct 2023.
<p>Oil and gas</p>	As oil and gas sectors still play a critical role in achieving energy transition, the Group will continue to provide financing for the oil and gas sectors. We will evaluate and adjust our credit strategies (if applicable) based on the assessment of the decarbonization/transition plan provided by the customer, and financing will be prioritised to green or decarbonization/transition purposes. Given that some of the unconventional oil and gas projects will produce more greenhouse gas emissions or have significant adverse impacts to the environment, the Group has ceased the provision of financing to some of the unconventional oil and gas projects effective from Oct 2023.

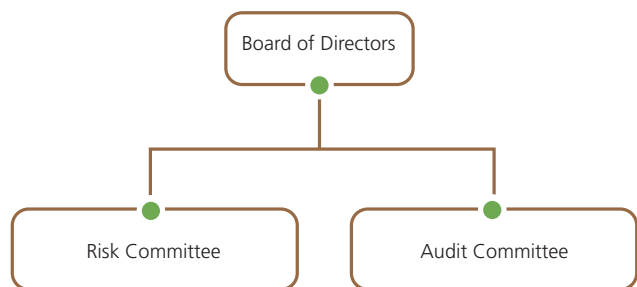
<p>Mining</p>	In order to avoid causing significant environmental pollution and threatening the health of surrounding communities and wildlife, we encourage customers in the mining industry (including coal, minerals, metals, etc.) to operate their businesses with accordance to good international practices.
<p>Forestry</p>	In order to avoid damaging the natural forest habitat or affecting indigenous communities and biological species that depend on the associated forests, we facilitate and ensure customers in the forestry industry to comply with good international practices.
<p>Palm oil industry</p>	In order to avoid customers operating through inappropriate practices (such as burning forests or deforestation) or developing palm oil plantations on peatlands that are high carbon sinks, we facilitate and ensure customers in the palm oil industry to comply with relevant sustainability principles.
<p>Anti-Bribery and Corruption Policy</p>	The document sets out management roles and responsibilities, principles, and requirements, as well as mechanisms for record keeping, risk assessment, training and reporting of bribery and corruption.

For more information on relevant policies, please refer to the “Sustainability” section of the Group’s website.

7.2 SOUND RISK CONTROL⁶¹

Rigorous risk management is critical to corporate success. As the highest decision-making body for risk management, the Board bears ultimate responsibility for the Group’s overall risk management. In our daily operations, we pay close attention to risk management, and stress the importance of balancing risk control with business development. In 2023, the Group strictly complied with its risk management policies and procedures and maintained stable and sound development.

Risk management system



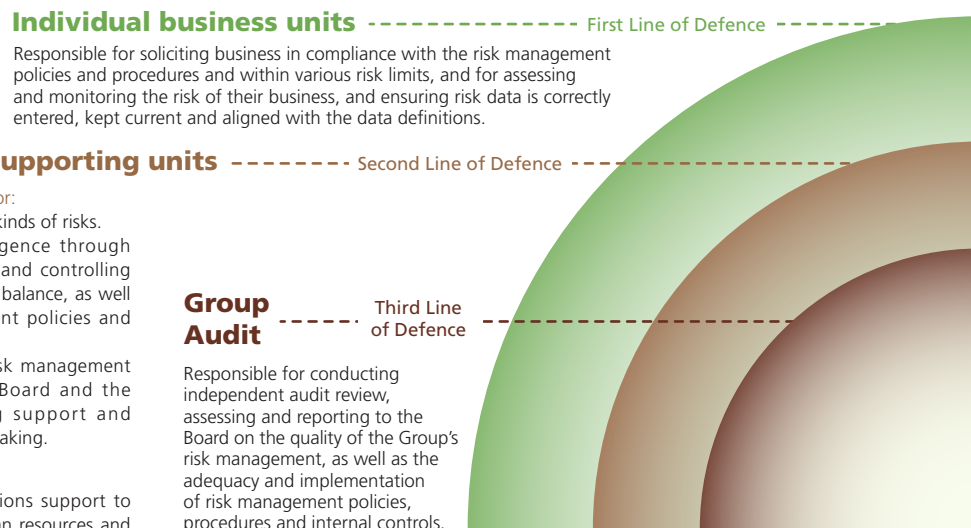
- Determines the risk appetite and risk management strategies
- Identifies, assesses and manages significant risks
- Reviews and assesses the adequacy and compliance of risk management processes, systems and internal controls
- Monitors the Group’s sustainability-related risk management, particularly resilience to climate risks
- Oversees risk management and internal control systems
- Reviews the effectiveness of risk management and internal control systems on an annual basis

Risk management policies and procedures

The Group performs risk inspection duties in accordance with its risk appetite, risk tolerance criteria and risk policies; develops comprehensive risk management policies and procedures; clearly defines risk management roles, responsibilities and reporting frequency requirements for those involved; and develops mechanisms to identify, assess, monitor and manage major risks. The Group has also established relevant internal control measures, as well as procedures to address deficiencies in internal controls. In line with our evolving market and business strategy, we regularly review and update risk management policies and procedures. Furthermore, in response to regulatory requirements and market developments in Southeast Asia, we provide professional guidance for our local entities in this region to enhance their risk management capabilities.

Three Lines of Defence⁶²

We adopt the “Three Lines of Defence” framework to effectively implement our internal risk control mechanism and assign duties to each line of defence. Under this framework, we define the risk management and control responsibilities of each business unit, risk management unit and supporting unit, as well as for the external group audit.



For details, please refer to the Group’s 2023 Annual Report.

⁶¹ 2-12, 2-13

⁶² 2-5, 3-3

Sustainability risk management⁶³

To promote high-quality sustainable development and manage related risks in a more active manner, we have been integrating climate change risk and other sustainability factors into our daily risk management process. When conducting credit businesses (including corporate financing and project financing, etc), we evaluate the climate, environmental and social impacts of our customers and their projects. For example, we seek to understand the emissions and energy consumption levels of customers' business operations. We also seek to understand the impact of the projects on the ecological environment and local community, protective measures that may be taken, as well as previous remedial actions related to labour and product safety incidents or negative media coverage, if any.

We have developed customer questionnaires to systematically assess major customers and those in the brown sector. For customers with higher risks, we will take appropriate risk control and mitigation measures. For example, we may only proceed with transactions providing the high-risk customer is committed to implementing mitigation measures or a transition plan within a reasonable timeframe. We will also continuously monitor and review the customer's progress of implementation.

The front-line business units will continuously monitor the operations of relevant customers and projects through daily monitoring processes, and incorporate the latest climate, environmental and social risk profiles of customers and the implementation progress of mitigation measures or transition plans of high-risk customers into the scope of credit review reporting, in order to review the customers' ability to respond to climate, environmental and social risks regularly. If customers fail to meet such requirements within a reasonable timeframe, we will consider adopting control measures such as credit tightening or exit strategies and more stringent lending terms, where appropriate.

At the same time, prohibitive transactions or specialised credit transactions/counterparties must either be strictly prohibited or subjected to more stringent review and control, including prohibition on conducting credit transactions directly engaged in gambling, pornography, manufacturing, sales and purchase of lethal arms/weapons; ethic, social or ecological sensitive loans should be categorised as "specialised credit transactions" that would be subjected to stricter credit approval requirements (approved at a minimum by the senior management level of relevant member institutions) to ensure compliance with the Group's credit risk appetite and business development strategy.

By pre-emptively identifying emerging risks, we are able to respond to our stakeholder expectations around sustainability and changes in the market arising from climate change in an agile and swift manner. In the fourth quarter of 2021, we ceased financing new coal mining and coal-fired power projects outside from Chinese mainland. In addition, since October 2023, the Group has been expanding its scope of restricted industries based on the existing control measures. We have also been formulating and reinforcing our mid-term strategies with respect to ESG-sensitive sectors and industries with high emissions; guiding and promoting the green transformation of customers in different industries; and encouraging customers to pay more attention to biodiversity and environmental protection. During 2023, the Group enhanced its sustainability-related risk management policies (including those related to climate risk) and industry guidelines to strengthen the management of ESG-sensitive sectors. After participating in the first round of the Pilot Banking Sector Climate Risk Stress Test programme launched by the HKMA and with assistance from an external consultancy, we have optimised our stress test methodology for climate risk and enhanced the applicability of our risk models and data for application in the second round of the HKMA's Climate Risk Stress Test in 2023-2024.

In order to actively promote the green finance development and strengthen greenwashing risk management, in 2023 the Bank has established *Administrative Measures for Greenwashing Risk Management*, which states the management principles at different levels and the roles and responsibilities of each unit, to specify and guide the daily management of greenwashing risk. The revised *Product Development and Risk Monitoring Management Policy* and the *Administrative Measures for Product Development and Risk Monitoring Management* have specified product management unit should consider the climate risk implication and manage the potential greenwashing risk.

Business continuity plans

We are committed to providing robust and uninterrupted banking services to our communities, and to this end, we have formulated a business continuity plan based on the nature of different business activities in accordance with the HKMA's Supervisory Policy Manual TM-G-2 Business Continuity Planning. We divide our business continuity operations into two phases — Initial Response and Transition — and develop different response measures for each phase to ensure that we respond to emergencies promptly when they occur, whether due to internal or external threats.

IT system

We have developed procedures for handling and managing system incidents at different levels, and drills are regularly held to activate and test the disaster recovery centre reporting mechanism and handling process. The Group has held and completed the annual disaster recovery drill within 2023.

Safety and security work

A security working group has been set up under each department to ensure that they conduct security self-examinations and formulate security response plans to safeguard personnel, equipment and facilities.

Training

Employees are required to participate in training at least once a year to refresh their understanding of the business continuity planning mechanism, handling procedures and case studies.

To ensure that the business continuity plan is appropriate and feasible, we periodically review the plan based on the Bank's latest operations and taking into account how the plan operates at an overall level.

⁶³ 201-2, G4-F52, G4-F53, A4.1

7.3 BUSINESS ETHICS⁶⁴

Integrity and compliance culture⁶⁵

The Group strives to bolster corporate governance, and it is committed to upholding high standards of business ethics, reinforcing the Group's compliance culture and safeguarding the collective interests of shareholders and other stakeholders. To this end, we value ethical behaviour and integrity among employees and the third parties with whom we have business relations with. All employees, including fulltime, part-time and contract employees, 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, and laws and regulations related to intellectual property rights. Employees are required to strictly comply with the Group's code of personal integrity and professional ethics during business operations and always act in the best interest of customers.

We have a Staff Code of Conduct for our employees, which clearly stipulates that all staff members must abide by the laws and regulations of the organisation and the rules and regulations of the Group. The *Staff Code of Conduct* sets out various compliance requirements, including avoidance of conflict of interest or roles; no solicitation of personal benefits through business relationships, no bribery and corruption, commissions, and embezzlement, as well as fraud and malpractice, and no improper transfers of benefits in any form to any person. To ensure that internal policies are in line with the latest regulatory developments, the *Staff Code of Conduct* is reviewed annually and is regularly audited to ensure compliance with the various codes of ethical conduct set out in the HKMA's Supervisory Policy Manual.

All employees of the Group are required to attend a mandatory compliance refresher course which is conducted annually. Topics covered in the training include quality data, anti-money laundering, personal data protection, information security, sanctions compliance, operational risk management, anti-bribery and corruption, anti-fraud and internal employee whistleblowing, legal compliance and reputational risk management.

To encourage good behaviour among our employees, we link the performance of our employees in fulfilling our corporate culture to their performance appraisals and compensation packages. For frontline bankers engaged in sales, we not only consider their business performance, but also assess their overall contribution, and establish a personalised and comprehensive service incentive mechanism to create a positive banking culture.

The details of our compensation and incentive mechanism can be found in the "*Corporate Governance*" section of our 2023 Annual Report.

Group Audit

Whistleblowing policy and mechanism

According to the *BOCHK Whistleblowing Policy*, the *BOCHK Whistleblowing Administrative Measures* and the *Staff Code of Conduct*, if employees and external parties who deal with the Group (such as customers and suppliers) encounter any actual or suspected violation of legal and regulatory requirements or misconduct in relation to the Bank's businesses or other matters, they may report such incidents through designated channels. Reportable matters include but are not limited to fraud, theft, forgery, bribery and corruption, money laundering, or cases involving employees committing personal misconduct or behaviour which is in violation of the *Staff Code of Conduct*.

To facilitate employees and external parties who deal with the Group to report in good faith and with honesty, as well as ensure that their legitimate rights are protected, we have established whistleblowing management protocol with clear roles and responsibilities and specified the reporting principles, mechanisms, channels, procedures and protective measures for whistleblowers. Whistleblowing reports made by employees and external parties, along with related information are kept in strict confidence. Any departments and individuals handling or having access to the information shall strictly follow the legal requirements to protect the privacy, rights and interests of the whistleblowers and the parties being reported against. Any unauthorised disclosure is prohibited and, if such disclosure occurs, the Group shall hold the relevant parties accountable.

When whistleblowing reports from employees or external parties who deal with the Group are received, we shall inform the Audit Committee under the Board, and promptly conduct fair and independent investigation according to prescribed procedures. Recommendation for improvement should be proposed afterwards where appropriate. The investigation report should also be submitted to senior management and the Audit Committee. In addition, we offer induction training on whistleblowing policies for new employees, as well as arrange annual bank-wide refresher training, to raise employees' awareness in the respect.

The Group has adopted the *Anti-Money Laundering and Counter-Terrorist Financing Rules for Reporting Suspicious Transactions* and *BOCHK Group's Anti-Bribery and Corruption Policy*, which set out relevant whistleblowing mechanisms for suspicious transactions, money laundering, and bribery and corruption. Where relevant, cases involving suspected violations of laws or regulations are referred to the relevant legal authorities.

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

⁶⁴ 3-3, B7 General Disclosure

⁶⁵ 2-19, 2-23, 2-24, 2-25, 2-26, 2-27, B7.2

Financial crime prevention

Anti-bribery and corruption⁶⁶

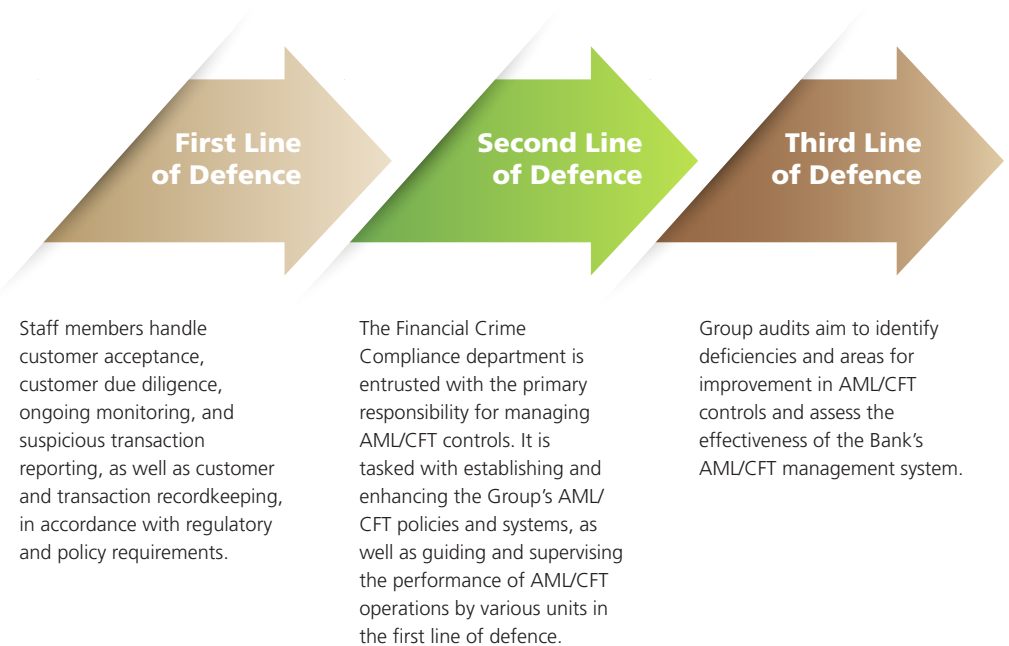
The Group takes a zero-tolerance approach against bribery and corruption and promotes a strong corporate culture that upholds integrity and high ethical standards. We are committed to maintaining an operating environment that is characterised by fairness, honesty and integrity; and we are dedicated to safeguarding the interests of the Bank and our customers. The Board, its committees and senior management are jointly responsible for overseeing the overall anti-bribery and corruption framework. The Board is responsible for setting the “tone from the top” on anti-bribery and corruption matters, and employees at all levels are required to uphold the principles of honesty, trustworthiness and integrity and help cultivate a corporate culture that values compliance. The Group assesses bank-wide the effectiveness of the anti-bribery and corruption management framework biennially. This assessment encompasses BOCHK, our major local subsidiaries and Southeast Asian entities, identifying any potential control loopholes, and proposing recommendations for improvement. The results will then be reported to the Board.

A designated team has been assigned to handle matters related to anti-bribery and corruption. Taking into account relevant laws, regulations and industry best practices, we have devised an anti-bribery and corruption management framework, as well as BOCHK Group’s *Anti-Bribery and Corruption Policy*, which applies to the Bank, local subsidiaries and the Southeast Asian entities. The policy sets out management roles and responsibilities and the management mechanism for record keeping, risk assessment, training and reporting; and the policy is subject to review on an annual basis. In view of specific areas that present higher risk of bribery and corruption (e.g., acceptance or provision of gifts and entertainment, hiring and workforce appointments/removal, procurement, credit approval, charitable donations, third party relationship etc.) and management requirements, the policy tasks certain departments with undertaking related work to enhance risk management around bribery and corruption.⁶⁷

We have established an anti-bribery and corruption training programme for all members of the Group and have actively participated in anti-bribery and corruption trainings conducted by law enforcement agencies and industry organisations for banking practitioners. All employees of the Group received our 2023 anti-bribery and corruption training, and relevant training records were maintained as required.

Anti-money laundering and countering the financing of terrorism (“AML/CFT”)⁶⁸

We firmly enforce AML/CFT and anti-fraud controls to combat illegal activities. To establish a comprehensive AML monitoring system, we have developed the *Anti-Money Laundering and Counter-Terrorist Financing Policy* with reference to relevant laws, regulations and guidance in Hong Kong and other jurisdictions, and in accordance with the requirements of the Group’s risk management strategy. Our AML/CFT procedures are based on the “Three Lines of Defence” risk management framework:



⁶⁶ 205-2, B7.2

⁶⁷ 205-1

⁶⁸ 205-2, B7.2, B7.3

Contents	Key messages and report overview	Outstanding achievements in sustainability	Strategic review in an orderly manner	Green development in quality and quantity	Customer first	Caring and sharing for all through a people-oriented approach	Efficiency and transparency as the foundation for robust governance	Sustainability performance overview
○	○	○	○	○	○	○	○	○

In accordance with HKMA requirements, we regularly conduct institutional AML/CFT risk assessments. In these assessments, we identify and assess relevant risks, analyse quantitative and qualitative information to determine overall risk levels, and set out specific risk mitigation measures for adoption. Moreover, we have put in place a comprehensive system for sanctions screening, a monitoring mechanism for suspicious transactions, as well as a customer risk rating system. At the same time, we are continuously enhancing our screening capabilities and transaction monitoring system; and we use regulatory technology to assist in suspicious transaction alert analysis and transaction screening, thus enhancing supervision and compliance efficiency.

We continuously provide compliance education and encourage stakeholders to learn about the Group's AML/CFT policies through various channels. Internally, all employees including directors, new recruits and frontline employees should attend AML, sanctions compliance and anti-fraud training etc., for ensuring that employees at all levels of the Bank have a clear understanding of how to prevent financial crimes. Externally, we use different channels such as websites and emails to provide instant fraud risk and AML alert to our customers.

We introduced a series of annual refresher training courses for our employees, and provide differentiated specialised training according to the job requirements of different positions held by employees. We also incorporate case studies on financial crime into our employee training programs and internal circulars to enhance the compliance awareness of our staff. We launched a bank-wide online *Staff Code of Conduct* refresher training course and introduced the "BOCHK 2023 AML Training Programme" for all staff members. Under this programme, we delivered over 70 financial crime-related training sessions to help employees better understand the legal requirements and latest developments in combating money laundering and terrorist financing, deepen their understanding of AML regulations, raise awareness of customer due diligence, ongoing monitoring and sanctions compliance, and strengthen the ability to detect unusual, suspicious or fraudulent activities, thus creating a highly professional talent pool. As at the end of 2023, the Group had recorded over **91,000** participations in the training sessions, with the Group's annual refresher training courses recording approximately **63,000** participations. Additionally, there were approximately **28,000** participations in the online or classroom trainings designed for different posts.⁶⁹

All Employees

- Attend AML training at least once a year
- Attend thematic seminars



New Frontline Employees in Branches

- Attend all-round training courses



Directors, Management and Employees

- External experts are regularly invited to hold discussions and conduct training



Customers

- Receive fraud risk and AML alerts through websites and emails



⁶⁹ 205-2, B7.3

Digitisation of financial crime management

To accelerate digital transformation, we are actively launching innovative digital financial technology (“fintech”) products to enhance process controls, strengthen automatic system controls, raise efficiency and ultimately prevent financial crime. We have been implementing and applying AI technology and deploying a risk-based approach to track suspicious transactions, combat different forms of fraudulent activities and ensure that such activities are managed promptly to protect our customers. In addition, we have also established an assessment and management system for money laundering risk to improve the overall efficiency of the Group’s institutional money laundering risk assessment, monitoring and approval processes.

Case study

Fraud Management Platform

BOCHK’s Fraud Management Platform has successfully detected more than 100 fraud cases. Its “Credit Card Fraud Detection – Technology Enables Good Customer Experience” application also won the FinTech (Regulatory Technology and Risk Management) Silver Award in the 2023 Hong Kong ICT Awards.



For Southeast Asian entities, we have been accelerating the digital transformation by deploying automated graphical risk analysis tools in AML investigations. Meanwhile, we have also enhanced the AML compliance processes and started to apply the anti-fraud system in the Southeast Asian entities in order to continuously improve their fraud prevention management.

8.1 SUSTAINABILITY PERFORMANCE INDICATORS

Environment

GHG Emissions⁷⁰

GHG Emissions ⁷¹	Unit	2023	2022	2021
GHG emissions				
Direct GHG emissions (Scope 1) ⁷²	tCO ₂ e	548	575	577
Indirect GHG emissions (Scope 2) ⁷³	tCO ₂ e	50,953	48,522	50,074
Other indirect emissions (Scope 3) ⁷⁴	tCO ₂ e	89	86	64
Total Scope 1 and 2 emissions	tCO ₂ e	51,501	49,097	50,650
Total Scope 1, 2 and 3 emissions	tCO ₂ e	51,590	49,182	50,715
GHG emissions intensity⁷⁵				
Scope 1, 2 and 3 emissions per employee	tCO ₂ e/employee	3.46	3.32	3.48
Scope 1,2 and 3 emissions per area	tCO ₂ e/m ²	0.12	0.13	0.14

Energy

Total energy consumption ^{76, 77}	Unit	2023	2022	2021
Energy consumption				
Direct energy consumption	GJ	8,429	7,445	7,049
Diesel consumption for corporate fleet	GJ	2,048	1,616	1,676
Petrol consumption for corporate fleet	GJ	6,381	5,830	5,373
Indirect energy consumption	GJ	339,956	308,635	322,519
Electricity	GJ	337,936	307,111	320,618
Towngas	GJ	2,020	1,524	1,901
Total energy consumption	GJ	348,385	316,081	329,568
Energy intensity⁷⁸				
Energy intensity per employee	GJ/employee	23.36	21.31	22.65

⁷⁰ The calculation standards and methodologies for GHG emissions referenced the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition) published by the Environmental Protection Department (EPD) and the Electrical and Mechanical Services Department (EMSD) of the Hong Kong SAR Government. The sources of emissions factors for the reporting of GHG emissions include Sustainability Reports of the local utility companies, Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition) and the "How to Prepare an ESG Report: Appendix 2: Reporting guidance on Environmental KPIs" published by HKEX. The GHG calculations cover carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), while hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃) are not applicable.

⁷¹ 305-1, 305-2, 305-3, A1.1, A1.2

⁷² Including the diesel and petrol consumption by corporate fleet.

⁷³ Include GHG emissions due to electricity and gas consumption.

⁷⁴ 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.

⁷⁵ 305-4

⁷⁶ 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.

⁷⁷ 302-1, A2.1

⁷⁸ 302-3, A2.1

Paper^{79, 80, 81}

Total paper purchased	Unit	2023	2022	2021
Paper purchased	tonnes	336.48	356.36	436.57
Paper purchase intensity	Unit	2023	2022	2021
Paper purchased per employee	kg/employee	27.98	29.23	35.89

Waste and recycling

Non-hazardous waste recycled ⁸²	Unit	2023	2022	2021
Paper	tonnes	210.99	172.09	175.41
Plastic	tonnes	0.31	0.15	0.17
Aluminium	tonnes	0.22	0.10	0.09
Food waste	tonnes	63.24	29.68	73.98
Total non-hazardous waste	tonnes	274.76	202.02	249.64

Hazardous waste recycled ⁸³	Unit	2023	2022	2021
Rechargeable battery	No.	125	92	92
E-waste	No.	2,346	1,789 ⁸⁴	8,383
Fluorescent tubes	No.	2,600	3,797	5,445 ⁸⁵
Total hazardous waste	No.	5,071	5,678	13,920

Waste disposed to landfill ⁸⁶	Unit	2023	2022	2021
General waste to landfill	tonnes	572.24	622.90	556.03
Waste disposal intensity ⁸⁷	Unit	2023	2022	2021
General waste to landfill per employee	tonnes/employee	0.048	0.051	0.046

Water⁸⁸

Total water consumption	Unit	2023	2022	2021
Water consumption	Megalitre	109.83	97.80	104.20
Water intensity ⁸⁹	Unit	2023	2022	2021
Water consumption per employee	Megalitre/employee	0.0091	0.0080	0.0086

⁷⁹ 301-1, 301-3, A2.5⁸⁰ Based on the amount of office A4 paper purchased.⁸¹ The scope of data reporting for paper, waste and recycling, and water covers the Group's business outlets, branches, office buildings for own operations and leased offices in Hong Kong during the reporting period.⁸² 306-3, 306-4, A1.4⁸³ 2-4, 306-3, 306-4, A1.3⁸⁴ A large amount of electronic equipment has already been retired and recycled in 2020-2021, so less equipment will need to be retired in 2022.⁸⁵ 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.⁸⁶ 306-3, 306-5, A1.4⁸⁷ A1.4⁸⁸ 303-5, A2.2⁸⁹ 2-4, A2.2

Employee

Total number of employees by geographical region, employee type and gender⁹⁰

Employee type	Unit	2023			2022			2021		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
<u>Hong Kong</u>										
Permanent	No.	6,463	5,286	11,749	6,598	5,358	11,956	6,594	5,264	11,858
Non-permanent	No.	201	74	275	178	56	234	210	97	307
Temporary employee	No.	201	74	275	178	56	234	210	97	307
Non-guaranteed hours employee	No.	0	0	0	0	0	0	0	0	0
<u>Chinese mainland</u>										
Permanent	No.	661	350	1,011	574	271	845	444	188	632
Non-permanent	No.	1	1	2	0	1	1	0	1	1
Temporary Employee	No.	1	1	2	0	1	1	0	1	1
Non-guaranteed Hours Employee	No.	0	0	0	0	0	0	0	0	0
<u>Southeast Asia and others</u>										
Permanent	No.	1,190	653	1,843	1,122	631	1,753	1,100	632	1,732
Non-permanent	No.	17	19	36	18	25	43	13	10	23
Temporary Employee	No.	17	19	36	18	25	43	13	10	23
Non-guaranteed Hours Employee	No.	0	0	0	0	0	0	0	0	0
Permanent Total	No.	8,314	6,289	14,603	8,294	6,260	14,554	8,138	6,084	14,222
Non-permanent Total	No.	219	94	313	196	82	278	223	108	331
Temporary Employee	No.	219	94	313	196	82	278	223	108	331
Non-guaranteed Hours Employee Total	No.	0	0	0	0	0	0	0	0	0
Total	No.	8,533	6,383	14,916	8,490	6,342	14,832	8,361	6,192	14,553

⁹⁰ 2-4, 2-7, B1.1

⁹¹ 2-4, 2-7, B1.1

Total number of employees by contract type, geographical region and gender⁹¹

Employee type	Unit	2023			2022			2021		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
<u>Hong Kong</u>										
Full-time	No.	6,630	5,356	11,986	6,742	5,407	12,149	6,769	5,357	12,126
Part-time	No.	34	4	38	34	7	41	35	4	39
<u>Chinese mainland</u>										
Full-time	No.	662	351	1,013	574	272	846	444	189	633
Part-time	No.	0	0	0	0	0	0	0	0	0
<u>Southeast Asia and others</u>										
Full-time	No.	1,207	672	1,879	1,140	656	1,796	1,113	642	1,755
Part-time	No.	0	0	0	0	0	0	0	0	0
Full-time Total	No.	8,499	6,379	14,878	8,456	6,335	14,791	8,326	6,188	14,514
Part-time Total	No.	34	4	38	34	7	41	35	4	39
Total	No.	8,533	6,383	14,916	8,490	6,342	14,832	8,361	6,192	14,553

Total number of employees by geographical region, age group and gender⁹²

Employee type	Unit	2023			2022			2021		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Employee type										
<u>Hong Kong</u>										
18-30	No.	1,407	1,187	2,594	1,521	1,244	2,765	1,638	1,336	2,974
31-40	No.	1,890	1,671	3,561	1,849	1,752	3,601	1,656	1,622	3,278
41-50	No.	1,704	1,435	3,139	1,822	1,399	3,221	1,952	1,400	3,352
51 or above	No.	1,663	1,067	2,730	1,584	1,019	2,603	1,558	1,003	2,561
<u>Chinese mainland</u>										
18-30	No.	489	146	635	418	118	536	317	85	402
31-40	No.	127	143	270	108	97	205	82	53	135
41-50	No.	33	40	73	37	34	71	38	31	69
51 or above	No.	13	22	35	11	23	34	7	20	27
<u>Southeast Asia and others</u>										
18-30	No.	507	185	692	495	189	684	509	189	698
31-40	No.	461	257	718	423	254	677	399	259	658
41-50	No.	171	156	327	164	154	318	155	149	304
51 or above	No.	68	74	142	58	59	117	50	45	95
Hong Kong total	No.	6,664	5,360	12,024	6,776	5,414	12,190	6,804	5,361	12,165
Chinese mainland Total	No.	662	351	1,013	574	272	846	444	189	633
Southeast Asia and others Total	No.	1,207	672	1,879	1,140	656	1,796	1,113	642	1,755
Total	No.	8,533	6,383	14,916	8,490	6,342	14,832	8,361	6,192	14,553

Total number of employees by employee category and gender⁹³

Employee type	Unit	2023			2022			2021		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Senior management	No.	365	575	940	360	558	918	335	527	862
Middle level staff	No.	3,599	3,511	7,110	3,540	3,431	6,971	3,286	3,205	6,491
General employees	No.	4,569	2,297	6,866	4,590	2,353	6,943	4,740	2,460	7,200
Total	No.	8,533	6,383	14,916	8,490	6,342	14,832	8,361	6,192	14,553

Gender of the Board⁹⁴

	Unit	2023		2022		2021	
		Female	Male	Female	Male	Female	Male
Board	%	18.18	81.82	18.18	81.82	11.00	89.00

Gender by employee category⁹⁵

	Unit	2023		2022		2021	
		Female	Male	Female	Male	Female	Male
Senior management	%	2.45	3.85	2.43	3.76	2.30	3.62
Middle level staff	%	24.13	23.54	23.87	23.13	22.58	22.02
General employees	%	30.63	15.40	30.95	15.86	32.57	16.90
Total⁹⁶	%	57.21	42.79	57.25	42.75	57.45	42.55

⁹² 2-7, B1.1

⁹³ B1.1

⁹⁴ 405-1

⁹⁵ 405-1

⁹⁶ Board members not included in Total.

Age by employee category⁹⁷

Employee category	Unit	2023	2022	2021
<u>Senior management</u>				
18-30	No.	0	0	0
31-40	No.	89	109	101
41-50	No.	455	441	423
51 or above	No.	396	368	338
<u>Middle level staff</u>				
18-30	No.	720	713	660
31-40	No.	2,990	2,945	2,582
41-50	No.	2,100	2,070	2,080
51 or above	No.	1,300	1,243	1,169
<u>General employees</u>				
18-30	No.	3,201	3,272	3,414
31-40	No.	1,470	1,429	1,388
41-50	No.	984	1,099	1,222
51 or above	No.	1,211	1,143	1,176
Total				
18-30	No.	3,921	3,985	4,074
31-40	No.	4,549	4,483	4,071
41-50	No.	3,539	3,610	3,725
51 or above	No.	2,907	2,754	2,683

Proportion of senior management hired from the local community by geographical region⁹⁸

Unit	2023	2022	2021	2021
Hong Kong	%	89.05	87.79	86.45
Chinese mainland	%	83.33	87.50	80.00
Southeast Asia and others	%	32.95	32.53	32.93
Overall	%	83.72	82.79	81.32

New hire by gender, age group and geographical region⁹⁹

	Unit	2023		2022		2021	
		No.	%	No.	%	No.	%
Gender							
Female	No.:%	1,415	9.49	1,841	12.41	1,589	10.92
Male	No.:%	1,157	7.75	1,627	10.97	1,263	8.68
Age							
18-30	No.:%	1,499	10.05	1,888	12.72	1,756	12.06
31-40	No.:%	668	4.48	1,034	6.97	658	4.53
41-50	No.:%	248	1.66	370	2.50	240	1.65
51 or above	No.:%	157	1.05	176	1.19	198	1.36
Region							
Hong Kong	No.:%	1,984	13.30	2,795	18.84	2,321	15.96
The Chinese mainland	No.:%	236	1.58	277	1.87	254	1.74
Southeast Asia and others	No.:%	352	2.36	396	2.67	277	1.90
Total	No.:%	2,572	17.24	3,468	23.38	2,852	19.60

⁹⁷ 405-1, B1.1⁹⁸ 202-2, (Number of senior management in the specific region hired from the local community/Total number of senior management in the specific region) x 100%⁹⁹ 401-1

Employee voluntary turnover rate by gender, age group and geographical region¹⁰⁰

	Unit	2023		2022		2021	
		No.	%	No.	%	No.	%
Gender							
Female	No.:%	1,085	7.26	1,370	9.29	1,352	9.13
Male	No.:%	877	5.87	1,195	8.09	1,090	7.36
Age							
18-30	No.:%	945	6.33	1,307	8.85	1,335	9.02
31-40	No.:%	652	4.36	776	5.25	719	4.85
41-50	No.:%	283	1.89	370	2.51	308	2.08
51 or above	No.:%	82	0.55	112	0.77	80	0.54
Region							
Hong Kong	No.:%	1,699	11.37	2,216	15.02	2,162	14.60
Chinese mainland	No.:%	59	0.39	64	0.43	61	0.41
Southeast Asia and others	No.:%	204	1.37	285	1.93	219	1.48
Total	No.:%	1,962	13.13	2,565	17.38	2,442	16.49

Compensation Ratio¹⁰¹

	Unit	2023	2022	2021
Ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	ratio	17:1	18 : 1	16 : 1

Parental Leave¹⁰²

	Unit	2023			2022			2021		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Employees that were entitled to parental leave	No.	8,247	6,211	14,458	8,235	6,141	14,376	7,926	5,881	13,807
Employees that took parental leave	No.	254	181	435	215	147	362	211	150	361
Employee that returned from parental leave	No.	244	177	421	206	145	351	200	147	347
Rate of return from parental leave	%	96.06	97.79	96.78	95.81	98.64	96.96	94.79	98.00	96.12
Employees still employed 12 months after return to work	No.	217	162	379	176	124	300	188	134	322
Employees still employed 12 months after return to work	%	105.34	111.72	107.98	88.00	84.35	86.46	71.21	75.28	72.85

¹⁰⁰ 401-1, B1.2

¹⁰¹ 2-21

¹⁰² 401-3

Occupational health and safety performance¹⁰³

	Unit	2023	2022	2021
Number of high consequence work-related injuries	No.	0	0	0
Rate of high consequence work-related injuries	%	0	0	0
Lost day due to work injury	Number of days	474.9	369.7	390.1
Rate of lost day due to work injury ¹⁰⁴	%	2.96	2.45	2.58
Number of fatalities as a result of work-related injury	No.	0	0	0
Fatalities rate as a result of work-related injuries ¹⁰⁴	%	0	0	0
Number of recordable work-related injuries ¹⁰⁵	No.	0	0	0
Rate of recordable work-related injuries ¹⁰⁴	%	0	0	0
Number of hours worked	Hours	32,130,351	30,157,173	30,293,289

Training and development¹⁰⁶

	Unit	2023			2022			2021		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Average training hours by employee category and gender										
Senior management	Hour	45.67	41.33	43.01	68.19	70.69	69.71	44.13	49.74	47.56
Middle level staff	Hour	46.82	44.11	45.48	41.70	46.60	44.11	41.07	46.00	43.51
General employees	Hour	55.56	67.61	59.59	54.03	62.07	56.75	47.52	59.33	51.55
Total average training per employee	Hour	51.45	52.31	51.82	49.49	54.46	51.61	44.85	51.62	47.73
Percentage of employee who received training										
Senior management	%	98.08	97.39	97.66	97.22	97.13	97.17	97.31	96.77	96.98
Middle level staff	%	99.44	99.40	99.42	96.53	96.18	96.36	96.38	96.38	96.38
General employees	%	99.50	98.91	99.30	97.89	95.54	97.09	96.05	93.33	95.13
Total percentage of employee who received training (%)	%	99.41	99.04	99.26	97.29	96.03	96.75	96.23	95.20	95.79

¹⁰³ 403-9, B2.1, B2.2

¹⁰⁴ As per 200,000 working hours

¹⁰⁵ Recordable work-related injury relates to injury, disease (or even death) contracted during the course of employment and diagnosed by licenced health care professional, resulting in the employee being unable to perform normal work duties for 6 months or above.

¹⁰⁶ 404-1, B3.1, B3.2

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

	Unit	2023		2022		2021	
		No.	%	No.	%	No.	%
Anti-corruption¹⁰⁷							
Employee category							
Board	No.; %	11	100.00	11	100.00	9	100.00
Senior management	No.; %	909	96.70	877	95.53	827	95.94
Middle level staff	No.; %	7,008	98.57	6,600	94.68	6,202	95.55
General employees	No.; %	6,761	98.47	6,563	94.53	6,699	93.04
Total¹⁰⁸	No.; %	14,678	98.40				
Region							
Hong Kong	No.; %	11,994	99.75	11,716	96.11	11,656	95.82
Chinese mainland	No.; %	995	98.22	834	98.58	633	100.00
Southeast Asia and others	No.; %	1,689	89.89	1,490	82.96	1,439	81.99
Total¹⁰⁸	No.; %	14,678	98.40	14,040	94.66	13,728	94.33
Contract type							
Full-time	%		98.02		94.65		85.92
Part-time	%		100		100.00		100.00
Occupational health and safety							
	No.; %	13,770	92.32	13,833	93.26	12,509	85.95
IT security/Customer privacy							
Contract type							
Full-time	%		97.83		95.47		94.95
Part-time	%		100		100.00		100.00

Misconduct cases¹⁰⁹

Categories of Confirmed Cases	Unit	2023	2022	2021
Discrimination	No. of case	0	0	0
Corruption	No. of case	0	0	0
Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No. of case	0	0	0
Incidents of non-compliance concerning product and service information and labelling				
Incidents of Non-compliance with laws and regulations that result in fines or penalties	No. of case	0	0	0
Incidents of Non-compliance with laws and regulations that result in warnings	No. of case	0	0	0
Incidents of non-compliance with voluntary codes	No. of case	0	0	0
Incidents of Non-compliance with laws and regulations and/or voluntary codes concerning marketing communications				
Incidents of Non-compliance with laws and regulations that result in fines or penalties	No. of case	0	0	0
Incidents of Non-compliance with laws and regulations that result in warnings	No. of case	0	0	0
Incidents of non-compliance with voluntary codes	No. of case	0	0	0
Complaints				
Complaints related to financial products and/or services ¹¹⁰	No. of case	2,726	2,389	2,487
Substantiated complaints ¹¹¹	No. of case	86	90	154

¹⁰⁷ 205-2, B7.3

¹⁰⁸ Board members not included in Total

¹⁰⁹ 2-27, 205-3, 206-1, 406-1, 417-2, 417-3, B7.1

¹¹⁰ The received new complaint case data includes cases that have been established, cases that have not been established, and cases that are under investigation but, not include duplicate cases.

¹¹¹ The verified established complaint cases include those received in previous years but verified as established in the current year.

Supplier

Number of suppliers by geographical region¹¹²

Region	Unit	2023	2022	2021
Hong Kong	No.	681	646	629
The Chinese mainland	No.	83	86	81
Southeast Asia and others	No.	52	44	38
Total number of suppliers	No.	816	776	748

Customer

Customer privacy¹¹³

	Unit	2023	2022	2021
Substantiated complaints received concerning breaches of customer privacy		4	5	8
Complaints received from outside parties and substantiated by the organisation	No.	3	5	7
Complaints from regulatory bodies	No.	1	0	1
Number of information security breaches concerning customers' personal data	No.	0	0	0
Customers affected by company's data breach	No.	0	0	0
Information security breaches or other cybersecurity incidents	No.	0	0	0
Fines/penalties paid in relation to information security breaches or other cybersecurity incident	HK\$	0	0	0
External audits conducted on the IT general control, which includes infrastructure and information security management systems	No.	3	3	2

¹¹² 2-6, B5.1

¹¹³ 2-4, 418-1, B6.2

Contents	Key messages and report overview	Outstanding achievements in sustainability	Strategic review in an orderly manner	Green development in quality and quantity	Customer first	Caring and sharing for all through a people-oriented approach	Efficiency and transparency as the foundation for robust governance	Sustainability performance overview
----------	----------------------------------	--	---------------------------------------	---	----------------	---	---	--

Banking Service Channels¹¹⁴

	Unit	2023	2022	2021
Branches				
Hong Kong	No.	177	182	187
Southeast Asia and others	No.	34 ¹¹⁵	34 ¹¹⁶	34 ¹¹⁷
Total	No.	210	215	221
Number of automated banking sites				
Automated banking sites with 24/7 banking capacity	%	100	100	100
ATMs	No.	642	646	643

¹¹⁴ 2-4, 2-6

¹¹⁵ Including Malaysia, Indonesia, Thailand, Cambodia, Vietnam, the Philippines, Laos, Brunei (Including Yangon branch that has no retail banking services)

¹¹⁶ Including Malaysia, Indonesia, Thailand, Cambodia, Vietnam, the Philippines, Laos, Brunei (Including Yangon branch that has no retail banking services)

¹¹⁷ Including Malaysia, Indonesia, Thailand, Cambodia, Vietnam, the Philippines, Laos, Brunei (Including Yangon branch that has no retail banking services)

8.2 CONTENT INDEX¹¹⁸

User's Guide	BOCHK has reported in accordance with the GRI standards for the period from 1 January to 31 December 2023
GRI 1 used	GRI 1: Foundation 2021

GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
General Disclosures					
The Organisation and its Reporting Practices					
			2-1	Organisational details	About BOC Hong Kong (Holdings) Limited (p.5); BOCHK Website
	MDR-15		2-2	Entities included in the organisation's sustainability reporting	Report overview (p.4)
			2-3	Reporting period, frequency and contact point	Report overview (p.4); This report has been issued in 28 March 2024
			2-4	Restatements of information	Sustainability performance indicators (p.108-117)
			2-5	External assurance	Report overview (p.4); Verification statement (p.127)
	MRD-14			Reporting Principles	Report overview (p.4)
Activities & Workers					
	B5.1		2-6	Activities, value chain and other business relationships	About BOC Hong Kong (Holdings) Limited (p.5); Sustainable finance (p.26-31); Financial inclusion (p.46-52); Sustainability performance indicators (p.108-117)
	B1.1			Employees	Talent development and well-being (p.66-79), Diversity, equality and inclusion (p.80-81); Sustainability performance indicators (p.108-117)
			2-8	Workers who are not employees	The Group has no workers other than employees, and is not applicable to the Group

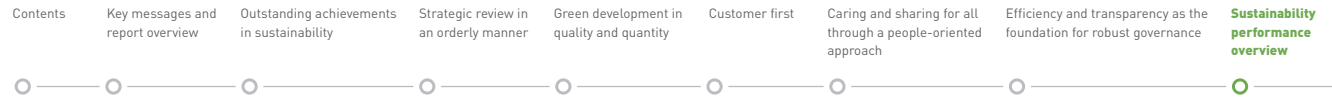
GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
Governance					
			2-9	Governance structure and composition	Well-designed governance structure (p.97-101)
			2-10	Nomination and selection of the highest governance body	Well-designed governance structure (p.97-101)
			2-11	Chair of the highest governance body	Well-designed governance structure (p.97-101)
			2-12	Role of the highest governance body in overseeing the management of impacts	Well-designed governance structure (p.97-101); Sound risk control (p.102-103)
			2-13	Delegation of responsibility for managing impacts	Well-designed governance structure (p.97-101); Sound risk control (p.102-103)
			2-14	Role of the highest governance body in sustainability reporting	Communication with stakeholders (p.18-24); Well-designed governance structure (p.97-101)
			2-15	Conflicts of interest	Corporate Governance section of the 2023 Annual Report
			2-16	Communication of critical concerns	Communication with stakeholders (p.18-24)
			2-17	Collective knowledge of the highest governance body	Well-designed governance structure (p.97-101)

¹¹⁸ GRI 1

¹¹⁹ Global Reporting Initiative

¹²⁰ Released in December 2023

¹²¹ The Sustainability Accounting Standards Board (SASB)



GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
2-18			Evaluation of the performance of the highest governance body	Corporate Governance section of the 2023 Annual Report	
2-19			Remuneration policies	Business ethics (p.104-107) Corporate Governance section of the 2023 Annual Report	10 Reduced Inequalities
2-20			Process to determine remuneration	Corporate Governance section of the 2023 Annual Report	10 Reduced Inequalities
2-21			Annual total compensation ratio	Corporate Governance section of the 2023 Annual Report; Sustainability performance indicators (p.108-117)	10 Reduced Inequalities

Strategy, Policies and Practices

2-22	MDR-13		Statement on sustainable development strategy	Sustainability strategies (p.16-17); Well-designed governance structure (p.97-101)	
2-23			Policy commitments	Business ethics (p.104-107)	
2-24			Embedding policy commitments	Business ethics (p.104-107)	
2-25			Processes to remediate negative impacts	Business ethics (p.104-107); Please refer to the <i>Whistleblowing Policy</i> on the Group's website	
2-26			Mechanisms for seeking advice and raising concerns	Business ethics (p.104-107)	

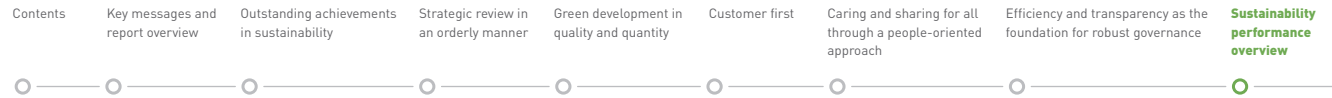
GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
2-27	A1 General Disclosure; B1 General Disclosure; B2 General Disclosure; B4 General Disclosure; B6 General Disclosure; B7 General Disclosure		Compliance with laws and regulations	Customer experience optimisation (p.53-58); Information security (p.62-64); Talent development and well-being (p.66-79); Diversity, equality and inclusion (p.80-81); Business ethics (p.104-107); Sustainability performance indicators (p.108-117); There were no relevant violations that resulted in significant fines or warnings during 2023.	
2-28			Membership associations	Sustainable finance (p.26-31); BOCHK participates in associations and organisations such as the Hong Kong Association of Banks, the International Capital Markets Association, and the Hong Kong Green Finance Association.	

Stakeholder engagement

2-29			Approach to stakeholder engagement	Communication with stakeholders (p.18-24)	
2-30			Collective bargaining agreements	The Group does not have a collective bargaining labour contract. However, all employees of the Group have the right to join any legal organisation in accordance with the <i>Staff Code of Conduct</i> .	

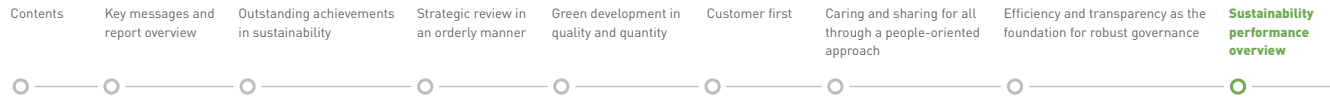
Material Topics

3-1	MDR-13		Process to determine material topics	Communication with stakeholders (p.18-24)	
3-2	MDR-14		List of material topics	Communication with stakeholders (p.18-24)	



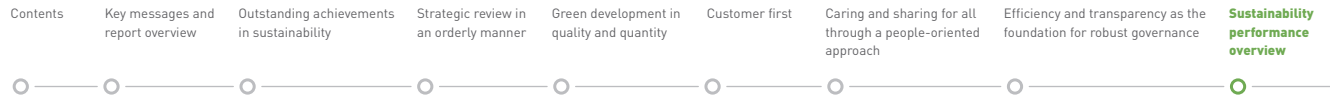
GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
TOPIC-SPECIFIC STANDARDS: ECONOMIC					
Economic performance					
3-3			Management of material topics	Communication with stakeholders (p.18-24); Economic performance (p.9)	
201-1			Direct economic value generated and distributed	Economic performance (p.9); Consolidated Statement of Comprehensive Income section of the 2023 Annual Report	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure
201-2	A4 General Disclosure A4.1		Financial implications and other risks and opportunities due to climate change	Combatting climate change (p.32); Sound risk control (p.102-103); 2023 Climate-related Financial Disclosure Report	13 Climate Action
		FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Note 33 Deposits from Customers of the Notes to the Financial Statements section of the 2023 Annual Report	
		FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Note 25 Advances and Other Accounts of the Notes to the Financial Statements section of the 2023 Annual Report	
Market Performance					
202-2			Proportion of senior management hired from the local community	Sustainability performance indicators (p.108-117)	8 Decent Work and Economic Growth

GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
Indirect Economic Impacts					
3-3			Management of material topics	Communication with stakeholders (p.18-24); Sustainable finance (p.26-31); Financial inclusion (p.46-52); Please refer to the <i>Sustainability Policy</i> on the Group's website	
203-1	B8.1; B8.2		Infrastructure investments and services supported	Sustainable finance (p.26-31); Financial inclusion (p.46-52)	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities
203-2			Significant indirect economic impacts	Sustainable finance (p.26-31); Financial inclusion (p.46-52)	1 No Poverty; 8 Decent Work and Economic Growth
Anti-corruption					
3-3	B7 General Disclosure		Management of material topics	Communication with stakeholders (p.18-24); Business ethics (p.104-107)	
205-1			Operations assessed for risks related to corruption	Business ethics (p.104-107)	
205-2	B7.2; B7.3		Communication and training about anti-corruption policies and procedures	Business ethics (p.104-107); Sustainability performance indicators (p.108-117)	16 Peace, Justice and Strong Institutions
205-3	B7.1		Confirmed incidents of corruption and actions taken	Sustainability performance indicators (p.108-117)	16 Peace, Justice and Strong Institutions



GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
TOPIC-SPECIFIC STANDARDS: Environmental Standards					
Materials					
	3-3	A3.1	Management of material topics	Communication with stakeholders (p.18-24); Environmental impacts of operations (p.33-39); Please refer to the <i>Sustainability Policy</i> on the Group's website	
	301-1	A2.5	Materials used by weight or volume	Sustainability performance indicators (p.108-117) The Group is a financial service provider and does not require a large amount of packaging materials.	12 Responsible Consumption and Production
Energy					
	3-3	A2 General Disclosure; A3 General Disclosure; A3.1	Management of material topics	Communication with stakeholders (p.18-24); Environmental impacts of operations (p.33-39); Please refer to the <i>Sustainability Policy</i> on the Group's website	
	302-1	A2.1	Energy consumption within the organisation	Sustainability performance indicators (p.108-117)	
	302-3	A2.1	Energy consumption outside of the organisation	Sustainability performance indicators (p.108-117)	
	302-4	A2.3	Reduction of energy consumption	Environmental impacts of operations (p.33-39)	7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action

GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
Water and Effluents					
	3-3	A2 General Disclosure; A3 General Disclosure; A3.1	Management of material topics	Communication with stakeholders (p.18-24); Environmental impacts of operations (p.33-39); Please refer to the <i>Sustainability Policy</i> on the Group's website	
	303-5	A2.2	Water consumption	Sustainability performance indicators (p.108-117)	
		A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental impacts of operations (p.33-39) The Group operates mainly with municipal water supply and does not have any problem in obtaining water.	6 Clean Water and Sanitation; 12 Responsible Consumption and Production
Emissions					
	3-3	A1 General Disclosure; A3 General Disclosure; A1.5; A3.1	Management of material topics	Communication with stakeholders (p.18-24); Environmental impacts of operations (p.33-39); Please refer to the <i>Sustainability Policy</i> on the Group's website	
	305-1	A1.1; A1.2	Direct (Scope 1) GHG emissions	Sustainability performance indicators (p.108-117)	
	305-2	A1.1; A1.2	Energy indirect (Scope 2) GHG emissions	Sustainability performance indicators (p.108-117)	



GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
305-3			Other indirect (Scope 3) GHG emissions	Sustainability performance indicators (p.108-117)	
305-4	A1.2		GHG emissions intensity	Sustainability performance indicators (p.108-117)	
305-5			Reduction of GHG emissions	Environmental impacts of operations (p.33-39)	
	A1.5		Description of emission target(s) set and steps taken to achieve them	Environmental impacts of operations (p.33-39)	11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 13 Climate Action

Waste

3-3	A3.1		Management of material topics	Communication with stakeholders (p.18-24); Environmental impacts of operations (p.33-39); Please refer to the <i>Sustainability Policy</i> on the Group's website	
306-2			Management of significant waste-related impacts	Environmental impacts of operations (p.33-39)	
306-3	A1.3; A1.4		Waste generated	Sustainability performance indicators (p.108-117)	
306-4			Waste diverted from disposal	Sustainability performance indicators (p.108-117)	
306-5			Waste directed to disposal	Sustainability performance indicators (p.108-117)	
	A1.6		Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental impacts of operations (p.33-39)	

GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
-----------------------------	-------------------------------	---------------------	-------------	------------------------------------	----------------------

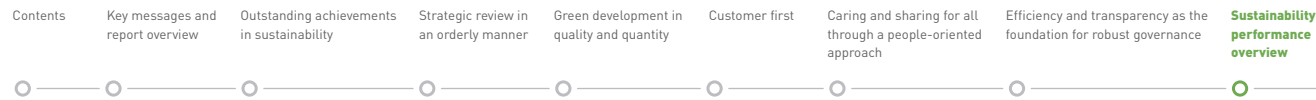
Supplier Environmental Assessment

3-3			Management of material topics	Communication with stakeholders (p.18-24); Sustainable supply chains (p.40-41)	
308-1	B5.2; B5.4		New suppliers that were screened using environmental criteria	Sustainable supply chains (p.40-41)	
	B5.3		Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable supply chains (p.40-41)	12 Responsible Consumption and Production

TOPIC-SPECIFIC STANDARDS: SOCIAL

Employment

3-3	B2 General Disclosure		Management of material topics	Communication with stakeholders (p.18-24); Talent development and well-being (p.66-79); Please refer to the <i>Sustainability Policy</i> on the Group's website	
401-1	B1.2		New employee hires and employee turnover	Sustainability performance indicators (p.108-117)	
401-2			Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent development and well-being (p.66-79)	5 Gender Equity; 8 Decent Work and Economic Growth; 10 Reduced Inequalities



GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
401-3			Parental leave	Sustainability performance indicators (p.108-117)	5 Gender Equity; 8 Decent Work and Economic Growth; 10 Reduced Inequalities

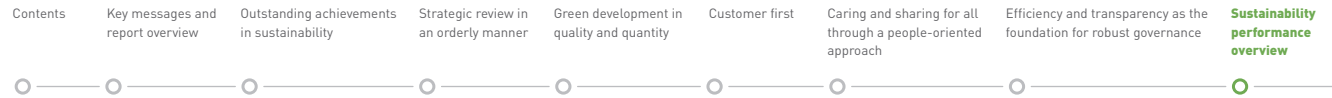
Occupational Health and Safety

3-3	B2 General Disclosure		Management of material topics	Communication with stakeholders (p.18-24); Talent development and well-being (p.66-79); Please refer to the <i>Sustainability Policy</i> on the Group's website	
403-1	B2.3		Occupational health and safety management system	Talent development and well-being (p.66-79)	3 Good Health and Well-Being
403-2			Hazard identification, risk assessment, and incident investigation	Talent development and well-being (p.66-79)	3 Good Health and Well-Being
403-3	B2.3		Occupational health services	Talent development and well-being (p.66-79)	3 Good Health and Well-Being
403-4			Worker participation, consultation, and communication on occupational health and safety	Talent development and well-being (p.66-79)	3 Good Health and Well-Being
403-5	B2.3		Worker training on occupational health and safety	Talent development and well-being (p.66-79)	3 Good Health and Well-Being
403-6			Promotion of worker health	Talent development and well-being (p.66-79)	3 Good Health and Well-Being

GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
403-7			Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Talent development and well-being (p.66-79)	3 Good Health and Well-Being
403-8	B2.3		Workers covered by an occupational health and safety management system	Talent development and well-being (p.66-79)	3 Good Health and Well-Being
403-9	B2.1; B2.2		Work-related injuries	Sustainability performance indicators (p.108-117)	3 Good Health and Well-Being; 8 Decent Work and Economic Growth

Training and Education

3-3	B3 General Disclosure		Management of material topics	Communication with stakeholders (p.18-24); Talent development and well-being (p.66-79); Please refer to the <i>Sustainability Policy</i> on the Group's website	
404-1	B3.1; B3.2		Average hours of training per year per employee	Sustainability performance indicators (p.108-117)	4 Quality Education; 5 Gender Equity; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
404-2			Programs for upgrading employee skills and transition assistance programs	Talent development and well-being (p.66-79)	4 Quality Education; 8 Decent Work and Economic Growth
404-3			Percentage of employees receiving regular performance and career development reviews	Talent development and well-being (p.66-79)	5 Gender Equity; 8 Decent Work and Economic Growth; 10 Reduced Inequalities



GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
Diversity and Equal Opportunity					
3-3	B1 General Disclosure		Management of material topics	Communication with stakeholders (p.18-24); Diversity, equality and inclusion (p.80-81); Please refer to the <i>Sustainability Policy</i> on the Group's website	
405-1	B1 General Disclosure; B1.1		Diversity of governance bodies and employees	Diversity, equality and inclusion (p.80-81); Well-designed governance structure (p.97-101); Sustainability performance indicators (p.108-117)	5 Gender Equity; 8 Decent Work and Economic Growth

Non-discrimination

3-3	B1 General Disclosure		Management of material topics	Communication with stakeholders (p.18-24); Diversity, equality and inclusion (p.80-81); Please refer to the <i>Sustainability Policy</i> on the Group's website	
406-1			Incidents of discrimination and corrective actions taken	Diversity, equality and inclusion (p.80-81); Sustainability performance indicators (p.108-117)	5 Gender Equity; 8 Decent Work and Economic Growth; 10 Reduced Inequalities

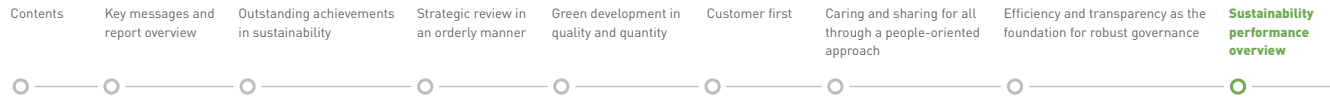
GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
Child Labour					
	B4.1 B4.2		Description of measures to review employment practices to avoid child and forced labour; Description of steps taken to eliminate such practices when discovered.	Sustainable supply chains (p.40-41); Talent development and well-being (p.66-79); Please refer to the <i>Sustainability Policy</i> on the Group's website	

Forced Labour

	B4.1 B4.2		Description of measures to review employment practices to avoid child and forced labour; Description of steps taken to eliminate such practices when discovered.	Sustainable supply chains (p.40-41); Talent development and well-being (p.66-79); Please refer to the <i>Sustainability Policy</i> on the Group's website	
--	--------------	--	--	---	--

Local Communities

3-3	B8 General Disclosure		Management of material topics	Communication with stakeholders (p.18-24); Caring for and investing in the community (p.82-95)	
413-1	B8.1; B8.2		Operations with local community engagement, impact assessments, and development programs	Caring for and investing in the community (p.82-95)	1 No Poverty; 11 Sustainable Cities and Communities



GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
Supplier Social Assessment					
3-3	B5 General Disclosure		Management of material topics	Communication with stakeholders (p.18-24); Sustainable supply chains (p.40-41)	
414-1	B5.2; B5.3		New suppliers that were screened using social criteria	Sustainable supply chains (p.40-41)	8 Decent Work and Economic Growth
	B5.1		Number of suppliers by geographical region	Sustainability performance indicators (p.108-117)	
Customer Health and Safety					
	B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to the financial services provided by the Group.	
	B6.4		Description of quality assurance process and recall procedures	Not applicable to the financial services provided by the Group.	
Marketing and Labelling					
3-3	B6 General Disclosure		Management of material topics	Communication with stakeholders (p.18-24); Customer experience optimisation (p.53-58); Please refer to the <i>Sustainability Policy</i> on the Group's website	

GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets	
				417-3	Incidents of non-compliance concerning marketing communications	Sustainability performance indicators (p.108-117) There were no related violations that resulted in fines or warnings during 2023.
	B6.3		Description of practices relating to observing and protecting intellectual property rights.		Information security (p.62-64)	
Customer Privacy						
3-3	B6 General Disclosure; B6.5		Management of material topics		Communication with stakeholders (p.18-24); Information security (p.62-64); Please refer to the <i>Sustainability Policy</i> on the Group's website	
418-1	B6.2		Substantiated complaints concerning breaches of customer privacy and losses of customer data		Sustainability performance indicators (p.108-117)	
GRI G4 Financial Sector Supplement						
Product Portfolio	G4-FS1	FN-CB-410a.2	Policies with specific environmental and social components applied to business lines		Sustainability strategies (p.16-17); Well-designed governance structure (p.97-101)	
	G4-FS2	FN-CB-410a.2	Procedures for assessing and screening environmental and social risks in business lines		Sound risk control (p.102-103)	



GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
	G4-FS3	FN-CB-410a.2	Processes for monitoring customers' implementation of and compliance with environmental and social requirements included in agreements or transactions	Sound risk control (p.102-103)	
	G4-FS4	FN-CB-410a.2	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	Technological innovation (p.59-61); Well-designed governance structure (p.97-101)	
	G4-FS5	FN-CB-410a.2	interactions with customers/ investors/ business partners regarding environmental and social risks and opportunities	Communication with stakeholders (p.18-24); Sustainable finance (p.26-31); Financial inclusion (p.46-52)	
Local Communities	G4-FS13		Access points in low-populated or economically disadvantaged areas by type	Financial inclusion (p.46-52)	1 No Poverty; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
	G4-FS14		initiatives to improve access to financial services for disadvantaged people	Financial inclusion (p.46-52)	1 No Poverty; 8 Decent Work and Economic Growth; 10 Reduced Inequalities

GRI Standard ¹¹⁹	HKEX ESG Guide ¹²⁰	SASB ¹²¹	Description	Page number(s) and/or explanations	Relevant SDG Targets
Product and Service Labelling	G4-FS16		Initiatives to enhance financial literacy by type of beneficiary	Financial inclusion (p.46-52); Customer experience optimisation (p.53-58)	1 No Poverty; 8 Decent Work and Economic Growth; 10 Reduced Inequalities

8.3 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 2023 (“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 2023. The information and data contained in the Report cover the period from 1 January to 31 December 2023.

The aim of this verification is to provide a reasonable assurance on the reliability of the reporting contents. The Report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards 2021”), the Environmental, Social and Governance Reporting Guide (“ESG Guide”) issued by the Hong Kong Exchanges and Clearing Limited (“HKEX”), and with reference to the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations, the Sustainability Accounting Standards Board (“SASB”) Standards and the United Nations Sustainable Development Goals (“SDGs”).

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 2021 and fulfills the mandatory disclosure provisions of the ESG Guide issued by the HKEX;
- The Report has been prepared with reference to TCFD recommendations framework, Sustainability Accounting Standards Board (“SASB”) Standards, the United Nations Sustainable Development Goals (“SDGs”)
- The Report illustrates the Group’s ESG performance, covering four main reporting principles of the ESG Guide, namely, “materiality”, “quantitative”, “balance”, and “consistency”, 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

Teresa Leung
Assistant Director, Finance Business
March 2024