

# CORPORATE SOCIAL RESPONSIBILITY

Report 2018



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## ▶ 1. About this Report

This Report gives an overview of the corporate social responsibility (“CSR”) performance of BOC Hong Kong (Holdings) Limited (“the Company”) and its subsidiaries during 2018, comprising Bank of China (Hong Kong) (“BOCHK”) Limited and its subsidiaries, BOC Group Life Assurance Company Limited (“BOC Life”), BOCHK Asset Management Limited and the Company’s Southeast Asian entities, collectively referred to as “the Group”.

This Report represents an important part of our annual reporting, and aims to help our major stakeholders to better understand the Group’s CSR initiatives, endeavours and performance. To fully understand the overall performance of the Company, this Report should be read together with the Company’s [2018 Annual Report](#), as well as its [CSR Policy](#) and [Environmental Policy](#), which are available on our website.

This Report covers the Group’s CSR management, stakeholder engagement, business development and economic contribution, employee care initiatives, environmental protection initiatives and community contribution, etc. Corporate governance is an integral part of CSR, and the related disclosure is contained in the Company’s [2018 Annual Report](#).

Unless otherwise stated, the information and data in this Report cover the period from 1 January 2018 to 31 December 2018<sup>1</sup>.

### Preparation of this Report

This Report has been prepared in accordance with the GRI Standards: Core option, and the Environmental, Social and Governance (“ESG”) Reporting Guide (Main Board Listing Rules Appendix 27) issued by Hong Kong Exchanges and Clearing Limited (“HKEx”), in order to explain the impact of the Group’s daily operations on the economy,

environment and society and to disclose the Group’s CSR performance<sup>2</sup>. The Group maintains regular communication with its stakeholders in the course of its day-to-day operations so as to better understand their areas of interest. This Report has successfully undergone and completed the GRI’s Materiality Disclosures Service.

Section 10 of this Report outlines CSR-related data, and Section 11 explains the content index of the HKEx ESG Guide and GRI Sustainability Reporting Standards. The calculation methods for data used in this Report are stated where appropriate. To increase data accuracy and coverage, past data and information for certain indicators have been restated, with the reasons and impacts reflected and explained where appropriate (if applicable)<sup>3</sup>.

The content and data contained in this Report was collected by the Group’s cross-unit CSR Task Force, formed by representatives from different units of the Group. The Report was prepared and published on the websites of HKEx and BOCHK after seeking professional consultation, being reviewed by the Group’s senior management and CSR Committee, and obtaining the approval of the Board<sup>4</sup>.

### Your Feedback

If you have any comments on this Report or on our CSR work, please fill in the [online feedback form](#) or contact the secretariat of the Group’s CSR Committee (email: [csr@bochk.com](mailto:csr@bochk.com))<sup>5</sup>.



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<sup>1</sup> 102-50

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<sup>5</sup> 102-53



## ▶ 2. About BOC Hong Kong (Holdings) Limited<sup>6</sup>

BOC Hong Kong (Holdings) Limited (“the Company”) was established by restructuring the businesses of Bank of China Group’s member banks in Hong Kong. The Company was incorporated in Hong Kong on 12 September 2001 to hold the entire equity interest of Bank of China (Hong Kong) Limited (“BOCHK”), its principal operating subsidiary. Bank of China Limited (“BOC”) holds approximately 66.06% of the equity interest in the Company through BOC Hong Kong (BVI) Limited, an indirect wholly-owned subsidiary of BOC. The Company began trading on the main board of the Stock Exchange of Hong Kong on 25 July 2002 and is one of the largest listed companies and commercial banking groups in Hong Kong, with stock code “2388” and ADR OTC Symbol: “BHKLY”<sup>7</sup>.

With the goal to “Build a Top-class, Full-service and Internationalised Regional Bank”, BOCHK gives full play to its advantages as a major commercial banking group in Hong Kong to increase local market penetration and expand its business in the Southeast Asian region. We strive to provide customers with comprehensive, professional and high-quality services. As one of the three note-issuing banks and the sole clearing bank for Renminbi (“RMB”) business in Hong Kong, BOCHK has strong market positions in all major businesses. We have the most extensive local branch network and diverse service platforms in Hong Kong, including approximately 200 branches, 270 automated banking centres, over 1,000 self-service machines, and 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. Our strong RMB franchise has made us the first choice for customers in RMB business.

In an effort to implement the overseas development strategy of BOC Group, we are actively pushing forward our regional development. Aiming to provide customers in Southeast Asian countries with professional and high-quality financial services, we have extended our



branches and subsidiaries to Thailand, Malaysia, Vietnam, the Philippines, Indonesia, Cambodia, Laos<sup>8</sup> and Brunei. Through deep collaboration with our parent bank BOC, BOCHK provides a full range of high-quality cross-border services to multinationals, cross-border customers, mainland enterprises going global, central banks and super-sovereign organisations.

As a leading commercial and internationalised regional bank with roots firmly planted in Hong Kong for over 100 years, we are committed to undertaking our corporate social responsibilities, promoting long-term and balanced sustainable development, and delivering greater value for our stakeholders and the community.

Our CSR contributions have been widely recognised. For awards details, please refer to our [2018 Annual Report](#) .

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<sup>6</sup> 102-1, 102-2, 102-4, 102-6, 102-7

<sup>7</sup> 102-5

<sup>8</sup> BOCHK entered into an agreement with BOC in relation to the transfer of the Branch Interests in Bank of China Limited, Vientiane Branch on 4 December 2018, and completed the transfer on 21 January 2019.



## Our Strategic Goal and Core Values<sup>9</sup>

Our Strategic Goal is to

# Build a Top-class, Full-service and Internationalised Regional Bank

Our Core Values are

- Responsibility
- Integrity
- Professionalism
- Innovation
- Prudence
- Performance



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### ▶ 3. Message from the Chairman<sup>10</sup>



In 2018, the global economic recovery maintained momentum, albeit in the face of greater downside risks owing to emerging challenges to economic globalisation, multilateralism and global governance. Nevertheless, Hong Kong's economy achieved 3% growth in 2018, higher than its average growth rate of 2.7% over the past decade. Despite intense market competition in the banking industry, the development of the sector remained healthy overall. BOCHK diligently implemented BOC's new development strategy and the decisions of the Board of Directors, while stepping up innovation and expansion in line with its strategic goal to "Build a Top-class, Full-service and Internationalised Regional Bank". Our operational efficiency and the quality of our development continued to rise, and we made fresh contributions to Hong Kong's economic growth and to improving Hong Kong people's livelihoods.

The Group has adhered to major national strategies and played a supportive role in the construction of the Belt and Road and the Guangdong-Hong Kong-Macao Greater Bay Area. Having successfully completed the acquisition of BOC Ho Chi Minh City Branch and BOC

Manila Branch in 2018, as well as BOC Vientiane Branch in January 2019, the integration of the Group's Southeast Asian institutions is basically complete. We have established a diversified regional management model that further enhances our financial service capabilities along the Belt and Road. Positive effects of this integration gradually became evident in 2018, with an uptick in the business scale and development quality of the acquired Southeast Asian institutions. In the Philippines, BOC Manila Branch set up the first self-governing overseas financial organisation for currency trading between RMB and local currencies, facilitating the official launch of direct foreign exchange trading of the RMB and Philippine Peso. BOC Malaysia was designated as the RMB clearing bank in Labuan, Malaysia's international financial centre. Meanwhile, BOCHK held the Guangdong-Hong Kong-Macao Greater Bay Area Financial Forum, where participants discussed the integrated and innovative development of the financial industry in relation to the construction of the Greater Bay Area. With the aim of establishing new systems and mechanisms and facilitating vital cross-border flows, the Bank actively pursued innovation in its businesses, products and services, striving to overcome residents' challenges and fulfil the demand for financial services in the Greater Bay Area.

The Group supports the development of Hong Kong's economy, promotes initiatives to improve people's livelihoods, and is committed to facilitating financial inclusion. In 2018, we continued to support Hong Kong's efforts to build a global offshore RMB business hub, with the RMB transaction volumes processed via BOCHK accounting for 75% of the total RMB transaction volume of the world's offshore markets. BOCHK assisted Hong Kong in building a corporate treasury centre, and made impressive progress in encouraging Belt and Road customers to establish overseas fund management platforms in Hong Kong. In support of Hong Kong's efforts to establish itself as an international innovation and technology centre, we implemented such projects as the Faster Payment System (FPS) initiated by the Hong Kong Monetary Authority (HKMA), as well as strengthening cooperation

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<sup>10</sup> 102-6, 102-14, 102-15



with the Hong Kong Science and Technology Parks Corporation, Cyberport, etc. The Bank backed Hong Kong's goal of building an international green finance centre by helping enterprises to issue several tranches of green bonds denominated in USD, EUR and RMB, accounting for approximately one third of the total amount of green bonds issued in Hong Kong. With the most extensive branch network in Hong Kong, BOCHK provides convenient banking services to small and medium-sized enterprises (SMEs) at its branches in an effort to support their business development and serve the real economy.

The Group is actively involved in charitable programmes, supporting youth development in Hong Kong and striving to facilitate social harmony. In 2018, we continued to devote more resources to charitable causes and optimised our donation strategies with a focus on poverty alleviation, support for the disadvantaged and youth development, in order to benefit grassroots and underprivileged communities. During the year, we donated to more than 20 charity projects and formulated and implemented a number of measures to support youth development in Hong Kong. These measures include scholarships and bursaries, internships and exchange programmes in the Chinese mainland and overseas, and cover such areas as employment, entrepreneurship, culture and sports, and technological innovation.

In 2018, BOCHK was named "Strongest Bank in Asia Pacific and Hong Kong" by The Asian Banker for the fifth consecutive year, and "Best Bank for CSR in Hong Kong" by *Asiamoney*. The Bank was selected as a constituent stock of the Hang Seng Corporate Sustainability Index Series for the ninth consecutive year. We were granted the "Award of 10,000 Hours for Volunteer Service", the "Merit Award of Highest Service Hours" and, for the ninth consecutive year, the "Gold Award for Volunteer Service" by the Social Welfare Department. In addition, the Group's environmental, social and governance (ESG) performance was rated AA by the rating agency MSCI ESG Research LLC in 2018.

2019 marks the 70th anniversary of the founding of New China and is also a crucial year for the nation's goal of building a moderately

prosperous society in all respects. In 2018, Chinese President Xi Jinping expressed his "four hopes" when he met with members of various sectors in Hong Kong and Macao, in celebration of the 40th anniversary of China's reform and opening-up. His "four hopes" include more active participation in the practice of national governance. Hong Kong has developed extensive experience and many good practices when it comes to supporting charitable causes and SME development. In 2018, the Hong Kong Chief Executive's Policy Address focused on social concerns regarding housing and land, economic diversification, talent cultivation and wellbeing improvement. BOCHK has deep roots in Hong Kong and has served the city for more than a century. We are determined to make a contribution not only by generating commercial value and creating social wealth, but also by fulfilling our social responsibilities, enhancing our sense of honour and mission with regard to addressing social needs, and by directing more resources, including capital, technology and talent, to support the real economy and people's livelihoods.

As we enter a new era of China's reform and opening-up and of "One Country, Two Systems", BOCHK will unswervingly follow the path of long-term balanced and sustainable development. We are committed to supporting the HKSAR Government's governance. I believe that the Group will continue to be a driving force for Hong Kong's economic development and wellbeing improvement, and will make vital contributions to the grand journey of Hong Kong's integration into the great rejuvenation of the Chinese nation.

**Chen Siqing**  
Chairman

29 March 2019

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## ▶ 4. Message from the Chief Executive<sup>11</sup>



The year 2018 marked the 40th anniversary of China's reform and opening-up, as well as the first year of the implementation of BOC's new development strategies. It was also a year in which BOCHK put in place thorough regional management for its Southeast Asian entities. Guided by our goal to “Build a Top-class, Full-service and Internationalised Regional Bank”, we diligently carried out the plans and decisions by the Board of Directors. The Group achieved solid progress in various endeavours by capturing market opportunities and made continuous improvements to its operational efficiency. We steadily enhanced the quality of our growth and further consolidated our unique advantages. Notable achievements were also made in our regional development in Southeast Asia. In 2018, the Group's profit attributable to equity holders grew to HK\$32,000 million, up 12.0%, compared with profits from continuing operations of 2017. Thanks to our solid financial strength and sound asset quality, BOCHK was named “Strongest Bank in Asia Pacific and Hong Kong” by *The Asian Banker* for the fifth consecutive year.

As a leading commercial banking group, one of the three note-issuing banks and one of the largest listed companies in Hong Kong, we have been adhering to our major strategic objective to support economic development and improve people's livelihoods, as well as promoting social harmony and stability. BOCHK pursues long-term balanced and sustainable growth throughout all of its operational management and business expansion. The Bank is dedicated to promoting green finance, fintech, financial inclusion, livelihood finance and cross-border finance. Committed to serving the society through the power of finance, we strive to support people's livelihoods and respond to our stakeholders' needs and opinions. As the Group moved forward in its regional development, it embraced corporate social responsibilities in the places where it operated, and facilitated economic and trade cooperation and exchange among Hong Kong, the Chinese mainland and the Southeast Asian region. We are very glad that these efforts have received recognition from various sectors of society. During the year, BOCHK was awarded “Best Bank for CSR in Hong Kong 2018” by *Asiamoney* for its outstanding performance in the fulfilment of its corporate social responsibilities.

With regard to green finance, BOCHK pursues a policy of green financing. In reponse to the call of the Government of the Hong Kong Special Administrative Region (HKSAR) to promote green finance, we assisted our parent bank BOC in issuing green bonds in Hong Kong. In May 2018, BOC successfully issued US\$1.4 billion worth of sustainable development bonds and green bonds which were listed on the Hong Kong Stock Exchange. Among these, amounting to HK\$ 3 billion of the sustainable development bonds were the first of its kind issued overseas by a Chinese bank. Meanwhile, BOCHK underwrote in Hong Kong a number of tranches of USD-denominated green bonds for Link Asset Management Limited and China Development Bank, and the first euro-denominated green bonds for the Agricultural Development Bank of China.

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<sup>11</sup> 102-6, 102-14, 102-15, FS7





Together, these green bonds accounted for approximately 30% of the total amount of green bonds issued in Hong Kong in 2018. In addition, we actively promoted green mortgages as about 90% of our property valuations were processed paperless by using blockchain technology.

For fintech development, the Group stepped up its investment in technological innovation while enhancing the efficiency of its financial services, with the aim of refining customer experience. As part of our efforts in supporting Hong Kong to move into the “New Era of Smart Banking” and transform itself into a smart city and an international IT centre, we strengthened our collaboration with the Hong Kong Monetary Authority (HKMA), Science Park and Cyberport, etc. In addition, we worked with the HKMA and industry peers to promote the establishment of a trade finance platform in Hong Kong, while participating in various innovative fintech initiatives that aim to facilitate the construction of financial infrastructure platforms in the Greater Bay Area and along the Belt and Road. Our other efforts in fintech development included launching cross-border mobile payment service, speeding up the nurturing of fintech talent and providing internship opportunities for university students. Being a pioneer in innovative technology, BOCHK introduced fintech initiatives such as finger vein authentication at its branches and for ATM machines, as well as its mobile payment App. The Bank has established a brand new branch model in Science Park featuring self-service, mobile and digital banking facilities that provide smart services 24x7.

In terms of inclusive finance, BOCHK strives to address the difficulties faced by SMEs in account opening, financing issues and cost of financing. Nearly 200 BOCHK branches provide corporate account opening services with streamlined, clear and transparent procedures. During the year, the Bank implemented a series of preferential measures to facilitate SME financing and help SMEs

reduce costs. Leveraging our parent bank’s “BOC Global Cross-border Investment Matching Service for SMEs” and our business development in Southeast Asia, we built a comprehensive cross-border cooperation and exchange platform to help SMEs expand into new markets. In addition, we were granted the “Guangdong – Hong Kong – Macao Greater Bay Area Commercial Banking Services” award by *Hong Kong Economic Journal*, as well as the “Best SME’s Partner Gold Award” by the Hong Kong General Chamber of Small and Medium Business for the 11th consecutive year.

For livelihood finance, approximately half of BOCHK branches are situated in close proximity to public housing estates, while more than half of its automated banking centres are located in public organisations such as hospitals and universities, as well as transport hubs including MTR stations, airports and ports. In personal financial services, BOCHK continued to support the HKSAR Government’s Reverse Mortgage Programme. We are the largest reverse mortgage provider in Hong Kong, which accounted for over 70% of the cases in the market. We have secured leading market positions in areas such as mortgages, credit cards and Silver Bond. In addition, the Group was the largest agent bank with 172 of its branches available for subscriptions of the HKMC Annuity Plan. Striving to build a “social community that creates shared value”, the Group spared no effort in strengthening its partnerships with public organisations including hospitals and schools, as well as charitable institutions and social welfare bodies.

For cross-border finance, BOCHK capitalised on BOC’s full advantages in the Greater Bay Area, and stepped up its innovation and collaboration initiatives so as to provide necessary financial services for Hong Kong and Macao residents. We assisted the HKSAR Government in providing the old age living allowance for the local elderly who now live in Guangdong. The Bank established

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cross-border payment platforms for bill settlement and consumption in the Greater Bay Area with the launch of BOC Dual Currency Card, BoC Pay mobile App and BoC Bill integrated payment collection service. In order to promote cross-border flows, we will continue to address the issues of account opening, payment, financing and wealth management for northbound Hong Kong and Macao residents. We strive to provide suitable financial services that support the building of the Guangdong-Hong Kong-Macao Greater Bay Area into a high-quality living zone for inhabiting, working and travelling.

To “Build a Top-class, Full-service and Internationalised Regional Bank”, we are convinced that it is underpinned by a sound bank culture. The Group embraces BOC's values of "Responsibility, Integrity, Professionalism, Innovation, Prudence and Performance", and adopts these values in different aspects of its operations such as staff development, community care and risk management. BOCHK is committed to becoming a role model for the industry and winning recognition from the public, investors, shareholders and employees, so as to make greater contributions to social harmony and inclusion. In 2018, the Group stepped up its investment in charitable causes and set up platforms for youth development in Hong Kong. Throughout the year, we completed more than 20 charitable projects, covering such areas as poverty alleviation, culture and education, sports and the arts, as well as environmental protection and carbon reduction.

2019 marks the 70th anniversary of the founding of the People's Republic of China. It is also a crucial year for evaluating the performance of BOCHK's regional development. We will relentlessly pursue our strategic goals and execute our strategic plans. Our business transformation will be accelerated in order to tap the potential of different growth drivers. Efforts will be made to undertake management reform, strengthen our foundation for future growth and bolster our risk management. We will continue to enhance our regional management and operation models, and

unswervingly tread the path of long-term sustainable development.

The Group will, as usual, continue to support the HKSAR Government to assume a proactive role in its governance according to the law. At the same time, we will increase our investment in charitable causes that benefit a greater number of people from grassroots and disadvantaged communities, and strive to support youth development. All of these efforts will help make greater contribution to foster the city's economic development, wellbeing improvement, and integration of Hong Kong into the nation's development.

**Gao Yingxin**  
**Vice Chairman & Chief Executive**  
 29 March 2019

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## 5. Corporate Social Responsibility Management

The Group regards CSR as a vital endeavour for sustaining core competitiveness and enhancing brand value. In accordance with the Group's related strategies, CSR is integrated into its business operations and aligns with the Group's overall development strategy and commitment to responsible operations. We continually enhance our CSR-related policies and management mechanism. Through an effective stakeholder communication mechanism, the Group is committed to generating positive impact for various key stakeholders as well as the local economy, society and the environment.

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## ► 5.1 CSR Policy and Management Mechanism<sup>12</sup>

With reference to international and local guidelines and standards on CSR and sustainable development, the Group has formulated relevant policies as well as management measures and mechanisms for the related scopes. All members of the Group must comply with and implement such policies, measures and mechanisms so as to promote the sustainable development of the Group.

### CSR-related Policies

- The **CSR Policy** articulates the Group's overall CSR policy and principles, and specifies the roles and responsibilities of the Board, senior management, CSR Committee and all members of the Group.
- The **Environmental Policy** sets out the Group's general policy and principles regarding its efforts to actively promote environmentally sustainable development.

Note: Policies for other areas will be articulated in relevant chapters.



### Management Mechanism<sup>13</sup>

- The Board
- Strategy and Budget Committee
- Senior Management and CSR Committee
- Secretariat of CSR Committee
- CSR Task Force (all members of the Group)

For more details about their roles and responsibilities, please refer to our **CSR Policy**.

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<sup>12</sup> 102-18

<sup>13</sup> 102-19, 102-20



## ► 5.2 Stakeholder Communication Mechanism

The Group places great value on stakeholders' opinions and considers them carefully when formulating its overall development strategy. We have identified the stakeholder groups relevant to our business and strive to better understand their opinions and expectations regarding various aspects of the Group's performance through effective communication platforms and methods. Stakeholder views are solicited when reviewing and evaluating the Group's CSR performance, in order to better fulfilling our responsibilities and commitments to key stakeholders<sup>14</sup>.

### 5.2.1 Stakeholder Engagement Platforms<sup>15</sup>

Customers	Employees	Shareholders and the investment community	Government and regulators	Suppliers	Community	Media
<ul style="list-style-type: none"> <li>• Communications with front-line staff</li> <li>• Meetings with relationship managers</li> <li>• Contact centre</li> <li>• Customer satisfaction surveys</li> <li>• Collection of customer feedback</li> <li>• Corporate website</li> <li>• Customer relationship events (e.g. talks, seminars, fun days, etc.)</li> <li>• BOCHK iService 24-hour video banking service</li> <li>• Official WeChat accounts of BOCHK, BOC Credit Card and Southeast Asian entities</li> <li>• Stakeholder engagement surveys / interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Staff magazine, intranet and internal announcements</li> <li>• Department meetings</li> <li>• Chief Executive's mailbox</li> <li>• Staff discussion forums to collect feedback and suggestions from employees</li> <li>• Staff hotline</li> <li>• Staff performance assessment</li> <li>• Staff training</li> <li>• Staff networking events</li> <li>• Cross-unit CSR Task Force</li> <li>• Awards and recognition activities</li> <li>• Stakeholder engagement surveys / interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Company's Annual General Meetings</li> <li>• Corporate communications (including annual reports, interim reports and announcements)</li> <li>• Results briefings</li> <li>• Corporate website</li> <li>• Investors' emails and meetings</li> <li>• Global roadshows</li> <li>• Investor conferences held by investment banks</li> <li>• Stakeholder engagement surveys / interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings, daily communications and reports</li> <li>• Representatives on committees of major industry and government bodies</li> <li>• Forums, seminars and talks</li> <li>• Circulars of regulatory authorities</li> <li>• Stakeholder engagement surveys / interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings and communications</li> <li>• Regular supplier reviews</li> <li>• On-site inspections</li> <li>• Stakeholder engagement surveys / interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Sponsorships and donations</li> <li>• Seminars, forums and sharing sessions</li> <li>• Meetings and communications</li> <li>• Diverse activities for the community (including tours, exchanges and visits)</li> <li>• Volunteer activities</li> <li>• Stakeholder engagement surveys / interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Press conferences</li> <li>• Media interviews</li> <li>• Corporate communications (including annual reports, interim reports and press releases)</li> <li>• Corporate website</li> <li>• Media enquiries</li> <li>• Stakeholder engagement surveys / interviews</li> </ul>

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<sup>14</sup> 102-42

<sup>15</sup> 102-40, 102-43



## 5.2.2 Assessment of CSR Issues<sup>16</sup>

To ensure that the Report covers CSR issues that are material to the Group and addresses stakeholders' key interests appropriately, we have engaged an external professional body to design and conduct a series of stakeholder engagement activities, with reference to the disclosure practices of our peers in the banking industry. This has helped us to prioritise the material issues included in the Report.

### Materiality Assessment



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<sup>16</sup> 102-46  
<sup>17</sup> 102-44



## 5.2.3 Material Issues<sup>18</sup>

CSR areas	Material Issues <sup>19</sup>
<p><b>Economic</b></p>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Indirect Economic Impacts</li> </ul>
<p><b>Human Resources and Labour Practices</b></p>	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Labour Relations</li> <li>• Occupational Health and Safety</li> <li>• Employee Training and Education</li> <li>• Diversity and Equal Opportunity</li> <li>• Compliance with Labour Laws and Regulations</li> </ul>
<p><b>Society</b></p>	<ul style="list-style-type: none"> <li>• Non-discrimination</li> <li>• Contribution to Local Community</li> <li>• Anti-corruption</li> </ul>
<p><b>Product and Service Responsibility</b></p>	<ul style="list-style-type: none"> <li>• Customer Health and Safety</li> <li>• Product and Service Labelling</li> <li>• Customer Privacy</li> <li>• Compliance (Product Responsibility and Services)</li> <li>• Marketing Communications</li> </ul>
<p><b>Environment</b></p>	<ul style="list-style-type: none"> <li>• Material</li> <li>• Energy</li> <li>• Greenhouse Gas Emissions</li> <li>• Water Resources Management</li> <li>• Waste</li> </ul>

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<sup>18</sup> 102-47, 103-1

<sup>19</sup> The reporting boundaries of each material issue include the Group's social, economic and environmental impacts, while the reporting parameters of the Group's Indirect Economic Impacts and Greenhouse Gas Emissions also include the social, economic and environmental impacts of the Group's business-related parties (e.g. customers, suppliers and business partners).



## 6. Business Development and Economic Contributions<sup>20</sup>

With the goal to “Build a Top-class, Full-service and Internationalised Regional Bank” while developing its business, the Group makes every effort to contribute to the enhancement of Hong Kong’s status as an international financial centre, and to the prosperity and development of the places where it operates.

For more details about the Group’s business performance in 2018, please refer to the [2018 Annual Report](#) .

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## ▶ 6.1 Business Performance<sup>21</sup>

2018 Financial Highlights			
	2018	(Restated) 2017	Change
For the Year	HK\$m	HK\$m	+/-%
<b>Continuing Operations</b>			
Profit attributable to equity holders	32,000	28,574	+12.0
Earnings per share (HK\$)	3.0266	2.7026	+12.0
Return on average total assets (%)	1.16	1.15	+0.01pp
Return on average shareholders' equity (%)	12.83	12.10	+0.73pp
<b>At year-end</b>			
Total assets	2,952,903	2,651,086	+11.4
Deposits from customers	1,895,556	1,777,874	+6.6

Note: The Group has applied the merger accounting method for the combination of entities under common control in the preparation of financial statements in 2018. The comparative information for 2017 has been restated accordingly.



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## ▶ 6.2 Serving the Real Economy<sup>22</sup>

### Adhering to National Strategies and Fostering Economic Growth

Major national strategies such as the development of the Guangdong-Hong Kong-Macao Greater Bay Area and the Belt and Road Initiative have presented tremendous opportunities for Hong Kong's development. As an international financial centre, Hong Kong is well placed to capitalise on its unique advantages. Adhering to national development strategies, the Group grasps the opportunities arising from "meeting the country's needs by leveraging Hong Kong's advantages" and strives to provide enterprises and individuals with diverse and innovative cross-border financial services.

#### Support and implement the national Belt and Road Initiative:

- Supporting the development of local infrastructure: The Group supported large-scale infrastructure projects in Hong Kong and Southeast Asia, including railways, communications equipment, petroleum and optical cables, by providing services such as project financing and syndicated loans.
- Enhancing regional financial services: The Group strived to enhance its service capabilities in Southeast Asia. We fully supported the Philippine Government in issuing Panda bonds, and completed the first batch of direct trades between the RMB and Philippine Peso (PHP), following the establishment of the Philippine RMB Trading Community, which represented the official launch of the RMB-PHP direct trade market.



#### Support and implement the development plan for the Guangdong-Hong Kong-Macao Greater Bay Area:

- Supporting enterprises in exploring business opportunities: The Group provided diverse commercial services, financing solutions and treasury products to meet demand in Hong Kong and the mainland for financing, trading, investment and participation in capital markets. We also launched BoC Bill to provide small and medium-sized enterprises (SMEs) with comprehensive payment collection services. These services support various payment collection methods, including traditional credit card payment and a number of new payment models such as e-wallet, QR code scanning and bank account transfer (the Faster Payment System, FPS).
- Meeting financial services needs for residents in the Greater Bay Area: BOCHK launched BOC Dual Currency Credit Card "Pay as You Go" and BoC Pay mobile App, allowing customers to make local or cross-border purchases, payments and transfers at any time.
- Expanding our cross-border service network: The Group established branches at newly-opened major ports. We also opened our first year-round branch at Hong Kong International Airport to provide our industrial, commercial and personal customers with an all-weather service.

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Focusing on the opportunities brought about by major national strategic initiatives, the Group organised, supported and sponsored a series of economic, trade and financial forums to promote cooperation and exchange among enterprises in the Greater Bay Area. In 2018, we sponsored the third Belt and Road Summit, which was jointly organised by the HKSAR Government and Hong Kong Trade Development Council. We organised the Guangdong-Hong Kong-Macao Greater Bay Area Financial Forum with the Hong Kong Chinese Enterprises Association and Chinese Banking Association of Hong Kong. At the forum, views were exchanged on topics including financial technology development and application, cross-border financial cooperation and financial services facilitation in the Greater Bay Area. Valuable proposals and suggestions were made to promote the Area's development. Moreover, we held RMB seminars and business forums in countries such as Indonesia and Cambodia, participated in the first China International Import Expo in Shanghai, and successfully held the ASEAN-Mainland Banks Exchange on RMB Business in Xi'an, among other initiatives.

### Enhancing Hong Kong's Status as an Offshore RMB Hub<sup>23</sup>

BOCHK is currently the sole RMB clearing bank in the world that directly participates in the mainland's Cross-border Interbank Payment System (CIPS), China National Advanced Payment System (CNAPS) and Shenzhen Financial Settlement System (SZFSS). Not only are we the main hub connecting offshore RMB markets with the mainland, but we are also the largest and most important clearing platform in offshore RMB markets. Currently, BOCHK provides RMB clearing services for more than 200 local and overseas participating banks. Our RMB Real Time Gross Settlement (RMB RTGS) system has operated for the longest time, processing the largest transaction value and deploying the most advanced technology in offshore RMB markets.

According to data published by the Society for Worldwide Interbank Financial Telecommunication (SWIFT), the RMB transactions processed in Hong Kong in 2018 in terms of value accounted for 75% of total offshore RMB transaction value, well ahead of the world's other offshore markets.

According to data published by Hong Kong Interbank Clearing Limited (HKICL), the total transactions processed via the Hong Kong RMB RTGS system in terms of value reached RMB233 trillion in 2018, representing a year-on-year increase of 10%.



During the year, we further enhanced our RMB business-related services to meet market demand, including:

- Extending the operation time of the cross-border channel through CIPS and adding financial markets business and new functions such as Deferred Net Settlement (DNS), to further enhance the efficiency of BOCHK as the Clearing Bank for cross-border RMB fund clearing and settlement.
- Supporting the development of the RMB payment business as well as the HKMA's FPS initiative by launching an RMB FPS clearing service in line with the existing HKD service, thus meeting increasing demand for efficient retail payment services in the local market.
- Providing delivery versus payment (DVP) cross-border fund settlement services in a comprehensive manner and striving to enhance settlement efficiency and reduce settlement risks, in a bid to encourage investors to use the Bond Connect service.
- The Labuan Financial Services Authority appointed BOC Malaysia as RMB Settlement Bank in Labuan.

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## ▶ 6.3 Practising Financial Inclusion<sup>24</sup>

### Convenient Banking Services

Adhering to its customer-centric principle, the Group offers convenient banking and financial services to people from various sectors of society. It also supports financial inclusion, as advocated by the HKMA, demonstrating its responsibilities to the community.

- Hong Kong's most extensive service network: BOCHK provides convenient banking services to the public through the largest and most extensive branch network in Hong Kong, which includes approximately 200 branches, 270 automated banking centres and over 1000 self-service machines spread across different districts of the city.



- Caring for the community: With a view to providing customers with convenient banking services, approximately half of our branches are located either in or within 10 minutes' walking distance of public housing estates, while about 150 automated banking centres are set up in public organisations such as hospitals, universities and public transport hubs including MTR stations, airports and ports.

half of our branches within



For more information about our products and services, please visit our [website](#).

### Innovative Financial Services

Guided by its development strategy of "driving growth through technology and innovation", BOCHK extensively applies new technological advances to provide customers with more convenient and secure financial services. The Group launched a number of new services in 2018, including:



- Mobile payment: We participated in the construction of the FPS initiated by the HKMA, and provided 24-hour interbank transfer services in HKD and RMB for both personal and corporate customers.
- Trade finance: The Group joined hands with the HKMA and our industry peers to promote the construction of eTradeConnect, a blockchain technology-based trade finance platform. We also participated in the Global Trade Connectivity Network (GTCN) infrastructure project, which was initiated by the Monetary Authority of Singapore and HKMA with the aim of helping enterprises lower costs and enhance efficiency.
- Smart banking service: Our smart branch at Hong Kong Science Park adopts an open design and a paperless, electronic model and 24x7 iService to facilitate communication with customers. It also provides start-ups and innovation and technology enterprises with a one-stop solution services for account opening, loans and insurance, as well as the analysis of the HKSAR Government's dedicated funds. BOCHK is the first bank in Hong Kong to introduce Finger Vein Authentication and other digital banking services. As at the end of 2018, our Finger Vein Authentication service was available at over 450 ATMs across all 18 districts of Hong Kong, obviating the need for customers to enter passwords.



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### Serving the Elderly

- **Providing appropriate financial services:** The Group is committed to meeting the financial needs of senior citizens by providing appropriate financial services and flexible financial retirement planning. BOCHK is the leading bank for the provision of the Reverse Mortgage Programme, which accounted for over 70% of the cases in the market. As a joint lead manager and placement bank, BOCHK supported the HKSAR Government in the preparation and issuance of Silver Bonds, open for subscription to local residents aged 65 or above. In an effort to support the HKMC Annuity Plan launched by HKMC Annuity Limited (HKMCA), we processed related applications at more than 170 of our branches in various districts, for the convenience of the elderly.
- **Caring for the elderly:** We support the Portable Comprehensive Social Security Assistance Scheme, Old Age Allowance, Guangdong Scheme, Fujian Scheme and Senior Citizen Card Scheme of the Social Welfare Department, demonstrating our care for the community.
- **Providing convenient services to the elderly:** To assist the elderly in adapting to new technology, during the year of 2018 BOC Fast Cash Card was introduced to the elderly at 28 designated branches. BOCHK also joined hands with EPS and industry peers in launching the EPS EasyCash for Senior Citizens initiative, which allows elderly people to withdraw cash at convenience stores without making a purchase. The Group also held a series of ATM Education Talks with the Hong Kong Association of Banks (HKAB) at a number of elderly centres. These talks aimed to encourage the elderly to use ATMs by themselves. In addition, we launched the Caring for the Elderly Biweekly Campaign across our entire network of approximately 200 branches. About 4,000 employees were appointed as Caring for the Elderly Ambassadors, introducing elderly customers to the password-free Finger Vein Authentication service.



### Helping the Underprivileged

- **Preferential offers:** The Group waived minimum monthly balance charges and ATM card charges for certain HKD savings account holders. Account holders aged 65 or above, 18 or below, and recipients of Government Disability Allowances/Comprehensive Social Security Assistance, also enjoy a service fee waiver for counter-based transactions.
- **Barrier-free facilities:** All of our branches have been installed with facilities that allow mobility challenged customers to gain access. Some branches are equipped with lifts. We have set up more than 200 Voice Navigation ATMs across Hong Kong for the convenience of the visually impaired, and added a voice navigation function to our mobile banking application.



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## Supporting the Development of SMEs

The steady development of SMEs is an important pillar of Hong Kong's economic growth. The Group has increased local market penetration and actively supported the development of local SMEs. During the year, BOCHK was granted the "Best SME's Partner Award" for the 11th consecutive year and the "Best SME's Partner Gold Award 2018" by the Hong Kong General Chamber of Small and Medium Business, as well as the "Outstanding Import & Export Industry Partner Award" for the fourth consecutive year by the Hong Kong Chinese Importers' & Exporters' Association.

- Solving difficulties in account opening and financing: Leveraging our extensive branch network, we expanded service coverage for SMEs and streamlined account opening procedures. In support of the policies of the HKSAR Government on SME assistance, we provided different loan and finance schemes to help SMEs obtain financing in an efficient and flexible way.
- Helping SMEs explore business opportunities: In line with BOC's "Cross-border Investment and Trade Events", BOCHK built bridges for investment, technical exchange and trade cooperation among SMEs from the mainland, Hong Kong and overseas. For example, BOC Thailand co-organised "Thailand - China Business Forum 2018 and Matchmaking Activity", and BOC Malaysia organised "SMEs Cross-border Business Matchmaking Activity".
- Sponsoring relevant events: We have sponsored the "Young Industrialist Awards of Hong Kong and Industrialist of the Year Award" since 2005, honouring industrial and manufacturing leaders who have made important contributions to local economic development and to society.



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## ▶ 6.4 Responsible Business Practice<sup>25</sup>

The responsible operation of our business forms an integral part of the Group's corporate social responsibility. We strictly abide by the laws and relevant regulatory requirements of the jurisdictions in which we operate. We prudently manage the potential impacts arising from our products, services and our relationships with stakeholders on the financial industry, economy and community, in order to ensure steady business growth. BOCHK provides financial products and services fairly and responsibly, and conducts its various businesses in an ethical manner. The Group is also committed to continually improving service standards in order to enhance customer experience.

### A Customer-centric Banking Group

- Committed to responsible services: When formulating the terms and conditions of its banking services, the Group strictly abides by all laws and regulations applicable to Hong Kong. These include the *Code of Banking Practice* issued by the HKAB and endorsed by the HKMA, all circulars and guidelines issued by the HKMA, and the *Treat Customers Fairly Charter* formulated by the HKMA and the banking industry, to which all retail banks in Hong Kong are signatories. This is to ensure that our daily operations are in compliance with laws and regulations, and have appropriately taken our customers' interests into consideration.
- Listening to customers' opinions: The Group continuously enhances its service quality by collecting comments and suggestions from customers through various direct communications means and channels, including periodic customer satisfaction surveys. In addition, we conduct regular seminars and visits for the Group's corporate customers, so as to facilitate communications, better understand customer needs and support their business development.



### Protection of Customer Privacy<sup>26</sup>

The Group has put in place a personal data privacy policy and related administrative measures in accordance with the Personal Data (Privacy) Ordinance of Hong Kong, with which we strictly comply. These measures mainly include:

- Collecting customer information in an appropriate manner, prudently safeguarding such information and preventing any unauthorised or accidental access, processing, erasure, loss or use; strictly complying with the requirements of the Personal Data (Privacy) Ordinance and abstaining from using customers' personal data for direct marketing purposes without customers' consent.
- Customers are entitled to notify the Group at any time to cease to use or transfer their personal data to other parties for direct marketing purposes.

For details of the Privacy Policy Statement and Data Policy Notice, please refer to the [Important Notice and Privacy Policy Statement](#) available on the BOCHK website.

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<sup>25</sup> HKEx B6 General Disclosure, HKEx B7 General Disclosure

<sup>26</sup> HKEx B6.5



## Safeguarding Cyber Security

The Group has formulated comprehensive regulations and implementation guidelines on information security and put in place strict security monitoring systems and policies to control and mitigate relevant risks. This aims to ensure that the information security management of BOCHK is at the forefront of the industry, supporting the stability and development of financial services.

With e-banking services becoming more and more prevalent, the public is paying increasing attention to online security. The Group publishes security information and security tips online in order to remind and educate customers through different channels about the appropriate precautions for online transactions, so as to ensure transaction security. It has also adopted various methods of enhancing employees' cyber security awareness and technology risk management capabilities. These included holding several forums and training sessions on cyber security awareness and publishing a monthly journal on technology risk.



## Emphasising Anti-Money Laundering and Counter-Financing of Terrorism<sup>27</sup>

The Group attaches great importance to Anti-Money Laundering (“AML”) and counter-financing of terrorism (“CFT”) as one of the most imperative compliance requirements to foster our business strategies. By making reference to the applicable laws and regulatory requirements of Hong Kong, as well as the recommendations of relevant international organisations such as the Financial Action Task Force, we have formulated an AML and CFT policy to ensure that all our business operations comply with relevant laws and regulations. The Group’s AML Committee formulates policies which all members of the Group are obliged to follow. The AML Committee reports to the Group’s Chief Risk Officer, the Management Committee and the Risk Committee under the Board of Directors for major AML matters including policy implementation, non-compliance issues and risk appetite, etc.

The Group has established money laundering risk assessment models for customers, products and countries, which are subject to regular reviews. The Institutional Risk Assessment is regularly conducted, in which a comprehensive range of risk factors such as customer, product or service, delivery or distribution channels and geographical risks will be evaluated. This review will facilitate the Group effectively analysing and identifying the money laundering risks, and then the implementation of risk mitigation measures where necessary.

In daily operations, our staff strictly adheres to the relevant policies, rules and guidelines. These include, amongst other things, customer acceptance policies, customer due diligence process, ongoing monitoring, and customers and transactions record keeping, etc. Our Southeast Asian entities are obliged to conduct compliance review, as well as credit and AML risks management. To enhance frontline staff’s knowledge on identifying and reporting suspicious transactions, we have developed the “Guideline for Reporting Suspicious Transactions” to specify responsibilities and standards for suspicious transaction reporting, suspicious transaction red flags, reporting criteria and information required.

During the year, the Group proactively raised customer awareness of AML by dissemination of promotional leaflets at branches and promoting AML messages on our website. The Group also invited AML experts to conduct regular briefings and training for directors, senior management and all employees, sharing the latest AML regulatory requirements and international insights to enhance the understanding of international standards in this area. As of the end of 2018, we conducted over 70 AML training courses and 185 of the Group’s staff obtained recognised qualifications in the HKMA’s Enhanced Competency Framework on AML and CFT.

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<sup>27</sup> 102-17, HKEx B7.2





## Anti-Bribery and Anti-Corruption

We adopt a zero-tolerance policy for bribery and corrupt behaviour. In 2018, we launched a series of effective management measures to enhance the Group's anti-bribery and anti-corruption management and controls. These included the formulation of the *Anti-Bribery and Anti-Corruption ("ABAC") Policy*, regular assessment of bribery and corruption risks, enhanced staff training in higher risk areas and corruption-related regulations in the banking industry, as well as the appointment of designated professionals to monitor relevant ABAC matters. In 2018, the Group further raised staff awareness on ABAC by providing regular ABAC training courses and proactively participating in those regular lectures and seminars organised for banking practitioners provided by the Hong Kong Independent Commission Against Corruption.

## Advocating a Compliance Culture<sup>28</sup>

Integrity is one of the core values of the Group. We strive to build and maintain a healthy corporate culture and promote professional business ethics among staff at all levels. The Group has formulated a strict *Staff Code of Conduct* that guides and regulates employee behaviour and requires staff to exercise self-discipline to avoid conflicts of interest or position. For example, staff should not obtain any personal benefit from business relationships, engage in corrupt practices, charge commission, misappropriate public funds, commit any misconduct or transfer benefits to any persons by any improper means. The Group has also formulated guidelines on the corruption prevention and conflicts of interest related to charitable donations.

All of our staff are required to comply with the laws and regulations governing the operation of banks, including, but not limited to, the statutory guidelines of the HKMA's *Code of Conduct*, the *Guideline on Anti-Money Laundering and Counter Financing of Terrorism*, the Prevention of Bribery Ordinance and the relevant legislation on intellectual property rights. Furthermore, they must comply with the provisions of the Group's business operations and human resources management<sup>29</sup>.



The *Staff Code of Conduct* further specifies that staff is responsible for maintaining the Group's good reputation and should stay alert to matters that could lead to illegal activities. The Group has a sound employee whistleblowing policy and mechanism. Where staff are found to have committed, or are likely to commit misconduct in the internal business operations or other aspects of the Group, including deceit, fraud, theft, forgery, corruption or other illegal activities, or are found to be involved in personal conduct issues or breaches of the *Staff Code of Conduct*, a report should be made according to the related provisions set out in the *Policy on Handling Staff Reporting of Irregularities*, the *Administrative Measures on Staff Reporting of Irregularities*, and the *Staff Code of Conduct*. In terms of external reporting, the Group has put in place an AML reporting system. Upon receipt of a report on suspicious transaction activities, all related analysis and investigation must be completed within a prescribed time limit. Any suspicious transaction revealed by such investigations shall be reported to the Joint Financial Intelligence Unit according to the applicable laws and regulations<sup>30</sup>.

Regular training programmes have been held to lift awareness of compliance. All new and current staff members must complete relevant compliance training courses. To echo the Group's development of corporate culture, a series of comprehensive and multi-level with different angles thematic trainings on bank culture was launched to strengthen staff's knowledge on this subject.



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<sup>28</sup> 102-16, 205-2

<sup>29</sup> HKEx B6.3

<sup>30</sup> 102-17, HKEx B7.2



## Supply Chain Management<sup>31</sup>

The promotion of sustainable procurement is one of the major measures underpinning the Group's responsible business practices. The Group devised the *Supplier Code of Conduct* in 2011, to provide guidelines for the major categories of goods and services that it procures. These guidelines were incorporated into supplier selection procedures and aim to encourage suppliers to reach certain social and environmental standards. Furthermore, it has formulated the *Principles of Decent Work*, based on the International Labour Organisation Core Conventions and with reference to international labour standards. These principles outline the ethical requirements, corporate governance, environmental standards and labour conditions with which the Group expects all of its suppliers to comply.

In order to strengthen supplier communication and management, all new suppliers seeking a procurement contract above a certain value are required to submit the *Supplier Code of Conduct Assessment Questionnaire*. Such suppliers will only be considered if they fulfil the Group's requirements. The Group conducts regular site visits of its major suppliers to make sure that their actual sustainability performance reflects the results of their written self-assessment.

The majority of the Group's suppliers are located in Hong Kong. Products and services procured can be classified into the following six major categories:

In addition, the Group pursues the principle of fair competition when selecting suppliers. In strict compliance with the Competition Ordinance, the Prevention of Bribery Ordinance and other applicable laws and regulations, we assess the products and services offered by each supplier on a fair basis. In addition, we provide our staff with training to help them remain alert to possible corruption arising from daily procurement work, and offer them advice on anti-corruption issues.



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<sup>31</sup> 102-9, HKEx B5 General Disclosure, HKEx B5.2



## Champion in the Fintech Group, "BOCHK Fintech Hackathon"

Dr. Gabriel Fung, founder of Lab Viso Limited



The "BOCHK Fintech Hackathon" was jointly organised by BOCHK, the HKMA, Cyberport and other organisations in order to discover high-potential Fintech talent and nurture young people for the industry.

We proposed a system for recommending high-quality stocks that integrated big data mining and natural language processing. Based on fresh thinking, it offered a scientific breakthrough by combining academic theories and practical industry data, putting the results of scientific research into practice. I am very pleased that BOCHK granted us the championship award in recognition of our efforts. Now, we can contribute to the industry and work with BOCHK to push forward Fintech development.

## "Recognised Retail Wealth Manager" Professional Qualification

Lee Kwan Tai, Senior Customer Manager of BOC Wealth Management



I have been working at BOCHK for nearly eight years. Our bank has always encouraged staff to enrich themselves by actively taking part in various financial industry competitions and courses, and I have always benefitted greatly from them.

In 2017, with the support and encouragement of my supervisor, I entered the Hong Kong Institute of Bankers (HKIB) Outstanding Financial Management Planner Awards and won a merit prize. During the year, I was awarded the professional qualification of "Recognised Retail Wealth Manager", the first professional qualification of such kind in Hong Kong. The award ceremony was held as part of the Annual General Meeting of the HKIB, and my supervisor attended and congratulated me. At the ceremony, I had opportunities to interact with other guests, from whom I learned a lot.

## Be Customer-centric

Liu Kin Wa and So Wai Cheong, Banking Services Centre in Hong Kong Science Park

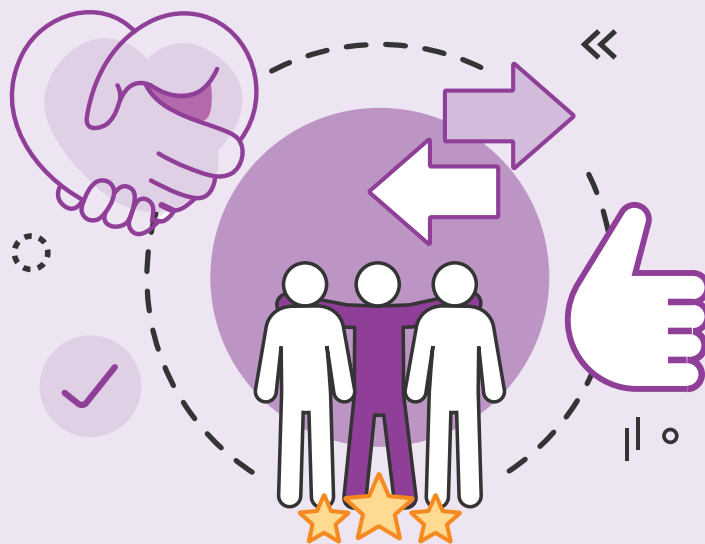


One of our clients is a start-up that applied to many banks for a payment gateway service, but was unsuccessful until it came to us. At the time, the company had invested heavily in purchasing equipment and was all ready to go, except that it lacked a payment collection platform. If it failed to secure a payment gateway, its operations would basically come to a halt. This was causing a lot of anxiety for the person in charge of the company.

When the company discovered that we had established a branch in Hong Kong Science Park that provides strong support for the development of start-ups, it came to us to find out more details. We met with the head of the start-up, clarified the certain risks involved, discussed the feasibility of making adjustments, and were able to successfully open a payment gateway service for the company within a short period of time.

By adhering to our customer-centric service philosophy when managing new business, we won commendations from customers. With an open mind and attentive service, we have actively helped customers to solve problems.

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## 7. Caring for Employees

The Group considers its employees to be precious assets. Based on a people-oriented philosophy, we constantly enhance our human resources management system so as to attract, identify and nurture talent. We are committed to providing a harmonious, diverse and friendly working environment for our employees and helping them realise their potential.

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## 7.1 People-oriented Approach

The Group attaches great importance to team building and talent development. We adopt a fair and open recruitment policy to promote diversity and inclusion as well as to ensure employment opportunities for people of all kinds. We expect all employees, regardless of their age, gender, race, religion, nationality, marital status, family status, and whether they have disabilities or are pregnant, to be well respected.

The Group employs staff from the regions in which it operates, so as to better understand the needs of local customers and communities. In formulating our human resources management system, we have made reference to the Employment Ordinance, the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, Family Status Discrimination Ordinance, Race Discrimination Ordinance, and the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation in Hong Kong. The Group complies with the relevant laws and regulations of the regions in which it operates. Policies on equal opportunities and anti-discrimination have been put in place. All employees are required to abide by these policies so as to establish and maintain equality in the working environment. We do not tolerate any acts of discrimination, harassment or assault in our workplace.

We place emphasis on building a diverse workforce that draws in talent from different backgrounds and promotes the sustainable development of the Group. As an employer that advocates equal opportunity, we have signed up to the *Talent-Wise Employment Charter* and the Inclusive Organisations Recognition Scheme to offer internships and job opportunities to the challenged, thereby contributing to a barrier-free workplace and a caring community.



The Group has been widely recognised for its efforts in employee care. During the year, we were awarded the “QF Gold Star Employer” award by the HKSAR Government, and the “Manpower Developer 1st” award by the Employees Retraining Board for the fifth consecutive time. We also won seven awards by *Human Resources* magazine, including “Gold Award for Excellence in Change Management”, as well as several other awards, such as “Corporate Financial Education Leadership – Gold Award” and “Accredited Professional Financial Planning Firm” from the Institute of Financial Planners of Hong Kong.

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### Advocating a Corporate Culture

The Bank Culture Reform circular issued by the HKMA in March 2017 required authorised institutions to develop and promote a sound corporate culture that supports prudent risk management and encourages proper staff behaviour through three major pillars: namely, governance, incentive systems, and assessment and feedback mechanisms. Furthermore, authorised institutions should promote a culture that puts the safety and soundness of banks, as well as the interests of customers, at the centre of their commercial pursuits, in order to enhance the banking sector's ethical standards and societal image.

The Group recognises that the development of corporate culture is vital to the realisation of its sustainable development and steady growth, and is fundamental to the implementation of its strategies and the fulfilment of its social responsibilities. It attaches great importance to bank culture development and has formulated a clear accountability framework. The Nomination and Remuneration Committee is the designated Board Committee responsible for instructing and supervising work related to the development of corporate culture. A Steering Committee on bank culture development has also been established, with the Chief Executive acting as its Chairman and senior management serving as "ethical risk prevention leaders", with the aim of promoting the development of BOCHK's corporate culture. Following

the leadership and example of the Board and senior management, the Group actively promoted the development of corporate culture from top to bottom. These activities included case studies and brainstorming sessions to raise staff awareness and forge consensus, as well as efforts to localise BOC's values of 'Responsibility, Integrity, Professionalism, Innovation, Prudence, Performance' in order to develop goals and measures that reflect the characteristics and on-the-ground circumstances of Hong Kong and Southeast Asian markets, regulations, customers, products and staff. We also formulated the *BOCHK Implementation Guidelines on the Development of Corporate Culture*, highlighting the Group's related goals and measures in accordance with the requirements stated in the HKMA's circular. In addition, during the year, we reviewed relevant management systems to establish a set of policies and systems that supports the Group's strategies and values.

### Remuneration and Benefits<sup>32</sup>

In line with the Group's business and human resources needs, we offer competitive remuneration packages in accordance with employees' abilities and performance. The Group reviews its remuneration packages periodically and provides a competitive incentive scheme to reward and recognise employees for their performance. For those engaged in sales, we have developed a scorecard mechanism to ensure that performance assessments take into account factors such as sales and compliance on a fair basis. At the same time, the Group has deployed more resources and increased its efforts in caring for its employees.

Our incentive schemes assess both employees' business performance and their compliance with corporate culture and behavioural standards. To boost morale, a grand ceremony is held every year to commend individuals and teams who have achieved impressive performances. In addition, exemplary service cases are selected on a quarterly basis and featured in our staff magazine *Zhong Yuan* to promote a strong service culture and enhance service levels.

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The Group continues to optimise employee benefits. In 2018, we increased the number of annual leave days, introduced birthday leave and increased lunch allowances, night shift allowances and shift allowances. Other employee benefits include the Occupational Retirement Scheme and MPF Scheme; medical, life and accident insurance; free health and dental check-up, and paid leave (including annual leave, marital leave, compassionate leave, personal leave, paternity leave as well as 14 weeks' maternity leave). We also provide our employees with preferential rates on mortgages and personal loans to help them manage their finances flexibly, as well as banking services and other offers.



Moreover, the Group offers a range of employee care initiatives, such as red packets for Chinese New Year and gifts for birthday, weddings and retirement. Our major office buildings feature staff canteens, medical rooms and breastfeeding rooms. A retiree club holds regular activities to facilitate contact and communication among retired employees, who are also provided with medical benefits.

### Staff Training and Development<sup>33</sup>

The Group strives to provide an ideal career development platform for its staff. We enhance employees' career development and strengthen their professional capabilities and sense of accomplishment through various means, such as post rotation and cross-departmental collaboration, in order to facilitate the mutual development of employees

and the Company. We have a well-established mechanism for talent pool management, and provide targeted training for employees with great potential.

The Group provides staff with continuing education opportunities and draws up career development plans that align employees' personal aspirations with the Group's long-term development. In keeping with our "four-in-one" talent development culture, we encourage senior executives, department heads, human resources department and employees to devise training activities together in order to enhance employee performance and meet the Group's business development needs, so as to further strengthen their professional knowledge and skills.



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<sup>33</sup> 404-2, HKEx B3 General Disclosure



We are devoted to nurturing young talent. Through the Management Trainee Programme and Graduate Programme, the Group globally recruits elite, high-potential university graduates who aspire to join the financial services sector. In addition, we fully support and implement the national development plan for the Guangdong-Hong Kong-Macao Greater Bay Area, recruiting elite university graduates in the Greater Bay Area through the Branch Trainee Programme. Under these programmes, systematic training including classroom training, on-the-job training, post rotation and other relevant schemes such as career mentorship and career planning programmes are offered to help young professionals plan their career paths.

The Group strives to promote and facilitate employees' on-the-job training and development. Different training courses are offered, covering product and business knowledge, customer service, operational management, compliance and risk management, key staff training, team management and leadership, etc. In 2018, the average training hours undertaken by each full-time employee exceeded 40. During the year, we encouraged employees to



SCS-based courses, ranging from level three to five (equivalent to a Bachelor's degree) under the Qualifications Framework, that are recognised by the Hong Kong Council for the Accreditation of Academic and Vocational Qualifications, thereby helping to enhance employees' professional skills and recognition. To promote the development of the Group's Southeast Asian employees, for the past three years we have arranged executives and key staff from our Southeast Asian institutions to come to Hong Kong to learn about best practices in the finance sector. This has helped to nurture international talent for the Group and enhanced its steady development.



take part in inter-departmental exchanges and provided mainland and overseas exchange opportunities for colleagues to enrich their business knowledge and broaden their horizons. The Group also developed internal training courses with reference to the Specification of Competency Standards ("SCS"). So far, we have established six



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## ▶ 7.2 Listening and Communication<sup>34</sup>

To keep employees abreast of the latest developments of the Group, we communicate important messages through different channels, such as intranet, email, departmental briefing and our staff magazine.

The Group values feedback from employees and provides them with a variety of channels to express their views. As well as speaking to their direct supervisors, employees can voice their opinions according to the *Procedures and Rules of Handling Employee Complaints/Opinions*, through intranet discussion forums or “Chief Executive’s Mailbox”. The Group proactively follows up and handles all complaints. We also collect opinions and suggestions from the Group’s employees through an employee satisfaction survey, to strengthen communication with staff. We provide appropriate feedback and take follow-up actions based on the opinions collected, and continually optimise our working environment, management policies and measures.

The Group takes employees’ views into account when rolling out critical policies related to staff benefits. We explain new policies to staff before their official release, particularly those that have far-reaching effects and involve complex content. In addition, various staff focus groups have been organised so as to gain a better understanding of employee needs and expectations.



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## ▶ 7.3 Occupational Health and Safety<sup>35</sup>

The Group strives to provide a safe working environment for employees and organises regular training courses on occupational health and safety, thus helping them to enhance their knowledge, identify any potential safety risks, increase their alertness and assist those in need. These include basic fire prevention programmes, anti-robbery and evacuation drills, occupational health and safety seminars as well as first aid certificate programmes. In addition, we have a designated team to coordinate and monitor the implementation of our Occupational Health and Safety Guidelines and to conduct regular safety inspections so as to prevent accidents.

The Group has established the “*Management Measures of BOCHK Group for Three Prevention Security*” and the “*Rules of BOCHK for Implementation of Three Prevention Management*”, which include guidelines on prevention against robbery, fire and physical damage. We also issue a monthly journal sharing “Three Prevention Tips” to raise employees’ awareness of self-protection and accident prevention.

During the year, in order to provide a more comfortable and safer working environment, the Group introduced ergonomic products such as spinal cushions, adjustable keyboard trays and computer screen protectors for the use of its employees. At the same time, we helped to safeguard the mental health of our employees by offering psychological counselling. Employees can access free clinical counselling, including psychological consultation and treatment services, to address physical and mental health issues, as well as problems encountered in family, work and interpersonal relationships. Furthermore, we provide emergency support to staff in need and help them overcome their difficulties.



## ▶ 7.4 Work-life Balance

The Group advocates a healthy work-life balance. We organise various recreational activities for employees every year, including handicrafts workshops, cooking classes, yoga classes, dragon boat experience days and bowling fun days, to enrich employees’ leisure time and strengthen team cohesion. In addition, we have formed various sports teams, including teams for football, tennis, basketball, table tennis, badminton, bowling, athletics, lion dancing, dragon boat racing, as well as a choir and a dance team. They take part in various performances and competitions organised by the banking industry and Chinese enterprises, fully realising their potential and demonstrating their talents.



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In 2018, we held a Staff Carnival in Ocean Park Hong Kong, which attracted nearly 30,000 employees and their family members. We also invited about 1,000 mobility-challenged people, senior citizens and members of grassroots communities to join us in Ocean Park and spend a happy day together.

In addition, the Group actively organises a diverse range of youth activities to enable young employees to better integrate into the bank's culture. During the year, we organised five exchange-learning courses in Shanghai and four delegation visits to the Greater Bay Area, with nearly 500 employees participating. We also held unmanned aerial vehicle experience activities, eSports competitions, a sodality meeting for the Double Seventh Festival, and other activities to enhance communication and cohesion among young employees.



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## Making concerted efforts to face challenges

Xu Hengwei, Commercial Banking Department



As a management trainee who joined BOCHK just three months ago, I began a four-month post rotation in the Commercial Banking Department after a half-month classroom training. During this period, I realised how important the six core values of “Responsibility, Integrity, Professionalism, Innovation, Prudence and Performance” are to us. As

front-line account managers, we should not only focus on meeting customers’ needs, but also join hands with other departments to prevent and manage risks.

Working with colleagues in the Commercial Banking Department in 2018 has been a real privilege. I gained a lot of knowledge and skills, and also made many friends. In the coming year, I hope to continue to work closely with all colleagues to meet challenges and create a better future.

## Recognised as BOC "Excellent Young Staff"

Law Kin Pong, Commercial Banking Department



I was honoured to be granted the "Fifth BOC Excellent Young Staff Award". This meant I had the opportunity to participate in BOC’s Global Youth Day with over 100 award-winning colleagues from all over the world. This fully demonstrated the internationalisation of BOC, and I was amazed to see the scale of its global business footprint. The Youth Day slogan was "Let Youth Blossom in the New Era’s Striving", reflecting the vitality of our younger staff. During the day, distinguished employees shared successful case studies as well as their own working experiences, offering us an impressive learning experience. Finally, we rounded off the event by singing the theme song “Young BOC”. It was one of the most unforgettable and beautiful memories of my life.

I hope that young staff can seize opportunities arising from the new era, accept challenges, work harder and thrive in spite of difficulties, to realise the value of our youth.

## MacLehose Trail Volunteer Clean-up Activity

Following the devastation of Super Typhoon Mangkhut, there were roadblocks everywhere in Hong Kong. More than 40 BOCHK employees brought tools to the Tai Mo Shan Country Park in MacLehose Trail Section Nine in the New Territories to clean up fallen branches, leaves, stones and other debris along the trail and on the steps, as well as silt from drains. After more than six hours’ hard work, we joined hands with other volunteer teams to complete the clean-up of 65 severely affected sites on the 100-kilometre section of the MacLehose Trail from Pak Tam Chung of Sai Kung to Tuen Mun. The trail was eventually restored to their original state. Our employees were committed to the clean-up work and remarked that “although the work was hard, it was meaningful, and we received thumbs-up from passers-by”.



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## 8. Environmental Protection

The Group advocates environmentally responsible business practices. By reducing resource consumption and enhancing efficient resource use, we aim to reduce the potential negative impacts and related risks to the environment brought about by our business development, with a view to promoting sustainable growth. In addition, we support a low-carbon economy and have adopted a green banking strategy. We strive to mitigate the influence brought by climate change through management initiatives and the promotion of environmentally friendly practices within the Group, among the industrial and commercial sectors as well as in local communities.

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## ▶ 8.1 Environmental Management<sup>36</sup>

The Group has formulated the **Environmental Policy** which aims to raise environmental awareness inside and outside the Group. This policy is available on its corporate website. We have integrated environmental protection into our business development through our daily operations, services and products.

### Premises Management

BOCHK operates a series of environmental management systems for its major business premises. We plan, execute, review and refine our environmental protection initiatives in an orderly manner. Furthermore, the Group's systems have obtained the ISO 14001 Environmental Management System Certification and ISO 50001 Energy Management System Certification, thus ensuring that environmental management in these premises is on par with international standards.



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<sup>36</sup> HKEx A1 General Disclosure, HKEx A2 General Disclosure, HKEx A2.4, HKEx A3 General Disclosure

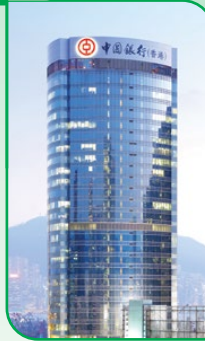


## Environment-related certification and certificates



### Bank of China Tower

- ISO 14001 Environmental Management Systems Certification
- ISO 50001 Energy Management Systems Certification
- Indoor Air Quality Certificate - Excellent Class, awarded by the Environmental Protection Department
- Certificate of Quality Water Supply Scheme for Buildings - Fresh Water (Plus), awarded by the Water Supplies Department
- Hygiene Control Management Systems Certification, awarded by SGS

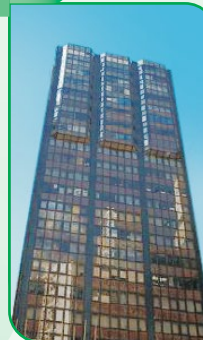


### Bank of China Centre

- ISO 14001 Environmental Management Systems Certification
- ISO 50001 Energy Management Systems Certification
- Indoor Air Quality Certificate - Excellent Class, awarded by the Environmental Protection Department
- Certificate of Quality Water Supply Scheme for Buildings - Fresh Water (Plus), awarded by the Water Supplies Department
- Hygiene Control Management Systems Certification awarded by SGS

### Bank of China Building

- ISO 14001 Environmental Management Systems Certification
- Indoor Air Quality Certificate - Good Class, awarded by the Environmental Protection Department
- Certificate of Quality Water Supply Scheme for Buildings - Fresh Water (Plus), awarded by the Water Supplies Department
- Hygiene Control Management Systems Certification, awarded by SGS



### Bank of China Wanchai Commercial Centre

- ISO 14001 Environmental Management Systems Certification
- ISO 50001 Energy Management Systems Certification
- Indoor Air Quality Certificate - Good Class, awarded by the Environmental Protection Department
- Certificate of Quality Water Supply Scheme for Buildings - Fresh Water (Plus), awarded by the Water Supplies Department
- Hygiene Control Management Systems Certification, awarded by SGS

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## 8.2 Effective Use of Resources<sup>37</sup>

More efficient use of energy and resources can reduce both environmental impact and operating costs. The Group adopts various measures, such as waste reduction at source and energy consumption reduction, in order to protect the environment.


### Energy Conservation<sup>38</sup>

- Upgrading the ventilation systems and major information technology equipment in our offices with a view to reducing demand for cooling and thus saving electricity;
- Installing solar-powered lights, LED lights and motion sensor LED tubes where appropriate; modifying the Variable Air Volume (VAV) system of our air-conditioning and using the Variable Voltage Variable Frequency (VVVF) control system for our lifts; and installing more automatic night lighting control in some offices;
- Using air conditioners with eco-friendly refrigerants;
- Signing up to the *Charter on External Lighting* initiated by the Environment Bureau, thus pledging to switch off decorative, promotional or advertising lighting installations that affect the outdoor environment from 11pm to 7am, so as to reduce energy wastage and light pollution;
- Reducing the need for business travel by use of video conferencing.

### Resource Utilisation and Waste Reduction

- Donating recycled office equipment to charitable organisations. During the year, we donated more than 4,000 computers, printers and computer monitors to various charitable organisations;

Donated  
**>4,000**  
computers, printers  
and computer monitors



- Joining the Fluorescent Lamp Recycling Programme and the Waste Reduction Guidebook for Large Scale Events Organisers scheme initiated by the Environmental Protection Department. For the recycling programme, participants were encouraged to recycle the materials of discarded fluorescent bulbs. For the green events pledge, participants were encouraged to take measures to reduce the waste generated at events, for example by using recycled materials in stage setup, re-using event supplies and sending unwanted supplies to recycling or donation centres;

- Setting up collection facilities for recyclable items including waste paper, plastic bottles, aluminium cans, rechargeable batteries, fluorescent tubes, compact fluorescent light bulbs, toner cartridges and red packets;
- Collecting food waste from the staff canteen and having them converted into fish feed by a third party.



### Ecological Conservation

- Pledging not to serve such foods as shark fin, endangered reef fish species and black moss at our corporate banquets;
- Participating in the No Shark Fin Pledge of World Wildlife Fund ("WWF") Hong Kong, thus pledging not to supply shark fin or launch any promotions related to its consumption;
- Phasing out the distribution of plastic straws at our staff canteen to promote a plastic-free life;
- Endeavouring to avoid practices that create adverse environmental impacts during the renovation of our branches.

### Green Procurement

We have formulated the Sustainable Procurement Policy and periodically review our criteria for supplier selection according to relevant rules and market best practices. We support the use of energy-saving products and services that are conducive to sustainable development. For example:

- Using A4 paper certified by the Forest Stewardship Council ("FSC"), as well as eco-friendly toner cartridges;
- Preferentially purchasing electrical appliances with Grade 1 energy labels, and office furniture items that fulfil the green specifications developed by the Environmental Protection Department;
- Purchasing diesel vehicles that fulfil Euro V standards or above;
- Encouraging suppliers to reduce unnecessary packaging.

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<sup>37</sup> HKEx A1 General Disclosure, HKEx A1.5, HKEx A1.6, HKEx A2 General Disclosure, HKEx A3 General Disclosure

<sup>38</sup> HKEx A2.3



## ▶ 8.3 Green Financial Services<sup>39</sup>

We have integrated environmental protection into our bank policies to facilitate the development of our green financial services and promote the fulfilment of our social responsibilities.

### Promoting Digitalisation across All Channels

- Promoting electronic customer communications, e.g. account enquiry and wealth management information services via WeChat, as well as using electronic monthly statements for customers' convenience. As of the end of 2018, nearly 1.45 million customers have opted to receive consolidated e-statements, up by nearly 33% as compared with 2017;



- Providing paperless banking services such as electronic signing pads, e-insurance application, e-posters and promotional screens, electronic forms, etc.;
- Applying blockchain technology to property valuations, which considerably reduced paper consumption from printing valuation reports.

### Supporting Green Credit

- The Group formulated the CSR Credit Management Policy aligning to our corporate social responsibilities, and conducted its credit business in a responsible manner. We prioritised socially and environmentally sustainable projects in an effort to support the sustainable development of society. With the rapid growth of green finance and the country's strong advocacy of energy conservation and emission reduction in recent years, the HKSAR Government has actively developed green finance. The Group thus supported "green credit" and kept a close eye on new developments in emerging green industries;

- We underwrote green finance-themed bonds issued by central banks, sovereign organisations and other financial institutions, accounting for 30% of the total amount of green bonds issued in Hong Kong. These included the first euro-denominated green bonds, the first Sustainability Bond issued in the offshore market by a Chinese bank, and USD-denominated green bonds. The funds generated were used for certified green projects related to the recycling of water resources, sewage treatment, clean transportation, etc.;
- Participating in the Energy Efficiency Loan Scheme jointly launched by two local electricity companies, CLP Power Hong Kong and HK Electric. The scheme provides financing to industrial and commercial customers interested in implementing energy conservation projects, with a view to promoting environmental protection and energy conservation.

### Promoting the Development of Green Finance

During the year, we played an active role in the work of the Hong Kong Green Finance Association. This is the first industry organisation in Hong Kong to promote the development of green finance, including supporting the development of innovative financial products such as green bonds, green insurance and green funds. A member of the Group's senior management served as vice-chairman of the association. In addition, we sponsored the launch ceremony of the association as well as the Hong Kong Green Finance Forum.



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<sup>39</sup> 102-13, FS7, HKEx A3.1



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## ▶ 8.4 Supporting Environmental Protection

The Group understands that financial institutions play a significant role in promoting the sustainable development of the environment, and strives to promote environmental protection by supporting various projects. Furthermore, a number of activities were organised to encourage employees to adopt green practices, including environmental protection workshops and energy management training. We also shared tips for green living and other green information in our staff magazine.

- BOCHK Corporate Environmental Leadership Awards: Since 2015, BOCHK and the Federation of Hong Kong Industries have jointly hosted the BOCHK Corporate Environmental Leadership Awards. The programme aims to encourage enterprises from manufacturing and service industries operating in Hong Kong and the Pan-Pearl River Delta region to integrate an environmental protection philosophy into their daily operations and reduce pollution. One of the key features of the programme is the Belt and Road Environmental Leadership Recognition Award, which recognises enterprises with outstanding performance in environmental protection in areas along the Belt and Road. Two new awards, namely the "SME Award" and the "Guangdong-Hong Kong-Macao Bay Area Environmental Leadership Recognition Award", were launched in 2018, to commend enterprises for their contributions to the environmental improvement of the Greater Bay Area. In 2018, the programme engaged 640 corporate participants. Together, completed 1,600 green projects that collectively reduced electricity consumption by more than 87.36 gigawatt hours (equivalent to the electricity consumed by 26,743 average three-member Hong Kong households in one year), lowered water consumption by 4.56 million cubic metres (equivalent to the volume of 2,571 standard 50-metre swimming pools) and reduced waste by over 3.52 million tonnes (equivalent to the weight of 6,286 Airbus A380s). In addition, over 2.8 million tonnes of materials were recycled (equivalent to the weight of 187,319 double-decker buses), with emissions reduced by 87,000 tonnes (equivalent to the carbon dioxide absorbed by 3.78 million trees every year).





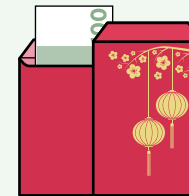
- Food Station: Since 2016, we have sponsored Food Angel in establishing “Food Station”, through which edible leftover food is recycled and prepared into hot meals and food packages for people in need, in an effort to reduce the environmental impact arising from massive food waste. Since its establishment, Food Station has recycled over six million kilogrammes of food.



**> 6 million**  
kilogrammes of  
food recycled  
since 2016



- Lai See Packet Recycle and Reuse Programme: Since 2014, we have sponsored Greeners Action’s Lai See Packet Recycle and Reuse Programme. During the Chinese New Year, we set up collection points at our key office buildings and some of our branches to encourage the public to recycle and reuse red packets. The programme received wide support from the public and our staff. In 2018, we recycled 2,613 kilogrammes of red packets, accounting for 7% of the total amount recycled in the programme<sup>40</sup>.



**2,613**  
kilogrammes of red  
packets recycled

- Earth Hour: Since 2009, the Group has supported the WWF’s “Earth Hour” initiative, turning off all non-essential lighting in our major office buildings during a specified time period so as to advocate energy conservation.

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<sup>40</sup> 306-2, HKEx A1.6



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## Food Angel Programme

Chow Chung Man, Senior Manager of Food Angel



Currently, Food Angel recycles an average of about 5.5 tonnes of edible leftover food from the catering industry every day, with the aim of avoiding food waste and reducing the burden on landfill sites. The leftover food includes fresh food, canned and packaged food, oil, seasonings, cooked food, refrigerated and frozen food. With the support of BOCHK, Food Angel has recycled over six million kilogrammes of food since its establishment, demonstrating a tangible impact on environmental protection.

## Winner of “Gold Award in the Manufacturing Sector” at the BOCHK Corporate Environmental Leadership Awards

Tai Lun, Far East Regional Managing Director of Mainetti Plastic Products (ShenZhen) Ltd.

Our company was honoured to receive the “Gold Award in the Manufacturing Sector” at the 2018 BOCHK Corporate Environmental Leadership Awards. Adhering to the concepts of environmental protection and sustainable development, we encouraged our customers to take part in a clothes hanger recycling and reuse programme, as part of a non-profit cooperation programme to reduce hanger waste. Moreover, we worked in collaboration with suppliers in the research and development of environmentally friendly biodegradable materials in order to minimise our impact on the environment. We will continue to integrate green concepts into all aspects of our business, including product design, production, packaging and sales. We are committed to creating a sustainable business environment by promoting the concept of environmental protection throughout the entire industry.





## 9. Contributions to the Community<sup>41</sup>

The Group cares for society and attaches great importance to community investment. Through a diverse range of initiatives, we aim to promote steady community development and create positive energy to society. Our staff is also encouraged to participate in volunteer activities. We share the success of our corporate development with the community and strive to build a harmonious society. The Group has been named a Caring Company by the Hong Kong Council of Social Service for 16 consecutive years since 2003. During the year, we were selected as a top-ten company in the Hong Kong Business Sustainability Index.

The BOCHK Charitable Foundation (the “Foundation”) was established in 1994. For over 20 years, BOCHK and the Foundation have supported a wide range of local charitable activities covering poverty alleviation and support for the disadvantaged, youth education, sports and arts, environmental protection and carbon reduction. Since its inception, BOCHK and the Foundation have donated over HK\$520 million to the community.

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<sup>41</sup> 413-1, HKEx B8 General Disclosure, HKEx B8.1, HKEx B8.2



## ▶ 9.1 Community Care

BOCHK is committed to fulfilling its social responsibilities. As we advance our own development, we remain dedicated to helping the poor, caring for the underprivileged, and providing assistance to those in need by supporting various charitable projects.

### Food Station



### Kids the Future Programme



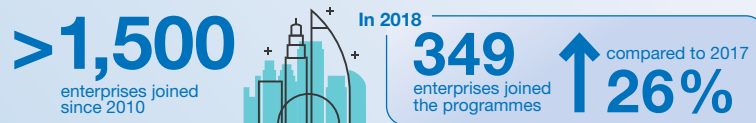
### Healthy Engineers Programme



### Community Chest Walk for Millions



### Hong Kong Corporate Citizenship Programme



### Some of the programmes we supported include:

- **Food Station:** Edible leftover food was recycled and prepared into hot meals and food packages for elderly and low-income individuals in grassroots communities. This programme also provided job opportunities for the underprivileged.
- **Kids The Future Programme:** Organised by the Hong Kong Family Welfare Society, this programme subsidised interest classes and training classes for students from local underprivileged families, with the aim of continuously enhancing their physical, psychological, social and spiritual wellbeing. Participants included kindergarteners, primary students and schoolchildren with special needs.
- **Health Engineer Programme:** Organised by Hong Kong Sheng Kung Hui Welfare Council, this programme aimed to help students, teachers and parents establish holistic healthy lifestyles based on a nutritious diet, positive thinking and enhanced learning ability. This was achieved through such activities as diet-related initiatives, psychological care, reading and writing groups, individual therapies for dyslexics, parents' workshops and teacher training, etc.



- **Fundraising initiatives:** We supported and participated in the Community Chest Walk for Millions hosted by the Community Chest of Hong Kong, the New Year Run organised by the Hospital Authority Charitable Foundation, and ACCA Community Day organised by the Association of Chartered Certified Accountants (ACCA).

- **Hong Kong Corporate Citizenship Programme:** We supported the Hong Kong Corporate Citizenship Programme organised by the Hong Kong Productivity Council for the

ninth consecutive year. This programme aimed to encourage enterprises to fulfil and promote social responsibility, and to incorporate the philosophy of corporate citizenship into their business strategies and management practices.



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The Group also offered timely assistance in response to natural and man-made disasters. For example, following a fatal bus crash in Tai Po in the New Territories in 2018, we offered prompt donations to help bereaved families and those injured through a difficult time. After a serious shipwreck in Phuket, BOC Thailand sent an interpreter team made up of staff volunteers to local hospitals. They provided interpretation support for employees and family members from a Zhejiang-based company, which sustained the greatest casualties in the shipwreck. The Haining Municipal Government of Zhejiang wrote to thank our volunteers for their selfless work and professional services during the rescue campaign. In addition, our Jakarta Branch made two donations in the aftermath of earthquakes and tsunamis in Indonesia. These donations were used to purchase basic necessities and build infrastructure in an effort to relieve victims' hardships. Our efforts received great praise from the local government and the Red Cross.

We also encourage staff to devote their spare time and expertise to community and charitable activities. More than 2,000 staff members have joined the BOCHK Dynamic Volunteer Team. We offer one day of volunteer leave to our staff each year so as to encourage them to participate in volunteer services during working hours. We also arrange training for them to enhance their volunteering skills. More than 100 of our staff members, including senior management and department heads, serve on government committees and in public organisations, charities and non-profit organisations. Through this, they participate in decision-making and consultations for the betterment of Hong Kong and the wellbeing of the general public<sup>42</sup>.

In 2018, the Group's volunteer team, joined by their family members and friends, participated in about 100 volunteer activities and spent over 50,000 hours serving the community. The number of participations in community activities reached approximately 15,000. Our dedication to volunteer work received wide recognition. During the year, we were granted the "Award of 10,000 Hours for Volunteer Service", the "Merit Award of Highest Service Hours" and, for the ninth consecutive year, the "Gold Award for Volunteer Service" from the Social Welfare Department.



Our volunteer team served for **50,000+** hours



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## 9.2 Nurturing Talent

The Group places strong emphasis on youth development and strives to contribute to the nurturing of future pillars of society by cultivating the virtues of ethics, intellect, physical health and aesthetics. We have set up various scholarships and bursaries to encourage students to pursue their studies. We also help young people prepare for the future through various activities that aim to widen their horizons and develop their potential.

### Encouraging students to pursue their studies

We believe that education is key to the sustainable development of society. Since 1990, the Group has provided various scholarships and bursaries to encourage students to pursue their studies, benefitting over 2,600 students.

#### The scholarships and bursaries we have sponsored include:

- BOCHK scholarships and bursaries to ten universities in Hong Kong;
- BOCHK Excellence Scholarship in Chinese History: We encourage students to study Chinese history, deepen their knowledge of the subject, and establish an accurate understanding of our history and the nation;
- Future Stars - Upward Mobility Scholarship: Launched by the HKSAR Government's Commission on Poverty, this scholarship aims at rewarding young people who have demonstrated strength and a positive attitude amid adversity.



### Widening Horizons

In order to widen the horizons of young people in Hong Kong, we have supported various overseas internship programmes including the "Pilot Scheme on Corporate Summer Internships in the Chinese Mainland and Overseas" launched by the HKSAR Government, in which 50 students took part in each phase of learning and exchange sessions on the mainland. We also supported the "Operation Zhang Qian - Student Summer Internship Programme" organised by the Maritime Silk Road Society for the third consecutive year, which attracted more than 50 students. In addition, our Brunei Branch and Jakarta Branch

arranged for Hong Kong secondary school students to visit major local Chinese enterprises, which shared their experiences with the students.



During the year, the Group supported and encouraged young people to participate in a number of innovative technology-related initiatives. We set up an innovation workshop at Cyberport and launched a Fintech talent cultivation scheme. Through diverse activities, the Group supported start-ups, offered financial management project experience to students and cultivated technological talent. We sponsored the Hong Kong B2B eCommerce Youth Festival with the aim of helping young people unleash their creativity and gain hands-on experience in e-commerce. Activities such as the Young Talent Network and Youth Innovative Power workshops were organised to inspire and motivate young talent. In addition, we sent outstanding employees to participate in the Exchange Programme for Young Outstanding Employees initiated by the Hospital Authority. It was a two-year exchange programme that allowed participants to explore new ideas and models that used innovative technology to support the medical system.



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We sponsored the publication of education supplement “STEM” *World-class Engineering Projects Series: Hong Kong-Zhuhai-Macao Bridge* and related competitions launched by Ming Pao, with the aim of encouraging students to understand the construction of the bridge from the perspectives of Science, Technology, Engineering and Mathematics (“STEM”). The competitions were well received, attracting nearly 9,000



entries from secondary and primary school students. In addition, 180,000 copies of the education supplement were printed and distributed to secondary and primary schools across Hong Kong and Macao for free. The electronic version of the supplement was also made available to the public.

### Encouraging Sportsmanship

Since 2002, we have sponsored the Hong Kong Island & Kowloon Regional Inter-school Sports Competition in an effort to promote sports development among secondary school students and to cultivate a sense of sportsmanship embodied by a proactive attitude and an unremitting drive for improvement. In the 2017/18 school year, nearly 80,000 enrolments from around 270 secondary schools in over 8,000 competitions across 20 sports events were recorded. Meanwhile, more than 500 students participated in the BOCHK Schools Sports Volunteer Scheme, contributing over 9,700 hours of volunteer service. In addition, the BOCHK Junior Sports Reporters Scheme offered training on conducting interviews and writing to about 30 students, with the aim of promoting the inter-school sports events.



Meanwhile, we launched the BOCHK Community Football Partnership Programme, which included the Grassroots Football Planner Programme, PL Junior Programme and School Football Experience Programme. These programmes aim to provide students from grassroots communities with the opportunity to participate in professional football training, and have benefitted more than 18,000 young people.

### Establishing Upstanding Values

To enhance the legal knowledge of young people in Hong Kong, we supported the BOCHK JPC Intelligent Crime Prevention Experience programme organised by the Junior Police Call of the Hong Kong Police Force. The programme aims to encourage young people in Hong Kong to become good citizens. Each year, the programme benefits about 8,000 young people aged 6 to 25.



We also continued to support community care projects initiated by the HKAB. Through various financial workshops, we helped young people learn the concept of savings and financial management from an early age.

We supported the promotion of traditional Chinese culture. Working with local schools across the Southeast Asian region, the Group made contributions to local Chinese language education. This included the cultural and financial educational activity “520 Bring Home Love, Filial Piety and Wealth”, which was organised with Kuen Cheng High School in Kuala Lumpur and SJK(C) Han Chiang Primary School in Penang. This allowed children to learn about Chinese culture, understand the significance of filial piety, strengthen parent-child relationships and learn about financial management. The Group also held the “Chinese Education Forum: Internationalisation and Localisation in Thailand” with Chulalongkorn University to discuss development trends in Chinese language education under the new era, and to promote the future development of Chinese language education in Thailand. In an effort to enhance cultural exchange between China and Cambodia, the Group made donations to Kong Hwa School and Tuan Hoa School, the latter being committed to teaching Chinese to local people in Cambodia.

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### ► 9.3 Promotion of Cultural Diversity

BOCHK has always supported the development of a diverse and pluralistic society, and sponsors a wide range of cultural events with the aim of enriching the public's cultural and recreational life. During the year, we sponsored the Rue du Moulin-Vert art exhibition during Le French May, one of Asia's major cultural events. In order to promote the development of local music and art, we also sponsored Puccini's famous opera Turandot, performed by Opera Hong Kong. With the aim of allowing more people from grassroots communities to appreciate music, as well as nurturing local musical talent, we supported the Music Subsidy Scheme of the Musicus Society and the Hong Kong Chinese Orchestra.



In celebration of the 40th anniversary of China's reform and opening-up, we sponsored a series of activities to share with Hong Kong people BOCHK's important contributions to this significant period in the history of our motherland. In addition, we sponsored an exhibition commemorating the 120th anniversary of the birth of the late Premier Zhou Enlai, featuring over 500 precious historic photos and artefacts.

As one of Hong Kong's three note-issuing banks, BOCHK launched a new series of banknotes in 2018 featuring five themes: *A Smart Metropolis*, *Natural Scenery*, *Cultural Heritage*, *Ecological Conservation* and *Tea Culture*. The new banknotes showcase Hong Kong as a city of East and West, a blend of old and new, and a place enriched by the beauty of nature and humanity. The new series of HKD banknotes depicts the city's attractions and reflects our close affinity with Hong Kong people, while expressing our vision of building an even brighter tomorrow together.



The HKD1,000 banknote captures the innovative aspect of Hong Kong as an international financial centre. The HKD500 banknote features the spectacular, world-renowned hexagonal rock formations in Sai Kung, which illustrates the banknote's theme of the Hong Kong UNESCO Global Geopark. The HKD100 banknote features an enchanting female Cantonese opera artist, showcasing the artistic heritage of traditional Cantonese opera in Hong Kong. The HKD50 banknote depicts a *Graphium Cloanthus*, a rare local butterfly species in Hong Kong. This scene captures the harmony and tranquillity of nature away from the bustling city, while also helping to raise public awareness of ecological conservation. The HKD20 banknote highlights Hong Kong's unique local tea culture, featuring traditional Chinese teaware and dim sum, prompting people to reminisce about the joyful times they have shared with friends and family.

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## Future Stars - Upward Mobility Scholarship

Student Tung, Scholarship Recipient



When I was young, some of my classmates would get a video game console as a reward for getting full points in dictation. However, when I got full points in dictation, my mother would occasionally give me a packet of soymilk. Though I never had much material support, I grew up to become a grateful man, and have never

forgotten those who once offered their help to my family. Now that the heavy financial burden from my examination registration fees and costs for school supplements has been alleviated, I feel deeply cared for by society and appreciate the love that exists in this world. Therefore, I would like to thank BOCHK for its scholarship, which has given me immense encouragement.

## Support for the Boat Accident in Thailand

Ban Rongxing, BOC Thailand's Rayong Branch



On 5 July 2018, the tourist boat Phoenix capsized and sank during a torrential rainstorm in waters near Phuket, Thailand. 47 Chinese tourists died in the accident. After the accident, I formed a volunteer interpreter team with others to help the victims' families and the injured, who did not speak the local language and had nobody to turn to in a foreign country. In an effort to bring them warmth and hope, we

provided assistance in follow-up tasks such as offering psychological counselling and claiming the bodies of the deceased. Since the rescue operation concluded, the victims' family members who I helped have remained in contact with me. I am glad to know that they have picked themselves up and started life anew with a positive attitude.

## Charitable Activities for Expressing Gratitude and Love in Malaysia



BOC Malaysia held the charitable activity "520 Bring Home Love, Filial Piety and Wealth" jointly with Kuen Cheng High School, the Art Therapy Academy Sdn Bhd and Dophnier Centre, and the Traditional Chinese Culture Education Society of Malaysia on 20 May 2018, a day of gratitude and sharing. The event was the first cultural and financial educational and charitable activity organised by the BOC Malaysia volunteer team following its establishment in March 2018. It attracted about 300 people and benefitted more than 80 families.

Kuen Cheng High School expressed thanks to BOC Malaysia for its support of local Chinese language education and to BOCHK for its donation of Malaysian ringgit (MYR) 5 million for the reconstruction of the school campus. The charitable event included an art therapy session that allowed participants to express their expectations for their families and to deepen the parent-child relationship through drawing. In addition, Principal Lee Kim Wah, head of the Traditional Chinese Culture Education Society of Malaysia, gave a lecture at the event on the essence of the classic Chinese text *Disciple Gauge*, as well as guiding the children present on how to show filial respect for their parents through a tea ceremony.

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## 10. CSR Performance Data Overview

### Employee Data<sup>43</sup>

As at 31 December 2018, the Group has 14,046 employees.

#### Total workforce (by employee type, geographical region, contract type and gender)

By employee type	Male	Female	Total
Permanent	5,837	7,768	<b>13,605</b>
Non-permanent	120	321	<b>441</b>
<b>Total</b>	<b>5,957</b>	<b>8,089</b>	<b>14,046</b>
By geographical region	Permanent	Non-permanent	Total
Hong Kong	11,860	418	<b>12,278</b>
The mainland	374	7	<b>381</b>
Southeast Asia and Others	1,371	16	<b>1,387</b>
<b>Total</b>	<b>13,605</b>	<b>441</b>	<b>14,046</b>
By contract type	Male	Female	Total
Full-time	5,938	8,010	<b>13,948</b>
Part-time	19	79	<b>98</b>
<b>Total</b>	<b>5,957</b>	<b>8,089</b>	<b>14,046</b>

#### Total workforce (by employee category and gender)

By category	Male	Female	Total	Percentage
Division heads or above	465	287	<b>752</b>	<b>5.35%</b>
Middle management	2,783	2,722	<b>5,505</b>	<b>39.19%</b>
General employees	2,709	5,080	<b>7,789</b>	<b>55.46%</b>
<b>Total</b>	<b>5,957</b>	<b>8,089</b>	<b>14,046</b>	
<b>Percentage</b>	<b>42.41%</b>	<b>57.59%</b>		

#### Total workforce (by geographical region and age)

Geo-graphical region	Age 18-30	Age 31-40	Age 41-50	Age 51 or above	Total	Percentage
Hong Kong	3,436	2,964	3,729	2,149	<b>12,278</b>	<b>87.42%</b>
The mainland	131	128	107	15	<b>381</b>	<b>2.71%</b>
Southeast Asia and Others	605	512	225	45	<b>1,387</b>	<b>9.87%</b>
<b>Total</b>	<b>4,172</b>	<b>3,604</b>	<b>4,061</b>	<b>2,209</b>	<b>14,046</b>	
<b>Percentage</b>	<b>29.70%</b>	<b>25.66%</b>	<b>28.91%</b>	<b>15.73%</b>		

#### Proportion of senior management<sup>i</sup> hired from the local community (by geographical region)<sup>44</sup>

By geographical region	Percentage
Hong Kong	85.06%
The mainland	100%
Southeast Asia and Others	55.79%
<b>Total</b>	<b>81.38%</b>

i: Senior management refers to Division heads or above.

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<sup>43</sup> 102-7, 102-8, 405-1, HKEx B1.1  
<sup>44</sup> 202-2

#### Total number of new hires (by gender, age and geographical region)<sup>45</sup>

	Number	Rate
<b>By gender</b>		
Male	1,730	12.32%
Female	2,331	16.59%
<b>By age</b>		
Age 18-30	2,748	19.56%
Age 31-40	686	4.88%
Age 41-50	363	2.59%
Age 51 or above	264	1.88%
<b>By geographical region</b>		
Hong Kong	3,597	25.61%
The mainland	35	0.25%
Southeast Asia and Others	429	3.05%
<b>Total</b>	<b>4,061</b>	<b>28.91%</b>

#### Employee turnover (by gender, age and geographical region)<sup>46</sup>

	Number	Rate
<b>By gender</b>		
Male	1,030	7.46%
Female	1,426	10.33%
<b>By age</b>		
Age 18-30	1,542	11.17%
Age 31-40	546	3.96%
Age 41-50	259	1.87%
Age 51 or above	109	0.79%
<b>By geographical region</b>		
Hong Kong	2,156	15.62%
The mainland	36	0.26%
Southeast Asia and Others	264	1.91%
<b>Total</b>	<b>2,456</b>	<b>17.79%</b>

#### Use of parental leave<sup>ii</sup> (by gender)<sup>47</sup>

	Male	Female
Total number of employees that were entitled to parental leave	5,822	7,907
Total number of employees that took parental leave	184	186
Total number of employees that returned to work after parental leave ended	181	181
Percentage (%) of employees that returned to work after parental leave ended (return rate)	98.37%	97.31%
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	168	157
Percentage (%) of employees that returned to work after parental leave ended that were still employed 12 months after their return to work (retention rate)	91.30%	84.41%

ii: Parental leave refers to maternity leave and paternity leave.

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<sup>45</sup> 401-1  
<sup>46</sup> 401-1, HKEx B1.2  
<sup>47</sup> 401-3

### Average training hours and percentage of employees trained (by employee category and gender)<sup>48</sup>

Average training hours: 40.5  
 Total number of employees trained: 14,046  
 Percentage of employees trained: 100%

By category	Male		Female	
	Average training hours	Percentage of employees trained	Average training hours	Percentage of employees trained
Division heads or above	36.06	3.31%	36.35	2.04%
Middle management	35.44	19.81%	29.45	19.38%
General employees	53.82	19.29%	42.60	36.17%
<b>Total</b>	<b>43.85</b>	<b>42.41%</b>	<b>37.95</b>	<b>57.60%</b>

### Occupational health and safety performance<sup>49</sup>

	Total
Number and rate of high-consequence work-related injuries <sup>ii,vii</sup>	1 employee 0.01 (Every 200,000 worked hours)
Number and rate of lost time <sup>iv,vii</sup>	839.22 days 5.78 (Every 200,000 worked hours)
Number and rate of fatalities as a result of work-related injury <sup>v,vii</sup>	0 employee 0 (Every 200,000 worked hours)
Number and rate of recordable work-related injuries <sup>vi,vii</sup>	29 employees 0.20 (Every 200,000 worked hours)

iii: High-consequence work-related injury refers to injury which the employee cannot recover, or does not or is not expected to recover fully to pre-injury health status within 6 months (excluding fatality).

iv: Lost time refers to the working days lost due to a work-related injury sustained by an employee for which the employee misses 1 or more scheduled workdays after the day of the injury.

v: Fatality refers to the death of employee or contractor as a result of a work-related injury incident in the course of employment.

vi: Recordable work-related injury relates to injury, disease (or even death) contracted during course of employment and diagnosed by licensed health care professional, resulting in the employee being unable to perform normal work duties.

vii: Rate of high-consequence work-related injuries, rate of lost time, rate of fatalities as a result of work-related injury and rate of recordable work-related injuries are all normalised to 200,000 worked hours, which is approximately equal to the number of hours worked by 100 full-time employees in a year.

### Cases of discrimination and corruption<sup>50</sup>

Confirmed incidents of discrimination	0
Confirmed incidents of corruption	0

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<sup>48</sup> 404-1, HKEx B3.1, HKEx B3.2  
<sup>49</sup> 403-2 (2016), HKEx B2.1, HKEx B2.2  
<sup>50</sup> 205-3, 406-1, HKEx B7.1

## Environmental Performance

	Unit	2018	2017	Difference
<b>Paper<sup>51</sup></b>				
Paper purchased	kg	618,847	564,367	+10%
<b>Paper purchase intensity</b>				
By number of employees	kg/person	50.40	49.97	+0.9%
<b>Total energy consumption<sup>52, 53</sup></b>				
Total electricity consumption	kWh	94,278,511	95,840,478	-2%
	GJ	339,403	345,026	
Total Towngas consumption	unit	53,370	49,366	+8%
	GJ	2,562	2,370	
Total fuel consumption for corporate fleet <sup>54</sup>	kg	73,096	73,292	+0.3%
	GJ	2,617	2,624	
<b>Energy intensity<sup>55</sup></b>				
By number of employees	GJ/person	28.06	30.99	-9%
<b>Greenhouse gas (GHG) emissions<sup>56</sup></b>				
Direct GHG emissions (Scope 1) <sup>57</sup>	tCO <sub>2</sub> e	333	324	+3%
Indirect GHG emissions (Scope 2) <sup>58</sup>	tCO <sub>2</sub> e	62,621	65,087	-4%
Other indirect GHG emissions (Scope 3) <sup>59</sup>	tCO <sub>2</sub> e	132	107	+23%
Total GHG emissions <sup>60</sup>	tCO <sub>2</sub> e	63,086	65,517	-4%
<b>Greenhouse gas (GHG) emissions intensity<sup>61</sup></b>				
By number of employees	tCO <sub>2</sub> e/person	5.14	5.80	-11%
By floor area	tCO <sub>2</sub> e/m <sup>2</sup>	0.24	0.27	-11%

	Unit	2018	2017	Difference
<b>Water consumption<sup>62, 63</sup></b>				
Total water consumption	Megalitre	218	181	+21%
<b>Water consumption intensity</b>				
By number of employees	Megalitre /person	0.018	0.016	+11%
<b>Waste disposal<sup>64</sup></b>				
General waste	Ton	860.71	757.95	+14%
<b>Waste disposal intensity</b>				
By number of employees	ton/person	0.070	0.067	+4%
<b>Major waste recovered<sup>65</sup></b>				
<b>Non-hazardous<sup>66</sup></b>				
Waste paper	ton	282.77	265.93	+6%
Plastic bottle	ton	0.35	0.21	+67%
Aluminium can	ton	0.21	0.19	+11%
Food waste	ton	79.28	71.93	+10%
<b>Hazardous<sup>67</sup></b>				
Rechargeable battery	pcs	85	107	-21%
Electronic waste	pcs	4,293	3,119	+38%
Fluorescent lamp	pcs	1,186	1,154	+3%
Toner cartridge	pcs	131	220	-40%

<sup>51</sup> 301-1  
<sup>52</sup> 302-1, HKEx A2.1, HKEx A2.3  
<sup>53</sup> Including main properties, office towers and most branches of the Group in Hong Kong, except public electricity consumption of specific buildings  
<sup>54</sup> Including diesel and gasoline use of BOCHK, but excluding that of its subsidiaries  
<sup>55</sup> 302-3, HKEx A2.1  
<sup>56</sup> Calculated based on the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong issued by the Environmental Protection Department and the Electrical and Mechanical Services Department  
<sup>57</sup> 305-1, HKEx A1.1; including GHG emissions related to Towngas and vehicles  
<sup>58</sup> 305-2, HKEx A1.1; including GHG emissions related to electricity and Towngas

<sup>59</sup> 305-3, HKEx A1.1; including GHG emission related to water consumption and wastewater discharge  
<sup>60</sup> HKEx A1.2  
<sup>61</sup> 305-4, HKEx A1.2, HKEx A1.5  
<sup>62</sup> 303-1 (2016), HKEx A2.2  
<sup>63</sup> Including main properties, office towers and most branches of the Group in Hong Kong, except public water consumption of specific buildings  
<sup>64</sup> 306-2, HKEx A1.3, HKEx A1.4; including main properties and office towers of the Group in Hong Kong; Disposal amount of non-hazardous waste and hazardous waste are counted in total due to the insignificant amount of hazardous waste disposal  
<sup>65</sup> 306-2, HKEx A1.3, HKEx A1.4; including main properties and office towers of the Group in Hong Kong  
<sup>66</sup> HKEx A1.4  
<sup>67</sup> HKEx A1.3

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# 11. HKEx ESG Guide Content Index and GRI Sustainability Reporting Standards Content Index<sup>68</sup>



This report was prepared based on the requirements of the HKEx ESG Guide and GRI Sustainability Reporting Standards. The disclosures are presented below with cross-references to related chapters or direct explanation.

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI 101: Foundation 2016			
General Disclosures			
GRI 102: 2016 General Disclosures	HKEx ESG Guide Reference	Description	Cross-reference
<b>ORGANISATIONAL PROFILE</b>			
102-1		Name of the organisation	About BOC Hong Kong (Holdings) Limited (p.3)
102-2		Primary brands, products, and services	About BOC Hong Kong (Holdings) Limited (p.3); <a href="#">2018 Annual Report</a> (p.1, p.106); <a href="#">BOCHK Website</a>
102-3		Location of the organisation's headquarters	Bank of China Tower, 1 Garden Road, Hong Kong
102-4		Number of countries where the organisation operates	About BOC Hong Kong (Holdings) Limited (p.3)
102-5		Nature of ownership and legal form	About BOC Hong Kong (Holdings) Limited (p.3)
102-6		Markets served	About BOC Hong Kong (Holdings) Limited (p.3); Message from the Chairman (p.5); Message from the Chief Executive (p.7); Business Development and Economic Contributions (p.15); <a href="#">BOCHK Website</a>
102-7		Scale of the organisation	About BOC Hong Kong (Holdings) Limited (p.3); CSR Performance Data Overview (p.52)
102-8	B1.1	Employee statistics	CSR Performance Data Overview (p.52)
102-9	B5 General Disclosure, B5.2	Organisation's supply chain	Business Development and Economic Contributions (p.25)
102-10		Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	No significant changes
102-11		Explanation of whether and how the precautionary approach or principles are addressed by the organisation	<a href="#">2018 Annual Report</a> : Corporate Governance section (p.74)

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General Disclosures			
GRI 102: 2016 General Disclosure	HKEx ESG Guide Reference	Description	Cross-reference
<b>ORGANISATIONAL PROFILE</b>			
102-12		Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	This is reflected in the Business Development and Economic Contributions, Contributions to the Community and other sections of this Report. The Group has been a signatory of the Treat Customers Fairly Charter, the Talent-Wise Employment Charter, the Charter on External Lighting, Fluorescent Lamp Recycling Programme, Green Event Pledge, etc. For details of related awards and recognition of the Group, please refer to the <a href="#">2018 Annual Report</a> (p.117).
102-13		Memberships of associations and advocacy organisations	Environmental Protection (p.41); Contribution to the Community (p.47); <a href="#">BOCHK Website</a>
<b>STRATEGY</b>			
102-14		Statement from the most senior decision-makers of the organisation	Message from the Chairman (p.5); Message from the Chief Executive (p.7)
102-15		Description of the organisation's key impacts, risks, and opportunities	Message from the Chairman (p.5); Message from the Chief Executive (p.7)
<b>ETHICS AND INTEGRITY</b>			
102-16		Organisation's values, principles, standards and norms of behaviour	About BOC Hong Kong (Holdings) Limited (p.4); Business Development and Economic Contributions (p.24)
102-17	B7.2	The internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity	Business Development and Economic Contributions (p.23, p.24)
<b>GOVERNANCE</b>			
102-18		Governance structure of the organisation	Corporate Social Responsibility Management (p.11); <a href="#">2018 Annual Report</a> : Corporate Governance section (p.74)

General Disclosures			
GRI 102: 2016 General Disclosure	HKEx ESG Guide Reference	Description	Cross-reference
<b>GOVERNANCE</b>			
102-19		Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Corporate Social Responsibility Management (p.11)
102-20		Appointment of executive-level position(s) with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Corporate Social Responsibility Management (p.11)
102-22		Composition of the highest governance body and its committees	<a href="#">2018 Annual Report</a> : Corporate Governance section (p.74)
102-23		Whether the Chair of the highest governance body is also an executive officer	<a href="#">2018 Annual Report</a> : Corporate Governance section (p.74)
102-24		Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting the highest governance body members	<a href="#">2018 Annual Report</a> : Corporate Governance section (p.74)
102-25		Processes for the highest governance body to ensure conflicts of interest are avoided and managed	<a href="#">2018 Annual Report</a> : Corporate Governance section (p.74)
102-32		Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures all material aspects are covered	About this Report (p.2)
102-35		Remuneration policies for the highest governance body and senior executives	<a href="#">2018 Annual Report</a> : Corporate Governance section (p.74)
102-36		Process for determining remuneration	<a href="#">2018 Annual Report</a> : Corporate Governance section (p.74)
<b>STAKEHOLDER ENGAGEMENT</b>			
102-40		List of stakeholder groups engaged by the organisation	Corporate Social Responsibility Management (p.12)
102-41		Percentage of total employees covered by collective bargaining agreements	There is no collective bargaining legislation in Hong Kong. However, according to the <i>Staff Code of Conduct</i> , all employees of the Group have the right to join any legal organisation.



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General Disclosures			
GRI 102: 2016 General Disclosure	HKEx ESG Guide Reference	Description	Cross-reference
<b>STAKEHOLDER ENGAGEMENT</b>			
102-42		Basis for identification and selection of stakeholders with whom to engage	Corporate Social Responsibility Management (p.12)
102-43		Approaches to stakeholder engagement	Corporate Social Responsibility Management (p.12)
102-44		Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns	Corporate Social Responsibility Management (p.13)
<b>REPORTING PRACTICE</b>			
102-45		Entities included in the organisation's consolidated financial statements or equivalent document	<a href="#">2018 Annual Report</a> (p.16)
102-46		Process for defining the report content and the topic boundaries	Corporate Social Responsibility Management (p.13)
102-47		Material aspects identified in the process for defining report content	Corporate Social Responsibility Management (p.14)
102-48		The effect of and reasons for any restatements of information provided in previous reports	About this Report (p.2)
102-49		Significant changes from previous reports in material topics and topic boundaries	No significant changes
102-50		Reporting period	About this Report (p.2)
102-51		Date of most recent report	Our last CSR Report was issued in April 2018.
102-52		Reporting cycle	Report annually.
102-53		Contact point for questions regarding the report or its contents	About this Report (p.2)
102-54		Claims of reporting in accordance with the GRI Standards	About this Report (p.2)
102-55		GRI Standards Content Index	HKEx ESG Guide Content Index and GRI Standards Content Index (p.56)
102-56		Policy and current practice with regard to seeking external assurance for the report	The Group has not sought external assurance for this Report.

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## Topic-specific Standards and Sector-specific Standard Disclosures

GRI Standards and Disclosures	HKEx ESG Guide Reference	Description	Cross-reference
<b>CATEGORY: ECONOMIC</b>			
<b>ECONOMIC PERFORMANCE</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3		Disclosures on Management Approach	Business Development and Economic Contributions (p.15)
GRI 201: Economic Performance 2016 201-1		Direct economic value generated and distributed	Business Development and Economic Contributions (p.16); <a href="#">2018 Annual Report</a> (p.16)
<b>MARKET PRESENCE</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3		Disclosures on Management Approach	<a href="#">2018 Annual Report</a> : Corporate Governance section (p.74)
GRI 202: Market Presence 2016 202-2		Proportion of senior management hired from the local community	CSR Performance Data Overview (p.52)
<b>INDIRECT ECONOMIC IMPACTS</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3		Disclosures on Management Approach	Business Development and Economic Contributions (p.17); <a href="#">Environmental Policy</a> posted on our website
GRI 203: Indirect Economic Impacts 2016 203-1		Development and impact of infrastructure investments and services supported	Business Development and Economic Contributions (p.17)
GRI 203: Indirect Economic Impacts 2016 203-2		Significant indirect economic impacts, including the extent of impacts	Business Development and Economic Contributions (p.17)

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<b>CATEGORY: ECONOMIC</b>			
<b>ANTI-CORRUPTION</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3	B7 General Disclosure	Disclosures on Management Approach	Business Development and Economic Contributions (p.22)
GRI 205: Anti-corruption 2016 205-2		Communication and training on anti-corruption policies and procedures	Business Development and Economic Contributions (p.24)
GRI 205: Anti-corruption 2016 205-3	B7.1	Confirmed incidents of corruption and actions taken	CSR Performance Data Overview (p.54)
<b>CATEGORY: ENVIRONMENTAL</b>			
<b>MATERIALS</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3	A2 General Disclosure, A3 General Disclosure	Disclosures on Management Approach	Environmental Protection (p.38, p.40); <a href="#">Environmental Policy</a> posted on our website
GRI 301: Materials 2016 301-1	A2.5	Materials used by weight or volume	The Group is a financial services institution and does not require large-scale consumption in packaging.
	A3.1	Extent of impact mitigation of environmental impacts of products and services	Environmental Protection (p.41)
<b>ENERGY</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3	A2 General Disclosure, A3 General Disclosure	Disclosures on Management Approach	Environmental Protection (p.38, p.40); <a href="#">Environmental Policy</a> posted on our website

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GRI Standards and Disclosures	HKEx ESG Guide Reference	Description	Cross-reference
<b>CATEGORY: ENVIRONMENTAL</b>			
<b>ENERGY</b>			
GRI 302: Energy 2016 302-1	A2.1	Energy consumption within the organisation	CSR Performance Data Overview (p.55)
GRI 302: Energy 2016 302-3	A2.1	Energy intensity	CSR Performance Data Overview (p.55)
	A2.3	Energy use efficiency initiatives and results achieved	Environmental Protection (p.40); CSR Performance Data Overview (p.55)
<b>WATER RESOURCES</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3	A2 General Disclosure, A3 General Disclosure, A2.4	Disclosures on Management Approach	Environmental Protection (p.38, p.40); <a href="#">Environmental Policy</a> posted on our website
GRI 303: Water 2016 303-1	A2.2	Total water withdrawal by source	CSR Performance Data Overview (p.55)
<b>EMISSIONS</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3	A1 General Disclosure, A3 General Disclosure	Disclosures on Management Approach	Environmental Protection (p.38, p.40); The Group is a financial services organisation and does not generate significant amount of airborne emissions.
GRI 305: Emissions 2016 305-1	A1.1	Direct greenhouse gas (GHG) emissions (Scope 1)	CSR Performance Data Overview (p.55)
GRI 305: Emissions 2016 305-2	A1.1	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	CSR Performance Data Overview (p.55)
GRI 305: Emissions 2016 305-3	A1.1	Other indirect greenhouse gas (GHG) emissions (Scope 3)	CSR Performance Data Overview (p.55)

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<b>CATEGORY: ENVIRONMENTAL</b>			
<b>EMISSIONS</b>			
GRI 305: Emissions 2016 305-4	A1.2	Greenhouse gas (GHG) emissions intensity	CSR Performance Data Overview (p.55)
	A1.5	Measures to mitigate emissions and results achieved	Environmental Protection (p.40); CSR Performance Data Overview (p.55)
<b>EFFLUENTS AND WASTE</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3	A1 General Disclosure, A3 General Disclosure	Disclosures on Management Approach	Environmental Protection (p.38, p.40); <a href="#">Environmental Policy</a> posted on our website
GRI 306: Effluents and Waste 2016 306-2	A1.3, A1.4, A1.6	Total weight of waste by type and disposal method	Environmental Protection (p.43); CSR Performance Data Overview (p.55)
<b>CATEGORY: SOCIAL</b>			
<b>LABOUR PRACTICES AND DECENT WORK</b>			
<b>EMPLOYMENT</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3	B1 General Disclosure	Disclosures on Management Approach	Caring for Employees (p.29)
GRI 401: Employment 2016 401-1	B1.2	Total number and rates of new employee hires and employee turnover	CSR Performance Data Overview (p.53)
GRI 401: Employment 2016 401-2		Benefits provided to full-time employees but not to temporary or part-time employees	Caring for Employees (p.29)
GRI 401: Employment 2016 401-3		The use of parental leave	CSR Performance Data Overview (p.53)

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GRI Standards and Disclosures	HKEx ESG Guide Reference	Description	Cross-reference
<b>CATEGORY: SOCIAL</b>			
<b>LABOUR PRACTICES AND DECENT WORK</b>			
<b>LABOUR/MANAGEMENT RELATIONS</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3		Disclosures on Management Approach	Caring for Employees (p.32)
GRI 402: Labour/ Management Relations 2016 402-1		Minimum notice periods regarding significant operational changes, including whether these are specified in collective agreements	Caring for Employees (p.32)
	B4.1	Review of employment practices to avoid child and forced labour	The Group strictly prohibits employment of children and all forms of forced labour.
	B4.2	Steps taken to eliminate child and forced labour practices when discovered	The Group duly complies with all applicable laws and regulations that are binding on the Group and strictly prohibits the employment of children and all forms of forced labour. No such incident of non-compliance was discovered for the reporting year.
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3	B2 General Disclosure, B2.3	Disclosures on Management Approach	Caring for Employees (p.33)
GRI 403: Occupational Health and Safety 2016 403-2	B2.1, B2.2	Work-related injuries	CSR Performance Data Overview (p.54)

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GRI Standards and Disclosures	HKEx ESG Guide Reference	Description	Cross-reference
<b>CATEGORY: SOCIAL</b>			
<b>LABOUR PRACTICES AND DECENT WORK</b>			
<b>EMPLOYEE TRAINING AND EDUCATION</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3	B3 General Disclosure	Disclosures on Management Approach	Caring for Employees (p.30)
GRI 404: Training and Education 2016 404-1	B3.1, B3.2	Average hours of training per year per employee by gender, and by employee category	CSR Performance Data Overview (p.54)
GRI 404: Training and Education 2016 404-2		Programmes for lifelong learning that support the continued employability of employees and assist them in managing career endings	Caring for Employees (p.30)
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3		Disclosures on Management Approach	Caring for Employees (p.28)
GRI 405: Diversity and Equal Opportunity 2016 405-1	B1.1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, and other indicators of diversity	CSR Performance Data Overview (p.52)
<b>NON-DISCRIMINATION</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3		Disclosures on Management Approach	Caring for Employees (p.28)

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GRI Standards and Disclosures	HKEx ESG Guide Reference	Description	Cross-reference
<b>CATEGORY: SOCIAL</b>			
<b>LABOUR PRACTICES AND DECENT WORK</b>			
<b>NON-DISCRIMINATION</b>			
GRI 406: Non-discrimination 2016 406-1		Total number of incidents of discrimination and corrective actions taken	CSR Performance Data Overview (p.54); No such incident that led to significant fines or warnings was recorded during the year.
<b>CONTRIBUTION TO LOCAL COMMUNITIES</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3	B8 General Disclosure, B8.1, B8.2	Disclosures on Management Approach	Contributions to the Community (p.45)
GRI 413: Local Communities 2016 413-1		Operations with local community engagement, impact assessments, and development programs	Contributions to the Community (p.45)
FS7		Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Message from the Chief Executive (p.7); Business Development and Economic Contributions (p.18); Environmental Protection (p.41)
FS13		Access points in low-populated or economically disadvantaged areas	Business Development and Economic Contributions (p.19)
FS14		Initiatives to improve access to financial services for the disadvantaged	Business Development and Economic Contributions (p.19)
<b>CUSTOMER HEALTH AND SAFETY</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3		Disclosures on Management Approach	Business Development and Economic Contributions (p.33)
GRI 416: Customer Health and Safety 2016 416-2	B6 General Disclosure	Describe by type of outcomes, the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services	No such incident of non-compliance was discovered for the reporting year.

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GRI Standards and Disclosures	HKEx ESG Guide Reference	Description	Cross-reference
<b>CATEGORY: SOCIAL</b>			
<b>LABOUR PRACTICES AND DECENT WORK</b>			
<b>MARKETING COMMUNICATIONS</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3	B6 General Disclosure	Disclosures on Management Approach	Business Development and Economic Contributions (p.22)
GRI 417: Marketing and Labeling 2016 417-3		Differentiate by type of outcomes, the total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	No such incident of non-compliance was discovered for the reporting year.
<b>CUSTOMER PRIVACY</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3	B6 General Disclosure, B6.5	Disclosures on Management Approach	Business Development and Economic Contributions (p.22)
GRI 418: Customer Privacy 2016 418-1	B6.2	Total number of substantiated complaints regarding of customer privacy and losses of customer data	For the reporting year, only a small number of complaints were received by the Group. The Privacy Commissioner did not impose any fine or penalty regarding such complaints for the reporting year. Complaints received by the Group regarding data privacy are mainly handled by a designated department with the support from other relevant units. The Group will conduct thorough investigation based on the internal complaint management procedures and then respond to the complainants regarding the investigation findings. Our internal complaint management procedures were formulated in accordance with HKMA's Supervisory Policy Manual IC-4, and the Code of Banking Practice issued by the Hong Kong Association of Banks and the DTC Association.

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<b>CATEGORY: SOCIAL</b>			
<b>LABOUR PRACTICES AND DECENT WORK</b>			
<b>SOCIOECONOMIC COMPLIANCE</b>			
GRI 103: Management Approach 2016 103-1, 103-2, 103-3		Disclosures on Management Approach	Business Development and Economic Contributions (p.22)
GRI 419: Socioeconomic Compliance 2016 419-1	B6 General Disclosure	Describe relevant total value of significant fines and the frequency of non-monetary punishments for non-compliance with laws and regulations in the social and economic area	No such figure can be provided as the Group has not breached any legal and/or regulatory requirements that led to fines or other non-monetary penalties for the reporting year.
	B6.3	Description of practices relating to maintaining and protecting intellectual property rights	Business Development and Economic Contributions (p.24); The Group in its daily operation strictly follows all relevant laws, regulations and rules regarding the protection of intellectual property rights. Legal and Regulatory Division is responsible for rendering legal advice in this respect while the marketing teams of relevant business departments are responsible for monitoring.

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