

Sustainable Development

As a leading commercial and internationalised regional bank firmly rooted in Hong Kong for over a century, we have a deep responsibility to promote Hong Kong's long-term development, consolidate and enhance the city's status as an international financial centre, and pursue sustainable development in the places in which we operate. During the year, we combined the three major elements of environment, social and governance (ESG) performance within the Group's overall strategic development planning, and continuously improve our sustainable development governance structure and mechanism. We established the Sustainability Committee under the Board of Directors to actively promote the Group's sustainable development. We value the concern and opinions of our various stakeholders and have implemented a number of sustainable development initiatives that have been widely recognised by various sectors of the community.



MSCI ESG RESEARCH INC.



In 2019, the Group received the "Best Bank for CSR in Hong Kong" award from Asiamoney for the second consecutive year, and was selected as a constituent stock of the "Hang Seng Corporate Sustainability Index Series" for the tenth consecutive year, and had been rated AA for three years in a row. Our ESG performance was rated "AA" by the rating agency MSCI ESG Research LLC for the fourth consecutive year. Since 2003, we have been recognised as a "Caring Company" by the Hong Kong Council of Social Service for 17 consecutive years. We were also awarded the "Financial Services Awards of Excellence - Sustainable Corporate Social Responsibility" by the Hong Kong Economic Journal.

This section gives an overview of the Group's sustainability initiatives during 2019. For details, please refer to the Group's Sustainability Report.





Promoting Economic Development and Financial Inclusion

With the goal of “Building a Top-class, Full-service and Internationalised Regional Bank”, the Group leverages its advantages as a major commercial banking group in Hong Kong to increase local market penetration and expand its business in the Southeast Asian region, striving to provide customers with comprehensive, professional and high-quality services.

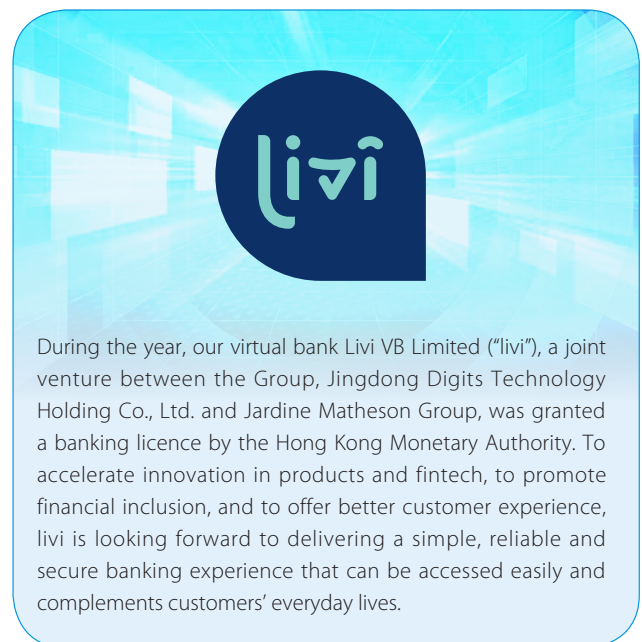
The Group sponsored the forth “Belt and Road Summit” and “Asian Financial Forum” jointly organised by the Hong Kong SAR Government and the Hong Kong Trade Development Council; the “Bond Connect Anniversary Summit 2019” organised by Bond Connect Company Limited; the “Hong Kong Fintech Week” organised by InvestHK, and the “RMB Fixed Income & Currency Pan-Asian Conference” organised by Hong Kong Exchanges and Clearing Limited, to promote cooperation and exchange among enterprises in the region and to explore business opportunities.



The Group strives to offer convenient banking services to all sectors of the community. We are the first to launch an attestation service that enables customers to open mainland accounts without leaving Hong Kong, as well as linking their accounts with mainstream e-payment platforms on the mainland. Leveraging our extensive branch network, we expand service coverage for SMEs and provided convenient



financing service. We launch the “Business Lite” service to simplify account opening procedures for new companies. This service facilitates account opening for start-up enterprises and overseas enterprises investing in Hong Kong. Our electronic platform “E-Donate” provides donation collection services for charities, effectively reducing their management costs and facilitating citizen donations.

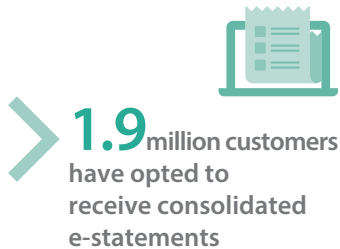


During the year, our virtual bank Livi VB Limited (“livi”), a joint venture between the Group, Jingdong Digits Technology Holding Co., Ltd. and Jardine Matheson Group, was granted a banking licence by the Hong Kong Monetary Authority. To accelerate innovation in products and fintech, to promote financial inclusion, and to offer better customer experience, livi is looking forward to delivering a simple, reliable and secure banking experience that can be accessed easily and complements customers’ everyday lives.

Sustainable Development

Conserving Resources and Protecting the Environment

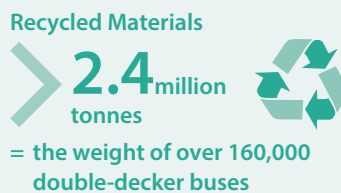
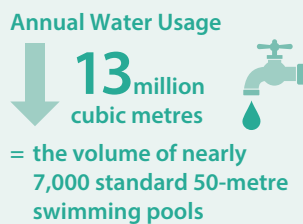
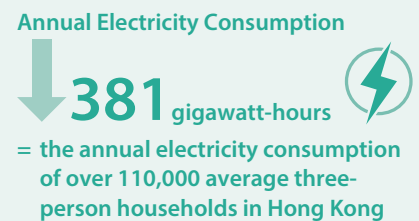
We encourage our customers to choose electronic statements in order to reduce paper consumption. As of the end of 2019, over 1.9 million customers have opted to receive consolidated e-statements, an increase of more than 30% over last year.



To vigorously promote green finance, we actively assist customers in the issuance of green bonds, and act as a green consultant. As of the end of 2019, BOCHK's balance of green and sustainability-linked loan have increased almost eightfold compared with the previous year-end.

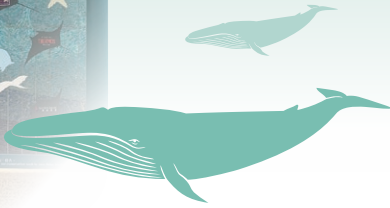
We sponsored the "Hong Kong Green Finance Association Annual Forum" organised by the Hong Kong Green Finance Association for the second consecutive year, with the aim of exploring new opportunities for cooperation in green finance.

We jointly host the **BOCHK Corporate Environmental Leadership Awards** alongside the Federation of Hong Kong Industries. This year, the programme engaged more than 760 corporate participants.



BOCHK supports the CLP Power's "Renewable Energy Certificate" scheme. In 2019 we purchased 250,000 kWh of electricity produced locally by renewable energy sources to support the development of renewable energy in Hong Kong.





The Group donated to the “Conservation Alliance” of Ocean Park Conservation Foundation, Hong Kong, which raises funds for programmes that support wildlife conservation and research in Asia.



In support of the Polar Museum Foundation in implementing its “Human and Nature Inclusion Programme”, we aim to develop young people’s respect for nature and interest in nature conservation, and to help them respond positively to various future environmental and social challenges.



Sharing and Caring for Social Harmony

The BOCHK Charitable Foundation (the “Foundation”) was established in 1994. Over the years, BOCHK and the Foundation have actively contributed to charity activities in various fields, with a total donation of more than HK\$770 million. In 2019, we sponsored more than 40 charity projects, including those supporting the disadvantaged, youth development, environmental protection and carbon reduction, sporting activity and the arts. reaching more than 3 million beneficiaries.

> 3 million beneficiaries



In celebration of the 100th anniversary of Bank of China’s service to Hong Kong, BOCHK issued the “Bank of China (Hong Kong) Centenary Commemorative Banknote” (“Commemorative Banknote”) in 2017, receiving an enthusiastic response from the public. During the year, we announced that the net proceeds of HK\$627 million from sales of the Commemorative Banknote have been donated through the “BOCHK Centenary Charity Programme”. Of the total net proceeds, HK\$100 million has been allocated through The Community Chest of Hong Kong, while Tung Wah Group of Hospitals and Po Leung Kuk each receiving HK\$50 million donation from the programme. The remaining HK\$427 million will be used to fund projects selected through an open call for proposals from eligible local charities. It is expected that these charity projects will be launched in 2020.



The net proceeds of
HK\$627 million
 from sales of the Commemorative Banknote
 have been donated for local charity purpose



Sustainable Development

Poverty Alleviation and Care for Society

We sponsored the “Food Angel x BOC Food Rescue and Assistance Project”. During the year, we added two “Food Rescue Vehicles” equipped with thermal insulation to distribute meal boxes, soups and food packs to underprivileged communities in several remote areas such as Sai Kung and Sheung Shui.

Since the Food Angel Project was launched,

> **1.5** million beneficiaries



To help more patients, we donated to organisations including the Hospital Authority, Tung Wah Group of Hospitals and Po Leung Kuk respectively, by procuring a new model of vehicle for mobile blood donation, providing emotional support services for children and their parents in grassroots communities, and launching two Chinese Medicine Mobile Clinics.

We sponsored the “Hospital Authority New Year Run” of the Hospital Authority Charitable Foundation; the “PHAB Walk for Integration X Sports Day” of the Hong Kong PHAB Association; and the “ACCA Community Day” of the Association of Chartered Certified Accountants, to support those in need.



Disaster Relief and Donation

To help the two groups of victims of a severe tsunami and flood respectively, we donated twice to the Indonesian Red Cross with 200 million Indonesian Rupiah.



We donated to Cambodia to support rescue work related to a building collapse in Sihanoukville, and to assist the local government in carrying out various rescue and rehabilitation work.



To help the Lao people affected by a rare occurrence of large-scale flood in the southern-central part of the country, we donated to the Lao Red Cross assisting the people to overcome the difficulties they faced.





Educational Aid to Support Youth Development



We co-organised the “BOCHK Hackathon” with Hong Kong Science and Technology Park, with the theme “Unleash our Future, Starting with FinTech”, inspiring and encouraging the younger generation to embrace their dreams through creativity and fintech in the banking industry. The contest attracted a total of 90 teams to join.



We supported Our Hong Kong Foundation and the Endeavour Education Centre to carry out activities that strengthen Hong Kong youth’s understanding of Chinese history and culture, and our country’s development.

We organised the “Youth Exchange in the Mainland” and participated in the “Scheme on Corporate Summer Internship on the Mainland and Overseas” to broaden the horizons of young people and encourage them to think about their future development.



Sustainable Development

Diversified Activities and Promotion of Culture

As the Chief Charity Partner, BOCHK fully supported “A Journey Through Springtime Along the River”, a Hong Kong exhibition that was co-organised by the Palace Museum and Phoenix TV. This exhibition attracted a tremendous number of Hong Kong people and visitors from the mainland and overseas.



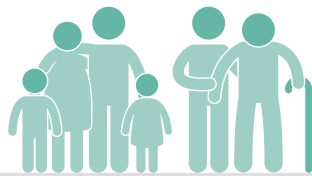
We supported the “Music Integrates” programme of the Hong Kong Chinese Orchestra; the “Budding Hong Kong Talents Programme” of Musicus Society and the “Lion Rock Can Do Spirit” Music Exchange Programme of Hong Kong String Orchestra, to cultivate local musical talent. It is expected that more than 90,000 people will be benefited each year.

Expected **90,000** people will be benefited each year

A graphic element featuring several green musical notes and a large green treble clef, positioned to the right of the text.



We invited our customers and over a thousand of the underprivileged to visit and provided about 90 staff volunteers to offer guided tours.



Sustainable Development

Adopting a People-oriented Approach and Caring for Employees

The Group considers our employees to be the most precious assets. Based on our people-oriented philosophy, we constantly enhance our human resources management system so as to attract, identify and nurture talent. We are committed to providing a harmonious, diverse and friendly working environment for our employees and helping them realise their potential. The Group's employees hail from different backgrounds and with diverse experiences and expertise.

As of the end of 2019, the Group had

> **14,600** employees



Culture is the soul of an enterprise. The Group attaches great importance to the development of corporate culture, and carried out extensive corporate culture promotion activities during the year, encouraging all employees to actively implement the Group's core values:

擔當 RESPONSIBILITY

誠信 INTEGRITY

專業 PROFESSIONALISM

創新 INNOVATION

穩健 PRUDENCE

績效 PERFORMANCE





We encourage our employees to take part in inter-departmental exchanges. Exchange opportunities in the mainland and overseas are also arranged to enrich employees' business knowledge and broaden their horizons.



Employees are encouraged to be creative and innovative. This year, we organised our "BOCHK Ideation Contest" around the theme of "Technology-based and Innovation-driven Development" to complement the Group's digitalisation strategy.



In 2019, our volunteer team completed **42,000** hours of volunteer service



Received the "Gold Award for Volunteer Service - Organisation" honour

for **10** consecutive years

The Group encourages our employees to participate in volunteer activities. In 2019, our volunteer team completed over 42,000 hours of volunteer service, receiving the "Award of 10,000 hours for Volunteer Service", the "Merit Award for Highest Service Hour Award (Private Organisations - Category 1)" and, for the tenth consecutive year, the "Gold Award for Volunteer Service - Organisation" honour from the Social Welfare Department.



Sustainable Development

We advocate work-life balance, and organise a series of recreational activities for our employees.

