

# SUSTAINABILITY REPORT 2020



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# 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 2020.

This Report aims to help our stakeholders better understand the Group’s sustainability philosophy, initiatives and performance. To fully understand the overall performance of the Group, this Report should be read in conjunction with the Group’s [2020 Annual Report](#) and [Sustainability Policy](#), which are available on our website.

This Report covers the Group’s sustainability governance, COVID-19 pandemic response, business development and economic contributions, risk management, response to climate-related risks, green banking and finance, employee wellbeing, and contributions to the community, etc.

Unless otherwise stated, the information and data contained in this Report cover the period from 1 January to 31 December 2020<sup>1</sup>.

## Preparation of the Report<sup>2</sup>

We continually improve the quality of our sustainability disclosure. This report has been prepared in accordance with GRI Standards: Core option and 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”).

We followed the four main reporting principles of the ESG Guide (namely materiality, quantitative, balance, and consistency) to improve the content of the Report. In addition, we made reference to the following guidelines:

The Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

The Sustainability Accounting Standards Board Standards (“SASB Standards”)

ISO 26000:2010 Guidance on Social Responsibility

United Nations Sustainable Development Goals (“SDGs”)

The Report has completed the Materiality Disclosures Service and the SDG Mapping Service provided by the Global Reporting Initiative (“GRI”), and obtained their respective service marks (please refer to Section 14).

Section 13 of this Report outlines data related to sustainability performance. The calculation methods for data used in this Report are stated where appropriate<sup>3</sup>.

Section 14 of this Report contains the ESG Guide, GRI, and SASB Standards content indexes; and the mapping of the SDG indicators.

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

## 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 15 of the Report.

The 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<sup>4</sup>.

## Your Valuable Feedback<sup>5</sup>

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

Corporate Social Responsibility Office:  
[esg@bochk.com](mailto:esg@bochk.com)

Investor Relations:  
[investor\\_relations@bochk.com](mailto:investor_relations@bochk.com)

<sup>1</sup> 102-50      <sup>4</sup> 102-32

<sup>2</sup> 102-54      <sup>5</sup> 102-53

<sup>3</sup> 102-48

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



BOC Hong Kong (Holdings) Limited (“the Company”) is one of the largest 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”<sup>7</sup>. 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.

Capitalising on its advantages as a major commercial banking group in Hong Kong, BOCHK continues to increase local market penetration and actively expand its business in the Southeast Asian region. We strive to provide customers with comprehensive, professional and high-quality services. As we enter into 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 customers’ first choice for

RMB business. We have the most extensive branch network and diverse service platforms in Hong Kong, as well as efficient e-channels including 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 deeply rooted in Hong Kong for over 100 years, we are committed to undertaking our corporate social responsibilities, promoting long-term and balanced sustainable development, and delivering greater value for our stakeholders and the community.

The Group’s performance in different aspects has been widely recognised by the market. For details of awards received by the Group, please refer to our

[2020 Annual Report](#)

## Our Vision, Mission and Values:

### Vision

**BUILD A FIRST-CLASS  
GLOBAL BANKING  
GROUP**

### Mission

**BRIDGE CHINA AND  
THE WORLD FOR THE  
COMMON GOOD**

### Values

**PROVIDE EXCELLENT SERVICE,  
INNOVATE WITH PRUDENCE,  
UPHOLD OPENNESS  
AND INCLUSIVENESS,  
COLLABORATE FOR MUTUAL  
GROWTH**

### Strategic Approach:

**INVIGORATE, ADAPT TO  
CHANGE, AND DRIVE FOR MAJOR  
BREAKTHROUGHS**

### BOCHK Strategic Goal:

**BUILD A FIRST-CLASS REGIONAL  
BANKING GROUP**

<sup>6</sup> 102-1, 102-2, 102-4, 102-6, 102-7, 102-16

<sup>7</sup> 102-5

Our performance in major sustainability indexes, ratings and awards:



- **Constituent Stock of the Hang Seng Corporate Sustainability Index Series for 11 Consecutive Years:** Rated "AA" for four years in a row.
- **Constituent Stock of the HSI ESG Index and Hang Seng ESG 50 Index**



**MSCI ESG Research LLC:** Rated an industry leading score of "AA" for five consecutive years.



**"Strongest Bank in Asia Pacific and Hong Kong" from *The Asian Banker*:** BOCHK was granted this honour for the sixth time since 2014.



- **"2019/2020 Top Donor of the Year Award" by The Community Chest of Hong Kong ("The Community Chest"):** BOCHK was awarded "Top Donor" for the first time, fully recognising its donations and support for pandemic prevention.



**"Best Bank for CSR in Hong Kong" in *Asiamoney's* 2020 Best Bank Awards:** BOCHK was granted this award for the third consecutive year in recognition

of its contributions towards promoting philanthropy, financial innovation, green finance, inclusive finance and volunteer activities.

- **"2019/2020 Benefactor of the Year Award" by The Community Chest:** The Group received special recognition from The Community Chest for donating HK\$100 million from the net proceeds of its Centenary Commemorative Banknotes to support The Community Chest's diverse projects that benefit grassroots communities.



**"Financial Services Awards of Excellence 2020 - Excellent Sustainability CSR Award":** The *Hong Kong Economic Journal* granted this

award to BOCHK for the second consecutive year, to recognise its efforts in supporting Hong Kong's development as a green financial centre.



- **Ranked Third in HKBSI 5th Hong Kong Business Sustainability Index:** since 2015, BOCHK has ranked in the index's top 10.
- **Ranked Second in HKBSI 1st Greater Bay Area Business Sustainability Index:** the highest ranking in the industry.



**Caring Company:** Since 2003, BOCHK has been recognised as a "Caring Company" by the Hong Kong Council of Social Service for its contributions to promoting a caring community and an inclusive society.

# Message from the Chairman<sup>8</sup>



In 2020, the COVID-19 pandemic raged across the globe, causing a deep recession in the world's economies and bringing a stark increase in instability and uncertainty amid an increasingly complex international environment. Given that Hong Kong is a highly open economy, Hong Kong's banking industry faced major challenges and experienced two consecutive years of economic recession, a rising unemployment rate and developmental difficulties across many sectors. In this complex operating environment, BOCHK leveraged its uniqueness to overcome the prevailing hardships, proactively took up its social responsibility, served Hong Kong's economy and people's livelihood, and promoted long-term, balanced and sustainable development.

**Serving the real economy and creating outstanding value.** BOCHK overcame difficulties and challenges to maintain a relatively high growth rate in its core businesses, such as customer deposits and loans, continuing to increase its market share. It provided customers with high-quality financial services and gave strong financial support to the real economy. The Group strengthened regional collaboration and actively supported RMB internationalisation and the development of the Belt and Road initiative and Guangdong-Hong Kong-Macao Greater Bay Area. It also continued to develop innovative financial services in the Greater Bay Area, such as optimising the "GBA Account Opening" service and actively preparing for "Cross-Boundary

Wealth Management Connect". The Group maintained its leading position in the offshore RMB market. The Manila Branch was officially approved to provide RMB clearing bank services, BOC Malaysia renewed its position as the country's RMB clearing bank, and the Jakarta Branch retained the top market share in Indonesian RMB clearing for the eighth consecutive year. The Group's business presence in the Southeast Asia region was further expanded and regional management was continually improved.

**Shouldering social responsibilities and supporting pandemic measures.** In response to the HKSAR Government's measures to "support enterprises, safeguard jobs, stimulate the economy and relieve people's burden", BOCHK became the first bank to launch five major financial relief initiatives, fully supported the "Special 100% Loan Guarantee" of the HKSAR Government and backed the "Pre-approved Principal Payment Holiday Scheme" introduced by the Hong Kong Monetary Authority, thus overcoming the difficult times alongside its customers. It also fully utilised its advantages in branch network and financial technology to render strong support to the implementation of the HKSAR Government's "Employment Support Scheme" and "Cash Payout Scheme". The Group took the lead in providing a total of HK\$15 million in donations to local charities, namely The Community Chest of Hong Kong, Tung Wah Group of Hospitals and Po Leung Kuk. To support charitable causes, BOCHK and the

BOCHK Charitable Foundation have cumulatively donated over HK\$1.3 billion to the community. In 2020, the Group sponsored nearly 70 charity projects covering poverty alleviation, youth development, medical and elderly care, environmental protection and carbon reduction, sporting activities and the arts, etc, with beneficiaries participating on more than 2 million occasions.

**Maintaining a well-structured governance mechanism and laying good foundations for development.**

By continuously optimising the sustainable governance framework, the Sustainability Committee under the Board of Directors participated in and reviewed the mid and long-term sustainability targets, strategy and plans. It monitored and promoted the implementation of relevant policies to enhance the Group's environmental, social and governance (ESG) performance. The Group also enhanced its risk management mechanism by integrating climate and environmental risk factors, so as to increase its ability to monitor related risks in those areas. Strictly adhering to its bottom line in risk management and compliance, it stepped up efforts in the establishment of its corporate values in order to consolidate its compliance culture. The Group enhanced stakeholder communication, seeking and responding to stakeholders' opinions on sustainability-related issues. By continuously enhancing the level of its sustainability disclosure and transparency, the Group assisted stakeholders, including investors, to better understand the company's sustainability performance.

**Advocating green finance and promoting low-carbon transformation.**

The Group promoted the development of green finance and supported the growth of green industries such as energy conservation and environmental protection, new energy and new materials. The balance of green loans increased significantly. The Group assisted its clients in issuing green bonds. It also launched the first green time deposit for corporates in Hong Kong, certified by an independent third party, thus promoting transformation to a low-carbon and sustainable economy. The Group also implemented various financial services and smart operations to encourage customers and communities to implement the concept of green development and reduce carbon footprints. The number of mobile banking customers increased by nearly 30% while its mobile account opening service was extended to 10 countries and regions outside Hong Kong. It

accelerated service channel digitalisation via its intelligent Global Transaction Banking (iGTB) platform. Livi Bank, its virtual bank, officially commenced operation and offered customers a brand-new banking experience. The Group vigorously developed business in new payment systems and actively promoted payment scenarios for public services, transportation, people's livelihood and consumption, charity and education, incorporating green and low-carbon concepts into citizens' lives.

BOCHK has been well recognised for its efforts and outstanding performance in sustainability, including "Strongest Bank in Asia Pacific and Hong Kong" from The Asian Banker; the "Top Donor of the Year Award" and "Benefactor of the Year Award" from The Community Chest of Hong Kong; the "Best Bank for CSR in Hong Kong" from Asiamoney for the third consecutive year. It was also a constituent stock of the Hang Seng Corporate Sustainability Index Series for the 11th consecutive year. BOCHK's ESG performance has been rated "AA" for five consecutive years by MSCI ESG Research LLC.

2021 marks the opening year of the 14th Five-Year Plan, which will usher in fresh opportunities and greater growth potential for Hong Kong. BOCHK will emphasise the new development concept of "innovation, coordination, green, openness, and co-sharing", and proactively align with BOC's strategic vision of "Building a First-class Global Banking Group". It will strive to promote financial inclusion and green finance and make vital contributions to achieving long-term, balanced and sustainable development.



**LIU Liange**  
Chairman

Hong Kong, 30 March 2021

# Message from the Chief Executive<sup>9</sup>



The COVID-19 pandemic swept across the world in 2020, badly affecting the economies of both Hong Kong and Southeast Asia and causing various sectors to face growth challenges. In this extremely difficult operating environment, the Group firmly implemented the plans and decisions of the Board of Directors. By responding cautiously to changes, strengthening strategy implementation, exercising prudent risk management and accelerating digital transformation and regional development, it recorded steady growth in its major businesses. Meanwhile, the Group actively fulfilled its social responsibilities and strived to promote social, economic and environmental sustainability.

**Actively fulfilled social responsibilities and joined hands to fight against the pandemic.** At the outbreak of the pandemic, BOCHK reacted with agility and took the lead in launching five financial support initiatives in the Hong Kong market. It actively promoted the “Special 100% Loan Guarantee” and gave full support to the “Pre-approved Principal Payment Holiday Scheme” introduced by the Hong Kong Monetary Authority, helping to ease customers’ cash-flow pressures. The Group extended its support to the government’s anti-pandemic measures by providing related financial services, including facilitating payments for several programmes of the HKSAR Government’s “Anti-epidemic Fund”, as well as the HK\$10,000 “Cash Payout Scheme”. It was also one of the first companies to make donations related to pandemic control, giving a total of HK\$15 million to charitable organisations including The Community Chest of Hong Kong, Tung Wah Group of Hospitals and Po Leung Kuk. This benefitted over 90,000 frontline healthcare workers and over 70,000 people from disadvantaged communities. In

recognition of its contributions to Hong Kong’s anti-pandemic efforts, the Group received the “Top Donor of the Year Award” for the first time and “Benefactor of the Year Award” from The Community Chest of Hong Kong. The Group’s Southeast Asian entities also actively donated funds and materials to local governments and charitable organisations in support of anti-pandemic work.

**Fully supported financial inclusion and provided services that benefit people’s livelihood.** BOCHK has the most extensive branch network in Hong Kong, providing diverse banking and financial services. With the 24x7 video banking service “iService”, voice-navigation ATMs and various barrier-free facilities, the Group provides convenient banking services to people from all walks of life. As a leading bank for the “Reverse Mortgage Programme” with a market share of nearly 90%, it continues to provide retirement services and support financial security for the elderly. Leveraging its regional synergies, the Group strived to promote the development of the Belt and Road initiative and Guangdong-Hong Kong-Macao Greater Bay Area, in order to deepen cross-border financial cooperation. The cross-border services launched by the Group have been well-received. The “GBA Account Opening” service has now attracted more than 120,000 accounts, representing a 40% increase from the beginning of the year. The Group has also expanded its business in the Southeast Asia region, including Yangon in Myanmar and Hanoi in Vietnam.

**Promoted digital transformation and put sustainability into practice.** The Group integrated sustainable development into its overall business development strategy and daily business

<sup>9</sup> 102-6, 102-14, 102-15, G4-FS4, G4-FS7



operations, promoting sustainable development through various innovative transformation, digitalisation and green operation initiatives. By vigorously promoting its mobile application, the Group grew its mobile banking customer base by nearly 30% compared with the beginning of the year, while the user base of BoC Pay, BoC Bill and Fast Payment System jumped by around 80%. Having set up eZones in over 180 branches, the Group has accelerated the development of intelligent banking centres and enhanced intelligent business operations. It also established payment scenarios for public utilities, education, mortgage and cross-border services. The Group continuously promoted sustainable finance and developed green financial products and services. It launched the first green time deposit for corporates in Hong Kong during the year, with deposit funds used to support projects in green building and renewable energy. The Group acted as green advisor, assisted clients in issuing green bonds and arranged multiple green loans, with the balance of green loans increasing by over 60% compared to the prior year-end. It was the first bank to collaborate with the HKQAA for the new online “Green Loan e-Assessment” platform and launched the “SME Green Financing Incentive Scheme”. The Group offered several ESG funds and witnessed an increase in sales volume and total assets under management of around 95% and 15% respectively over the prior year.

**Enthusiastically supported charity and actively gave back to the community.** The Group attaches great importance to community investment. By launching diversified charitable programmes, it provided assistance to those in need, including the elderly, women, youth, children, ethnic minorities and disabled people in grassroots communities. Over the years, BOCHK and the BOCHK Charitable Foundation have donated over HK\$1.3 billion to the community. In 2020, our charity focus was on poverty alleviation and youth development, with around 30 charitable projects which benefitted local people on more than 2 million occasions. It also implemented about 40 projects with the net proceeds from the Centenary Commemorative Banknote, a sum of over HK\$430 million, with expected total beneficiaries of over 1.5 million. The Group actively supported youth cultivation and employment programmes, providing nearly 400 jobs for young people and university graduates through programmes launched by the HKSAR Government and related departments. In addition, it advocated an “Everyone Can Volunteer” spirit and gave back to society through volunteering. With over 5,300 volunteers in five new specialised teams, namely the Caring, Community, Education, Youth and Environmental Protection teams, it conducted more than 30 volunteer activities and recorded more than 12,000 hours of volunteer service throughout the year.

**Adopted a people-oriented approach and deepened corporate culture.** In responding to the COVID-19 pandemic, the Group always made employees’ health and safety its top

priority. It maintained sufficient supply of anti-pandemic materials and reassured staff that there would be no layoffs. A number of employee care and safety initiatives were implemented, including physical separation at work, shift patterns, working from home, one-off special allowances, and free lunch provision, etc. The Group emphasised employees’ physical and mental health and set up a dedicated hotline and mailbox to ensure timely response to their inquiries and to listen to their suggestions. The Group is committed to establishing a corporate culture that promotes the prudent operation of the Bank, protects customer interests and supports sustainable development. It continuously enhances the risk awareness of employees and strengthens its compliance culture of risk prevention. Through a top-down approach, the Group continually strengthens employee understanding of ESG matters via training, so as to build a staff-wide consensus towards realising its sustainable development goals.

In addition, the Group continued to improve the level of its sustainability disclosure. Originally based on the HKEX ESG Guide, GRI Standards and United Nations Sustainable Development Goals, the Group’s disclosure practices now make reference to further international standards such as TCFD Recommendations and SASB Standards, etc, so that stakeholders, including investors, are able to understand its sustainable development performance from various perspectives.

Looking forward to 2021, the Group will continue to implement its strategic requirements. In line with China’s new “dual circulation” development strategy, it will grasp the development opportunities of both the nation and Hong Kong and continue to enhance sustainability governance. It will improve its climate risk management capabilities, promote the development of green banking, help customers achieve low-carbon transformation and explore climate change-related financial products and services. In fulfilling its mission of “bridging China and the world for the common good”, it will strive to support economic development and social livelihood in Hong Kong. Furthermore, the Group will endeavour to promote Hong Kong as a leading green and sustainable financial centre for both Asia and the world, and to contribute to the regional development of Southeast Asia.



**SUN Yu**  
Vice Chairman & Chief Executive  
Hong Kong, 30 March 2021

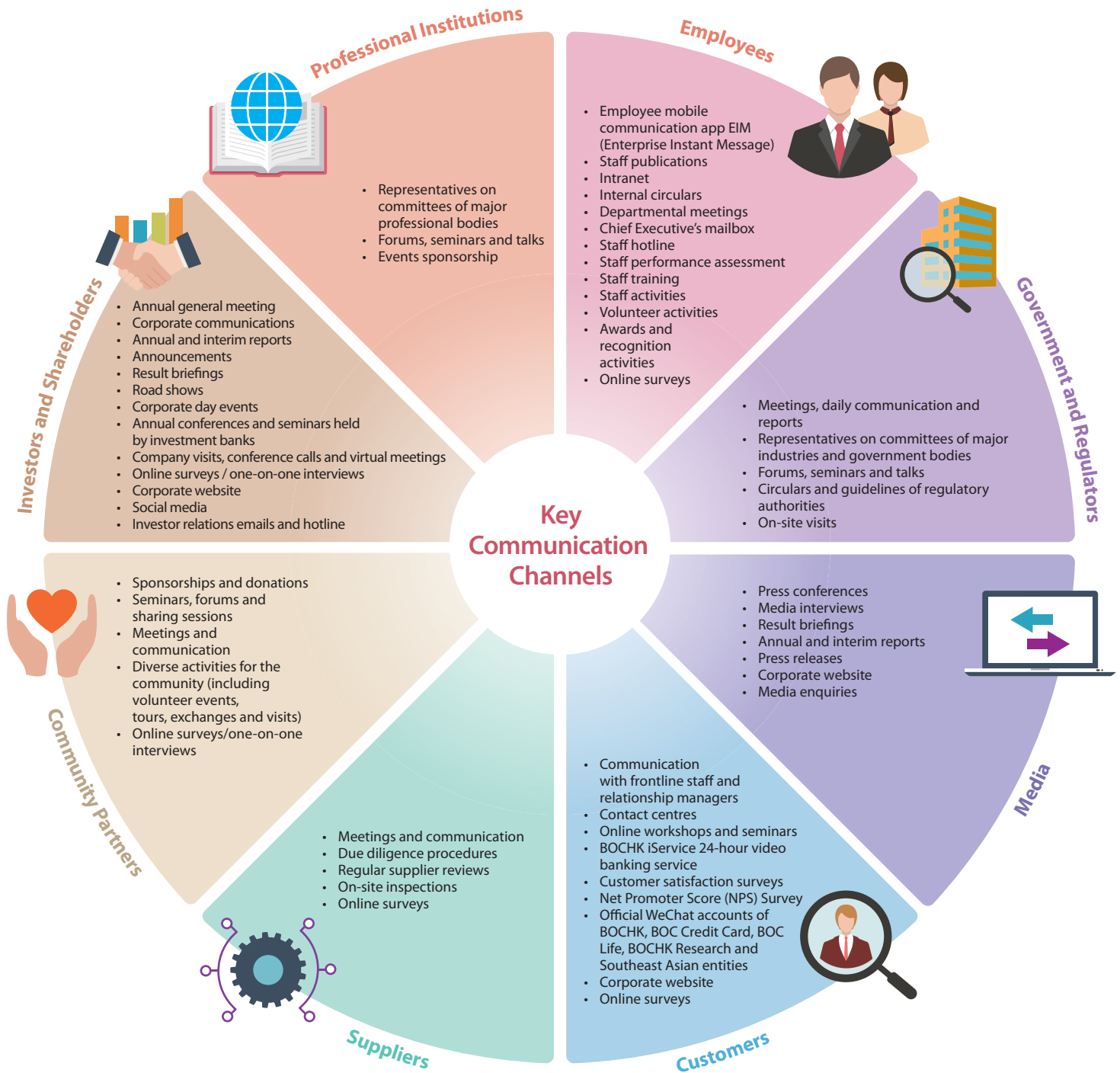
## 5

# Stakeholder Engagement and Materiality

The Group places great value on our stakeholders' opinions. We seek to understand stakeholder opinions and expectations through diverse communication platforms, and thus review and improve our sustainability performance to better fulfil our responsibilities and commitments to stakeholders.



# 5.1 Stakeholder Engagement Channels<sup>10</sup>



<sup>10</sup> 102-40, 102-43

## 5.2 Materiality Assessment<sup>11</sup>

We followed the steps below to identify material issues:



### Step 1: Identifying Material Issues

A list of material issues was identified with reference to wider market development trends, local and international mainstream standards, and industry benchmarks, etc.

- **Scope of reference:** In compliance with the ESG Guide, we also referred to international standards including GRI Standards, TCFD, SASB Standards and the Dow Jones Sustainability Indices; and considered the material issues of peer banks, macroeconomic trends, the business nature of the Group, our latest business developments and targets, industry benchmarks and best practices, etc, to create a shortlist of material issues related to the Group. Through this process, we identified 18 material issues that are closely related to the Group's business and its impact.



### Step 2: Assessment and Ranking

A materiality matrix was formulated based on the results of the internal and external assessments.

- **Internal assessment:** Relevant department heads from the Sustainability Executive Committee of the Management Committee were invited to assess the material issues based on the Group's development strategy, corporate values, upcoming market challenges and opportunities, peer analysis, etc.
- **External assessment:** In addition to communicating with stakeholders through day-to-day channels, we commissioned an independent third-party professional organisation to assist in the external assessment. To identify the main stakeholders of the Group, we referred to the four accountability principles (impact, inclusivity, materiality, and responsiveness) and five attributes of stakeholders (dependency, responsibility, tension, influence, and diverse perspectives) of the AA1000 Stakeholder Engagement Standard. We developed different questionnaires for different groups of stakeholders and solicited their opinions through online surveys, focus group discussions, and one-to-one interviews.<sup>12</sup> Items surveyed included their level of concern over various issues and their opinions and suggestions on the Group's sustainability-related challenges and opportunities, etc.
- **Ranking of issues:** According to the results of the internal and external assessments, the material issues were ranked in a matrix.



### Step 3: Review by the Management and the Board

The material issues were then reviewed and confirmed by the Sustainability Executive Committee, the Sustainability Committee and the Board.<sup>13</sup>

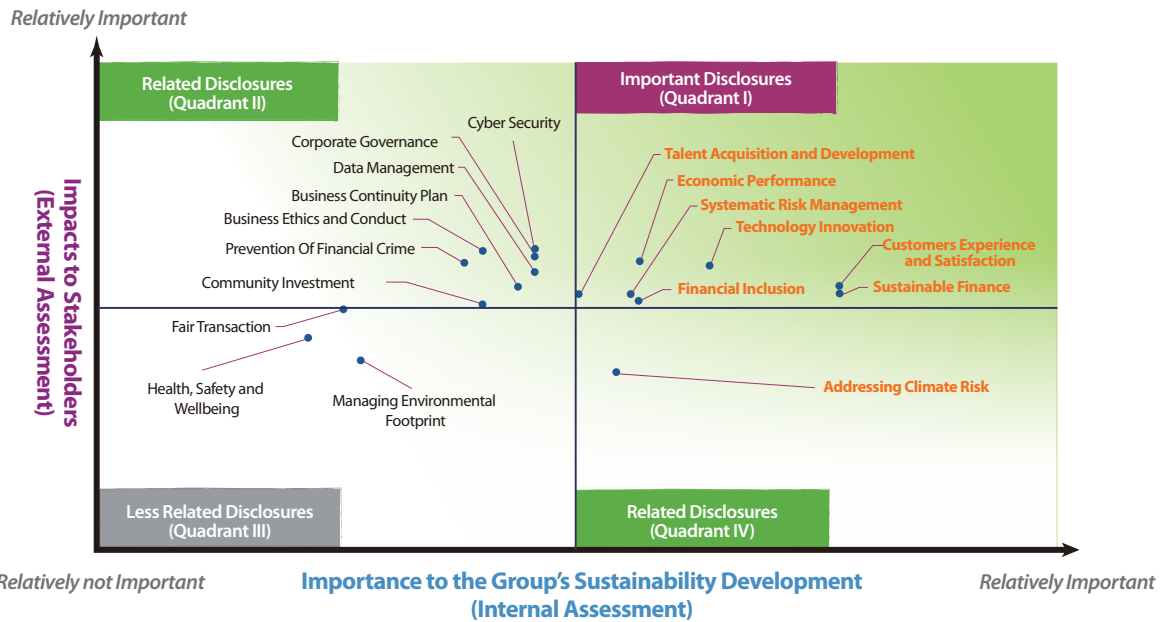
<sup>11</sup> 102-46

<sup>12</sup> 102-42, 102-43

<sup>13</sup> 102-32

## 5.3 Materiality Matrix<sup>14</sup>

The feedback collected from the internal and external assessments was reviewed, organised and analysed. A quantitative materiality analysis was conducted to arrive at the following materiality matrix.



### 18 Material Issues

5 Major Topics	18 Material Issues in 2020	Reference Sections
<b>Business Development</b>	Economic Performance	3. Message from the Chairman 4. Message from the Chief Executive 8. Business Development and Economic Contributions
	Customers Experience and Satisfaction	5. Stakeholder Engagement and Material Issues 8. Business Development and Economic Contributions 9. Responsible Business Practices
	Fair Transaction	9. Responsible Business Practices
	Technology Innovation	8. Business Development and Economic Contributions 10. Green Banking and Finance
<b>Corporate Governance</b>	Corporate Governance	3. Message from the Chairman 4. Message from the Chief Executive 6. Good Governance
	Data Management	9. Responsible Business Practices
	Cyber Security	9. Responsible Business Practices
	Prevention of Financial Crime	9. Responsible Business Practices
	Business Continuity Plan	9. Responsible Business Practices
<b>Green Bank</b>	Systemic Risk Management	6. Good Governance 9. Responsible Business Practices
	Addressing Climate risk	6. Good Governance 10. Green Banking and Finance
	Sustainable Finance	8. Business Development and Economic Contributions 10. Green Banking and Finance
<b>Our People</b>	Managing Environmental footprint	8. Business Development and Economic Contributions 10. Green Banking and Finance
	Talent Acquisition and Development	11. Caring for Employees
	Health, Safety and Wellbeing	11. Caring for Employees
<b>Social Influence</b>	Business Ethics and Conduct	11. Caring for Employees
	Financial Inclusion	8. Business Development and Economic Contributions
	Community Investment	12. Contributions to Society

<sup>14</sup> 102-44, 102-47, 102-49, 103-1

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

## 5.4 Response to Stakeholders' Opinions<sup>15</sup>

	Stakeholders' Concerns	Our Action
Customers	Some customers told us that the queuing time for branch teller counters was quite long, while the customer service counters took a longer time to deal with their needs. They want more streamlined processes to improve the queuing experience.	We launched the Smart Branch model with the setup of eZone and new smart devices at designated branches to enhance customers' experience by shortening their waiting time.
	Some personal customers expressed strong demand for investment services, and most of them suggested that mobile banking should provide more comprehensive and updated investment-related market information. That way, they could conduct investment transactions easily via mobile banking or investment hotlines.	We launched a brand-new mobile banking service that provides customers with an enhanced user experience. We also introduced "BOC Live" to provide the latest interactive updates on investment markets. Moreover, we revamped the design of the "Investment" main page and introduced new investment products in our mobile banking.
	Some small enterprise customers suggested optimising the user interface of online banking for easy operation.	We launched the new iGTB with enhanced functions and design, making the interface more user-friendly.
Investors and Shareholders	Climate change is a key ESG issue in the banking industry and is regarded as a systemic risk. Banks should assess and manage climate-related risks.	We are actively looking into building a sustainable development risk management framework through risk identification, risk assessment and monitoring. We will continue to progressively enhance our environmental, climate and social risk management through scenario analysis and stress testing.
	The Group should follow the TCFD framework to improve disclosure quality and demonstrate that it attaches importance to climate-related risks.	We plan to become a TCFD signatory in 2021* and have started to disclose our progress towards adopting the TCFD framework in this Report.  *Remarks: BOC Hong Kong (Holdings) Limited has become a TCFO signatory in May 2021.
Employees	Employees are primarily concerned about the corporate culture, working environment, relevant policies, as well as the Group's measures under the pandemic.	We have always adopted a "people-oriented" approach to care for our staff and treasure staff opinions and suggestions. A recent survey showed that employees are satisfied with the Bank's brand image, corporate culture and working environment, as well as diversity and inclusion. Some employees reflected that the Bank has been especially caring during the pandemic period, such as by promising "no layoffs". We are a people-oriented, caring and responsible employer, which is reflected in our strong tradition of caring for employees, fulfilling corporate social responsibilities and enhancing corporate culture over the years.

# 6 Good Governance

The Group is committed to maintaining and upholding high standards of corporate governance. In addition to strictly complying with the relevant laws and regulations of Hong Kong as well as various rules and guidelines issued by regulatory authorities including the Hong Kong Monetary Authority (“HKMA”), the Securities and Futures Commission (“SFC”) and HKEX, the Group from time to time reviews its corporate governance practices as adopted and strives to comply with the requirements of local and international corporate governance best practices.

**SUSTAINABLE  
DEVELOPMENT  
GOALS**



## 6.1 Corporate Governance<sup>16</sup>

The Board, as the core of the Group's governance framework, is responsible for:



The Board of the Company currently comprises eight Directors, including one Executive Director, two Non-executive Directors and five Independent Non-executive Directors. The Board acts honestly and in good faith and makes decisions objectively in the best interests of the Group, with a view to delivering long-term and maximum shareholder value and fulfilling its corporate responsibilities to other stakeholders of the Group.

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. In order to promote balance of power, the roles of the Chairman and the Chief Executive are segregated. The Chairman focuses on

leading the Board and monitoring corporate governance and shareholder issues, while the Chief Executive leads the management to perform the day-to-day operations and affairs. The Group benefits from this segregation of roles.<sup>17</sup>

The Group recognises the importance and benefits of board diversity and has therefore formulated the Board Diversity Policy. The policy guides the consideration of board diversity 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. Meanwhile, all Board nominations and appointments are made on merit, in the context of the skills and experience of the Board as a whole required, with due consideration given to each of the aforementioned board diversity elements.

<sup>16</sup> 102-18, 102-26, 102-29

<sup>17</sup> 102-23



The Board has established five standing Board Committees, which assist the Board in discharging its duties. The majority of the Board Committees comprises mainly Independent Non-executive Directors.



Each of the Board Committees has a well-defined mandate with its roles and responsibilities delineated therein. The performance and effectiveness of these standing Board Committees are evaluated annually by the Board in order to make further enhancements. Other Board Committees, such as an Independent Board Committee and Search Committee, will be formed as and when required under appropriate circumstances.

The Board has a fiduciary duty to strictly comply with applicable laws and regulations as well as governance policies, and to protect, with due care and consideration, the interests of all stakeholders of the Company, including, but not limited to, customers, employees, business partners, suppliers, regulators and the community. By strengthening the relationship with stakeholders, the Board is committed to undertaking corporate social

responsibility and promoting the sustainable development of the economy, society and environment for the benefit of current and future generations.

During the year, all Board members received sustainability training covering topics such as new ESG regulatory requirements, the leadership and supervisory role of the Board in ESG, ESG disclosures and reporting principles, industry practices, and ESG development in various countries, etc. This training series further enabled the Board to play a strengthened management and oversight role in the sustainable development process of the Group<sup>18</sup>.

**Details of the Group's corporate governance are set out in the Group's 2020 Annual Report under "Corporate Governance" and in the "Corporate Governance" under "About Us" of the BOCHK website**

<sup>18</sup> 102-27

## 6.2 Governance for Sustainability<sup>19</sup>

Sustainability is the Group's long-term strategy. We have fully integrated sustainability into our strategic planning with the goal of building the Group into a leading financial group for sustainable development in the region.

In 2019, we established a Board-level Sustainability Committee. We are one of the first listed banks in Hong Kong to clearly define the responsibilities of the Directors and management on sustainability issues and to set up a dedicated Board committee. We have a well-established and rigorous three-tier governance structure (Board, management and working group). During the year, the Board and the management have overseen and promoted sustainable development in an orderly manner, including formulating a Sustainability Policy that covers how the Group will respond to climate change in order to drive sustainable development.

### Three-tier Governance Structure:

#### Board Level

The Board and the Sustainability Committee



#### Management Level

The Sustainability Executive Committee of the Management Committee

#### Operational Level

Sustainability Strategy Working Group

### The Sustainability Committee

The Sustainability Committee, established in December 2019, currently comprises six members, including five Independent Non-executive Directors, as well as the Executive Director and Chief Executive of the Company. The Sustainability Committee is responsible for overseeing the strategy, policies and implementation of sustainability and corporate culture, with a view to achieving sustainability-related objectives and striving 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*. The composition and main duties of the Committee are as follows:

Composition	Major Duties
<b>Mdm Cheng Eva (Chairman)<sup>1</sup></b> <b>Mr SunYu<sup>2</sup></b> <b>Dr Choi Koon Shum<sup>1</sup></b> <b>Mr Koh Beng Seng<sup>1</sup></b> <b>Mr Law Yee Kwan Quinn<sup>1</sup></b> <b>Mr Tung Savio Wai-Hok<sup>1</sup></b>	Review of the Group's sustainability strategies, goals and priorities, as well as material sustainability-related policies
	Review of environmental, social and governance issues which are material to the Group, and the related measures
	Oversight of the Group's sustainability performance
	Oversight of corporate culture of the Group and review of related policies
	Determination of appropriate reporting principles and boundaries, and review of the Sustainability Report

Remarks:

1. Independent Non-executive Director

2. Executive Director was appointed as a member of the Sustainability Committee with effect from 23 December 2020

Please refer to the **2020 Annual Report** for a brief biography of each member.

During the year, two meetings were held by the Sustainability Committee. Members actively participated in discussions, and valuable input and experience were shared by the Independent Non-executive Directors on various issues. A number of matters were discussed and reviewed during the meetings, which included oversight of (1) the formulation and implementation of the Group’s sustainability strategies, (2) the Group’s materiality assessment mechanism and the related work progress, (3) Group’s sustainability related policies, including the “Sustainability Policy” and (4) supervision and review of the various sustainability measures taken by the Group<sup>20</sup>.

### The Sustainability Executive Committee

The Sustainability 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 the Group’s (1) sustainability matters;

(2) charity-related matters; (3) corporate culture matters; and (4) protection of consumer rights responsibilities.

During the year, the Executive Committee was mainly responsible for executing the bank-wide ESG strategy, implementing the strategy and requirements of the Board and the Sustainability Committee on sustainability matters, assisting in the formulation of annual and medium to long-term sustainability-related targets and specific plans and measures, and reviewing the Sustainability Report and ensuring its compliance with regulatory requirements.

### The Sustainability Strategy Working Group

The Sustainability Strategy Working Group is a cross-departmental working group with members from relevant departments. It is primarily responsible for inter-departmental coordination of sustainability-related work to ensure effective implementation of strategies, policies and targets. In addition, we have a Corporate Social Responsibility Office and dedicated professional staff responsible for CSR and sustainability-related issues.

**Sustainability Policy**: During the year, we consolidated our *CSR Policy* and *Environmental Policy*, which have been in effect since 2010, and formulated a new *Sustainability Policy* with reference to the *UNEP Statement of Commitment by Financial Institutions on Sustainable Development*, the *UN Principles for Responsible Investment*, and *ISO 26000:2010: Guidance on Social Responsibility*. The policy outlines the Group’s main sustainability principles, encompassing

environmental, social and governance aspects. It also provides details regarding our approach to the development of sustainable products and services, and addresses climate change issues. The policy is updated annually, and any major revisions are reviewed by the Sustainability Executive Committee and submitted to the Sustainability Committee for review, with final approval by the Board.



<sup>20</sup> 102-31

## 6.3 Sound Risk Management

The Group believes that good risk management is an important element of success for a corporation. The major risks inherent in the Group's business include credit risk, market risk, interest rate risk, liquidity risk, operational risk, technology risk, reputation risk, legal and compliance risk, and strategic risk. We have a well-developed risk management framework and mechanism to manage risks and have integrated risk management into our daily operations and decisions. In light of the increasingly complex global financial landscape, we continue to improve our risk management measures, be more prudent in risk monitoring and take a forward-looking approach to risk management. We assess the impact of potential future risks on our business and continually improve our contingency plans.

### Risk Management Organisational Structure<sup>21</sup>

The Board is the highest decision-making body for the risk management of the Group and is ultimately responsible for risk management. With the assistance of its Board Committees, the Board is responsible for determining the Group's risk management strategy and ensuring that the Group has an effective risk management mechanism in place to implement such strategy. The Risk Committee is a standing committee of the Board which is responsible for overseeing the Group's various types of risk. The Audit Committee assists the Board in fulfilling its role of overseeing internal control systems.

#### "Three Lines of Defence" Mechanism

To implement risk management and internal control, the Group has adopted a "Three Lines of Defence" mechanism for risk management:



##### First Line of Defence: Individual business units

Individual business units are responsible for soliciting business in compliance with risk management policies and procedures, and assessing and monitoring the risks of their business.

##### Second Line of Defence: Various risk management units and supporting units

Various risk management units are responsible for day-to-day management of different kinds of risks, providing independent due diligence through identifying, measuring, monitoring and controlling risk, as well as drafting various risk management policies and procedures. Various risk management units are also responsible for reporting the implementation of risk management policies and risk profiles to the Board, the relevant Board Committees and the management, and providing support and recommendations for their decision-making. Supporting units are responsible for providing day-to-day operations support to ensure there are adequate human resources and systems to support risk management.



##### Third Line of Defence: Group Audit

Group Audit is responsible for conducting independent audit and assessment, and reporting to the Board on the quality of risk management supervision, the adequacy and the compliance of risk management policies, procedures and internal control.

<sup>21</sup> 102-30

### Risk Management Policies and Procedures

The Group has a comprehensive set of risk management policies and procedures, with dedicated units and personnel responsible for the duties and procedures of handling different kinds of risks. We have established mechanisms to identify, assess and manage each of the major risks promptly. To address internal control deficiencies, we also have corresponding internal controls and procedures. The Group regularly reviews and updates its risk management policies and procedures to keep pace with changes in market and business strategies.

To cope with the impact of financial and economic stress, we conducted a series of risk-based thematic reviews and scenario stress tests during the year. We assessed potential risks, strengthened dynamic monitoring and took timely risk mitigation measures to prevent risks arising from significant changes in market conditions. In addition, we actively improved our contingency plans and organised tests and drills to ensure that all measures are practical and feasible, and that we can act quickly and respond effectively in the face of any particular scenario.

 For details on risk management, please refer to the **2020 Annual Report**.

## 6.4 Responding to Climate-related Risks<sup>22</sup>

Climate change is a material topic faced by everyone around the globe. China is striving to achieve peak carbon emissions by 2030 and carbon neutrality by 2060. The HKSAR Government has also announced its commitment to achieve carbon neutrality by 2050 and to promote low-carbon living and economic transformation in the community. As a major listed banking group in Hong Kong, we are committed to supporting and joining hands with the banking sector to facilitate low-carbon transformation, and to strive to work together for the future.

related information and material risks. Regulators in Hong Kong are also actively driving climate-related disclosures by corporations. The HKMA and the SFC have jointly initiated the establishment of the Green and Sustainable Finance Cross-Agency Steering Group, which published a green and sustainable finance strategy in 2020 with five key action points, including requiring relevant industries to make climate-related disclosures as recommended by the TCFD by 2025. The Group is actively driving TCFD-related work and strives to gradually disclose relevant information in accordance with the TCFD guidelines:

### Proactively Adopting the Recommendations by the Task Force on Climate-related Financial Disclosures (TCFD)



Extreme weather conditions caused by climate change pose potential risks to the business development of corporates. In recent years, the international community is increasingly concerned about the far-reaching impact of climate change on the financial performance of companies, and therefore climate-related financial disclosures are gradually gaining attention. Initiated by the Financial Stability Board, an international body, the Task Force on Climate-related Financial Disclosures (TCFD) is committed to promoting voluntary climate-related financial disclosures to meet the needs of stakeholders, including investors, for climate-



<sup>22</sup> 201-2, A4 General Disclosure, A4.1

## Governance

The Sustainability Committee, established under the Board in 2019, currently comprises six members, including five Independent Non-executive Directors as well as the Executive Director and Chief Executive of the Company. The Committee is fully committed to driving sustainable development, while closely monitoring climate-related risks and opportunities.

 For details, please refer to **"Governance for Sustainability"**.



## Strategy

Sustainability is one of our core strategies and is incorporated in the Group's governance mechanism. We strive to achieve the Group's mission by integrating sustainability into our strategies formulation and risk management process.

We were invited to participate in the HKMA's first pilot project on climate change stress testing in Hong Kong in 2021, becoming the first group of banks to conduct a climate risk stress test. The impact of the Group's credit risk will be evaluated under different scenarios and time horizons, together with the impact of climate change measured via scenario analysis. We will also design an environmental and climate risk questionnaire to enhance the understanding and assessment of our customers' climate risks.

The Group formulated related policies, mechanisms and procedures in various areas with reference to local and international sustainability guidelines and standards. We will perform annual reviews taking into account market developments. All members of the Group must strictly comply with and implement these policies to support the sustainable development of the Group.

Climate change has opened up new business opportunities for the Group to develop green finance and provide support for our customers in their low-carbon transformation. We have actively developed green financial products and services. During the year, we launched the first third-party certified corporate green time deposit scheme in Hong Kong. We served as the lead manager for green bonds and actively assisted our customers in green bond issuance. We also acted as a green advisor and launched our green loan business.

 For details, please refer to **"Sustainable Finance"**.

## Risk Management<sup>23</sup>

Climate and environmental risk could financially impact a bank by affecting its asset value (e.g. credit portfolio and investment) and disturbing its daily operations (e.g. outsource arrangements). Based on its existing Three Lines of Defence for risk management, the Group will enhance its risk management mechanism by gradually incorporating climate and environmental risk elements to enhance its capabilities in mitigating climate and environmental risk.



Credit business is an important business segment of the Group. Given a diverse range of customers from different industries, we have formulated corresponding risk management measures to deal with credit risks of the Group arising from climate and environmental risk. During the year, we enhanced our credit risk management policies and procedures with reference to the documented initial thoughts of the HKMA, as well as documents published by international authoritative organisations such as the Central Banks and Supervisors Network for Greening the Financial System. In addition to highlighting the credit risks arising from environmental, climate and social risk factors, we have also integrated environmental, climate and social risk factors into our credit risk management framework. We are actively working with the HKMA to promote green and sustainable banking and to conduct credit business in a responsible manner, while balancing the interests of stakeholders and the impact on the environment, climate and society.

When conducting assessments of applications from customers, we make every endeavour to understand the environmental, climate and social risks faced by our customers and assess their resilience against such risks. Credit applications that would cause material adverse environmental or social impact are rejected. Ecologically-sensitive loans are categorised as special credit transactions or counterparties, on which stricter and tighter credit approval standards and requirements are imposed. We also require our customers to understand and comply with laws and regulations related to environmental protection, land, and occupational health and safety, and to respect the culture and customs of local residents, in order to align with our sustainable development strategies and principles. For major and sensitive industries that are subject to environmental and climate risks, we encourage our customers to make a transition to environmentally friendly and low-carbon projects while balancing the needs of the local community. Meanwhile, we consider the impact of environmental and climate risks on the operations and repayment capabilities of our customers when conducting credit assessments. These include the impact of severe and natural disasters on customer operations as well as increases in operating costs due to changes in public policies. In this way, we conduct comprehensive assessments of customers' credit risk profiles.

Regarding monitoring and reporting, we continuously monitor the operating condition of credit customers and projects and promptly activate our re-examination mechanism to evaluate a customer's repayment capability in the event of an unexpected incident pertaining to environmental, climate or social risks. For industries exposed to sensitive environmental and climate risks, and regions with relatively high potential physical risks, we develop differentiated environmental and climate risk scenarios in conjunction with regulatory requirements and conduct scenario analysis and stress tests. We are also exploring establishing a reporting mechanism to report the status of environmental and climate risks and related material risk issues to the management and the Board.

For the risk management of the Group's day-to-day operations, we have a Business Continuity Plan in place to ensure that in the event of a natural disaster (including climate-related risks) or other incidents due to human factors, critical business activities can recover within a predetermined timeframe, thereby minimising losses. The Business Continuity Plan is regularly tested, and drills and training are provided to staff.

 For details, please refer to "**Business Continuity Plan**".

<sup>23</sup> 403-7, G4-FS2, G4-FS3

## Metrics and Targets

The Group monitors the impacts of its day-to-day operations in terms of carbon emissions and energy management with the ISO 14001 Environmental Management System and ISO 50001 Energy Management System. These allow us to effectively utilise resources to minimise our carbon footprint of the Group's operations.

The Group incorporated quantitative and qualitative green and sustainable banking metrics and targets into its key lines of businesses, which include

- 1 Green and sustainable finance to assist our customers in their low-carbon economy transitioning journey
- 2 Carbon footprint of the Group's own operations to reduce carbon footprint with an aim to achieve carbon neutrality in the future
- 3 Promotion of inclusive finance to improve accessibility of finance to the less-privilege groups

Other metrics and targets are also set for sustainability related trainings to improve the Group's overall capacity.



## Future Plan

In recent years, we have enhanced our sustainability governance and progressively incorporated climate change risks into our risk management framework. We use effective risk management procedures to identify, measure, monitor, report, manage and control, and mitigate risks related to climate change. We will continue to enhance our disclosure in accordance with the TCFD framework/guidelines. Meanwhile, we are actively preparing to become a signatory of the TCFD\*, in order to further demonstrate the Group's commitment and determination to mitigate climate risks and fulfil our social responsibility.

**\* Remarks: BOC Hong Kong (Holdings) Limited has become a TCFD signatory in May 2021.**



## 7

# Responding to the COVID-19 Pandemic

In 2020, the COVID-19 pandemic raged across the world and caused unprecedentedly severe challenges for Hong Kong. In response to the virus, BOCHK reacted with agility and actively shouldered its social responsibilities to assist all sectors of society. We took the lead to launch a number of initiatives. Together with our stakeholders, we strived to overcome this difficult period.



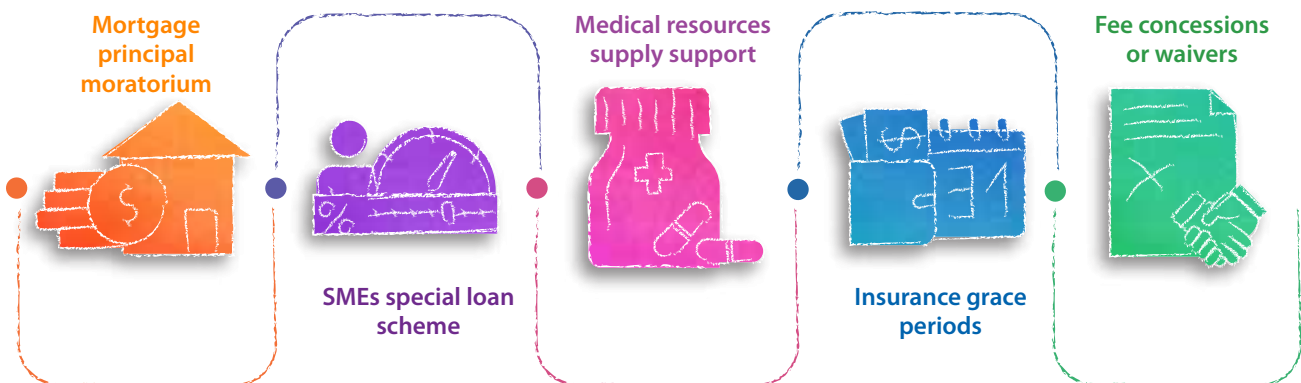
### Fully Supporting Customers

In early February of 2020, BOCHK took the lead in introducing five financial support initiatives in the local market. These initiatives included a mortgage principal moratorium, a special loan scheme for SMEs to relieve the pandemic’s impact, support in ensuring the supply of medical resources, insurance grace periods and additional protection, and fee concessions or waivers. As the pandemic developed, we further extended the application periods for these initiatives while also expanding the application scope and the number of customer beneficiaries. These initiatives assisted individuals and corporate customers who were severely affected by the

COVID-19 pandemic to alleviate their difficulties. More than 5,000 applications for the above five financial support initiatives have been completed.

The relief initiatives were well received by the market as they fully demonstrated the Group’s customer-oriented spirit and willingness to stand together with its customers. This contributed to boosting the morale of both Hong Kong society and the market, and to reducing the impact of the COVID-19 pandemic on the economy. The initiatives were welcomed by the HKSAR Government, the HKMA and the Hong Kong Association of Banks (“HKAB”). Many peers have since launched similar initiatives.

### Five anti-pandemic financial support initiatives



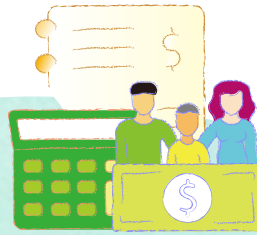
### Helping SMEs to cope with the New Normal

When the government tightened social distancing measures to control the spread of the COVID-19 pandemic, the catering industry needed to react urgently. Mr. Simon WONG Ka-wo, President of the Hong Kong Federation of Restaurants & Related Trades, said, “The support measures of the HKSAR Government, such as the “Employment Support Scheme” and the “Anti-epidemic Fund”, and the support measures of the banking sector have both been indispensable. BOCHK has been actively supporting the catering industry since the beginning of the year. In February 2020, BOCHK took the lead in introducing several financial support initiatives and supported the government’s “Special 100% Loan Guarantee” scheme. Since then, BOCHK has brought these initiatives to the catering industry while offering continuous enhancements and upgrades, such as electronic payment platforms, online banking and diversified financing solutions, etc. BOCHK put in place measures to support the industry promptly and effectively, including solutions such as credit facilities, principal repayment extensions and fee concessions, which was of real help to small and medium-sized restaurants.”



>5,300

corporate customers completed Special 100% Loan Guarantee Applications



Principal repayment deferment and extension of credit facilities

>1,300 corporate accounts



In addition, we actively participated in the “Special 100% Loan Guarantee” scheme launched by Hong Kong Mortgage Corporation Insurance Limited, helping enterprises to obtain working capital and solve their urgent needs. More than 5,300 corporate customers have completed “Special 100% Loan Guarantee” applications. We also fully supported the HKMA’s “Pre-approved Principal Payment Holiday Scheme” and handled principal repayment deferment and extension of credit facilities for more than 1,300 corporate accounts. Our Southeast Asian entities also demonstrated their care for customers during the COVID-19 pandemic by introducing a series

of support measures, such as loan repayment extension, the reduction and waiver of remittance fees, and the use of facsimiles to conduct business, etc. During the year, as the Chairman Bank of the HKAB, BOCHK organised and coordinated several meetings with representatives from regulatory authorities, the banking sector and local chambers of commerce in response to government measures to “support enterprises, safeguard jobs, stimulate the economy and relieve people’s burden”. We mobilised the industry to introduce relevant relief measures to support citizens and enterprises in Hong Kong in riding out their difficulties.

### Supporting retail transformation to respond to new consumption patterns

The COVID-19 pandemic led to a sharp drop in visitors to Hong Kong, greatly affecting the retail industry. Pharmacies, for example, saw their business plummet, and the demand for capital turnover became more intense. There has been a general trend in the retail industry to transform operations and open up new sales channels by setting up online shops.

Mr Lam Wai Man, Chairman of the Hong Kong General Chamber of Pharmacy, explained, “The professional team of BOCHK has expedited loan approval turnaround times and quickly processed applications from the industry. They have even launched the ‘Hong Kong General Chamber of Pharmacy’ comprehensive plan to provide exclusive preferential support to our members and their employees, including account opening, loan facilities, electronic payment and credit card offers, so as to benefit the industry. As pharmacies begin to transform their businesses by developing online shops, BOCHK’s digital services are providing timely support to all of our members, helping us to explore business opportunities and expand our customer base.”



### The COVID-19 Pandemic Prevention and Contingency

The Group's management attached great importance to responding to the COVID-19 pandemic. We have strengthened various pandemic prevention arrangements and formulated contingency plans. We adopted a series of anti-pandemic hygiene measures in our branch network and offices to ensure the safety of our customers and employees while maintaining continuous operation. Our Southeast Asian entities also formulated contingency plans based on local risk assessments, preventing the risk of infection while maintaining the normal operation of their various businesses.

During the COVID-19 pandemic period, we gave advance notice of any service changes to our customers and stakeholders and encouraged them to use digital service channels. Within the Group, we communicated with employees through emails, announcements and mobile app in a timely manner.



### Health and Safety of Employees

Since the outbreak of the COVID-19 pandemic, the Group has consistently made employees' health and safety its top priority and introduced a series of employee care measures. These included developing and adjusting pandemic contingency plans and properly implementing arrangements for "work separation", shift working, working from home and staggered working hours, etc. These measures were adjusted and enhanced from time to time according to the development of the pandemic, reducing the risk of infection.

During the COVID-19 pandemic, the management issued letters to encourage employees and visited several branches to conduct safety inspections and supervisions to ensure a safe working environment. We have also implemented a series of measures in our branches, such as spraying disinfectant on all self-service equipment and regularly replenishing anti-pandemic materials. We provided anti-pandemic supplies for staff on duty, and antiseptic hand rubs and hand sanitisers in branch lobbies for customers. To enable appropriate social distancing, we installed custom-made clear plastic partitions between employees and customers, and displayed the "LeaveHomeSafe" QR code and posters in all of our branches.



We also regularly distributed anti-pandemic materials such as face masks and disinfectant hand sanitisers to all employees. Furthermore, BOC Life introduced the "PHEIC Infectious Disease Extra Benefit", which covers the COVID-19 virus, with immediate effect for every employee of the Group. All of these measures safeguarded the health and safety of the Group's employees.

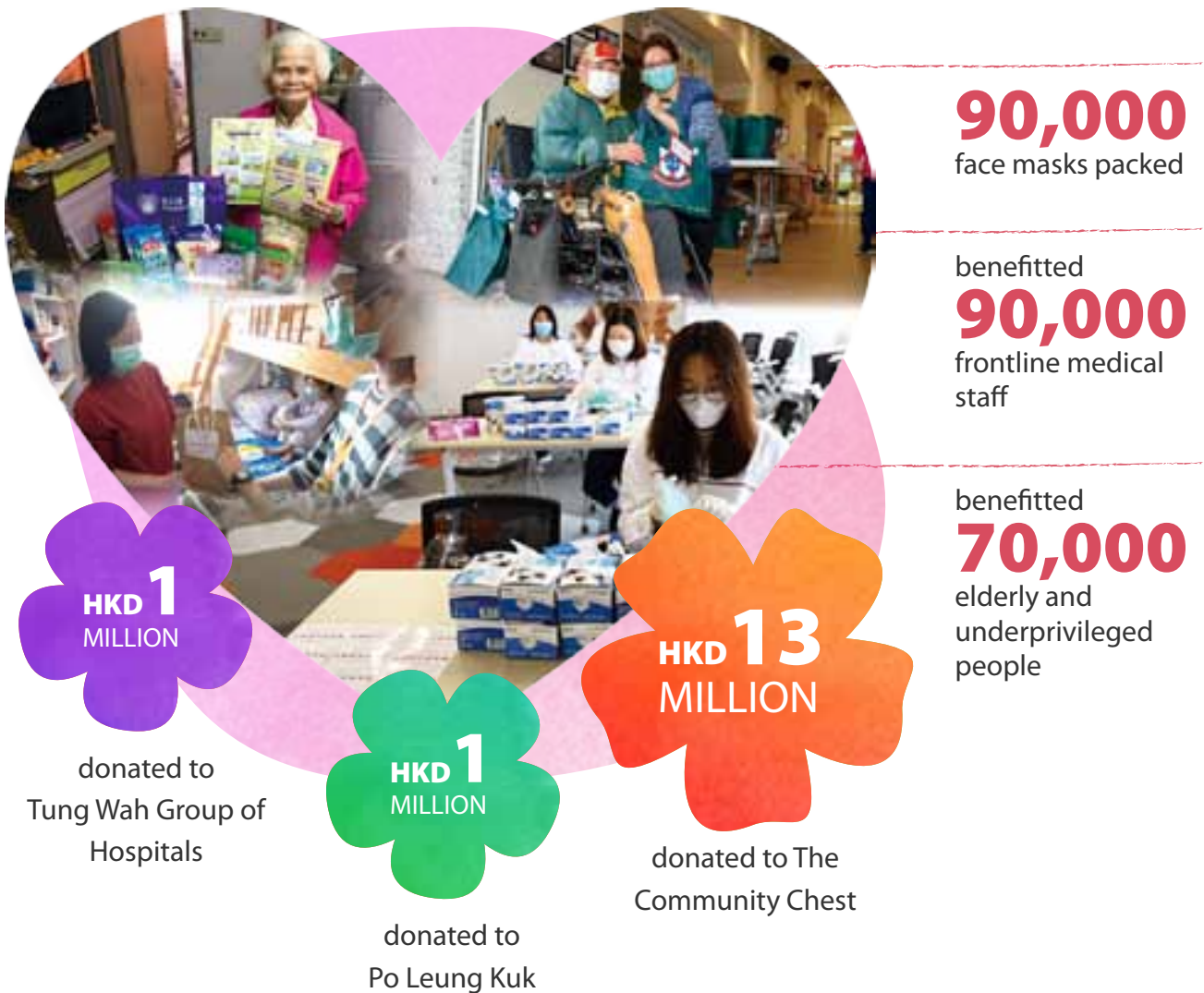
In order to listen to employees' opinions and suggestions related to the handling of the COVID-19 pandemic and address their concerns, we set up a dedicated hotline and mailbox to expand our communication channels. We actively followed up and adopted reasonable suggestions regarding matters raised by employees.

### Donation of Funds and Materials

The Group cares deeply about grassroots communities affected by the COVID-19 pandemic. To assist the Hong Kong community in surviving such adversity, BOCHK took the lead in providing anti-pandemic donations to local charities, including HK\$13 million to The Community Chest and HK\$1 million each to Tung Wah Group of Hospitals and Po Leung Kuk, a cumulative total of HK\$15 million. This has benefitted about 90,000 frontline medical staff and about 70,000 elderly and underprivileged people. The BOCHK volunteer team actively supported this anti-pandemic work, spending their weekends helping The Community Chest to pack 90,000 face masks so that

supplies could be delivered to people in need as soon as possible. The Group also cancelled the customary distribution of gifts to shareholders at its 2020 Annual General Meeting and instead donated a corresponding amount to “The Community Chest Anti-NCP Rainbow Fund” to support its anti-pandemic work.

In addition, during the early stages of the pandemic, BOCHK immediately sponsored the publication of *A Practical Guide to the Novel Coronavirus COVID-19 Prevention* in both Chinese and English, which was distributed to the public for free to help disseminate practical information about preventative measures against the pandemic.



Our Southeast Asian entities have also actively donated in support of anti-pandemic prevention work in order to overcome the outbreak of the COVID-19 pandemic. A cumulative amount of nearly HK\$350,000 was donated to the Mainland and approximately HK\$850,000 to local areas in Southeast Asia. In addition, our Southeast Asian entities actively responded to early material shortages by purchasing

around HK\$1 million of medical supplies to assist the Mainland in fighting the pandemic. As presidents and vice-presidents of local chambers of commerce, our Southeast Asian entities also took a leading role in organising charitable activities to donate funds and materials to local governments and charitable organisations. Such actions received praise and appreciation from local governments and media.



### In support of the anti-pandemic works in the Mainland and Southeast Asia



≈ **HKD 350,000**  
donated to the Mainland



≈ **HKD 850,000**  
donated to Southeast Asia



≈ **HKD 1 million**  
medical supplies purchased  
to assist the Mainland

“Cash Payout Scheme” - a diversified service for Hong Kong residents



The HKSAR Government offered HK\$10,000 to each Hong Kong resident under the “Cash Payout Scheme” to relieve people’s financial burdens and encourage local consumption. On the day that registration opened, BOCHK actively supported the scheme and opened all of its Hong Kong branches on a Sunday. More than 1,000 staff and service ambassadors were deployed to answer questions and provide assistance to the first batch of elderly registrants and customers, achieving smooth and orderly operations on the first day of registration.

In addition, most branches set up an eZone to encourage customers to register via mobile or internet banking to speed up payment collection. Registration forms were also available for customers at all branches, and a dedicated team was assigned to process the submitted forms and provide assistance to the elderly and those in need. The Bank notified customers via SMS, email or mail upon completion of registration, as well as when the payment was disbursed into the customers’ account. To fully support this scheme, we also launched a series of campaigns featuring various preferential offers and the “Power Up Grand Lucky Draw”.



# Business Development and Economic Contributions

During the year, the unpredictable pandemic situation dealt a severe blow to the global economy. Remaining composed, the Group proactively leveraged its distinctive advantages to turn challenges into opportunities. We provided comprehensive, professional and quality financial services to customers, and strived to promote the sustainable development of the regions in which we operate.

[For details of our 2020 business performance, please refer to our 2020 Annual Report.](#)

**SUSTAINABLE  
DEVELOPMENT  
GOALS**



## 8.1 Business Performance<sup>24</sup>

### 2020 Financial Highlights

	2020	2019	Change
(For the Year)	HK\$m	HK\$m	%
Profit for the year	<b>28,468</b>	34,074	-16.5
Profit attributable to equity holders of the Company	<b>26,487</b>	32,184	-17.7
Basic earnings per share (HK\$)	<b>2.5052</b>	3.0440	-17.7
Return on average total assets (%)	<b>0.86</b>	1.15	-0.29pp
Return on average shareholder's equity (%)	<b>9.05</b>	11.51	-2.46pp

	2020	2019	Change
(At year-end)	HK\$m	HK\$m	%
Total assets	<b>3,320,981</b>	3,026,056	+9.7
Deposits from customers	<b>2,183,709</b>	2,009,273	+8.7

### Serving the Real Economy<sup>25</sup>

Hong Kong plays an important role in serving the needs of the nation while at the same time creating opportunities for its own development. During the year, the Group strengthened its collaboration in the region and actively supported the development of the real economy in line with national strategies such as the "Belt and Road ("B&R") Initiative", the construction of the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"), and RMB internationalisation.

### Jointly Supporting the "Belt and Road Initiative"

The signing of the *Regional Comprehensive Economic Partnership Agreement* ("RCEP") and the implementation of the *Free Trade Agreement* ("FTA") between Hong Kong and ASEAN have facilitated trade exchange and the construction of the B&R in the region. Adhering to our development strategy of regional integration, we achieved full business coverage in nine Southeast Asian countries and provided professional integrated financial services to Southeast Asia and regions along the B&R.

- We joined hands with BOC's overseas branches to finance a loan to the Silk Road Fund to invest in renewable energy projects in the Middle East, embodying the concept of environmental protection and sustainable development.
- In conjunction with BOC Tianjin Branch, BOC Thailand issued a performance bond for the China-Thailand High-Speed Railway project, a landmark project of the B&R Initiative and the largest project entered into by a Chinese institution in Thailand.



<sup>24</sup> 201-1

<sup>25</sup> 203-1, 203-2, B8.1

The Group's Southeast Asian entities have made contributions to local financial development:

- The business network of our Southeast Asian entities further expanded, with the opening of the Yangon Branch in Myanmar and approval received to set up the Hanoi Representative Office of Vietnam.
- The Jakarta Branch was upgraded to a Grade 3 local commercial bank, and ranked first among foreign banks in 2019 according to INFOBANK, an authoritative financial magazine in Indonesia.
- OCBC Bank Malaysia appointed BOC Malaysia as agent and manager for investing in the China Interbank Bond Market ("CIBM"). BOC Malaysia launched Southeast Asia's first cross-border futures brokerage clearing business with Dalian, China.
- BOC Thailand signed a Memorandum of Understanding with the Office of SMEs Promotion of Thailand to facilitate cross-border economic and trade investments by SMEs in both countries.



The Group also promoted digital development and enhanced its risk management capabilities to help economic growth in the Southeast Asian region.

- We developed fast payment services and provided cross-border/real-time payment and interbank transfer functions such as UnionPay QR code payment, Prompt Pay in Thailand, DuitNow QR code payment in Malaysia and debit cards issued by the Jakarta Branch.
- The Group expanded its attestation service for overseas account opening, including an account opening service with BOC Malaysia via BOCHK, and an account opening service with BOCHK via the Ho Chi Minh City and the Brunei branches.
- We strengthened the legal compliance, risk management and anti-money laundering management capabilities of our Southeast Asian entities to ensure business continuity.



### Actively supporting the development of the Guangdong-Hong Kong-Macao Greater Bay Area

The GBA is one of China's most highly internationalised and economically robust regions. The announcement of the *Opinions Concerning Financial Support for the Establishment of the Guangdong-Hong Kong-Macao Greater Bay Area* and the launch of the "Wealth Management Connect" pilot scheme in the GBA during the year aimed to promote the connectivity of financial markets in the region. We continued to enhance our cooperation with our parent bank in the GBA. To contribute to our development of the GBA, we strengthened our cross-border business, supported the establishment of an innovation and technology hub, and provided financial services in the region.

During the year, we continued to introduce innovative cross-border financial services related to mortgages, banking and payments, to meet the needs of the region:

- We actively responded to the joint announcement of the People's Bank of China ("PBOC"), the HKMA and the Monetary Authority of Macau regarding the "Wealth Management Connect" pilot scheme, and actively prepared to join the first batch of local banks in providing cross-border banking services.



- The "GBA Account Opening" service added a new feature allowing customers to open Mainland accounts using Hong Kong mobile phone numbers, as well as adding a standing remittance instruction function to mobile banking. As of the end of 2020, the cumulative number of accounts exceeded 120,000, a 40% increase from the beginning of the year.
- BoC Pay integrated comprehensively into the daily life of residents in the GBA, with an 83% increase in the number of customers and a threefold increase in the number of transactions compared to the beginning of the year.
- We launched the "GBA Loan" cross-border mortgage service, enhancing customers' experience across the whole process of property visit, contract signing, payment and mortgage application.



Greater Bay Area  
Account Opening

↑40%



↑83%

Number of  
Customers

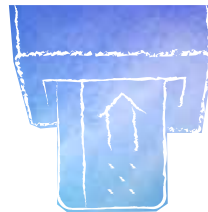
### Strengthening Hong Kong's position as an offshore RMB hub

BOCHK is the only RMB clearing bank in the world that directly participates in the Mainland's Cross-border Interbank Payment System ("CIPS"), China National Advanced Payment System ("CNAPS") and Shenzhen Financial Settlement System ("SZFSS"). We are the largest and most important clearing platform in the offshore RMB market. We provide RMB clearing services to over 200 local and overseas participating banks. Our RMB Real Time Gross Settlement System ("RMB RTGS") deploys the most advanced technology in the offshore RMB markets, has the longest operating hours and has processed the largest transaction value.

According to the Society for Worldwide Interbank Financial Telecommunication ("SWIFT"), the value of RMB processed in Hong Kong in 2020 accounted for approximately 75% of the total offshore RMB transaction value, well ahead of the world's other offshore markets. Hong Kong Interbank Clearing Limited ("HKICL") announced that the total transactions processed via the Hong Kong RMB RTGS System reached RMB282 trillion, representing year-on-year growth of 6.3%. In addition, as the Hong Kong RMB clearing bank, BOCHK joined the SWIFT Global Payments Innovation in April 2020.



RMB clearing services to local and overseas participating banks  
**>200**



Total transactions processed via HK RMB RTGS system  
**RMB 282**trillion



During the year, the Group further enhanced its RMB business-related services to meet the needs of regional markets.

The Manila Branch was appointed as the clearing bank for RMB in the Philippines.

The Phnom Penh Branch was approved by the PBOC as the first overseas quotation bank for RMB to Cambodian Riel (KHR) in the regional market and became a member of the China Foreign Exchange Trade System. It successfully completed the first CNY/KHR direct exchange trade for its clients.

BOC Malaysia was appointed as the clearing bank for Malaysian RMB business and the local RMB settlement bank.

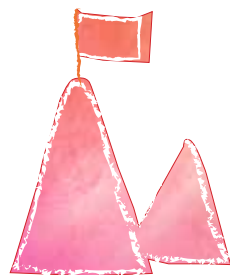
The Jakarta Branch accounted for nearly 60% of the market share of RMB clearing in Indonesia in 2020, ranking first in the Indonesian RMB clearing market for the eighth consecutive year.

We completed the first cross currency swap of CNH ("Offshore RMB") fixed rate/USD SOFR (Secured Overnight Financing Rate), and the first cross-currency swap of CNH fixed rate/HKD HONIA (Hong Kong Dollar Overnight Index Average) in Hong Kong.

The Group ranked among the top five in the world in terms of the number of clients for "Bond Connect", and was invited by Bond Connect Company Limited to join the first batch of members of a new industry think-tank. We received our first-ever "Top FX Settlement Bank" award and our third consecutive "Top Custodian" award in the Bond Connect Awards.

BOC Life continued to lead the market in the RMB insurance business, utilising innovative technology and launching various products on its mobile online banking to provide more convenient services to customers.

BOCHK Asset Management was awarded "Best Offshore RMB Bond Performance (3 years)" and "Best RMB Fund Manager in Hong Kong" in the Best Asset Management Awards 2020 organised by Asia Asset Management.



**Top 5** globally in term of the number of clients for "Bond Connect"



### Facilitating Regional Economic Cooperation and Exchange

As the Chairman Bank of the HKAB in 2020, BOCHK actively promoted exchange and cooperation among the government, regulators, the industry and its members to foster a favourable operating environment for the banking industry. We strived to consolidate Hong Kong's position as an international financial centre and offshore RMB hub.

During the year, we organised, sponsored and participated in a series of forums to promote industry and cross-border cooperation and exchange.

The Group organised the online treasury management forum "Leading the Future: A High-end Dialogue on Treasury Management in Hong Kong" to promote the development of treasury business in Hong Kong.

We sponsored the "13th Asian Financial Forum" organised by the HKSAR Government and the Hong Kong Trade Development Council, and served as a major sponsor of the "Belt and Road Summit" for the fifth consecutive year.

BOCHK co-organised an online summit on "Exploring Opportunities and Setting Sail - Cross-border Financial Services in the GBA" with the Bank of China Shenzhen Branch to explore the opportunities of interconnectivity in the region.

We took the lead in organising the online session of the "Investment Fair on Cloud Platform" in Hong Kong as part of the Third China International Import Expo. BOC Thailand set up a trade and investment matchmaking session for nearly 60 Thailand enterprises to reach cooperation intentions with Chinese enterprises.

In addition, BOC Malaysia invited its customers to participate in an online "China Import and Export Fair", an online investment and trade matchmaking session in Yunnan, an RMB webinar, and events such as the "2020 Guizhou Foreign Investment Fair on Cloud Platform" and the "Brunei Chinese Enterprises Forum".



## 8.2 Technology Innovation

The HKSAR Government is accelerating the development of the Smart City Blueprint for Hong Kong 2.0, while the HKMA continues to deepen the implementation of initiatives for “A New Era of Smart Banking”, thus driving momentum for the flourishing development of financial technology. Meanwhile, customer demand for online banking services increased significantly due to the pandemic, creating more opportunities for banks to promote innovative digitalised and intelligent remote banking services.

### Development of Digitalised and Innovative Financial Technology

The Group pushed forward technology-driven business reform and provided brand-new digital solutions in areas such as customer services, financial products, service flows, operational management, and risk monitoring and control. We are gradually becoming a digital bank characterised by business ecosystems, process digitalisation, intelligent operations, agile project management and cloud computing. A number of innovative financial technology services were launched during the year.

Our Information Technology Committee is responsible for formulating technology development strategies, reviewing technology work plans and administrative measures for technology risk management, and monitoring the implementation progress of various IT projects, etc, to ensure the information technology initiatives meet the Group’s strategic development goals.

In addition, we have set up an “Innovation Laboratory” in Hong Kong Science Park as an experimental base for financial technology, working on proofs of concept and refinement for advanced technology, product design and development, as well as exploring new business models.

With the aim of providing our customers with more high-quality services, we actively promoted financial technology innovation to enhance service efficiency and customer data security through the application of artificial intelligence and big data analysis technologies. We leveraged remote customer onboarding solutions via mobile banking, and analysed branch customer traffic to alleviate queuing and diversion problems. We utilised blockchain technology to improve the efficiency of mortgage procedures and developed a brand-new customer experience by offering biometric authentication services such as fingerprint and facial recognition for mobile banking login, and finger vein authentication at Automated Teller Machines (“ATM”), as well as an online chat service.



We witnessed increasing demand for online services due to the pandemic. The number of mobile banking customers grew by nearly 30% compared with the beginning of the year, while the user base of BoC Pay, BoC Bill, and Fast Payment System jumped by around 80%.





During the year, we launched a series of innovative financial services and offered a premium service experience to our customers.



### iGTB NET and iGTB MOBILE

Our comprehensive online platform for transaction banking services and our corporate mobile banking application allowed corporate customers to maintain normal operations during the pandemic.



**livi bank**  
愿你生活 live your way

### Opening of Livi Bank Limited

Livi Bank Limited, a virtual banking joint venture with Jingdong Digits Technology Holding Co Ltd and Jardine Matheson Group, was officially launched during the year to offer a new virtual banking experience to customers.

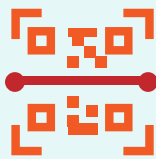


### Open API

We collaborated with third-party service providers to introduce over 90 open APIs during the year.

### APP2APP

This convenient merchant payment collection service optimised the mobile payment process for person-to-merchant (P2M).



### BoC Bill Integrated Billing Services

In conjunction with the HKSAR Government's "Subsidy Scheme for Promotion of Contactless Payment in Public Markets", the Group offered BIA "Business Banking Account" and "BoC Bill Integrated Billing Service" to eligible merchants to reduce virus transmission risk from cash settlement during the pandemic.



### Brand new mobile account opening: Basic Banking Account (BBA)

Using ID cards for validation and facial recognition for authentication, customers can now apply online for new bank accounts via mobile phones. This service also gave Hong Kong permanent residents living abroad a convenient way to register for the "Cash Payout Scheme".

### "UnionPay QR Code Cash Withdrawal Service"



Customers are now able to withdraw cash from ATMs via mobile banking by scanning a QR code, enhancing the customer experience in banking services.

### • The most diversified mobile banking platform



Provided over 20 financial and insurance options including time deposits, foreign exchange, stocks, life insurance, structured investments, etc.



Expanded our mobile account opening service to 10 countries and regions outside Hong Kong, allowing 24-hour remote customer onboarding and e-banking services via mobile apps.



Offered the first mobile banking service with a live streaming function in Hong Kong, to keep customers abreast of market developments.



Launched "Mortgage Expert", the first mobile app in Hong Kong that provides a one-stop digital mortgage service.

### • Actively promoting Hong Kong's innovative trade finance platform "eTradeConnect"

We promoted the link between eTradeConnect, and the People's Bank of China Trade Finance Platform ("PBCTFP"), thereby enhancing digitalisation for our trade finance service.

We value opportunities for exchange with the banking industry. During the year, we participated in the "Hong Kong Fintech Week 2020" jointly organised by the HKMA, the HKSAR Government, and the Fintech Global Summit. We discussed and shared views with financial institutions from the Mainland on technical solutions regarding innovative financial technology, cloud platforms and artificial intelligence.

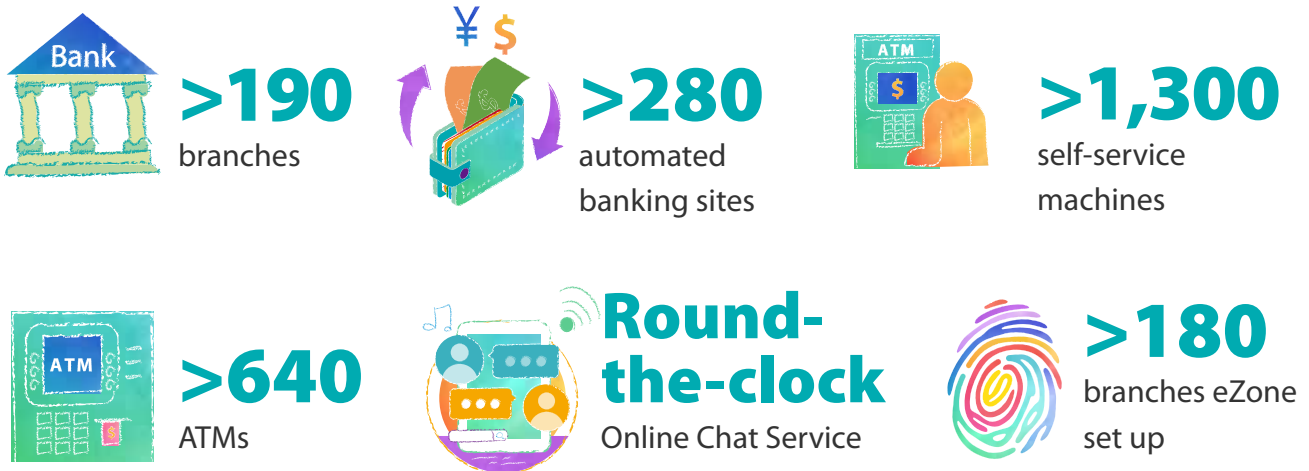


## 8.3 Financial Inclusion<sup>26</sup>

BOCHK proactively supports financial inclusion as advocated by the HKMA, and offers convenient banking services to people from different walks of life.

### Convenient Banking Service Channels

BOCHK has the most extensive local branch and self-service banking network, widely distributed across different districts in Hong Kong and providing diverse and convenient banking and financial services:



Foreign Currency ATM service extended to 12 sites to provide foreign currency exchange and withdrawal services, including for US Dollar, Japanese Yen, Euro and Pound Sterling

Over 40% of our sites are located within around 10 minutes' walking distance of public housing estates

Nearly 160 sites are located in public organisations such as hospitals, universities and public transport hubs, including MTR stations, the airport and ports

We offer a 24x7 live-agent assisted video banking service in remote areas such as the Shui Chuen O Estate in Shatin, the Ying Tung Estate in Tung Chung as well as Discovery Bay

We provide efficient electronic channels such as online banking and mobile banking, and continue to increase the scope of their service and functions, to meet customers' needs for banking services anytime, anywhere



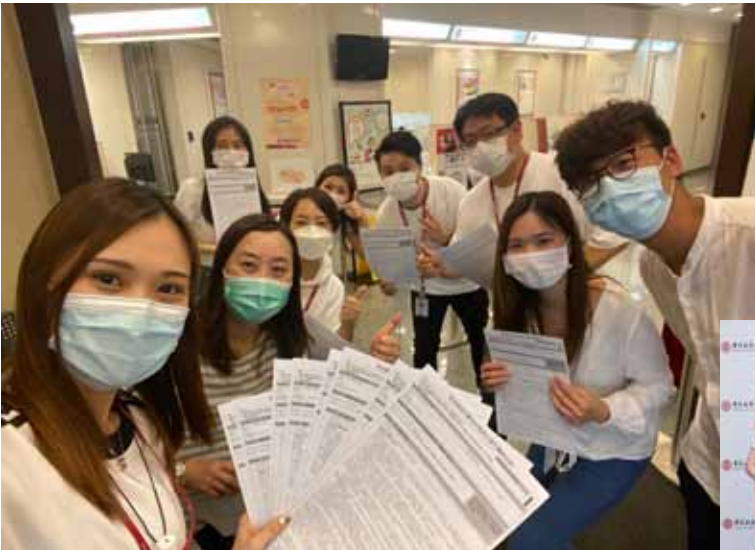
For details of our products and services, please visit the **BOCHK website** or contact our branch staff.

### Services to support people's livelihood

We are committed to assuming responsibility for people's livelihood in the areas in which we operate. During the year, we actively developed services for popular convenience:

The Group collaborated extensively with the HKSAR Government's "Cash Payout Scheme", helping the general public to register for the scheme and receive the payment by deploying its mobile and internet banking channels as well as its extensive branch network.

We were the sole agent bank appointed to HKSAR Government's "One-off Allowance for New Arrivals from Low-income Families" Programme of the Community Care Fund. This HK\$10,000 subsidy has been paid to 200,000 qualified non-permanent residents.



To support the issuance of the HKSAR Government's inflation-linked iBond, we provided various subscription channels, including mobile banking, online banking, investment hotlines and our branch network, to meet the needs of different customers.



### Helping the elderly and ethnic minorities to register for the "Cash Payout Scheme"

Our branch, located near the residential areas of Sham Shui Po and Cheung Sha Wan, has been providing services for nearly 35 years. Most of our customers are seniors and ethnic minorities. On the first day of registration for the "Cash Payout Scheme", our branch staff carefully checked for the elderly whether the required information was filled in the application form, and prompted them if omissions were found. There were also some ethnic minority customers who did not understand Chinese or have English as their first language. Our staff did their best to communicate with those customers and helped them to complete the application on site. By the end of the day, the branch had served thousands of customers, who were grateful for the kind help of our staff.





We provided convenient payment solutions for public transportation, such as a credit card/QR code payment project for Long Win Bus, the first credit card payment for public transportation in Hong Kong. We have further extended QR code payment to NWFB and Citybus, and credit card/QR code payment to parking meters.

Due to the geographical limitations 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 to this, we provided loans to local microfinance institutions to serve more people, making it convenient for residents to receive personal loans and thus promoting the development of local communities. The Jakarta Branch and Phnom Penh Branch, for example, have provided loans to local microfinance companies during the year.

We continued to optimise our e-Donation Platform, which enabled Tung Wah Group of Hospitals, Po Leung Kuk, Lok Sin Tong and the Hong Kong Red Cross, etc, to launch online fundraising initiatives.



### Serving the Elderly

E-payment and digital banking are becoming more and more popular. To meet the needs of elderly customers, we have launched a variety of services:



BOC Fast Cash Card provides convenience for the elderly. Each process is clearly displayed graphically on the ATM screen. The account balance is also shown on-screen, with pre-set withdrawal amounts for easy selection by customers.

Finger vein authentication has been fully rolled out across our branches and ATMs, which means there is no need for customers to use signatures or passwords when making designated transactions.



As co-arranger and placing bank, BOCHK supported the HKSAR Government in the issuance and sales of the fifth Silver Bond, for the subscription of local citizens aged over 65. Silver Bond is a well-received investment product that provides steady returns for senior residents.

We actively cooperated with the Hong Kong Mortgage Corporation Limited to provide elderly customers with the "Reverse Mortgage Programme". BOCHK has been a leading bank for this programme for many years, with a market share of nearly 90%.



We provided free Standing Instruction remittance of social security payments for the elderly of the Hong Kong Social Welfare Department's "Guangdong Scheme", "Fujian Scheme" and "Portable Comprehensive Social Security Assistance Scheme". Elderly people were not required to process applications in-person, exempting them from travelling across the border and immigration quarantine during the pandemic.

### Helping the Underprivileged

We provided the underprivileged with equal access to banking services:

- We cancelled service fees for personal integrated banking services and general banking accounts with effect from August 2019.



- We have installed barrier-free facilities in all branches for customers in need:

All ATMs have been installed with Braille, including soft keypads on both sides of the screen for account service selection;

We have set up more than 250 voice-navigation ATMs across Hong Kong for the convenience of the visually impaired, and our mobile banking application is equipped with a voice navigation function;

All of our branches have installed barrier-free facilities and ramps that allow mobility-challenged customers to gain easy access, with some branches equipped with lifts;

Our branches provide bell facilities so that our Customer Service Ambassadors can provide timely assistance to those in need;

Our branches also provide an assistive listening device to facilitate communication between hearing-impaired customers and our staff;

All ATMs feature wheelchair-friendly design to allow wheelchair users to easily reach the screen and keypads;

Our website is designed with accessibility in mind.

- Since 2015, we have collaborated with the Labour and Welfare Bureau to help participants in Child Development Fund projects to open BOCHK personal saving accounts and Club Deposit accounts. This helps children from low-income families to develop financial self-discipline from an early age.
- During the year, as the Chairman Bank of the HKAB, BOCHK actively promoted financial inclusion and coordinated with social welfare organisations, relevant parties and regulatory authorities to conduct a comprehensive consultation on the *Guideline on Banking Services for Persons with Intellectual Disabilities*, which was published in December 2020.

### Launching a bite-size instalment loan to meet customers' short-term funding needs

We are committed to fulfilling our corporate responsibilities and launched a bite-size instalment loan to support people who had been suspended from duty without pay or required to take unpaid leave, those who relied on commission income but were unable to provide recent proof of income, as well as people working in specific industries such as retail, catering, transportation, tourism and entertainment. The loan does not have minimum monthly income requirements, and offers a flat rate of interest and handling fee waiver regardless of the loan amount and loan tenor, in order to help people overcome difficulties.



### Supporting the Development of SMEs

SMEs are an important pillar of Hong Kong's economy as well as important partners of BOCHK. We have always assisted in promoting the development of SMEs, focusing on solving the difficulties they face in account opening, financing and operating, as well as high costs. During the pandemic, we pioneered a series of anti-pandemic financial services support measures to help SMEs and reduce pressures on their working capital.

**For more details, please refer to the "Responding to the COVID-19 Pandemic" section.**

BOCHK received a number of awards during the year, including the "Best SME's Partner Gold Award" granted by the Hong Kong General Chamber of Small and Medium Business for the 13th consecutive year, as well as the "Excellent SME Commercial and Financial Services Award" at the Financial Services Awards of Excellence 2020 organised by *Hong Kong Economic Journal*. These awards show that our efforts in serving SMEs are well recognised by the industry.

In support of the approach advocated by the HKMA, we simplified the account opening procedures for new companies, start-up enterprises and overseas enterprises investing in Hong Kong.

We fully participated in the Commercial Data Interchange of the HKMA, wherein the commercial data obtained will enable us to provide objective credit assessments and more tailored services for SMEs, while implementing financial inclusion through digital means.

In support of the HKSAR Government's policies on SME assistance, we provided a "Small Business Loan" to offer a flexible loan solution to facilitate SMEs' business growth.

We have sponsored the "Young Industrialist Awards of Hong Kong" and the "Industrialist of the Year Award" since 2005, to honour industrial and manufacturing leaders who have made important contributions to local industries, economic development and society.

Leveraging the advantages of our parent BOC Group, we continued to facilitate cooperation in cross-border business and helped SMEs to explore cross-border business opportunities by joining hands with governments and chambers of commerce.

## 8.4 Customer Experience

Firmly rooted in Hong Kong for over a century, BOCHK has always adhered to a customer-centric philosophy and attaches great importance to building long-term relationships with customers. We are committed to providing professional banking services and enhancing the customer experience by continuously launching diversified products. Our Customer Experience Division, which was established in 2019, has always been dedicated to improving service and product experience. This year, we have also set up the BOCHK Insight Community in order to increase customer interaction and listen to customer voice and feedback in a regular and timely manner through surveys and research.

### Customer-centric Approach

We have always taken our customers' interests into consideration and strictly abide by all laws and regulations applicable to Hong Kong, including the *Code of Banking Practice* issued by the HKAB with the endorsement of the HKMA, the circulars and guidelines issued by the HKMA, and the *Treat Customers Fairly Charter* (the "Charter") formulated by the HKMA and the banking industry, to which all retail banks in Hong Kong are signatories. This is to make sure that our daily operations are in compliance with applicable laws and regulations, and to implement our customer-centric spirit.



To provide our customers with high-quality products and services, we have implemented a quality management system in accordance with ISO 9001 international standards since 2011, obtaining the ISO 9001 quality management system certification. We continued to upgrade service quality indicators, targets and standards and established regular review and

monitoring mechanisms and procedures, with the aim of enhancing customer experience.



The Risk Committee under the Board is responsible for reviewing and approving the *Group's Product Development and Risk Monitoring Management Policy*, which sets out the principles and processes governing the Group's product development and risk due diligence, and promotes the development and distribution of both new and existing high-quality financial products.

We have established administrative measures and operating rules for different kinds of loans, set out principles on product management 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, etc. Customers can also adjust their loan applications to request top-up loans or flexible repayment periods.

To enable our customers to make informed financial decisions, we provide fair and transparent information regarding our products and services. 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 and the terms and conditions are posted on the BOCHK website. Customers can also make inquiries through the promotion hotline and online customer service.



### "One-Minute Praise Action"

To promote the mutual advancement of branch employees, we adopted "Appreciation and Sharing" as our service theme for the year and launched "One-Minute Praise Action". Managerial personnel were invited to commend outstanding employees by recording audio clips of praise, with excellent cases selected for broadcast at the branch morning meeting, thus encouraging frontline colleagues to learn from good examples and jointly promote a customer-centric culture. The broadcasts were well received. Colleagues who were commended felt greatly encouraged, while other colleagues were also deeply inspired.





We attach great importance to staff training and strive to provide customers with the highest quality service.

We provide comprehensive training courses for new customer service employees, covering topics such as the Charter, compliance, service quality and the customer experience model, etc.



Employees in branches must participate at least once a year in an online training and testing session related to the Charter. 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.

The promotion of financial education is important to improve the financial literacy of customers and the general public. During the year, we were granted the “Financial Education Champion” award from the Investor and Financial Education Council.

- We provided an e-version of *Monthly Global Market Investment Insight* and a diverse range of online investment seminars for wealth management customers, and also launched the “Wealth Decode” electronic platform.
- The concept of financial literacy should be established from an early age. Our education volunteer team joined hands with Po Leung Kuk to organise an online seminar on electronic currencies and contactless payment for junior high school students.<sup>27</sup>

We treasure customer feedback and launched the Transactional Net Promoter Score (tNPS) during the year to better understand our customers’ experience via different channels. Customers are invited to rate their experience and provide feedback upon completing a transaction through branch, mobile or online banking.

- We continually conduct customer surveys to understand customer satisfaction with our branch staff, including their service attitude, familiarity with products, and accuracy of transaction processing. In 2020, customer satisfaction with our branch services steadily increased, with an overall average score of 8.83 out of 10, remaining at a relatively high level.



Overall average score  
**8.83**  
out of 10

- During the year, we appointed an independent research company to conduct the Customer Satisfaction Survey to collect the feedback of our corporate customers on overall service performance. Around 350 customers have been surveyed and provided positive feedback with high scores.

We have a rigorous complaint handling mechanism in place to deal with complaints seriously and give feedback to customers in a timely manner, in a bid to continuously improve our service level.

The Group formulates 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.

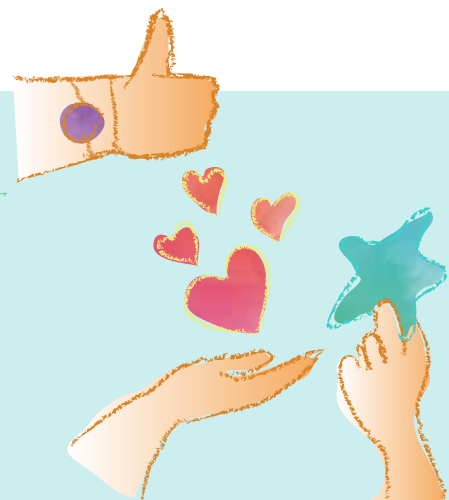
When handling complaints, we adopt a fair, impartial and independent approach to conducting investigations. The personal information of the complainant and details of the complaint is kept confidential to protect the interests and safety of the complainant or whistleblower.

We provide different channels for receiving customer feedback or complaints, including internet banking, mobile banking, branches, customer opinion hotline, customer service hotline, fax, letter, email, customer feedback form, etc.

We properly handle customer complaints and take immediate measures to resolve and respond to customers' appeals. We summarise and analyse complaint cases regularly to understand customer needs and for training purposes. This enables us to constantly improve our services and procedures, and to enhance customer experience.

### A solid mechanism in place to ensure service standards

The customer complaint handling mechanism of BOC Credit Card has been granted ISO international standard certification since 2008. It is recognised for its transparency, accessibility, responsiveness, objectivity, confidentiality, customer orientation, responsibility and continuous improvement in handling complaints, etc, thus ensuring our service standards.



9

# Responsible Business Practices

The Group strictly abides by all laws, regulations and relevant regulatory requirements of the jurisdictions in which it operates and conducts its various businesses in an ethical manner. We are committed to providing responsible banking services to all sectors of society, and offer financial products and services with responsibility and integrity.

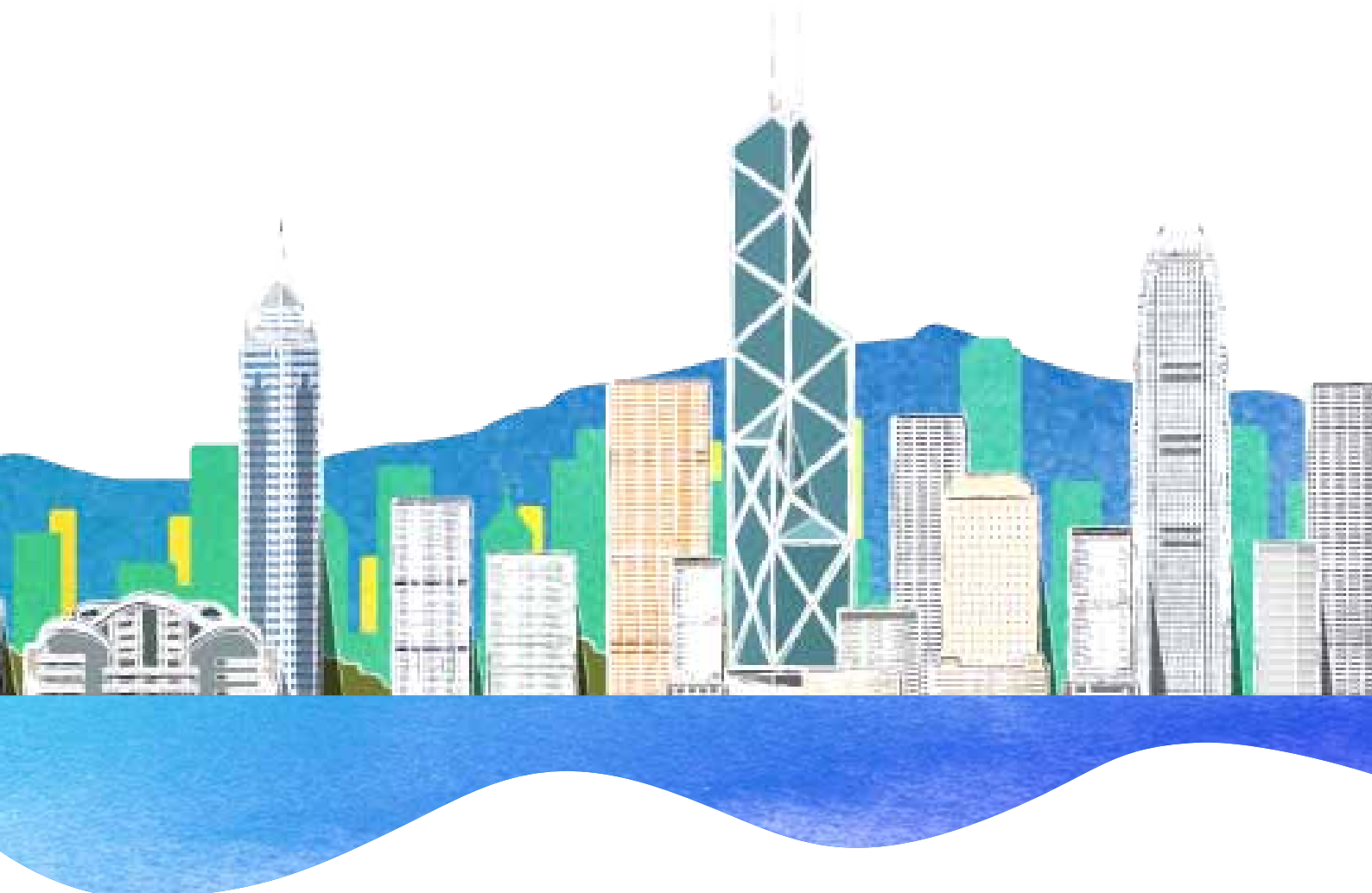


## 9.1 Fair Dealing

The confidence and trust of customers are critical pillars to support the sustainable development of banks. Upholding the HKMA's "Treat Customers Fairly Charter", we attach importance to fair transactions and cultivate a "treat customers fairly" culture within the Group.



Through industry platforms such as the HKAB and the Private Wealth Management Association, we continue to maintain close contact and communications with different regulatory authorities, including the HKMA, SFC, Insurance Authority and other relevant institutions on issues concerning the protection of consumer rights. We also provide our comments during the formulation of relevant policies.



## 9.2 Information Security Management<sup>28</sup>

Fast-changing technology has made information security management and protection of customers' personal and financial information particularly important. We have a well-established management system, with a Risk Committee under the Board that approves data management policies and major changes, and oversees their implementation. The Information Security Committee has been established under the Management Committee and is chaired by the Chief Operating Officer. It is responsible for organising, managing, supervising and coordinating work related to the information security, cyber security and data protection of the Group. Our management system has successfully obtained the ISO 27001 Information Security Management System certification.

In view of the pandemic, we set up a Mobile Office Task Force during the year. We formulated a security strategy for the mobile office model and engaged all employees in training on information security, technology risk management and personal information protection.

### Protection of Customer Personal Data Privacy

Personal data privacy policies and related administrative measures have been put in place by the Group in accordance with the *Personal Data (Privacy) Ordinance* of Hong Kong and are reviewed annually. They apply to all units and affiliates and mainly include:



Collecting customer information in an appropriate manner, prudently safeguarding such information and preventing any unauthorised or accidental access, processing, deletion, loss or use.



Abstaining from using customers' personal data for direct marketing purposes without obtaining customers' consent.



Annual information security and desktop management examinations are conducted to ensure data is managed properly. A data leakage prevention monitoring system is implemented to protect customer data.



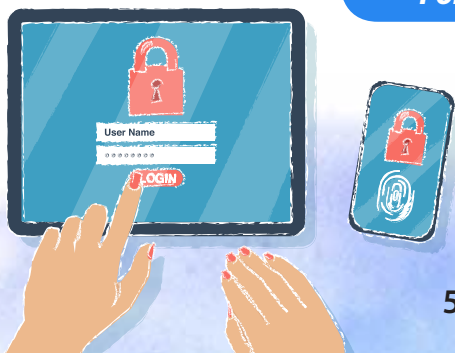
Complaints regarding customers' privacy received by the Group are handled by a dedicated unit that collaborates with relevant departments to investigate in accordance with our relevant administrative measures for the handling of customer complaints. The complainant shall be notified of the investigation results.



The contact information of the data protection officer is available on the BOCHK website. Customers can make requests to view or amend data, as well as request information on our data policies and practices and the types of data held.



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**.



## 9.3 Cyber Security

The Risk Committee under the Board is responsible for the approval of technology risk management policy and material revisions, as well as overseeing subsequent implementation, thus ensuring the Group's cyber security is at the forefront of the industry.

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. The Group's internal audit conducts annual reviews of information technology policies and systems. A further review is carried out by an external independent auditor to ensure that the Group continues to provide stable financial services.

The data centre of the Group implements 24/7 real-time monitoring and holds the ISO 27001 Information Security Management System certification. We have introduced AI technology for cyber defence and conducted regular drills on cyber incidents to improve our alert and response capability. Our cyber security capabilities were continuously enhanced and no major computer systems or cyber security incident occurred during the year.

We continued to raise the cyber security awareness and technology risk management capabilities of employees and related contract staff, including via bank-wide cyber security online seminars and e-learning courses. We also disseminated information security tips for working from home and published bilingual monthly *Technology Risk Newsletters* to all employees within the Group. Employees working from home must strictly follow the relevant rules to ensure network security and minimise the risk of cyber-attacks. In addition, a training series on the latest trends was conducted to enhance employees' awareness of technology risk and information security.

We attached great importance to the network security of customers' access to banking services, and continually educated and reminded customers to take precautions when making online transactions through different channels. This included issuing timely press releases to alert customers to fraudulent websites and e-banking fraud cases.

In 2020, as the Chairman Bank of the HKAB, we facilitated the migration of the Cyber Intelligence Sharing Platform and continued to encourage industry peers to share cyber security information. To assist and coordinate with the launch of the HKMA's "Cybersecurity Fortification Initiative 2.0", we organised and conducted consultation within the industry.

For more details, please refer to the **Group's security information and security tips** online.



## 9.4 Financial Crime Prevention

Financial crime is becoming more extensive and complex. The Group places great emphasis on ensuring the safety, stability and integrity of the financial system, and actively fulfils our responsibility to prevent financial crime. We have established comprehensive policies and measures to reduce financial crime risks, which all units and affiliates of the Group are required to strictly implement.



Since 2017, we have maintained a wealth intelligence team to enhance our close ties with law enforcement agencies and peers to prevent and combat illegal activities.



Our branch colleagues were awarded certificates for their fulfillment of good corporate citizenship in combating financial crime.

### Emphasising Anti-Money Laundering and Countering Financing of Terrorism

The Group strictly abides by all laws and regulations on anti-money laundering and countering the financing of terrorism ("AML/CFT") in Hong Kong. We have implemented AML/CFT and crime prevention work, and formulated an *AML/CFT Policy* in compliance with relevant laws and regulatory requirements, the Group's risk management strategies and the recommendations of international organisations such as the Financial Action Task Force.

Our AML Committee formulates resolutions for various units and subsidiaries to follow. Acting in accordance with policies and regulatory requirements, our staff conscientiously carries out tasks in respect of customer acceptance, customer due diligence, ongoing monitoring, suspicious transaction investigation and whistleblowing, and customer and transaction record keeping, etc.

We have a comprehensive set of sanctions screening systems and suspicious transaction monitoring mechanisms, including regular enhancements to effectively identify suspicious customer accounts and transactions.

In accordance with the recommendations of the HKMA, we conduct an annual AML/CFT risk assessment which includes recording the identification and assessment steps for relevant risks, qualitatively and quantitatively analysing relevant information and determining the overall risk level, as well as outlining specific risk mitigation measures to be adopted.



We continued to provide employee training and regularly incorporated examples of financial crime into training and internal circulars.

All employees are required to attend training on AML at least once a year.

Online compliance training is organised for new employees, and new frontline employees are required to complete comprehensive training courses.

External AML experts are regularly invited to communicate with and conduct training for the Board, management and employees. By sharing the latest AML regulatory requirements and international cases, they help to enhance our understanding of international AML standards.



In addition, we provided customers with timely fraud risk and AML reminders through websites and emails.

The pandemic has changed financial transaction patterns and increased the transaction volume of electronic channels. During the year, in line with the requirements of the HKMA's *Coronavirus Disease (COVID-19) and Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) Measures*, we actively strengthened relevant controls and implemented a series of targeted measures. Furthermore, we introduced innovative technologies to promote AML/CFT and crime prevention, supporting the HKMA's initiative to promote regulatory technology.

### Anti-Bribery and Anti-Corruption<sup>29</sup>

Our Group takes a zero-tolerance attitude towards bribery and corruption. We have set up a specialised group to oversee relevant matters. In accordance with local regulations including the *Prevention of Bribery Ordinance* and the banking professional ethics guidelines issued by the Hong Kong Independent Commission Against Corruption ("ICAC"), as well as local best practice, we have formulated an anti-corruption and anti-bribery management framework as well as the *BOCHK Anti-Corruption and Anti-Bribery Policy*. This policy sets out relevant principles and requirements as well as management roles, responsibilities and mechanisms, including evaluation, training, and whistleblowing mechanisms, and is reviewed every year.

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 a "top-down" anti-corruption and anti-bribery strategic direction, and for upholding our commitment to strictly abide by relevant laws and regulations as well as our corporate culture.

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

In addition, in order to promote and communicate an anti-corruption and anti-bribery culture, we organised a long-term training programme covering all employees. We have also established a communication mechanism with the ICAC to exchange information about corruption in a timely manner. We regularly provide training to Board members and employees, and actively participate in anti-corruption training conducted by the 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. We also provided three specialised training sessions to employees of our Southeast Asian entities.



## Compliance Culture

Integrity is one of the Group's core values. Our *Staff Code of Conduct* specifies that employees at all levels must be law-abiding and comply with regulations as well as the Group's various rules, regulations and systems. The *Staff Code of Conduct* is reviewed on an annual basis. Training is provided to ensure all employees are informed of the relevant requirements.

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* and laws and regulations related to intellectual property rights<sup>30</sup>, as well as the Group's various business operations and human resources management requirements. The Group conducts regular audits to ensure compliance with the *HKMA Code of Conduct* and regularly reviews the monitoring mechanisms related to business ethics in different departments.

Our *Staff Code of Conduct* aims to guide and regulate employee behaviour, and avoid conflicts of interest or role. It 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<sup>31</sup>.

We have a sound internal reporting policy and whistleblowing mechanism. If an employee discovers that improper behaviour has occurred or may have occurred within the business or other aspects of the Group, including cases of deception, fraud, theft, forgery, corruption, money laundering or other illegal activities, or discovers behaviour that involves the personal conduct of employees of the Group or violates the *Staff Code of Conduct*, a report shall be filed in accordance with the *Policy on Handling Staff Reporting of Irregularities*, the *Administrative Measures on Staff Reporting of Irregularities* and the *Staff Code of Conduct*.

The *Policy on Handling Staff Reporting of Irregularities* sets out in detail the reporting management structure and division of roles, reporting principles, mechanisms, channels, procedures, and the protection of whistleblowers, to encourage employees to report and protect their legitimate rights. On receiving an employee's report, we inform the Audit Committee and promptly conduct a fair and independent investigation as per the prescribed procedures, before making recommendations. The investigation report is then submitted to the management and the Audit Committee. In addition, we offer induction training on internal whistleblowing rules for new employees, and annual bank-wide revision training to raise employees' awareness of reporting measures and policies.

The Group has adopted the *Guidelines for Reporting Suspicious Transactions* and the *Anti-Bribery and Corruption Policy*, which sets out whistleblowing mechanisms for suspicious transactions, AML, and anti-bribery and anti-corruption. After receiving a report, we conduct analysis and investigation within a specified timeframe and report any suspicious transactions to the Joint Financial Intelligence Unit in accordance with the law<sup>32</sup>.



<sup>30</sup> B6.3

<sup>31</sup> 102-16

<sup>32</sup> 102-17, B7 General Disclosure, B7.2

## 9.5 Business Continuity Plan

The Group is committed to providing stable banking services to all sectors of society. To ensure that we can respond quickly to emergencies and continue to provide key services, we have formulated our business continuity planning in accordance with the Business Continuity Planning section of the HKMA's *TM-G-2 Supervisory Policy Manual*. We have contingency working groups contingency measures and reporting mechanisms in place to specify the organisational structure, responsibilities, management mechanisms, training, regular drills, reviews and other details.

To ensure the normal operation and maintenance of our information technology system, we have formulated an emergency handling manual. Incidents are classified into

different categories with specific reporting mechanisms and handling procedures for the activation of the disaster recovery centre. Regular drills are conducted. During the year, all members of the Group participated in and completed the annual drill.

We have set up "Three-Prevention<sup>33</sup> Work Leading Group" in each department to conduct self-inspection on three-prevention safety aspects. To ensure the safety of personnel, equipment and facilities, we have also formulated various security work contingency plans.

Employees receive annual training in which they revisit the business continuity plan, handling procedures and case studies.



<sup>33</sup> The three-prevention emergencies refer to the sudden occurrence of events in the offices or business premises of the Group's units that may affect the normal operational activities or the safety of the Group's property, or threaten the safety and lives of personnel. It includes natural disasters, accidents and disasters such as fire/flood/unidentified gas leak, damage/theft/assault/armed robbery/suspicious packages/explosion threats, serious disputes/ disturbances (including telephone nuisance or intimidation) by customers, and major social security incidents such as terrorist attacks and riots, etc.

# Green Banking and Finance

We have integrated environmental protection into our bank policies and actively promoted green financial services. By adopting various measures, we help to reduce the environmental impact of our operations and to protect the natural environment.

**SUSTAINABLE  
DEVELOPMENT  
GOALS**



## 10.1 Sustainable Finance<sup>34</sup>

To tackle climate change, the world is paying greater attention to sustainable development. Green finance has emerged as a new trend in international financial development, with a significant increase in demand for green financial products from various stakeholders. During the year, the HKMA published the *White Paper on Green and Sustainable Banking* to help financial institutions better understand and respond to the risks of climate change in order to establish a greener and more climate-resilient banking system.

The Group has identified sustainable development as one of its core strategic goals and integrated environmental

considerations into its bank policies. We have actively developed sustainable financial products such as green bonds, green loans and green investments, and provided green advisory and green certification services. We aim to help enterprises participate in sustainable development and assist customers in transitioning to a low-carbon economy.

During the year, the PBOC, China Banking and Insurance Regulatory Commission, China Securities Regulatory Commission and State Administration of Foreign Exchange issued the *Opinions on Financial Support for the Construction of the Guangdong-Hong Kong-Macao Greater Bay Area*, to promote the development of Hong Kong as a green financial centre in the GBA. Furthermore, the signing of the *Green Investment Principles for the Belt and Road* by 27 global institutions has stimulated green investment in the Belt and Road region. BOCHK leveraged its advantages in cross-border business and actively captured the green finance demands of the GBA. We provided financial and technical support for the green Belt and Road initiative and closely cooperated with "Going Global" enterprises in green industries. Together, we are working towards a low-carbon economy.



### Green Deposits

In addition, we launched the first green time deposit for corporates in Hong Kong. To date, this supports the largest range of green industries in the local market, and is the first green deposit to be certified by an independent third party in Hong Kong. Deposit funds will be used to support projects in the green building, renewable energy and pollution prevention industries, in order to promote the transition to a low-carbon, climate-resilient and sustainable economy.

The environmental benefits of projects funded by green deposits include:



Total Capacity

**62.5** megawatts



Reduce carbon dioxide emissions

**>83,000** tonnes per year

- A wind power project located in East China. With a total capacity of 62.5 megawatts (MW), this project will reduce carbon dioxide emissions by more than 83,000 tonnes per year.



Daily domestic waste

**1,500** tonnes



Annual on-grid electricity

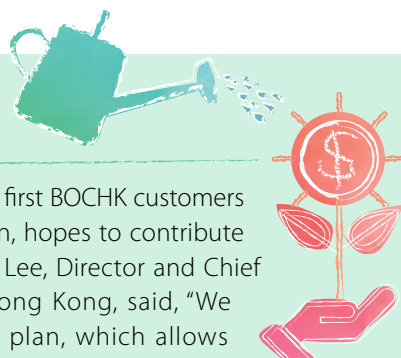
**≈179,000** megawatt-hours

- A waste incineration power generation project located in Central China. Based on a daily domestic waste treatment capacity of 1,500 tonnes, the annual on-grid electricity generation of this project will be about 179,000 megawatt-hours (MWh).

<sup>34</sup> G4-FS1, G4-FS5

### Green Deposit Scheme

China Mobile Hong Kong, as one of the first BOCHK customers to participate in the green deposit plan, hopes to contribute to sustainable development. Mr. Sean Lee, Director and Chief Executive Officer of China Mobile Hong Kong, said, "We are very happy to participate in the plan, which allows us to obtain steady returns while supporting sustainable economic development and working together to contribute to environmental protection."



### Green Deposit Scheme

Baguio Green Group participated in BOCHK's green deposit scheme. Ms. Cheung Siu Chun, Executive Director and Chief Financial Officer of Baguio Green Group, said, "Baguio is committed to maintaining a green environment for society and actively improving the recycling industry value chain. Participating in this scheme not only satisfies our financial management strategies, but also supports the sustainable economic development of Hong Kong. We look forward to cooperating closer with BOCHK to promote a green economy and enhance the benefits of environmental protection and social development."

### Green Loans

During the year, we enriched the content of policies and procedures pertinent to our green loan business and conducted credit business in a responsible manner. We prioritised socially and environmentally sustainable projects in an effort to support sustainable development.

BOCHK provided financial support via green loans and successfully assisted corporate clients to obtain certifications from third-party organisations including the HKQAA. We actively promoted the development of green finance and were the first bank to collaborate with the HKQAA in the new online "Green Loan e-Assessment" platform. We also introduced the "SME Green Financing Incentive Scheme" to offer fee waivers for eligible green loans.

Meanwhile, we arranged multiple green loans during the year, with the balance of green loans increasing by over 60% compared to the prior year-end. We have arranged green loans for a leading Mainland environmental

conglomerate, a leading company in the power industry, a leading large company in the Mainland environmental protection sector, a telecommunications infrastructure supplier and a large local real-estate developer. We worked alongside our customers to protect the environment by minimising air, water and soil pollution and to mitigate climate change by reducing greenhouse gas emissions and increasing resource utilisation, thus generating positive benefits for society. We received the "Outstanding Award for Green Loan Structuring Advisor - Greatest Number of Green Loans (Verification)" in the Hong Kong Sustainable Finance Awards 2020 organised by the HKQAA.

We cooperated with CLP Power Hong Kong Limited ("CLP") and HK Electric Investments Limited in launching the "Energy Saving Loan Scheme" to help enterprises replace or procure energy-saving production equipment or building facilities, such as air-conditioning systems, lighting, hot water supply facilities and elevators.

### Green Loan Agreement

During the year, BOCHK and Everbright Environment (Group) Co., Ltd. (“Everbright Environment”) signed a HK\$2 billion 5-year green loan agreement. Everbright Environment is the largest environmental enterprise in China and the world’s largest waste-to-energy investment operator. The loan will be used for Everbright Environment’s environmental protection and energy sectors-related business. It will help the company to continue developing its ecological and environmental business, and promote economic, environmental and social benefits and sustainable development.



### e-Assessment



Sweetheart Garden Restaurant Ltd. is one of the first customers to obtain green loan assessment through “e-Assessment”. Mr. Lai Ka Fai, director of Sweetheart Garden Restaurant Ltd., said, “We are very pleased to receive this assistance from BOCHK. They provided professional advice during our application for green assessment through ‘e-Assessment’. We successfully obtained the green Assessment Statement for a loan related to the environmental aspects of our branch decoration works. The green loan will be used for the installation of energy-saving lighting and air-conditioning systems. These will improve energy efficiency and reduce operating costs, and also contribute to environmental protection.”

### Green Bonds

The global green finance market has developed rapidly in recent years, and green bonds have become an increasingly important financing tool. Hong Kong is an international financial centre and a major bond hub in Asia. The scale of green bond issuance is growing rapidly every year, with strong demand from investors.

As a leading agent for green bonds, BOCHK assists clients in issuing green bonds and acts as a green advisor, achieving outstanding performance. We received the “Outstanding Award for Green Bond Lead Manager - Greatest Number of Green Bonds (Financial Investment Industry)” in the Hong Kong Sustainable Finance Awards 2020 organised by the HKQAA.



### ESG Funds

In recent years, both green funds and ESG funds have attracted rising demand and drawn the attention of global investors. With growing public awareness of green finance and enhanced investor education, green investment products are expected to enter the mainstream and attract further demand.

BOCHK currently offers 10 SFC-approved ESG funds, accounting for one-third of all approved ESG funds in the retail market. In 2020, the sales volume and total assets under management of our ESG funds increased by around 95% and 15% respectively over the prior year. During the year, BOCHK

### Sales Volume



### Total Assets



and Pictet Asset Management (“Pictet AM”) jointly launched a global environmental fund to support marine conservation in Hong Kong. In the future, we will continue to introduce suitable green investment products, and provide diversified and high-quality offerings to our customers.

### Global Environmental Fund

BOCHK launched a global environmental fund managed by Pictet AM. The fund invests in companies that offer attractive solutions in areas such as environmental protection, renewable energy and energy efficiency enhancement. To preserve Hong Kong’s marine ecosystem, BOCHK and Pictet AM have also joined forces to support the coral restoration programme of WWF-Hong Kong.



### Promoting Exchange and Development

BOCHK is committed to promoting industry exchange. We sponsored and participated in the “Hong Kong Green Finance Association Annual Forum” for the third

consecutive year. We also supported the “Sustainable Finance - Hong Kong 2020” Online Symposium organised by the HKQAA and the *Hong Kong Economic Journal’s* “ESG



Forum”, etc. We shared and discussed with experts from the government, regulatory authorities, financial institutions and enterprises from the Mainland and Hong Kong on topics such as the development of sustainable financial markets.

## 10.2 Reducing Environmental Footprint<sup>35</sup>

We understand that financial institutions play an important role in supporting environmental sustainability and advocate environmentally responsible business practices. To cope with the increasingly severe issue of climate change, we have been reducing our carbon footprint by cutting resource consumption, enhancing resource efficiency and supporting locally produced renewable energy, thus minimising the potential environmental impact and related risks arising from our business development.

### Our Sustainability Policy sets out practices for sustainable banking operations:



Reduce energy consumption by promoting and adopting energy-saving technologies.



Reduce waste by upholding the principles of reduce, reuse and recycle, as well as promoting paperless measures through innovative technology.



Monitor waste and greenhouse gas emission, energy and water consumption during the course of business, and strive to preserve natural resources.

### Environmental Management

The Group abides by local environmental laws and international standards, including the *Waste Disposal Ordinance (Chapter 354)*, *Water Pollution Control Ordinance (Chapter 358)* and ISO Management System certification, among others. We aim to enhance environmental awareness across the Group and beyond, and to do our part to mitigate environmental impact.

### Premises Management

BOCHK has implemented a series of green management systems at its major business premises. We plan, execute, review and refine our environmental protection initiatives in an orderly manner. We have obtained the ISO 14001 Environmental Management Systems certification, the ISO 50001 Energy Management Systems certification and other environmental protection certificates to ensure that our green premises management is on par with local and international standards. The electrical facilities in these buildings are also continuously improved to reduce carbon emissions.



**ISO 50001**  
Energy Management  
Systems certification



**ISO 14001**  
Environmental Management  
Systems certification

<sup>35</sup> A1.6



Environmental Certification



**Bank of China Tower**

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



**Bank of China Building**

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



**Bank of China Centre**

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



**Bank of China Wanchai Commercial Centre**

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

## Measures and Targets for Energy Saving and Emission Reduction

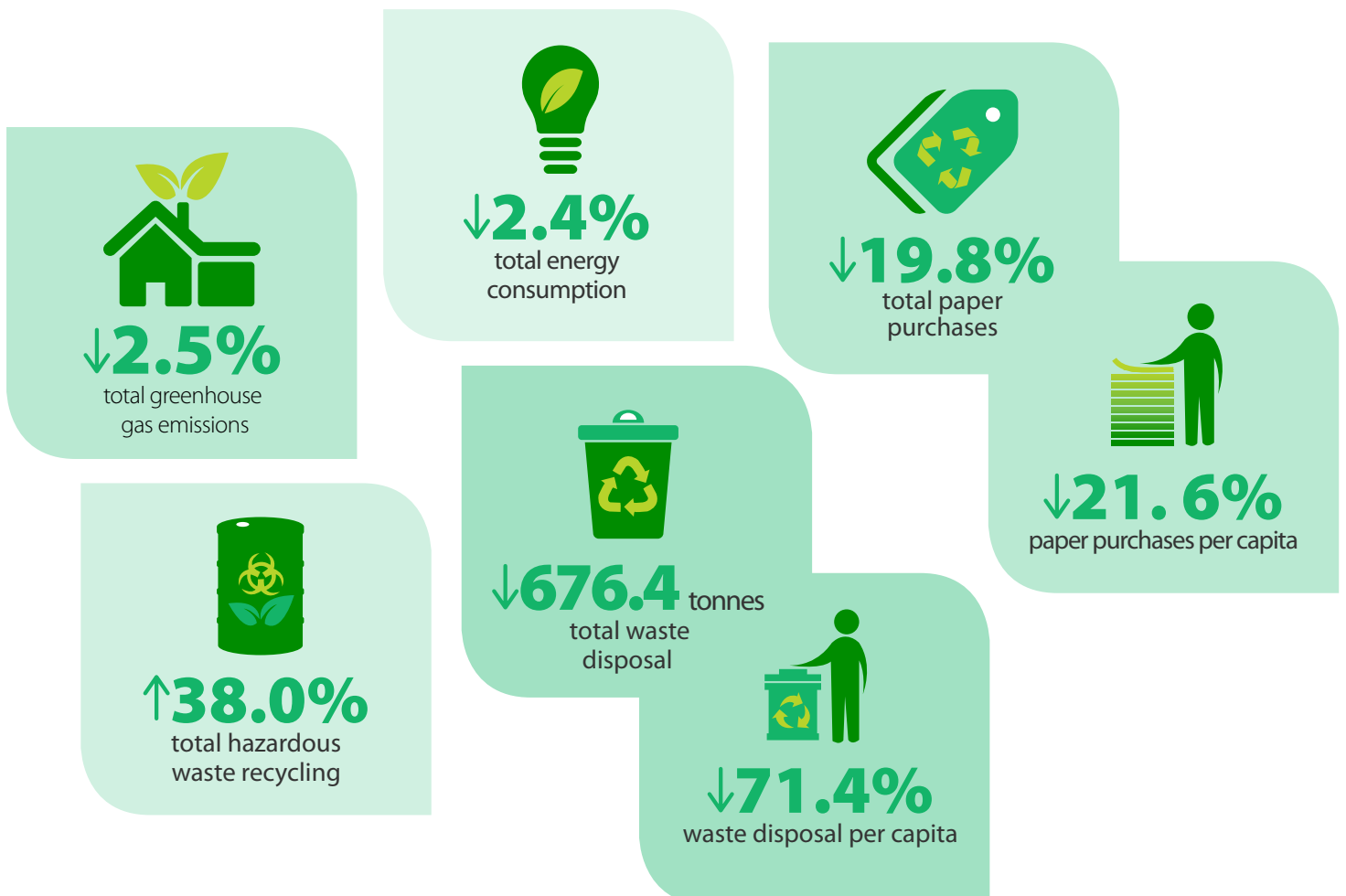
We continued to implement a series of energy-saving and emission reduction measures for our office buildings, including installing solar panels in suitable locations and introducing energy-efficient replacements for air-conditioning systems, lighting facilities, elevators and refrigeration systems. To the extent possible, we also make use of natural lighting in our building lobbies, and install automatic timer-based lighting systems and solar insulation window films. Furthermore, no more than 50% of the lifts will be in-service during non-office hours.

The Group is committed to promoting environmental protection. Compared to 2018, our total greenhouse gas emissions (Scopes 1, 2 and 3) decreased by 2.5%; total energy consumption reduced by 2.4%; total paper purchases decreased by 19.8% and paper purchases per capita fell by 21.6%; total hazardous waste recycling increased by 38.0%; total waste disposal decreased by 676.4 tonnes and total waste disposal per capita dropped by 71.4%.

 For more details, please refer to the “Data Overview on Sustainability Performance” section.

During the year, we received the “Smart Energy Award 2020 - Renewable Energy Contribution Award” from CLP and the “Charter on External Lighting - Platinum Award” from the Environment Bureau. Our data centre has been awarded the LEED Silver Level Certification in green building certification since 2015.

During the year, the Group actively explored and set five-year energy-saving and emissions reduction targets, including electricity, water consumption, paper consumption and waste disposal, etc. We are exploring the feasibility of adopting renewable energy and carbon neutrality solutions, and are also increasing the purchase of renewable energy certificates from CLP to reduce carbon emissions. In addition, the Group is committed to reducing energy consumption (electricity consumption), reducing the amount of paper purchases, etc., in order to move towards low-carbon and efficient operations.



### Green Operations

BOCHK has integrated environmental considerations and sustainable development concepts into many areas of our business and operations, including:

Supporting HKEX's implementation of the Paperless Listing and Subscription Regime to promote paperless Hong Kong IPO arrangements, and minimise paper consumption of physical listing documents.

Encouraging customers to choose online banking and consolidated e-Statements with a simplified registration process and expanding the scope of e-Advice services. The customer penetration rate exceeded 50% during the year, an increase of 5.1 percentage points year-on-year.

Applying blockchain technology to trade financing and property mortgage valuation. The current use of blockchain technology in property valuation reports has reached 97%, considerably reducing paper consumption.

Developing automatic operations using green paperless robots and introducing robot process automation to replace manual settlement work, which significantly increased accuracy, reduced paper consumption and saved operating costs.

### Green Office and the Cultivation of Green Culture

The Group promotes a frugal culture of "green, diligent and thrifty operations". We practised environmental protection in our operations and optimised various business processes to reduce our resource consumption and ecological impact:

Actively promoting a paperless office by deepening digitisation processes and resource sharing.

Advocating green living, striving to save water, electricity and other resources, and reviewing business processes to reduce consumption of office supplies.

Setting up video-conferencing systems and replacing business travel with video-conferences to reduce carbon emissions.

Installing sensors that automatically turn lights off in conference rooms when not in use, and automatically turning off office lights at 8pm every day, with manual override.

Installing water taps with electronic sensors, water-saving flushing water tanks and high-speed hand dryers in toilets to reduce water and paper towel consumption.

Encouraging employees to protect the environment by organising environmental competitions and workshops, energy management training, and installing recycling facilities in offices.

Promoting a culture of food waste reduction with posters in the staff canteen. Offering one vegetarian menu every day and encouraging our staff to use their own utensils to reduce waste.

Donating reusable office equipment to charitable organisations. During the year, we donated over 7,000 computers, computer peripherals and furniture to various charitable organisations.



## Supporting Environmental Protection

The Group promotes environmental protection by supporting and sponsoring various projects. We work together with all sectors of society to promote and practise environmental protection concepts.

### BOCHK Corporate Environmental Leadership Awards Programme

In order to encourage enterprises in Hong Kong and the Pan-Pearl River Delta region to practise environmental protection, BOCHK has sponsored the “BOCHK Corporate Environmental Leadership Awards” since 2015. This programme aims to encourage enterprises from manufacturing and service industries operating in the region to implement green measures and commit to reducing environmental pollution. Despite the pandemic in 2020, enterprises maintained the pace of their environmental protection efforts with more than 800 enterprises participating in the programme, an increase of over 40 enterprises compared to 2019.



### CLP “Renewable Energy Certificate”

We have supported the CLP “Renewable Energy Certificate” Scheme since 2019. During the year, we again purchased 300,000 kilowatt-hours (kWh) of electricity produced from local renewable sources to support the development of renewable energy in Hong Kong. Local renewable energy sources include solar power, wind power and landfill gas projects, all of which will reduce resource consumption and pollution.



### Ecological Conservation

Following our support in 2018 and 2019, we continued to sponsor 13 projects through the Hong Kong Ocean Park Conservation Fund during the year. These projects will protect wild and endangered species and promote biodiversity in Hong Kong and the Asian region, promoting themes of marine conservation, illegal trade of endangered species, impact of climate change on animal habitats, etc., as well as community education, to raise the awareness of all sectors of society regarding the environment and ecology.

Pledging not to serve such foods as shark fin, endangered reef fish species and black moss at our corporate banquets.

Participating in the No Shark Fin Pledge of WWF-Hong Kong, thus pledging not to supply shark fin or launch any promotions related to its consumption.

Discontinuing the supply of plastic straws at our staff canteen to promote a plastic-free life.



### Food Angel x BOC Food Rescue and Assistance Project

Since 2016, we have sponsored Food Angel's "Food Station" project, through which edible surplus food is prepared into hot meals and food packs for people in need, in an effort to reduce the environmental impact of mass food waste. During the year, the programme rescued over 8.8 million kilogrammes of food.



### Human and Nature Inclusion Programme

The "Human and Nature Inclusion Programme" sponsored by BOCHK provided a series of free environmental visits, training activities and VR360 online courses themed on "Ecology, Culture, Geography and Environment" to cultivate young people's interest in nature ecology and conservation. Young people participated on more than 21,000 occasions in 2020.



### "Towards Carbon Neutrality" Youth Education Programme

This programme strengthened Hong Kong young people's understanding of the national policies, goals and action plans on carbon neutrality through online communication and learning activities, and encouraged them to practise low-carbon lifestyles and protect biodiversity.



## 10.3 Supplier Management<sup>36</sup>

The Group attaches great importance to supplier management. In line with our sustainability strategy, we have set clear requirements on supplier standards regarding all aspects of social responsibility, ethics, corporate governance, environmental protection and labour conditions. Policies related to suppliers include:



Our *Sustainable Procurement Policy* sets out the entrance requirements and annual evaluation standards for our suppliers. New potential suppliers must undertake procedures such as register search and risk assessment. We have also put in place a supplier management system to ensure compliance with sustainable development principles.

Our *Supply Chain Code of Conduct* provides guidelines for the Group's procurement of major products and services and encourages suppliers to meet certain social and environmental standards. In determining our supplier standards, we have made reference to the International Labour Standards and *Principles of Decent Work* set out by the International Labour Organisation Core Conventions. Suppliers must formulate policies and recruitment measures in accordance with Hong Kong regulations, including those related to the prohibition of child labour and forced labour.



We pursue the principle of fair competition when selecting suppliers, and strictly comply with the *Competition Ordinance*, the *Prevention of Bribery Ordinance* and other applicable laws and regulations. We require all new suppliers to submit a *Supply Chain Code of Conduct Assessment Questionnaire*, and will only consider them if they meet the required standards. If a supplier fails to meet the standards, we will take appropriate action including delisting them from the Group's supplier list. During the year, we extended our scrutiny of new suppliers to focus on the source of introduction, assessment of information security and service capability, and the engagement of existing similar suppliers, etc., to strengthen our management and control efforts.

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 Policy* ("ABAC") and its working documents. 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*. We have also formulated anti-bribery and anti-corruption training for third-party suppliers that have business dealings with the Group. Under certain circumstances, we will require suppliers to complete the training and confirm their awareness of and compliance with the Group's anti-bribery and anti-corruption requirements.



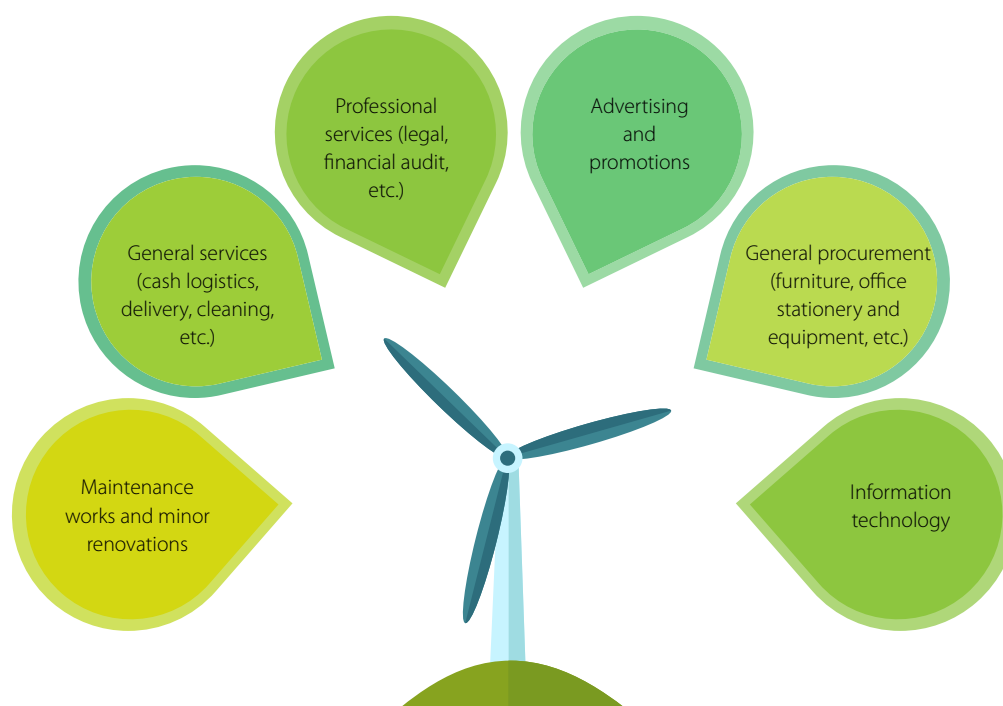
<sup>36</sup> 102-9, 414-1, B5.2, B5.3

We set up an evaluation mechanism, conduct regular surveys and add questionnaires to tender documents as needed. We conduct site visits or third-party audits to ensure the accuracy of such assessments. In cases where major suppliers have procurement contracts exceeding a certain value, we will study their business models in greater depth in order to assess their potential social and environmental impacts. We have also strengthened our communication with suppliers and provided them with feedback on their social and environmental performance where practicable. When collaborating with our suppliers,

we adhere strictly to ethical standards and responsible behaviour, with the aim of developing long-term business relationships based on trust and cooperation.

During the year, all new suppliers of the Group were evaluated on their social and environmental performance, with all suppliers meeting the required standards. Over 80% of our suppliers are based in Hong Kong.

**The major products and services we procure can be classified into the following six major categories:**



### Green Procurement

The Group has formulated its *Sustainable Procurement Policy* by combining environmental and social factors with market best practices and guidelines, allowing us to make better products and services procurement decisions and minimise the social and environmental impact of the Group's supply chain. We also encourage our suppliers to effectively manage the social and environmental impacts of their operations, with the aim of building a supplier system that uses resources effectively and properly implements environmental and social risk management. Our *Supply Chain Code of Conduct* requires suppliers to declare relevant environmental

protection requirements and reporting mechanisms in the assessment questionnaire. Since 2019, we have utilised the e-Tendering platform and continue to expand its scope of use, with the aim of minimising the large amount of paper consumption involved in physical tender documents.

The Group is committed to enhancing suppliers' awareness of sustainable development by encouraging innovative thinking, new designs and the application of new technologies. We use life-cycle analysis and actively consider procuring environmentally friendly products and services that support sustainable development.

# Caring for Employees

The Group considers our employees as our most valuable assets. Based on our people-oriented philosophy, we continually enhance our human resources management system to attract, identify, nurture and retain talent. We are committed to providing a harmonious, diverse and friendly working environment for our employees and helping them to maximise their potential.

**SUSTAINABLE  
DEVELOPMENT  
GOALS**





## 11.1 People-oriented Approach<sup>37</sup>

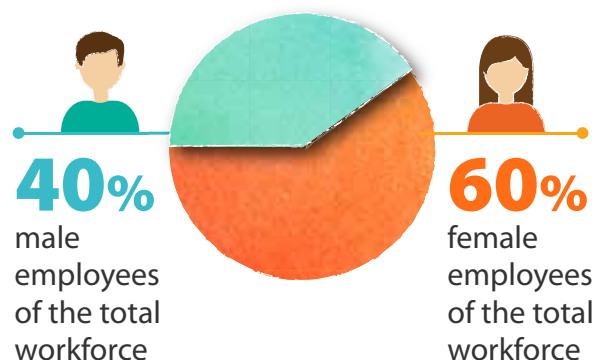
We attach great importance to team building and talent development, and adopt a fair and open recruitment policy. In formulating our human resources management policies, we have made reference to the relevant laws and regulations of the regions in which we operate. Those policies are regularly reviewed and updated. We also endeavour to employ local staff from the places in which we operate (including the senior management), to better serve local customers and society. In order to avoid child and forced labour, the Group follows a rigorous procedure in the recruitment process.



### Promoting Diversity and Inclusion

We strive to promote diversity and inclusion. As an employer that advocates equal opportunity, we strictly comply with the relevant laws and regulations and the *Code of Practice*, and apply the principle of equal opportunity to all policies of human resources, remuneration and benefits, as well as ensuring employment opportunities for people of all kinds. We have formulated the *Staff Guidelines on Eliminating Discrimination*, which prohibits any discrimination or harassment against employees owing to their marital status, pregnancy, disability, family status, race and gender, and allows them to demonstrate their expertise and potential in an equal opportunity environment. During the year, our female employees accounted for around 60% of the total workforce.

The Group is the signatory of the *Talent-Wise Employment Charter* and Inclusive Organisations Recognition Scheme to collaborate in building a barrier-free workplace and a caring and supportive community. We also participated in the *Racial Diversity & Inclusion Charter for Employers* launched by the Equal Opportunities Commission to build a culture of inclusiveness through awareness training and education.



<sup>37</sup> B1 General Disclosure, B4 General Disclosure, B4.1

## 11.2 Health and Safety<sup>38</sup>

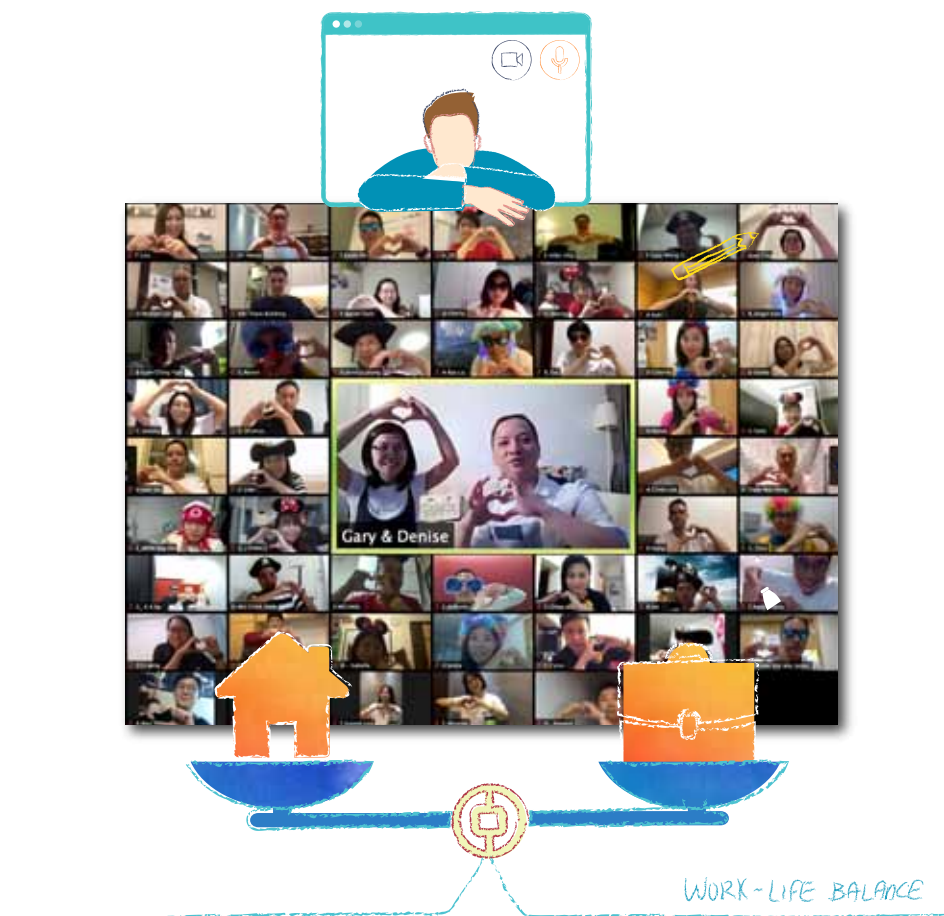
During the year, the COVID-19 pandemic has put unprecedented pressure on the Group and our employees. We responded immediately and implemented a number of care measures to protect employees' health, and assisted them to change their work patterns and adapt to life and work under the pandemic. We also conducted various health talks for employees, and provided technical support for employees working from home.

 For more details, please refer to the "Responding to the COVID-19 Pandemic" section.

In addition, we have a designated team responsible for coordinating and monitoring the implementation of the *Occupational Health and Safety Guidelines* and conducting regular safety inspections to prevent accidents. We have an ISO 45001-certified occupational health and safety management system in place, which covers Bank of China Tower and Bank of China Centre. We continue to organise relevant training courses on an on-going basis, including basic fire prevention courses, anti-robbery and evacuation drills, relevant seminars and first-aid certificate courses, thus helping employees to identify potential safety hazards and provide assistance to those in need.

We also publish a monthly journal that features *Three Prevention Tips*. Moreover, we organised a series of "Three Prevention Security" training sessions for employees who are responsible for the "Three Preventions" in all branches and departments to enhance employees' awareness of occupational safety and health.

The Group advocates work-life balance and organised various recreational activities for our employees during the year, including several online workshops using Zoom, an online singing contest, online exercise sessions, and essay reading and writing activities, all to enrich employees' daily lives.



<sup>38</sup> 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, B2 General Disclosure, B2.3

## 11.3 Talent Acquisition and Cultivation<sup>39</sup>

The Group attaches great importance to staff training and development, and provides staff with continuing education opportunities. Through diversified learning courses, we draw up career development plans that align employees' personal aspirations with the Group's long-term development, in order to facilitate the mutual development of employees and the Group. In the face of the COVID-19 pandemic, we launched a new cloud-based learning platform and online courses, leveraging social learning and virtual classroom functions to enhance the diversified learning experience and continue to improve the professional skills and capabilities of employees. We continued to optimise the establishment of Personal Banking Academy, Operational Excellence Academy, Corporate Banking Academy and Innovation and Technology, and build the framework of Leadership Academy and Risk and Compliance Academy, so as to improve the system of the professional curriculum at all levels and carry out comprehensive training with all staff.



**96%**  
online training



**1,400**  
real-time virtual  
training classes



**500**  
e-learning and videos



**>140,000**  
number of enrolments



**240** members  
joined certified training of  
Design Thinking and Agile  
Management



**200** staff  
talented in IT innovation  
joined innovation activities

During the year, the Group's online training accounted for 96% of all training. A total of 1,400 real-time virtual training classes were held, and 500 e-learning/videos were launched. The gross number of enrolments exceeded 140,000 and each full-time employee undertook an average of around 27 hours of training. We organised certified training of Design Thinking and Agile Project Management for 240 members of our technological innovation talent pool, as well as key personnel, with 86 staff obtaining certified professional qualifications. We also arranged for 200 employees with talent in technology and innovation to participate in the "HKIB Annual Banking

Conference 2020" and "Hong Kong Fintech Week", in order to keep our people abreast of the latest developments in the industry, expand their horizons, and inspire their thinking.

In addition, we provide employees with an ideal career development platform through on-the-job training. We adopt various means of broadening employees' career development paths and strengthening their professional capabilities and sense of accomplishment, such as job rotation and inter-departmental exchange. At the same time, the Group has well-established succession plans and talent pools for employees at different levels, and provides targeted training for successors at all levels.

<sup>39</sup> 404-2, B3 General Disclosure

To identify and nurture young talent, we have continuously improved our talent development mechanism including course training, job rotation, job enrichment and coaching, etc. In addition, we engaged in the global recruitment of elite, high-potential university graduates who aspire to join the financial services sector through our “Management Trainee Programme” and “Professional Opportunities”. During the year, we actively participated in a number of youth development programmes coordinated by the government and external organisations, including the “Banking Talent Programme”, the “New Graduates-New Opportunities Scheme”, the “Fintech Career Accelerator Scheme” and the “Pilot Apprenticeship Programme for Private Wealth Management”. Given the business advantages of BOC Group both locally and in the Mainland, we also actively

supported the recent “Greater Bay Area Youth Employment Scheme”, launched by the HKSAR Government to provide job opportunities in the GBA for young Hong Kong talent.

The Group has been widely recognised for its efforts in talent acquisition and development. In 2020, we received the “Training Academy Award” in the Financial Institution Awards 2020 from *Bloomberg Businessweek*, as well as the “Best Talent Acquisition & Onboarding Strategy Award - Grand” and “Best L&D Technology Implementation Award” in the Best HR Awards 2020 organised by CTgoodjobs. In addition, we received the “Good MPF Employer Award” from the Mandatory Provident Fund Schemes Authority. During the year, the staff turnover rate of the Group was around 7.6%, which was lower than the average level of major local banks.



≈7.6%  
staff turnover rate

Talent Development Mechanism	Youth Development Programmes
<ul style="list-style-type: none"> <li>Course training</li> <li>Job rotation</li> <li>Job enrichment</li> <li>Coaching</li> </ul>	<ul style="list-style-type: none"> <li>Banking Talent Programme</li> <li>New Graduates-New Opportunities Scheme</li> <li>Fintech Career Accelerator Scheme</li> </ul>
Recruitment Programmes	
<ul style="list-style-type: none"> <li>Management Trainee Programmes</li> <li>Professional Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Pilot Apprenticeship Programme for Private Wealth Management</li> <li>Greater Bay Area Youth Employment Scheme</li> </ul>



### Remuneration and Benefits<sup>40</sup>

In line with the Group’s business and human resources needs, we offer competitive remuneration packages in accordance with employees’ capabilities and performance. The Group reviews its remuneration packages periodically and recognises employees for their performance. During the year, all employees of the Group were required to conduct regular performance evaluation<sup>41</sup>, including performance related to work and corporate culture. Our reward system not only considers employees’ business performance, but also measures whether employees adhere to corporate culture and behavioural standards.

In order to motivate employees, we regularly hold a grand awards ceremony to recognise and commend staff who have demonstrated excellent performance. We extensively publicise the achievements of outstanding individuals and teams through various formats such as EIM mobile app, short films, publications and display boards. In addition, in order to promote a high-quality service culture and enhance service levels, we select examples of service excellence every quarter and commend employees through the “Excellent Events in Banking Culture”.

Meanwhile, the Group continues to optimise employee benefits and strengthen employees’ sense of belonging, such as a group medical insurance plan that covers outpatient, inpatient, dental and childbirth items, as well as a family medical insurance plan that offers the



same coverage provided to employees. We care for the physical and mental health of our employees, and provide psychological counselling services for those in need. We also express our care for employees through various measures such as dress causal on weekdays, early off-work on the eve of holidays, rental reimbursement and education allowances, etc. In addition, we provide an Occupational Retirement Scheme and MPF Scheme that are better than statutory requirements, life and accident insurance, free health and dental check-ups, paid leave (including annual leave, marital leave, compassionate leave, personal leave, 10 days’ paternity leave as well as 16 weeks’ maternity leave), and preferential rates on mortgages and personal loans to help employees manage their finances flexibly, as well as banking services and other offers.

Moreover, 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.

## 11.4 Corporate Culture<sup>42</sup>



We proactively advocate the core values of the Group. By optimising the management mechanism, strengthening training and publicity via different channels, we motivate our employees to practise our corporate values and cultivate an ethical culture.

During the year, we promoted the core value of being “customer-centric”. We introduced an “Excellent Events in Banking Culture” feature in our monthly staff magazine, in which we select the best examples each quarter from employees who have expressed our corporate cultural values and taken customer-centric actions to promote employees’ deep understanding of corporate culture implementation.

<sup>40</sup> 401-2, 403-6

<sup>41</sup> 404-3

<sup>42</sup> 102-16



We strengthen the establishment of our corporate culture through various means. During the year, we launched “Our Digital Transformation Journey” Fortnight and a series of “Go ESG” publicity activities. We also launched a number of activities and online games to increase employees’ engagement, and arranged multiple online workshops to allow employees to discuss various ESG topics, such as the new opportunities that ESG brings, green lifestyle practices, and social innovation. In order to encourage employees to be more innovative, we organised the “BOCHK Ideation Contest” with the theme of “InnoVenture”, which helped support the Group’s digital transformation. The Group has also introduced a “Corporate Culture Award” to our annual grand award ceremony, to motivate and promote individuals who demonstrate outstanding performance of our corporate values.



In addition, we are committed to promoting a corporate culture of risk prevention and raising the risk awareness of all employees. During the year, the Board, the senior management and all employees participated in courses related to corporate governance and risk management. We also strengthened ESG training for employees in the Risk Management Department.

### “Go ESG” Activities to Promote Sustainable Development

We have incorporated ESG into our long-term development strategy. While actively promoting sustainable development, we strive to raise the awareness of employees on ESG and enhance their participation. During the year, we organised a series of bank-wide activities called “Go ESG”, introducing ESG-related topics to staff through different activities such as short videos and competitions. Employees are able to exemplify the ESG concept in terms of customer service, product design, daily business operation and internal management, and adopt an ESG philosophy in their work and daily life.



## 11.5 Listening and Communication<sup>43</sup>



We respect the legitimate rights of employees and provide them with a variety of channels to express their views. In addition to speaking to their direct supervisors, employees can voice their opinions according to the *Procedures and Rules of Handling Employee Complaints/Opinions*, through the staff hotline, intranet discussion forums and the “Chief Executive’s Mailbox”. The Group actively follows up and handles all employee complaints. During the year, we collected opinions and suggestions from the Group’s employees through an employee survey and responded with appropriate feedback, such as taking steps to optimise working procedures, improving incentive

measures, and continuously improving our working environment, management policies and measures.

The Group takes employees’ views into account and established communication mechanisms at different levels and in various forms. In addition, various staff focus groups have been organised to gain a better understanding of employee needs and expectations. To keep employees abreast of the latest developments of the Group, we communicate important messages through different channels, such as EIM mobile app, intranet, email, departmental briefings and our staff magazine.

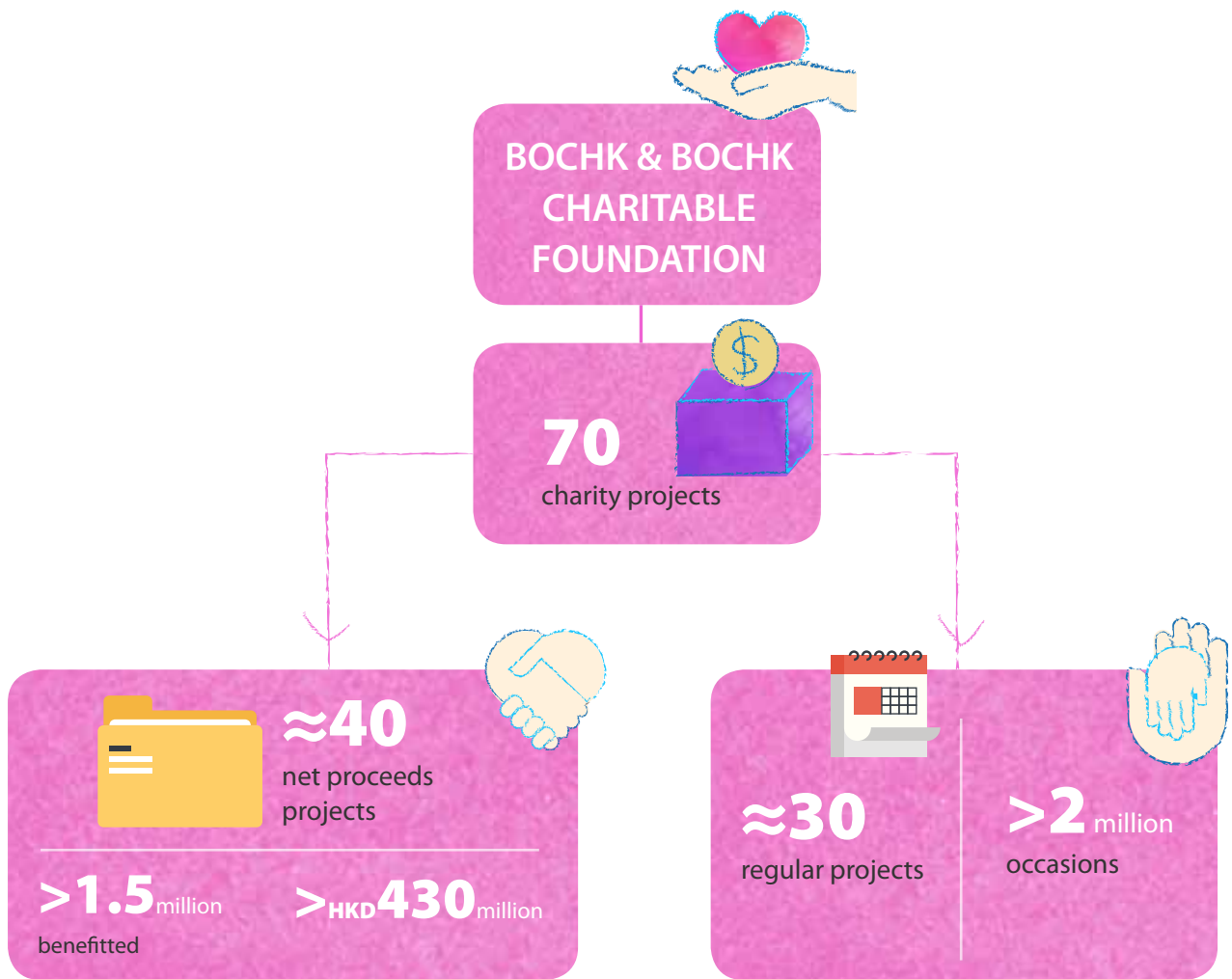
# Contributions to Society<sup>44</sup>

The Group cares for society. Through a diverse range of initiatives, we aim to promote steady and healthy community development. We also encourage our staff to participate in volunteer activities. By sharing the success of our corporate development with the community, we strive to build a harmonious society.



<sup>44</sup> 413-1, B8 General Disclosure, B8.1, B8.2





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 HK\$1.3 billion. We have a well-established and effective management and approval mechanism for charity donations, including strict regulations on project engagement, effectiveness assessment, anti-money laundering and anti-corruption, and financial audit, etc. We also constantly review and enhance this mechanism according to relevant laws and guidelines. In recent years, we have focused on local social needs and formulated philanthropic policies and resource allocation strategies with an emphasis on poverty alleviation and youth development. In 2020, we sponsored nearly 70 charity projects, supporting around 30 regular projects with beneficiaries participating on more than 2 million occasions, and implementing about 40 projects with the net proceeds from the Centenary Commemorative Banknote, a sum of over HK\$430 million, with an expected total beneficiary over 1.5 million. BOCHK attained the “Top Donor of the Year Award” for the first time and also received the “Benefactor of the Year Award” in The

Community Chest 2019/2020 Annual Awards Ceremony. These awards demonstrate that our support for local charities has been fully appreciated and recognised by society.



## 12.1 Poverty Alleviation and Care for Society

BOCHK is committed to fulfilling its social responsibilities and dedicated to helping the poor and caring for the underprivileged. We provide assistance to those in need by supporting various charitable projects.



### Poverty Alleviation

BOCHK has always been concerned about the poverty problem in Hong Kong and is committed to alleviating the plight of grassroots communities. Since 2016, we have cooperated with Food Angel and sponsored the establishment of "Food Station" and "Food Rescue Vehicles" to help elderly and low-income communities to eliminate hunger with nutritious food. Together with Yiu Tung Community Kitchen Hot Meal Service, the total number of food assistance services BOCHK provided that benefitted people reached more than 1.84 million in 2020.



### Yiu Tung Community Kitchen Hot Meal Service

Madam Auyeung is an 87-year-old chronic patient who lives alone. Due to her poor physical condition, cooking is a serious problem for her.

Madam Auyeung has participated in this service since November 2019. It has not only solved her meal problems, but also helped her to meet a group of friends who live on the same estate, enriching her social life. Despite the pandemic, the staff continued to deliver meals to her, dispelling her worries and greatly reducing her financial burden. She is very grateful to BOCHK for sponsoring this service.



Hong Kong's living environment is another social issue that has attracted much attention. To this end, BOCHK donated to the Chinese YMCA of Hong Kong to help it launch a project to improve the living environment of families living in subdivided units. It is estimated that about 250 households will benefit over the next two years. In

addition, we sponsored Po Leung Kuk to improve the home environment and install barrier-free facilities for the poor elderly and disabled people, so that they can live in comfortable and safe homes.

### Diversity and Inclusion

We are committed to promoting social inclusion and advocating respect and appreciation, so that every person can enjoy equality and respect in different areas of life. During the year, BOCHK sponsored Hong Chi Association to launch a professional training programme to establish a qualification accreditation framework for people with intellectual disabilities. This increases their competitiveness in serving society and endows them with self-reliance, thus achieving genuine disability inclusion. It is estimated that about 1,500 people with intellectual disabilities will benefit over three years.

In order to empower women from grassroots communities to participate in community building and promote gender equality, we sponsored the Hong Kong Single Parents Association to provide various training courses to enhance the capabilities of women and promote their understanding of their own interests and abilities.

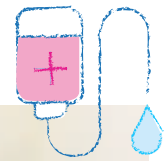
### Free Medicine and Medical Consultation

We care about the physical and mental health of people from grassroots communities, and support medical services to help people in need and relieve the pressure on the local public healthcare system. We continued to subsidise Tung Wah Group of Hospitals to provide free consultations for bone injury and Chinese medicine

### Free Medicine and Medical Consultation

>200,000

Services




outpatients from grassroots communities in Kwong Wah Hospital and Tung Wah Hospital. We also supported Po Leung Kuk to provide emergency medical subsidies for Chinese medicine, Western medicine and dental clinics for low-income patients. During the year, the total number of services provided that benefitted people amounted to more than 200,000.

According to figures from the Department of Health, there are as many as 100,000 elderly people with cognitive impairments in Hong Kong, close to one-tenth of the elderly population. This puts heavy pressure on their families and society. To this end, we sponsored Po Leung Kuk to launch a training programme for elderly people with cognitive impairments, with the total number of enrolments reaching 7,000 during the year. For children with special needs, we sponsored Tung Wah Group of Hospitals to provide two corresponding emotional support services for the children and parents of grassroots families. These services aim to enhance the children's emotional intelligence and help them to grow up in good health. During the year, the total number of beneficial service enrolments stood at over 3,500.

### Disaster Relief and Rescue

Natural disasters are cruel, but compassion is always in our hearts. The Group has always cared for people affected by disasters and is committed to supporting local governments and organisations in disaster-stricken areas.

 For further details, please refer to "Responding to the COVID-19 Pandemic" section.

## 12.2 Youth Development



BOCHK places a strong emphasis on child and youth development, and actively supports the promotion of moral education in Hong Kong. We are committed to providing a platform for young people to realise their potential, in the hope of cultivating future leaders imbued with national concepts, Hong Kong sentiments and international perspectives. Young people are encouraged to broaden their horizons about our country and seize development opportunities in the GBA.

### Citizens' Moral Education

The Group highly values moral education, as it helps young people to establish correct values and identities, promotes their awareness of the rule of law and encourages a spirit of tolerance, respect, and seeking common ground while putting aside differences. We funded the Junior Police Call to design an "Escape Room" activity to educate young people on crime prevention and the fight against crime. We have other programs to support young people and their families in combating improper online information and addiction problems. The total number of beneficial services to people reached about 120,000 during the year. In order to promote young people's understanding of our profound Chinese culture and long-standing Chinese history, we funded the Endeavour Education Centre and Our Hong Kong Foundation to carry out various activities. These aim to strengthen Hong Kong youth's knowledge of Chinese history and culture, and establish an accurate understanding of our history and nation. These initiatives benefited more than 1,500 young people during the year. We also sponsored the Hong Kong Chronicles Institute's compilation of "Hong Kong Chronicles", which records the social landscape and changes over time in Hong Kong, and helps to inspire young people to understand the inseparable relationship between Hong Kong and our nation. Regarding our Southeast Asian entities, the Ho Chi Minh City Branch sponsored the 19th "Chinese Bridge" Ho Chi Minh City finals. This activity aims to attract young students in Vietnam to actively learn the Chinese language and understand Chinese culture, and to thereby build a bridge of spiritual communication between the two countries.



Programmes combating improper  
online information  
**>120,000**  
services to people



Chinese History and  
Culture Education  
**>1,500**  
young people benefited



## Widening Horizons

BOCHK has established various scholarships and bursaries to encourage students to pursue their studies and provide financial support to underprivileged students. Since 1990, the Group has provided scholarships and bursaries to students in ten local universities, donating over HK\$23 million and benefitting about 2,600 students. We have also given our continued support to the “Future Stars - Upward Mobility Scholarship” programme launched by the Commission on Poverty, funding 100 scholarships in 2020 for young people who have demonstrated persistence in the face of adversity, as well as positive values and a constructive attitude towards life. We also sponsored scholarships and bursaries at the University of Yangon in Myanmar to support 100 university students to complete their studies over the next four years. This donation is a positive step for China-Myanmar cooperation in education, and fully reflects the practice of social responsibility in our Southeast Asian entities. In addition, the Ho Chi Minh City Branch has participated in the Phu My Hung and Lawrence S. Ting Memorial Fund donation activities for six consecutive years, and is committed to supporting Vietnam’s education, medical and poverty alleviation efforts.



During the year, as the Chairman Bank of the HKAB, BOCHK jointly organised a Youth Opinion Leader training programme with the Chinese YMCA of Hong Kong to support online studies and share positive information with primary and secondary school students from grassroots families. After completing the training, participants formed groups and filmed videos featuring interviews with guests and celebrities, on topics including fintech and sustainability.



### Future Stars Scholarship - Cornwall School\* - Student Chan



I am very happy to receive this scholarship. It means that my past efforts and persistence have not been in vain. This award not only gives me the opportunity to attain more life and learning experience, but is also an affirmation of my past.

I will use part of the scholarship to buy a walker and hope to reduce the burden on my parents. With my own walker, I can increase the time for my walking training to prevent degeneration of my leg muscles.

I will also buy some audible or three-dimensional books. Reading gives me countless surprises and expectations. My parents always read with me, which has enhanced our relationship. The reading process also improves my expressive skills, so that people around me can understand my emotions or feelings through my expressions and actions, which is very helpful for my social interaction.

Finally, winning the award made me believe that persistence is rewarded. The joy of being recognised has allowed me to continue my hard work. It has also improved my life and study.

(\* Cornwall School is a special school funded by the HKSAR Government. It provides education, rehabilitation and accommodation services for students from primary to secondary level with “severe and multiple learning disabilities”)



Young people benefitted on  
**>40,000**  
sport occasions

**≈11,000**  
people benefitted from arts  
programmes



### Supporting Sportsmanship

Since 2002, BOCHK has sponsored the “Inter-Secondary Schools Sports Competition (Hong Kong Island and Kowloon)” in an effort to promote sports development among secondary students while cultivating a sense of sportsmanship embodied by a proactive attitude and an unremitting drive for improvement. We also sponsored the “BOCHK Youth Development Programme” organised by the Hong Kong Fencing Association to help young people develop a healthy body and mind and cultivate a positive outlook on life through professional fencing training. In addition, we supported the “Mental Health and Communication Support Project” organised for young people by Social Workers Across Borders and Hong Kong Growth Education Association. This project aims to enhance young people’s mental health and encourage a spirit of teamwork through floor curling. The total number of activities these programmes held that benefitted young people amounted to more than 40,000.

### Arts and Aesthetic Education

We supported the “Budding Hong Kong Talents Programme” of the Musicus Society by selecting talented and outstanding young musicians from all walks of life in Hong Kong and nurturing them into international artists. To foster local musical talent and at the same time provide opportunities for the disadvantaged to enjoy Chinese music and promote community inclusion, we continued to support the “Music Integrates” programme of the Hong Kong Chinese Orchestra. We also donated to the Hong Kong String Orchestra in support of the “Lion Rock Can Do Spirit” Music Exchange Programme, which enables young musicians to showcase the diversity of Chinese and Western music in Hong Kong, as well as to convey a positive spirit. About 11,000 people benefitted from these three programmes. During the year, owing to the pandemic, parts of the programme were conducted as online concerts.

## 12.3 Serving the Community<sup>45</sup>



**Everyone Can Volunteer**



**5,300**  
volunteers



**>30**  
volunteer activities



**>12,000**  
hours of volunteer service



The Group encourages its employees to use their spare time and expertise to serve the community and participate in public welfare activities. About 70 employees from the senior management and supervisory level of the Group serve 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 the people's livelihood, and provided suggestions for the development of Hong Kong and the welfare of the people. During the year, the BOCHK Volunteer Team enhanced its management system and structure and established five new specialised volunteer teams, namely the Caring, Community, Education, Youth and Environmental Protection teams. With the general managers of various departments acting as chief conveners, the volunteer team dedicated itself to serving and giving back to society. We also advocated the "Everyone Can Volunteer" concept. With over 5,300 volunteers, we conducted more than 30 volunteer activities and recorded more than 12,000 hours of volunteer service throughout the year.

During the year, faced with the COVID-19 pandemic, the BOCHK Dynamic Volunteer Team took the initiative and actively organised volunteer services to support the fight against the pandemic. About 120 volunteers packed 90,000 masks for The Community Chest and distributed them to grassroots communities and the underprivileged. At the same time, in order to reduce group gathering and the risk of spreading the virus, the volunteer team innovated a new volunteer model by actively exploring online volunteer activities. The beneficiaries included grassroots families, children, young people, people with disabilities and the elderly. In addition, to realise the Group's sustainability strategy and deepen employees' understanding of environmental issues, the volunteer team jointly organised the "Sea Glass Waste Upcycling Experience" and the "Plant Dye Upcycling Workshop" with the Environmental Association. These sessions encouraged employees to experience the importance of ecological conservation through practical activities, and were well received by employees and their families.

# Data Overview on Sustainability Performance<sup>46</sup>

## SUSTAINABLE DEVELOPMENT GOALS



### ENVIRONMENT

#### GHG EMISSIONS

Greenhouse gas (GHG) emissions <sup>47</sup>	2020	2019 <sup>48</sup>	2018
<b>GHG emissions (tCO<sub>2</sub>e)</b>			
Direct GHG emissions (Scope 1)	282	350	333
Indirect GHG emissions (Scope 2)	63,394 <sup>49</sup>	65,083	65,003
Other indirect GHG emissions (Scope 3)	61	39	49
<b>Total Scope 1 and 2 emissions (tCO<sub>2</sub>e)</b>	<b>63,676</b>	<b>65,433</b>	<b>65,336</b>
<b>Total Scope 1, 2 and 3 emissions (tCO<sub>2</sub>e)</b>	<b>63,737</b>	<b>65,472</b>	<b>65,385</b>
<b>Greenhouse gas (GHG) emissions intensity<sup>50</sup></b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Scope 1,2 and 3 emissions (tCO <sub>2</sub> e)/employee	5.08	5.20	5.33
Scope 1,2 and 3 emissions (tCO <sub>2</sub> e)/area (m <sup>2</sup> )	0.25	0.24	0.25

#### ENERGY

Total energy consumption <sup>51</sup>	2020	2019	2018
<b>Energy consumption (GJ)</b>			
<b>Direct energy consumption</b>			
Diesel consumption for corporate fleet	677	612	684
Petrol consumption for corporate fleet	1,577	2,073	1,785
<b>Indirect energy consumption</b>			
Electricity consumption <sup>52</sup>	337,374	343,810	344,990
Towngas consumption	2,126	2,528	2,562
<b>Total energy consumption (GJ)</b>	<b>341,754</b>	<b>349,023</b>	<b>350,021</b>
<b>Energy intensity<sup>53</sup></b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Energy (GJ)/employee	27.22	27.72	28.51

<sup>46</sup> 102-8

<sup>47</sup> 305-1, 305-2, 305-3, A1.1, A1.2

<sup>48</sup> The 2019 other indirect emissions (Scope 3), total Scope 1, 2 and 3 emissions, scope 1, 2 and 3 emissions per employee, and scope 1, 2 and 3 emissions per square meter area are 67 tonnes, 65,500 tonnes, 5.20 (tonnes/employee) and 0.25 (tonnes/square meter) respectively with the actual water consumption reflected.

<sup>49</sup> Includes the renewable energy certificates purchased to offset indirect emissions from electricity consumption.

<sup>50</sup> 305-4

<sup>51</sup> 302-1, A2.1

<sup>52</sup> In 2020 and 2019 we purchased renewable energy certificates worth a total of 1,080 GJ and 900 GJ respectively.

<sup>53</sup> 302-3, A2.1



## Data Overview on Sustainability Performance

### PAPER <sup>54</sup>

Total paper purchased	2020	2019	2018
Paper purchased (tonnes)	496.54	576.55	618.85

Paper purchase intensity	2020	2019	2018
Paper purchased (tonnes)/employee	39.54	45.79	50.40

### WASTE AND RECYCLING

Non-hazardous waste recycled (tonnes) <sup>55</sup>	2020	2019	2018
Paper	261.30	297.64	282.77
Plastic	0.58	0.41	0.35
Aluminium	1.35	0.38	0.21
Food waste	50.06	65.06	79.28
<b>Total non-hazardous waste (tonnes)</b>	<b>313.29</b>	<b>363.49</b>	<b>362.61</b>

Hazardous waste recycled (number of items) <sup>56</sup>	2020	2019	2018
Rechargeable battery	62	68	85
E-waste	7,159	3,709	4,293
Fluorescent tubes	458	851	1,186
<b>Total hazardous waste (number of items)</b>	<b>7,679</b>	<b>4,628</b>	<b>5,564</b>

Waste disposed to landfill	2020	2019	2018
General waste to landfill (tonnes)	184.30	611.60	860.71

Waste disposal intensity	2020	2019	2018
General waste to landfill (tonnes/employee)	0.015	0.049	0.070

### WATER <sup>57 58</sup>

Total water consumption	2020	2019	2018
Water consumption (Megalitre)	97.15	65.00	81.00

Water intensity	2020	2019	2018
Water consumption (Megalitre/employee)	0.0077	0.0052	0.0066

<sup>54</sup> 301-1

<sup>55</sup> A1.4

<sup>56</sup> A1.3

<sup>57</sup> 303-3, A2.2

<sup>58</sup> The actual water consumption and water intensity in 2019 were 110.23 megalitres and 0.0088 megalitres/employee respectively. Due to the delay in water bills, estimation was made for certain period of 2020 with seasonal factors considered. Also from January 2020, the flushing water at BOC Credit Card Centre was changed from fresh water to sea water. For the above reasons, the data for 2019 and 2020 are not directly comparable.

**EMPLOYEES** <sup>59</sup>

## Total number of employees by geographical region, employee type and gender

Employee type	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
<u>Hong Kong</u>									
Permanent	6,831	5,392	12,223	6,842	5,417	12,259	6,663	5,197	11,860
Non-permanent	241	93	334	252	81	333	312	106	418
<u>Mainland China</u>									
Permanent	390	209	599	273	168	441	221	153	374
Non-permanent	4	4	8	4	3	7	4	3	7
<u>Southeast Asia and others</u>									
Permanent	1,095	629	1,724	1,006	586	1,592	884	487	1,371
Non-permanent	15	12	27	18	18	36	5	11	16
<b>Hong Kong Total</b>	<b>7,072</b>	<b>5,485</b>	<b>12,557</b>	<b>7,094</b>	<b>5,498</b>	<b>12,592</b>	<b>6,975</b>	<b>5,303</b>	<b>12,278</b>
<b>Mainland China Total</b>	<b>394</b>	<b>213</b>	<b>607</b>	<b>277</b>	<b>171</b>	<b>448</b>	<b>225</b>	<b>156</b>	<b>381</b>
<b>Southeast Asia and others Total</b>	<b>1,110</b>	<b>641</b>	<b>1,751</b>	<b>1,024</b>	<b>604</b>	<b>1,628</b>	<b>889</b>	<b>498</b>	<b>1,387</b>
<b>Total</b>	<b>8,576</b>	<b>6,339</b>	<b>14,915</b>	<b>8,395</b>	<b>6,273</b>	<b>14,668</b>	<b>8,089</b>	<b>5,957</b>	<b>14,046</b>

## Total number of employees by contract type and gender

Contract type	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Full-time	8,531	6,334	14,865	8,337	6,264	14,601	8,010	5,938	13,948
Part-time	45	5	50	58	9	67	79	19	98
<b>Total</b>	<b>8,576</b>	<b>6,339</b>	<b>14,915</b>	<b>8,395</b>	<b>6,273</b>	<b>14,668</b>	<b>8,089</b>	<b>5,957</b>	<b>14,046</b>

## Data Overview on Sustainability Performance

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

Employee type	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
<u>Hong Kong</u>									
18-30	1,825	1,437	3,262	1,952	1,530	3,482	1,926	1,510	3,436
31-40	1,664	1,624	3,288	1,583	1,553	3,136	1,519	1,445	2,964
41-50	2,089	1,422	3,511	2,181	1,460	3,641	2,284	1,445	3,729
51 or above	1,494	1,002	2,496	1,378	955	2,333	1,246	903	2,149
<u>Mainland China</u>									
18-30	202	79	281	114	52	166	78	53	131
31-40	113	76	189	88	65	153	76	52	128
41-50	74	38	112	73	39	112	68	39	107
51 or above	5	20	25	2	15	17	3	12	15
<u>Southeast Asia and others</u>									
18-30	542	214	756	522	205	727	443	162	605
31-40	380	254	634	341	248	589	303	208	511
41-50	151	139	290	135	125	260	118	108	226
51 or above	37	34	71	26	26	52	25	20	45
<b>Hong Kong Total</b>	<b>7,072</b>	<b>5,485</b>	<b>12,557</b>	<b>7,094</b>	<b>5,498</b>	<b>12,592</b>	<b>6,975</b>	<b>5,303</b>	<b>12,278</b>
<b>Mainland China Total</b>	<b>394</b>	<b>213</b>	<b>607</b>	<b>277</b>	<b>171</b>	<b>448</b>	<b>225</b>	<b>156</b>	<b>381</b>
<b>Southeast Asia and others Total</b>	<b>1,110</b>	<b>641</b>	<b>1,751</b>	<b>1,024</b>	<b>604</b>	<b>1,628</b>	<b>889</b>	<b>498</b>	<b>1,387</b>
<b>Total</b>	<b>8,576</b>	<b>6,339</b>	<b>14,915</b>	<b>8,395</b>	<b>6,273</b>	<b>14,668</b>	<b>8,089</b>	<b>5,957</b>	<b>14,046</b>

### Total number of employees by employee category and gender

Employee category	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Senior management	324	508	832	307	485	792	283	456	739
Middle level staff	3,155	3,141	6,296	3,005	3,029	6,034	2,729	2,787	5,516
General employees	5,097	2,690	7,787	5,083	2,759	7,842	5,077	2,714	7,791
<b>Total</b>	<b>8,576</b>	<b>6,339</b>	<b>14,915</b>	<b>8,395</b>	<b>6,273</b>	<b>14,668</b>	<b>8,089</b>	<b>5,957</b>	<b>14,046</b>

## Data Overview on Sustainability Performance

Gender by employee category	2020		2019		2018	
	Female %	Male %	Female %	Male %	Female %	Male %
Board <sup>1</sup>	11	89	10	90	11	89
Senior management	2.17	3.41	2.09	3.31	2.01	3.25
Middle level staff	21.15	21.06	20.49	20.65	19.43	19.84
General employees	34.17	18.04	34.65	18.81	36.15	19.32
<b>Total</b>	<b>57.49</b>	<b>42.51</b>	<b>57.23</b>	<b>42.77</b>	<b>57.59</b>	<b>42.41</b>

1. Board not included in Total.

Age by employee category	2020				2019				2018			
	18-30	31-40	41-50	51 or above	18-30	31-40	41-50	51 or above	18-30	31-40	41-50	51 or above
Senior management	-	107	395	330	-	108	401	283	13	114	372	240
Middle level staff	600	2,508	2,078	1,110	635	2,354	2,029	1,016	541	2,106	1,921	948
General employees	3,699	1,496	1,440	1,152	3,740	1,416	1,583	1,103	3,618	1,383	1,769	1,021
<b>Total</b>	<b>4,299</b>	<b>4,111</b>	<b>3,913</b>	<b>2,592</b>	<b>4,375</b>	<b>3,878</b>	<b>4,013</b>	<b>2,402</b>	<b>4,172</b>	<b>3,603</b>	<b>4,062</b>	<b>2,209</b>

### Proportion of senior management hired from the local community by geographical region <sup>60</sup>

Geographical region	2020		2019		2018	
	%		%		%	
Hong Kong	87.25		86.31		85.06	
Mainland China	80.00		75.00		100.00	
Southeast Asia and others	33.78		43.08		54.88	
<b>Total</b>	<b>82.45</b>		<b>82.70</b>		<b>81.73</b>	

### New hire by gender, age and geographical region

	2020		2019		2018	
	Number	Rate (% total staff)	Number	Rate (% total staff)	Number	Rate (% total staff)
<b>New hire by gender</b>						
Female	1,018	6.82	1,613	11.00	2,331	16.59
Male	764	5.13	1,397	9.52	1,730	12.32
<b>New hires by age</b>						
18-30	1,149	7.70	1,877	12.79	2,748	19.56
31-40	408	2.74	760	5.19	686	4.88
41-50	160	1.08	271	1.85	363	2.59
51 or above	65	0.43	102	0.69	264	1.88
<b>Employee new starters by region</b>						
Hong Kong	1,283	8.60	2,466	16.81	3,597	25.60
Mainland China	212	1.43	99	0.67	35	0.25
Southeast Asia and others	287	1.92	445	3.04	429	3.06
<b>Total</b>	<b>1,782</b>	<b>11.95</b>	<b>3,010</b>	<b>20.52</b>	<b>4,061</b>	<b>28.91</b>

### Employee turnover rate by gender, age and geographical region <sup>61</sup>

	2020	2019	2018
<b>Employee turnover rate by gender (%)</b>			
Female	4.15	7.36	10.33
Male	3.46	5.96	7.46
<b>Employee turnover rate by age (%)</b>			
18-30	4.36	7.92	11.17
31-40	1.93	3.40	3.96
41-50	1.00	1.54	1.87
51 or above	0.32	0.46	0.79
<b>Employee turnover rate by region (%)</b>			
Hong Kong	6.61	11.69	15.62
Mainland China	0.30	0.19	0.26
Southeast Asia and others	0.70	1.44	1.91
<b>Total</b>	<b>7.61</b>	<b>13.32</b>	<b>17.79</b>

### Parental Leave <sup>62</sup>

	2020		2019		2018	
	Female	Male	Female	Male	Female	Male
Employees that were entitled to parental leave	8,302	6,180	8,063	6,066	7,907	5,822
Employees that took parental leave	272	180	272	193	186	184
Employee that returned from parental leave	264	178	263	192	181	181
Rate of return from parental leave (%)	97	99	97	99	97	98
Employees still employed 12 months after return to work	248	172	246	188	157	168
Employees still employed 12 months after return to work (%)	94	97	94	98	87	93

### Occupational health and safety performance <sup>63</sup>

	2020	2019	2018
Number of high consequence work-related injuries	-	-	1.0
Rate of high consequence work-related injuries <sup>1</sup> (%)	-	-	0.0
Lost day due to work injury	969.3	686.0	839.2
Rate of lost day due to work injury <sup>1</sup> (%)	5.8	4.5	5.8
Number of fatalities as a result of work-related injury	-	-	-
Fatalities rate as a result of work-related injury <sup>1</sup> (%)	-	-	-
Number of recordable work-related injuries <sup>2</sup>	1.0	-	-
Rate of recordable work-related injuries <sup>1</sup> (%)	0.006	-	-

1. Calculated based on 200,000 hours worked

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

<sup>61</sup> B1.2

<sup>62</sup> 401-3

<sup>63</sup> 403-9, B2.1

### Training and Development <sup>64</sup>

Average hours of training per employee	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Senior management	25.65	24.16	24.74	29.95	26.89	28.08	36.73	36.77	36.76
Middle level staff	23.69	24.63	24.16	30.52	31.65	31.09	29.37	35.38	32.41
General employees	27.85	33.03	29.64	35.47	49.26	40.32	42.63	53.72	46.50
<b>Total average hours of training per employee</b>	<b>26.24</b>	<b>28.16</b>	<b>27.05</b>	<b>33.50</b>	<b>39.03</b>	<b>35.86</b>	<b>37.95</b>	<b>43.85</b>	<b>40.45</b>
<b>Percentage of employees who received training (%)</b>									
Senior management	91.79	92.37	92.14	96.09	94.85	95.33	90.81	92.11	91.61
Middle level staff	95.78	95.22	95.50	98.74	99.17	98.96	97.40	98.92	98.17
General employees	91.17	90.64	90.99	99.08	97.39	98.48	94.50	91.64	93.51
<b>Total percentage of employees who received training (%)</b>	<b>92.89</b>	<b>93.04</b>	<b>92.95</b>	<b>98.84</b>	<b>98.06</b>	<b>98.51</b>	<b>95.35</b>	<b>95.08</b>	<b>95.24</b>
<b>Number of employees who received training on the following topics</b>									
Anti-corruption	7,583	5,648	13,231	6,618	4,953	11,571	5,640	4,124	9,764
Occupational health and safety	7,513	5,649	13,162	937	879	1,816	5,817	4,203	10,020

### Misconduct cases <sup>65</sup>

	2020	2019	2018
<b>Confirmed incidents categories</b>			
Discrimination	0	0	0
Corruption	0	0	0

## SUPPLIERS

### Number of suppliers by geographical region <sup>66</sup>

	2020	2019	2018
Hong Kong	607	622	537
Mainland China	93	104	89
Southeast Asia and others	35	36	40
<b>Total number of suppliers</b>	<b>735</b>	<b>762</b>	<b>666</b>

<sup>64</sup> 404-1, B3.1, B3.2

<sup>65</sup> 205-3, 406-1, B7.1

<sup>66</sup> 102-9, B5.1

# HKEX ESG Guide and GRI Content Index<sup>67</sup>



MATERIALITY  
DISCLOSURES SERVICE

2021



SDG MAPPING SERVICE

2021

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

For the SDG Mapping Service, GRI Services reviewed that the disclosures included in the content index are appropriately mapped against the SDGs. The service was performed on the English version of the report.

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets
<b>Foundation</b>					
<b>GRI 101: Foundation 2016</b>					
<b>General Disclosures</b>					
<b>GRI 102: General Disclosures 2016</b>					
<b>ORGANISATIONAL PROFILE</b>					
	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); <a href="#">2020 Annual Report</a> (inside front cover); <a href="#">BOCHK Website</a>	
	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); Message from the Chairman (p.5); Message from the Chief Executive (p.7); <a href="#">BOCHK Website</a>	
	102-7		Scale of the organisation	About BOC Hong Kong (Holdings) Limited (p.3); Data Overview on Sustainability Performance (p.87)	
	102-8	B1.1	Information on employees and other workers	Data Overview on Sustainability Performance (p.89)	8 Decent Work and Economic Growth; 10 Reduced Inequalities
	102-9	B5 General Disclosure; B5.1; B5.2; B5.4	Supply chain	Green Banking and Finance (p.69); Data Overview on Sustainability Performance (p.93)	
	102-10		Significant changes to the organisation and its supply chain	No significant change	
	102-11		Precautionary Principle or approach	<a href="#">2020 Annual Report</a> Corporate Governance section (p.69)	
	102-12		External initiatives	Reflected in the Business Development and Economic Contributions (p.32), Green Banking and Finance (p.58) and Caring for Employees (p.72) and other sections of this Report. The Group is 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. For details of related awards and recognition of the Group, please refer to the <a href="#">2020 Annual Report</a> (p.113).	

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets	
<b>General Disclosures</b>						
<b>GRI 102: General Disclosures 2016</b>						
<b>ORGANISATIONAL PROFILE</b>						
	102-13		Membership of associations	The Group is a member of the Hong Kong Association Banks, the International Capital Market Association, the Hong Kong Green Finance Association.		
<b>STRATEGY</b>						
	102-14	MDR – 13	Statement from senior decision-maker	Message from the Chairman (p.5); Message from the Chief Executive (p.7)		
	102-15	MDR – 13	Key impacts, risks, and opportunities	Message from the Chairman (p.5); Message from the Chief Executive (p.7)		
<b>ETHICS AND INTEGRITY</b>						
	102-16		Values, principles, standards, and norms of behaviour	About BOC Hong Kong (Holdings) Limited (p.3); Responsible Business Practice (p.56); Caring for Employees (p.76)	16 Peace, Justice and Strong Institutions	
	102-17	B7.2	FN-CB-510a.2	Mechanisms for advice and concerns about ethics	Responsible Business Practice (p.56)	16 Peace, Justice and Strong Institutions
<b>GOVERNANCE</b>						
	102-18		Governance structure	Good Governance (p.15); <a href="#">2020 Annual Report</a> Corporate Governance section (p.69)		
	102-19		Delegating authority	Good Governance (p.17)		
	102-20		Executive-level responsibility for economic, environmental, and social topics	Good Governance (p.17)		
	102-22		Composition of the highest governance body and its committees	<a href="#">2020 Annual Report</a> Corporate Governance section (p.69)	5 Gender Equality; 16 Peace, Justice and Strong Institutions	
	102-23		Chair of the highest governance body	Good Governance (p.15); <a href="#">2020 Annual Report</a> Corporate Governance section (p.69)	16 Peace, Justice and Strong Institutions	
	102-24		Nominating and selecting the highest governance body	<a href="#">2020 Annual Report</a> Corporate Governance section (p.69)	5 Gender Equality; 16 Peace, Justice and Strong Institutions	
	102-25		Conflicts of interest	<a href="#">2020 Annual Report</a> Corporate Governance section (p.69)	16 Peace, Justice and Strong Institutions	
	102-26		Role of highest governance body in setting purpose, values, and strategy	Good Governance (p.15)		



GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets
<b>General Disclosures</b>					
<b>GRI 102: General Disclosures 2016</b>					
<b>GOVERNANCE</b>					
	102-27		Collective knowledge of highest governance body	Good Governance (p.16)	
	102-29	MDR – 13; A4 General Disclosure	Identifying and managing economic, environmental, and social impacts	Good Governance (p.15)	16 Peace, Justice and Strong Institutions
	102-30	MDR – 13	Effectiveness of risk management processes	Good Governance (p.19)	
	102-31	MDR – 13	Review of economic, environmental, and social topics	Good Governance (p.18)	
	102-32		Highest governance body's role in sustainability reporting	About this Report (p.2); Stakeholder Engagement and Materiality (p.11)	
	102-35		Remuneration policies	<a href="#">2020 Annual Report</a> Corporate Governance section (p.69)	
	102-36		Process for determining remuneration	<a href="#">2020 Annual Report</a> Corporate Governance section (p.69)	
<b>STAKEHODLER ENGAGEMENT</b>					
	102-40	MDR – 14	List of stakeholder groups	Stakeholder Engagement and Materiality (p.10)	
	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 has the right to join any legal organisation.	
	102-42	MDR – 14	Identifying and selecting stakeholders	Stakeholder Engagement and Materiality (p.11)	
	102-43	MDR – 14 B6.2	Approach to stakeholder engagement	Stakeholder Engagement and Materiality (p.10, 11)	
	102-44	MDR – 14 B6.2	Key topics and concerns raised	Stakeholder Engagement and Materiality (p.12, 13)	
<b>REPORTING PRACTICE</b>					
	102-45	MDR – 15	Entities included in the consolidated financial statements	<a href="#">2020 Annual Report</a> (p.289)	
	102-46		Defining report content and topic boundaries	Stakeholder Engagement and Materiality (p.11)	
	102-47	MDR – 14	List of material topics	Stakeholder Engagement and Materiality (p.12)	
	102-48		Restatements of information	About this Report (p.2)	
	102-49		Changes in reporting	Stakeholder Engagement and Materiality (p.12)	

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets
<b>General Disclosures</b>					
<b>GRI 102: General Disclosures 2016</b>					
<b>REPORTING PRACTICE</b>					
	102-50		Reporting period	About this Report (p.2)	
	102-51		Date of most recent report	The last report was issued in June 2020	
	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.94)	
	102-56		External assurance	Verification Statement (p.108)	
<b>Topic-Specific Standards: Economic</b>					
<b>ECONOMIC PERFORMANCE</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2		The management approach and its components	Business Development and Economic Contributions (p.32); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Business Development and Economic Contributions (p.32); <a href="#">Sustainability Policy</a> on our website	
<b>GRI 201: Economic Performance 2016</b>	201-1	B8.2	Direct economic value generated and distributed	Business Development and Economic Contributions (p.33); <a href="#">2020 Annual Report</a> (p.16)	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 due to climate change	Good Governance (p.20)	13 Climate Action
<b>MARKET PRESENCE</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2		The management approach and its components	Business Development and Economic Contributions (p.32); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Business Development and Economic Contributions (p.32); <a href="#">Sustainability Policy</a> on our website	
<b>GRI 202: Market Presence 2016</b>	202-2		Proportion of senior management hired from the local community	Data Overview on Sustainability Performance (p.91)	8 Decent Work and Economic Growth

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets
<b>Topic-Specific Standards: Economic</b>					
<b>INDIRECT ECONOMIC IMPACTS</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2		The management approach and its components	Business Development and Economic Contributions (p.33); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Business Development and Economic Contributions (p.33); <a href="#">Sustainability Policy</a> on our website	
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1	B8.1	Infrastructure investments and services supported	Business Development and Economic Contributions (p.33)	5 Gender Equality; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities
	203-2		Significant indirect economic impacts	Business Development and Economic Contributions (p.33)	1 No Poverty; 3 Good Health and Well-Being; 8 Decent Work and Economic Growth
<b>ANTI-CORRUPTION</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2	B7 General Disclosure; B7.2	The management approach and its components	Responsible Business Practice (p.55)	
	103-3	B7.3	Evaluation of the management approach	Responsible Business Practice (p.55)	
<b>GRI 205: Anti-corruption 2016</b>	205-2	B7.3	Communication and training about anti-corruption policies and procedures	Responsible Business Practice (p.55)	16 Peace, Justice and Strong Institutions
	205-3	B7 General Disclosure; B7.1	Confirmed incidents of corruption and actions taken	Data Overview on Sustainability Performance (p.93)	16 Peace, Justice and Strong Institutions
<b>Topic-Specific Standards: Environmental</b>					
<b>MATERIALS</b>					
<b>GRI 103: Management Approach 2016</b>	103-1	A3.1	Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2	A2 General Disclosure; A3 General Disclosure; A3.1	The management approach and its components	Green Banking and Finance (p.63); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Green Banking and Finance (p.63); <a href="#">Sustainability Policy</a> on our website	

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets
<b>Topic-Specific Standards: Environmental</b>					
<b>MATERIALS</b>					
<b>GRI 301: Materials 2016</b>	301-1	A2.5	Materials used by weight or volume	Data Overview on Sustainability Performances (p.88)  The Group is a financial services institution and does not require large-scale consumption in packaging.	8 Decent Work and Economic Growth; 12 Responsible Consumption and Production
<b>ENERGY</b>					
<b>GRI 103: Management Approach 2016</b>	103-1	A3.1	Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2	A2 General Disclosure; A3 General Disclosure; A2.3; A3.1	The management approach and its components	Green Banking and Finance (p.63, 65); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Green Banking and Finance (p.63, 65); <a href="#">Sustainability Policy</a> on our website	
<b>GRI 302: Energy 2016</b>	302-1	A2.1	Energy consumption within the organisation	Data Overview on Sustainability Performance (p.87)	7 Affordable and Clean Energy; 8 Decent Work and Economic Growth; 12 Responsible Consumption and Production; 13 Climate Action
	302-3	A2.1	Energy intensity	Data Overview on Sustainability Performance (p.87)	7 Affordable and Clean Energy; 8 Decent Work and Economic Growth; 12 Responsible Consumption and Production; 13 Climate Action
<b>WATER AND EFFLUENTS</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2	A2 General Disclosure; A3 General Disclosure; A2.2; A2.4; A3.1	The management approach and its components	Green Banking and Finance (p.63); <a href="#">Sustainability Policy</a> 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	Green Banking and Finance (p.63); <a href="#">Sustainability Policy</a> on our website	
<b>GRI 303: Water and Effluents 2018</b>	303-3	A2.2	Water withdrawal	Data Overview on Sustainability Performance (p.88)	6 Clean Water and Sanitation

GRI Standards		HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets
<b>Topic-Specific Standards: Environmental</b>						
<b>EMISSIONS</b>						
<b>GRI 103: Management Approach 2016</b>	103-1	A3.1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2	A1 General Disclosure; A3 General Disclosure; A1.5; A3.1		The management approach and its components	Green Banking and Finance (p.63, 65); <a href="#">Sustainability Policy</a> on our websites  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	Green Banking and Finance (p.63, 65); <a href="#">Sustainability Policy</a> on our website	
<b>GRI 305: Emissions 2016</b>	305-1	A1.1 A1.2		Direct (Scope 1) GHG emissions	Data Overview on Sustainability Performance (p.87)	3 Good Health and Well-Being; 12 Responsible Consumption and Production; 13 Climate Action; 14 Live Below Water; 15 Life On Land
	305-2	A1.1 A1.2		Energy indirect (Scope 2) GHG emissions	Data Overview on Sustainability Performance (p.87)	3 Good Health and Well-Being; 12 Responsible Consumption and Production; 13 Climate Action; 14 Live Below Water; 15 Life On Land
	305-3	A1.1		Other indirect (Scope 3) GHG emissions	Data Overview on Sustainability Performance (p.87)	3 Good Health and Well-Being; 12 Responsible Consumption and Production; 13 Climate Action; 14 Live Below Water; 15 Life On Land
	305-4	A1.2		GHG emissions intensity	Data Overview on Sustainability Performance (p.87)	13 Climate Action; 14 Live Below Water; 15 Life On Land
<b>WASTEWATER AND WASTES</b>						
		A1.3		Total hazardous waste produced (in tonnes) and, where appropriate, intensity	Data Overview on Sustainability Performance (p.88)	
		A1.4		Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	Data Overview on Sustainability Performance (p.88)	

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets
<b>Topic-Specific Standards: Environmental</b>					
<b>WASTEWATER AND WASTES</b>					
		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	Green Banking and Finance (p.63)	
<b>Topic-Specific Standards: Social</b>					
<b>EMPLOYMENT</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2	B1 General Disclosure	The management approach and its components	Caring for Employees (p.72, 76, 77); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Caring for Employees (p.72, 76, 77); <a href="#">Sustainability Policy</a> on our website	
<b>GRI 401: Employment 2016</b>	401-1	B1.2	New employee hires and employee turnover	Data Overview on Sustainability Performance (p.89)	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	Caring for Employees (p.76)	3 Good Health and Well-Being; 5 Gender Equality; 8 Decent Work and Economic Growth
	401-3		Parental leave	Data Overview on Sustainability Performance (p.92)	5 Gender Equality; 8 Decent Work and Economic Growth
<b>LABOUR/MANAGEMENT RELATIONS</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2		The management approach and its components	Caring for Employees (p.72, 78); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Caring for Employees (p.72, 78); <a href="#">Sustainability Policy</a> on our website	
<b>GRI 402: Labour/Management Relations 2016</b>	402-1		Minimum notice periods regarding operational changes	Caring for Employees (p.78)	8 Decent Work and Economic Growth

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets
<b>Topic-Specific Standards: Social</b>					
<b>LABOUR/MANAGEMENT RELATIONS</b>					
		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	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 (p.72).	
		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		
<b>OCCUPATIONAL HEALTH AND SAFETY</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2	B2 General Disclosure; B2.3	The management approach and its components	Caring for Employees (p.73); <a href="#">Sustainability Policy</a> on our website	
	103-3	B2.3	Evaluation of the management approach	Caring for Employees (p.73); <a href="#">Sustainability Policy</a> on our website	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1	B2 General Disclosure; B2.3	Occupational health and safety management system	Caring for Employees (p.73)	8 Decent Work and Economic Growth
	403-2		Hazard identification, risk assessment, and incident investigation	Caring for Employees (p.73)	8 Decent Work and Economic Growth
	403-3	B2.3	Occupational health services	Caring for Employees (p.73)	8 Decent Work and Economic Growth
	403-4		Worker participation, consultation, and communication on occupational health and safety	Caring for Employees (p.73)	8 Decent Work and Economic Growth; 16 Peace, Justice and Strong Institutions
	403-5	B2.3	Worker training on occupational health and safety	Caring for Employees (p.73)	8 Decent Work and Economic Growth
	403-6		Promotion of worker health	Caring for Employees (p.73)	3 Good Health and Well-Being

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets
<b>Topic-Specific Standards: Social</b>					
<b>OCCUPATIONAL HEALTH AND SAFETY</b>					
	403-7		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Good Governance (p.22)	8 Decent Work and Economic Growth
	403-9	B2.1	Work-related injuries	Data Overview on Sustainability Performance (p.92)	3 Good Health and Well-Being; 8 Decent Work and Economic Growth
<b>TRAINING AND EDUCATION</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2		The management approach and its components	Caring for Employees (p.74); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Caring for Employees (p.74); <a href="#">Sustainability Policy</a> on our website	
<b>GRI 404: Training and Education 2016</b>	404-1	B3.2	Average hours of training per year per employee	Data Overview on Sustainability Performance (p.93)	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	Caring for Employees (p.74)	8 Decent Work and Economic Growth
	404-3		Percentage of employees receiving regular performance and career development reviews	Caring for Employees (p.76)	5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
		B3.1	The percentage of employees trained by gender and employee category	Data Overview on Sustainability Performance (p.93)	
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2	B1 General Disclosure	The management approach and its components	Caring for Employees (p.72); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Caring for Employees (p.72); <a href="#">Sustainability Policy</a> on our website	



GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets
<b>Topic-Specific Standards: Social</b>					
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>					
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	B1.1	Diversity of governance bodies and employees	Data Overview on Sustainability Performance (p.89)	5 Gender Equality; 8 Decent Work and Economic Growth
<b>NON-DISCRIMINATION</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2	B1 General Disclosure	The management approach and its components	Caring for Employees (p.72); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Caring for Employees (p.72); <a href="#">Sustainability Policy</a> on our website	
<b>GRI 406: Non-discrimination 2016</b>	406-1		Incidents of discrimination and corrective actions taken	Data Overview on Sustainability Performance (p.93)	5 Gender Equality; 8 Decent Work and Economic Growth
<b>LOCAL COMMUNITIES</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2	B8 General Disclosure B8.1 B8.2	The management approach and its components	Contributions to Society (p.79); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Contributions to Society (p.79); <a href="#">Sustainability Policy</a> on our website	
<b>GRI 413: Local Communities 2016</b>	413-1		Operations with local community engagement, impact assessments, and development programmes	Contributions to Society (p.79)	
<b>SUPPLIER SOCIAL ASSESSMENT</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2	B5 General Disclosure B5.2 B5.3	The management approach and its components	Green Banking and Finance (p.69); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Green Banking and Finance (p.69); <a href="#">Sustainability Policy</a> on our website	

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets
<b>Topic-Specific Standards: Social</b>					
<b>SUPPLIER SOCIAL ASSESSMENT</b>					
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1	B5.2 B5.3	New suppliers that were screened using social criteria	Green Banking and Finance (p.69)	5 Gender Equality; 8 Decent Work and Economic Growth; 16 Peace, Justice and Strong Institutions
		B5.1	Number of suppliers by geographical region	Data Overview on Sustainability Performance (p.93)	
<b>CUSTOMER HEALTH AND SAFETY</b>					
		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.	
<b>MARKETING AND LABELING</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2		The management approach and its components	Business Development and Economic Contributions (p.47); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Business Development and Economic Contributions (p.47); <a href="#">Sustainability Policy</a> on our website	
<b>GRI 417: Marketing and Labeling 2016</b>	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.	16 Peace, Justice and Strong Institutions
<b>CUSTOMER PRIVACY</b>					
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)	
	103-2	B6 General Disclosure B6.2 B6.5	FN-CB-230a.2 The management approach and its components	Responsible Business Practice (p.52); <a href="#">Sustainability Policy</a> on our website	
	103-3		Evaluation of the management approach	Responsible Business Practice (p.52); <a href="#">Sustainability Policy</a> on our website	

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets	
<b>Topic-Specific Standards: Social</b>						
<b>CUSTOMER PRIVACY</b>						
<b>GRI 418: Customer Privacy 2016</b>	418-1	B6 General Disclosure B6.2	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Responsible Business Practices (p.52)  For the reporting year, only a small number of complaints were received by the Group. The Privacy Commissioner did not impose any fine or penalty regarding such complaints for the reporting year. Complaints received by the Group regarding data privacy are mainly handled by a designated department with the support from other relevant units. The Group will conduct thorough investigation based on the internal complaint management procedures and then respond to the complainants regarding the investigation findings. Our internal complaint management procedures were formulated in accordance with HKMA's Supervisory Policy Manual IC-4 Procedures for Handling Complaints, and the Code of Banking Practice issued by the Hong Kong Association of Banks and the DTC Association.	16 Peace, Justice and Strong Institutions	
<b>SOCIOECONOMIC COMPLIANCE</b>						
<b>GRI 103: Management Approach 2016</b>	103-1		Explanation of the material topic and its boundary	Stakeholder Engagement and Materiality (p.12)		
	103-2		The management approach and its components	Responsible Business Practice (p.56); <a href="#">Sustainability Policy</a> on our website		
	103-3		Evaluation of the management approach	Responsible Business Practice (p.56); <a href="#">Sustainability Policy</a> on our website		
<b>GRI 419: Socioeconomic Compliance 2016</b>	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.		
<b>GRI G4 Financial Sector Supplement</b>						
Product Portfolio	G4-FS1		FN-CB-410a.2	Policies with specific environmental and social components applied to business lines	Green Banking and Finance (p.59); <a href="#">Sustainability Policy</a> on our website	10 Reduced Inequalities

GRI Standards	HKEX ESG Guide	SASB	Description	Page number(s), explanations and/or URL(s)	Relevant SDG Targets
<b>GRI G4 Financial Sector Supplement</b>					
	G4-FS2		FN-CB-410a.2	Procedures for assessing and screening environmental and social risks in business lines	Good Governance (p.22) 10 Reduced Inequalities
	G4-FS3		FN-CB-410a.2	Processes for monitoring clients' implementation of, and compliance with, environmental and social requirements included in agreements or transactions	Good Governance (p.22) 10 Reduced Inequalities
	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	Message from the Chief Executive (p.7) 10 Reduced Inequalities
	G4-FS5		FN-CB-410a.2	Interactions with clients/investors/business partners regarding environmental and social risks and opportunities	Green Banking and Finance (p.59) 10 Reduced Inequalities
	G4-FS7			Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Message from the Chief Executive (p.7) 1 No Poverty; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 10 Reduced Inequalities; 11 Sustainable Cities and Communities
Local Communities	G4-FS13			Access points in low-populated or economically disadvantaged areas by type	Business Development and Economic Contributions (p.42) 1 No Poverty; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
	G4-FS14			Initiatives to improve access to financial services for disadvantaged people	Business Development and Economic Contributions (p.42) 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	Business Development and Economic Contributions (p.48) 1 No Poverty; 8 Decent Work and Economic Growth; 10 Reduced Inequalities

# 15 Verification Statement<sup>68</sup>



## 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 2020 (“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 2020. The information and data contained in the Report cover the period from 1 January to 31 December 2020.

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 the Core option of the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”), the Environmental, Social and Governance Reporting Guide (Main Board Listing Rules Appendix 27) (“HKEX ESG Guide”) issued by the Hong Kong Exchanges and Clearing Limited, and with reference to the latest international guidelines including the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations, the Sustainability Accounting Standards Board Standards (“SASB Standards”), ISO 26000:2010 Guidance on Social Responsibility and the United Nations Sustainable Development Goals (“SDG”).

## 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 the GRI Standards: Core option and fulfills the mandatory disclosure provisions of the HKEX ESG Guide;
- 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

**Connie Sham**  
Head of Audit  
May 2021