

COMPREHENSIVE
CROSS-BORDER
FINANCIAL SERVICE







CORPORATE SOCIAL RESPONSIBILITY

As a leading banking group in Hong Kong, we realise the important role we play in supporting the sustainable development of the economy, society and environment. Corporate Social Responsibility (“CSR”) is an integral part of our business operations and is incorporated into our strategy, helping us to achieve our vision of becoming the premier choice for customers, employees, shareholders and investors.

To ensure that CSR is woven into the fabric of our corporate culture, formal policies and procedures are in place to manage our CSR programmes. These include our Five-Year Stakeholder Engagement Strategy to encourage effective communications with our stakeholders and garner feedback on our performance. All these enable us to make improvements to meet the expectations of our stakeholders.

Introducing the first-ever Voice Navigation ATM in Hong Kong for the visually impaired, BOCHK has been included in HKCSS’s inaugural List of Barrier-free Companies/Organisations



As a leading bank offering the Reverse Mortgage Programme, BOCHK strives to offer customers flexible retirement financial solutions

In 2013, the Group continued to make significant progress in our CSR initiatives. Our 2012 CSR Report was the second standalone report following the Global Reporting Initiative G3.1 Guidelines. This report was prepared with reference to the Environmental, Social and Governance (“ESG”) Reporting Guide issued by the Hong Kong Exchanges and Clearing Limited and highlights the importance we place on disclosure and transparency in CSR.

The Group’s outstanding performance with regard to sustainability has earned us wide recognition. For four years in a row, BOC Hong Kong (Holdings) Limited has been included as a constituent of the Hang Seng Corporate Sustainability Index Series. The Company ranked 12th in 2013 and our rating was upgraded from “AA-” to “AA”. BOCHK has also been named as a Caring Company by the Hong Kong Council of Social Service (“HKCSS”) for 11 consecutive years and included in its List of Barrier-free Companies/Organisations newly launched this year.

Embracing Customer-centric Values

Providing access to banking and finance is both our core business and our responsibility to the community.

Caring Banking Services

As part of our ongoing efforts to make our banking services more accessible to people from all walks of life, the Group has designed ATMs with special functions and features. We introduced the first-ever Voice Navigation ATM in Hong Kong while the protruding symbols on all our ATMs allow the visually impaired to use self-service banking



more conveniently. In addition, around 93% of our ATMs have soft keypads on both sides of the screens for account/service selection. All our newly installed or replaced ATMs are located at a height where the keypads and screens are suitable for wheelchair access. Our newly renovated branches have sloping platforms giving disabled customers easy access to our branches.

We recognise the importance of providing basic account services for customers who might otherwise be underserved. Since 2003, we have included a HKD savings account service with no minimum balance requirements and a free ATM Card. Account holders aged 65 and above, or below 18, as well as recipients of Government Disability Allowances/Comprehensive Social Security Assistance can enjoy a service fee waiver for counter transactions. Those who have temporary special needs in terms of finances can also apply for such a fee waiver. In support of the Treat Customers Fairly Charter of the HKMA, the Group has cancelled its service fee on dormant accounts.

BOCHK strives to provide customers with flexible retirement financial solutions. As a leading bank offering the Reverse Mortgage Programme, we organised a roving exhibition and seminar series during the year to encourage and educate the soon-to-be retired to plan ahead for greater financial security.

To support the Portable Comprehensive Social Security Assistance Scheme and the new Guangdong Scheme for Old Age Allowance offered by the Social Welfare Department of the Hong Kong Special Administrative Region ("HKSAR") Government, we offer elderly customers preferential rates on remittances to the Mainland. Under both schemes, the elderly maintaining accounts with BOCHK can continue to receive cash assistance in Guangdong or Fujian.

Capitalising on our convenient banking platform, we offer NGOs a complete banking solution including counter and payroll services, with a view to reducing their banking expenses.

Access to Finance

SMEs are an important pillar of our economic growth. To facilitate their business development, BOCHK launched the BOC Small Business Loan, which features a one-hour preliminary approval service for unsecured loan applications. The Group continued to support the SME Financing

Guarantee Scheme of the Hong Kong Mortgage Corporation Limited ("HKMC") by offering a privileged guarantee fee subsidy. SMEs can utilise our financing services to fulfil their liquidity needs.

In addition, the Group provides HKMC's Microfinance Scheme, which helps small businesses ranging from start-ups to self-employed.

Apart from offering financing support, we endeavour to foster the growth of SMEs by continuing to sponsor the Young Industrialist Awards of Hong Kong and the Hong Kong Awards for Industries. These honours are set up to recognise the outstanding achievements of the local industrialists and manufacturers.



We have sponsored the Hong Kong Awards for Industries for a number of years in recognition of the outstanding achievements of the local industrialists

Conserving Resources for Environmental Protection

Through implementation of our Environmental Policy, we endeavour to minimise our environmental impact by reducing our carbon footprint, using resources more efficiently and effectively as well as promoting environmentally responsible business practices.

Building a Green Bank

The wider use of electronic services can help reduce paper use. In view of this, the Group provides sophisticated internet banking and other electronic service channels to customers.



With ongoing efforts to promote low-carbon living, BOCHK has sponsored the 1,000 Environment-Friendly Youth Ambassadors Action for two years in a row to help raise public awareness of energy saving on the Mainland and in Hong Kong



As the lead sponsor of the Green Monday School Programme, which organises a series of green activities for over 500 schools and 400,000 students, we help reduce carbon consumption by advocating a vegetarian diet



The University of Hong Kong's Rooftop Farming Project, sponsored by the Foundation, allows students to learn about and share the joy of organic farming



As at the end of 2013, the number of BOCHK mobile banking customers increased by 19.4% as compared with the previous year. In addition, those choosing to receive consolidated statements and investment statements in electronic form rose 35.8% and 14.1% respectively.

To ensure sustainable growth for both the Group and the community, we have incorporated ESG factors into our lending and credit policies. In 2013, we extended loans to a number of companies developing new energy sources and water conservation projects on the Mainland.

In renovating our branches, we incorporated environmental elements in designs, including the use of eco-friendly lighting and promotion of paperless transactions. While minimising environmental impact, this also helps enhance customer experience.

The Group has put into practice its Sustainable Procurement Policy and Supply Chain Code of Conduct since 2011. During the year, we requested 78 companies supplying goods and services to the Group to complete a Self-Assessment Questionnaire and conducted bi-yearly on-site visits of 21 selected suppliers. These initiatives help ensure that the content and packaging of their products can be recycled and environmental certification has been obtained. The furniture items we purchase are subject to the green specifications of the Environmental Protection Department of the HKSAR Government, while electronic appliances must bear the "grade 1" energy label.

We continue our efforts to increase energy efficiency and implement water saving measures in the Group's buildings in accordance with recognised certifications and standards. In addition to installing water-cooled chillers in our air conditioning systems, we replaced the lighting fixtures with T5 fluorescent tubes or LED lighting for higher energy efficiency.

Bank of China Tower ("BOC Tower"), Bank of China Building ("BOC Building"), Bank of China Centre ("BOC Centre") and Bank of China Wanchai Commercial Centre have all been certified with UKAS's ISO 9001:2008 and ISO 14001:2004, the international frameworks for environmental performance.

The Group conducts in-house recycling programmes for batteries, compact fluorescent lamps, fluorescent tubes and toner cartridges on a continuous basis. A total of 6,300 computer equipment items and more than 241,460 kg of recycled paper were collected during the year. Since 2012, a food waste processing company has been appointed to process the food waste collected in our staff canteen at BOC Tower. A total of 960 litres of leftover food and oil generated in 2013 was processed, recycled and turned into animal feed and biodiesel fuel.

Promoting Carbon Reduction in the Community

The BOCHK Charitable Foundation ("the Foundation") continued to sponsor various green campaigns with a view to encouraging carbon reduction in the community.

As the title sponsor of the Green Monday School Programme, we advocate a vegetarian diet to help reduce carbon consumption. A series of green seminars, roving exhibitions, carnivals and writing competitions have been organised for over 500 schools and 400,000 students. We encouraged active staff participation by serving green recipes in our staff canteen at BOC Tower on 22 April and organising a Green Recipe Competition.

With ongoing efforts to promote low-carbon living, we participated in the Eco Expo Asia for the third consecutive year and the 1,000 Environment-Friendly Youth Ambassadors Action for two years in a row. Over 3,300 participants have been appointed as Youth Ambassadors to raise public awareness of energy saving on the Mainland and in Hong Kong.

Under the Caritas BOCHK Computer Donation Scheme, we donated 2,000 refurbished computers to the Caritas Computer Workshop, with our volunteers providing computer set-up service and training to the beneficiaries



Following the Hong Kong Geopark Green Walk spearheaded by BOCHK in 2009, we launched Lohas Community – Eco Charity Walk & Photo Tour during the year. This initiative offers the public an opportunity to explore the natural wonders of the Hong Kong Global Geopark of China, encouraging environmental conservation through carbon reduction in daily lives. Over 110 eco-tours have been organised for 11,500 customers, citizens, staff members and their companions.

A green lifestyle helps minimise the carbon footprint. The Foundation sponsored the Rooftop Farming Project of The University of Hong Kong to introduce organic farming on the rooftop of the buildings in the campus. BOCHK volunteers have joined hands with students to be Green Farmers of the farm and provide the farm products to B7jas, a vegetarian restaurant in the campus, for offering green menus. During the year, we also sponsored the Carbon Pioneer Campaign organised by the Zonta Club which showcases a green and sustainable way of living to secondary students.

Contributing to the Community We Serve

With our roots in Hong Kong, the Group attaches great importance to the community we serve. The Foundation contributed around HK\$193 million to the community over the past 19 years through participation in a diverse range of charitable activities.

Caring for the Communities

We facilitate the disadvantaged to access electronic devices through the launch of the Caritas BOCHK Computer Donation Scheme, in which 2,000 refurbished computers were donated to the Caritas Computer Workshop for use by underprivileged families. The Foundation also donated HK\$1 million to the Workshop for the upgrade of both software and hardware. BOCHK volunteers have been invited to provide computer training to the beneficiaries.

The Hong Kong Geopark Green Walk, spearheaded by the Foundation in 2009, has organised over 110 eco-tours for 11,500 customers, citizens, staff members and their companions to explore the local natural wonders



BOCHK Private Banking sponsored the inaugural Hong Kong Art Gallery Week to help promote art appreciation

Through the Hong Kong Red Cross, the Foundation donated HK\$1.6 million to the afflicted victims of the earthquake in the Yaan city in Sichuan province



BOCHK has been the lead sponsor of the Hong Kong Corporate Citizenship Programme for four consecutive years, successfully promoting CSR to over 370 enterprises and 9,800 participants through seminars and competitions



To promote cross-sector cooperation in fulfilling CSR, the Foundation sponsored the Ocean Park Halloween Fest BOCHK Charity Day for the Community Chest of Hong Kong ("The Chest") for the second consecutive year. This initiative brought together charity and entertainment, helping to raise HK\$1.3 million for the Chest. We also offered 1,200 free tickets to underprivileged families, new immigrants and the physically disabled for them to enjoy a special day.

We were the lead sponsor of the Hong Kong Corporate Citizenship Programme organised by the Hong Kong Productivity Council for four consecutive years. This initiative has successfully promoted CSR to over 370 enterprises and 9,800 participants through a number of seminars and competitions.

In time of natural disasters, we provide timely financial assistance to communities in need. On 20 April 2013, a massive earthquake jolted Yaan city in Sichuan province of China. The Foundation promptly donated HK\$1.6 million to

the Hong Kong Red Cross to support the relief work. In addition to helping to collect donations through our extensive branch network, the Group made a donation of HK\$2 million through the Hong Kong Chinese Enterprises Charitable Foundation to the victims in the afflicted areas.

In 2013, the Foundation made a total donation of over HK\$10 million for charity cause. In recognition of our contributions to the community, we received the President Award from the Chest and ranked fifth among its donors. Through our credit card company, BOCCC, we continuously assist various social welfare organisations in collecting donations. Charitable organisations can enjoy waivers of the transaction processing fees for donations made through BOC credit cards.



To proactively spread the message of caring, the Group encourages employees to join the BOCHK Dynamic Volunteer Team, which helps those in need through various community and charitable activities



The Ocean Park Halloween Fest BOCHK Charity Day for the Chest, sponsored by the Foundation for the second consecutive year, saw 1,200 free tickets given to underprivileged families and the physically disabled to enjoy a special day

BOCG Life has also devoted considerable efforts to improving the livelihood of the local community. The three-year Health Engineer Programme and five-year Kids The Future Programme sponsored by our insurance arm have organised diversified health seminars and interests classes to benefit over 7,000 primary students, parents and teachers as well as the underprivileged.

Nurturing Future Talent

We are committed to nurturing our younger generation to build a better society. The Foundation has awarded HK\$16.565 million scholarships and bursaries to nine universities in Hong Kong since 1990, benefitting a total of 1,792 students. The Group also organises the Summer Internship Programme to offer university and tertiary institution students valuable internship opportunities.

Caring has no boundaries. In 2013, we joined the 8-day Walkathon of Sowers Action to the west of Hunan with a record number of over 200 participants. The team

included our 54 existing and retired staff members. Over HK\$1.24 million was raised by us to help improve rural education. The team also visited the Seeds of Hope Schools jointly with staff from BOC's Hunan Branch and donated basic necessities to the students. We have supported the Walkathon for the fifth consecutive year.

In addition, Chiyu donated RMB1 million to assist in the educational development of the Jimei district on the Mainland.



BOCG Life is the sponsor of the three-year Health Engineer Programme, which promotes a healthy lifestyle to primary students through diversified health seminars

BOCHK Dynamic Volunteer Team contributed more than 12,000 hours of service through participation in 73 community service activities during the year



We joined the 8-day Education Walkathon of Sowers Action, which saw a record number of over 200 participants help to improve rural education





The Group organises a wide variety of team building and training activities to encourage innovation among staff



A diverse range of recreational activities are organised to advocate work-life balance and strengthen the bonding among all levels of staff

Promoting Sports Development

The Group has been a patron of sports in the community. To facilitate the development of badminton, our key sports initiative, the Foundation donated a total of more than HK\$15 million over the past 15 years to fund a diverse range of activities which saw more than 1.2 million participants. The activities include the World Class Seminar and Volunteer Service Team introduced in 2013.

To foster the talents of young athletes, the Foundation sponsored the Hong Kong Island & Kowloon Regional Inter-school Sports Competition for 11 consecutive years. It has been well received by students, with over 80,000 athlete enrolments from more than 270 schools, which participated in more than 8,000 matches in 2013. The BOCHK Inter-school Sports Volunteering Project is a new initiative to organise more sports activities among schools while educating students the concept of lending a helping hand.



Badminton is the key sports initiative of the Foundation. We invited Ms Yip Pui Yin (centre), an elite badminton athlete, to share her experience and techniques with students

People-oriented with Team Spirit

People are the Group's most important asset and CSR has a positive impact on staff morale. We have laid a solid foundation for future business development with comprehensive talent management and training programmes.

Staff Training and Development

The Group's staff of over 14,500 includes talented professionals with diverse background and experience. We recruit highly qualified management and business professionals, as well as graduates of tertiary institutions and universities.

To ensure the training and development plan is aligned with the Group's medium- and long-term business strategies, we introduced a Leadership Development Programme. The Programme is designed to enhance the leadership and strategic thinking capabilities of our management staff.

The Group offers multi-faceted training programmes, including in-house training, cross-posting, secondment and mentorship schemes. By making compliance training courses mandatory for every staff, we have strengthened our compliance culture throughout the Group. We also encourage continuous self-learning by staff, who can fulfil their learning objectives through our e-learning platform.



To celebrate the 45th anniversary of the Chest, the Foundation fully supported the Chest BOCHK Cycling Challenge to raise funds for children and youth services



Employee Engagement

The Group conducts an "online staff engagement survey" to garner staff opinion. This contributes to the continuous enhancement of our working environment, management policies and measures. We also place strong emphasis on work-life balance, with a diverse range of programmes organised for staff during the year. Outstanding staff and distinguished teams are recognised at an annual award presentation, which motivates staff to strive for excellence.

Employee Volunteering

To proactively spread the message of caring, we encourage employee participation in various community and charitable activities. As at the end of 2013, over 1,400 employees have registered as members of our Dynamic Volunteer Team, contributing more than 12,000 hours of service through participation in 73 service activities. Some of these activities were organised jointly

Our 300 staff participated in the Chest's Stonecutters Bridge Walk for Millions and the Cycling Challenge, both sponsored by the Foundation. These two events helped raise over HK\$7 million for the Chest

with a number of charitable organisations for children, the elderly, the underprivileged and mentally disabled. In recognition of our staff's enthusiasm for performing community services, BOCHK was presented the Gold Award for Volunteer Service by the Social Welfare Department of the HKSAR Government for four years in a row.

Going forward, we will continue to enhance our CSR practices to create greater value for our stakeholders.

