

CORPORATE SOCIAL RESPONSIBILITY REPORT



ABOUT CORPORATE SOCIAL RESPONSIBILITY REPORT

This corporate social responsibility report (the “Report”) is the fifth corporate social responsibility report issued by the Group. It aims to set out the principles and performance of the Group in relation to sustainable development in fulfilling its corporate social responsibility in 2021 and respond to material issues of concern to key stakeholders. Please see the “Corporate Governance Report” chapter of this annual report or visit the official website of the Group (<http://www.bocomgroup.com/>) for details of the Group’s corporate governance.

Scope of Report

Unless specified otherwise, the scope of disclosure of the Report covers all businesses directly controlled by the Group in Hong Kong (excluding the mainland businesses of the Group in the PRC)¹. The time range is from 1 January 2021 to 31 December 2021 (the “Reporting Period”). In order to enhance the completeness of the Report, some of the content is appropriately traced backward or forward.

Basis of Preparation

The Report has been prepared in accordance with the principles of materiality, quantitative, balance and consistency as set out in Appendix 27 Environmental, Social and Governance Reporting Guide (2019 Edition) (the “Guide”) under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Report is in compliance with the “comply or explain” provisions set out in the Guide, and describes the environmental and social impacts arising from the business and operating activities of the Group.

¹ Data about workforce and training hours in the Report include those from Mainland and Hong Kong offices, which are consistent with the annual report.

Materiality

The Group identified material issues related to the Group through a materiality assessment procedure and made relevant disclosure in the Report. Such procedure included: identifying sustainable development issues related to the Group and key stakeholders, inviting all stakeholders and the Board to prioritise the sustainable development issues in order of importance and carry out analysis on material issues, etc. The Report has been prepared by focusing on the material issues verified by the Board. For details on the materiality assessment procedure, please refer to the chapter headed “Stakeholder Engagement” in the Report.

Quantitative

In order to comprehensively evaluate the Group’s performance in environmental, social and governance (ESG) aspects during the Reporting Period, the Group made disclosure regarding the applicable quantitative key performance indicators as set out in the Guide, and explained the standards, methods, assumptions and calculation tools adopted for such quantitative key performance indicators, including the source of key conversion factors.

Consistency

The Report has adopted, as far as practical, the same data statistical and collection methodologies with those applied for the previous reporting period to provide meaningful comparison of our performance during the Reporting Period for all stakeholders. Changes to the methodologies will be presented and detailed in the corresponding chapters by the Group.

Opinion

We value your feedback on the Report. If you have any enquiries or valuable suggestions for the Report, please feel free to contact us by:

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SUSTAINABLE DEVELOPMENT GOVERNANCE

Environmental, Social and Governance System

The Group incorporates the concept of sustainable development into its corporate governance framework, and has established the ESG-related issue governance structure led by the Board, in a bid to fulfill the commitment to sustainable development. The Board has overall responsibility for the Group's ESG strategy and reporting, and has authorised its subordinate ESG Task Force (the "Task Force") to assist in performing such duties. The Task Force consists of a member of senior management as the leader, the Executive Office as the secretariat and representatives of seven other relevant functional departments/organisations. In daily operations, the Task Force performs its duties in accordance with the Administrative Measures for the Environmental, Social and Governance (ESG) Task Force (the "Administrative Measures for Task Force") updated in 2020, and regularly reports to the Board.

The Administrative Measures for Task Force aims to clarify the responsibilities of the Task Force's members and the reporting procedures for sustainable development, so as to strengthen the Board's engagement in the ESG-related work and the implementation of ESG-related policies, and continuously facilitate the implementation of the sustainable development governance concept and the relevant strategies by the Group.

The major duties of the Task Force are as follows:

- to assist in identifying, evaluating and prioritising the Group's material ESG issues, and report to the Board for identification of the material issues;
- to assist the Board in analysing the potential risks and opportunities and related impacts from the material ESG issues on the Group's business strategy and establishing an appropriate and effective ESG risk management and internal control system;
- to assist the Board in setting the Group's ESG-related objectives, and regularly review the progress towards achieving these objectives;
- to prepare and submit an annual corporate social responsibility report to the Board for approval and ensure that the report meets regulatory requirements; and
- to assist the Board in formulating and reviewing the existing ESG governance approaches and strategies as appropriate.

Sustainable Development Objectives

The Group is committed to building itself into a comprehensive and financial services institution with global influence and regional market competitiveness, and is determined to enhance the sustainability and competitiveness of its business. While developing its business, the Group also seeks to concurrently fulfil its environmental and social responsibilities. During the Reporting Period, we set environmental objectives to further promote corporate sustainability.

The Group adheres to its original intention of creating sustainable value for all stakeholders in four major areas, and is constantly pursuing its further goals:

STEADY OPERATION

Safeguarding compliance operations, seizing market opportunities, continuously optimising products and services, and enhancing client experience



CARE FOR EMPLOYEES

Creating a working environment full of humanistic care and building an efficient and collaborative elite team



CARE FOR THE COMMUNITY

Supporting community growth, with the aim of promoting socially sustainable development



CARE FOR THE ENVIRONMENT

Committed to reducing the environmental impact of business operations, supporting green finance business and comprehensively enhancing the environmental performance of the Group



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The implementation of sustainable development objectives during the Reporting Period:

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|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| STEADY OPERATION | <ul style="list-style-type: none">• Strengthening risk management and control to ensure smooth business operation and balance risks and returns• Strengthening business ethics, anti-corruption and anti-money laundering trainings to regulate compliance with high ethical standards in business practices by employees• Optimising online services and popularising online platforms such as “BOCOMI Services App” and “New Share App” to provide clients with around-the-clock services |
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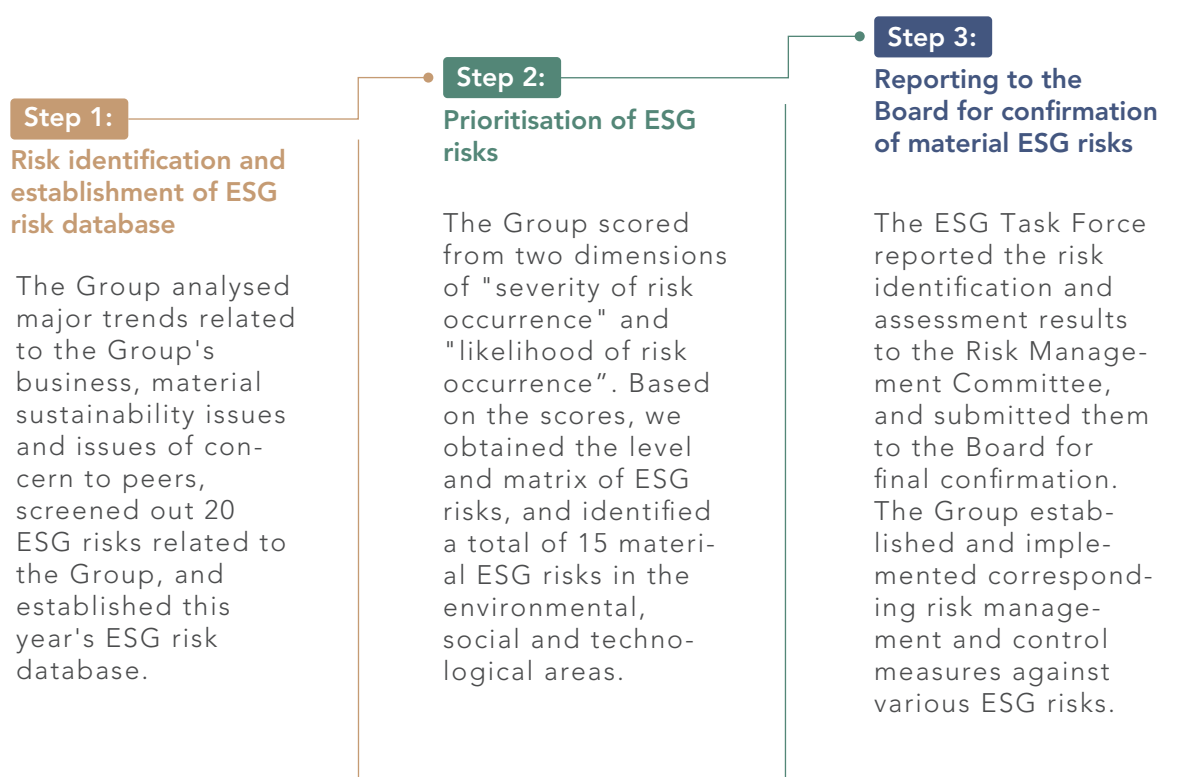
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| CARE FOR EMPLOYEES | <ul style="list-style-type: none">• Attaching great emphasis to employees’ health and well-being, and working together with them to fight against the COVID-19 pandemic• Providing targeted training programmes to improve quality and skills of employees• Organising diverse recreational activities to promote work-life balance |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CARE FOR THE ENVIRONMENT | <ul style="list-style-type: none">• Setting environmental objectives to promote corporate sustainability• Implementing low-carbon operation measures to proactively combat climate change• Assisting in 19 green bond issuance projects to support the development of green industries |
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| CARE FOR THE COMMUNITY | <ul style="list-style-type: none">• Devoting to community education, aiming to improve people’s livelihood |
|------------------------|--------------------------------------------------------------------------------------------------------------------------|

ESG Risk Management

The Group continuously integrated ESG risk management to all areas of its business operations. Therefore, ESG risk assessment was carried out this year to actively manage environmental, social and technological risks within its sphere of influence. The Board undertakes the overall responsibility for the ESG risk management and internal control system of the Group. To ensure the effectiveness of the implementation of the system, the Task Force assisted the Board in identifying, assessing, prioritising and managing its key sustainability risks through a systematic process. The detailed process is as follows:



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Based on the results of the ESG risk assessment, the Group has identified the following ESG risks that are critical to its operations and business during the Reporting Period, and reviewed relevant control measures to ensure that these risks are effectively controlled.

Aspects	Material ESG risks	Risk management and control measures
Environmental	Climate change	<ul style="list-style-type: none"> – The Group continuously updated the Measures for the Administration of Climate Change-Related Issues, which sets out response measures for physical and transitional climate change risks, including monitoring, risk management and contingency plans, in a bid to manage the impact of potential climate risks; – The Group formulated the Measures for the Administration of Business Continuity to address serious operation disruptions caused by natural disasters (including but not limited to fire, hurricane, tsunami and other extreme weather conditions), so as to effectively cope with extreme weather risks caused by climate change.
	Natural disasters	<ul style="list-style-type: none"> – The Group established internal policies, including the Measures for the Administration of Business Continuity and the Human Resources Management System, to deal with operational problems caused by natural disasters, including employee commuting and operations arrangements.
Social	Infectious disease	<ul style="list-style-type: none"> – Under the leadership of the leading group for pandemic prevention and control, the Group proactively responded to the COVID-19 pandemic by formulating prevention and control guidance policies, including the Measures for Emergency Management, in order to strengthen internal management of the COVID-19 pandemic; – With close attention paid to the development of COVID-19 the pandemic, the Group made reasonable prevention and control arrangements according to its severity, and issued corresponding work notices to standardise anti-pandemic work.
	Standardisation of product marketing	<ul style="list-style-type: none"> – It formulated policies, including the Compliance Manual, the Rules and Guidelines for Front-line Employees in Securities and Futures Business, the Measures for Fund and Account Management and the Measures for the Administration of Investment Banking Business, to regulate employees, with a view to reducing product marketing violations caused by improper operation.

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Aspects	Material ESG risks	Risk management and control measures
	Client services	<ul style="list-style-type: none"> – The Compliance Manual was established to standardise the procedures to handle clients’ complaints, in order to ensure proper and timely handling of all comments from clients; – The Group rolled out online client service platforms such as “BOCOMI Services App” and “New Share App” to follow the trend of digital and intelligent transformation of financial services.
	Client data privacy and security	<ul style="list-style-type: none"> – Internal management policies such as Compliance Manual and Data Classification and Data Security Management Measures were developed to prevent employees from illegally leaking client information and strengthen internal data security protection and management.
	Change in working mode	<ul style="list-style-type: none"> – A mobile office platform was set up for employees in need, and employees working remotely from home were required to keep their phones unblocked to ensure the smooth day-to-day operations of departments; – The Information Technology Department is responsible for providing support services. If employees encounter difficulties in operation, they can seek assistance from the colleagues on duty.
	Employee benefits and welfare	<ul style="list-style-type: none"> – The Human Resources Management System was formulated to regulate the composition of employee compensation and benefits; – The Human Resources Department refers to the compensation survey report in Hong Kong every year to evaluate whether the compensation of the Group’s employees is competitive, and then make further adjustments; – It sets up the Recreation Committee that is responsible for organising and coordinating employee welfare activities, as an effort to strengthen communication between all levels.
	Employee training and development	<ul style="list-style-type: none"> – With formulation of the Human Resources Management System, the Group regulates training coordination and employee training subsidies and encourages employees to take part in training; – According to the needs of business and employees, different training activities were held regularly for employees to help employees acquire professional knowledge and skills related to work.

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Aspects	Material ESG risks	Risk management and control measures
	Maintaining intellectual property rights	<ul style="list-style-type: none"> - The Information Security Policy was formulated to regulate the use of internal genuine computer softwares and avoid infringement of external intellectual property rights; - The Group regularly filed and updated trademarks and domain names in Mainland China and Hong Kong to protect its intellectual property rights.
	Anti-corruption and anti-money laundering risk	<ul style="list-style-type: none"> - The Group established the Compliance Manual, the Measures for Anti-Money Laundering and Counter-Financing of Terrorism and the Whistleblowing Policy to encourage employees to fight against money laundering and terrorist financing; - Regular internal training sessions are held every year to deepen employees' understanding of laws and regulations and further reduce the probability of improper incidents; - The policies it established, including the Measures on Annual Compliance Audit for Anti-money Laundering and the Measures on Annual Compliance Audit for the Prevention of Bribery Code, stipulate that the Legal and Compliance Department shall conduct annual audits on anti-money laundering and anti-corruption to reduce related risks.
	Sustainable consumption	<ul style="list-style-type: none"> - The Group formulated the Green Office Tips, stating that sustainable consumption measures shall be taken into account for regulation of office operations, including purchase of energy efficient appliances.
	Human rights standards	<ul style="list-style-type: none"> - With formulation of the Human Resources Management System, the Group strictly abides by the relevant labour laws to regulate the recruitment and promotion processes and working hours, in a bid to avoid human rights violations such as discrimination, child labour and forced labour.

Aspects	Material ESG risks	Risk management and control measures
Technological	Network security	<ul style="list-style-type: none"> – The Group established internal management policies, such as the Information Security Policy and the Network Security Risk Management Framework, to strengthen its internal network security management; – The Information Technology Department conducted disaster drills and gradually stepped up efforts on disaster preparedness to strengthen the capability to defend against cyber attacks.
	Development of digital technology	<ul style="list-style-type: none"> – Considerable resources were poured to enhance the online trading platform, data management, cybersecurity and market surveillance. Besides, it created an online interactive livestreaming column and enriched the global product trading platform to meet the diversified needs of clients and increase market competitiveness; – With the launch of the “BOCOMI Services App”, “New Share App” and business intelligence report, we focused on improving our business and management systems and data analysis capabilities, so as to further optimise digital and intelligent service experience; – Internal policies such as the Information Security Policy were developed to strengthen the protection and management of sensitive data and trade secrets and strictly control the risk of client and product information leakage.

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Stakeholder Engagement

The Group understands that support from all stakeholders is essential for sustainable corporate development. So, we make great efforts to maintain effective communication with our stakeholders and ensure that we understand their concerns and expectations in a timely manner, so that we may take their opinions into consideration when developing and implementing sustainable development strategies. We have upheld the spirit of mutual interaction, and communicated with internal and external stakeholders through a diverse range of channels.

Communication Channels with Stakeholders	
Regulatory Authorities	<ul style="list-style-type: none"> • Meetings • Written Responses to Public Consultations • Compliance Reports
Company Employees	<ul style="list-style-type: none"> • Performance Appraisals • Meetings and Interviews/Briefings • Seminars/Workshops/Lectures/Trainings • Team Building Activities/Volunteer Activities • Outstanding Employee Award and Recognition Events
Clients	<ul style="list-style-type: none"> • Client Satisfaction Surveys and Feedback • Client Service Centres/Intelligent Client Service Robot • Daily Operations/Interactions • Telephone/E-mail Communication
Investment Sector	<ul style="list-style-type: none"> • Corporate Communications e.g. Interim Reports, Annual Reports, Announcements and Circulars • Investor Conferences/Roadshows • Analyst Conferences • Roadshow Activities • Investor Mailbox
Financial Sector Peers	<ul style="list-style-type: none"> • Strategic Cooperations • Financial Sector Sharings and Discussions
Community	<ul style="list-style-type: none"> • Volunteer Activities • Community Investment Schemes • Charity Donations
Business Partners	<ul style="list-style-type: none"> • Meetings/Daily Communications • Assessments • Work Inspections and Supervision
Professional Bodies	<ul style="list-style-type: none"> • Meetings • Regular Visits • Task Forces

Communication Channels with Stakeholders

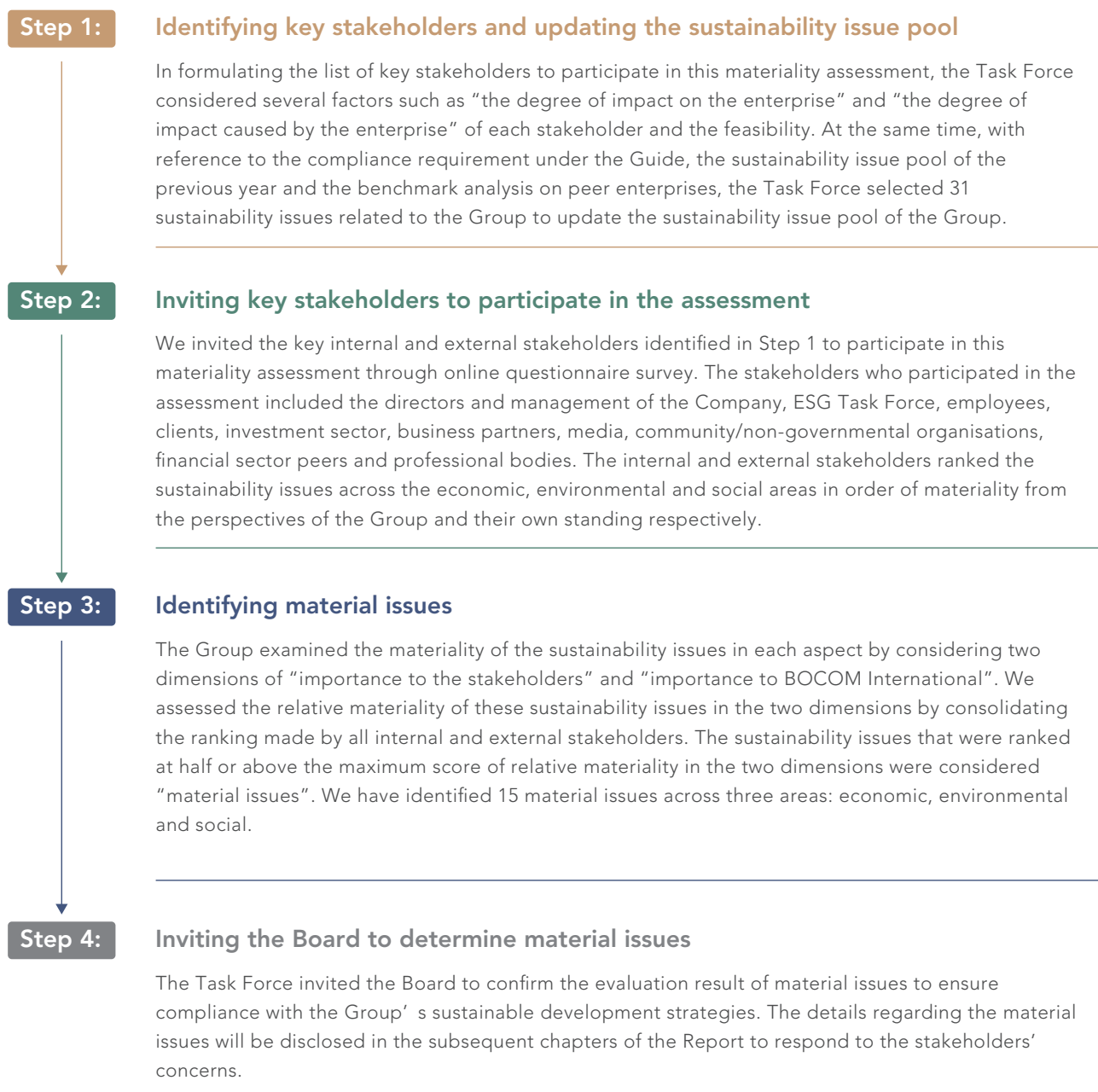
- Media
- Media Briefings
 - Press Releases
 - Results Announcements
 - Media Interviews
 - WeChat Official Account

Annual General Meeting






Materiality Assessment

In order to fully identify and prioritise sustainability issues, the Task Force invited stakeholders to participate in the materiality assessment based on the established stakeholder communication mechanism, so as to ensure that the Report specifically addresses the key issues of concern of the stakeholders regarding the Group. Details on the materiality assessment procedure are set out as follows:



“MATERIAL ISSUES”

 Economic	 Environmental	 Social
<ul style="list-style-type: none"> • Risk Management and Internal Control • Protecting Data and Privacy of Clients • Anti-Money Laundering and Counter-Terrorist Financing • Optimisation of Financial Services • Maintaining and Protecting Intellectual Property Rights • Safeguarding Shareholders' Interests 	<ul style="list-style-type: none"> • Green Office Measures • Green Finance • Waste Disposal and Recycling • Climate Change 	<ul style="list-style-type: none"> • Employee Benefits and Welfare • Equal Opportunity • Occupational Health and Safety • Employee Training and Development • Responsible Investment

* The above issues are ranked in order of materiality (from top to bottom) according to the stakeholders' survey results

STEADY OPERATION TO PURSUE EXCELLENCE

As one of the earliest licensed securities companies with a PRC background in Hong Kong, the Group insisted on promoting balanced growth of scale, quality and efficiency, and pushing ahead with digital transformation and wealth management transformation of securities business. The Group, which maintained the risk appetite of “prudence, stability and compliance”, further clarified the risk control responsibilities, strictly curbed market risks and credit risks, proactively optimised its asset-liability structure, successfully issued bonds and offered syndicated loans, and steadily expanded its asset scale. In the meantime, we continuously strengthened our key business strengths, focused on the national strategy and served the “affairs that are of vital importance to the nation”. It promoted the coordinated development of licensed business and asset business, gave full play to the synergy effect of “domestic + overseas services” and “commercial bank + investment bank”, and deepened the business strategy of “promoting development in the Yangtze River Delta region and Pearl River Delta region, focusing on two industries and seeking technological transformation in two aspects”. In the face of market shocks, the Group actively responded to and prudently handled the shocks, and made continuous efforts to build a comprehensive financial services institution with global influence and regional market leadership to create value for clients and shareholders. During the Reporting Period, we leveraged the advantages of the Group's comprehensive financial service network of “interconnected products, interconnected services and same services in Guangdong, Hong Kong and Macao” to provide excellent and high-quality financial services to enterprises and clients in the Greater Bay Area. We have won the Best Financial Services Award in Guangdong-Hong Kong-Macao Greater Bay Area for two consecutive years. Another two awards we received are the Best PE Institution and the Best Venture Capital Institution in Big Data and Corporate Service Industries, demonstrating our extensive network, professional investment capabilities, superior investment performance and comprehensive financial services. Meanwhile, we constantly made innovations, improved business levels, and further

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pushed ahead with the transformation and development of featured investment banking business and wealth management. We won Junding Award for China Securities Industry Overseas Investment Bank and Junding Award for China Securities Industry Hong Kong Securities Brokerage.

Risk Management and Internal Control

The Group is well aware that good risk management and internal control can effectively protect its assets and shareholders' interests. Therefore, the Group has always attached great importance to risk management and internal control, and continuously improved the risk management procedures and systems to ensure its sustainable operation and strike a balance between the risks and rewards in its day-to-day operations. The Group has adopted the relevant provisions as set out in the Corporate Governance Code of the Listing Rules, established risk management and internal control procedures, and proactively cultivated a strong risk management culture at all levels within the Group, so as to achieve effective corporate governance and to monitor, evaluate and manage the principal risks assumed by the Group in its ordinary course of business.

In addition, the Group is committed to helping clients comprehensively assess and analyse ESG risks brought by investment projects. It incorporates ESG risks into investment decisions, gradually avoids investment and financing businesses in sensitive industries, and actively provides clients with better quality financial products and services. In the future, the Group will strive to increase ESG investments, review and improve the Group's risk management and content monitoring, with a view to bringing long-term stable growth of assets to clients.

Anti-Money Laundering and Counter-Terrorist Financing

The Group is determined to eliminate any money laundering and terrorist financing activities, as efforts to fulfill the responsibility of a financial institution to fight money laundering. We strictly complied with the SFC's Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (the "Guideline") and formulated an internal "Measures for Anti-Money Laundering and Counter-Financing of Terrorism". It aims to raise awareness of anti-money laundering and counter-terrorist financing among employees and maintain a high level of vigilance. We require employees of the Group to fully understand their responsibilities under the laws of Hong Kong, including but not limited to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, the Drug Trafficking (Recovery of Proceeds) Ordinance, the Organized and Serious Crimes Ordinance, the United Nations (Anti-Terrorism Measures) Ordinance, the United Nations Sanctions Ordinance, and the Weapons of Mass Destruction (Control of Provision of Services) Ordinance, and they are encouraged to report any suspected crimes in accordance with the aforesaid laws. With close attention paid to anti-money laundering laws and regulations and the latest regulatory requirements, the Group reviews and updates the "Measures for Anti-Money Laundering and Counter-Financing of Terrorism" in a timely manner to ensure the timeliness and effectiveness of the measures. It strives to work together with its employees to fight against money laundering and terrorist financing.

The Group has constantly improved the management system to curb money laundering and terrorist financing, in order to effectively manage the risks arising from money laundering and terrorist financing. In accordance with the Guideline, we have designated a compliance officer and a money laundering reporting officer, who are the head of the Legal and Compliance Department and the head of the Anti-money Laundering Compliance Team respectively. They are responsible for supervising all activities to prevent and detect money laundering and terrorist financing within the Group. In order to further curb money laundering, the Group updated the “Measures on Quarterly Compliance Audit for Anti-Money Laundering (《反洗錢年度合規審計辦法》)” during the Reporting Period, which stipulates that the Legal and Compliance Department shall conduct a quarterly audit on anti-money laundering and assist front-line colleagues and managers to reduce compliance risks.

We regularly provide employees with compulsory anti-money laundering trainings, with the aim of enhancing their knowledge and capabilities in fighting against money laundering and terrorist financing activities. During the Reporting Period, the Group organised anti-money laundering trainings, the content of which was tailor-made according to the nature of employees’ work, consisting of prevailing legal and regulatory requirements, in-house policies and case sharing, with an aim to consolidate employees’ knowledge in fighting against money laundering and terrorist financing.

Anti-corruption, Bribery and Financial Crimes

The Group has established the core values of honesty, integrity and fairness, attached great emphasis to the integrity of employees, and taken a zero tolerance attitude toward any corruption, bribery, extortion, fraud and other dishonest acts. We formulated the Compliance Manual to regulate the corruption and bribery of associated personnel of the Group. Employees or licensed representatives are required to comply with the Code of Conduct for Persons Licensed by or Registered with the SFC, the Corporate Finance Advisor Code of Conduct, the Fund Manager Code of Conduct and the SFO, and perform their duties strictly and uphold professional integrity. Moreover, we clearly specified the approval process and monitoring measures regarding offering and receiving gifts and listed the “prohibited gift items”. Whether it is giving or receiving any gift, employees shall proceed with an approval procedure according to the nature and value of the gift in accordance with the requirements set out in the Compliance Manual. We clearly prohibit employees from engaging in any form of corruption or bribery, such as giving or receiving cash and expensive gifts. In accordance with the “Measures on Annual Compliance Audit for the Prevention of Bribery Code (《防止賄賂守則年度合規審計辦法》)” formulated by the Group, the Legal and Compliance Department conducts an annual bribery review on all departments to ensure that they comply with the gift offering and receiving procedures of the Group.

Meanwhile, we are committed to maintaining the highest standards of openness, uprightness and accountability, and encourage our employees and third parties that have business relationships with us to report orally or in writing any misconduct in relation to the Group’s business according to the reporting and confidentiality procedures as set out in the Whistleblowing Policy. The competent department of the Group shall issue oral or written confirmation in relation to any report made by an employee as soon as practicable and in any event within seven working days, and shall keep records for follow-up or tracing of relevant reports. In addition, any third party may report any existing or potential misconduct, fraud or violation to our Legal and Compliance Department upon detection, which will be referred to the Internal Audit Department for recording.

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Actions were taken to launch various integrity education and anti-corruption training programmes, in a bid to raise employees' awareness of integrity. During the Reporting Period, we conducted a total of 14 business ethics and anti-corruption training sessions, including induction training, joint training with the ICAC and annual training sessions. Around 95% and 98% of the Group's directors and employees took part in anti-corruption training sessions respectively, and the training hours completed by directors and employees totalled 74.5 hours and 1,132.5 hours respectively. Furthermore, we have strictly complied with the Prevention of Bribery Ordinance and have not received any lawsuits regarding corruption. Meanwhile, a number of theme training programmes were organised for directors, such as ESG-related trainings organised by third-party professional organisations, so as to ensure that directors can update their professional knowledge and market acumen, thereby promoting the sustainable, stable and healthy development of the Company.

Protecting Cybersecurity and Client Privacy

The Group is dedicated to protecting privacy of clients, in an effort to strengthen the protection of the personal data of clients. We firmly believe that maintaining cybersecurity is crucial to ensuring the security of clients' personal data. So we regularly conduct information security management assessments and become ISO 27001 certified. The Group has formulated the Information Security Policy in accordance with SFC's Guidelines for Reducing and Mitigating Hacking Risks Associated with Internet Trading to provide clear guidelines on identifying and responding to cybersecurity risks by focusing on three major information security principles of confidentiality, completeness and accessibility. All system account openings and permissions were approved on the principles of "need to know and least privilege". In addition, the Information Technology Department continuously conducts network security awareness training sessions and tests among all employees, so as to ensure that all employees master necessary knowledge on network security, in an effort to safeguard our business interests and the personal data of clients and to protect the network ecological environment.

We strive to fully safeguard clients' legitimate rights and interests when collecting and using their personal information. During the Reporting Period, the Group strictly complied with the Personal Data (Privacy) Ordinance and informed the clients about the purpose for personal information collection, scope of use permitted and scope of disclosure of clients' personal information, so as to ensure that the clients are aware of and agree on the scope for using their personal information. In order to further protect trade secrets and privacy of the clients, Information Security Policy also states that confidential and sensitive data (information obtained from clients, corporate members, organisations or business partners) must be:

- used only for the specified purpose for which it was collected;
- kept for the period specified under the laws and regulations or the period in respect of the main purpose;
- kept confidential and must not be divulged without authorisation.

A strict confidentiality system has been established to protect clients' personal data. The measures we have taken include: establishment of access rights controls and data storage and access monitoring mechanisms, establishment of the Chinese wall policies for separate management of confidential client information by each department, and prohibition on copying any client information to personal devices or using personal computers to process client information by employees, in an effort to strictly limit the risk of client data divulgence. Upon occurrence of confidential data divulgence, we will promptly develop and implement remedial measures in response to the existing circumstances, and make every effort to safeguard the rights and interest of the clients.

Maintaining and Protecting Intellectual Property Rights

In order to regulate and strengthen the management and application of our intellectual property rights, according to the Regulations on Software Licenses and Copyrights in the Group's Information Security Policy, all software must not be installed on the Group's computers until approved by the department head and the Information Technology Department and make sure all software installed by employees must have a genuine computer software license. Moreover, all licensed software are managed by the Information Technology Department, and all employees are prohibited from unpermitted use and installing software for individual purposes.

Meanwhile, we register and update our own trademarks and domain names in Mainland China and Hong Kong in a timely manner. During the Reporting Period, we added two Chinese domain names, increasing the number of registered domain names to 10. In the future, we will continue to enhance the construction of and procedural systems for intellectual property management, and effectively promote the development of intellectual property management.

Safeguarding Shareholders' Interests

BOCOM International is China's first listed securities company with a PRC bank background in Hong Kong. The Board and management of the Group have always attached great importance to maintaining close communication and exchanges with shareholders, investors and the capital market, and are committed to creating long-term and stable returns for shareholders and investors. We have formulated the Shareholder Communication Policy and established communication strategies, such as shareholder enquiries, corporate communications, company websites, general meetings of shareholders and investment market communications, so as to ensure that shareholders and investors have timely and equal access to relevant information, including financial performance, governance and risk status. We regard good information disclosure as one of the important channels to safeguard the rights and interests of investors and improve the transparency of communication between the Company and investors, and actively and fully fulfill our responsibilities and obligations in information disclosure as a listed company. In the future, we will persist in strictly abiding by relevant laws and regulations, continuously optimise and improve the information disclosure system and quality, strengthen and promote good communication between the Company and shareholders, investors and capital market, and further enhance the Group's good reputation in the capital market. During the Reporting Period, our sound information disclosure system was recognised by the market and investors, and won the Best Information Disclosure Award.

Best Information Disclosure Award



Optimisation of Financial Services

The Group focuses on building long-term relationships with clients under the client-based principle. It is committed to offering quality services for clients to bring into play our core advantages. With the deep integration of artificial intelligence, big data and other information technologies with financial services, we keep accelerating digital transformation and have devoted considerable resources to iteratively update our digital and intelligent services, including online global trading platform, data management, cybersecurity and market monitoring system, so as to meet the diversified needs of clients and achieve efficient client management and precision marketing. Facing the challenges of the COVID-19 pandemic, the Group's high-calibre management team, with the assistance of modern technology, offers high-quality services to our clients by providing remote services and arranging online meetings and other means.

Under the backdrop of digital and intelligent transformation, we constantly seek new online cooperation models, such application software as "BOCOMI Services App", "New Share App" and business intelligence report, with a view to optimising online service level to seize market opportunities. During the Reporting Period, we updated the BOCOM International Client Account Management and Implementation Measures by adding a chapter of BOCOMI Services App, in order to further enhance the differentiated competitive advantage and innovation ability of our business. In addition, we have approved a system upgrade scheme to add electronic Direct Debit Authorisation service, so as to optimise clients' experience associated with diversified digital platforms and smart services.

In addition to optimisation of financial services, we carefully listen to our clients' opinions and ideas as the motivation and direction for the continuous improvement of service quality and level. To this end, we have established a standardised client complaint handling process, providing clients with various channels for enquiries and complaints. Clients may contact our client service centre via various means including phone calls, facsimiles and emails, which will ensure that clients' oral and written complaints are dealt with in a timely and appropriate manner. The head of a department who is informed of a complaint by an employee will investigate the relevant matters accordingly. The Legal and Compliance Department will also further review and investigate the specific complaints and respond to the clients in a timely manner. During the Reporting Period, we received 10 complaints from clients concerning the quality of our services. We handled all complaints received properly according to specific procedures and therefore achieved a 100% complaint resolution rate during the Reporting Period.

Green Finance

In order to enhance the sustainability and competitiveness of our business model, the Group proactively promotes the development of green finance business by making good use of its business nature and capitalising on market demands and trends.

Responsible Investment

The Group actively implements the concept of responsible investment, integrates it into various businesses, and gradually builds a governance system for responsible investment. The Group set up the Investment Committee as the body to review and approve investments concerning the Company's proprietary business. The Investment Committee exercises the approving and decision-making power within the scope authorised by the Board to the Executive Committee in accordance with BOCOM International Investment Committee Working System.

Adopting a negative screening strategy, we give priority to green environmental protection projects and combine green investment with sustainable development needs, so as to facilitate the development of green industries and promote our principle of sustainable development.

We have prepared BOCOM International's Measures for the Administration of Direct Investment in order to effectively manage the direct investment business. For the application of direct investment, the project team shall complete the screening according to the negative list to ensure that all investment projects conform to the national policies and do not fall into the restricted or eliminated industries specified in the guidance catalogue, such as industries involving toxic and harmful, and high-energy-consumption processes. Currently, we also plan to update the core template in the Measures for the Administration of Direct Investment, and add ESG-related content such as whether a project is consistent with the concept of green finance.

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We formulated the Measures for the Administration of Securities Investment for investment in the secondary market, which clearly stipulates that we shall eliminate projects involving high pollution, high energy consumption, military, pornography, gambling and other industries. Among investment projects with the same return rate, we give priority to green projects. In addition, in the post-investment management stage, we keep close attention over counterparties for any negative media reports. Upon occurrence of an event on the part of a counterparty with a significant negative social impact, we will issue a risk alert to the front office business department and procure the business department to adopt an appropriate response strategy.

Green Bonds

The Group actively follows the concept of green finance, with the aim of promoting the development of green and innovative industries. During the Reporting Period, we completed the issuance of 19 green bonds and raised US\$6.862 billion in total, as a response to the international capital market's attention to green finance and an effort to guide and encourage more private capital to invest in green industries, which fully demonstrates our determination to support the development of green economy.

Regulating Marketing Management

We operate with honesty at all times to ensure that all information provided about external communications and advertising is clear, transparent, true and fair. The Group strictly abides by the laws and regulations applicable to the Group such as the SFO, and prohibits illegal advertising and promotion for any product that is not authorised by the SFC. The Compliance Manual of the Group sets out the code of conduct in relation to promotion materials and engaging in advertising and promotion activities. We guarantee the authenticity, balance and compliance of promotion materials, without false, groundless, misleading or fraudulent information, which include applicable legal and regulatory disclosure statement(s) or appropriate warning statement(s).

Supplier Management

The Group, which firmly believes that effective supplier management is the cornerstone of guaranteeing the quality of our services, always maintains responsible supplier management with a prudent attitude. The Group has formulated the Regulations on the Purchase and Management of Equipment, which establishes a fair and transparent code for suppliers' selection and management to minimise environmental and social risks in the supply chains.

For procurement procedures with major expenditure, for example, suppliers for renovation works, we select suppliers through a stringent selection process with reference to the suppliers recognised by the BOCOM Group, in an attempt to avoid suppliers with a negative track record and reputation in fulfilling their environmental and social responsibilities. Moreover, we also conduct evaluation and screening of suppliers selected by us. In addition to taking into account the quality and cost of services and products, efficiency and compliance of suppliers, We also gradually take environmental factors into consideration, and evaluate their performance in environmental and social responsibilities by understanding the source, composition and environmental impact of our suppliers' materials. Suppliers are encouraged to provide eco-friendly and secured products and services. Moreover, we inspect suppliers' services, such as observing whether a supplier meets occupational health standards in the delivery of services, in a bid to ensure that suppliers operate compliantly and meet our social and environmental requirements. During the Reporting Period, we engaged 45 suppliers from Hong Kong, all of whom were selected in strict accordance with our standards².

At the same time, we actively integrate the concept of sustainable development into the daily management of suppliers and implement "green procurement". In the process of purchasing office supplies, we give priority to office supplies made of renewable materials and with environmental certification instead of disposable office supplies, such as FSC-certified paper bag, eco-friendly photocopier, sustainability-certified paper, reusable tableware, electrical appliances with energy-saving labels and energy-saving lamps. We also encourage suppliers to provide high-quality environmentally-friendly office supplies, so as to further reduce the Group's impact on the environment.

² The number of suppliers stated above covers suppliers for printing paper, renovation projects, furniture, electrical appliances as well as cleaning and hygiene services, currently excluding providers for transportation and freight services and gardening services.

TAKING CARE OF EMPLOYEES AND NURTURING TALENTS

The Group adheres to being “people-oriented” and strives to create a corporate culture and working environment that values the personal development of employees and their physical and mental health. We attach great importance to human resources investment. We pool various resources to recruit and cultivate outstanding talents and build a competitive elite team, with an aim to combine the self-worth of our employees with the development of the Company.

During the Reporting Period, the Group has strictly complied with relevant laws and regulations in Hong Kong and Mainland China, including but not limited to the Employment Ordinance, the Employees’ Compensation Ordinance, the Minimum Wage Ordinance, the Mandatory Provident Fund Schemes Ordinance, the PRC Labour Law, and the PRC Labour Contract Law. To fully protect the legitimate rights and interests of the Group’s employees, its Human Resources Department has developed the Human Resources Management System, which aims to regulate matters including recruitment and dismissal, promotion and training, compensation and benefits as well as working hours and holiday arrangements, and effectively implement human resources management.

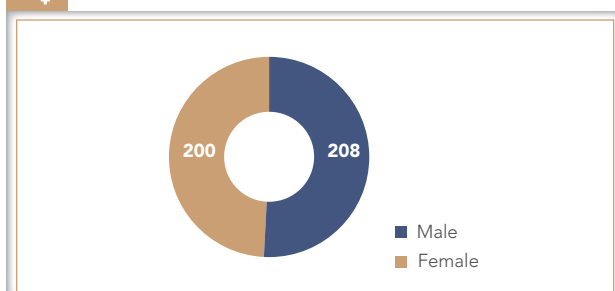
Employment

Before hiring new employees, we will investigate employees’ personal information and confirm that employees meet the statutory working age, in a bid to avoid child labour. In addition, if any false information or discrepancies are found, we will ask the prospective employee to provide a reasonable explanation. If there is no reasonable explanation, we will revoke or cancel the employment in accordance with the “reasons for termination of employment contract without notice or payment in lieu of notice” clause as set out in the Employment Ordinance. We enter into employment contracts with employees based on the principle of equality, and clearly specify duties, working hours, rest days and holidays in the Human Resources Management System. Moreover, any forms of forced labour are prohibited.

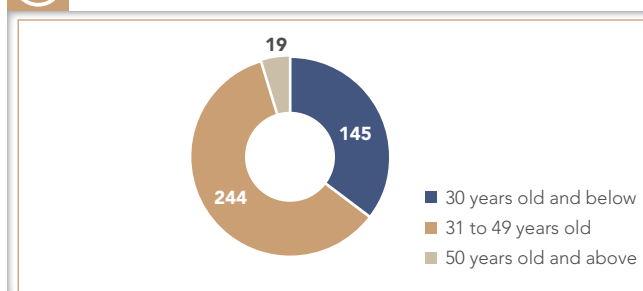
The above system contains provisions on standardised resignation and procedures, with which we and employees shall follow the procedures to protect the rights and interests of both parties. The notice period for resignation is stipulated in the employment contract, and in case either party fails to give prior notice as required, the other party shall be indemnified with payment in lieu of such notice. Employees are also required to sign the “Final Salary Confirmation (最後薪金同意書)” before leaving the Group, so as to ensure that they are aware of the amount of post-employment pay and receive reasonable amount of post-employment pay. The Human Resources Department of the Group will also provide a certificate of employment to the resigned regular employees.

As at the end of the Reporting Period, the Group had a total of 408 employees who are all full-time employees. The workforce³ and turnover rate by gender, age group and geographical region are as follows:

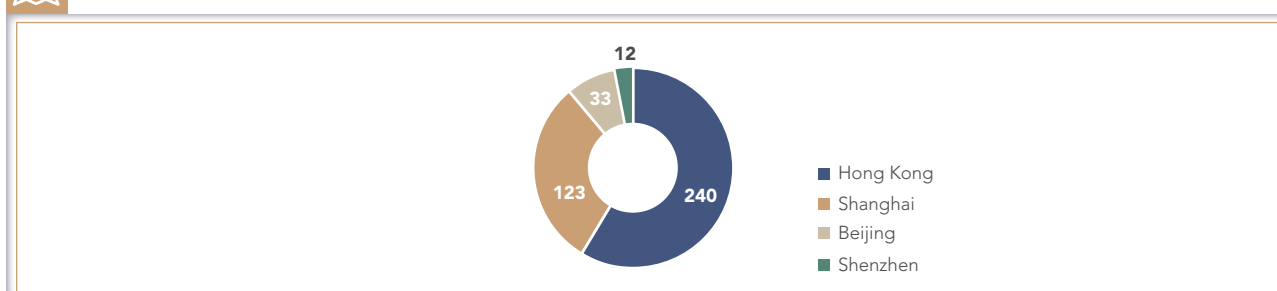
Workforce by gender



Workforce by age group



Workforce by geographical region



Employee turnover rate⁴

Employee classification	Turnover rate
Turnover rate by gender	
Male	23%
Female	20%
Turnover rate by age group	
30 years old and below	29%
31 to 49 years old	17%
50 years old and above	21%
Turnover rate by geographical region	
Hong Kong	28%
Shanghai	13%
Beijing	9%
Shenzhen	8%

³ All statistics in relation to workforce of the Group are as of 31 December 2021.

⁴ The employee turnover rate is calculated as: the number of employees who left/the total number of employees in the category*100%.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Equal Opportunities and Diversity

The Group is committed to promoting equal opportunities, eliminating all forms of discrimination and creating an equal, open and diverse working environment to ensure fair and open recruitment, promotion opportunities and benefits of employees. During the Reporting Period, we have strictly complied with the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance and the Race Discrimination Ordinance in Hong Kong. We strove to ensure equal opportunities for all employees regardless of gender, health, family status and race. During staff recruitment, we adopt uniform selection criteria and consider relevant factors such as candidates' qualifications, work experience and skills, and job requirements. In the meantime, we have a sound performance appraisal system, which emphasises on-the-job performance, skills and future job requirements under the principle of "fairness and objectivity". Factors such as gender, family status, marital status, pregnancy or disability shall not be involved in the process of promotion, so as to protect employees' rights to equal opportunities.

Employee Benefits and Welfare

The Group firmly believes that a competitive benefit and welfare system for employees is the key to attracting and retaining talents. In accordance with the existing Human Resources Management System, department heads can implement flexible working hours for individual staff based on the special factors including nature of work, scheduling and staffing in different positions. During the Reporting Period, we have strictly complied with the statutory rest day requirements of the place of operation, and do not encourage and never force employees to work overtime. In the event of special circumstances, employees will be allowed to take another rest day.

We constantly review the latest employment regulations and market conditions, and update and improve relevant systems in a timely manner to maintain the competitiveness of the Group and maintain our elite team. Apart from statutory holidays and benefits including public holidays, annual leave, statutory paid sick leave, maternity leave and paternity leave, and Mandatory Provident Fund schemes, we also provide additional paid leave, such as birthday leave, wedding leave and funeral leave. In addition to the employment injury insurance we purchased for all employees in accordance with the Employees' Compensation Ordinance, we also provided a full range of medical benefits through purchasing group medical insurance for employees and their immediate family members.

The Group attaches great importance to the physical and mental health of its employees and is committed to creating a rich and diverse working atmosphere. Our Health Committee, as the organisation that organises group activities and welfare initiatives for staff, hopes to promote exchanges among staff from different departments to enhance cohesion and foster their sense of belonging to the Group. In order to enrich staff's leisure life, we offered online courses such as "Mobile Photographer" and "Coffee Grounds Planting Workshop" during the Reporting Period for all staff to sign up for. We strive to raise staff's environmental awareness by exploring the use of coffee grounds and learning how to turn them into fertiliser for potted plants.

Coffee Grounds Planting Workshop



CORPORATE SOCIAL RESPONSIBILITY REPORT

Occupational Health and Safety

As the health and safety of our employees is of paramount importance to the operation of the Group, it spares no effort to create a safe, efficient and harmonious working environment for its employees. During the Reporting Period, we have strictly complied with the Occupational Safety and Health Ordinance in Hong Kong and the Law on the Prevention and Treatment of Occupational Diseases of the PRC in Mainland China. We also stipulated in the Human Resources Management System that, labour insurance, group life insurance, personal accident insurance and business travel insurance are to be purchased for our employees to ensure the occupational health and safety of our employees to the largest possible extent. Moreover, we offer different types of annual medical examination reimbursement plans according to employees' needs and equip our employees with ergonomic office facilities, and conduct periodic inspections on fire safety devices at the office premises, with an aim to reduce the risks of occupational hazards and fire accidents to our employees while they are on duty.

The Group has established corresponding work arrangements and contingency measures against extreme weather events such as typhoons and rainstorms to ensure the safety of its employees at the workplace and during their commute time. Fire safety guidelines are posted on each floor to help employees understand fire emergency arrangements and ensure their familiarity with escape routes, so as to enhance their safety awareness. In the future, the Group will keep monitoring the safety measures regarding environment and equipment at the workplace, so as to ensure the health and safety of employees and create a safe and comfortable working environment. The Group did not have any work-related injuries or fatalities in the past three years.

We also attach great importance to the physical and mental health of the employees, encourage them to develop after-hour hobbies and assist them in maintaining a work-life balance. During the Reporting Period, we proceeded with the BOCOM International Running Program, under which the running mileage of each participating employee was recorded via smartphone positioning and rewards were granted to those who achieved the program goal, with an aim to educate our employees to develop exercise habits for the purpose of physical fitness enhancement, stress relief after work and ultimately physical and mental health improvement.

Proactive Implementation of Pandemic Prevention and Control Measures

In 2021, COVID-19 continued to spread. The Group's leading group for pandemic prevention and control adjusted anti-pandemic measures in a timely manner in response to changes, in order to safeguard the health and safety of its employees. The Chairman actively assumes responsibility for pandemic prevention and control as head of the leading group, and all members of the Executive Committee and the head of each of the Executive Office, Human Resources Department, Finance and Accounting Department and Administration Department are members of the leading group. All departments cooperate with each other and perform their respective duties to proceed with anti-pandemic work.

Strengthening leadership and adjusting anti-pandemic arrangements in a timely manner

- In response to the development of the COVID-19 pandemic, the leading group for pandemic prevention and control made anti-pandemic arrangements to ensure the timely formulation of effective anti-pandemic measures and adjust their intensity.
- We circulated updated anti-pandemic arrangement notices to employees in a timely manner to maintain close communication with employees, so as to ensure their health and safety as well as normal business operation.

Increasing anti-pandemic efforts and implementing pandemic reporting mechanism

- Various work arrangements were made in different stages of the COVID-19 pandemic, such as telecommuting and working from an alternate location, in a bid to minimise the risk of the spread of the COVID-19 pandemic. Furthermore, we required our employees to reduce visits, business meals and onsite meetings if possible. Instead, we held videoconferences or teleconferences.
- According to the pandemic prevention and control and reporting mechanism, department heads are required to submit a report containing information such as the health conditions of the department members and their families, whether they have had contact with confirmed cases and whether there are confirmed cases in the communities they reside, enabling us to have updated information and adopt appropriate response measures in a timely manner.
- As required by the external and in-house requirements of the government, regulatory agencies and the Group, we provide our employees and relevant personnel with updated information daily to ensure timely circulation of anti-pandemic information.
- In order to ensure the hygiene of our workplace, we regularly arrange disinfection work against bacteria and the novel coronavirus to reduce the risk of cross-infection among employees.

Strengthening protection awareness and encouraging COVID-19 vaccination

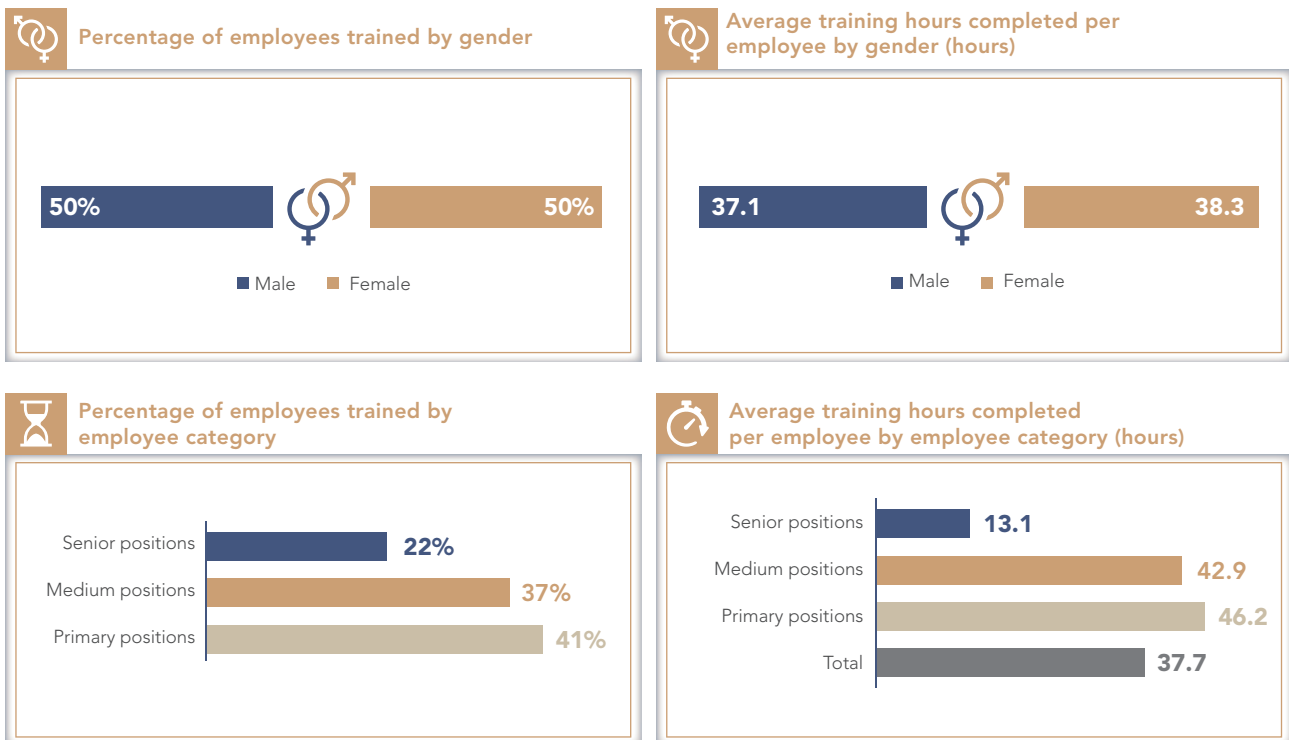
- We continuously provide employees with medical supplies amid the pandemic, including protective masks and hand sanitiser, as well as lunch allowance, transportation expense and test expense reimbursement, when needed. We take the initiative to care about the health and emotion of our employees. During the Reporting Period, we organised an online health lecture on "Common Discomforts and Related Pathologies of Working from Home during the Pandemic" to ensure the physical and mental health of employees.
- In order to raise our employees' protection awareness during the COVID-19 pandemic, we advocated the pandemic prevention requirements and distributed correct prevention information to our employees. All employees were subject to a temperature check before entering the work premises and were required to wear face mask at work. Efforts have been made to raise the hygiene awareness of all employees.
- We actively responded to the call of the government and launched a lecture on "Act Together to Fight COVID-19 -- Introduction and Outlook of COVID-19 Vaccines" to introduce the principle, technology and prospects of vaccines, aiming to enhance employees' confidence in COVID-19 vaccines and increase vaccination coverage rate.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Employee Training and Development

The Group, which recognises that the growth of employees is the driving force for the long-term development of the Company's business, invests heavily in human resources development. We actively organised various education and training courses for employees and clarified our specific regulations regarding training coordination and employee training subsidies in the Human Resources Management System. We organised or invited external professional training institutions to launch various types of programmes and hold subject talks, symposiums and team building activities, etc., in a bid to assist employees in acquiring professional knowledge and skills that meet the needs of the job, support the Group's business development and strategic planning, and cope with the changing economic and business environment. In addition, we also established the Employee Further Studies Sponsorship Scheme to sponsor employees for profession-related courses and exams, so as to encourage them to improve their qualifications according to their individual career plans.

The percentage of employees trained⁵ and the average training hours completed⁶ by gender and employee category are as follows⁷:



⁵ The percentage of employees trained is calculated as: the number of employees trained/the total number of employees in the category*100%.

⁶ The average training hours completed per employee is calculated as: the total training hours completed by employees/the total number of employees in the category*100%.

⁷ Data about resigned employees during the Reporting Period are excluded in the statistics of employee training listed below.

During the Reporting Period, we organised several orientation trainings for new employees to further new employees' understanding of the Company's corporate culture philosophy, regulatory requirements and management systems and help them adapt to new working environment more promptly. In order to further strengthen employees' professional knowledge, we held five special training seminars on topics about the investment trends and sustainable development in different industries, including opportunities and prospects of domestic carbon trading and new energy batteries. We assist employees in gaining an in-depth understanding of the latest industry information and market opportunities and having an accurate picture of the future industry development, which help improve the investment decision-making capability of our employees. In addition, we organised a cybersecurity awareness training session to increase the cybersecurity awareness of employees. In addition, taking into account the cultural background of our employees, we have set up Cantonese and Mandarin training courses to enhance communication among them.

CARING FOR THE ENVIRONMENT AND GREEN OPERATIONS

The Group is committed to integrating the concept of sustainable development into the operation process and continuously promoting "green operation". It strives to reduce the environmental risks and negative impacts on the environment from business operations, and ensure a balance between business development and environmental protection.

Green Office

The daily operations of the Group are mainly carried out in office premises, thus the major impacts on the environment are emissions from electricity consumption, water consumption and use of vehicles, as well as office wastes. So, we have developed the Green Office Tips, made strenuous efforts to take resource-saving measures and set a role model to educate our employees to embrace environmental protection.

CORPORATE SOCIAL RESPONSIBILITY REPORT

During the Reporting Period, we set targets for air pollutant and greenhouse gas emissions, energy efficiency and waste generation, and took relevant environmental protection measures. The following are the main energy conservation targets and action plans that we implement in the daily office operations:

Objective category	Environmental objectives	Indicators	Action plans	Time to achieve objectives
Air pollutant and greenhouse gas emissions	Encouraging green mobility	Strengthening management of company cars	Recording the fuel consumption of company cars, regularly overhauling them, and gradually replacing them with lower-/zero-emission vehicles	Short-term
		Reducing carbon emissions from business trips	Cutting unnecessary business trips and reducing trips in first class and business class	Short-term
	Supporting carbon neutrality	Offsetting carbon emissions	Buying carbon credits to offset carbon emissions from operations	Medium-term
Waste generation	Strengthening office waste paper recycling	Increasing office waste paper recycling rate	Improving office waste recycling system, collecting data about the amount of office waste paper recycled, etc.	Short-term
	Recycling and reusing office equipment	Recycling office electronic equipment	Developing recycling plans and regularly checking the progress of executing the plans	Short-term
Energy use efficiency	Improving energy use efficiency	Cutting office energy consumption	Purchasing appliances with energy labels	Short-term
		Conducting energy audits in offices	Formulating annual energy audit plans and working out energy saving measures	Short-term
All environmental areas	Advocating environmental awareness	Offering training on environmental protection for employees	Adding environmental training to orientation training and drawing up environmental training/publicity plans to organise energy conservation-themed activities from time to time	Short-term

Saving Paper

During the Reporting Period, we were committed to strengthening the recycling of office waste paper, increasing the recycling rate of waste paper, reducing waste generation and promoting a circular economy. We actively improve the office waste recycling system. We advocate double-sided printing and set up a wastebasket next to each photocopier to remind employees to reuse recycled paper or waste paper, with an aim to reduce paper waste. Statistics on the amount of recycled paper were made to monitor the completion of objectives. In the meantime, we advocate paperless offices and promote electronic offices. Employees are encouraged to use electronic methods, such as e-mail and scanning, to circulate and communicate, and store documents electronically to save paper.

Saving Electricity

During the Reporting Period, we reduced office energy consumption and conducted energy audits to improve energy use efficiency. To develop employee's habit of saving electricity, we circulate the Notice on Safe Use of Electricity to employees to remind them to turn off all unnecessary power sources, such as lights, photocopiers, computers, water dispensers and coffee machines, during lunch time, after office hours and before leaving the meeting room, aiming to avoid unnecessary waste of energy. In addition, we actively adopt electrical appliances with lower power consumption, such as those with grade 1 energy labels, in an effort to improve energy efficiency. During the Reporting Period, we developed an annual energy audit plan to monitor energy use and formulated appropriate energy conservation measures accordingly.

Saving Water

In order to avoid waste of water resources, we post water-saving notices at appropriate locations to enhance the employees' awareness on water conservation. We provide special cups for guests in the conference room and advise employees to bring their own cups, so as to reduce consumption of bottled water. Due to the business nature, we are not a high water-consuming company. The water used in our office is mainly from the municipal water supply system, and water consumption is managed by the building where we are. So, there is no difficulty in sourcing water and no relevant targets have been set for the time being.



CORPORATE SOCIAL RESPONSIBILITY REPORT

Reasonable Use of Vehicles

During the Reporting Period, we encouraged green mobility and were committed to strengthening the management of company cars and reducing carbon emissions from business travel. With fuel consumption recorded, we regularly inspected and repaired company cars to avoid fuel inefficiency caused by aging of vehicle parts, in a bid to ensure that the vehicles maintain good performance and efficient operation. We also gradually switch to greener vehicles, such as electric vehicles, to further reduce air pollutant and greenhouse gas emissions. In order to reduce the use of business vehicles for client reception and meeting transfers, employees were encouraged to hold meetings by means of telephone, video conferencing or other communication equipment and pay business visits via public transportation means, so as to mitigate the impact on the environment. In addition, we provide low-carbon driving training for our drivers and require our employees to make more appropriate arrangement for itineraries to avoid the situation of idling engines and maximise vehicle fuel efficiency, in an effort to reduce air pollution caused by driving the vehicles. In case of necessary business travel, we will try our best to buy economy seats instead of business seats to reduce carbon emissions.

Hong Kong office areas⁸ – energy consumption

Class	Consumption in 2021	Intensity of consumption in 2021	Consumption in 2020	Intensity of consumption in 2020
Total energy consumption	936.18 mWh	3.90 mWh/person	921.61 mWh	3.78 mWh/person
Direct energy consumption				
Fuel consumption (gasoline) ⁹	9,559.70 L	1,593.28 L/car	6,772.90 L	1,128.82 L/car
	92,646.55 kWh ¹⁰	15,441.09 kWh/car	65,638.65 kWh	10,939.78 kWh/car
Indirect energy consumption				
Electricity consumption	843,534.00kWh	3,514.73kWh/person	855,973.00kWh	3,508.09kWh/person
		180.68kWh/m ²		183.34kWh/m ²

Hong Kong office areas – consumption of other resources

Class	Consumption in 2021	Intensity of consumption in 2021	Consumption in 2020	Intensity of consumption in 2020
Water consumption ¹¹	1,106.95 tonnes	4.61 tonnes/person	872.73 tonnes	3.58 tonnes/person
Total paper consumption	4,962.16 kg	20.68 kg/person	6,835.75 kg	28.02 kg/person

⁸ The Hong Kong office areas of the Group include the Headquarters Office in Central, Hong Kong, and the Tsim Sha Tsui office, with a total area of 4,668.7 sq. m. They accommodate 240 employees.

⁹ Fuel consumption was generated from: 6 company cars over which the Group has operational control in the Hong Kong office areas during the Reporting Period.

¹⁰ Fuel consumption is initially measured in the unit of litre, and is converted to kWh based on the conversion factors as set out in the Energy Statistics Manual published by the International Energy Agency.

¹¹ As water is supplied by the building, water consumption is calculated based on the data regarding the average water consumption of each floor and average daily water consumption provided by the building management office.

Environmental Education and Publicity

We actively promote environmental awareness to our employees through different channels, and encourage them to develop environmental protection habits and practice environmental protection in daily life. We added environmental training to orientation training, drew up environmental publicity plans and organised energy conservation-themed activities. Meanwhile, employees have been instructed to implement environmental protection measures in office premises, and dedicated personnel are assigned to conduct regular inspections to ensure that employees comply with established environmental requirements while developing good environmental protection habits. In addition, we post energy and resource conservation notices in the offices and provide reusable tableware in staff leisure areas and encourage our employees to avoid using disposable tableware. With “Coffee Grounds Planting Workshop” held during the Reporting Period, we turned coffee grounds into fertiliser for potted plants. In the future, we will explore opportunities to organise environmental protection activities for employees, thereby further encouraging employees to practice environmental protection.

Waste Management

During the Reporting Period, the Group has been in strict compliance with the Waste Disposal Ordinance of Hong Kong, and the hazardous and non-hazardous waste generated from office operations were disposed in accordance with the relevant regulations. The hazardous waste generated in our office premises mainly includes electronic wastes, fluorescent light tubes, waste batteries and waste toner cartridges. In hope of making the best use of all resources, we recycle hazardous waste as much as possible. Instead of directly discarding the hazardous waste, we hand over all waste computer screens to grassroots households for reuse through schools that have cooperation plans with our Company. The discarded fluorescent tubes are collected by the building management office which transfers them to a nearby recycling point for reuse. We also arrange for suppliers to collect the used toner cartridges on a regular basis, so as to ensure appropriate treatment of the hazardous waste and avoid environmental pollution. In addition, waste sorting and recycling bins are placed in the office premises for collection of non-hazardous waste such as waste paper, aluminum cans and plastic bottles, which will subsequently be put into the central recycling bins of the office building for collective collection. In actively response to the government’s policy initiatives, we introduce initiatives in the office premises for waste reduction from the source to reduce waste generated from office operations. During the Reporting Period, we effectively implemented waste reduction measures without any irregularity.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Hong Kong office areas – waste generation

Class	The amount generated in 2021	The intensity of waste generated in 2021	The amount generated in 2020	The intensity of waste generated in 2020
Hazardous waste				
Waste fluorescent light tubes	54 tubes	0.01 tube/m ²	40 tubes	0.01 tube/m ²
Waste toner cartridges	124 cartridges	0.52 cartridge/person	150 cartridges	0.61 cartridge/person
Computer screens	0 screen	0 screen/person	54 screens	0.22 screen/person
Non-hazardous waste				
Waste paper ¹²	1,488.65 kg	6.20 kg/person	2,050.73 kg	8.40 kg/person
Computer cases	0 case	0 case/person	0 case	0 case/person

Promoting Low-carbon Operation and Emission Reduction to Combat Climate Change

The Group contributes to achieving the goal of carbon neutrality as it implements energy-saving and low-carbon measures to reduce greenhouse gas emissions generated from its operation, following the global trend of low-carbon economy. In order to understand and monitor the greenhouse gas emissions from our business operation, we regularly calculate the greenhouse gas emissions of the Hong Kong office areas. Greenhouse gas emissions of the Hong Kong office areas can be divided into direct emissions (Scope 1) and indirect emissions (Scopes 2 and 3). The sources of greenhouse gas emissions under each scope are: fuel used by vehicles (Scope 1), electricity consumption during business operations (Scope 2), and employees' business travel by air and waste paper disposed at landfills (Scope 3).

¹² Waste paper production in 2020 was estimated based on 30% of the paper consumption.

Hong Kong office areas – greenhouse gas emissions

Scopes of greenhouse gas emissions	Emissions in 2021	Emissions in 2020	Unit
Scope 1 ¹³ :	25.51	18.02	tonnes
Scope 2 ¹⁴ :	570.33	664.26	tonnes
Scope 3 ¹⁵ :	19.32	20.11	tonnes
Total greenhouse gas emissions (Scopes 1, 2 & 3)	615.16	702.38	tonnes
Intensity of greenhouse gas emissions (Scopes 1, 2 & 3)	0.13	0.15	tonnes/m ²
	2.56	2.88	tonnes/person

Given our greenhouse gas emissions are mainly generated from electricity consumption in the office and business travels by employees, we have put in place measures to reduce such emissions. We encourage employees to save energy and reduce electricity consumption, and to turn off all lighting and non-essential electrical appliances outside office hours, thereby reducing the greenhouse gas emissions caused by energy consumption. Meanwhile, we implement the practice of “green procurement”. Considering the impact on the environment when purchasing office supplies, we give priority to electrical appliances with grade 1 energy labels, with the aim of improving energy efficiency. In addition, we also advocate employees to replace business travels with phone calls or video conferences to reduce greenhouse gas emissions caused by business travels. During the Reporting Period, we have effectively implemented the above-mentioned measures to save energy and reduce emissions, which effectively cut greenhouse gas emissions.

¹³ The computation method and relevant emission factors of greenhouse gas emissions (Scope 1) are based on: the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition) jointly issued by the Electrical and Mechanical Services Department and the Environmental Protection Department.

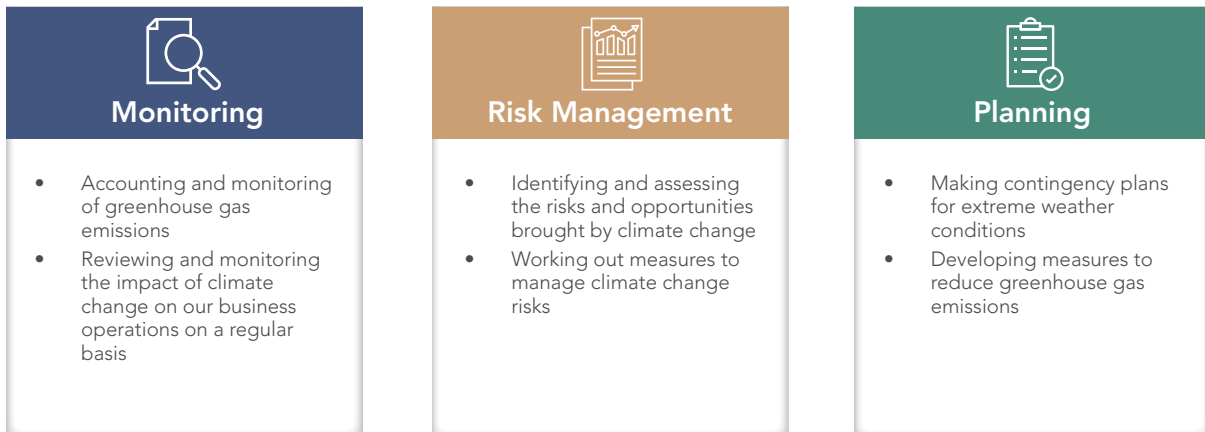
¹⁴ The computation method and relevant emission factors of greenhouse gas emissions (Scope 2) are based on: the “Carbon Emissions Calculator” by HK Electric Investments Limited and the 2020 Sustainability Report by CLP Power Hong Kong Limited.

¹⁵ The computation method and relevant emission factors of greenhouse gas emissions (Scope 3) are based on: Appendix 2: Reporting Guidance on Environmental KPIs of the Stock Exchange, and the Carbon Emissions Calculator of the International Civil Aviation Organisation (<https://www.icao.int/environmental-protection/CarbonOffset/Pages/default.aspx>).

CORPORATE SOCIAL RESPONSIBILITY REPORT

In addition to the practice of low-carbon operations, we pay attention to the impact of climate change on business operations. So we proactively identify and respond to potential risks arising from climate change. Physical risks, such as extreme weather and changes in rainfall patterns caused by climate change, may endanger the Group's properties, cause financial losses, and directly and indirectly affect the smooth operation of the business. Climate change may also pose different transition risks, including adjustment of operating models to adapt to stricter legal and regulatory measures and changes in market trends. If the Group fails to respond to the market transition in a timely manner, it may lead to self-check of price changes or deterioration of credit conditions, which will result in financial losses.

The Group formulated the Measures for the Administration of Climate Change-Related Issues, in a bid to effectively address the risks and opportunities associated with climate change. It (among others) specifies the duties and responsibilities of the ESG Task Force in relation to climate change management, including identifying the impact of climate change issues on operation premises, and setting out specific measures for the management of climate change-related issues from the aspects of monitoring, risk management and planning, with an aim to control the potential impact of climate change on the Group. We formulated the Measures for the Administration of Business Continuity to address operation disruptions caused by typhoons and other extreme weather conditions, so as to ensure rapid recovery of smooth business operations and strengthen our resilience in combatting climate change, thereby reducing operational risks.



Besides, we also value the impact of other air pollutants on the local environment. Our main sources of air pollutant emissions were mainly from the six company cars over which the Group has operational control in the Hong Kong office areas. During the Reporting Period, we have strictly complied with the Air Pollution Control Ordinance of Hong Kong and managed our sources of air pollutant emissions in accordance with the ordinance.

Hong Kong office areas – air pollutant emissions

Types of air pollutant emissions ¹⁶	Emissions in 2021	Emissions in 2020	Unit
NOx emissions	3.17	2.50	kg
SOx emissions	0.14	0.10	kg
CO emissions	28.52	22.49	kg
PM2.5 emissions	0.07	0.06	kg

CARING FOR THE COMMUNITY AND IMPROVING PEOPLE'S LIVELIHOOD

To effectively fulfill corporate social responsibilities, the Group pays close attention to the sustainable development needs of the community while pursuing its business development, in hope of giving back to the society in diverse ways and improving people's livelihood. BOCOM International Children-themed Reward Programme was launched during the Reporting Period to help grassroots students in Hong Kong by subsidising their books. Meanwhile, we proactively joined hands with various charities and organised our employees to participate in a variety of public welfare activities. We have worked with the Community Chest of Hong Kong for many consecutive years by participating in "Walk for Millions" and making donations to support the communities in need.

BOCOM International Children-themed Reward Programme



¹⁶ The computation method and relevant emission factors of the air pollutant emissions are based on the EMEP/EEA Air Pollutant Emission Inventory Guidebook - 2016 published by the European Environment Agency.

APPENDIX: SEHK GUIDE CONTENT INDEX

Aspects	Description	Relevant Chapters/ Remarks
Governance		
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Sustainable Development Governance
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report.	About Corporate Social Responsibility Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About Corporate Social Responsibility Report

CORPORATE SOCIAL RESPONSIBILITY REPORT

Aspects	KPIs	Description	Relevant Chapters/ Remarks
A. Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	The contents relating to discharges into water and land are not applicable to our principal businesses. The others were disclosed in the chapters headed Promoting Low-carbon Operation and Emission Reduction to Combat Climate Change and Waste Management
	A1.1	The types of emissions and respective emissions data	Promoting Low-carbon Operation and Emission Reduction to Combat Climate Change
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Promoting Low-carbon Operation and Emission Reduction to Combat Climate Change
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Waste Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Waste Management
	A1.5	Description of emission target(s) set and steps taken to achieve them	Green Office, Promoting Low-carbon Operation and Emission Reduction to Combat Climate Change
	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	Waste Management

CORPORATE SOCIAL RESPONSIBILITY REPORT

Aspects	KPIs	Description	Relevant Chapters/ Remarks
A. Environmental			
A2: Use of Resources	General Disclosure	Policies on efficient use of resources including energy, water and other raw materials	Green Office
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Green Office
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Green Office
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Green Office
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Green Office
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable, product manufacturing and packaging are not involved in our principal businesses
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	Caring For the Environment and Green Operations
	A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Caring For the Environment and Green Operations

CORPORATE SOCIAL RESPONSIBILITY REPORT

Aspects	KPIs	Description	Relevant Chapters/ Remarks
A. Environmental			
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Promoting Low-carbon Operation and Emission Reduction to Combat Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Promoting Low-carbon Operation and Emission Reduction to Combat Climate Change
B. Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Taking Care of Employees and Nurturing Talents
	B1.1	Total workforce by gender, employment type, age group and geographical region	Taking Care of Employees and Nurturing Talents
	B1.2	Employee turnover rate by gender, age group and geographical region	Taking Care of Employees and Nurturing Talents

CORPORATE SOCIAL RESPONSIBILITY REPORT

Aspects	KPIs	Description	Relevant Chapters/ Remarks
B. Social			
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Occupational Health and Safety
	B2.2	Lost days due to work injury	Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Occupational Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Employee Training and Development
	B3.2	The average training hours completed per employee by gender and employee category	Employee Training and Development

CORPORATE SOCIAL RESPONSIBILITY REPORT

Aspects	KPIs	Description	Relevant Chapters/ Remarks
B. Social			
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Taking Care of Employees and Nurturing Talents
	B4.1	Description of measures to review employment practices to avoid child and forced labour	Taking Care of Employees and Nurturing Talents
	B4.2	Description of steps taken to eliminate such practices when discovered	Taking Care of Employees and Nurturing Talents
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	Supplier Management
	B5.1	Number of suppliers by geographical region	Supplier Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Supplier Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Supplier Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Supplier Management

CORPORATE SOCIAL RESPONSIBILITY REPORT

Aspects	KPIs	Description	Relevant Chapters/ Remarks
B. Social			
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	The contents relating to product health and safety and labelling are not applicable to our principal businesses. The others were disclosed in the chapters headed Protecting Cybersecurity and Client Privacy, Maintaining and Protecting Intellectual Property Rights and Regulating Marketing Management
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to principal businesses
	B6.2	Number of products and service related complaints received and how they are dealt with	Optimisation of Financial Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights	Maintaining and Protecting Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures	Not applicable to principal businesses
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Protecting Cybersecurity and Client Privacy

CORPORATE SOCIAL RESPONSIBILITY REPORT

Aspects	KPIs	Description	Relevant Chapters/ Remarks
B. Social			
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Money Laundering and Counter-Terrorist Financing, Anti-corruption, Bribery and Financial Crimes
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Anti-Money Laundering and Counter-Terrorist Financing, Anti-corruption, Bribery and Financial Crimes
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Anti-Money Laundering and Counter-Terrorist Financing, Anti-corruption, Bribery and Financial Crimes
	B7.3	Description of anti-corruption training provided to directors and staff	Anti-Money Laundering and Counter-Terrorist Financing, Anti-corruption, Bribery and Financial Crimes
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Caring for the Community and Improving People's Livelihood
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Caring for the Community and Improving People's Livelihood
	B8.2	Resources contributed (e.g. money or time) to the focus area	Caring for the Community and Improving People's Livelihood