



中銀香港(控股)有限公司
BOC HONG KONG (HOLDINGS) LIMITED

Stock Code: 2388



Sustainability Report 2021



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Video of our
Sustainability
Performance 2021:



1. About this Report

Reporting Boundary

This Report gives an overview of the sustainability performance of BOC Hong Kong (Holdings) Limited (“the Company”) and its subsidiaries (“the Group”), including its principal operating subsidiary Bank of China (Hong Kong) Limited (“BOCHK”), during 2021. It covers the Group’s sustainability strategy and governance, communication with stakeholders, material issues, TCFD progress, risk management and compliance culture, sustainable finance, green operations, financial inclusion, employee care initiatives and philanthropic activities, etc.

To fully understand the Group’s sustainability concepts, measures and performance, we recommend that this Report should be read in conjunction with the Group’s [Annual Report 2021](#), [the Sustainability section of its website](#), and [sustainability-related policies](#) provided on its website.

Unless otherwise stated, the information and data contained in this Report cover the period from 1 January to 31 December 2021¹.

Preparation of the Report

We are committed to continually enhancing the quality of our disclosure. This Report has been prepared in accordance with

Global Reporting Initiatives (“GRI”) Standards: Core Option

The Environmental, Social and Governance Reporting Guide (Main Board Listing Rules Appendix 27) (“ESG Guide”) issued by the Hong Kong Exchanges and Clearing Limited (“HKEX”)

The Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations

In preparing this Report, we followed the four main reporting principles of the ESG Guide, namely, “materiality”, “quantitative”, “balance” and “consistency”. In addition, we made reference to the following guidelines:

- The Sustainability Accounting Standards Board (“SASB”) Standards,
- The United Nations Sustainable Development Goals (“SDGs”)²,
- ISO 26000: 2010 Guidance on Social Responsibility

Section 13 of this Report outlines the Group’s data related to sustainability performance and provides a content index. The calculation methods for the data used in this Report are stated where appropriate³.

The content and data contained in this Report were collected by the Corporate Social Responsibility Office in conjunction with various departments. The Report has been prepared after seeking professional advice.

Assurance and Approval of the Report

This Report has been independently verified by the Hong Kong Quality Assurance Agency (“HKQAA”). The scope and basis of the verification are set out in the Verification Statement contained in Section 13 of this Report.

This Report has been published on the websites of HKEX and BOCHK after being reviewed by the Sustainability Executive Committee of the Management Committee of the Group, and upon the approval of the Sustainability Committee under the Board of Directors (“the Board”) and the Board of the Group⁴.

Your Valued Feedback⁵

If you have any comments or suggestions regarding this Report or our sustainability initiatives, please fill in the [Online Feedback Form](#) or contact us through the following email addresses:

Corporate Social Responsibility Office

esg@bochk.com

Investor Relations Division

investor_relations@bochk.com

¹ 102-50 ⁴ 102-32

² 102-54 ⁵ 102-53

³ 102-48

2. About BOC Hong Kong (Holdings) Limited⁶

BOC Hong Kong (Holdings) Limited (“the Company”) is one of the largest and major listed companies and commercial banking groups in Hong Kong, holding the entire equity interest of Bank of China (Hong Kong) Limited (“BOCHK”), its principal operating subsidiary. Bank of China (“BOC”) established its foothold in Hong Kong in September 1917. Following the restructuring of the businesses of Bank of China Group’s member banks in Hong Kong, the Company was incorporated in Hong Kong on 12 September 2001, and has been listed on the Main Board of the Stock Exchange of Hong Kong since 25 July 2002, with stock code “2388” and ADR OTC Symbol “BHKLY”. BOC holds approximately 66.06% of the equity interest of the Company through BOC Hong Kong (BVI) Limited, an indirect wholly-owned subsidiary of BOC.

BOCHK is committed to pursuing its strategic goal to “Build a First-class Regional Banking Group” and promoting sustainable and high-quality development. Capitalising on its advantages as a major commercial banking group in Hong Kong, BOCHK continues to increase local market penetration, captures business opportunities in the Greater Bay Area and actively expands its business development in Southeast Asia. We strive to provide customers with comprehensive, professional and high-quality services. Entering a new era of smart banking, we endeavour to become a customer-centric digital bank by enhancing customer experience with innovative technology and offering intelligent products and 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. Our strong RMB franchise has made us the first choice for customers in RMB business. We have the most extensive branch network and diverse service platforms in Hong Kong, as well as efficient e-channels such as Internet and Mobile Banking services. We offer a comprehensive range of financial, investment and wealth management services to personal, corporate and institutional customers.

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

As a leading commercial and internationalised regional bank with deep roots in Hong Kong for over 100 years, BOCHK upholds its mission of “Bridge China and the World for the Common Good”. 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.

⁶ 102-1, 102-2, 102-4, 102-6, 102-7



Our Vision, Mission and Values⁷

V

Vision

Build a first-class global banking group

M

Mission

Bridge China and the world for the common good

V

Values

Provide excellent service
Innovate with prudence
Uphold openness and inclusiveness
Collaborate for mutual growth

BOCHK's Strategic Goal:

Build a first-class regional banking group

⁷ 102-16

3. Message from the Chairman⁸



In 2021, the global economy and international environment remained unstable amid the continued impact of the COVID-19 pandemic. Despite unprecedented challenges, worldwide progress towards sustainable development did not lose momentum. As China published its goals for “carbon peak and carbon neutrality”, China and the United States signed the Declaration on Enhancing Climate Action and the EU launched carbon tariffs, making it clear to all that green and low-carbon transition has become mainstream of global economic and social development. As the nation’s 14th Five-Year Plan commenced, Bank of China introduced its mission of “Bridge China and the World for the Common Good” and outlined its vision of “Build a First-class Global

Banking Group”. By strongly supporting green industries across the globe, BOC continued to implement the nation’s green development strategies for facilitating biodiversity conservation, achieving “carbon peak and carbon neutrality,” and realising the goals of The Paris Agreement as quickly as possible. Taking sustainable and high-quality development as the core concept of its five-year plan, BOCHK enhanced its banking business development and operational management in all aspects, achieving good results. MSCI ESG Research awarded BOCHK its highest “AAA” rating for the first time, placing it among the top 3% of the constituent banks in the 2021 All Country World Index (ACWI), ahead of its Hong Kong peers.

⁸ 102-14, 102-15

Strengthening governance and fully implementing the concept of sustainable development. BOCHK was among the first listed banks in Hong Kong to define the sustainable development responsibilities of its Board of Directors and management, as well as establishing specific committees. Since this three-tier governance structure was established at the end of 2019, the Board, management and cross-departmental working group have all assumed their respective duties with the aim of incorporating sustainability concepts into our governance structures. We have formulated the 2021-2025 Sustainability Plan of BOCHK Group and studied on integrating climate risk into our comprehensive risk management framework. We enhanced international exchange and cooperation, became a signatory of the Task Force on Climate-related Financial Disclosures (TCFD), and actively disclosed climate-related information. In 2021, our parent bank BOC also became a signatory of the Principles for Responsible Banking of the United Nations and a member of the UN Environment Program Finance Initiative (UNEP FI).

Combatting the COVID-19 pandemic with concerted efforts. Since the outbreak of the pandemic, BOCHK has spearheaded an array of anti-pandemic financial support initiatives to help local SMEs and residents respond to challenges. Faced with a fifth wave of the pandemic at the end of 2021, we strengthened our efforts by launching six financial support initiatives, including supplying credit resources of HKD50 billion. We also coordinated and supported various financial relief initiatives and economic development programmes launched by the HKSAR Government to help all sectors and industries in Hong Kong to overcome challenges, in order to help facilitate economic recovery. BOCHK's Southeast Asian entities also rolled out various relief measures based on local conditions to ride out the hardships of the pandemic alongside local communities.

Generating green finance business opportunities through innovations and transformation. To meet the needs of the thriving green finance market, we are committed to becoming a pioneer in the local green finance market and provided diverse green finance options for all sectors of society. During the year, we developed several innovative green finance products, such as Hong Kong's first green mortgage plan and first ESG multi-asset retail fund with RMB share class, etc. We believe that such product and service innovation would allow the gradual transformation of traditional business models towards low-carbon development. We strongly advocated green operations and low-carbon lifestyles, set five-year goals and working plans for emission reduction, proactively practised "green office" measures such as saving water and reducing energy and resource consumption, etc., and promoted ESG concepts among our employees.

Capitalising on our strengths to actively contribute to the nation's overall development. Tremendous opportunities have arisen from the ongoing development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the implementation of related reforms and innovations for promoting complementary advantages and regional cooperation. During the year, BOCHK became one of the first batch banks in Hong Kong to launch "Cross-Boundary Wealth Management Connect". With continuous enhancement of its "GBA Account Opening" service and "GBA Loan" cross-border mortgage service, BOCHK caters to the needs of people both in the GBA and Hong Kong for cross-border account opening, foreign currency exchange, remittance and wealth management, building a new channel for GBA residents to conveniently manage their wealth. In addition, we actively responded to the Belt and Road initiative and continually promoted regional development. During the year, we established the Yangon Branch in Myanmar and set up the Hanoi Representative Office in Vietnam. With our services now covering nine Southeast Asian countries, we further leveraged the advantages of our global operations and provided professional comprehensive financial services to customers in the Belt and Road regions.

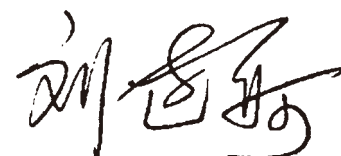
Deepening digital transformation with technology.

With technology deployment accelerating in the post-pandemic era, banking service channels have become more intelligent and mobile. BOCHK is committed to pushing forward our business development through technologies that drive digital transformation and provide a better customer experience. During the year, the daily average mobile banking transactions doubled, the number of BoC Pay users exceeded one million, and the intelligent Global Transaction Banking (iGTB) platform was further upgraded. As such, members of the public continued to enjoy all-round banking services despite the pandemic. Our outstanding performance in digital transformation was recognised with the “Hong Kong’s Best Digital Bank 2021” award from Asiamoney.

Joining hands together to serve the community and care for grassroots.

BOCHK has long been engaged in charitable activities, with cumulative donations standing at over HKD1.4 billion. In 2021, we carried out over 70 charity projects related to poverty alleviation, youth development, environmental protection and carbon reduction, sporting activities and the arts, with beneficiaries participating in more than three million occasions. Over 8,200 BOCHK volunteers attended more than 90 diverse community-based volunteer activities and recorded more than 17,000 service hours throughout the year, demonstrating our active devotion to volunteering. During the year, we won the “Corporate Award” of the Hong Kong Volunteer Award (HKVA) organised by the Agency for Volunteer Service.

The year 2022 marks the 25th anniversary of Hong Kong’s return to the motherland, the 110th anniversary of BOC’s founding, and the 105th year of continuous service in Hong Kong. We will strive to “Bridge China and the World for the Common Good”, cultivate our deep roots in Hong Kong and serve the city and put into practice our core values to “Provide Excellent Service; Innovate with Prudence; Uphold Openness and Inclusiveness; Collaborate for Mutual Growth”. With all these in mind, we will take the initiative and embrace creativity to drive high-quality sustainable development in order to become the preferred bank for green finance in Hong Kong. We wish to join hands with all sectors in Hong Kong to firmly pursue green development, address climate change, build a community for all life on earth, protect our living environment and move towards a better future together.



LIU Liange

Chairman

Hong Kong, 29 March 2022

4. Message from the Chief Executive⁹



The COVID-19 pandemic persisted throughout 2021, causing unfavourable economic consequences for countries across the world. The global economy faltered, the pace of recovery was slow and the global outlook was clouded by uncertainties, creating considerable challenges for financial markets and the operating environment for banks. Following the plans and decisions of our parent bank BOC and the Board of Directors, BOCHK formulated and implemented our five-year plan and continued to deepen our commitment to the local market while growing our business in Southeast Asia and the Greater Bay Area. The Group played an active role in accelerating regional business development, digitalisation and service integration. Strictly adhering to our robust risk principles while proactively capturing market opportunities, we outperformed

the market in terms of the Group's major businesses and made a strong start in the implementation of our five-year plan. In 2021, we were again awarded "Strongest Bank in Asia Pacific and Hong Kong" by The Asian Banker and again named "Bank of the Year in Hong Kong" by The Banker. BOCHK embraces the core values to "Provide Excellent Service; Innovate with Prudence; Uphold Openness and Inclusiveness; Collaborate for Mutual Growth", incorporates the concept of sustainability into our corporate governance, products and services, risk management, information disclosure, corporate culture and daily operations, and actively promotes the development of green finance businesses. With all these, we strive to become a leading bank for sustainable development.

⁹ 102-14, 102-15

Strengthening corporate governance and implementing a sustainable development roadmap.

The Group has well in place Board-level Sustainability Committee and a well-designed and vigorous three-tier governance structure for sustainable development. We formulated the BOCHK 2021-2025 Sustainability Plan, with four major strategies of promoting customers' low-carbon transition, cultivating regional green finance, reinforcing social harmony and solidarity, and implementing efficient and transparent management, coupled with over 30 action plans. All of these are aligned with the green finance aspects of our parent bank BOC in responding to the 14th Five-Year Plan and serve as a comprehensive and systematic blueprint for the next stage of our sustainability development. Through a series of internal monitoring and control systems, we ensured the smooth rollout of all plans during the year.

Developing innovative products and services to become strong partners with our customers for green and low-carbon transition.

We actively captured development opportunities in green finance in response to market trends and our customers' low-carbon transition needs. Having developed and innovated our products and services, we successfully scaled up our green finance businesses and became a local market pioneer in various fields. Building on the launch of our green deposits at the end of 2020, we became the first retail bank in Hong Kong to provide RMB personal green time deposits in 2021. We launched Hong Kong's first ESG multi-asset fund with RMB share class, and our "sustainable and smart living" themed green RMB bond was well-received by the market. We joined hands with Sino Group to introduce Hong Kong's first-ever green mortgage plan; became the first bank to collaborate with the HKQAA in its new online "Green Loan e-Assessment" platform, and launched the "SME Green Financing Incentive Scheme". We acted as a green advisor for multiple projects to help customers access the financial support they need to achieve

low-carbon transition. We also continued to provide a range of green and sustainable financial products and services, including sustainability-linked loans, green loans and green deposits, to support the low-carbon transition of the real economy. By the end of 2021, the balance of the Group's green and sustainability-linked loans had increased by 3.1 times compared to the prior year-end; the number of ESG-related bonds successfully underwritten had increased by around 1.7 times compared to that of 2020, and the balance of green deposits had risen by 3.5 times compared to the end of 2020. All of this served to accelerate the growth of our sustainable finance businesses throughout the year.

Taking a forward-looking approach to integrate environmental and climate risks into risk management mechanism.

We carried out forward-looking climate risk management using a toolkit that includes climate risk identification and quantitative assessment, as well as other practical measures. Climate and environmental risks were integrated into our risk management system and fully embedded into our business procedures. During the year, we were invited to participate in the HKMA's first pilot project on climate risk stress testing (CRST), becoming one of the first banks to conduct a CRST. Furthermore, we established a reporting mechanism on climate and environmental risks and duly submitted our CRST test results to the HKMA. Meanwhile, we designed a customer due diligence questionnaire on climate risk, which will be progressively rolled out in the Group's Southeast Asian entities so as to lay a solid foundation for enhancing credit assessment procedures and climate risk pricing in the future. Becoming a TCFD signatory has further demonstrated our determination and commitment to gradually improve our levels of climate-related financial disclosure. Strictly adhering to related principles regarding responsible banking operations, we strived to invest with responsibility and integrity while making contributions to tell a good China's financial story and share Chinese financial wisdom on the international stage.

Advocating green and low carbon concept and implementing our carbon neutrality goals and plans.

We formulated the carbon neutrality goals and plans in October 2021 as a solid foundation for accelerating green and carbon reduction for our own operations. With focus on achieving the carbon neutrality goal, we continued to promote low carbon and efficient operations. Our paper consumption, electricity usage, water consumption, carbon emission and waste disposal reduced significantly from 2019. We also successfully launched multiple activities to advocate the concept of sustainable development, including ESG promotion and training, a month-long “Go ESG” campaign, themed workshops and online training.

Riding on our financial strength to fight against the pandemic.

Since the COVID-19 outbreak, BOCHK has actively supported all sectors of society to fight against the pandemic. We launched a series of financial relief initiatives including a special loan scheme to support SMEs impacted by the pandemic, and worked with HKMC Insurance Limited to offer the Special 100% Loan Guarantee Scheme under the SME Financing Guarantee Scheme. As the main founding member and participating bank of the “Banking Sector SME Lending Coordination Mechanism”, we gave full support to the HKMA’s Pre-approved Principal Payment Holiday Scheme. We also backed the HKSAR Government’s Special 100% Personal Loan Guarantee Scheme, offered mortgage principal moratorium measures to provide timely relief to our individual customers. We actively provided services regarding the anti-pandemic relief measures introduced by the SAR Government, benefiting people from all walks of life. When the fifth wave of the pandemic spread across Hong Kong, we further upgraded our financial support initiatives and launched six major relief measures. We allocated HKD50 billion of credit resources to ease local SMEs’ financial pressures and continued to participate in various relief schemes launched by the HKSAR Government and the HKMA, offering service fee waivers and reductions as well as other favourable rates to assist different

industries and communities in navigating the difficult times. In this way, we strived to provide our corporate and personal customers with enhanced financial relief measures while actively cooperating with the HKSAR Government in the fight against the pandemic. In addition, we continued to strengthen our own pandemic contingency planning to ensure the health and safety of our employees and to safeguard our continued business operations.

Caring for the grassroots and serving the community.

We have always actively participated in various charitable activities and have long worked with the BOCHK Charitable Foundation to engage in a range of charitable projects, donating more than HKD1.4 billion in total over the years. In 2021, we organised over 70 charitable projects, covering the areas of poverty alleviation, youth development, environment protection and carbon reduction, sporting activities and the arts, etc., with beneficiaries participating in more than three million occasions. Through the efforts of our BOCHK volunteer teams, we served the community and shouldered our social responsibilities. In 2021, more than 8,200 employees engaged in volunteer activities, a 55% increase compared to last year. We also organised over 90 volunteer projects benefitting the elderly, families from grassroots communities, children and young people. More than 17,000 volunteer service hours were recorded, up 41% compared to 2020. We also ran a special “BOCHK Volunteer Day” to promote a volunteering culture and advocate the “Everyone Can Volunteer” concept across the Group, with 25 volunteer projects carried out by over 4,000 participants from all departments, including me and all management members, and employees of our Southeast Asian entities. We were conferred the “Corporate Award” of the Hong Kong Volunteer Award organised by the Agency for Volunteer Service for the first time. We were also recognised by the Social Welfare Department with the “Award of 10,000 Hours for Volunteer Service” and the “Gold Award for Volunteer Service (Organization)” for the 11th consecutive year.

Enhancing our influence and strengthening our leading bank status in sustainable development. We actively support the green finance initiatives introduced by regulatory authorities including the HKMA and HKEX. We are one of the Cornerstone Members of the HKMA-IFC Alliance for Green Commercial Banks and participated in writing of HKEX's first book on green and sustainable finance. We also co-chaired the Green and Sustainable Finance Working Group of the Hong Kong Green Finance Association, and actively joined various international forums such as the Asian Financial Forum and the HKIB Banking Conference, to convey our message in the field of green finance.

Thanks to the concerted efforts of the whole Group, our work in sustainable development has gained much public recognition and support. Having previously been rated "AA" by MSCI ESG Research for five consecutive years, the Group received the highest "AAA" rating for the first time in 2021, placing it among the top 3% of the 189 constituent banks of the All Country World Index (ACWI). We have also been a constituent stock of the Hang Seng Corporate Sustainability Index Series for 12 consecutive years. In 2021, we ranked first among the banking sector in the HKBSI's 6th "Hong Kong Business Sustainability Index", the HKBSI's 2nd "Greater Bay Area Business Sustainability Index" and the HKBSI's first "Greater China Business Sustainability Index", as well as being named as an "Exemplar". Other awards received in 2021 included the "ESG Excellence Award" at the Hong Kong Corporate Governance and ESG Excellence Awards 2021 organised by the Chamber of Hong Kong Listed Companies, the "Gold Award (Servicing and Trading)" at the Hong Kong Awards for Environmental Excellence organised by the Environmental Campaign Committee; and the "Outstanding Award for Green and Sustainable Loan Facilitator (Greater Bay Area Enterprises)" and "Outstanding Award for Green and Sustainable Bond Lead Manager (Financial Investment Industry)" at the Hong Kong Green and Sustainable Finance Awards 2021 organised by the HKQAA.

The year 2022 marks the 110th anniversary of Bank of China and the 105th year of our operations in Hong Kong. The Group will continue the strategic deployment set by our parent bank and the Board of Directors and seize development opportunities arising from both our motherland and Hong Kong. We will deepen our commitment to high-quality sustainable development and a green and low-carbon transition. Furthermore, we will continue to create value for our shareholders, investors and society, and together create an even brighter tomorrow.



SUN Yu

Vice Chairman & Chief Executive
Hong Kong, 29 March 2022

5. Business Performance



2021 Financial Highlights¹⁰

	2021	2020	Change
(For the Year)	HK\$m	HK\$m	%
Profit for the year	24,999	28,468	-12.2
Profit attributable to equity holders of the Company	22,970	26,487	-13.3
Basic earnings per share (HK\$)	2.1726	2.5052	-13.3
Return on average total assets (%)	0.70	0.86	-0.16pp
Return on average shareholders' equity (%)	7.67	9.05	-1.38pp

	2021	2020	Change
(At year-end)	HK\$m	HK\$m	%
Total assets	3,639,430	3,320,981	+9.6
Deposits from customers	2,331,155	2,183,709	+6.8

Serving the real economy¹¹

We are committed to providing comprehensive, professional and high-quality services to our customers, and promoting the prosperous development of the places in which we operate. We fully supported national strategies such as the Belt and Road initiative, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area (“GBA”) and RMB internationalisation, strengthened our collaborations in the region and actively supported the development of the real economy.

Deeply cultivating the Hong Kong market

In line with our customer-centric approach, we continued to deeply cultivate the local market, strengthened our services for personal and corporate customers in Hong Kong, and actively responded to the HKSAR Government’s various relief initiatives to help SMEs and individuals to overcome their difficulties. As such, our business development helped to enhance Hong Kong’s status as an international financial centre and promote prosperity in the places where we operate.

For details, please refer to the [“Practising Financial Inclusion” section](#).




¹⁰ 201-1

¹¹ 203-1, 203-2, B8.1

Supportive measures for anti-pandemic financial initiatives

Since the outbreak of COVID-19, we have launched an array of anti-pandemic financial support initiatives to help Hong Kong SMEs and residents overcome challenges and relieve pressures on operations and capital turnover. Faced with a new wave of the pandemic from late 2021 to early 2022, we have further strengthened our financial services support, including the following key measures.

- Providing HKD50 billion of credit loans to support local SMEs;
- Continuing to participate in the various support programmes of the HKSAR Government and the HKMA;
- Offering fee waiver and cash rebates to reduce SMEs' operating costs;
- Ensuring reliable and convenient online financial services to facilitate SMEs' business operations; and
- Helping individual customers relieve financial pressures through a variety of online financial services.

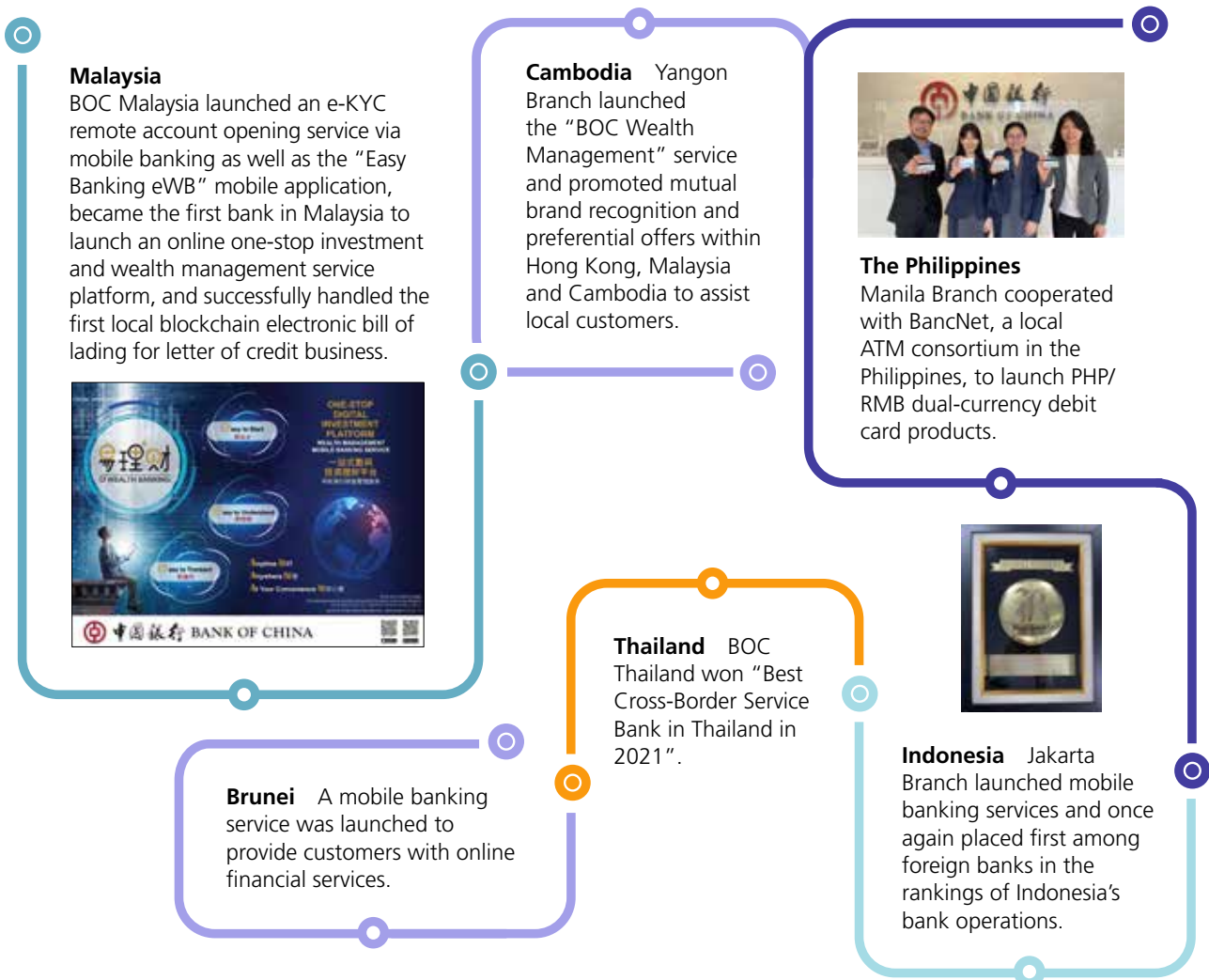
For details, please visit the  [BOCHK website](#) .



Actively supporting the Belt and Road initiative and financial development in Southeast Asia

Actively responding to the Belt and Road initiative, the Group promoted regional integration and provided professional integrated financial services for customers in regions along the Belt and Road, thus leveraging its distinctive advantages to “Bridge China and the World”. In 2021, faced with the continuing pandemic in Southeast Asia, we implemented anti-pandemic measures, took action to prevent risks, and continued to provide safe and stable services for customers in the region.

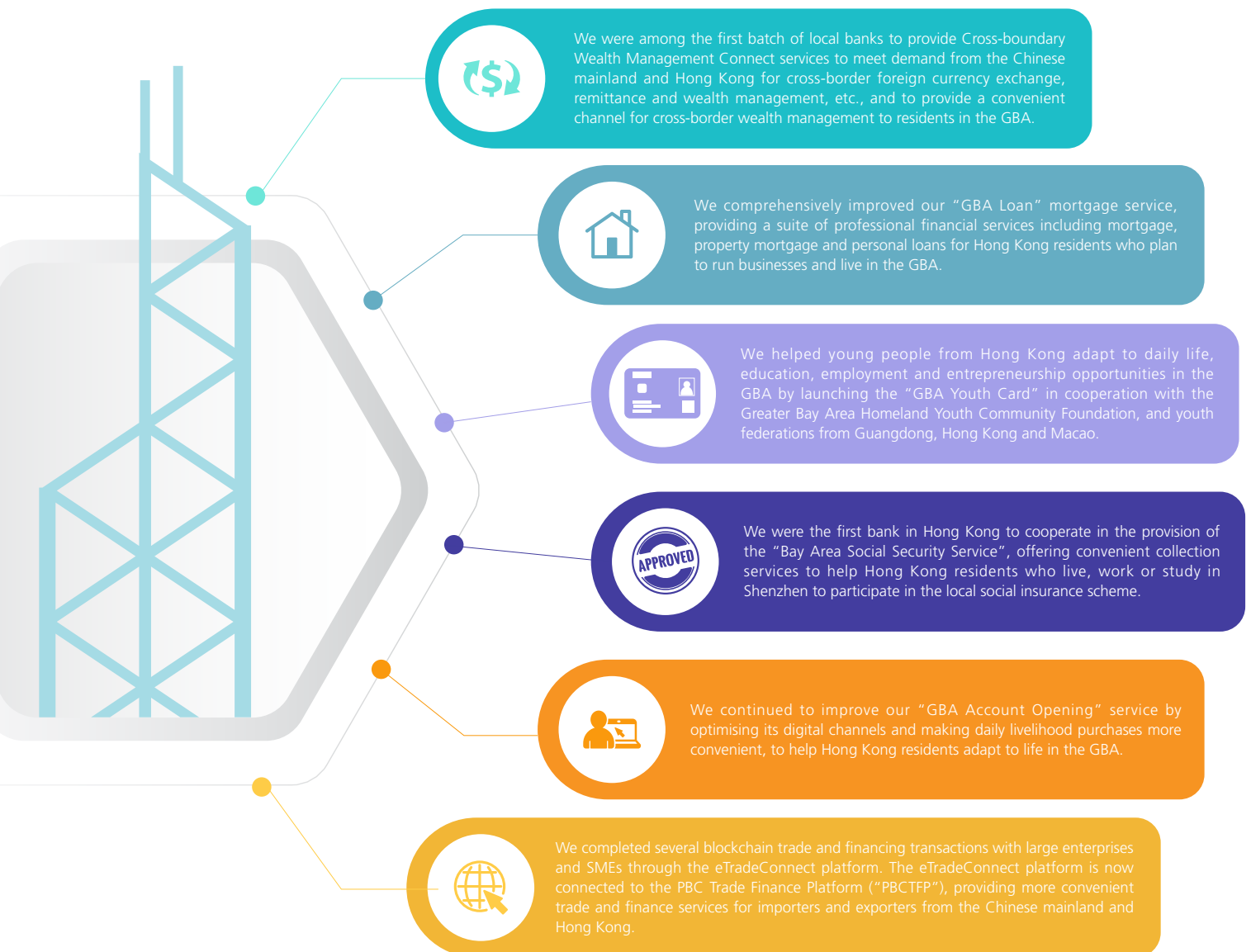
During the year, we set up the Yangon Branch in Myanmar and the Hanoi Representative Office in Vietnam, further expanding our business network in the region and extending business coverage to nine Southeast Asian countries. As BOC’s Asia-Pacific syndicated loan centre, we proactively led and participated in regional syndicated loan projects in Southeast Asia, ranking high in various Southeast Asian markets. We also jointly introduced several green finance programmes with local customers. In addition, our iGTB Corporate Mobile Banking platform was introduced in Southeast Asia, providing diverse services for local corporate customers.



The Asian Banker
“Strongest Bank in Asia Pacific and Hong Kong”

Jointly promoting the development of the Guangdong-Hong Kong-Macao Greater Bay Area

During the year, the central government promulgated the *Master Plan of the Development of the Guangdong-Macao Intensive Cooperation Zone in Hengqin* and the *Plan for Comprehensive Deepening Reform and Opening Up of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone*, while the HKSAR Government announced the *Northern Metropolis Development Strategy*. These plans will bring new development opportunities to Hong Kong by advancing multiple reforms, innovations and further opening up, and promoting regional cooperation and synergistic advantages. We continued to improve our cross-border financial services to meet demands from customers in the region:



Asiamoney

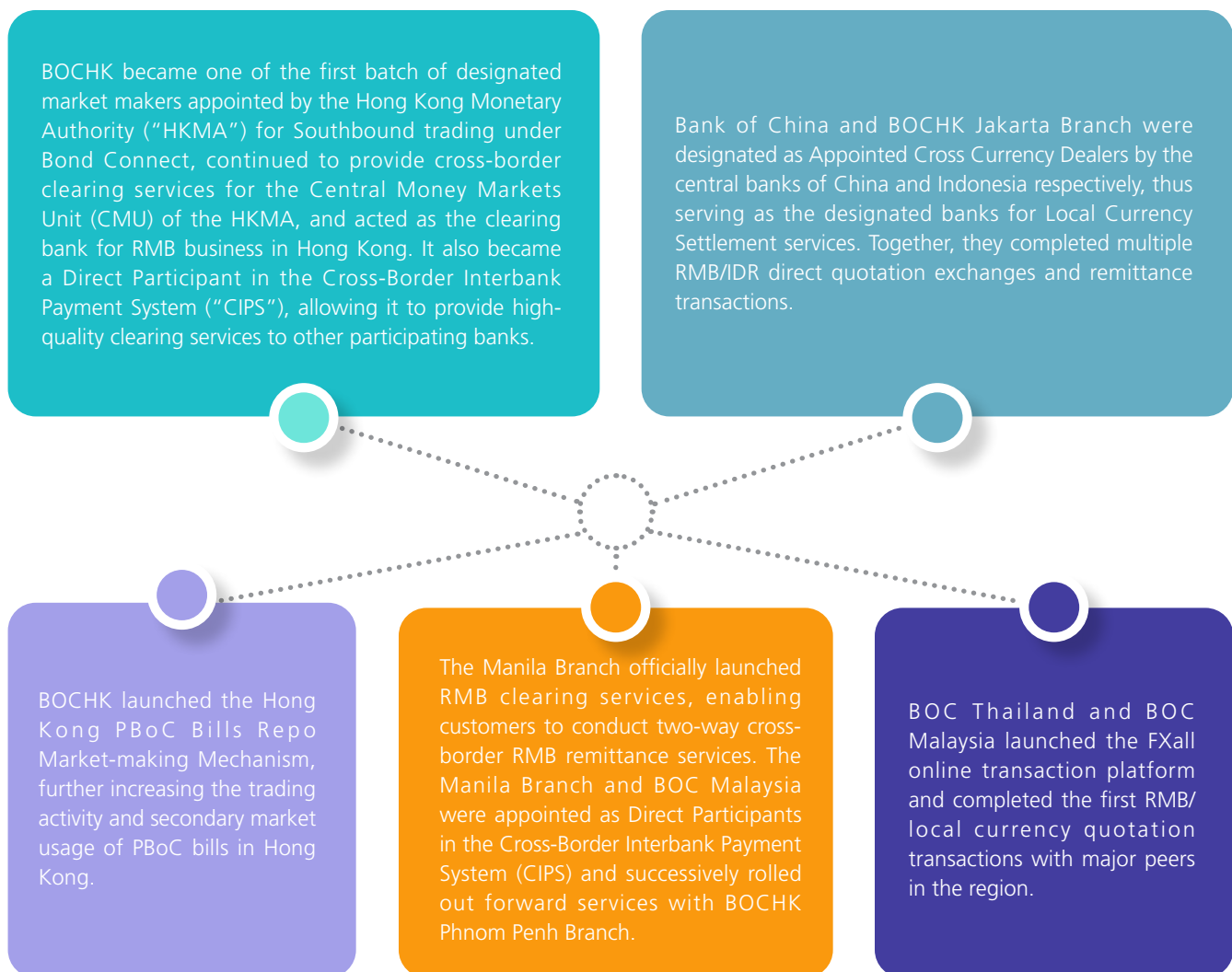
"Best Chinese Bank for the Greater Bay Area"

Strengthening Hong Kong's position as an offshore RMB hub

BOCHK is the largest and most important RMB clearing bank in the offshore RMB market, providing RMB clearing services to over 200 local and overseas participating banks. Our RMB Real Time Gross Settlement System ("RMB RTGS") has the longest operating hours, processes the largest transaction value, and deploys the most advanced technology in the offshore RMB markets. During the year, we further increased overall payment and clearing efficiency to ensure the stable and smooth operation of our RMB clearing services.

According to the Society for Worldwide Interbank Financial Telecommunication ("SWIFT"), the value of RMB processed in Hong Kong in 2021 accounted for approximately 75% of total offshore RMB transaction value, well ahead of the world's other offshore markets. Hong Kong Interbank Clearing Limited ("HKICL") also announced that the total transaction value processed via the Hong Kong RMB RTGS System in 2021 reached RMB357.7 trillion, representing year-on-year growth of 26.6%.

The Group continued to enhance its RMB business-related services to meet the needs of regional markets:





Treasury China, China Treasury Award
Best RMB Cross-border Service Bank"



Asian Banking & Finance
"Hong Kong Domestic RMB
Internationalisation Initiative of the Year"



Bond Connect Company Limited
"Outstanding FX Settlement Bank and Top
Custodian"

Facilitating regional economic cooperation and exchange

During the year, we actively promoted exchange and cooperation between governments, regulators and the industry with a view to consolidating Hong Kong's position as an international financial centre and offshore RMB hub. We organised, sponsored and participated in a series of events in 2021 to facilitate cross-border industry cooperation and development, including the "China International Import Expo", the "Corporate Overseas Fund Management and RMB Business Forum" and the "Belt and Road Summit".

For more details on our business performance in 2021, please refer to the  [2021 Annual Report](#).



6. ESG Highlights 2021

Environmental



Continued to expand the scale of green finance:

- Green loans **▲ 311%**
- Green deposits **▲ 354%**
- ESG-related bond underwriting **▲ 1.7 times**



Launched a number of **pioneering green products** in Hong Kong

- **Green mortgage** plan
- **Green time deposit** plan for personal customers
- **ESG Multi-Asset retail fund** with RMB share class

The Group's **ESG bond investment**

▲ 1.3 times compared with the end of last year

Established **5 green operation goals**



Social

Introduced the **ERP cloud-based accounting service for SMEs**, benefiting **≈ 5,000 SMEs**, and became **the first local bank** to use commercial data throughout the entire loan approval process for SME customers

Committed to employee care

- Organised **>30 seminars** for management and employees

- **Response rate of 88%** for the annual employees' opinion survey



Carried out extensive charitable activities

- Sponsored **> 70 projects**
- Benefited **> 3 million** people /participations
- **8,200 employees** joined **volunteer teams**
- Organised over 90 volunteer activities with a total volunteer service of **17,000 hours**



Governance

Formulated the **2021-2025 Sustainability Plan** and thoroughly advanced our ESG-related work through a top-down approach

Revised the **Credit Risk Management Policy of BOCHK Group** and actively coped with climate change



Became a **TCFD signatory** and progressively enhanced related disclosures in accordance with the TCFD recommendations framework

Included as a constituent stock of the

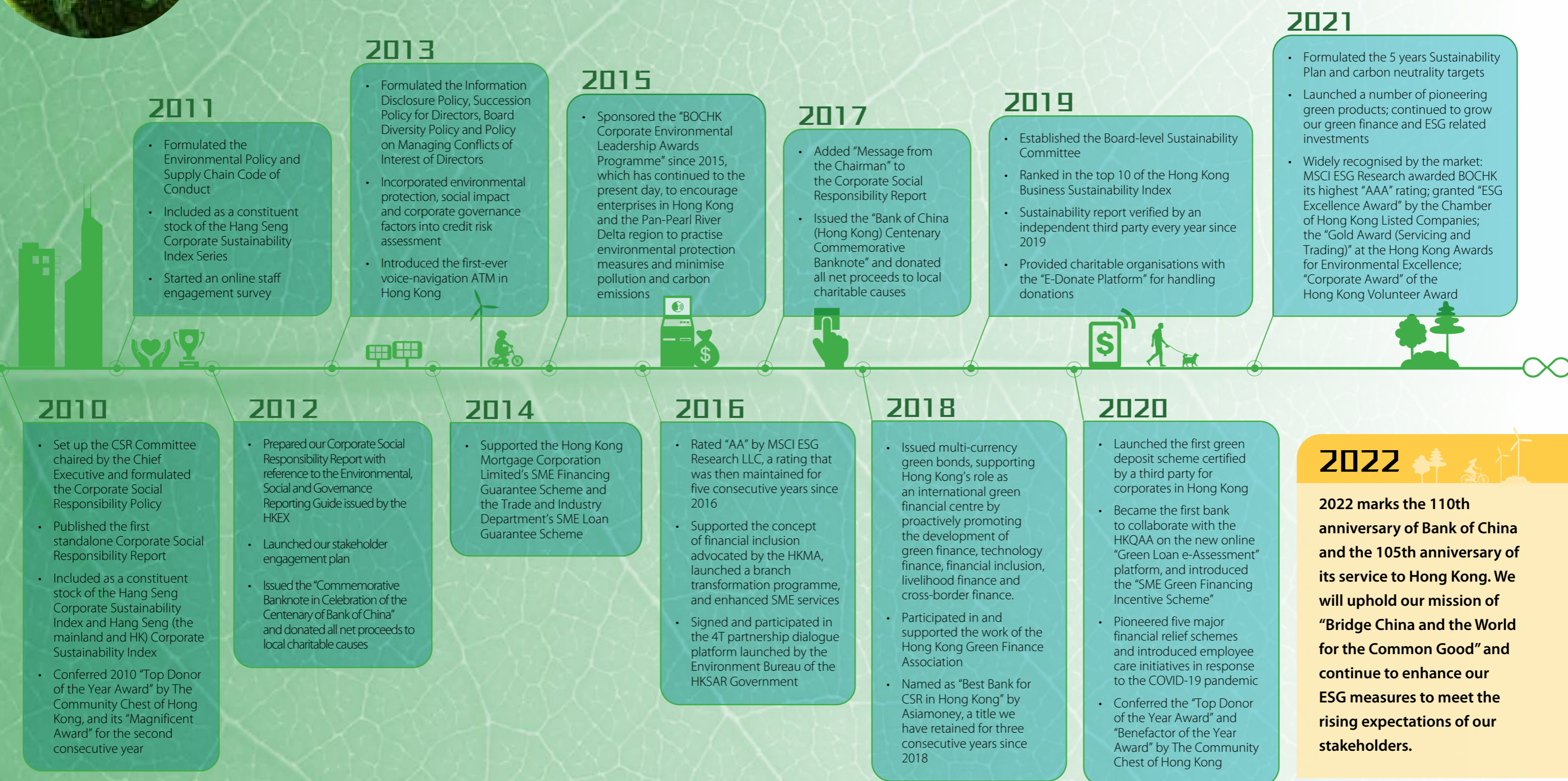
"HSI Low Carbon Index", **"HSI ESG Enhanced Index"** and **"HSI ESG Enhanced Select Index"**





7. Our ESG Roadmap

We began our ESG journey more than a decade ago. Through step-by-step exploration, research, innovation and promotion, we continued to move forward and accumulate experience. Here are our key ESG initiatives since 2010:



2010

- Set up the CSR Committee chaired by the Chief Executive and formulated the Corporate Social Responsibility Policy
- Published the first standalone Corporate Social Responsibility Report
- Included as a constituent stock of the Hang Seng Corporate Sustainability Index and Hang Seng (the mainland and HK) Corporate Sustainability Index
- Conferred 2010 "Top Donor of the Year Award" by The Community Chest of Hong Kong, and its "Magnificent Award" for the second consecutive year

2012

- Prepared our Corporate Social Responsibility Report with reference to the Environmental, Social and Governance Reporting Guide issued by the HKEX
- Launched our stakeholder engagement plan
- Issued the "Commemorative Banknote in Celebration of the Centenary of Bank of China" and donated all net proceeds to local charitable causes

2014

- Supported the Hong Kong Mortgage Corporation Limited's SME Financing Guarantee Scheme and the Trade and Industry Department's SME Loan Guarantee Scheme

2016

- Rated "AA" by MSCI ESG Research LLC, a rating that was then maintained for five consecutive years since 2016
- Supported the concept of financial inclusion advocated by the HKMA, launched a branch transformation programme, and enhanced SME services
- Signed and participated in the 4T partnership dialogue platform launched by the Environment Bureau of the HKSAR Government

2018

- Issued multi-currency green bonds, supporting Hong Kong's role as an international green financial centre by proactively promoting the development of green finance, technology finance, financial inclusion, livelihood finance and cross-border finance.
- Participated in and supported the work of the Hong Kong Green Finance Association
- Named as "Best Bank for CSR in Hong Kong" by Asiamoney, a title we have retained for three consecutive years since 2018

2020

- Launched the first green deposit scheme certified by a third party for corporates in Hong Kong
- Became the first bank to collaborate with the HKQAA on the new online "Green Loan e-Assessment" platform, and introduced the "SME Green Financing Incentive Scheme"
- Pioneered five major financial relief schemes and introduced employee care initiatives in response to the COVID-19 pandemic
- Conferred the "Top Donor of the Year Award" and "Benefactor of the Year Award" by The Community Chest of Hong Kong

2011

- Formulated the Environmental Policy and Supply Chain Code of Conduct
- Included as a constituent stock of the Hang Seng Corporate Sustainability Index Series
- Started an online staff engagement survey

2013

- Formulated the Information Disclosure Policy, Succession Policy for Directors, Board Diversity Policy and Policy on Managing Conflicts of Interest of Directors
- Incorporated environmental protection, social impact and corporate governance factors into credit risk assessment
- Introduced the first-ever voice-navigation ATM in Hong Kong

2015

- Sponsored the "BOCHK Corporate Environmental Leadership Awards Programme" since 2015, which has continued to the present day, to encourage enterprises in Hong Kong and the Pan-Pearl River Delta region to practise environmental protection measures and minimise pollution and carbon emissions

2017

- Added "Message from the Chairman" to the Corporate Social Responsibility Report
- Issued the "Bank of China (Hong Kong) Centenary Commemorative Banknote" and donated all net proceeds to local charitable causes

2019

- Established the Board-level Sustainability Committee
- Ranked in the top 10 of the Hong Kong Business Sustainability Index
- Sustainability report verified by an independent third party every year since 2019
- Provided charitable organisations with the "E-Donate Platform" for handling donations

2021

- Formulated the 5 years Sustainability Plan and carbon neutrality targets
- Launched a number of pioneering green products; continued to grow our green finance and ESG related investments
- Widely recognised by the market: MSCI ESG Research awarded BOCHK its highest "AAA" rating; granted "ESG Excellence Award" by the Chamber of Hong Kong Listed Companies; the "Gold Award (Servicing and Trading)" at the Hong Kong Awards for Environmental Excellence; "Corporate Award" of the Hong Kong Volunteer Award

2022

2022 marks the 110th anniversary of Bank of China and the 105th anniversary of its service to Hong Kong. We will uphold our mission of "Bridge China and the World for the Common Good" and continue to enhance our ESG measures to meet the rising expectations of our stakeholders.

Sustainable Development: driving forward a Better Society

8



Promoting Sustainable Development

Board-level Sustainability



Committee comprises **five Independent Non-executive Directors** and the Executive Director and Chief Executive

Rigorous and effective

three-tier sustainability governance structure



for implementation of sustainability work

Formulated **> 30** specific action plans to support the *2021-2025 Sustainability Plan*



A constituent stock of **3** newly launched HSI ESG Indexes



Adopted **18 material issues**

based on materiality assessment and stakeholder communication



Enhance

transparency and facilitate multi-

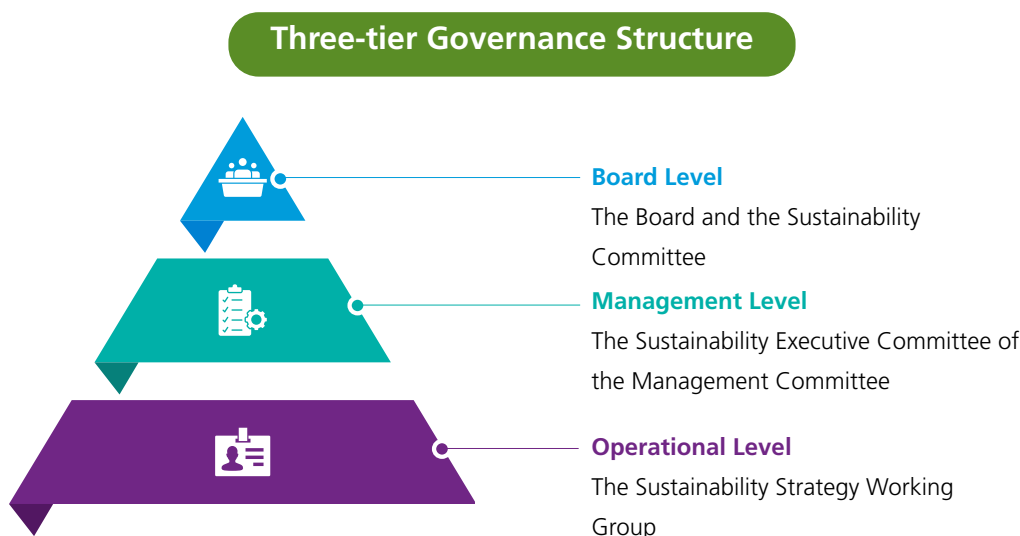
channel **stakeholder communication**



8.1 Sustainability Governance ^{1 2}

Sustainability is a core long-term strategy at BOCHK and a management-level Corporate Social Responsibility Committee was set up in 2010. In 2019, to further advance our sustainability efforts, an enhanced and rigorous three-tier sustainability governance structure was established with the Sustainability Committee in Board level and the Sustainability

Executive Committee in the management level. The Board, with the assistance of the Sustainability Committee, reviews and approves the Group’s sustainability strategies, goals, priorities and related initiatives, including environmental protection and climate-related work. The Board also monitors the Group’s sustainable development performance.



The Sustainability Committee (the “Committee”)

The Committee was established in December 2019. As of 31 December 2021, the Committee comprises six members including five independent non-executive directors and the Executive Director and Chief Executive. The Committee is responsible for overseeing the Group’s strategy, policies and implementation regarding sustainability and corporate culture, with a view to achieving its sustainability goals. It also closely

monitors climate change issues and related opportunities, in order to enhance the Group’s sustainability performance.

Details of the roles and responsibilities of the Sustainability Committee are set out in the Mandate of the Sustainability Committee. For information on the profiles of the Committee members, please refer to the [2021 Annual Report](#).

The composition and major duties of the Committee as of 31 December 2021 are as follows:

Composition ¹	Major Duties
Mdm CHENG Eva (Chairman) ² Mr SUN Yu ³ Dr CHOI Koon Shum ² Mr KOH Beng Seng ² Mr LAW Yee Kwan Quinn ² Mr TUNG Savio Wai-Hok ²	Reviewing the Group’s sustainability strategies, goals and priorities, as well as material sustainability-related policies Reviewing environmental, social and governance issues which are material to the Group, and related measures Overseeing the Group’s sustainability performance Overseeing the Group’s corporate culture and reviewing related policies Determining appropriate reporting principles and boundaries, and reviewing the Sustainability Report

Remarks:

1. Madam Fung Yuen Mei Anita was appointed a member of the Committee on 3 March 2022
2. Independent Non-executive Director
3. Executive Director

¹² 102-18, 102-19, 102-20, 102-26, 102-29, 102-30, 102-31, 102-32



Two Committee meetings were held in 2021. Members reviewed, discussed and provided valuable opinions on a number of issues including the *2021-2025 Sustainability Plan of BOCHK Group*, the *Sustainability Report 2020* and related material issues; the Sustainability-related policies of the Group, including the *Sustainability Policy*, *Report on Bank Culture Building*, *Report on Annual Review of Staff Code of Code*; plans and measures to help customers transition to the low-carbon economy; new regulatory requirements and market updates on climate risks, and the Group's latest implementations of climate risk measures; the best practices and recommendations of the TCFD and the Group's progress in TCFD-related work; and the progress and effectiveness of the Group in enhancing its corporate culture ¹³.

The Sustainability Executive Committee (the "Executive Committee")

The Executive Committee is chaired by the Chief Executive of the Company and its members are composed of the management team and heads of relevant departments. The Executive Committee is responsible for promoting and implementing matters related to:

- (1) Sustainability;
- (2) Charity;
- (3) Corporate culture; and
- (4) Responsibilities for consumer rights protection.

Two Executive Committee meetings were held in 2021. The Executive Committee helped to formulate the Group's annual and medium-to-long-term sustainability goals, backed by specific plans and measures; discussed sustainability issues ahead of their submission to the Board for review, and followed up on the strategic requirements of the Board and the Committee regarding the effective implementation of the Group's sustainability strategy.

The Sustainability Strategy Working Group (the "Working Group")

The cross-departmental Working Group is composed of members from relevant departments. It is primarily responsible for the coordination and execution of sustainability-related work. During the year, the Working Group coordinated BOCHK's sustainability-related strategic planning and business-related measures as well as cross-departmental sustainability initiatives.

Our Corporate Social Responsibility Office, with its specialist and professional staff, is also responsible for CSR and sustainability-related issues.

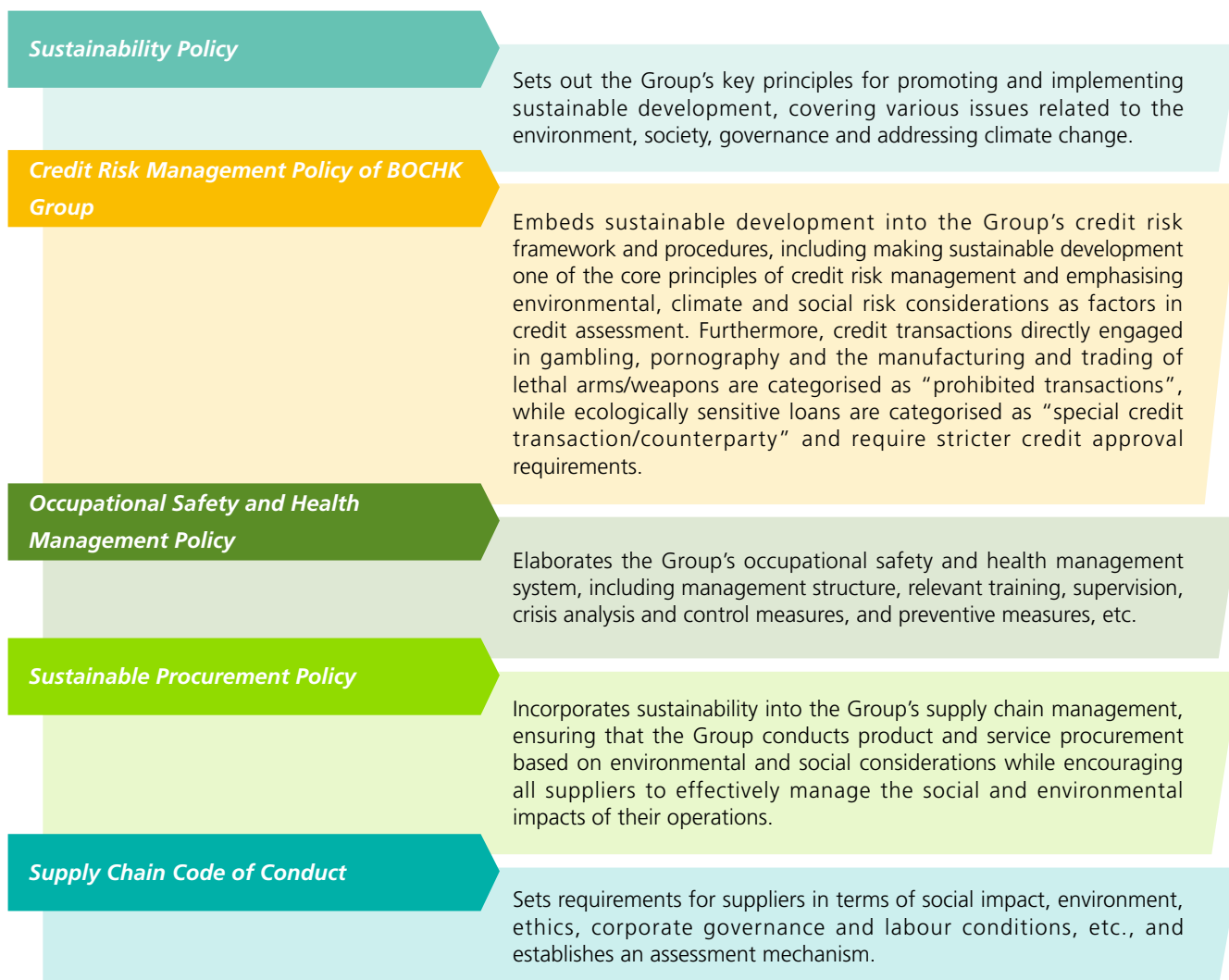
¹³ 102-31

Sustainability training¹⁴

The Group's Board and management members have diverse knowledge, experience and skills, allowing them to effectively perform their governance responsibilities and offer constructive recommendations regarding sustainability and climate-related issues. During the year, we arranged information-sharing sessions in which professional bodies offered updates to Board, senior executives of key relevant departments and the Group's Southeast Asian entities on the latest market trends and developments in climate change and sustainable development which included topics, among others, climate governance in the banking industry; the impact of environmental, climate and social governance on credit ratings, and disclosures on climate risks. In addition, we invited a professional institute to offer seminars on TCFD recommendations and best practices to facilitate the effective management and monitoring of sustainability-related (including climate risk) issues by the Board and the management.

Sustainability-related policies

We have formulated sustainability-related policies, mechanisms and procedures in various areas with reference to local and international sustainability guidelines and standards. All member institutions of the Group must strictly comply with and implement these policies.



For more information on relevant policies, please refer to the [Sustainability section of the Group's website](#).

¹⁴ 102-27, G4-FS4

8.2 Sustainability Strategies

We have adopted a forward-looking approach to elevate sustainability to the long-term strategic level of the bank. We have also thoroughly and systematically integrated sustainable and high-quality development concepts at all levels in a top-down manner, thus promoting the long-term and balanced sustainable development of the Group and advancing our mission of “Bridge China and the World for the Common Good”.

Within the Group’s 2021-2025 Strategic Development Plan, we place sustainability and high-quality development at the heart of our future development. As a sub-plan of our Strategic Development Plan, we formulated the 2021-2025 Sustainability Plan of BOCHK Group, to provide a comprehensive and systematic blueprint in the next stage of sustainable development.



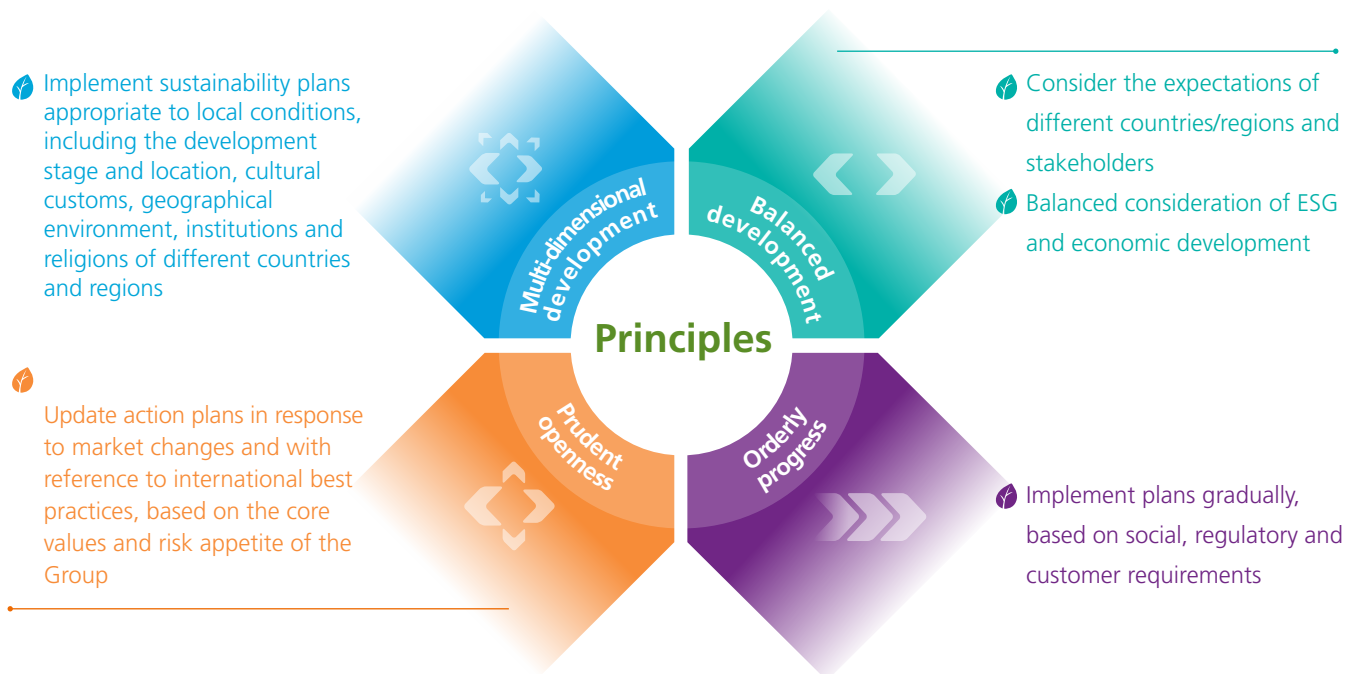
Key Sustainability Plans and Progress:



The 2021-2025 Sustainability Plan (the “Sustainability Plan”)

The *Sustainability Plan* sets out a number of quantitative and qualitative development goals and implementation targets, covering areas such as serving enterprises and individual customers and the capital market, strengthening environmental (including climate risk) and social risk management, developing low-carbon banking, improving the quality and transparency of information disclosure, and cultivating corporate culture and nurturing talent. It also outlines more than 30 specific action plans, which were launched step-by-step during the year.

We adopted the following principles in the planning, preparation and execution of our sustainability plans, with a view to creating stakeholder value in a flexible and orderly manner:



Measures to achieve carbon neutrality

In response to the national and HKSAR Government carbon neutrality targets, we are actively accelerating the carbon reduction progress of our bank. At the same time, we are closely monitoring climate-related risks and opportunities, and actively developing sustainable financial products and services to assist customers to achieve low-carbon transition.

To pursue carbon neutrality in the Group’s own operations, we embraced green banking concepts and developed targets and implementation paths, including integrating targets into our annual assessment indicators to ensure effective execution. We also conducted a large-scale Group-level carbon audit covering all subsidiaries to gain a better understanding of carbon emissions across all aspects of the Group’s operations in Hong Kong and Southeast Asia. We are on track to publish targets for carbon neutrality in our own operations in the coming year.

We have also formed green partnerships with our peers and stakeholders. We fully supported the “Carbon Neutrality Partnership” launched by the Environment Bureau by further reducing the Group’s carbon emissions and increasing energy efficiency. We advocated environmental protection and reduced carbon emission by implementing paperless services for our customers, promoting the “No Paper Receipts Plan” to our merchant clients, and encouraging sustainable procurement among our suppliers. As such, we have promoted awareness of environmental protection and carbon reduction among the public and future generations through broad collaboration in the journey towards achieving carbon neutrality in a progressive, target-oriented and systematic manner.

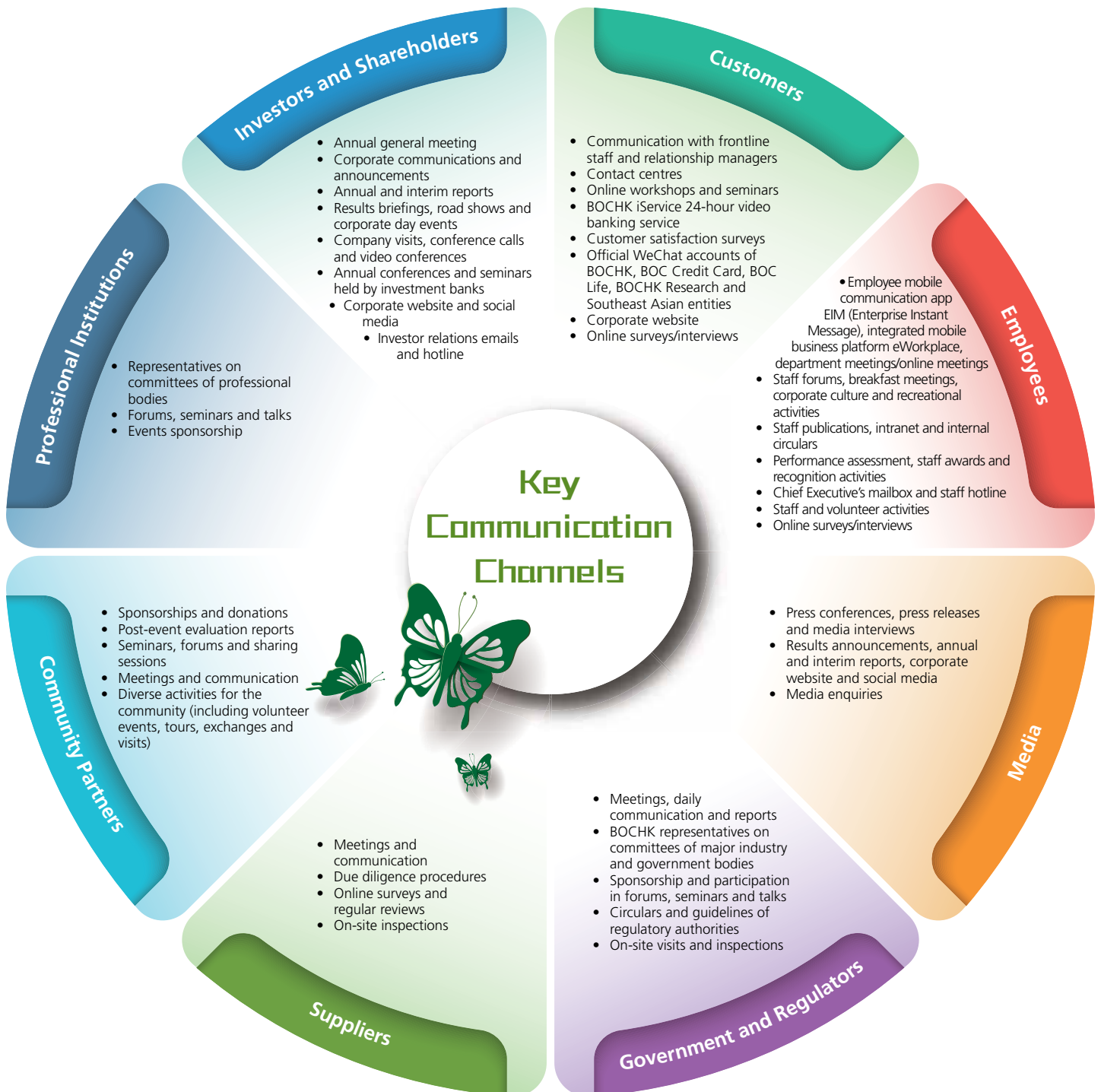
For more details, please refer to the [“Green Development for a Better Environment”](#) section.

8.3 Communication with Stakeholders

We strongly value stakeholders' opinions and seek to understand their views and expectations through a range of communication platforms. This helps us to review and improve our sustainability performance and better fulfil our responsibilities and commitments to stakeholders.

Stakeholder engagement channels¹⁵

We maintain good communication with our stakeholders through the major channels listed below. For more details, please refer to the "Sustainability" section of our webpage.



¹⁵ 102-40, 102-42, 102-43



Stakeholders' perspectives on BOCHK



Dr Rebecca Lee Lok Sze, polar environmental protection expert:

In recent years, many large corporates have placed great emphasis on sustainability. As early as 2008, under the "Green Olympics" theme of the Beijing Olympics, BOCHK spearheaded the "Hong Kong Charity Green Walk", which was the first large-scale event in Hong Kong to advocate for protecting environmental resources and ecological balance. The Prehistoric Story Room, which was established later, as well as BOCHK's recent sponsorship of the "Human and Nature Inclusion Programme", have actively promoted conservation about biological diversity, ecology and culture among primary and middle school students. Looking forward, I hope that BOCHK can continue to enhance young people's knowledge of the environment and ecological conservation through training and inspection activities.



Prof. Carlos Lo Wing-Hung at The Chinese University of Hong Kong, ESG expert:

Highly established in sustainability management with the basis setting on the Board-level Sustainability Committee, and contributed to a wide range of UN SDGs. Very impressive environmental and social projects, particularly the green finance and those timely caring initiatives in responses to COVID-19 Pandemic, like those measures for SMEs. Hope that BOCHK would be able to integrate the international best practices into its overall ESG management in the time ahead.



“

Mr. Ma Fung-kwok, experienced arts and cultural administrator:

Etiquette is an important part of our splendid traditional Chinese culture. I believe that the “Etiquette Campaign for Chinese Heritage and Culture” project sponsored by BOCHK is of great significance in cultivating the patriotism of students in Hong Kong. To enhance middle school students’ understanding of etiquette and to make etiquette an essential part of their make-up, the first step is to have good courses and teachers. The lectures and training of teachers are well designed, meaning that through this project, traditional Chinese culture can become even more popular in Hong Kong.

”

“

Ms. Melissa Fung, Assessment Consultant:

BOCHK’s Sustainability Report demonstrated its commitment to sustainability, showcasing various concrete plans and initiatives involving both internal and external stakeholders. Although BOCHK has incorporated elements of green and sustainable finance into its corporate strategy, I think it could also consider disclosing more information such as climate risks and scenario analysis under TCFD, as well as its target-setting and action plans for achieving carbon neutrality. Enhancing transparency will allow more stakeholders to stay updated on the latest developments in BOCHK’s efforts to deal with climate risks. With its prudent governance framework and strong determination, I believe BOCHK will continue to excel in sustainable development.

”



Our responses to stakeholders' view

	Stakeholder Concerns	Our Action/Response ¹⁶
<p>Investors</p>	<ul style="list-style-type: none"> • Every sector is now taking action to address climate change. What actions is the Group taking to respond to climate-related risks? 	<ul style="list-style-type: none"> • As well as minimising the environmental impact of our own business operations, we are working with our customers to realise a smooth transition to a sustainable and low-carbon economy by developing sustainable finance. During the year, we became a signatory of TCFD and participated in the Pilot Banking Sector Climate Risk Stress Test exercise initiated by the HKMA. Through identifying and assessing climate-related risks, we formulated control measures and strategies for effectively responding to such risks.
<p>Customers</p>	<ul style="list-style-type: none"> • Branch opening hours are limited, and many customers need to inquire or conduct transactions outside of business hours. Although online banking is available, it does not allow for face-to-face exchange and consultation. • With the pandemic raging in Southeast Asia, how did the Group help those customers who could not go to branches in person for transactions? 	<ul style="list-style-type: none"> • We launched a 24-hour online chat service which can answer customers' questions online as well as provide transaction services. In the future, we will continue to enhance our online chat service to provide more timely and flexible services. • Our mobile banking services have rolled out in Southeast Asian institutions with Personal banking service and continuously improved our mobile banking functions to allow customers to conduct various transactions online. For example, BOC Malaysia launched the mobile banking app "E-Banking eWB", and mobile banking "ePocket" accounts that allow customers to open accounts without leaving their homes, becoming the first local bank to launch an online one-stop investment and wealth management service platform. At the same time, it took the lead in launching. In addition, the mobile banking services of BOC Malaysia and BOC Thailand support local real-time transfer, enabling customers to conduct banking transactions anytime and anywhere during the pandemic.
<p>Employees</p>	<ul style="list-style-type: none"> • Career development is important to staff. What actions are the Group taking to help employees realise continuous development? • Employees are hoping that the Group will roll out further employee care initiatives as the pandemic continues. 	<ul style="list-style-type: none"> • We provide employees with diversified training (including courses in technology innovation, digital transformation and ESG) as well as innovation leadership training projects and cross-departmental exchange programmes, in order to enhance employees' capabilities in management, communication and innovation and thus ensure that staff can achieve progress together with the Group. • In response to the pandemic, we offered various employee care initiatives based on employees' needs, including working from home and reimbursing overtime travel and COVID-19 testing expenses. We also provided employees with anti-pandemic materials such as surgical masks and rapid testing kits. Our psychological counselling service, diverse recreational and parent-child online activities and hobby classes have enhanced employees' sense of belonging. We encouraged employees to get vaccinated by excusing them from work on the day of vaccination and offering them further vaccination leave. In our recent employee opinion survey, employee care initiatives were rated by staff as one of the most satisfactory items.

¹⁶ 102-44

8.4 Material Issues

We place great emphasis on our stakeholders' opinions and concerns, and undertake stakeholder engagement activities to understand the materiality of different issues for the Group and our stakeholders. In 2020, we solicited opinions on sustainability-related issues by inviting major internal and external stakeholders to participate in online surveys, focus group discussions and one-to-one interviews. 18 medium-to-long-term material issues were identified and ranked according to their materiality.

In 2021, we assessed the 18 material issues identified in 2020 based on both changes in the operational environment and regular communications with stakeholders, and decided to re-confirm our adoption of those material issues.

Procedures for confirming material issues¹⁷

2020

Material issues and their rankings were confirmed in 2020 based on stakeholder opinions solicited through surveys, focus groups, individual interviews, and internal and external assessment and market analysis

2021

In 2021, the 18 material issues adopted in 2020 were re-confirmed based on internal assessment and market analysis.



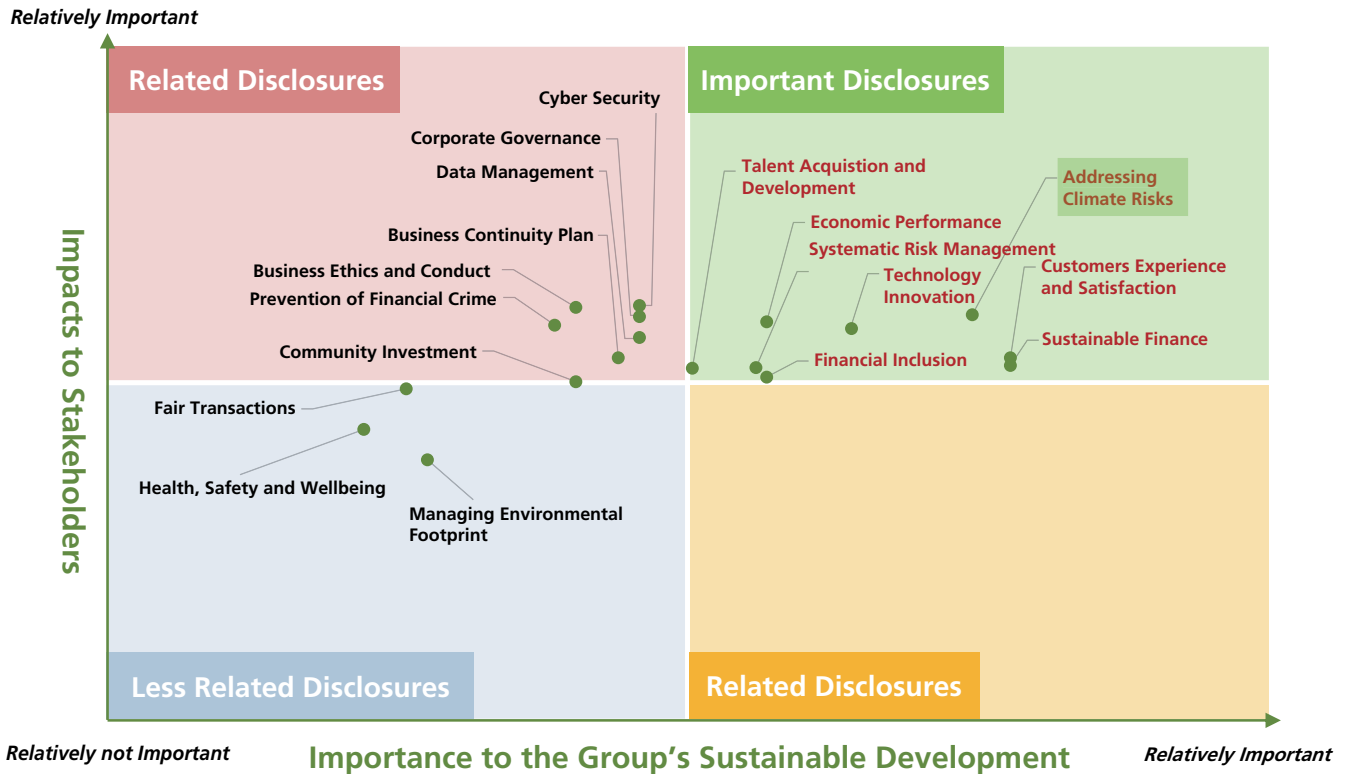
¹⁷ 102-43, 102-46

Upgrading the importance of “Addressing Climate Risk”

In recent years, climate change and its related risks have attracted close attention around the globe. In 2021, Hong Kong’s Green and Sustainable Finance Cross-Agency Steering Group, co-initiated by the HKMA and the Securities and Futures Commission, announced the mandatory implementation of the climate-related disclosures recommended by the TCFD by 2025. The HKEX also issued its *Guidelines for Climate Information Disclosure* at the end of 2021, providing a practical reference on information disclosure for listed companies.

In consideration of the above, we upgraded the importance of the material issue “Addressing Climate Risk” from “Related Disclosures” to “Important Disclosures”. During the year, we launched a series of initiatives in response to climate risks. For more details, please refer to the [TCFD Progress section](#).

Materiality Matrix



The following material issues were reviewed and confirmed by the Sustainability Executive Committee, the Sustainability Committee and the Board¹⁸. The respective content can be found in the related sections of this report, as below.



18 Material Issues¹⁹



Environmental: Relevant Sections

Addressing Climate Risks

- 8.1 Sustainability Governance
- 10 TCFD Progress

Sustainable Finance

- 11.1 Development of Sustainable Finance

Managing Environmental Footprint

- 11.2 Implementing Green Operations

Technology Innovation

- 12.2 Improving Customer Experience



Social: Relevant Sections

Economic Performance

- 5 Business Performance

Financial Inclusion

- 12.1 Practising Financial Inclusion

Customer Experience and Satisfaction

- 12.2 Improving Customer Experience

Fair Transactions

- 12.2 Improving Customer Experience

Talent Acquisition and Development

- 12.3 A People-oriented Approach

Health, Safety and Wellbeing

- 12.3 A People-oriented Approach

Community Investment

- 12.4 Community and Public Welfare



Governance: Relevant Sections

Corporate Governance

- 8.1 Sustainability Governance
- 9.1 Corporate Governance

Systematic Risk Management

- 9.2 Risk Management

Business Continuity Plan

- 9.2 Risk Management

Data Management

- 9.2 Risk Management

Cyber Security

- 9.2 Risk Management

Business Ethics and Conduct

- 9.3 Integrity and Compliance Culture

Prevention of Financial Crime

- 9.3 Integrity and Compliance Culture

¹⁸ 102-32

¹⁹ 102-47

Every step forward builds on a century of our dedication

9



Prudent Governance

Average training hours of each Director:

20 hours



Strictly complied with our risk management **“Three Lines of Defence”** to ensure stable operations



Taking a **zero-tolerance attitude**, the Board is responsible for monitoring our anti-corruption and anti-bribery plan



All employees, including part-time and contract employees, must attend annual **compliance training**



With **Business Continuity Plan** to respond quickly to the pandemic and emergencies



Established a rigorous **internal whistleblowing reporting policy and mechanism**

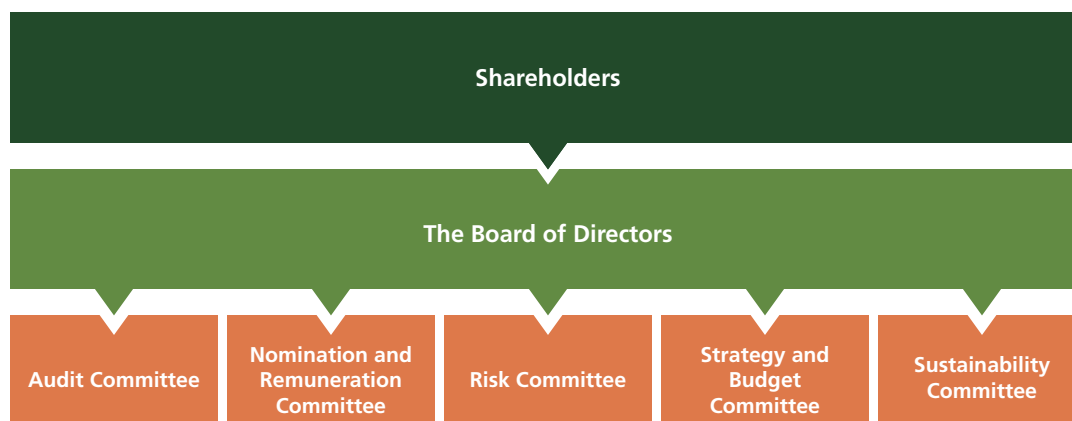


9.1 Corporate Governance

Corporate governance structure²⁰

The Group is committed to maintaining and upholding high standards of corporate governance. The Board is at the core of our corporate governance framework and act honestly and in good faith and to make decisions objectively in the best interests of the Group with a view to maximising long-term shareholder value while fulfilling our corporate responsibilities to other stakeholders. There is a clear division of responsibilities between the Board and the management, with the Board being responsible for providing effective oversight of the management. The roles of Chairman and Chief Executive are segregated and held by two different individuals. The Chairman focuses on leading the Board and

monitoring corporate governance and shareholder issues, while the Chief Executive leads the management to perform the Group’s day-to-day operations. Our Mandate of the Board stipulates the Board’s duties and responsibilities as well as matters to be approved by the Board. In line with latest regulatory requirements, market norms and international best practices, the Board has established five standing Board Committees which assist the Board in discharging its duties. Each Board Committee has a well-defined mandate that delineates its roles and responsibilities. The majority of the Board Committees are mainly comprised of Independent Non-executive Directors. Our corporate governance structure is as follows:



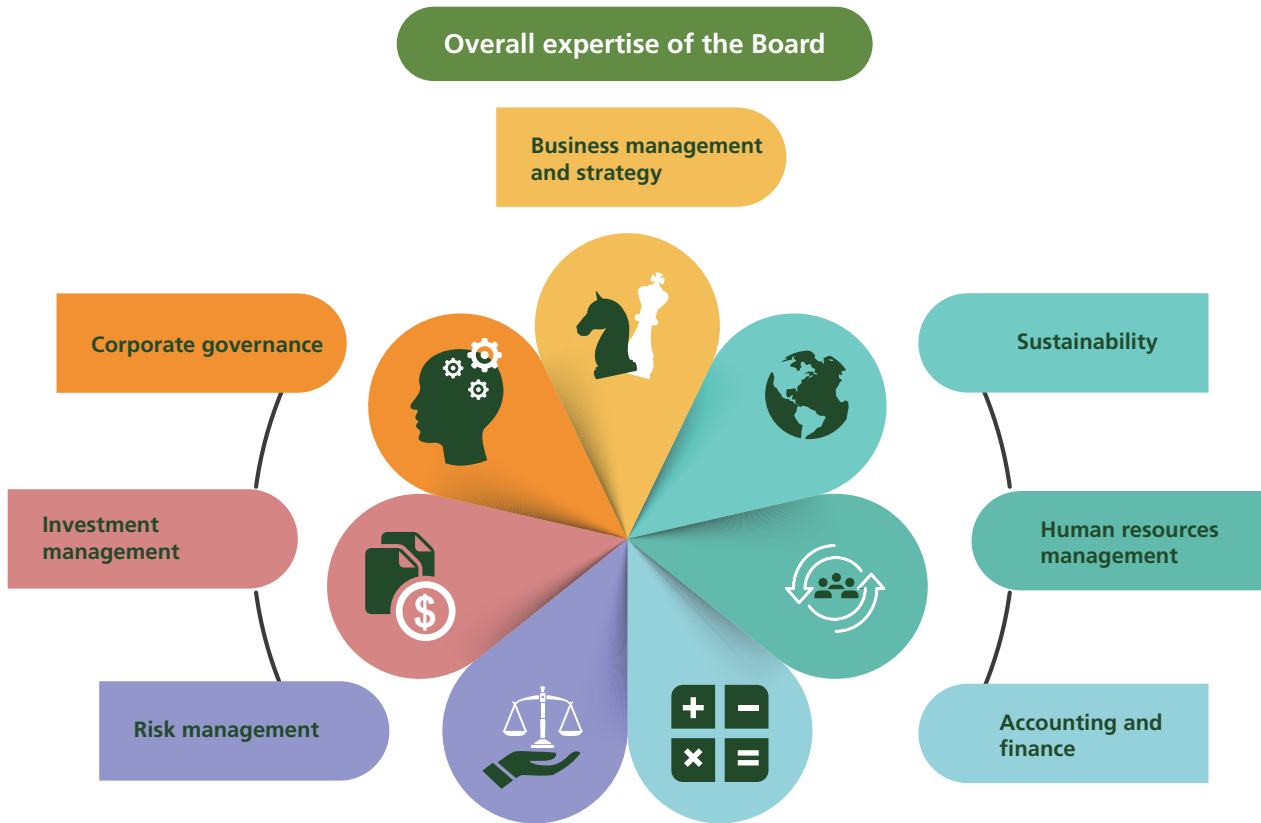
Details of the Mandate of the Board are set out in the ["Corporate Governance" section under "About Us" on the BOCHK website](#)

Independence and expertise of the Board

As of 31 December 2021, the Board of the Company comprises nine Directors, including one Executive Director, three Non-executive Directors and five Independent Non-executive Directors. Both the number and percentage of Independent Non-executive Directors of the Company are well above the requirements set by relevant rules and regulations. All Directors are eminent individuals from diverse disciplines with extensive professional experience, who are able to make objective judgements. We have formulated the *Policy on the Independence of Directors*, and believe that our Independent Non-executive Directors help to provide necessary checks and balances to protect the interests of relevant parties, play a significant role in monitoring, and bring valuable external experience.

Board members possess the essential knowledge and professional expertise required for discharging their duties, and attend training sessions and access training materials from the Group, regulatory authorities and professional firms on an ongoing basis. Such training covered a wide range of topics including risk management and internal control, corporate governance, anti-corruption, AML, digitalisation, regulatory technology, and sustainability-related issues such as climate risk management, climate-related disclosures, and green and sustainable finance. In 2021, each director spent an average of 20 hours in training.

* Madam Fung Yuen Mei Anita has been appointed as Independent Non-executive Director on 3 March 2022



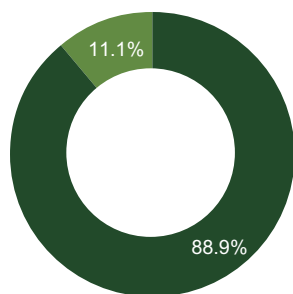
Our Policy on the Independence of Directors is set out in the ["Corporate Governance" section under "About Us" on the BOCHK website](#).

Board diversity

We have formulated and regularly review the Board Diversity Policy, which guides Board composition by stipulating that board diversity shall be considered in various aspects, including but not limited to, gender, age, cultural and educational background, ethnicity, geographical location, professional experience, skills, knowledge and track records, etc., in order to ensure the diversity of Board members and their perspectives. Nominations and appointments of directors are made on merit, in the context of the skills and experience required of the Board as a whole, with due consideration given to each of the aforementioned board diversity aspects.

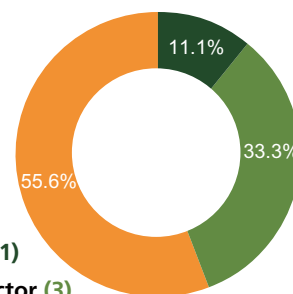
During the year, Board composition* was as follows:

Gender



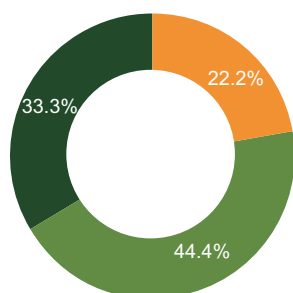
- Male (8)
- Female (1)

Designation



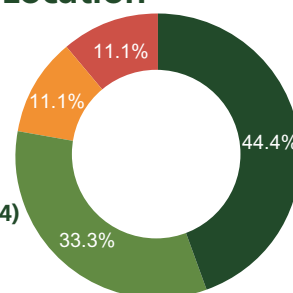
- Executive Director (1)
- Non-executive Director (3)
- Independent non-executive Director (5)

Age Group



- 45-55 (2)
- 56-65 (4)
- Over 65 (3)

Geographical Location



- Hong Kong, China (4)
- Mainland China (3)
- Singapore (1)
- United States (1)

* BOCHK appointed Madam FUNG Yuen Mei Anita as Independent Non-executive Director with effect from 3 March 2022, which increased the proportion of female directors from 11.1% to 20%. The Board complied with the gender diversity requirement of the Listing Rules and is committed to enhancing board diversity by taking into account the overall operation of the Board and the latest business requirements of the Group when identifying candidates for the Board.

Details of the Group's corporate governance are set out in the [2021 Annual Report under "Corporate Governance"](#) and in the ["Corporate Governance" section under "About Us" on the BOCHK website](#).

9.2 Risk Management

Risk management

We believe that sound risk management is crucial to the success of any organisation. The Board is ultimately responsible for risk management and is the highest decision-making body

for risk management matters. We place great importance on risk management in our daily operations while emphasising the necessary balance between risk control and business development.

Risk management organisational structure



Risk management policies and procedures

We have a comprehensive set of risk management policies and procedures, with dedicated units and personnel responsible for each duty and procedure. There are established mechanisms in place to identify, measure, monitor and manage major risks. To address internal control deficiencies, we have also set up corresponding internal controls and procedures. We regularly review and update our risk management policies and procedures to keep pace with changes in market and business strategies, and provide our Southeast Asian entities with regular professional guidance to enhance their risk management capabilities and ensure that their operations comply with local regulatory requirements.

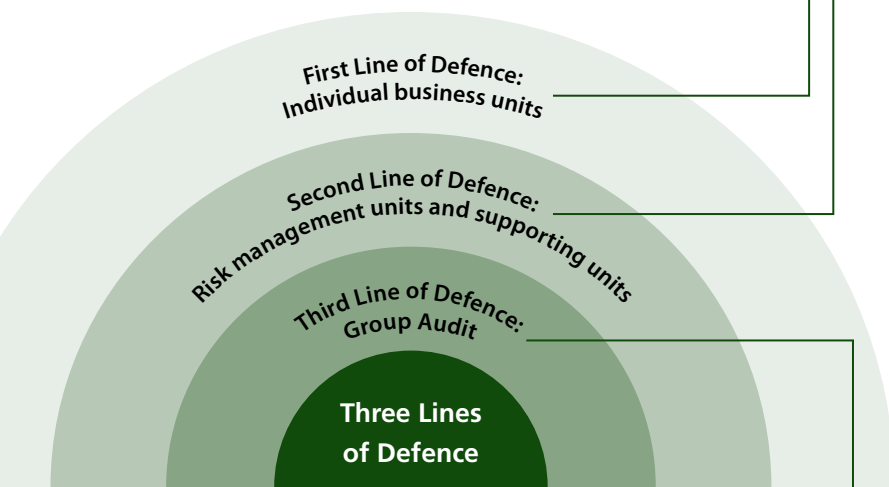
Climate risk management

With climate change impact now a global concern, we have taken active steps to prepare for and mitigate the impact of climate risks by responding flexibly to changes in the market

environment, climate risks and green transition risks. During the year, we incorporated sustainability principles, as well as environmental, climate and social risks considerations, into our risk management policies and industry guidelines. We developed a climate risk customer questionnaire and participated in the pilot climate risk stress test exercise initiated by the HKMA. We will refine our climate risk stress test methodology, continue to conduct scenario analysis and stress testing, and enhance the reporting mechanism to the management and/or the Board of Directors about our environmental and climate risk profile. We have arranged workshops on ESG-related risks, including climate risk, for over 50 core staff in the Risk Management Department in order to enhance their understanding and management of ESG-related risks.

For details on climate risk, please refer to the ["TCFD Progress" section](#)

Three Lines of Defence



First Line of Defence: Individual business units

Responsible for soliciting business in compliance with risk management policies and procedures, and assessing and monitoring the risks of their businesses.

Second Line of Defence: Risk management units and supporting units

Risk management units are responsible for:

- Day-to-day management of different kinds of risks, and providing independent due diligence by identifying, measuring, monitoring and controlling risks
- Drafting various risk management policies and procedures
- Reporting on the implementation of risk management policies and risk profiles to the Board, management and relevant Board Committees, and providing support and recommendations to aid their decision-making.

Supporting units are responsible for:

- Providing day-to-day operations support to ensure there are adequate human resources and systems in place to support risk management.

Third Line of Defence: Group Audit

Responsible for conducting independent audit and assessment, and reporting to the Board on the quality of the Group's risk management supervision and the adequacy of and compliance with risk management policies, procedures and internal control.

During the year, the Group maintained steady and healthy development in strict compliance with its risk management policies and procedures.

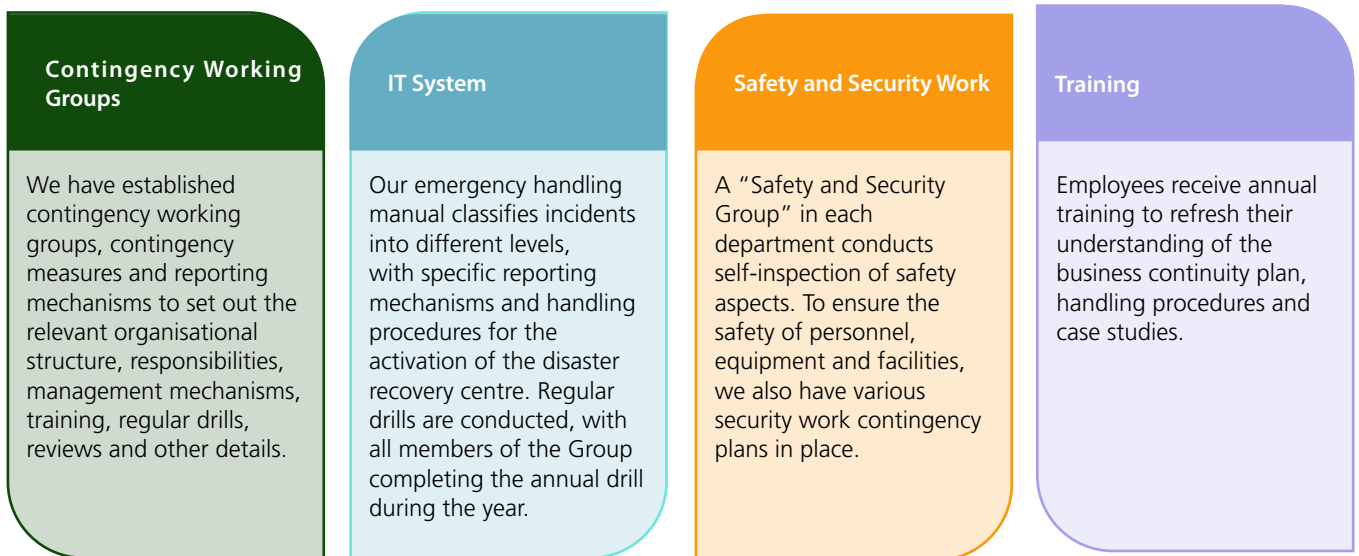
For details on risk management, please refer to



Annual Report 2021

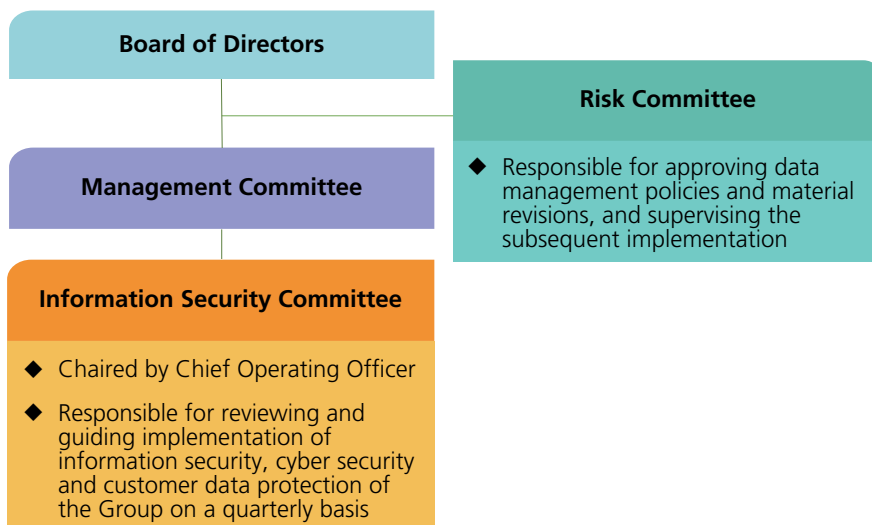
Business continuity plan

The Group is committed to providing stable and uninterrupted banking services to all sectors of society. We have formulated our business continuity plan in accordance with the “Business Continuity Planning” section of the HKMA’s TM-G-2 *Supervisory Policy Manual* to ensure that we can respond quickly to emergencies. During the year, we reduced the disruptive effects of the COVID-19 pandemic on our customers by continuously providing key banking services to all sectors in Hong Kong and Southeast Asia.



Information Security Management²¹

We are committed to enhancing data information security. The Board-level Risk Committee and the Information Security Committee chaired by the Chief Operating Officer are responsible for supervising data management and customer data protection. Our Data Centre successfully obtained the ISO 27001 Information Security Management System certification. We continued to raise the cyber-security awareness and technology risk management capabilities of employees and related contract staff. All employees attended various compliance training sessions, covering information security, technology risk management, personal data protection and privacy.



We engaged external advisors to complete an assessment based on the HKMA’s Cyber Resilience Assessment Framework. The assessment report confirmed that we have various effective management and control measures in place across the major domains of technology risk and cyber security and have attained “Advanced” maturity level in cyber resilience.

²¹ B6 General Disclosure, B6.2, B6.5

Protection of Personal Data Privacy

The Bank stores large amounts of the personal data of customers, employees, suppliers and business partners, and places great emphasis on personal data privacy protection. Our personal data privacy policy has been formulated in accordance with the *Personal Data (Privacy) Ordinance of Hong Kong* and is reviewed annually. All departments and subsidiaries are required to strictly implement this policy.

We collect customer information in an appropriate manner, prudently safeguarding such information and preventing any unauthorised or accidental access, processing, deletion, loss or use. Customers can request to access or correct their personal data. If a complaint regarding customer privacy is received, a dedicated unit will conduct an investigation in accordance with our mechanism for handling customer complaints. The complainant shall be notified of the investigation results.

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



Cyber Security

Given the fast-changing nature of financial technology, cyber threats cannot be ignored. To ensure that our cyber security stands at the forefront of the industry, we have developed a series of measures to provide safe and sustainable services for customers.



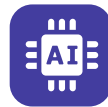
The Board-level Risk Committee is responsible for approving our technology risk management policy and material revisions, and for overseeing its implementation.



We have established a sound "Three Lines of Defence" technology risk management structure which clearly states the responsibilities of the Board, senior management, various departments and major affiliates in technology risk management, in order to ensure that all technology risks can be identified, evaluated, monitored, controlled and reported.



Internal audit conducts annual reviews of various areas such as information technology policies and systems, alongside further assessment by an independent external auditor, to ensure that the Group provides stable and uninterrupted financial services.



The Group's data centre implements 24/7 real-time monitoring and holds the ISO 27001 Information Security Management System certification. We have introduced AI technology to bolster our cyber defences and conduct regular drills for cyber incidents.



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



We publish the bilingual monthly *Technology Risk Newsletter* to all employees of the Group to enhance their awareness of technology risk and information security.

Owing to the continuous enhancement of our cyber-security capabilities, no major cyber-security incident occurred during the year. We also attached great importance to ensuring online banking security for customers, and continually educated and reminded customers to take precautions when making online transactions through various channels.

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

9.3 Integrity and Compliance Culture

Business Ethics²²

We are committed to operating our business in an ethical and responsible manner, and to ensuring that all employees (including full-time, part-time and contract employees) maintain high standards of personal integrity and professional ethics in the course of their work, thus protecting customer interests.

Compliance Culture

Employees of the Group must comply with regulatory and legal requirements regarding bank operations, including but not limited to, the *Code of Conduct* in the HKMA's *Supervisory Policy Manual*, the *Guideline on Anti-money Laundering and Counter-Financing of Terrorism*, the *Prevention of Bribery Ordinance*, laws and regulations related to intellectual property rights, the Group's *Staff Code of Conduct*, as well as various business operations and human resources management requirements.

Staff Code of Conduct

The *Staff Code of Conduct* specifies that employees at all levels must comply with laws and regulations as well as the Group's various rules, regulations and systems. It guides and regulates employee behaviour, prohibits the soliciting of personal benefits through business relationships, corruption and bribery, collecting commissions, embezzlement and other malpractice, and ensures that in no way shall any benefits be conveyed to any person through improper means, etc.

Training

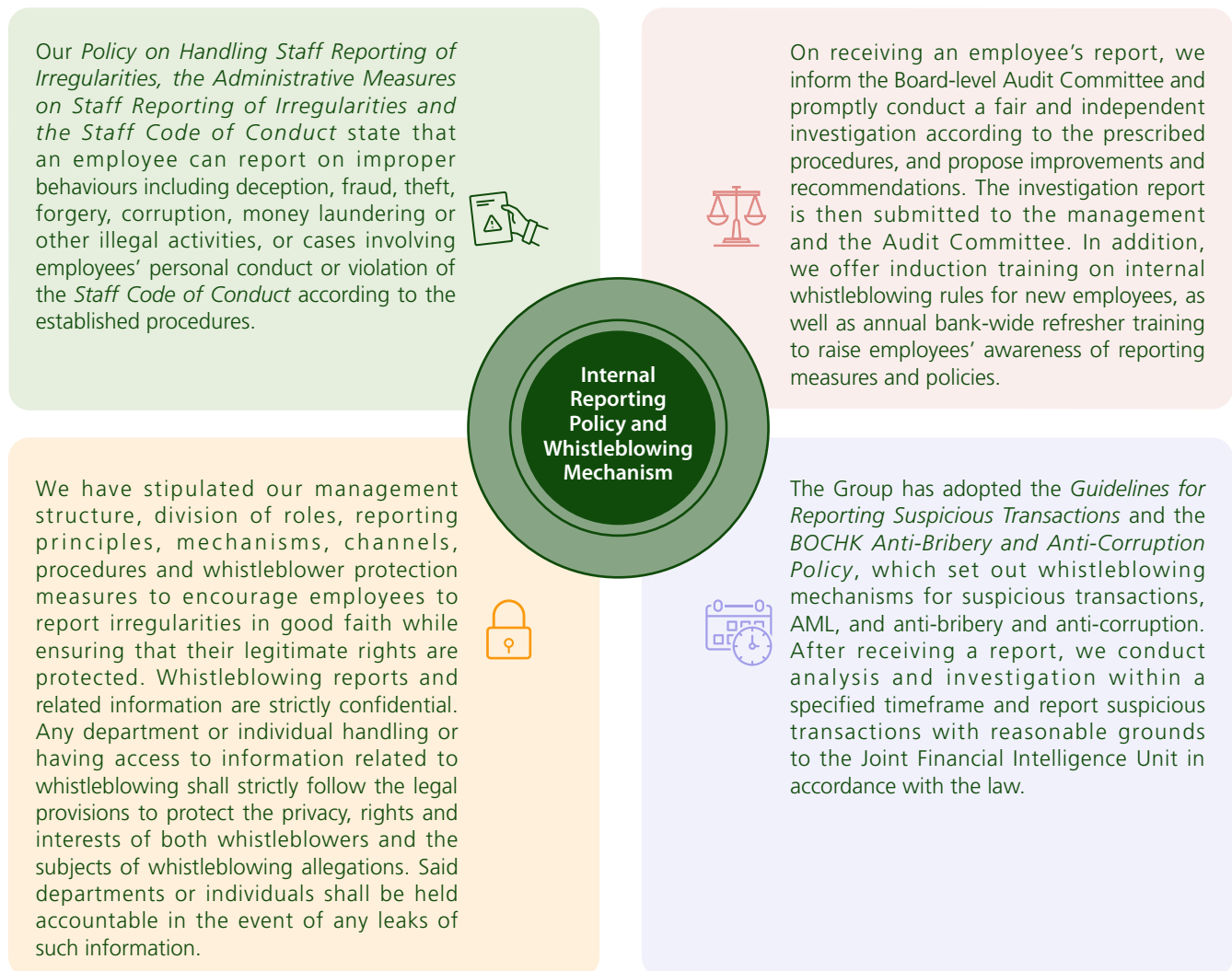
Since 2013, we have run annual compliance training courses which are compulsory to all employees of the Group and its subsidiaries. Training topics covered include anti-money laundering, personal information protection, prevention of fraud and malpractice, employees' reporting of misconduct, sanction compliance, operational risk management, anti-bribery and anti-corruption, the *Staff Code of Conduct*, laws, compliance and reputational risk management, and the Group's comprehensive risk management system, etc.

Regular Review

We review the *Staff Code of Conduct* every year and conduct regular audits to ensure compliance with the *HKMA Code of Conduct*. We also regularly review monitoring mechanisms related to business ethics in different departments.

In addition, we link compliance behaviour to employee performance appraisal and compensation, our reward system not only considers employees' business performance, but also measures whether employees have adhered to our corporate culture and behavioural standards.

²² 102-16, 102-17



Financial Crime Prevention

Anti-bribery and anti-corruption²³

Our Group is committed to safeguarding the interests of the Bank and its customers and takes a zero-tolerance attitude towards bribery and corruption. The overall anti-corruption and anti-bribery plan is jointly supervised by the Board, its committees and the management of the Group. The Board is responsible for setting the top-down strategic direction and upholding our commitment to strictly abide by relevant laws and regulations, as well as our compliance culture.

A specialised group supervises matters related to anti-corruption and anti-bribery. In accordance with local regulations including the *Prevention of Bribery Ordinance* and *A Practical Guide for Bank Managers* issued by the Hong Kong Independent Commission Against Corruption, as well as local best practice, we have formulated an anti-corruption and anti-bribery management framework as well as the *BOCHK Anti-*

Bribery and Corruption Policy, which is applicable to the Group and its subsidiaries and Southeast Asian entities.

We regularly conduct bank-wide institutional corruption and bribery risk assessments to evaluate the effectiveness of our anti-bribery and anti-corruption management, monitor changes in related risks and identify potential deficiencies, and report the results to the Board with suggestions for improvement.

We have established a long-term anti-bribery and anti-corruption training programme covering all employees, and actively participate in anti-corruption training conducted by the HKSAR Government and regulatory agencies for banking practitioners. During the year, all members of the Board and all employees of the Group have received anti-corruption training.

²³ 205-2



The *BOCHK Anti-Bribery and Anti-Corruption Policy* sets out management roles, responsibilities and mechanisms, including evaluation, training, and whistleblowing mechanisms, and is reviewed every year.

We have adopted a Three Lines of Defence mechanism to manage bribery and corruption risks. This sets out the responsibilities of each department within the Three Lines of Defence and specifies key focus areas in terms of personnel appointment/removal, procurement, credit and charitable donations, in order to strengthen bribery and corruption risk management.

Anti-Money Laundering and Counter-Financing of Terrorism

Anti-money laundering and counter-financing of terrorism (“AML/CFT”) and crime prevention work are especially important for the Bank. We formulated the *Anti-Money Laundering and Counter-Terrorist Financing Policy* in compliance with the relevant laws and regulatory requirements of Hong Kong, the Group’s risk management strategies and the recommendations of international organisations such as the Financial Action Task Force.

Our AML Committee sets rules for various units and subsidiaries to follow. Acting in accordance with relevant policies and regulatory requirements, our staff conscientiously carries out AML tasks in respect of customer acceptance, customer due diligence, ongoing monitoring, suspicious transaction investigation and reporting, and customer and transaction record keeping, etc. We have a comprehensive set of sanctions screening systems and suspicious transaction monitoring mechanisms for identifying suspicious customer

accounts and transactions, and regularly enhance their functions. We also plan to utilise regulatory technology to assist in suspicious transaction alert analysis and transaction screening, thus enhancing supervision and compliance efficiency.

In accordance with the requirements of the HKMA, we conduct an annual Institutional Money Laundering/Terrorist Financing Risk Assessment. This involves identifying and assessing relevant risks, analysing relevant information on a quantitative and qualitative basis to determine the Group’s overall risk level, and outlining specific risk mitigation measures for adoption.

We continued to provide training for all employees, including in Southeast Asia, and regularly shared financial crime case studies in our training and internal circulars. All employees of the Bank have received training courses related to AML, sanction compliance and anti-corruption.



Case study - Commended for Involvement in “Project Silver Arrow” of the Hong Kong Police Force

We are a founding member of Project Silver Arrow, launched by Yau Tsim Police District in 2018 to combat crime in the banking sector, and continually provide updates to frontline units to help them understand criminals’ latest modus operandi and remain alert to crime prevention. In 2021, Yau Tsim Police District commended 48 bank employees for their excellent performance in crime prevention, out of whom 19 were colleagues from BOCHK Yau Tsim Branch. Our staff received a Certificate of Appreciation.



Case study - Commended for Assisting the Police in Tracking Down Loco London Gold Fraud

Mr Vincent Cheung, Head of Global Markets Trading at BOCHK, received the Good Citizen Award from the Hong Kong Police Force for his assistance in the prevention and detection of crime. Mr Cheung and his team organised training courses on Loco London Gold trading for police officers in 2019 and 2020, enhancing investigators’ professional knowledge by dissecting the techniques of Loco London Gold fraudsters and sharing methods for gathering evidence. He also volunteered as an expert witness for the Police and wrote reports to bring fraudsters to justice.



Hong Kong Police Force “Good Citizen and the 1st Good Corporate Award” : Good Corporate Award (Anti-deception)

Embracing low-carbon development to turn climate challenges into opportunities

10



TCFD Progress



Became a **TCFD signatory** in 2021



Among the first to take part in the HKMA's pilot **climate risk stress tests**



Identifying climate risks and **supporting customers' low-carbon transition**



Continuous growth of **sustainable financial products and services**



Advancing a climate and green finance strategy for **SE Asia** based on local conditions



As a leading financial institution in the field of sustainability, BOCHK proactively manages climate risks and opportunities while reducing the environmental impact of its operations. We have continually advanced work related to the Task Force on Climate-related Financial Disclosures (TCFD) in recent years, becoming a TCFD signatory in 2021. During the year, we took multiple steps to strengthen the Group's climate resilience and

address climate challenges together with our stakeholders, including improving our climate risk management policies and procedures, conducting scenario analysis and advancing the development of green finance. We started to disclose our TCFD-related work progress in 2020 and will continue to gradually disclose more climate change-related information in line with the TCFD framework.



10.1 Governance

As part of our sustainability efforts, we manage climate-related work through a three-tier governance structure led by the Board-level Sustainability Committee.

For more information, please refer to the ["Sustainability Governance" section](#).



10.2 Strategy^{24, 25}

We identify and assess the short, medium and long-term climate risks, impacts and opportunities of different businesses and develop corresponding strategies to strengthen our management of specific climate risks while effectively grasping related opportunities.

Climate change risks

Climate change represents one of the major risks in the global economy. Climate risks can be classified into physical risks and transition risks, and are closely related to the eight traditional risks of the banking industry. We have conducted assessments of climate risk impact in order to understand the specific impact of different climate risks on traditional banking risks. Among them, the impact on credit and market risk is the most significant, and will affect banks in the following ways:



Risk Factor	Physical Risks		Transition Risks	
	Credit Risk	Market Risk	Credit Risk	Market Risk
Risk Description	Credit risks resulting from the continuing impacts of climate change and extreme weather on customers' business operations and asset value.	Disasters caused by climate change will become even more frequent and severe, directly influencing financial stability.	Credit risks resulting from the impact of policy changes, technological breakthroughs, shifts in public spending and investment preferences, and innovative business models on customers' operations and financial performance as they address climate challenges.	Financial markets may be affected by uncertainties in the timing and speed of low-carbon economic transition, including under orderly and disorderly transition scenarios.
Business Affected	Personal and corporate finance	Financial markets (mainly the agriculture, manufacturing and real estate industries)	Corporate finance	Financial markets are primarily affected by developments in carbon-intensive sectors such as energy, utilities, metals and mining, manufacturing, real estate development, construction and transportation. Non-carbon intensive sectors will also be affected by the low-carbon transition of the global economy.

²⁴ 403-7, G4-FS2, G4-FS3

²⁵ 201-2

Climate-related strategies and measures



Assisting customers' low-carbon transition

Target Customer	Corporate Customers	Individual Customers	Financial Markets
Strategic Direction	Assist corporate customers in realising high-quality transition in line with national strategies	Provide financial support for the high-quality transition of society	Direct capital flows towards sustainable investment assets
Key Measures	<ul style="list-style-type: none"> Enrich our sustainable financial product line and expand the scale of sustainable finance in response to corporate customers' financing requirements for the transition towards a high-quality, low-carbon economy. Enhance the provision of products such as green deposits, green loans and bonds, as well as green syndicated loans and green advisory services, and become a trusted business partner for customers in their low-carbon transition. 	<ul style="list-style-type: none"> Enrich sustainable financial products and services for individual customers to satisfy their financial needs and ESG investment preferences Improve the low-carbon customer experience across the whole process through digitalisation Provide products and services to support green lifestyles and meet customers' livelihood finance needs. 	<ul style="list-style-type: none"> Increase investments in sustainable bonds based on the Group's risk appetite Launch funds themed on sustainability concepts to meet market demand

For more details on the sustainable financial products and services launched during the year, please refer to the

["Development of Sustainable Finance" section](#)

Cultivating regional green opportunities

We have implemented a climate and green finance strategy for Southeast Asia based on local conditions. For countries with clear regulatory requirements such as Malaysia, the Philippines, Indonesia, Vietnam and Thailand, we promoted the local development of sustainable finance based on local regulatory requirements and in line with our risk appetite principles. This involved incorporating sustainability governance into local governance structures, improving our environmental, climate and social risk management and risk appetite, and re-examining credit policies. For countries without clear climate-related regulatory requirements, such as Laos, Cambodia, Myanmar and Brunei, we focused on strengthening our sustainability capabilities while cultivating sustainability awareness and culture.

Promoting low-carbon and efficient banking operations

As well as developing green finance, we are committed to reducing the environmental footprint of our own business operations. We have set emission reduction targets for the next five years, including five key indicators for carbon emission, electricity consumption, paper consumption, water consumption and waste disposal. We also rolled out a series of digitalisation measures to speed up the implementation of green operations.

For details of the initiatives, please refer to the

["Implementing Green Operations" section](#)



Climate scenario analysis

During the year, we participated in the HKMA's pilot climate risk stress test (CRST) exercise to assess our climate risk exposure under three scenarios: a physical risk scenario involving a worsening climate situation and two scenarios envisaging orderly and disorderly transitions towards a low-emission economy. We assessed the impacts of extreme weather events, different levels of carbon tax and changes in

energy demand on relevant credit portfolios and industries. We also independently studied links between individual sectors and climate risk attributes in order to map out sector-specific climate risk transmission pathways, with the aim of estimating changes in the credit quality of each sector under different stress scenarios, as well as the related financial impact on the Group.



Climate Risk Scenario	Physical Risk	Transition Risk – Disorderly Transition	Transition Risk – Orderly Transition
Timeline of Testing	2051 – 2060	2031 – 2035	2021 – 2050 in 5-year intervals
Scenario Description*	<p>Hong Kong will be affected by acute impacts of extreme weather events, including:</p> <ul style="list-style-type: none"> • Increasing temperature • Rising sea levels • More intense tropical cyclones 	<ul style="list-style-type: none"> • Authorities will not introduce climate policies until 2030, leading to an abrupt reduction in greenhouse gas emissions afterwards in order to achieve <i>The Paris Agreement</i> targets • This will give rise to conspicuous changes in energy consumption patterns and carbon price. As a result, high-emitting industries will be significantly affected. • The impact on global economy will be noticeable as there will be substantial friction in the transition to low-emission energy sources and production processes 	<ul style="list-style-type: none"> • Authorities will take early and progressive actions to achieve targets set by <i>The Paris Agreement</i> with the availability of new technology • <i>The Paris Agreement</i> targets will be achieved in a more orderly manner and there will be fewer disruptions to global economy throughout the process

* Source: "Pilot Banking Sector Climate Risk Stress Test" published by the HKMA in December 2021

The results found that, under the climate risk scenarios, the expected credit losses and risk-weighted assets of portfolios that are sensitive to climate risk (e.g. residential mortgage loans and lending to high-emitting sectors) would both increase but the overall climate risk is manageable. We also continued to evaluate the impact of climate risks on the

market risk portfolio through such measures as climate risk stress testing and scenario setting, and will continue to assess the impact of climate change on trading book positions. This has significantly enhanced our capacity to manage climate risks and helped us to devise measures and action plans to address such risks.

10.3 Risk Management²⁶

Our climate risk identification and assessment include analysis of the economic and financial impacts on the Group's operations and business. Once projects have been risk-assessed, we develop corresponding control measures and strategies to improve our risk management process and capability.

Climate risk management process



1. Policies and systems

Supporting Mechanism

Improve policies and procedures related to environmental, climate and social risk management

- Embed the relevant factors in risk management policies and procedures, and continuously enhance related risk identification, measurement, monitoring, reporting, control and mitigation frameworks.

Key Measures

- Incorporate sustainability principles and environmental, climate and social risks considerations, into the Group's credit risk management policies and industry guidelines.
- Gradually integrate ESG factors into the risk management of Southeast Asian entities.
- Treat loans that are sensitive to ecological and environmental risks as "special credit transactions /counterparties", to be strictly controlled and subject to higher approval requirements. In addition, according to the action plans for achieving "Carbon Peak and Carbon Neutrality" of our parent bank, Bank of China, we will no longer provide financing for new coal mining and coal-fired power generation projects outside of China.



2. Risk Identification

Supporting Mechanism

Identify and assess customers' environmental, climate and social risks

- Take customers' sustainable development situation into account when considering risks
- Assess customers' exposure and resilience to climate risks to identify potential business opportunities and adopt appropriate credit strategies

Key Measures

- Assess customers' environmental, climate and social risks and require customers to have sufficient knowledge and adhere to relevant laws and regulations on environmental protection for the project being financed. Encourage customers to transition towards environmentally-friendly and low-carbon projects while balancing the needs of local communities
- Design questionnaires to help evaluate the financial impacts of climate risks on customers and adopt appropriate credit strategies
- Assessments to include evaluation of customers' mitigation plans against physical risk; transition strategy and progress in addressing transition risk, and readiness to set low-carbon transition targets and achieve planned progress in an orderly manner



3. Stress Test and Scenario Analysis

Supporting Mechanism

Stress Test and Scenario Analysis

- Perform stress testing and scenario analysis on climate risk sensitive industries to evaluate the impact of obligors on the rating migration, earnings and capital level of the Group under climate risk stress scenarios, and appropriately integrate the results into regular risk assessment tools

Key Measures

- Integrate the Group's business development with regulatory requirements. Gradually implement and improve the specific coverage, scenario setting and testing methodology, etc.



4. Risk Reporting and Mitigation

Supporting Mechanism

Climate and environmental risk monitoring and reporting mechanism




Key Measures

- Gradually implement work related to climate and environmental risk monitoring and reporting mechanisms according to the 2021-2025 Sustainability Plan of the Group

10.4 Metrics and Targets

Business achievements of climate-related financial products

<p>Climate-related Products</p>	<p>Corporate</p> <p>Green loans, green deposits, SME Green Financing Scheme, SFGS, green bond underwriting, ESG syndicated loan arrangement, green advisor, etc.</p>
<p>Product Description</p>	<ul style="list-style-type: none"> <p>Green loans: We provide green loans and sustainability-linked loans to support eligible green projects that feature environmental benefits, or to finance corporate customers' progress towards sustainable development goals.</p> <p>Green deposits: Green deposits support projects in green building, renewable energy and pollution prevention and treatment, so as to drive the transition towards low-carbon, climate change-resilient and sustainable development.</p> <div data-bbox="539 943 1011 1249" data-label="Image"> </div> <ul style="list-style-type: none"> <p>Green bond underwriting: We provide ESG-related bond issuance services in the primary market, assisting clients in achieving their sustainable development goals through capital market financing.</p> <p>Green advisor: Acting as a green finance advisor, we support corporate customers in establishing sustainable business models and launching green finance frameworks. We develop such frameworks in compliance with international standards such as <i>Green Loan Principles</i> and <i>Green Bond Principles</i>, assisting companies in screening green projects and setting clear guidelines for the usage of funds. We also coordinate with third-party entities to verify such frameworks. Together, this facilitates the arrangement of green financing for future green projects.</p>
<p>2021 Business Achievements</p>	<ol style="list-style-type: none"> The balance of green loans at the end of 2021 increased by 311% compared with the end of 2020. Green deposits at the end of 2021 increased by 354% compared with the end of 2020. ESG-related bond underwriting in 2021 increased by 173% compared with the end of 2020.

<p>Climate-related Products</p>	<p>Personal Green mortgages, green consumer loans, etc.</p>
<p>Product Description</p>	<ul style="list-style-type: none">  <p>Green mortgages: We launched the first green mortgage plan in Hong Kong, providing digitalised and paperless mortgage services for potential buyers of designated residential projects certified as “Platinum” or “Gold” by Hong Kong Green Building Council.</p>  <p>Green deposits: We provided Private Wealth customers with an RMB personal green time deposit scheme, helping high net-worth customers to seize green finance opportunities. Deposits from the scheme will be used to support projects in green building, renewable energy, pollution prevention and treatment, etc.</p>  <p>Green funds: We launched the “BOCHK All Weather ESG Multi-Asset Fund”, which is the first ESG fund with RMB share class in the Hong Kong market, while offering over 30 ESG funds managed by different fund companies.</p>
<p>2021 Business Achievements</p>	<ol style="list-style-type: none"> Penetration rate of green mortgages at the end of 2021 reached 80% Our personal green time deposit product that is certified by an independent third party was firstly launched among the banking mare Cumulative ESG fund sales in 2021 increased by more than 20 times over the previous year

For details on climate-related financial products launched by BOCHK during the year, please refer to the [“Development of Sustainable Finance”](#) section.

Green operations

We are committed to the goal of carbon neutrality and launched a series of green banking measures during the year. For details on our green operations and indicators such as carbon emissions, electricity consumption, paper consumption, water consumption and waste disposal, please refer to the [“Implementing Green Operations”](#) and [“Sustainability Performance Indicators”](#) section.

A Beautiful Homeland Starts with You

11



Green Development for a Better Environment



Dedicated to responsible investment: ESG bond investment



▲ 1.3 times

compared to the previous year-end

Balance of green loans

▲ 311% from the end of last year



Launched **several pioneering green finance products** in Hong Kong: Green Mortgage Plan, Personal Green Time Deposit, and ESG Multi-Asset retail fund with RMB share class



Adopted

five green operation goals



Fostering a green culture

and promoting carbon reduction together with customers



BOC became a

signatory of the **UN Principles for Responsible Banking**

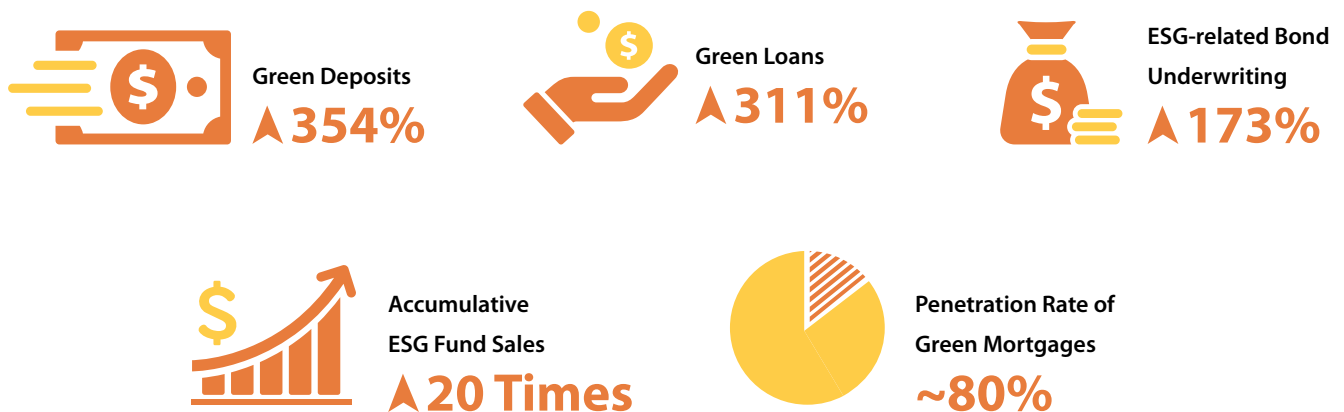


Climate change and biodiversity represent two major worldwide priorities in environmental protection, with a global roadmap and set of goals being developed during the year by the 26th Conference of the Parties (COP26) to the *United Nations Framework Convention on Climate Change* and the 15th Conference of the Parties (COP15) to the *Convention on Biological Diversity*. To support the nation's goals for "carbon peak and carbon neutrality" and the policies in the *14th Five-year Plan* for promoting green development and building Hong Kong into a green financial centre, we have adopted a three-pronged approach by advancing green banking through innovative technology, developing sustainable finance, and promoting sustainable development and low-carbon transition together with our customers and stakeholders.

During the year, BOC became a signatory of the *Principles for Responsible Banking* of the United Nations and a member of the United Nations Environment Programme Finance Initiative (UNEP FI), and we actively cooperated with our parent bank in implementing the relevant principles. We are committed to responsible investment principles and have incorporated ESG factors into our investment strategies, planning and workflows. We prioritise ESG investment opportunities in our investment decision process in line with the Bank's risk appetite. The size of our ESG bond investment increased by 1.3 times compared to the end of last year.

11.1 Development of Sustainable Finance²⁷

During the year, we achieved sustainable growth in various sectors by actively promoting green financial products and services:



Facilitating customers' low-carbon transition

Sustainable development is one of our core strategic goals. We have introduced various sustainable finance products and services and act as a green advisor to help customers set up green financial frameworks in order to establish sustainable commercial models and transition to a low-carbon economy.

²⁷ G4-FS1, G4-FS5

Promoting customers' emission reduction

We encourage customers to pay more attention to green operations and help them apply for green loan certification, thus supporting key enterprises' carbon emission reduction and encouraging more customers to participate in green finance.

Setting up a framework of industry standards

We have gradually established standard framework requirements to better define and guide the development of the green loan sector, as well as building a green transition loan framework for customers in our capacity as a green financial advisor.

Case study: "Sustainability Trade Finance" agreements that encourage enterprises to establish sustainability performance targets

We signed a "Sustainability Trade Finance" agreement with Combine Will International Holdings Limited that included sustainability performance targets to support its purchase of sustainable raw materials as well as exports of products manufactured using sustainable raw materials and technologies. Such finance agreements incentivise sustainable business models and effectively encourage customers to use sustainable raw materials



Case study: Completing the first green transition loan framework with HKQAA

Serving as the green financial advisor of CNOOC Gas Power Group, BOCHK, together with HKQAA, completed the formulation and certification of the first green transition loan framework in China's natural gas sector. The framework is not only our latest exploration in practicing sustainable development concepts in the petroleum industry, but also lays a foundation for assisting oil and gas customers in transitioning to a greener future.



Innovating green finance products

We continued to enrich our green finance products and services in order to provide a wealth of options for all sections of society to participate in the development of green finance, rapidly becoming a pioneer in multiple local markets.

To support the rapid development of green financial markets, we successfully issued “sustainable and smart living” themed green bonds in Hong Kong. The funds raised will be used to support eligible projects, such as renewable energy, green building and clean transportation, that meet the requirements of the International Capital Market Association. BOCHK is the issuer, underwriter and sole green advisor of the bonds, which have obtained certification from HKQAA. The bond issuance received an overwhelming market response, being 4.5 times oversubscribed.

The first green mortgage plan in Hong Kong

- In collaboration with Sino Group, we provided digitalised and paperless mortgage services to the potential buyers of designated residential projects that have received the BEAM Plus “Platinum” or “Gold” Rating for adopting sustainable building standards and introducing energy conservation measures. This mortgage plan is now available to both primary and secondary market buyers of private and government-subsidised residential projects certified with the BEAM Plus “Platinum” or “Gold” Rating, encouraging citizens to support green building and transition to a low-carbon lifestyle.



The first personal green time deposit in Hong Kong

- We became the first retail bank in Hong Kong to launch a personal green time deposit product that is certified by an independent third party, thus further expanding our green finance services for personal customers. Deposit funds will be used to support projects in green building, renewable energy and pollution prevention, in order to accelerate green and low-carbon transition.



The first ESG multi-asset retail fund with RMB share class in Hong Kong

- We launched the “BOCHK All Weather ESG Multi-Asset Fund” to allow personal customers to participate in ESG investment via asset allocation within a portfolio of fixed-income and equity securities that are consistent with ESG investment principles.

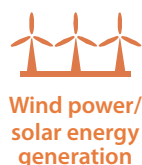
Supporting low-carbon practices through various initiatives

In recent years, we have actively expanded green deposits and issued green bonds and funds for customers, resulting in continuous growth in related business scale and becoming a green partner to our customers.

Cross-currency Green Time Deposit Plan	By combining the features of cross-currency and green time deposits, we supported green deposit e-vouchers and encouraged corporates to practise sustainability. Funds are mainly used to support projects in green building, renewable energy and pollution prevention.
Green and Blue Bond Programme	As a green advisor, we successfully issued “green and blue” bonds, thus providing more diversified products and services for customers.
Global Environmental Fund	BOCHK and Pictet Asset Management (“Pictet AM”) jointly launched a global environmental fund to offer more high-quality green investment options to retail investors. We have also joined forces with Pictet AM to support the coral restoration programme of WWF-Hong Kong.

Accelerating industrial customers’ transition with green credit

Given the significance of the energy, real estate and construction sectors in reducing carbon emissions, we have devised policies to actively support the new energy industry and help accelerate the transformation of traditional industries. Our green loans cover multiple industries, including:



Highlight: Joining hands with peers to implement Hong Kong's largest-ever green loan

We collaborated with five banks to provide green loans totalling HKD13 billion to Hysan Development. The funds will be used for green business projects and the introduction of sustainable features to Hysan's property portfolio, including measures such as higher energy efficiency, renewable energy, waste treatment and water conservation.



Highlight: Supporting the development of solar and wind energy



As the green financial adviser of Xinyi Energy, we successfully granted a HKD600 million green loan for the acquisition of solar

power generation projects.



We assisted CR Power in certifying a RMB2 billion green loan for its 12 wind power generation projects.

Highlight: Promoting low-carbon transition of public transportation with green loans

We agreed a five-year HKD500 million green loan with Kowloon Motor Bus ("KMB") to fund its purchases of the latest models of eco-buses and electric buses, as well as environmental installations such as solar panels, etc., allowing KMB to reduce its carbon emissions.



Highlight: Sustainability-linked loan

BOCHK signed an agreement with China State Construction International Holdings Limited (“CSCI”) to convert an HKD bilateral revolving loan into a sustainability-linked loan. The sustainability performance goals in the agreement include achieving a target for the reduction of greenhouse gas emission intensity, using a predetermined ratio of FSC-certified wood in Hong Kong, and keeping the occupational injury rate below a defined level. CSCI shall enjoy a discounted loan rate once it achieves the abovementioned goals. This approach allows us to encourage enterprises to develop a sustainable business model.



HKQAA - Hong Kong Green and Sustainable Finance Awards 2021:

- Outstanding Award for Green and Sustainable Bond Issuer (Hong Kong Commercial Banking Industry) – Largest Single RMB Green Bond
- Outstanding Award for Green and Sustainable Bond Lead Manager (Financial Investment Industry) – Largest Amount of Green Bonds
- Outstanding Award for Green and Sustainable Bond Lead Manager (Shipping Industry) – Largest Single Blue Bond
- Outstanding Award for Green and Sustainable Loan Facilitator (Greater Bay Area Enterprises) – Greatest Number of Green and Sustainability-linked Loan, Green Loan e-Assessment



Promoting green finance development through multi-stakeholder cooperation

During the year, we worked with all sectors of society to jointly promote Hong Kong’s green finance development. We actively engaged in green finance development initiatives with regulators such as the HKMA and HKEX, appeared as a guest speaker at the first roundtable conference of the Alliance for Green Commercial Banks jointly initiated by the HKMA and IFC, and made contributions to HKEX’s first book on green and sustainable finance. We also became the co-chairman of the Green and Sustainable Banking Working Group of the Hong Kong Green Finance Association (“HKGFA”) and supported multiple international forums such as the Hong Kong Institute

of Bankers (“HKIB”) Annual Banking Conference, Asian Financial Forum and HKGFA Annual Forum.

In addition, we led or participated in syndicated loan projects in Southeast Asia to support the business development of enterprises in the region’s industrial parks, and established a database of ESG projects in the Southeast Asia region. We promoted the implementation of multiple green finance projects in Southeast Asia with a focus on sewage treatment, wastepaper recycling, LNG power generation, wind power generation, and solar power generation, etc.



11.2 Implementing Green Operations²⁸

We are committed to always minimising the potential environmental impact of our business operations. Our *Sustainability Policy* sets out sustainable operations practices, and we take measures towards low-carbon and energy-efficient operations in line with the green banking concept.

Reducing the environmental footprint of our operations²⁹

We have set five green operation goals, covering energy, carbon emissions, water consumption, paper consumption and wastes disposal, to manage the environmental footprint of our operations. Details of which will be announced in due course.

Our environment management system in practice

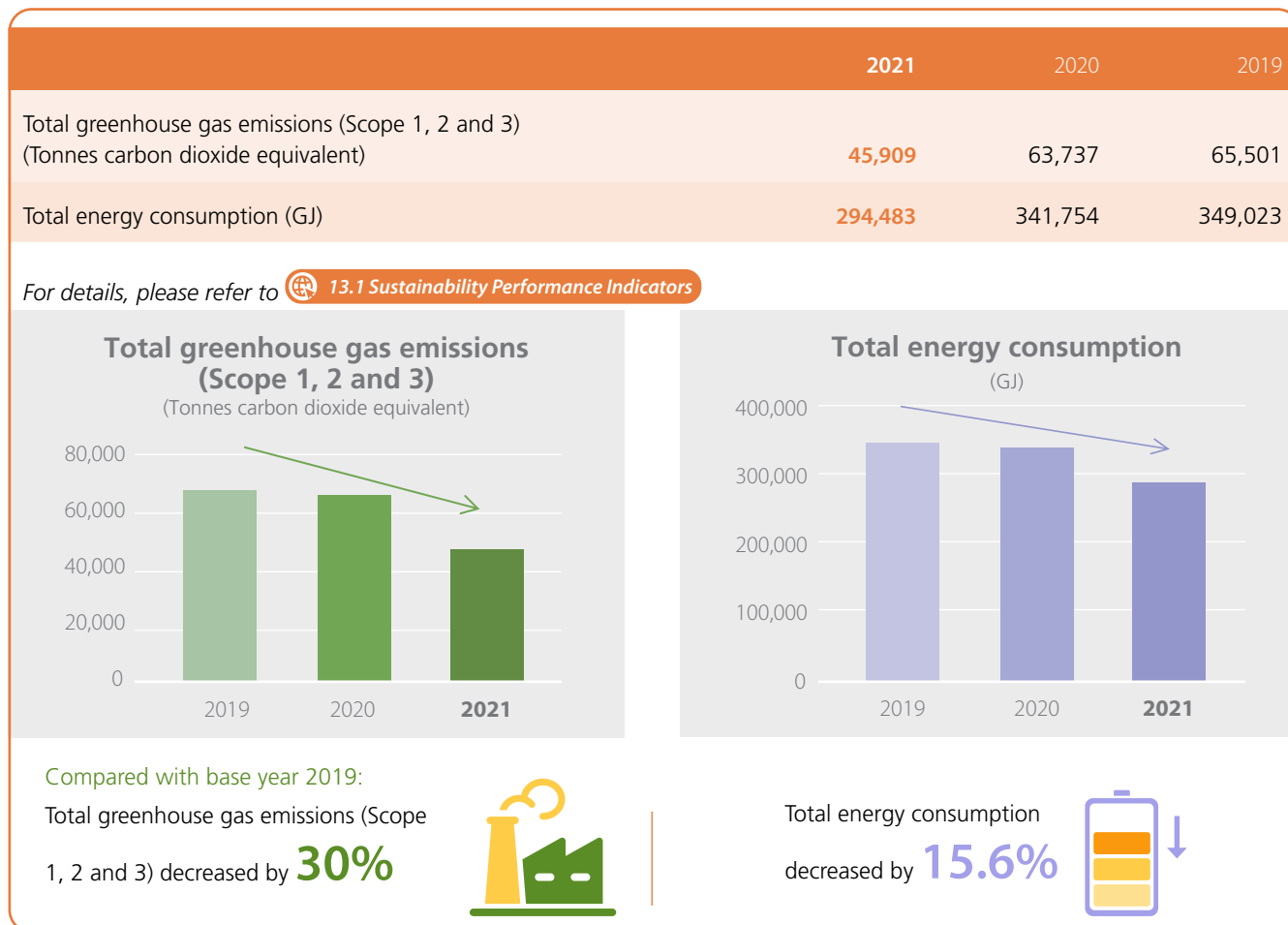
We abide by local environmental laws and international standards, including the *Waste Disposal Ordinance (Chapter 354)* and *Water Pollution Control Ordinance (Chapter 358)*, and have implemented a series of green management systems at our major business premises, including ISO 14001 Environmental Management Systems certification, ISO 50001 Energy Management Systems certification, the Indoor Air Quality Certificate awarded by the Environmental Protection Department, and the Certificate of Quality Water Supply Scheme for Buildings – Fresh Water (Plus) issued by the Water Supplies Department, among others.



²⁸ A1.6

²⁹ A1.5, A1.6, A2.3, A2.4

Measures for energy saving and emission reduction³⁰










To cope with climate change, we have put in place measures for energy saving, carbon reduction and emission reduction in order to eliminate unnecessary carbon emissions from our daily operations and gradually move towards carbon neutrality.

- **Implementing smart energy management.** We have applied retro-commissioning (RCx) to chiller systems in core buildings and made plans for BEAM Plus certification to continuously enhance energy efficiency.
- **Promoting the development of renewable energy.** Solar photovoltaic panels have now been installed at BOC Cheung Sha Wan Building, and we are planning to conduct a series of measures on our other office buildings regarding the installation of solar panels, wind power technology and green roofs.
- **High energy efficiency.** We are gradually introducing highly energy-efficient equipment and green products, such as energy-saving lighting, high-efficiency air-conditioning systems, water-saving sanitary appliances, electrical appliances with Grade 1 energy labels, etc., and selecting low-carbon and recyclable materials for carpets, stone and ceilings, etc., during the renovation and enhancement of our branches.
 - Over 60 branches are using green materials
 - Over 30% branches are using energy-saving LED lighting
- **Smart lighting.** We are adopting natural lighting in our lobbies and installing solar insulation window films to reduce solar gain, in order to save electricity and enhance the efficiency of chiller systems.
- **Promoting intelligent banking.** We have set up eZones to provide green business services and reduce paper consumption in our banking centres.

³⁰ A1 General Disclosure, A2 General Disclosure, A3 General Disclosure, A1.5, A2.3, A3.1

In addition, we have implemented multiple measures for energy saving and carbon reduction in our offices.

<p>Phasing in energy-saving LED lighting devices, installing motion and daylight sensors and timers</p> 	<p>Prioritising "Grade 1 energy label" electric appliances during procurement</p> 	<p>Offering a daily vegetarian menu in the staff canteen, using biodegradable containers and ceasing to provide plastic straws</p> 	<p>Using faucet and sanitary appliances certified under the Water Efficiency Labelling Scheme (WELS) of the Water Supplies Department</p> 
<p>Encouraging online video or telephone conferencing and training</p> 	<p>Setting up 3-colour recycling bins, together with glass bottle and food container recycling bins, etc.</p> 	<p>Organising energy management training, environmental competitions and workshops, and "Go Green" green office ideas solicitation activities</p> 	

Case study: Retro-commissioning (RCx)

In response to a promotion by the Electrical and Mechanical Services Department, we enhanced the efficiency of the chiller systems in our core office buildings by upgrading them from manual operation to automatic centralised control. This is expected to generate electricity tariff savings of as much as 5%.



Case study: Installation of solar photovoltaic panels at BOC Cheung Sha Wan building

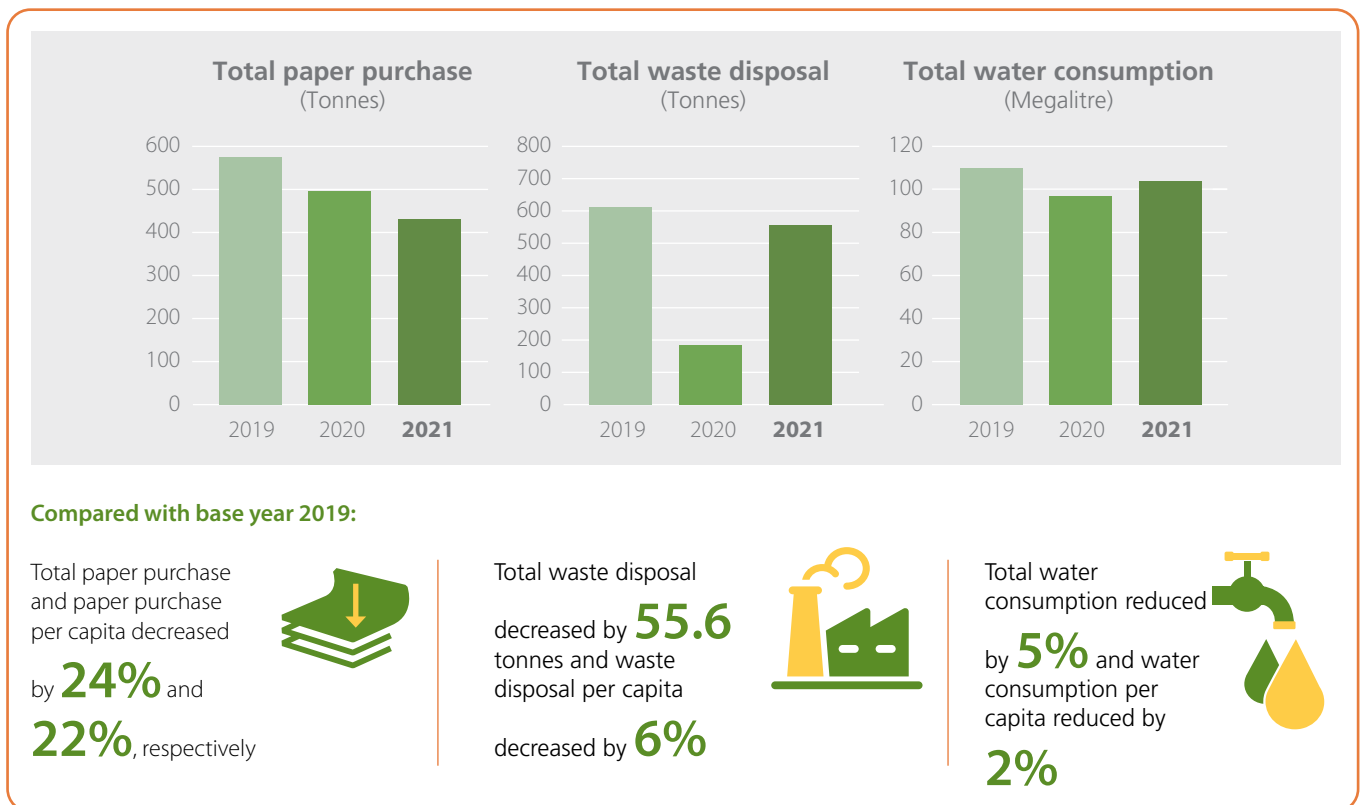
We have installed solar photovoltaic panels at the BOC Cheung Sha Wan Building to support the development of renewable energy. The energy output from July to December 2021 reached 6,616 kWh.



Fostering a green culture for carbon reduction³¹

	2021	2020	2019
Paper purchase (tonnes)	436.57	496.54	576.55
Paper purchase per capita (kg/employee)	35.89	39.54	45.79
Waste disposal (tonnes)	556.03	184.30	611.60
Waste disposal per capita (tonnes/employee)	0.046	0.015	0.049
Water consumption (megalitre)	104.20	97.15	110.23
Water consumption per capita (megalitre/employee)	0.0086	0.0077	0.0088

For details, please refer to [13.1 Sustainability Performance Indicators](#)



For details, please refer to [13.1 Sustainability Performance Indicators](#)

³¹ A2 General Disclosure, A3 General Disclosure, A1.6, A3.1

We practise “green, diligent and thrifty operations” to conserve resources in our daily operations. In response to many enterprises’ growing focus on reducing paper consumption, we have launched a series of measures to reduce paper consumption at source:

- Replacing paper forms and approvals with electronic processes
- Using e-Tendering paperless platform
- Purchasing FSC-certified paper
- Posting notices in offices to remind employees to reduce paper usage and minimise printing requirements

We also promoted waste reduction at source during the year. For example, we committed to reduce food waste by signing the Food Wise Charter of the Environment Bureau, and our staff canteen stopped providing plastic straws, plastic bags and disposable utensils in order to reduce waste disposal.

Case study: Going to work with an “Environmental-friendly Suit”

Our employees are allowed to work in casual wear, and frontline branch employees are provided with casual and environment-friendly uniforms made of all-season, easy-to-wash, iron-free fabrics for working on Fridays and Saturdays.



Promoting environmental protection and carbon reduction together with our customers

Adhering to the concept of sustainable business development, we actively involve our customers as “green partners” to reduce carbon emissions together. In addition, in line with our digital transformation, we provide high-quality and diversified online banking services and are committed to promoting paperless banking.

- During the year, the ratio of new online account opening exceeded 50% of the total account opening.

- Encouraged customers to submit fund transfers, remittance and fixed deposit instructions through digital channels



Covering **≈50%** of target customers

- Encouraged customers to choose e-Statements



During the year, the number of customers using e-Statements **▲ 18%**,



with a penetration rate of **> 90%** for new customers

- Actively promoted the use of mobile banking



Total number of mobile banking customers **▲ 15%** year-on-year



Average daily transactions **▲ ≈90%** year-on-year



- Launched the first “Merchant Payment Without Paper Receipt Programme” in Hong Kong
 - About 10,000 cooperating merchants
 - Around 15,000 points of sale
- Applied blockchain technology in property mortgage valuation
 - Coverage rate amounted to about 98%
- Actively encouraged our customers to adopt paperless Hong Kong IPO arrangements

For details on innovative financial technology, please refer to the “Improving Customer Experience” section.

Case study: Global Shipping Business Network

BOCHK became the first financial institution in the world to collaborate with the Global Shipping Business Network (GSBN) to share shipping information, eliminating the need to providing paper shipping documents and optimising the trade financing process.

11.3 Promoting Sustainable Procurement³²

As well as paying attention to our own operations' environmental impact, we also attach great importance to our suppliers' performance in all aspects of social responsibility, ethics, corporate governance, environmental protection and labour conditions. We formulated the *Supply Chain Code of Conduct* and *Sustainable Procurement Policy* to set up a supplier evaluation mechanism, and conducted regular surveys and added questionnaires to tender documents in order to better understand their business models. We also strengthened communication with suppliers and provided feedback on their social and environmental performance.

We are committed to enhancing suppliers' sustainability awareness by encouraging innovative thinking, new designs and the application of new technologies. We use life-cycle analysis and give active consideration to procuring environmentally friendly products and services that support sustainable development. We strictly adhere to ethical standards and responsible behaviour when collaborating with our suppliers, with the aim of developing long-term business relationships based on trust and cooperation.

Supply Chain Code of Conduct: With reference to the International Labour Standards and *Principles of Decent Work* set out by the International Labour Organisation Core Conventions, this code stipulates clear requirements for suppliers to encourage them to meet certain social and environmental standards. Suppliers must also formulate policies and recruitment measures in accordance with Hong Kong regulations.

Sustainable Procurement Policy: This sets out the entrance requirements and annual evaluation standards for our suppliers, including procedures for new suppliers such as register search and risk assessment. We have also put in place a supplier management system to ensure compliance with sustainable development principles.

We strictly comply with the *Competition Ordinance*, the *Prevention of Bribery Ordinance* and other applicable laws and regulations, and pursue the principle of fair competition when selecting suppliers. We require all new suppliers to complete a *Supply Chain Code of Conduct* Assessment Questionnaire, and carry out due diligence on their information security, technology risk and related legal persons, and will only consider them if they meet the required regulations and standards. If a supplier fails to meet the standards, we will take appropriate action including delisting them from our supplier list.

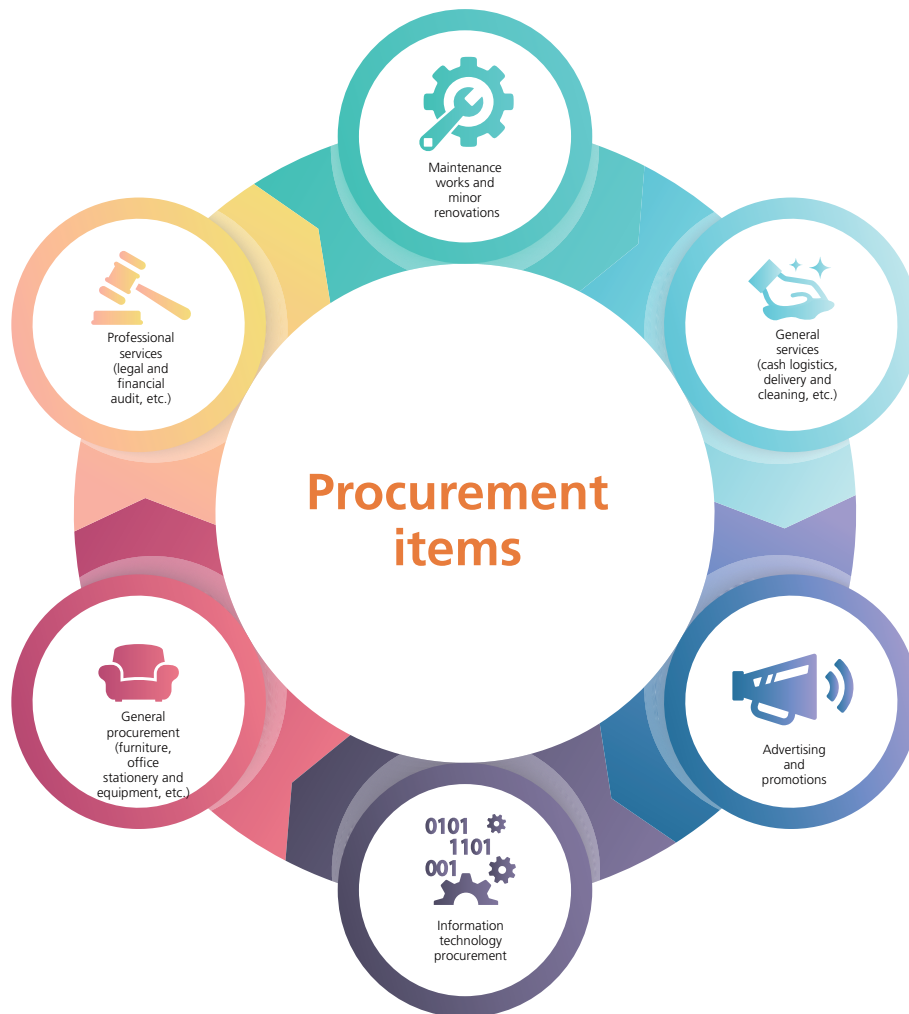
We have clear requirements for suppliers' due diligence on AML and anti-bribery matters. When selecting suppliers, we follow the BOCHK's *Anti-Bribery and Anti-Corruption ("ABAC") Policy* and related working arrangements. We attach great importance to our suppliers' anti-bribery and anti-corruption management. To support due diligence on suppliers and monitor the procurement process, we have established policies and mechanisms such as the *Centralised Procurement, Tender and Price Comparison Rules* and the *Administrative Measures for Supplier Management*.



³² 102-9, 414-1, B5 General Disclosure, B5.2, B5.3

As financial technology continues to develop, the Group has introduced more technology-enabled supply chain services, including big data, cloud platforms, AI, Open API and other new technologies. We devised the *Operating Rules for Supplier Information Security and Technology Risk Inspection*, which clearly set out our inspection categories, frequencies and methodologies for suppliers, in order to continuously implement supplier information security management and customer data protection.

During the year, we conducted “Sustainability and Environmental Protection” evaluation for all our approved suppliers and continued to implement the relevant requirements. Over 80% of our suppliers are based in Hong Kong. Our major procurement items are roughly classified into the following six categories:



11.4 Green Community

Achieving sustainable development requires collaboration from all sectors of society. By supporting and sponsoring various partners to promote a diverse range of environmental projects, we will build a green future together with our stakeholders.



BOCHK Corporate Environmental Leadership Awards Programme

- We have sponsored the “BOCHK Corporate Environmental Leadership Awards”, jointly organised with the Federation of Hong Kong Industries (FHKI) for seven consecutive years, encouraging enterprises to adopt green and sustainable measures. More than 823 enterprises participated in 2021, implementing over 2,736 green projects. The widely renowned programme has become a notable brand in the field of environmental protection.

Instilling the concept of carbon reduction at an early age

The next generation is our future. To leave a beautiful environment for the next generation, we must “practice what we preach” by educating our children to value environmental protection and carbon reduction, and teaching them to turn ideas into action. During the year, we launched a series of programmes to help young people integrate green concepts into their daily life and behaviour.

“Towards Carbon Neutrality” Youth Education Programme

- By supporting the “Towards Carbon Neutrality” Youth Education Programme, we cultivated low-carbon lifestyles among young people and strengthened their understanding of national policies, goals and action plans on carbon neutrality.



- Hong Kong students’ paintings about environmental protection were shown at the COP15’s *Convention on Biological Diversity* held in Kunming in October 2021, expressing local young people’s hopes of protecting biodiversity. The paintings were featured in the *World Environment* magazine of the Ministry of Ecology and Environment of the People’s Republic of China.



“Conservation for a Better Future on the Planet” Programme

- We supported the “Conservation for a Better Future on the Planet” programme launched by Ocean Park Conservation Foundation Hong Kong and sponsored 12 conservation programmes in Hong Kong and other parts of Asia to promote the conservation of biological diversity.



“Green Climate Pioneer” Programme

- We sponsored the “Green Climate Pioneer” youth leadership programme of Tung Wah Group of Hospitals to raise awareness of climate change and guide students to make innovative reforms and promote environmental protection.

“Human and Nature Inclusion Programme”

- We continued to sponsor the Polar Museum’s “Human and Nature Inclusion Programme” and launched a series of education programmes to support young people to reduce carbon emissions and practise sustainability in their daily lives.



“Carbon Neutrality Challenge” Programme

- By supporting the “Carbon Neutrality Challenge” programme organised by Kadoorie Farm and Botanic Garden, we raised citizens’ awareness of climate disaster risks and explored the use of natural solutions to cope with climate challenges and mitigate climate change.

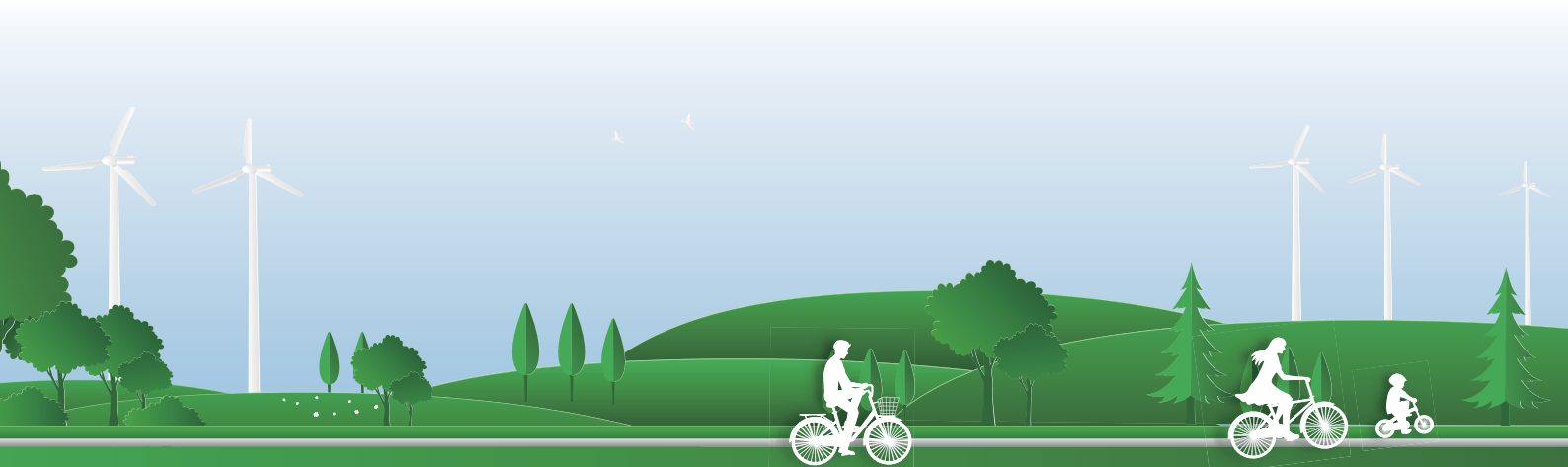


“The Community Chest Virtual Walk for Millions”

- We sponsored the “The Community Chest Virtual Walk for Millions” activities, integrating carbon reduction, health and charitable giving. Due to the pandemic, the event was run online for the first time. Our employees actively participated in the event together with 5,500 citizens, accumulating nearly 600 million steps.

Computer Donation

- In response to the needs of people with low incomes and new immigrant families for computers, we donated reusable office equipment to various charitable organisations. In 2021, we donated over 8,000 computers, printers and computer screens.



Showing our Care and Building a Better Future for the Next Generation



Building a Harmonious Society



The most extensive network in HK:

187 branches;
SE Asia: **35** banking sites



Provided HKD

50 billion of credit loans **to help SMEs** fight the pandemic



Offering a variety of services to meet the needs of the

elderly and the underprivileged



Average training hours for employees:

>47 hours



Percentage of female employees: **57%**



>30 seminars and focus groups for the management and employees



Cumulative amount of charitable donations:

>HKD1.4 billion



76 charitable and community projects in 2021, benefiting more than **3 million participations**



8,200 employee volunteers



12.1 Practising Financial Inclusion ³³

In line with our customer-centric philosophy, the Group actively practises financial inclusion by providing diversified and convenient services to people from different walks of life, based on the following strategies:

- Adopting new technologies and green operations to extend the reach of our banking network to remote areas and public housing estates.
- Actively participating in financial market infrastructure development and livelihood financial services to boost the local economy and support people’s livelihood.
- Developing more convenient services for SMEs and solving their problems in account opening, financing and operations.
- Taking care of the needs of elderly customers and providing services to the underprivileged to ensure equal access to banking services.

Most Extensive Banking Network in Hong Kong

We own the most extensive local branch and self-service banking network in Hong Kong, widely distributed across the city’s districts:



187
branches in
Hong Kong



Over **280**
automated
banking sites
with **24**-hour
service

Over **40**% of
our sites are located in
(or within a
10-minute walk of)
public housing estates



630
ATMs

Foreign Currency
ATM service
extended to **13**
sites



24/7 Online
Chat service and
“Bonnie” chatbot

³³ G4 FS13, G4 FS14



Accommodating customers in remote areas

- We opened new sites in a number of remote public housing estates and areas in 2021, with some of the sites upgraded with BOCHK iService, offering video banking services delivered by live agents. Customers can also conduct cash withdrawal transactions through video calls.
- Over 150 sites are located at public organisations such as hospitals, universities and public transport hubs, including MTR stations, the airport and ports.
- We provide efficient electronic channels such as online banking and mobile banking and continually expand the scope of their services and functions, to meet customers' needs for banking services "anytime, anywhere".
- Easy Chat, an AI chatbot launched by BOC Life, provides customers with convenient 24/7 services including enquiry, payment, change of policy and claim settlement.

Livelihood financial services

In response to the pandemic, we cooperated with the Government and public organisations to implement various financial measures and initiatives. By actively participating in the development of financial market business infrastructure and public financial services, we helped to boost local economic development and support people's livelihood.

- We supported the HKSAR Government's Cash Payout Scheme Community Care Fund's "One-off Subsidy to Low-income Households Not Living in Public Housing Nor Receiving Comprehensive Social Security Assistance" (CSSA), in distributing a monthly cash allowance to applicants who have been waiting for public housing for more than three years and not covered by the CSSA.
- We provided payment services support to the Government and public organisations through credit card, Octopus card, FPS, and QR codes.
- For the Government's Consumption Voucher Scheme, we launched a series of activities including WeChat Pay and Alipay, BoC Pay x Bill rebate offers and online seminars, etc. Branch staff also helped answer elderly people's questions and helped them register for the programme.
- In response to the HKMA's call to strengthen anti-pandemic measures, we launched the well-received BoC Pay and Mobile Banking e-laisee service. We also launched corporate e-laisee. Corporate customers can give red packets online up to 10,000 employees at a time. It is efficient and environmental friendly, which supports company towards low-carbon transition.

Continuous improvement in SME services

As robust SME business performance is especially important to Hong Kong's economic development, we provided a series of services to facilitate SMEs' business growth during the year



- We became the first local bank to launch the “ERP Cloud Services – Accounting Cloud” (“Accounting Cloud”) service, providing a one-stop bookkeeping and financial management cloud service to improve accounting efficiency for SMEs and reduce their operating costs in a reliable manner.
- We supported the HKMA in building Commercial Data Interchange (CDI), which simplifies the loan application process and helps to solve financing difficulties for SMEs. During the year, we have become the first bank in local market to apply commercial data of an enterprise, as a replacement of financial report based assessment framework, for loan approval in entire end-to-end process in the 2nd phase of CDI Proof-of-Concept study and technical connection.

- We promoted financial support measures to help SMEs overcome the challenges caused by the adverse operating environment. This included credit loan products under the SME Financing Guarantee Scheme and the Enhancements to the Special 100% Loan Guarantee launched by HKMC Insurance Limited, as well as the Pre-approved Principal Payment Holiday Scheme launched by the HKMA.
- We were the first partner bank of the Hong Kong Quality Assurance Agency's new Green Loan E-Assessment Platform, and launched the SME Green Financing Incentive Scheme.
- Leveraging our parent bank's cross-border matchmaking service and BOC E-cooperation platform, we helped SMEs explore business opportunities, attract exhibitors and investors, and facilitate matchings and transactions. Our Southeast Asian entities also encouraged local SMEs to participate in business-matching activities such as the China International Import Expo (CIIE) and other commercial matchmaking activities to advance their growth.
- We cooperated with the Hong Kong Productivity Council to advance SMEs' digital transformation by hosting webinars such as “Promoting Smart Financial Cities, Grasping the Development of Commercial Data” and “Identifying New Trends in Digital Marketing, Seizing the Market Opportunities in the Greater Bay Area”, and hosted sharing sessions with Hong Kong Science Park to help enterprises learn about plans for the GBA and related cross-border financial opportunities.



Hong Kong General Chamber of Small and Medium Business (HKGCSMB):
Awarded the “Best SME's Partner Gold Award” for 14 consecutive years



Hong Kong Economic Journal:
Awarded “Financial Services Award of Excellence – SME Commercial Banking” for three consecutive years



HK01:
Awarded “01 Fintech Excellence Award – SME Digital Banking Services”



ET Net:
Awarded “FinTech Awards 2021 – Outstanding Innovative SME Banking Services”

Case study: Pang Ching Shun, Deputy Chief Executive of Healthworks Group Holdings Limited

We use the BoC Bill Integrated Billing Service as it can support a variety of electronic payment methods, which reduces the burden on store colleagues from handling different electronic payment tools while also improving customer experience.

We also adopted the use of iGTB NET and the newly launched Accounting Cloud, which have given our employees a simpler way to handle daily accounts. Thanks to BOCHK's online and phone support as well as online training, our employees can easily operate the system and we can optimise our operating efficiency, allocate resources more effectively and expand our business. Also, we can contribute to sustainable development by incorporating ESG concepts in our business.



Serving the elderly and the underprivileged

We have introduced various services to meet the needs of the elderly and the underprivileged, to ensure equal access to banking services.

<p>Financial products and services</p>	<ul style="list-style-type: none"> • We launched finger vein authentication, and provided free standing instruction remittance for social security payments to the elderly for the Hong Kong Social Welfare Department's Guangdong Scheme, Fujian Scheme and Portable Comprehensive Social Security Assistance Scheme. • We participated in the Reverse Mortgage Programme and supported the HKSAR Government in the issuance and sales of its sixth Silver Bond, which enhances financial flexibility and provides steady returns for senior residents.
<p>Branches</p>	<ul style="list-style-type: none"> • All our branches have installed barrier-free access or ramps for portable wheelchairs that allow mobility-challenged customers to gain easy access, with some branches equipped with elevators. • Our branches provide service bells so that those in need can seek timely assistance from our Customer Service Ambassadors. • We provide an assistive listening device to facilitate communication with hearing-impaired customers.
<p>ATMs</p>	<ul style="list-style-type: none"> • All ATMs have tactile indicators, and the design of the keypad protective covers has been optimised for the convenience of people with disabilities. • All ATMs feature wheelchair-friendly design to allow wheelchair users to easily reach the screen and keypads. • We have set up more than 270 voice-navigation ATMs across Hong Kong.



Organised by Hong Kong Internet Registration Corporation Limited and co-organised by the Office of the Government Chief Information Officer:
BOC Life won the Gold Award of the 2020–2021 Web Accessibility Recognition Scheme



Financial inclusion in our Southeast Asian entities

With 35 banking sites in Southeast Asia, our Southeast Asian entities have helped local customers to overcome difficulties amid the ongoing impact of the COVID-19 pandemic. BOC Thailand provided relief measures such as the Principal Payment Holiday Scheme, lower loan interest rates and waivers of default interest rates, and cut credit card minimum payments from 10% to 5%, thus making customers' credit card debts akin to long-term loans. BOC Malaysia also provided supportive measures such as repayment extensions for customers with low-to-medium incomes.


To support people with disabilities and the underprivileged, BOC Thailand provided audio descriptions of account opening applications and terms and conditions to help visually-impaired customers open accounts based on a full understanding of the service in question.

Eight branches of BOC Malaysia offered priority services, fee waivers and other caring services to the underprivileged.



In terms of convenient banking services for customers in Southeast

Asia, BOC Thailand became the first local bank to offer mobile banking wealth management services, as well as the first Chinese-invested bank to launch mobile banking online account opening services in Thailand. The Jakarta Branch and Brunei Branch launched mobile banking, and BOC Malaysia introduced the first local mobile banking e-KYC account opening platform and the first one-stop mobile digital investment platform in Malaysia.

For more details, please refer to the  **"Improving Customer Experience"** section.

Case study: Catering to customers' needs by providing microfinance services

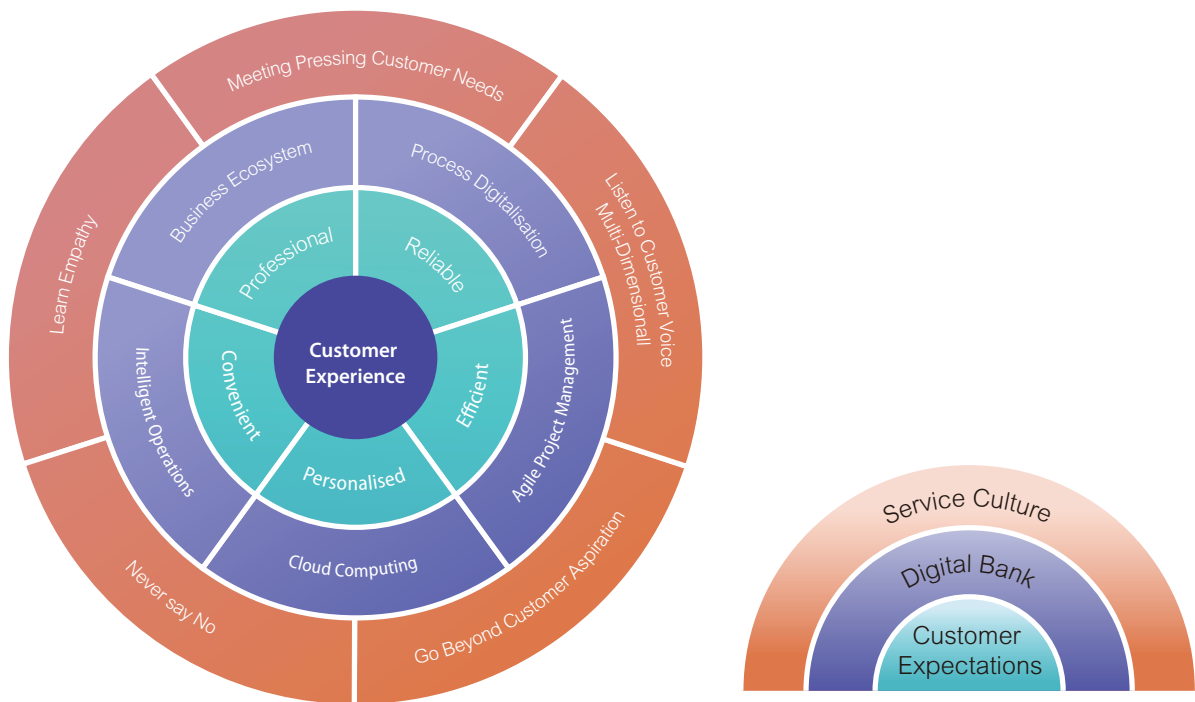
Due to the geographical conditions of some Southeast Asian countries, the market penetration of traditional banking services is relatively low, making it difficult for residents to access banking services. In response, we provide loans to local microfinance institutions in order to reach more people. For instance, our Jakarta Branch made loans to two financial companies in Indonesia, who in turn provided financing to local SMEs. In Cambodia, commercial banks' target customers are mainly SMEs and individual customers in cities, while the target customers of small loan companies are small and micro-sized enterprises and farmers in rural areas, two underbanked customer groups. Our Phnom Penh Branch provided loans of nearly US\$65 million to four local small loan companies, indirectly participating in the most active local microfinance market without opening any new branches. This provided indirect financial support for small and micro-sized enterprises and farmers, contributing to financial inclusion in Cambodia.

12.2 Improving Customer Experience

At BOCHK, we ensure that customer voice is always clearly heard through our diversified communication channels, with the aim of constantly providing brand-new, convenient and high-quality banking services.

Customer-centric approach

Leveraging the unmatched breadth of our regional branch network, our excellent service culture and our diversified digital banking features, we constantly strive to surpass customer expectations and offer a superior experience. In addition, we have developed such refined services as Private Wealth, Wealth Management, Enrich and i-Free Banking to satisfy various customer needs.



Monitoring customer feedback

We greatly value all customer feedback and have set up internal mechanisms to maintain and enhance our high-quality services.



Case study: Usability Lab and Xperiercer

The Usability Lab and Xperiercer set up by the Customer Experience Division collects pre-launch customer feedback. By conducting a Usability Test through Xperiercer before the launch of a new product or service, the team ensures a high-quality customer experience and smooth product process.

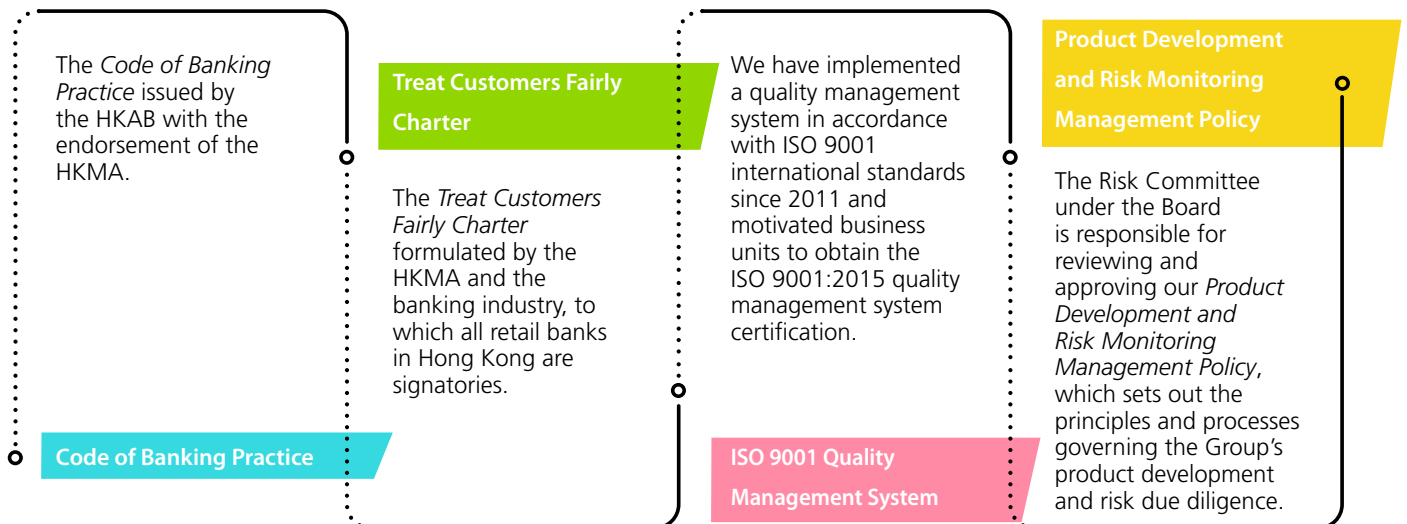
Regular customer satisfaction surveys

Given that customer needs vary, we conduct different feedback surveys targeting different customer groups in order to continuously enhance the quality of our products and services.

Transactional Net Promoter Score (tNPS)	Customers are invited to rate their experience and provide feedback upon completing a transaction through branches, mobile or online banking, thus driving service improvement.
Corporate Customer Satisfaction Survey	We conduct a customer service survey through our interactive voice response system immediately after phone inquiry. In 2021, around 370 corporate customers provided positive feedback through an email survey carried out by a third-party consultant.

Improving policies to protect customers' interests

To safeguard the interests of our customers, we have developed regulations and provisions for our banking services based on all relevant laws and regulations applicable to Hong Kong.



We have established operating rules for various kinds of loans, set out product management principles and operational procedures for loan application, loan payment and loan collection, and provided training to relevant employees. We provide customers with options for loan amendment, including loan term adjustment and loan restructuring. Customers can also adjust their loan applications to request top-up loans or flexible payment periods.

Maintaining high-quality service by emphasising staff training

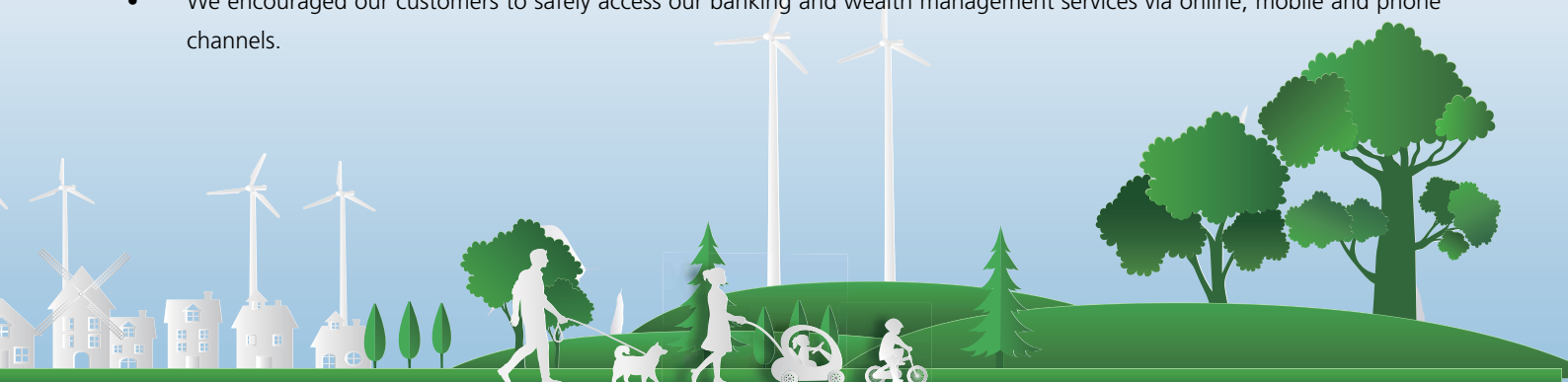
Our professional training and education teams ensure that employees are well-briefed on customer financial security issues, so as to provide customers with the highest-quality services.

- We provide comprehensive training courses for new customer service employees, covering topics related to customer financial security such as the *Treat Customers Fairly Charter*, compliance, service quality and our customer experience model. In addition, all frontline employees participate in mandatory compliance training each year, covering the Deposit Protection Scheme and other matters.
- Employees in branches must participate at least once a year in an online training and testing session related to the *Treat Customers Fairly Charter*. Covering our corporate culture of treating customers fairly, it requires employees to specify and explain the main characteristics of products and related risks and terms, while taking customers' interests into consideration.
- We regularly release compliance reports and reminders, and arrange training on weekly market information and various investment products.
- Before and after a new product is launched, we strengthen communication and training for employees and remind them of its key points.
- We encourage employees to participate in seminars and information exchange meetings to continuously improve and enrich their knowledge.

Keeping customers safe

To improve customer service, we strive to provide a safe and comfortable environment in our branches and outlets.

- In response to the pandemic, we have taken appropriate measures to ensure air quality and ventilation within our branches. Each branch is equipped with a disinfecting mat, thermometers and antiseptic hand gel. Office supplies are now disinfected on a more frequent basis.
- We have remained in constant contact with the Centre for Health Protection to track any confirmed cases who may have visited our branches. We followed guidelines for testing employees who have been in close contact with confirmed cases, as well as guidelines for disinfecting and cleaning offices before re-opening them, in order to ensure the safety of our customers and employees.
- Our branches re-arranged shift rotas and installed custom-made partitions to divide each service counter, to enable social distancing.
- We encouraged our customers to safely access our banking and wealth management services via online, mobile and phone channels.



Promoting public financial education³⁴

To enable our customers to make informed financial decisions, we provide fair and transparent information regarding our products and services while striving to promote financial knowledge among the general public.

Offering sufficient and transparent information	We have a designated department responsible for advertising, with administrative measures, operating rules and employee guidelines in place for advertising and marketing activities. All promotional content is reviewed by the relevant department.
Providing compliance training for frontline employees	We provide training on compliance for all frontline customer service employees when they join BOCHK and thereafter on an annual basis. This gives detailed and clear guidance on proper selling procedures, fair customer treatment, and avoiding the use of fraudulent and misleading advertisements and sales materials.
Enhancing knowledge of products and wealth management	We provide an e-version of <i>Monthly Global Market Investment Insight</i> and a diverse range of online investment seminars for wealth management customers.
Raising awareness of green investment and green finance	Livestreams and recordings on wealth management are available via mobile banking. Experts in Hong Kong have also been invited to share their experiences in green wealth management and investment.



Investor and Financial Education Council:
Young Expert in Finance: Investor and Financial Education Award (Corporate) 2021 – Bronze

Case study: Enhancing the financial knowledge of the next generation

We jointly hosted a lecture on investment with the Investment Society of the HKUSU to promote financial knowledge among the younger generation. At the lecture, participants learned about investment strategies, financial decision-making services and wealth management products for first-time investors.

Case study: BOC Life New Generation Financial and Technology Designers' Programme

BOC Life has announced a two-year STEAM-themed "BOC Life New Generation Financial and Technology Designers' Programme" in partnership with St. James' Settlement. Customised to students' needs, the programme adopts an interactive approach to inspire students' interest in programming and STEAM (science, technology, engineering, arts and mathematics), together with knowledge about wealth management, fintech and recycling.



³⁴ G4-FS16

Case study: Young Expert in Finance education programme

To raise awareness of financial matters and promote healthy budgeting at the community level, we supported the “Young Expert in Finance” education programme launched by Tung Wah Group of Hospitals. The programme involves a series of activities targeted at children and parents in low-income families, including lectures for low-income students, budgeting groups for low-income families and leaflets with budgeting information, with the aim of fostering healthy budgeting habits among low-income families.



A sound complaint handling mechanism

We highly value customer feedback as a means of continuously improving our services, and have established a rigorous complaint handling mechanism to deal effectively with complaints while responding to complainants in a timely manner.

We have formulated the administrative measures for handling customer complaints in accordance with the *IC-4 Complaint Handling Procedures* in the *Supervisory Policy Manual of the HKMA*, as well as the *Code of Banking Practice* jointly issued by the HKAB and the DTC Association. These set out the principles, timeframe, procedures, supervision, review and other rules for handling customer complaints, and guide and help our employees to handle customer complaints in compliance with regulatory requirements.



Channels: diversified and 24/7

We provide various channels for receiving customer feedback or complaints, including internet banking, mobile banking, branches, customer opinion hotline, customer service hotline, fax, letter, email, and customer feedback forms.

Principles: fairness, impartiality, confidentiality

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

Measures: rapid action, continuous improvement

We take immediate measures to resolve and respond to customers’ appeals. We regularly collate and analyse complaint cases to understand customer needs and for training purposes, enabling us to constantly improve our services and procedures.

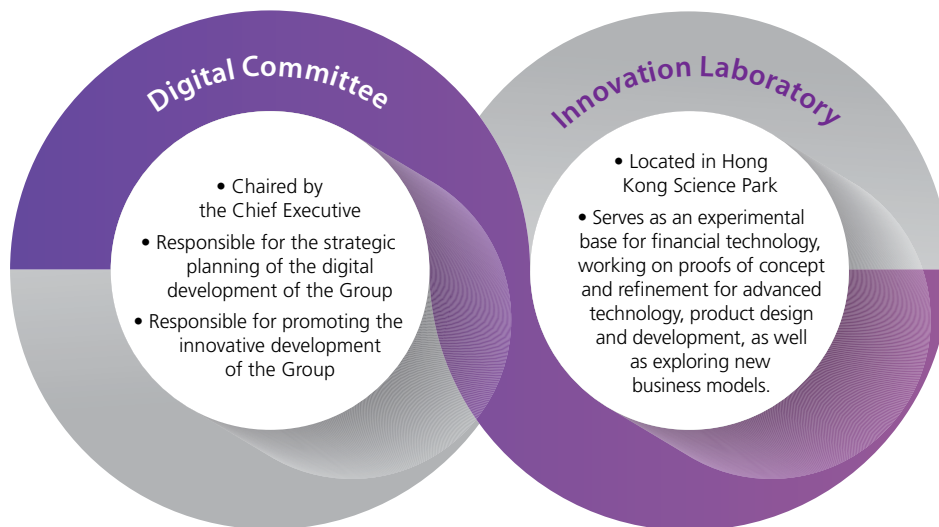
Using innovative fintech in response to customer needs

Technology can both improve our quality of life and promote socioeconomic development. During the year, we pushed forward technology-driven business reform, launched a number of innovative financial technology services, and provided brand-new digital solutions in areas such as customer services, financial products, service flows, operational management, and risk monitoring and control. The outbreak of COVID-19 pandemic also accelerated our progress towards digitalised banking services.



Technology innovation mechanism

An internal technology innovation mechanism has been set up to develop digitalised banking services.



We also organised internal and external activities to foster a conducive atmosphere for innovation.

Case study: BOCHK Challenge 2021-22



We held a fintech innovation competition to unlock the potential of young people's talents for the sector.

Case study: BOCHK Ideation Contest





We held our annual Ideation Contest around the theme of "Innovative Products, Innovative Management, Innovative Technology and Innovation Experience" to encourage our employees to be innovative and creative, fuelling our digital transformation.

Technology innovation measures

We always strive to apply innovative fintech to create digitalised services in response to customers' wealth management needs. Since 2019, we have also employed robotic process automation across various operating processes and internal procedures to improve service efficiency.

During the year, we launched a series of innovative financial services so as to offer a premium service experience to our customers.

iAM Smart mobile account opening	BOCHK became the first bank in Hong Kong to adopt the iAM Smart technology launched by the HKSAR Government for mobile account opening, driving forward the digital transformation of the banking sector.
PlanAhead wealth planning service via mobile banking	PlanAhead provides a pioneering one-stop wealth planning service to meet the needs of young customers for convenient investment services.
Interbank QR Code Cash Withdrawal	Through the UnionPay QR Code Cash Withdrawal service, customers can set up a cash withdrawal instruction via BOCHK mobile banking and then scan the QR code at any bank ATM equipped with the service to withdraw the cash.
Mobile Banking 5.0	With a brand-new User Interface, Mobile Banking 5.0 introduced optical character recognition (OCR) and facial recognition to strengthen eKYC customer identity authentication, as well as AI to facilitate personalised banking services and information.
BoC Pay and BoC Bill payment services for transport	This allows customers to pay for transport (including buses) via credit card and QR code to make travel more convenient. <div style="text-align: center;">  BoC Pay </div>
ERP Accounting Cloud service	Accounting Cloud is a groundbreaking one-stop cloud-based accounting management service that helps SMEs grasp business opportunities and make financial management more efficient.
iGTB API service	Corporate customers can now experience digital corporate banking services directly on their own business platforms. <div style="text-align: center;">  </div>
Free Trade Zone Knowledge Base	The Free Trade Zone Knowledge Base hosts the latest policies, business information and studies of various research institutes regarding free trade zones, the GBA and RMB internationalisation.
Digital transformation of supply chain	BOCHK signed a memorandum of understanding with the Global Shipping Business Network (GSBN) to streamline the trade finance process between the shipping and finance industries, thereby increasing efficiency for suppliers and reducing costs.

Our branches and subsidiaries in Southeast Asia also proactively drive technology innovation, improving services via electronic channels and helping local residents to safely access financial services. In 2021, mobile personal banking services were available from all of BOCHK's branches and subsidiaries in Southeast Asia which provide personal banking services, with the penetration rate increasing by over ten percentage points compared to the prior year-end.

We continued to improve our fintech scenario ecosystem based on various scenarios including real estate, government affairs, transport, education, cross-border transactions, wealth management and health, in response to various customer needs. During the year, we witnessed a notable increase in customer demand for e-services.



Case study: Wellness Ecosystem

BOC Life launched the “Live Young Rewards Programme”, which encourages customers to adopt healthy lifestyles by enabling them to earn points through different activities and redeem them as e-vouchers. An embodiment of the Group’s ESG philosophy, the programme integrates customers’ daily life, sports and fitness activities, and social interactions.



Asiamoney Best Bank Awards 2021:
Hong Kong’s Best Digital Bank 2021



Asian Banking & Finance:
Best Mobile Banking and Payment Programme in Hong Kong



HK 01 – Fintech 2021
01 Fintech Award – Digital Banking Services for SMEs



iMoney Magazine – iMoney Enterprise Brand 2021
Best Mobile App for Property Purchasing



12.3 A People-oriented Approach³⁵

We consider our employees to be our most valuable assets. We are committed to creating a harmonious, diverse and friendly working environment in order to attract, identify and nurture talent. We help our employees to maximise their potential while growing together with us.

Promoting staff development³⁶

Having established strategic goals for talent cultivation, we enhanced our human resources management system and reinforced talent acquisition and cultivation in emerging areas such as financial technology, digital transformation, green finance and compliance technology. We are committed to providing employees with long-term and sustainable professional development.



³⁵ B1 General Disclosure

³⁶ 404-2, B3 General Disclosure

Empowering staff and cultivating talent

We attach great importance to staff training and development. Through diversified learning courses, we offer continuing education opportunities and provide targeted training programmes to help staff at all levels to improve their capabilities, in order to facilitate the mutual development of employees and the Group.

- We boosted our leaders' ability to drive change through Innovation and Leadership Development Programmes, growing the pool of employee talent that embraces new leadership mindsets.
- We continued to enrich our training resources in line with the Group's corporate developments. During the year, we organised various types of training courses including Certified ScrumMaster® (CSM) and Certified Scrum Product Owner® (CSPO).
- We collaborated with professional and academic institutions such as the Hong Kong Vocational Training Council and Hong Kong Polytechnic University to provide continuing education courses for frontline licensees. We also offered ESG-related training for management and core staff in cooperation with professional organisations such as the Hong Kong Quality Assurance Agency and Standard & Poor's.



>690,000 total
training hours
>47 average training
hours



>180
Innovation and Leadership
Development Programmes
undertaken by the
management



Recruiting and cultivating excellent young talent

- We place strong emphasis on youth development in Hong Kong and provide a platform for local young people to realise their potential by strengthening the Group's reserve of outstanding young talent.
- During the year, we participated in a number of youth development and employment programmes organised by the HKSAR Government and external organisations, providing more than 300 positions.
- We also supported the Hong Kong Athletes Career & Education Programme (HKACEP) launched by the Sports Federation & Olympic Committee of Hong Kong, China, providing internships and full-time and part-time job opportunities.



Talent Development Mechanism

- Course Training
- Job Rotation
- Job Enrichment
- Coaching

Recruitment Programmes

- Management Trainee Programme
- Professional Opportunities

Youth Development and Employment Programmes

- Banking Talent Programme
- New Graduates - New Opportunities Scheme
- Fintech Career Accelerator Scheme
- Pilot Apprenticeship Programme for Private Wealth Management
- Greater Bay Area Youth Employment Scheme

Case study: Management Trainee Programme

Sin Shu Woon Sherman, Business Strategy Manager, Personal Digital Banking Product Department

As a retired archer, I was successfully employed by BOCHK as a Management Trainee in 2018. Nurtured by tailor-made career coaching that included job rotation, career planning and leadership training, I have mapped out a career path that enables me to play to my strengths. Having laid down my bow, I will continue to take aim at my goals through the new platform of BOCHK.

Case study: Greater Bay Area Youth Employment Scheme

In 2021, BOCHK recruited over 60 Greater Bay Area Trainees to work at BOC Guangdong Branch, BOC Shenzhen Branch and its subsidiary BOC Equity Management Investment (Shenzhen) Limited. This enabled young people in Hong Kong to understand the development of the GBA and gain leading-edge industry knowledge, broadening their career opportunities and providing diversified development paths.



BOCHK Asset Management Limited – Chan Ho Nam

When I was assigned to work in the Qianhai subsidiary in Shenzhen, I saw from personal experience that mobile payments, transportation, accommodation and dining in the Chinese mainland are convenient and well-developed. Although the office environment and culture in the two cities are different, they both had a good working atmosphere and highly skilled professionals that have benefited me a lot.

Commercial Banking Department – To Chun Yin

During the six months that I was seconded from Hong Kong to the Shenzhen branch, I participated in various tasks including drafting offline marketing campaign plans, assisting the departments and the teams in the major marketing projects, etc. After work, I visited local cultural attractions with my colleagues and regularly played basketball with colleagues and customers, which was enriching and made me feel the warmth of the BOC family. During this period, I have adapted to communicate in Putonghua and Simplified Chinese, and my Chinese language skills have been greatly improved. This laid a good foundation for my better integration into both work and life in the GBA, as well as becoming a cross-border financial talent in the GBA.

Upgrading to a mobile office

During the year, we launched the eWorkplace mobile office solution in line with our business operation requirements and the MyLearning mobile classroom solution to support our on-the-job training priorities. Both platforms have served our employees well, especially during the pandemic, helping staff to improve work efficiency and enhance the learning experience.

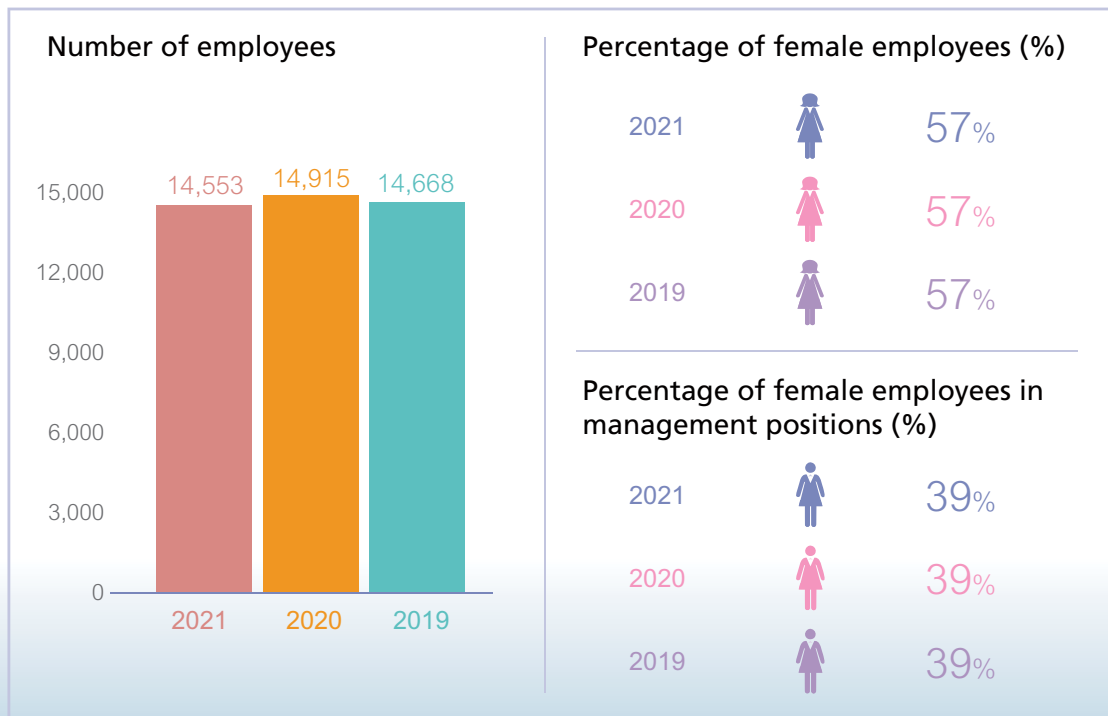


CTgoodjobs “Best HR Awards 2021”
Best Talent Acquisition & Onboarding Strategy Award – Grand Award
Best L&D Technology Implementation Award – Grand Award
Best Graduate and Management Trainee Programme Award – Gold Award
Best Innovative L&D Initiative Award – Gold Award



The Hong Kong Institute of Bankers – Hong Kong Banking Industry Talent Development Awards Programme: The HKIB Talent Development Award

A diverse and inclusive team



Promoting team diversity and ensuring equal opportunity³⁷

- We strive to promote diversity and inclusion in our teams, strictly compliance with relevant laws and regulations, and have formulated the *Staff Guidelines on Eliminating Discrimination*. Meanwhile, we offer diversity and inclusion training and apply the principle of equal opportunity to all policies related to human resources, remuneration and benefits, as well as ensuring employment opportunities for people of all kinds. Any discrimination or harassment against employees owing to their marital status, pregnancy, breastfeeding/or expressing breast milk, disability, family status, race or gender are prohibited.
- We adopt a fair and open recruitment policy which is regularly reviewed and updated with reference to the relevant laws and regulations of the regions in which we operate. In addition, we endeavour to employ local staff (including the senior management) from the places in which we operate, to better serve local customers and society.
- We follow rigorous procedures in our recruitment processes to avoid child and forced labour. In line with the political, social and cultural contexts of the places in which we operate, we support and respect our staff's human rights and their legitimate rights as recognised on an international basis. We have also formulated the *Supply Chain Code of Conduct* which requires our suppliers to act in compliance with relevant human rights and labour standards.³⁸



Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme

Care and communication

We continually invest in improving employee care and optimising employee benefits, while striving to foster open communication with our employees based on mutual trust. We take each employee's input and views into account, and respond appropriately.

Comprehensive employee benefits³⁹

- We continually optimise employee benefits, such as our group medical insurance plan covering outpatient, inpatient, dental and maternity care, as well as a family medical insurance plan offering the same coverage.
- We care for the physical and mental health of our employees and provide psychological counselling services for those in need.



Racial Diversity & Inclusion Charter for Employers launched by the Equal Opportunities Commission

- We offer remuneration packages that exceed statutory requirements, preferential rates on mortgages and personal loans to help employees manage their finances flexibly, as well as banking services and other offers.
- We offer a range of employee care initiatives, such as red packets for Chinese New Year and gifts for birthdays, weddings and retirement. Our major office buildings feature staff canteens, staff clinics, 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.

³⁷ B1 General Disclosure

³⁸ B4 General Disclosure, B4.1

³⁹ 401-2, 403-6

Improving remuneration packages to motivate our staff

- We offer competitive remuneration packages to our employees. In accordance with the HKMA's *Guideline on a Sound Remuneration System*, we review our remuneration packages periodically and recognise employees for outstanding performance.
- All employees are required to undergo regular performance evaluation. For frontline staff engaged in sales activities, we not only consider their business performance, but also assess their overall contributions. We have established a comprehensive incentive mechanism that measures an individual's overall service performance, in order to cultivate a good banking culture.⁴⁰
- Owing to the recovery in Hong Kong's economy and employment market in 2021, fierce competition for talent has pushed up the overall turnover rate in the industry. Although our staff turnover rate has risen from previous years, it is still lower than the industry average.

Streamlining communication and feedback channels to respond to staff concerns⁴¹

- We organised over 30 seminars and focus groups to enhance communication between management and employees and solicit employees' opinions and suggestions.
- We collected opinions and suggestions from our employees through surveys and responded with appropriate feedback and follow-up, including enhancing our working environment, management policies and procedures. Our annual employee survey achieved a high response rate of 88% in 2021, with staff generally reporting a positive sense of affinity to the Bank.
- Since the outbreak of the COVID-19 pandemic, we have disseminated regulators' latest requirements and arrangements through a variety of channels and in a timely manner. We also provided our employees with various support measures and set up a dedicated hotline to answer their queries and address their concerns.
- In addition to speaking to their direct supervisors, employees can voice their opinions according to the *Rules of Handling Employee Complaints*, through the staff hotline and the "Chief Executive's Mailbox". We actively handle and follow up on all employee suggestions and feedback.



14.6%

Voluntary employee turnover rate in HK, lower than the industry average



>30

seminars and focus groups jointly attended by management and employees



Employee survey response rate:

88%

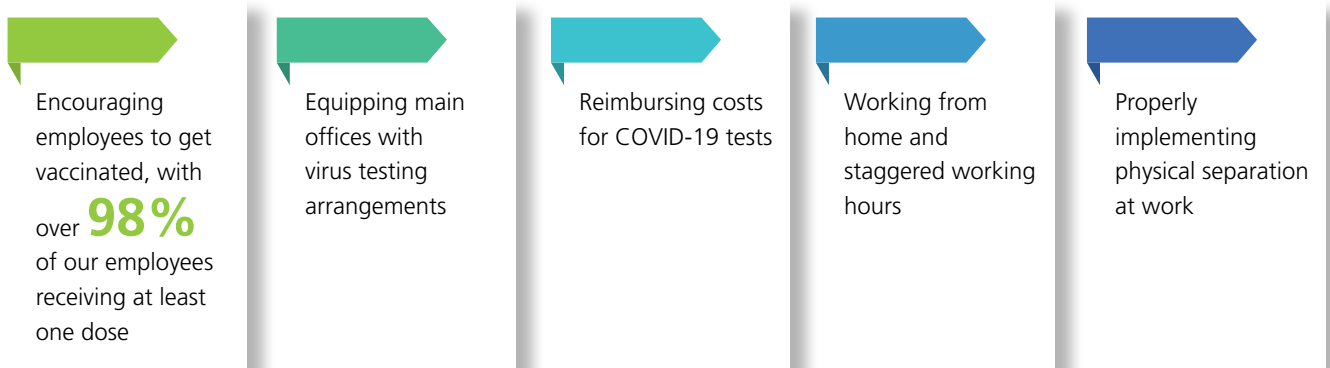
⁴⁰ 404-3

⁴¹ 402-1

Employee health and safety⁴²

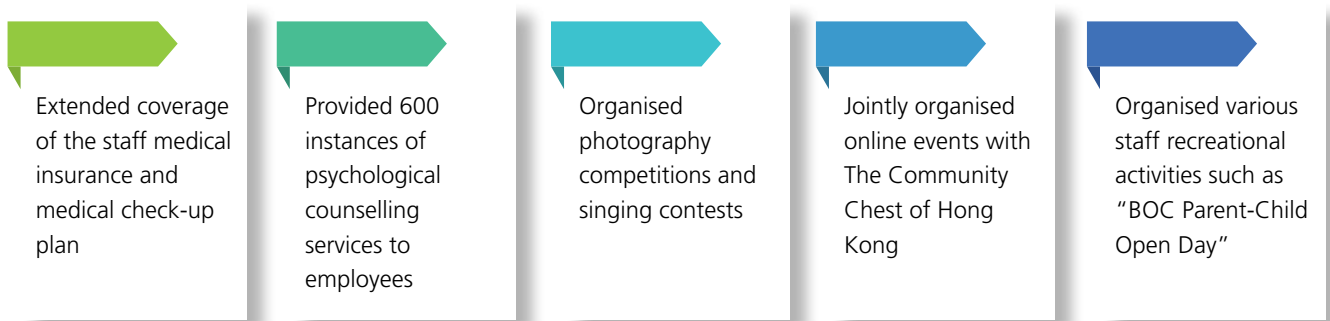
In light of the pandemic, we implemented a number of care measures to protect employees and organised various health-related talks to help employees safeguard their physical and mental health.

Anti-pandemic initiatives to protect employees' physical and mental health



Refining safety guidelines and promoting physical and mental health

- We have formulated the *Occupational Health and Safety Guidelines*, with a designated team responsible for coordinating and monitoring their implementation, developing a risk assessment process, and conducting regular safety inspections.
- Bank of China Tower and Bank of China Centre have ISO 45001-certified occupational health and safety management systems. During the year, we continued to organise relevant training courses on an ongoing basis, including basic fire prevention courses, anti-robbery and evacuation drills, occupational health and safety seminars and talks, and first-aid certificate courses.
- Our monthly staff journal features a *Three Prevention Tips* section. We also organised a series of "Three Prevention Security" training sessions for employees who are responsible for the "Three Preventions" in all branches and departments.
- We supported employees' physical and mental health and organised various recreational activities for our employees



Mandatory Provident Fund Schemes Authority
The "Good MPF Employer Award" for two consecutive years

⁴² 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, B2 General Disclosure, B2.3

Cultivating a strong corporate culture⁴³

During the year, we vigorously advocated the Group’s core values of providing excellent service, innovating with prudence, upholding openness and inclusiveness, and collaborating for mutual growth. Through lectures, training, workshops, contests, online courses and expert interviews, we enhanced the cultivation of our corporate culture with the aim of motivating employees to practise our corporate values and strengthen team cohesion.



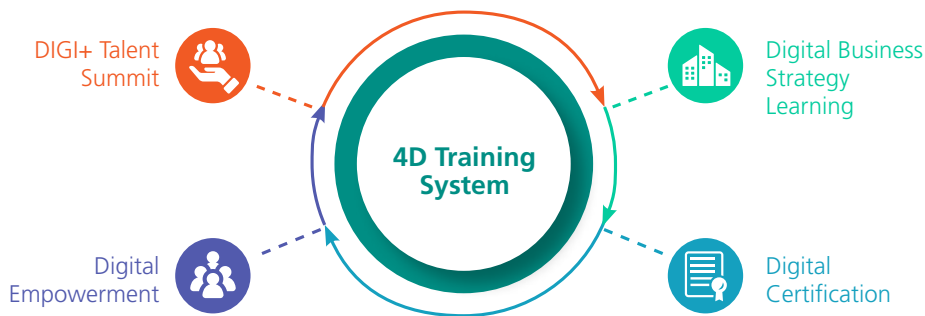
>8,300
Innovative digital transformation online courses

Incorporating ESG into core corporate culture

- We organised sustainable development training for the Board and senior management to share the latest industry trends and strategic initiatives.
- We launched six large-scale real-time online ESG sustainable development workshops to deepen our employees’ theoretical and practical understanding of green finance, carbon neutrality, green bonds, climate risks and inclusive finance.
- We arranged multiple ESG-themed workshops and online training sessions, launched “Exploring ESG Month”, and introduced the “ESG Sustainable Development Study Roadmap” to raise awareness of sustainable development concepts within the Group.

Encouraging a culture of innovation and accelerating digital transformation

- Our “BOCHK Ideation Contest” helped to encourage and promote an innovative culture.
- We established a 4D training system for digital talent.
- We launched online courses on digital transformation for all employees, and jointly organised open courses on digital transformation and risk compliance with BOC Academy, inviting well-known professors and consultant experts to share their specialist knowledge. More than 2,000 employees participated.
- We organised the “Smart Operations Workshop” to raise staff awareness of digital transformation and related practices.



For details about our compliance culture, please refer to the [“Integrity and Compliance Culture” section](#).

⁴³ 102-16

12.4 Community and Public Welfare⁴⁴

We care about the communities we serve. Through a diverse range of initiatives, we aim to promote community development and encourage voluntarism among our staff. By sharing the success of our corporate development with the community, we strive to build a harmonious society.



The BOCHK Charitable Foundation (the “Foundation”) was established in 1994. Over the years, BOCHK and the Foundation have actively supported and participated in various charitable activities, with total donations reaching over HKD1.4 billion.

In recent years, we have focused on local social needs and devised philanthropic policies and strategies with an emphasis on poverty alleviation and youth development. Taking the SDGs as a reference, we are determined to make practical efforts to pursue relevant goals and targets. In 2021, we cooperated with over 70 charitable organisations and community partners

to carry out around 76 charity projects, covering poverty alleviation, youth development, environmental protection and carbon reduction, sporting activities and the arts, etc., with beneficiaries participating in more than 3 million occasions.

Moreover, to celebrate and commemorate the Beijing 2022 Winter Olympic Games, BOCHK issued the Commemorative Banknote of the Beijing 2022 Winter Olympic Games, in the denomination of HK\$20, for public subscription. Net proceeds will be donated to support local charitable causes.

⁴⁴ 413-1, B8 General Disclosure, B8.1, B8.2

In addition to making donations, we also encourage our employees to serve their community and give back to society. The Group has established a comprehensive volunteer management system and structure, divided into five specialised volunteer teams for Caring, Community, Education, Youth, and Environmental Protection. With the general managers of

various departments acting as chief conveners, we advocated the “Everyone Can Volunteer” spirit and successfully engaged a range of volunteers from senior management to frontline employees. During the year, over 8,200 BOCHK volunteers organised and participated in diverse community service activities in over 10 countries and regions, recording over 17,000 hours of volunteer service.



Agency for Volunteer Service
“Hong Kong Volunteer Award —
Corporate Award”



CTgoodjobs「 Best HR Awards 2021」
Best Corporate Social Responsibility
Award — Grand Award



Anti-pandemic donations

When the pandemic's fifth wave hit Hong Kong from the end of 2021 to the beginning of 2022, we immediately coordinated with The Community Chest of HK, Tung Wah Group of Hospitals, Po Leung Kuk, the HK Community Anti-Coronavirus Link and several other local charitable and social service organisations to engage in charitable donation projects. Up to now, we donated a total of over HKD26 million to deliver anti-pandemic supplies to grassroots communities and provide protection for the anti-pandemic volunteers to give full support to Hong Kong's all-out battle against the pandemic.

Supporting sportsmanship

The Group recognises the significant role that sportsmanship plays in strengthening social cohesion and helping young people form positive character traits such as perseverance and diligence. Since 2002, we have sponsored many local inter-school sports competitions and have launched a number of sports training programmes for young people in tandem with organisations such as the Hong Kong Football Association and the Hong Kong Fencing Association, in order to help young people develop a healthy body and mind and build a positive outlook on life.

Case study: BOCHK Youth Development Programme

Alliance Primary School teacher and fencer Henry Leung Wai-hang took part in the BOCHK Youth Development Programme, reporting that learning fencing has taught his students to focus. As fencing requires continuous mental strategising against one's opponent, he encourages his students to recap after every contest and reflect on the strategy adopted, in order to make steady progress.



Case study: BOCHK Community Football Partnership Programme



This community football programme provides football training to young people aged 5 to 17 to increase their interest and passion towards football and cultivate positive character traits.

Medical services

To show our care for the physical and mental health of grassroots communities, we subsidise medical services provided by social welfare institutions and universities, helping the sick and injured while relieving pressures on the public healthcare system. We have also extended our support to a wide range of medical services, including illness prevention, rehabilitation and nursing, to help meet society's comprehensive health needs.

Case study: "Buurtzorg" neighbourhood care

Supported by BOCHK, the City University of Hong Kong has launched the "HomAge: Home-based Aging for Transformative Community Care" project. The project takes inspiration from the advanced "Buurtzorg" neighbourhood care model developed in the Netherlands and adopted by over 10 countries in Europe and Asia. It includes home care, telemedicine and community services, and aims to develop a solution for sustainable and affordable holistic home-based care.

Improving living environments

Living environments in Hong Kong have become the subject of much concern in recent years. Through our community partners, we have financially supported grassroots families to improve their home environments and install barrier-free facilities.

Case study: Sam, student majoring in Interior Design at Hong Kong Polytechnic University — Subdivided Unit Families Project

I can apply what I have learned into practice. I have designed and assembled furniture for the families to make their home environment more comfortable.

Case study: Ms. Cheung, BOCHK volunteer, Home Renovation Support Volunteer Training Programme

The training programme offered us opportunity to learn different renovation skills, such as how to use electric drills and how to paint the walls. I then applied those skills in my volunteer services and practiced the concept of “helping people to help themselves”.



Supporting grassroots communities

We have always been concerned with poverty alleviation in Hong Kong and remain committed to promoting balanced development and social equity. We help those in need via our community partners, as well as directly serving grassroots communities to help them alleviate their plight.

Case study: Food Angel @ BOCHK

Madam Cheung and her family of four live in a village house in the remote Sham Tseng area. Her husband, a construction worker, injured himself at work. Coupled with the pandemic, this meant the family faced financial difficulties. Food Angel reached out to Madam Cheung and consistently provided the family with nutritious food from the project's food truck. This has helped them to reduce their food expenses and overcome difficult times.

Case study: Supporting the pandemic battle in the New Territories



BOCHK worked with community partners to visit different communities in the New Territories and deliver care packages containing anti-pandemic materials, benefitting both the elderly and the underprivileged.

Elderly care

We care deeply for the welfare of the elderly, especially as aging has become a social problem in Hong Kong. Through diverse services including gerontechnology, aging at home and carer support, we helped improve the living quality of the elderly and their family members.

Case study: Training programme for elderly people with cognitive impairments

Grandma Wong originally thought that people naturally become forgetful as they age. Through this training programme, she realised that there is in fact a difference between forgetfulness and cognitive impairment, and learned how training could help slow down the progress of cognitive impairment. Grandma Hwang's family members are also very supportive of her training.



Case study: Innovative Technology Resource Centre

BOCHK sponsored the establishment of the "Innovative Technology Resource Centre" to help more seniors understand and try out innovative technology products. Talks and workshops were organised to showcase "smart home" solutions and to promote gerontechnology devices, so as to improve seniors' life quality and make carers' work easier.

Diversity and inclusion

We are committed to promoting social inclusion and advocating respect and appreciation of diverse cultures, so that every person can enjoy equality and respect in different areas of life.

Case study: ABDUS Samee (Hong Kong-born Pakistani), Project Event Assistant, Culture Inclusion Centre

"I grew up with the dream of working in the social welfare sector, as I feel it is meaningful to be able to serve the underprivileged. The project organises various activities to help non-Chinese speakers to overcome language barriers in their daily life, so that they can understand what their children have learned at school and make their daily communication easier. I am proud to be part of the project and to see the progress our participants have made in their language studies."



Case study: SEN Family Academy

BOCHK sponsored the Heep Hong Society to set up the SEN Family Academy, which supports families with children who have special educational needs by offering courses designed for children, young people and parents. The Academy continues to empower families and enhance the community's understanding of SEN and the inclusion of children with special educational needs.

Communication and respect

We support an open and inclusive society in which sincerity and courtesy is encouraged in interpersonal exchanges, and value the open-minded attitude of taking others' views into account and seeking common ground while putting aside differences.

Youth development

Strongly committed to child and youth development, we provide platforms for young people to realise their potential in the hope of cultivating future leaders imbued with national concepts, Hong Kong sentiments and international perspectives.

Case study: 40 mins @ Harmony Space

We funded Harmony House to establish the Family Harmony Space, which aims to prevent and reduce domestic violence via education and advocacy.



Case study: Ms. Ng, Student Winner, Tung Wah Group of Hospitals Scholarship

I had the honour of being enrolled in my dream university, the Central Academy of Fine Arts, which is also the dream university of many other art students. I hope to become an illustrator or a 3D designer after graduation, and contribute to the country's art industry.

Case study: The Elderly's Family Reconciliation Café

"It's up to the doer to undo the knot: the elderly's family reconciliation café" is a family-centred suicide prevention service that provides support to the family and carers of seniors with depression or suicidal tendencies, with the aim of lowering suicide risks.



Citizens' moral education

We place high value on moral education, which helps young people to establish correct national concepts, values and civic responsibility, and continue to promote young people's understanding of our profound Chinese culture and long-standing Chinese history. In addition, we seek to raise their awareness of the rule of law and enhance their capabilities in crime prevention, as well as their IT acumen.

Case study: BOCHK Excellence Scholarship in Chinese History

The scholarship students appreciate that studying Chinese history teaches them to learn from the past and helps them to make better decisions. They are also grateful that their schoolteachers have given lively history lessons which have inspired their interest in the subject, motivating them to study Chinese history in more depth in the future.



Arts and culture

We continually support a wide range of artistic and cultural collaborations. By subsidising concerts, exhibitions and art appreciation activities organised by various organisations, we strive to enrich citizens' leisure options and stimulate the growth of Hong Kong's cultural industries.

Case study: Compiling the "Hong Kong Chronicles"



We sponsored the compilation of the first "Hong Kong Chronicles", a comprehensive and consolidated profile of Hong Kong. It records changes to Hong Kong's social landscape over time, and serves to preserve our history, inspire our leaders and cultivate our young people.

Case study: Etiquette Campaign for Chinese Heritage and Culture

We sponsored the Hong Kong Institute for the Promotion of Chinese Culture to launch a project to promote Chinese etiquette and culture among young people. The project targets kindergartens, primary and secondary schools and promotes traditional Chinese culture through various methods including teacher training, storytelling, and musical and artistic competitions.



Case study: Music outreach programme

We have been working with the Tung Foundation since 2017 to provide opportunities for different sectors of society, including the disadvantaged, to enjoy music. We were also proud to be awarded the "Hong Kong Arts Development Award" by the Hong Kong Arts Development Council in recognition of our contributions in promoting arts and culture in Hong Kong during the year.



Charitable donations in the Southeast Asian region

During the year, the Group's Southeast Asian entities actively supported local charities in the spirit of fulfilling their social responsibilities.

- The Group's Southeast Asian entities assisted in rolling out the "Spring Sprout" vaccine programme in their respective countries and regions for Chinese nationals living and working abroad.



- BOC Thailand donated funds to the Thai Red Cross Society to assist the Thai government in purchasing anti-pandemic supplies.
- The Phnom Penh Branch donated anti-pandemic materials to the Civil Society Alliance Forum of Cambodia.
- BOCHK Hochiminh City Branch donated funds to Lac Hong University in Vietnam to help low-income college students affected by the pandemic to finish their studies.



- BOC Malaysia distributed "520 Care Pack" to low-income communities.
- The Manila Branch participated in the "Community Kitchen" charity donation programme organised by the local Chinese embassy.



- The Brunei Branch donated anti-pandemic materials to local Ministry of Health and organised a charity donation event.
- The Yangon Branch in Myanmar donated food packages to local elderly centres and schools.

Social engagement

We encourage our employees to devote their spare time and expertise to serve the community and participate in public welfare activities. During the year, over 120 employees from the senior management and supervisory level of the Group served on government committees and public organisations, as well as charitable and non-profit organisations. They participated in decision-making and provided opinions regarding the economy and serving people's livelihood, and made suggestions for the development of Hong Kong and the welfare of its people.



Hong Kong Arts Development Council – "The 15th Hong Kong Arts Development Awards" "Award for Arts Sponsorship"



13. Overview of Sustainability Performance

13.1 Sustainability Performance Indicators ⁴⁵

Environment ⁴⁶

GHG Emissions ⁴⁷

GHG emissions ⁴⁸	Unit	2021	2020	2019
GHG emissions				
Direct GHG emissions (Scope 1) ⁴⁹	tCO ₂ e	265	282	350
Indirect GHG emissions (Scope 2)	tCO ₂ e	45,580 ⁵⁰	63,394	65,083
Other indirect GHG emissions (Scope 3) ⁵¹	tCO ₂ e	64	61	68 ⁵²
Total Scope 1 and 2 emissions	tCO₂e	45,845	63,676	65,433
Total Scope 1, 2 and 3 emissions	tCO₂e	45,909	63,737	65,501

GHG emissions intensity ⁵³	Unit	2021	2020	2019
Scope 1, 2 and 3 emissions per employee	tCO ₂ e/employee	3.77	5.08	5.20
Scope 1, 2 and 3 emissions per area	tCO ₂ e/m ²	0.20	0.25	0.24

⁴⁵ 102-7, 102-8

⁴⁶ The scope of environmental performance includes the Group's business outlets, branches, office buildings for own operations and leased offices over the reporting period.

⁴⁷ The calculation standards and methodologies for GHG emissions referenced the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition) published by the Environmental Protection Department (EPD) and the Electrical and Mechanical Services Department (EMSD) of the Hong Kong Government. The sources of emissions factors for the reporting of GHG emissions include Sustainability Reports of the local utility companies, Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition) and the "How to Prepare an ESG Report: Appendix 2: Reporting guidance on Environmental KPIs" published by HKEX. The GHG calculations cover carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), while hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃) are not applicable.

⁴⁸ 305-1, 305-2, 305-3, A1.1, A1.2

⁴⁹ Including the diesel and petrol consumption by corporate fleet.

⁵⁰ The Scope 2 emissions decreased by about 28% compared with 2020. This is mainly due to energy efficient retrofitting of the office buildings over the year.

⁵¹ Including methane gas generation at landfill due to disposal of paper waste, GHG emissions due to electricity used for freshwater processing by the Water Services Department and sewage processing by the Drainage Services Department

⁵² The Scope 3 emissions in 2019 have been restated to integrate a more accurate dataset.

⁵³ 305-4

Energy

Total energy consumption ^{54, 55}	Unit	2021	2020	2019
Energy consumption				
Direct energy consumption	GJ	2,177	2,254	2,685
Diesel consumption for corporate fleet	GJ	529	677	612
Petrol consumption for corporate fleet	GJ	1,648	1,577	2,073
Indirect energy consumption	GJ	292,306	339,500	346,338
Electricity	GJ	290,405	337,374	343,810
Towngas	GJ	1,901	2,126	2,528
Total energy consumption	GJ	294,483	341,754	349,023

Energy intensity ⁵⁶	Unit	2021	2020	2019
Energy intensity per employee	GJ/employee	24.21	27.22	27.72

Paper ^{57, 58}

Total paper purchased	Unit	2021	2020	2019
Paper purchased	tonnes	436.57	496.54	576.55

Paper purchase intensity	Unit	2021	2020	2019
Paper purchased per employee	kg/employee	35.89	39.54	45.79

⁵⁴ The factors for converting the base units of different fuel types to gigajoule (“GJ”) are based on “How to Prepare an ESG Report: Appendix 2: Reporting guidance on Environmental KPIs” published by HKEX.

⁵⁵ 302-1, A2.1

⁵⁶ 302-3, A2.1

⁵⁷ 301-1, A2.5

⁵⁸ Based on the amount of office A4 paper purchased.

Waste and recycling

Non-hazardous waste recycled ⁵⁹	Unit	2021	2020	2019
Paper	tonnes	175.41	261.30	297.64
Plastic	tonnes	0.17	0.58	0.41
Aluminum	tonnes	0.09	1.35	0.38
Food waste	tonnes	73.98	50.06	65.06
Total non-hazardous waste	tonnes	249.64	313.29	363.49

Hazardous waste recycled ⁶⁰	Unit	2021	2020	2019
Rechargeable battery	No.	92	62	68
E-waste	No.	8,383	7,159	3,709
Fluorescent tubes	No.	5,445 ⁶¹	458	851
Total hazardous waste	No.	13,920	7,679	4,628

Waste disposed to landfill ⁶²	Unit	2021	2020	2019
General waste to landfill	tonnes	556.03 ⁶³	184.30	611.60

Waste disposal intensity	Unit	2021	2020	2019
General waste to landfill per employee	tonnes/employee	0.046	0.015	0.049

Water ⁶⁴

Total water consumption	Unit	2021	2020	2019
Water consumption	Megalitre	104.20	97.15	110.23 ⁶⁵

Water intensity	Unit	2021	2020	2019
Water consumption per employee	Megalitre/employee	0.0086	0.0077	0.0088 ⁶⁵

⁵⁹ 306-4, A1.4

⁶⁰ 306-4, A1.3

⁶¹ Including fluorescent light tubes and compact fluorescent lamps, collected by qualified contractors. The quantity of recovered fluorescent light tubes and compact fluorescent lamps increased mainly due to replacement of LED tubes at the common area of the office buildings during the year.

⁶² 306-3; A1.4

⁶³ Since September 2021, we extend the coverage by incorporating waste generated from IT and office at Shau Kei Wan.

⁶⁴ 303-3, A2.2

⁶⁵ The water consumption in 2019 have been restated to integrate a more accurate dataset.

Employee

Total number of employees by geographical region, employee type and gender⁶⁶

Employee type	Unit	2021			2020			2019		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
<u>Hong Kong</u>										
Permanent	No.	6,594	5,264	11,858	6,831	5,392	12,223	6,842	5,417	12,259
Non-permanent	No.	210	97	307	241	93	334	252	81	333
<u>The Chinese mainland</u>										
Permanent	No.	444	188	632	390	209	599	273	168	441
Non-permanent	No.	0	1	1	4	4	8	4	3	7
<u>Southeast Asia and others</u>										
Permanent	No.	1,100	632	1,732	1,095	629	1,724	1,006	586	1,592
Non-permanent	No.	13	10	23	15	12	27	18	18	36
Hong Kong Total	No.	6,804	5,361	12,165	7,072	5,485	12,557	7,094	5,498	12,592
The Chinese mainland Total	No.	444	189	633	394	213	607	277	171	448
Southeast Asia and others Total	No.	1,113	642	1,755	1,110	641	1,751	1,024	604	1,628
Total	No.	8,361	6,192	14,553	8,576	6,339	14,915	8,395	6,273	14,668

Total number of employees by contract type and gender

Employee type	Unit	2021			2020			2019		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Full-time	No.	8,326	6,188	14,514	8,531	6,334	14,865	8,337	6,264	14,601
Part-time	No.	35	4	39	45	5	50	58	9	67
Total	No.	8,361	6,192	14,553	8,576	6,339	14,915	8,395	6,273	14,668

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

Employee type	Unit	2021			2020			2019		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Employee type										
<u>Hong Kong</u>										
18-30	No.	1,638	1,336	2,974	1,825	1,437	3,262	1,952	1,530	3,482
31-40	No.	1,656	1,622	3,278	1,664	1,624	3,288	1,583	1,553	3,136
41-50	No.	1,952	1,400	3,352	2,089	1,422	3,511	2,181	1,460	3,641
51 or above	No.	1,558	1,003	2,561	1,494	1,002	2,496	1,378	955	2,333

⁶⁶ 102-8, B1.1

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

Employee type	Unit	2021			2020			2019		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
<u>Mainland China</u>										
18-30	No.	317	85	402	202	79	281	114	52	166
31-40	No.	82	53	135	113	76	189	88	65	153
41-50	No.	38	31	69	74	38	112	73	39	112
51 or above	No.	7	20	27	5	20	25	2	15	17
<u>Southeast Asia and others</u>										
18-30	No.	509	189	698	542	214	756	522	205	727
31-40	No.	399	259	658	380	254	634	341	248	589
41-50	No.	155	149	304	151	139	290	135	125	260
51 or above	No.	50	45	95	37	34	71	26	26	52
Hong Kong Total	No.	6,804	5,361	12,165	7,072	5,485	12,557	7,094	5,498	12,592
The Chinese mainland										
Total	No.	444	189	633	394	213	607	277	171	448
Southeast Asia and others										
Total	No.	1,113	642	1,755	1,110	641	1,751	1,024	604	1,628
Total	No.	8,361	6,192	14,553	8,576	6,339	14,915	8,395	6,273	14,668

Total number of employees by employee category and gender

Employee type	Unit	2021			2020			2019		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Senior management	No.	335	527	862	324	508	832	307	485	792
Middle level staff	No.	3,286	3,205	6,491	3,155	3,141	6,296	3,005	3,029	6,034
General employees	No.	4,740	2,460	7,200	5,097	2,690	7,787	5,083	2,759	7,842
Total	No.	8,361	6,192	14,553	8,576	6,339	14,915	8,395	6,273	14,668

Gender by employee category ⁶⁷

Employee category	Unit	2021		2020		2019	
		Female	Male	Female	Male	Female	Male
Board ⁶⁸	%	11	89	11	89	10	90
Senior management	%	2.30	3.62	2.17	3.41	2.09	3.31
Middle level staff	%	22.58	22.02	21.15	21.06	20.49	20.65
General employees	%	32.57	16.91	34.17	18.04	34.65	18.81
Total	%	57.45	42.55	57.49	42.51	57.23	42.77

⁶⁷ 405-1

⁶⁸ Board members not included in Total.

Age by employee category ⁶⁹

Employee category	Unit	2021	2020	2019
<u>Senior management</u>				
18-30	No.	0	0	0
31-40	No.	101	107	108
41-50	No.	423	395	401
51 or above	No.	338	330	283
<u>Middle level staff</u>				
18-30	No.	660	600	635
31-40	No.	2,582	2,508	2,354
41-50	No.	2,080	2,078	2,029
51 or above	No.	1,169	1,110	1,016
<u>General employees</u>				
18-30	No.	3,414	3,699	3,740
31-40	No.	1,388	1,496	1,416
41-50	No.	1,222	1,440	1,583
51 or above	No.	1,176	1,152	1,103
Total				
18-30	No.	4,074	4,299	4,375
31-40	No.	4,071	4,111	3,878
41-50	No.	3,725	3,913	4,013
51 or above	No.	2,683	2,592	2,402

Proportion of senior management hired from the local community by geographical region ⁷⁰

	Unit	2021	2020	2019
Hong Kong	%	86.45	87.25	86.31
The Chinese mainland	%	80.00	80.00	75.00
Southeast Asia and others	%	32.93	33.78	43.08
Overall	%	81.32	82.45	82.70

⁶⁹ 405-1, B1.1

⁷⁰ 202-2 (Number of senior management in the specific region hired from the local community / Total number of senior management in the specific region) x 100%

New hire by gender, age and geographical region ⁷¹

	Unit	2021		2020		2019	
		No.	%	No.	%	No.	%
Gender							
Female	No.:%	1,589	10.92	1,018	6.82	1,613	11.00
Male	No.:%	1,263	8.68	764	5.13	1,397	9.52
Age							
18-30	No.:%	1,756	12.06	1,149	7.70	1,877	12.79
31-40	No.:%	658	4.53	408	2.74	760	5.19
41-50	No.:%	240	1.65	160	1.08	271	1.85
51 or above	No.:%	198	1.36	65	0.43	102	0.69
Region							
Hong Kong	No.:%	2,321	15.96	1,283	8.60	2,466	16.81
The Chinese mainland	No.:%	254	1.74	212	1.43	99	0.67
Southeast Asia and others	No.:%	277	1.90	287	1.92	445	3.04
Total	No.:%	2,852	19.6	1,782	11.95	3,010	20.52

Employee voluntary turnover rate by gender, age and geographical region ⁷²

	Unit	2021		2020		2019	
		No.	%	No.	%	No.	%
Gender							
Female	No.:%	1,352	9.13	618	4.15	1,068	7.36
Male	No.:%	1,090	7.36	515	3.46	865	5.96
Age							
18-30	No.:%	1,335	9.02	649	4.36	1,148	7.92
31-40	No.:%	719	4.85	288	1.93	495	3.40
41-50	No.:%	308	2.08	148	1.00	223	1.54
51 or above	No.:%	80	0.54	48	0.32	67	0.46
Region							
Hong Kong	No.:%	2,162	14.6	984	6.61	1,696	11.69
The Chinese mainland	No.:%	61	0.41	44	0.30	28	0.19
Southeast Asia and others	No.:%	219	1.48	105	0.70	209	1.44
Total	No.:%	2,442	16.49	1,133	7.61	1,933	13.32

⁷¹ 401-1

⁷² 401-1, B1.2

Parental Leave ⁷³

	Unit	2021			2020			2019		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Employees that were entitled to parental leave	No.	7,926	5,881	13,807	8,302	6,180	14,482	8,063	6,066	14,129
Employees that took parental leave	No.	211	150	361	272	180	452	272	193	465
Employee that returned from parental leave	No.	200	147	347	264	178	442	263	192	455
Rate of return from parental leave	%	95	98	96	97	99	98	97	99	98
Employees still employed 12 months after return to work	No.	188	134	322	248	172	420	246	188	434
Employees still employed 12 months after return to work	%	94	91	93	94	97	95	94	98	95

Occupational health and safety performance ⁷⁴

	Unit	2021	2020	2019
Number of high consequence work-related injuries	No.	0	0	0
Rate of high consequence work-related injuries ⁵⁴	%	0	0	0
Lost day due to work injury	Number of days	390.1	969.3	686.0
Rate of lost day due to work injury ⁷⁵	%	2.6	5.8	4.5
Number of fatalities as a result of work-related injury	No.	0	0	0
Fatalities rate as a result of work-related injury ⁷⁵	%	0	0	0
Number of recordable work-related injuries ⁷⁶	No.	0	1	0
Rate of recordable work-related injury ⁷⁵	%	0	0.006	0

⁷³ 401-3

⁷⁴ 403-9, B2.1, B2.2

⁷⁵ Calculated based on every 200,000 hours worked

⁷⁶ Recordable work-related injury relates to injury, disease (or even death) contracted during the course of employment and diagnosed by licensed health care professional, resulting in the employee being unable to perform normal work duties for 6 months or above.

Training and development ⁷⁷

	Unit	2021			2020			2019		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Average training hours by employee category and gender										
Senior management	Hour	44.13	49.74	47.56	25.65	24.16	24.74	29.95	26.89	28.08
Middle level staff	Hour	41.07	46.00	43.51	23.69	24.63	24.16	30.52	31.65	31.09
General employees	Hour	47.52	59.33	51.55	27.85	33.03	29.64	35.47	49.26	40.32
Total average training per employee	Hour	44.85	51.62	47.73	26.24	28.16	27.05	33.50	39.03	35.86
Percentage of employees who received training										
Senior management	%	97.31	96.77	96.98	91.79	92.37	92.14	96.09	94.85	95.33
Middle level staff	%	96.38	96.38	96.38	95.78	95.22	95.50	98.74	99.17	98.96
General employees	%	96.05	93.33	95.13	91.17	90.64	90.99	99.08	97.39	98.48
Total percentage of employees who received training	%	96.23	95.20	95.79	92.89	93.04	92.95	98.84	98.06	98.51

⁷⁷ 404-1, B3.1, B3.2

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

	Unit	2021		2020		2019	
		No.	%	No.	%	No.	%
Anti-corruption ⁷⁸							
Employee category							
Board ⁷⁹	No.; %	9	100	9	100	8	37.50
Senior management	No.; %	827	95.94	809	97.24	752	94.95
Middle level staff	No.; %	6,202	95.55	6,058	96.22	5,438	90.12
General employees	No.; %	6,699	93.04	6,364	81.73	5,381	68.62
Region							
Hong Kong	No.; %	11,656	95.82	12,043	95.91	10,951	86.97
The Chinese mainland	No.; %	633	100	594	97.86	388	86.61
Southeast Asia and others	No.; %	1,439	81.99	594	33.92	232	14.25
Total	No.; %	13,728	94.33	13,231	88.71	11,571	78.89
Contract type							
Full-time	%		85.92		88.21		12.34
Part-time	%		100		100		20.90
Occupational health and safety							
	No.; %	12,509	85.95	13,162	88.25	1,816	12.38
IT security / Customer privacy							
Contract type							
Full-time	%		94.95		81.87		64.71
Part-time	%		100		100		100
Misconduct cases ⁸⁰							
Confirmed incidents categories	Unit		2021		2020		2019
Discrimination	No. of case		0		0		0
Corruption	No. of case		0		0		0

⁷⁸ 205-2

⁷⁹ Board members not included in Total.

⁸⁰ 205-3, 406-1, B7.1

Suppliers

Number of suppliers by geographical region ⁸¹

Region	Unit	2021	2020	2019
Hong Kong	No.	629	607	622
The Chinese mainland	No.	81	93	104
Southeast Asia and others	No.	38	35	36
Total number of suppliers	No.	748	735	762

Customer

Customer privacy ⁸²

	Unit	2021	2020	2019
Substantiated complaints received concerning breaches of customer privacy				
Complaints received from outside parties and substantiated by the organization	No.	0	0	0
Complaints from regulatory bodies	No.	0	0	0
Identified leaks, thefts, or losses of customer data	No.	0	0	0
Customers and employees affected by company's data breach	No.	0	0	0
Information security breaches or other cybersecurity incidents	No.	0	0	0
Fines/penalties paid in relation to information security breaches or other cybersecurity incident	HKD	0	0	0
External audits conducted on the IT infrastructure and information security management systems	No.	2	1	1

Banking Service Channels

	Unit	2021	2020	2019
Branches				
Hong Kong	No.	187	192	194
Southeast Asia and others	No.	34 ⁸³	35 ⁸⁴	35 ⁸⁴
Total	No.	221	227	229
Number of automated banking sites	No.	285	287	287
Automated banking sites with 24/7 banking capacity	%	100	100	100
ATMs	No.	630	642	668

⁸¹ 102-9, B5.1

⁸² 418-1

⁸³ Including Malaysia, Indonesia, Thailand, Cambodia, Vietnam, the Philippines, Laos, Brunei (Including Yangon branch that has no retail banking services).

⁸⁴ Including Malaysia, Indonesia, Thailand, Cambodia, Vietnam, the Philippines, Laos, Brunei

13.2 Performance in Major Sustainability Indexes, Ratings and Awards

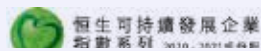
ESG indexes and ratings:



MSCI ESG Research LLC:
Highest “AAA” rating, making BOCHK the **highest** rated bank in Hong Kong.



Sustainalytics ESG Risk Rating: Rated 23.4 points, similar level to major peers in Hong Kong.



Overall ESG Rating: “AA”

- Constituent Stock of the following HSI Indexes:**
- Hang Seng Corporate Sustainability Index Series
 - HSI ESG Index
 - HSI ESG50 Index
 - HSI Low Carbon Index
 - HSI ESG Enhanced Index
 - HSI ESG Enhanced Select Index



Ranked **Second** in the **6th Hong Kong Business Sustainability Index (HKBSI): Highest** in the local banking sector.



Ranked **Second** in **HKBSI 2nd Greater Bay Area Business Sustainability Index (GBABSI): Highest** in the local banking sector.



Ranked **Second** in **HKBSI 1st Greater China Business Sustainability Index (GCBSI): Highest** in the local banking sector.



ESG Awards:



The Chamber of Hong Kong Listed Companies (“CHKLC”), Hong Kong Corporate Governance and ESG Excellence Awards 2021: **“ESG Excellence Award”**



Environmental Campaign Committee, Hong Kong Awards for Environmental Excellence (Servicing and Trading): **“Gold Award”**



Agency for Volunteer Service, 9th Hong Kong Volunteer Award: **“Corporate Award”**



Bloomberg Businessweek/ Chinese Edition ESG Leading Enterprise Awards 2021:

- **“ESG Leading Enterprise Award”**
- **“Leading Environmental Initiative Award”**
- **“Theme Award - Crisis Management”**



The Hong Kong Economic Journal, Financial Services Awards of Excellence 2021: **“Excellent Sustainability CSR Award”**



Ming Pao, Awards for Excellence in Finance 2021: **“Financial Service — Brand Value Award for Excellence in ESG”**



The Hong Kong Economic Times, Excellent ESG Recognition Scheme: **“Excellent ESG Enterprise”**



Hong Kong ESG Reporting Awards

Hong Kong ESG Reporting Awards 2021:

- **“Excellence in ESG Governance — Commendation”**
- **“Excellence in Social Positive Impact — Commendation”**
- **“Best ESG Report (Large-cap) — Commendation”**



CTgoodjobs: **“2021 Best Corporate Social Responsibility Award”**



The Hong Kong Council of Social Service: **“Caring Company”**

13.3 Content Index⁶⁴

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s) and/or explanations	Relevant SDG Targets
Foundation					
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016					
ORGANISATIONAL PROFILE					
	102-1		Name of the organisation	About BOC Hong Kong (Holdings) Limited (p.3)	
	102-2		Activities, brands, products, and services	About BOC Hong Kong (Holdings) Limited (p.3); 2021 Annual Report ; BOCHK Website	
	102-3		Location of headquarters	Bank of China Tower, 1 Garden Road, Hong Kong	
	102-4		Location of operations	About BOC Hong Kong (Holdings) Limited (p.3)	
	102-5		Ownership and legal form	About BOC Hong Kong (Holdings) Limited (p.3)	
	102-6		Markets served	About BOC Hong Kong (Holdings) Limited (p.3); BOCHK Website	
	102-7		Scale of the organisation	About BOC Hong Kong (Holdings) Limited (p.3); Overview of Sustainability Performance (p.99)	
	102-8	B1.1	Information on employees and other workers	Overview of Sustainability Performance (p.99)	8 Decent Work and Economic Growth; 10 Reduced Inequalities
	102-9	B5 General Disclosure; B5.1; B5.2; B5.4	Supply chain	Promoting Sustainable Procurement (p.64); Overview of Sustainability Performance (p.109)	
	102-10		Significant changes to the organisation and its supply chain	No significant change	
	102-11		Precautionary Principle or approach	2021 Annual Report Corporate Governance section	
	102-12		External initiatives	The Group is a TCFD signatory, and a member of SWIFT's global payment innovation project. It has also been a signatory of the Treat Customers Fairly Charter, the Talent-Wise Employment Charter, the Racial Diversity & Inclusion Charter, the Charter on External Lighting - Platinum Award, Fluorescent Lamp Recycling Programme, Green Event Pledge, and more.	
	102-13		Membership of associations	The Company participated in associations and organisations, including HKAB, ICMA, HKGFA, and more	
STRATEGY					
	102-14	MDR - 13	Statement from senior decision-maker	Message from the Chairman (p.5); Message from the Chief Executive (p.8)	
	102-15	MDR - 13	Key impacts, risks, and opportunities	Message from the Chairman (p.5); Message from the Chief Executive (p.8); 2021 Annual Report	

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s) and/or explanations	Relevant SDG Targets	
GRI 102: General Disclosures 2016						
ETHICS AND INTEGRITY						
	102-16		Values, principles, standards, and norms of behaviour	About BOC Hong Kong (Holdings) Limited (p.4); Integrity and Compliance Culture (p.41); A People-oriented Approach (p.90)	16 Peace, Justice and Strong Institutions	
	102-17	B7.2	FN-CB-510a.2	Mechanisms for advice and concerns about ethics	Integrity and Compliance Culture (p.41)	16 Peace, Justice and Strong Institutions
GOVERNANCE						
	102-18		Governance structure	Corporate Governance (p.34); Sustainability Governance (p.21); 2021 Annual Report Corporate Governance section		
	102-19		Delegating authority	Sustainability Governance (p.21)		
	102-20		Executive-level responsibility for economic, environmental, and social topics	Sustainability Governance (p.21)		
	102-22		Composition of the highest governance body and its committees	2021 Annual Report Corporate Governance section	5 Gender Equality; 16 Peace, Justice and Strong Institutions	
	102-23		Chair of the highest governance body	2021 Annual Report Corporate Governance section	16 Peace, Justice and Strong Institutions	
	102-24		Nominating and selecting the highest governance body	2021 Annual Report Corporate Governance section	5 Gender Equality; 16 Peace, Justice and Strong Institutions	
	102-25		Conflicts of interest	2021 Annual Report Corporate Governance section	16 Peace, Justice and Strong Institutions	
	102-26		Role of highest governance body in setting purpose, values, and strategy	Sustainability Governance (p.21)		
	102-27		Collective knowledge of highest governance body	Sustainability Governance (p.23)		
	102-29	MDR - 13	Identifying and managing economic, environmental, and social impacts	Sustainability Governance (p.21)	16 Peace, Justice and Strong Institutions	
	102-30	MDR - 13	Effectiveness of risk management processes	Sustainability Governance (p.21)		
	102-31	MDR - 13	Review of economic, environmental, and social topics	Sustainability Governance (p.21)		
	102-32		Highest governance body's role in sustainability reporting	About this Report (p.2); Sustainability Governance (p.21); Material Issues (p.32)		
	102-35		Remuneration policies	2021 Annual Report Corporate Governance section		
	102-36		Process for determining remuneration	2021 Annual Report Corporate Governance section		
STAKEHODLER ENGAGEMENT						
	102-40	MDR - 14	List of stakeholder groups	Communication with Stakeholders (p.26)		
	102-41		Collective bargaining agreements	There is no collective bargaining agreement in place in our Group. However, according to the Staff Code of Conduct, all employees of the Group have the right to join any legal organisation.		

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s) and/or explanations	Relevant SDG Targets
GRI 102: General Disclosures 2016					
STAKEHODLER ENGAGEMENT					
	102-42	MDR - 14	Identifying and selecting stakeholders	Communication with Stakeholders (p.26)	
	102-43	MDR - 14	Approach to stakeholder engagement	Communication with Stakeholders (p.26); Material Issues (p.30)	
	102-44	MDR - 14	Key topics and concerns raised	Communication with Stakeholders (p.29)	
REPORTING PRACTICE					
	102-45	MDR - 15	Entities included in the consolidated financial statements	2021 Annual Report	
	102-46		Defining report content and topic boundaries	Material Issues (p.30)	
	102-47	MDR - 14	List of material topics	Material Issues (p.32)	
	102-48		Restatements of information	About this Report (p.2)	
	102-49		Changes in reporting	No material change	
	102-50		Reporting period	About this Report (p.2)	
	102-51		Date of most recent report	The last report was issued in June 2021	
	102-52		Reporting cycle	Report annually	
	102-53		Contact point for questions regarding the report	About this Report (p.2)	
	102-54		Claims of reporting in accordance with the GRI Standards	About this Report (p.2)	
	102-55		GRI content index	Content Index (p.112)	
	102-56		External assurance	Verification Statement (p.123)	
TOPIC-SPECIFIC STANDARDS: ECONOMIC					
ECONOMIC PERFORMANCE					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2		The management approach and its components	Business Performance (p.12-17); Sustainability Policy on our website	
	103-3		Evaluation of the management approach	Business Performance (p.12-17); Sustainability Policy on our website	
GRI 201: Business Performance 2016	201-1		Direct economic value generated and distributed	Business Performance (p.12); 2021 Annual Report	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure
	201-2	A4 General Disclosure; A4.1	Financial implications and other risks and opportunities by climate change	TCFD Progress (p.47)	13 Climate Action

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s) and/or explanations	Relevant SDG Targets
TOPIC-SPECIFIC STANDARDS: ECONOMIC					
MARKET PRESENCE					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2		The management approach and its components	Business Performance (p.12-17); Sustainability Policy on our website	
	103-3		Evaluation of the management approach	Business Performance (p.12-17); Sustainability Policy on our website	
GRI 202: Market Presence 2016	202-2		Proportion of senior management hired from the local community	Overview of Sustainability Performance (p.104)	8 Decent Work and Economic Growth
INDIRECT ECONOMIC IMPACTS					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2		The management approach and its components	Business Performance (p.12-17); Sustainability Policy on our website	
	103-3		Evaluation of the management approach	Business Performance (p.12-17); Sustainability Policy on our website	
GRI 203: Indirect Economic Impacts 2016	203-1	B8.1	Infrastructure investments and services supported	Business Performance (p.12)	9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities
	203-2		Significant indirect economic impacts	Business Performance (p.12)	1 No Poverty; 3 Good Health and Well-Being; 8 Decent Work and Economic Growth
ANTI-CORRUPTION					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2	B7 General Disclosure; B7.2	The management approach and its components	Integrity and Compliance Culture (p.41-44)	
	103-3	B7.3	Evaluation of the management approach	Integrity and Compliance Culture (p.41-44)	
GRI 205: Anti-corruption 2016	205-2	B7.3	Communication and training about anti-corruption policies and procedures	Integrity and Compliance Culture (p.42); Overview of Sustainability Performance (p.108)	16 Peace, Justice and Strong Institutions
	205-3	B7 General Disclosure; B7.1	Confirmed incidents of corruption and actions taken	Overview of Sustainability Performance (p.108)	16 Peace, Justice and Strong Institutions

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s) and/or explanations	Relevant SDG Targets	
TOPIC-SPECIFIC STANDARDS: ENVIRONMENTAL						
MATERIALS						
GRI 103: Management Approach 2016	103-1	A3.1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2	A2 General Disclosure; A3 General Disclosure; A3.1		The management approach and its components	Implementing Green Operations (p.61-63); Sustainability Policy on our website	
	103-3			Evaluation of the management approach	Implementing Green Operations (p.61-63); Sustainability Policy on our website	
GRI 301: Materials 2016	301-1	A2.5		Materials used by weight or volume	Overview of Sustainability Performance (p.100) The Group is a financial services institution and does not require large-scale consumption in packaging.	12 Responsible Consumption and Production
ENERGY						
GRI 103: Management Approach 2016	103-1	A3.1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2	A2 General Disclosure; A3 General Disclosure; A2.3; A3.1		The management approach and its components	Implementing Green Operations (p.59-62); Sustainability Policy on our website	
	103-3			Evaluation of the management approach	Implementing Green Operations (p.59-62); Sustainability Policy on our website	
GRI 302: Energy 2016	302-1	A2.1		Energy consumption within the organization	Overview of Sustainability Performance (p.100)	7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action
	302-3	A2.1		Energy intensity	Overview of Sustainability Performance (p.100)	7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action
WATER AND EFFLUENTS						
GRI 103: Management Approach 2016	103-1			Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2	A2 General Disclosure; A3 General Disclosure; A2.2; A2.4; A3.1		The management approach and its components	Implementing Green Operations (p.59; 61-62); Sustainability Policy on our website The Group's operations mainly use municipal water and has no issue in the sourcing of water.	
	103-3	A2.4; A3.1		Evaluation of the management approach	Implementing Green Operations (p.59; 61-62); Sustainability Policy on our website	
GRI 303: Water and Effluents 2018	303-3	A2.2		Water withdrawal	Overview of Sustainability Performance (p.101)	6 Clean Water and Sanitation

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s) and/or explanations	Relevant SDG Targets
TOPIC-SPECIFIC STANDARDS: ENVIRONMENTAL					
EMISSIONS					
GRI 103: Management Approach 2016	103-1	A3.1	Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2	A1 General Disclosure; A3 General Disclosure; A1.5; A3.1	The management approach and its components	Implementing Green Operations (p.59-62); Sustainability Policy on our website The Group is a financial services organisation and does not generate significant amount of airborne emissions. There was no violation resulting in significant fines or warnings during the year.	
	103-3		Evaluation of the management approach	Implementing Green Operations (p.59-62); Sustainability Policy on our website	
GRI 305: Emissions 2016	305-1	A1.1 A1.2	Direct (Scope 1) GHG emissions	Overview of Sustainability Performance (p.99)	12 Responsible Consumption and Production; 13 Climate Action; 15 Life On Land
	305-2	A1.1 A1.2	Energy indirect (Scope 2) GHG emissions	Overview of Sustainability Performance (p.99)	12 Responsible Consumption and Production; 13 Climate Action; 15 Life On Land
	305-3	A1.1	Other indirect (Scope 3) GHG emissions	Overview of Sustainability Performance (p.99)	12 Responsible Consumption and Production; 13 Climate Action; 15 Life On Land
	305-4	A1.2	GHG emissions intensity	Overview of Sustainability Performance (p.99)	12 Responsible Consumption and Production; 13 Climate Action; 15 Life On Land
WASTES					
		A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	Overview of Sustainability Performance (p.101)	
		A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	Overview of Sustainability Performance (p.101)	
		A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Implementing Green Operations (p.59; 61-63)	

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s) and/or explanations	Relevant SDG Targets
TOPIC-SPECIFIC STANDARDS: SOCIAL					
EMPLOYMENT					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2	B1 General Disclosure	The management approach and its components	A People-oriented Approach (p.82-88); Sustainability Policy on our website	
	103-3		Evaluation of the management approach	A People-oriented Approach (p.82-88); Sustainability Policy on our website	
GRI 401: Employment 2016	401-1	B1.2	New employee hires and employee turnover	Overview of Sustainability Performance (p.105)	5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
	401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	A People-oriented Approach (p.87)	3 Good Health and Well-Being; 5 Gender Equality; 8 Decent Work and Economic Growth
	401-3		Parental leave	Overview of Sustainability Performance (p.106)	5 Gender Equality; 8 Decent Work and Economic Growth
LABOUR/MANAGEMENT RELATIONS					
		B4 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	A People-oriented Approach (p.87) The Group complies with the relevant laws and regulations in the locations where it operates, and prohibits the employment of any child labour or forced labour. Effective recruitment procedures are established to ensure legal compliance, and there was no violation during the year.	
		B4.1	Description of measures to review employment practices to avoid child and forced labour		
		B4.2	Description of steps taken to eliminate such practices when discovered		

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s) and/or explanations	Relevant SDG Targets
TOPIC-SPECIFIC STANDARDS: SOCIAL					
OCCUPATIONAL HEALTH AND SAFETY					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2	B2 General Disclosure; B2.3	The management approach and its components	A People-oriented Approach (p.89); Sustainability Policy on our website	
	103-3	B2.3	Evaluation of the management approach	A People-oriented Approach (p.89); Sustainability Policy on our website	
GRI 403: Occupational Health and Safety 2018	403-1	B2 General Disclosure; B2.3	Occupational health and safety management system	A People-oriented Approach (p.89)	8 Decent Work and Economic Growth
	403-2		Hazard identification, risk assessment, and incident investigation	A People-oriented Approach (p.89)	8 Decent Work and Economic Growth
	403-3	B2.3	Occupational health services	A People-oriented Approach (p.89)	8 Decent Work and Economic Growth
	403-4		Worker participation, consultation, and communication on occupational health and safety	A People-oriented Approach (p.89)	8 Decent Work and Economic Growth
	403-5	B2.3	Worker training on occupational health and safety	A People-oriented Approach (p.89);	8 Decent Work and Economic Growth
	403-6		Promotion of worker health	A People-oriented Approach (p.87-89)	3 Good Health and Well-Being
	403-7		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	TCFD Progress-Strategy (p.47-49); Risk Management (p.50)	8 Decent Work and Economic Growth
	403-9	B2.1	Work-related injuries	Overview of Sustainability Performance (p.106)	3 Good Health and Well-Being; 8 Decent Work and Economic Growth
	TRAINING AND EDUCATION				
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2		The management approach and its components	A People-oriented Approach (p.82-85); Sustainability Policy on our website	
	103-3		Evaluation of the management approach	A People-oriented Approach (p.82-85); Sustainability Policy on our website	
GRI 404: Training and Education 2016	404-1	B3.2	Average hours of training per year per employee	Overview of Sustainability Performance (p.107)	4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
	404-2	B3 General Disclosure	Programs for upgrading employee skills and transition assistance programs	A People-oriented Approach (p.82-83)	8 Decent Work and Economic Growth
	404-3		Percentage of employees receiving regular performance and career development reviews	A People-oriented Approach (p.88)	5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
		B3.1	Percentage of employees trained by gender and employee category	Overview of Sustainability Performance (p.107)	

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s) and/or explanations	Relevant SDG Targets
TOPIC-SPECIFIC STANDARDS: SOCIAL					
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2	B1 General Disclosure	The management approach and its components	A People-oriented Approach (p.87); Sustainability Policy on our website	
	103-3		Evaluation of the management approach	A People-oriented Approach (p.87); Sustainability Policy on our website	
GRI 405: Diversity and Equal Opportunity 2016	405-1	B1.1	Diversity of governance bodies and employees	Overview of Sustainability Performance (p.104)	5 Gender Equality; 8 Decent Work and Economic Growth
NON-DISCRIMINATION					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2	B1 General Disclosure	The management approach and its components	A People-oriented Approach (p.87); Sustainability Policy on our website	
	103-3		Evaluation of the management approach	A People-oriented Approach (p.87); Sustainability Policy on our website	
GRI 406: Non-discrimination 2016	406-1		Incidents of discrimination and corrective actions taken	Overview of Sustainability Performance (p.108)	5 Gender Equality; 8 Decent Work and Economic Growth
LOCAL COMMUNITIES					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2	B8 General Disclosure B8.1 B8.2	The management approach and its components	Community and Public Welfare (p.91-98); Sustainability Policy on our website	
	103-3		Evaluation of the management approach	Community and Public Welfare (p.91-98); Sustainability Policy on our website	
GRI 413: Local Communities 2016	413-1		Operations with local community engagement, impact assessments, and development programs	Community and Public Welfare (p.91-98)	
SUPPLIER SOCIAL ASSESSMENT					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2	B5 General Disclosure B5.2 B5.3	The management approach and its components	Promoting Sustainable Procurement (p.64-65); Sustainability Policy on our website	
	103-3		Evaluation of the management approach	Promoting Sustainable Procurement (p.64-65); Sustainability Policy on our website	
GRI 414: Supplier Social Assessment 2016	414-1	B5.2 B5.3	New suppliers that were screened using social criteria	Promoting Sustainable Procurement (p.64-65)	5 Gender Equality; 8 Decent Work and Economic Growth
		B5.1	Number of suppliers by geographical region	Overview of Sustainability Performance (p.109)	

GRI Standards		HKEX ESG Guide	SASB	Description	Page number(s) and/or explanations	Relevant SDG Targets
TOPIC-SPECIFIC STANDARDS: SOCIAL						
CUSTOMER HEALTH AND SAFETY						
		B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to the financial services offered by the Group.	
		B6.4		Description of quality assurance process and recall procedures	Not applicable to the financial services offered by the Group.	
MARKETING AND LABELING						
GRI 103: Management Approach 2016	103-1			Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2			The management approach and its components	Improving Customer Experience (p.74-81); Sustainability Policy on our website	
	103-3			Evaluation of the management approach	Improving Customer Experience (p.74-81); Sustainability Policy on our website	
GRI 417: Marketing and Labeling 2016	417-3	B6 General Disclosure		Incidents of non-compliance concerning marketing communications	There was no related violation resulting in fines or warnings during the year.	
CUSTOMER PRIVACY						
GRI 103: Management Approach 2016	103-1			Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2	B6 General Disclosure B6.2 B6.5	FN-CB-230a.2	The management approach and its components	Risk Management (p.39-40); Sustainability Policy on our website	
	103-3			Evaluation of the management approach	Risk Management (p.39-40); Sustainability Policy on our website	
GRI 418: Customer Privacy 2016	418-1	B6 General Disclosure B6.2		Substantiated complaints concerning breaches of customer privacy and losses of customer data	Overview of Sustainability Performance (p.109)	

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s) and/or explanations	Relevant SDG Targets
TOPIC-SPECIFIC STANDARDS: SOCIAL					
SOCIOECONOMIC COMPLIANCE					
GRI 103: Management Approach 2016	103-1		Explanation of the material topic and its Boundary	Material Issues (p.30-32)	
	103-2		The management approach and its components	Integrity and Compliance Culture (p.41-44); Sustainability Policy on our website	
	103-3		Evaluation of the management approach	Integrity and Compliance Culture (p.41-44); Sustainability Policy on our website	
GRI 419: Socioeconomic Compliance 2016	419-1	B1 General Disclosure; B2 General Disclosure; B4 General Disclosure; B6 General Disclosure; B7 General Disclosure	Non-compliance with laws and regulations in the social and economic area	There was no related violation resulting in fines or warnings during the year.	16 Peace, Justice and Strong Institutions
		B6.3	Description of practices relating to observing and protecting intellectual property rights.	The Group in its daily operation strictly follows all relevant laws, regulations and rules regarding the protection of intellectual property rights. The Legal and Regulatory Division is responsible for rendering legal advice in this respect while the marketing teams of relevant business departments are responsible for the monitoring work.	
GRI G4 FINANCIAL SECTOR SUPPLEMENT					
Product Portfolio	G4-FS1		FN-CB-410a.2 Policies with specific environmental and social components applied to business lines	Development of Sustainable Finance (p.54-58); Sustainability Policy on our website	
	G4-FS2		FN-CB-410a.2 Procedures for assessing and screening environmental and social risks in business lines	TCFD Progress-Strategy (p.47-49); Risk Management (p.50)	
	G4-FS3		FN-CB-410a.2 Processes for monitoring clients' implementation of, and compliance with, environmental and social requirements	TCFD Progress-Strategy (p.47-49); Risk Management (p.50)	
	G4-FS4		FN-CB-410a.2 Processes for improving staff competence to implement the environmental and social policies and procedures as applied to business lines	Sustainability Governance (p.23)	
	G4-FS5		FN-CB-410a.2 Interactions with clients/investors/business partners regarding environmental and social risks and opportunities	Development of Sustainable Finance (p.54-58)	
Local Communities	G4-FS13		Access points in low-populated or economically disadvantaged areas by type	Practicing Financial Inclusion (p.69-73)	1 No Poverty; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
	G4-FS14		Initiatives to improve access to financial services for disadvantaged people	Practicing Financial Inclusion (p.69-73)	1 No Poverty; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
Product and Service Labelling	G4-FS16		Initiatives to enhance financial literacy by type of beneficiary	Improving Customer Experience (p.77)	1 No Poverty; 8 Decent Work and Economic Growth; 10 Reduced Inequalities

13.4 Verification Statement⁶⁵



香港品質保證局

Scope and Objective

Hong Kong Quality Assurance Agency (“HKQAA”) has been commissioned by BOC Hong Kong (Holdings) Limited (“the Company”) to conduct an independent verification for its Sustainability Report 2021 (“the Report”). The Report gives an overview of the sustainability performance of the Company and its subsidiaries (“the Group”), including its principal operating subsidiary Bank of China (Hong Kong) Limited (“BOCHK”), during 2021. The information and data contained in the Report cover the period from 1 January to 31 December 2021.

The aim of this verification is to provide a reasonable assurance on the reliability of the reporting contents. The Report has been prepared in accordance with Global Reporting Initiatives (“GRI”) Standards: Core Option, the Environmental, Social and Governance Reporting Guide (Main Board Listing Rules Appendix 27) (“ESG Guide”) issued by the Hong Kong Exchanges and Clearing Limited (“HKEX”), and the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations, and with reference to the Sustainability Accounting Standards Board (“SASB”) Standards, the United Nations Sustainable Development Goals (“SDGs”) and ISO 26000:2010 Guidance on Social Responsibility.

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. The verification process was designed to obtain a reasonable level of assurance in accordance with the standard for the purpose of devising the verification conclusion.

The verification procedures included reviewing the materiality assessment process, verifying the data management mechanism, examining supporting evidence of the selected samples and interviewing responsible personnel with accountability for preparing the Report. Raw data and supporting evidence of the selected samples were thoroughly examined during the verification process.

Independence

The Company was responsible for the collection and presentation of the information. HKQAA did not involve in the preparation of the Report. Our verification activities were entirely independent and there was no relationship between HKQAA and the Company that would affect the impartiality and independence for providing the verification service.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with GRI Standards: Core Option and the TCFD recommendations framework, and fulfills the mandatory disclosure provisions of the ESG Guide issued by the HKEX;
- The Report has been prepared with reference to the aforementioned latest international guidelines;
- The Report illustrates the Group’s sustainability performance, covering all material and relevant aspects and topics, in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

The Report demonstrates the Group’s continuous efforts in extending its scope of transparency and allows stakeholders to visualise its commitment, stewardship and performance towards sustainability.

Signed on behalf of Hong Kong Quality Assurance Agency

KT Ting
Director, Strategic Services Development
March 2022