

Carbon Offset Strategy Statement (Abstract)

1. Strategy Statement

BOC Hong Kong (Holdings) Limited (“the Group”) is aware of its responsibility and importance of addressing climate change issues. The Carbon Offset Strategy Statement (the “Strategy Statement”) has been formulated to provide comprehensive guidance and specifications for effective implementation of carbon offset activities in the Group, aiming to minimise the risk of greenwashing, supporting the development of renewable energy.

2. Scope of Application

The Strategy Statement is applicable to the Group and its subsidiaries. Each entity has the responsibility to refer to this Strategy Statement for carbon emission management, and apply it to relevant procurement procedures of carbon offset products.

3. Strategy and Principle

This Strategy Statement adopts the strategy of “first reduce, then replace, and offset at last”, which prioritises the reduction of carbon emission from its own operations and transforms towards net-zero. The Group will opt for the most suitable methods to offset remaining carbon emission depending on the actual local situation.

3.1 Carbon Emission Management Principles

- 3.1.1 BOCHK follows the carbon emission management principles of 1) measure, 2) avoid, 3) reduce, 4) replace, 5) offset, and perform carbon accounting periodically to collect a holistic and timely picture of the Group’s carbon emission level;
- 3.1.2 Under the same condition, priority should be given to business decisions and actions that would lead to less carbon emission, try our

best endeavor to reduce the carbon emission by improving the energy efficiency of the facilities / equipment;

- 3.1.3 The Group seeks to resolve carbon emission that cannot be avoided by using renewable energy. The Group will opt for the most suitable methods to offset remaining carbon emission depending on the actual local situation.

3.2 Carbon Offset Products Procurement Guidelines

- 3.2.1 The Group prioritizes the signing of Power Purchase Agreements (PPAs) to replace high carbon intensive energy or purchase local Renewable Energy Certificates (RECs) to offset scope 2 carbon emission;
- 3.2.2 If local supply cannot meet the Group's renewable energy demands, purchasing International Renewable Energy Certificates (IRECs) from neighboring areas or countries will be considered.
- 3.2.3 All renewable energy certificates purchased should be from reliable and traceable sources, must be officially registered and comply with the requirements of relevant international standards, including RE100 or IRECs standards;
- 3.2.4 High-quality carbon credits will be procured to offset remaining carbon emission. Projects that are selected must be certified by accredited registries (such as Verra, Gold Standard or other equivalent international standards).

4. Disclosure Mechanism

The Group will disclose its carbon offset activities and achievements in carbon reduction annually in related sustainability reports.

5. Formulation, Review, Amendment and Approval Illustration

This Strategy Statement will be reviewed and amended annually to ensure it is updated and aligned with regulatory requirements and industry practices.