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# Regional Development

# CORPORATE SOCIAL RESPONSIBILITY

By adhering to the strategic goal of “Serving Society, Delivering Excellence”, the Group achieved sustainable growth, created momentum to the long-term development of Hong Kong and continued to generate greater value for our stakeholders. During the year, while expanding our business and accelerating our development pace, we also actively implemented various corporate social responsibility (CSR) initiatives. This section gives an overview of the Group’s CSR activities. For details of our CSR initiatives, please refer to the Company’s CSR Report.

Our efforts to promote CSR have been widely recognised. The Company has been a constituent of the Hang Seng Corporate Sustainability Index since 2010 and was selected as a top 20 constituent stock of the Hong Kong Business Sustainability Index for two consecutive years, in recognition of our efforts in upholding the principles of sustainability, CSR initiatives and performance. Since 2003, the Group has been named a Caring Company by the Hong Kong Council of Social Service for 14 consecutive years.





## ACCESS TO BANKING AND FINANCE

As a leading banking group in Hong Kong, we are well aware of the role we play in contributing to Hong Kong's long-term economic development and enhancing its status as an international financial centre. We are committed to integrating our CSR principles into our service and business operations, providing high quality, convenient and secure banking services for different strata of society.

### Supporting Economic Growth

The Group is committed to promoting the long-term economic development of Hong Kong and enhancing its status as an international financial centre. In particular, we make every effort to strengthen Hong Kong's position as a major offshore RMB hub and facilitate its role as a "super-connector" to grasp the opportunities arising from the national Belt and Road Initiative.

As the sole clearing bank for Hong Kong's offshore RMB business, we strive to develop Hong Kong's offshore RMB business. BOCHK currently serves more than 200 local and overseas participating banks. Our RMB clearing system is the most advanced among offshore markets, which handles the largest amount of RMB clearings and has the longest real time

gross settlement operating hours. During the year, BOCHK was approved by the People's Bank of China (PBOC) to participate in the Cross-border Interbank Payment System (CIPS). As the first overseas bank to join the system as a direct participant, we not only helped reinforce Hong Kong's status as an offshore RMB centre but also promote the internationalisation of RMB.

The Group attaches great importance to supporting SMEs which form an important pillar of the Hong Kong economy. We introduced various measures to address the issues encountered by SMEs when opening bank accounts, obtaining bank loans and getting market information. To fully capitalise on BOCHK's most extensive branch network in Hong Kong, we launched a full scale branch transformation project to provide customer-centric services and enhance our service capabilities to SMEs.



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



# Corporate Social Responsibility



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

Furthermore, the Group is participating in the construction of a financial artery for the Belt and Road Initiative as part of our development strategy, riding on the national development initiatives. We actively transformed BOCHK from a local bank to a regional bank, extending the reach of our services, products, resources along the Belt and Road. During the year, we completed the acquisition of BOC Malaysia and set up our first branch in Brunei. Our strengthened ties and greater financial cooperation with ASEAN countries have significant meaning in enhancing Hong Kong's status as an international financial centre and extending the influence of Hong Kong to the Southeast Asian region.

## Promoting Financial Inclusion

With our unique edges, the Group supports the development of financial inclusion by providing convenient and quality banking services to all sectors of the community. BOCHK has the most extensive and convenient as well as largest number of service network in Hong Kong. This comprises 197 branches and more than 1,000 self-service banking machines, as well as Internet and Mobile Banking channels. We endeavour to meet the needs of customers with comprehensive financial products and services.

The Group has launched BOCHK iService 24-hour Video Banking Service in support of financial inclusion.



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

During the year, we added 44 self-service banking centres in different sites including public housing estates, public hospitals, Hong Kong International Airport, etc. We also launched BOCHK iService 24-hour Video Banking Service in a remote public housing estate, further enhancing our service to residents there.

We demonstrate a high standard of care in providing banking services to the disabled, senior customers, underprivileged groups and non-profit organisations. All of our ATMs are installed with protruding symbols; 99% of ATMs, up from 95% last year, now have soft keypads installed on both sides of the screens for account and service selection. Our ATMs are also designed to give better wheelchair access.

BOCHK has been the major bank in Hong Kong participating in the Reverse Mortgage Programme. In 2016, the Programme was extended to subsidised sale flats with unpaid land premium. We were the first Bank to support this extension, accepting applications from senior citizens aged over 60 years old who use their subsidised sale flats with unpaid land premium as collateral to apply for reverse mortgage loans. This gives the elderly greater flexibility in planning for retirement.

We provide HKD savings accounts with low balance monthly fee and ATM card annual fee waiver. Account holders aged 65 or above, or below 18, as well as recipients of Government Disability Allowances/Comprehensive Social Security Assistance enjoy a service fee waiver for counter transactions. No service fee is charged on dormant accounts in support of the HKMA's Treat Customers Fairly Charter. We also offer NGOs comprehensive banking solutions with preferential fees on our service.



# INVESTING IN COMMUNITIES

The Group has been committed to building a caring and harmonious community, as well as providing assistance to those in need. By supporting a diverse range of community activities, we promote the steady development of the community and bring positive energy to society. As a way of contributing to the community, BOCHK and BOCHK Charitable Foundation donated over HK\$13 million in 2016 to a total of 28 projects, for causes in charity, education, environmental protection, sports and arts. We also encourage our staff to participate in various volunteer activities, and to share the success of the Company with those in need.

## Nurturing Talent

The Group offers scholarships and bursaries to encourage tertiary students for studies and to support students who have financial needs. Since 1990, we have been successively providing scholarships and bursaries to ten local universities. During the year, we sponsored the Upward Mobility Scholarship of Future Stars, organised by the Commission on Poverty of the Hong Kong SAR Government for youngsters who have demonstrated positive attitude in the face of adversity. In order to promote among teenagers a greater understanding of the Chinese culture and national development, we sponsored an Excellence Scholarship in Chinese History set up by the Endeavour Education Centre.

To widen the horizon of the young people, we supported the New Media Internship Programme 2016 and Operation Zhang Qian – Student Summer Internship Programme 2016 organised by Maritime Silk Road Society. These programmes allowed them to gain a deeper understanding of our national strategic development and opportunities.

During the year, we also organised Career Sharing Session for a number of local educational institutions and overseas universities.



We promote among teenagers a greater understanding of the Chinese culture and national development by supporting an Excellence Scholarship in Chinese History set up by the Endeavour Education Centre.

In this programme, we introduced to students our major businesses, organisational structure, corporate culture and career development opportunities, enriching their knowledge about the banking industry that will be useful for their career planning .

Apart from local education programmes, we also provided a subsidy to a national grade poverty county in Xianyang City of Shaanxi Province. The subsidy supported the education development in Xunyi County of Shaanxi Province to improve school conditions and give underprivileged students the chance to receive education. In Malaysia, our Kuching Branch continued to participate in fund raising events organised by Chinese schools to support local Chinese communities in education.



We have been providing scholarships and bursaries to local universities since 1990.



## Corporate Social Responsibility



The Group was the title sponsor of the 2016/17 Season Opening Concerts of the Hong Kong Philharmonic Orchestra.

### Caring for the Community

During the year, BOCHK sponsored a Food Angel's programme, Food Station, to recycle edible food, make hot meals and food packages that will be given away to grassroots elderly and low-income people, benefiting nearly 400,000 people. The programme has also helped minimise the environmental problem of huge food wastage in Hong Kong.

In addition, we continued our partnership with the New Home Association ("NHA") in the BOCHK-NHA Computer Donation Programme to donate recycled computers to members of ethnic minorities, new immigrants, underprivileged families and the elderly to help them integrate into the digital age. We also continued to sponsor the Government's Child Development Fund and offer account opening services to grassroots children. Through this programme, they will learn about the importance of saving and financial planning as well as fostering self-discipline.

As a longstanding supporter of the Community Chest of Hong Kong ("the Chest"), we encourage our staff members not only to make donations but also to take part in fund-raising programmes organised by the Chest. These events include the Community Chest Corporate Challenge, Community Chest Swim for Millions, Community Chest Walkathon and charity concert jointly organised by the Chest and Hong Kong Police Force. We received the Platinum Award from

the Chest in 2016. We also sponsored the Hospital Authority in organising the HA New Year Run, a fundraising event to benefit patients who suffer from chronic illnesses as well as related patient organisations.

The Group's Malaysia Branch is active in fulfilling its CSR. Staff from the Kuching Branch visit local orphanages from time to time. They also provide financial support for food purchases on a regular basis. For "Donate with Hearts" activities organised by the Teenage House in Kuala Lumpur (KL) staff members from KL not only made donations but also participated in a marathon run for charity.

BOCHK has sponsored the Hong Kong Corporate Citizenship Programme of the Hong Kong Productivity Council for seven consecutive years to enhance corporate awareness of CSR. During the past seven years, more than 800 enterprises have participated in this programme.



Food Station, sponsored by BOCHK, benefits elderly and people in need through the provision of meals.



To spread the new year blessings, we have invited grassroots families to enjoy the “BOCHK Hong Kong New Year Countdown Celebrations 2017” pyromusical show at the ceremony.

## Promoting Sports, Arts and Culture

We are a steadfast advocate of sports to promote the message of physical and mental health, team spirit and positive life attitude. Since 1999, we have supported the development of badminton sport and organised various badminton competitions, activities and training courses that have attracted the participation of over 1.4 million people. We support the nurturing of badminton players and Ng Ka Long, Angus, a recognised player on Hong Kong’s professional team, is an excellent example.

Since 2002, we have been sponsoring the Hong Kong Island & Kowloon Regional Inter-school Sports Competition to widely promote sports development in secondary schools in order to encourage sportsmanship among students. In 2016, approximately 80,100 athletes participated in over 8,000 matches in 20 sports events. Also, more than 510 students participated in the BOCHK Schools Sports Volunteer Scheme, contributing over 9,800 hours of volunteer time.

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

We support the Hong Kong Premier League to promote Hong Kong’s football development.



The Group supports a diverse range of cultural activities. One of the key sponsorships during the year was the Hong Kong Philharmonic Orchestra’s 2016/17 Season Opening Concerts by the world renowned cellist Yo-Yo Ma. The concert attracted around 2,000 audience. For the fourth consecutive year, BOCHK Private Bank sponsored the Hong Kong Art Week organised by the Hong Kong Gallery Association. This 12-day art event gathered 50 galleries and presented over 100 shows and activities for the public. Our volunteer team also actively participated in the Family Art Day with their family members, fully reflecting the Group’s commitment to CSR. Furthermore, to promote tea culture, we sponsored the Hong Kong Trade Development Council’s Tea Rendezvous event for six consecutive years.

As 2016 marked the 150th anniversary of the birth of Dr Sun Yat-sen, we sponsored a large-scale exhibition to commemorate Dr Sun’s patriotism and progressive spirit.

We were also the title sponsor for the “BOCHK Hong Kong New Year Countdown Celebrations 2017” organised by the Hong Kong Tourism Board. The gala event not only conveyed a positive message of joy and harmony to all Hong Kong people, but also marked the beginning of the year-long celebration of Bank of China’s centenary of service in Hong Kong. It has attracted over 330,000 citizens and visitors who enjoyed the pyromusical show together at the Victoria Harbour. About 50 audience from the grassroots families and minority groups were also invited to the countdown ceremony.





## PROTECTING THE ENVIRONMENT

We are committed to reducing carbon footprint generated from our daily operations and minimising the environmental impact of business development. We also promote environmentally responsible practices to our staff, customers, suppliers and other stakeholders for more sustainable development.



Our "Small Value Transfer" service provides customers with secure and reliable P2P payment service.



Number of customers opting for e-statements

▲ 20.3%



Average customer transaction time

▼ 24%

### Promoting a Green Bank

To reduce paper consumption, we encourage customers to use electronic banking services, including e-cheques and e-statements. In 2016, the number of customers opting to receive e-statements rose significantly by 20.3%. In addition, we implemented a paperless branch teller model across our extensive branch network, shortening the average customer transaction time by 24%.

We have incorporated elements related to environmental protection, energy and emissions reduction as well as public health and safety in our credit risk policy and procedures. We also take into consideration our customers' environmental performance when making credit decisions. In 2016, we continued to provide loans to enterprises involved in developing new energy sources, renewable energy and water conservation projects, in support of environmental protection and community development.



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

“BOCHK Corporate Environmental Leadership Awards” is successful in promoting environmental practices among the manufacturing and services enterprises in Hong Kong and the Pan Pearl River Delta region.



During the year, BOCHK was the Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager for the issuance of a three-year US\$500 million bond for Bank of China London Branch. It was also the first Bank of China offshore Green Covered Bond. We continued to participate in the Energy Efficiency Loan Scheme launched jointly by two local electricity companies. The Scheme provides loans to commercial and industrial customers interested in implementing energy conservation projects.

## Raising Awareness of Environmental Issues

Since 2015, the Group, together with the Federation of Hong Kong Industries, has organised the “BOCHK Corporate Environmental Leadership Awards” programme to encourage enterprises to support environmental protection.

In 2016, there were over 530 corporate participants, completing 1,118 green projects, which have collectively reduced annual electricity consumption by more than 223 gigawatt hours – equivalent to the electricity consumed by 24,600 average four-member households in one year. Other collective achievements included the reduction of annual water usage by 21.7 million tons (approximately equivalent to the volume of 5,490 standard 50-metre swimming pools) and the reduction of annual waste by 1.1 million tons (an amount that would cover Shing Mun Reservoir by 410 times). Almost 350,000 tons of materials were also recycled (an amount that would cover an area equivalent to 9,300 times the size of the Victoria Park in Hong Kong).

In 2016, we sponsored WWF’s environmental education programmes to promote sustainable living. The programme featured environmental seminars and workshops for about 750 primary students. We also continued our sponsorship of WWF’s Earth Hour initiative, where all non-essential lighting in major office buildings was switched off for an hour on 28 March, bringing public awareness to the reduction of energy consumption.

For three consecutive years, we have supported Greeners Action’s “Red Packets Recycling Campaign”, setting up red packet collection points at key office buildings and 60 branches. The whole event has received a total number of 8.8 million recycled red packets in 2016 with an estimate weight of 27 tons. This helps encourage people to develop the habit of reclaiming and reusing red packets.

We are actively developing financial technology and promoting product and service innovation.







## CARING FOR OUR PEOPLE

The Group's people-oriented philosophy is apparent in the way we manage human resources to continuously attract, acquire and nurture talent. We are committed to providing a harmonious, diverse and friendly work environment for our staff to realise their potentials. As of the end of 2016, the Group had a total of 12,836 employees, with diverse backgrounds and experience.

### Developing Our Staff

We strive to provide an ideal career development platform for employees and offer a wide variety of training programmes to promote internal mobility and development.

We have a well-established talent pool made up of people from a broad range of professional backgrounds. Our staff development plan is aligned with the Group's medium- and long-term business strategies and is based on Leadership and Fundamental Competency models. These provide clear objectives for personal development and serve as the foundation for talent recruitment and staff performance assessments.

Through the Management Trainee Programme, every year the Group attracts new graduates who aspire to develop

their career in the financial services industry in order to give fresh perspectives to the Group and to nurture new talent for the industry. We select talented students for internship opportunities from tertiary institutions in Hong Kong, the Mainland and overseas. Interns can join the Group through our Management Trainee Programme or Graduate Programme for their long-term career development.

Staff of the Group have ready access to continuing education opportunities. In addition to subsidies for further studies, we also provide diversified learning programmes and development platforms to meet our staff's personal goals and the Group's long-term development objectives. By making compliance training courses mandatory for every employee, we have strengthened our compliance and risk prevention culture throughout the Group.

We are the Overall Champion in the 7th Athletic Meet organised by the Hong Kong Chinese Enterprise Association.







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





## Corporate Social Responsibility



We have organised various activities for our colleagues and their families such as Disneyland Fun Day and InnoTech Expo 2016 etc.



## Supporting Our People

We make every effort to provide our staff with a pleasant and caring work environment. To better understand the needs and expectations of employees, we have constant communication with staff through various channels. The Group attracts, motivates and retains outstanding employees by offering competitive compensation and incentives as well as comprehensive benefits. An award presentation ceremony is held annually to recognise outstanding staff and teams.

BOCHK attaches great importance to “work-life balance” and encourages employees to pursue their career as well as lead a fulfilling personal life. During the year, various recreational activities were organised for staff. In 2016, we hosted a Staff and Family Members Carnival at Hong Kong Disneyland for over 28,000 staff and their family members.



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





We have participated in different charitable activities such as the Carol Singing Festival, Trail Walker, Blood Donation Day and the Walk for Millions.



## Serving the Community

We encourage our employees to contribute their time and effort to serve the community. There are about 1,400 employees in our Dynamic Volunteer Team. Every year, we arrange training programmes for our volunteers to strengthen their skills in helping others. In 2016, our volunteer team, together with their family and friends, participated in some 90 volunteer activities, with more than 49,000 hours of community service, up 10% from 2015. The

number of people participated in volunteer service surged over three times to 11,818. The beneficiaries of these volunteer activities included children and youth, the elderly, the physically challenged with special needs as well as environmental organisations. The enthusiasm of our volunteers has been recognised by the Social Welfare Department through its Gold Award for Volunteer Service for seven consecutive years.

