

# Corporate Social Responsibility Report

## ABOUT CORPORATE SOCIAL RESPONSIBILITY REPORT

This corporate social responsibility report (the “Report”) is the seventh 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 2023 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 (<https://www.bocomgroup.com/>) for details of the Group’s corporate governance.

### Scope of Report

Unless specified otherwise, the scope of disclosure<sup>1</sup> of the Report covers Hong Kong as the main place of business of the Group.<sup>1</sup> The time range is from 1 January 2023 to 31 December 2023 (the “Reporting Period”).

### Basis of Preparation

The Report has been prepared in accordance with the principles of materiality, quantitative, balance, and consistency as set out in Appendix C2 Environmental, Social and Governance Reporting Guide (2023 Edition) (the “Guide”) under the Listing Rules. 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.

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

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### ***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, 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 (KPIs) as set out in the Guide, and explained the standards, methods, assumptions, and calculation tools adopted for such quantitative KPIs, including the source of key conversion factors.

### ***Balance***

The Report provides an unbiased picture of the Group’s performance during the Reporting Period and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

### ***Consistency***

The Report has adopted, as far as practical, the same data statistical and collection methodologies as those applied for the previous reporting period to provide a meaningful comparison of the Group’s 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 fulfil 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 Board Office as the secretariat, and representatives of 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") and the Measures for the Administration of Climate Change-Related Issues, including organising ESG-related training and meetings in a timely manner and engaging third-party consultants to assist the Group in ESG-related work. The Task Force regularly reported on materiality assessment, the progress of ESG targets, ESG risk management conditions, climate change related policies, and the work of the Report to the Board during the Reporting Period. The Board also discussed and approved the related ESG matters.

The Administrative Measures for Task Force and the Measures for the Administration of Climate Change-Related Issues aim to clarify the responsibilities of the Task Force's members and the reporting procedures for sustainable development and climate change, so as to strengthen the Board's engagement in the work related to ESG and climate change management and the implementation of ESG-related policies. The Board keeps abreast of the latest regulatory requirements and trends in climate disclosure and continuously facilitates the implementation of the sustainable development governance concept and the relevant strategies by the Group. The Task Force also reviews the effectiveness of the Administrative Measures for Task Force and the Measures for the Administration of Climate Change-Related Issues as appropriate to ensure it has the full authority to assist the Board in fulfilling its responsibility of managing matters related to ESG and climate change.

The major duties of the Task Force are as follows:

- to assist in identifying, evaluating, and prioritising the Group's material ESG issues, report to the Board for identification of the material issues, and verify results;
- to assist the Board in analysing the potential risks and opportunities and related impacts from the material ESG (including climate change) issues on the Group's business strategy and establishing an appropriate and effective ESG and climate change 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

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- to assist the Board in formulating and reviewing the existing ESG and climate change governance approaches and strategies as appropriate.

### ESG Risk Management

The Group actively manages ESG risks within its sphere of influence and the Board undertakes the overall ultimate 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 assists the Board in identifying, assessing, prioritising, and managing its key risks across the environment, society, and technology through a systematic process. The detailed process is as follows:

#### Step 1: Risk identification and establishment of ESG risk database

The Group analysed major trends related to the Group's business, material sustainability issues, and issues of concern to peers, screened out 18 ESG risks related to the Group, and established the ESG risk database for the Reporting Period.

#### Step 2: Prioritisation of ESG risks

The Group scored from two dimensions of "severity of risk occurrence" and "likelihood of risk occurrence". Based on the scores, the Group obtained the level and matrix of ESG risks, and identified a total of 15 material ESG risks in the environmental, social, and technological areas.

#### Step 3: Inviting the Board to confirm material ESG risks

The Task Force reported ESG risks results to the Risk Management Committee and invited the Board for final confirmation. The Group developed and implemented appropriate risk management measures in response to the findings and included ESG risks in the corporate risk management process.

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 could be effectively controlled.

Aspects	Material ESG risks	Risk management and control measures
Environmental	Climate change	<ul style="list-style-type: none"> <li>- The Group continuously updated the Measures for the Administration of Climate Change-Related Issues, which sets out response measures for physical and transition climate change risks, including monitoring, risk management and contingency plans, in a bid to manage the impact of potential climate risks.</li> <li>- The Group formulated 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) and clearly defined the division of duties and responsibilities of the management, leading departments, executive departments, and support departments. Key businesses are required to be covered in daily business continuity management, and business continuity plans must be put in place. Each year, business continuity plans will be reviewed and drills will be performed accordingly.</li> <li>- The Group prepared the Measures of BOCOM International for the Management of Climate-related Risks to explain the investment risks caused by climate-related risk factors, to clarify relevant management requirements, and the corresponding risk management responsibilities of business units, and to integrate climate-related risk factors into the investment risk management framework, with a view to ensuring the compliance with the pertinent requirements of the Securities &amp; Futures Commission of Hong Kong (SFC). Meanwhile, climate change risk indicators were set up, incorporated into the Group's overall risk appetite framework, brought under regular monitoring, and reported to the Risk Management Committee and the Board.</li> </ul>
	Natural disasters	<ul style="list-style-type: none"> <li>- The Group established in-house policies, including the Administration of Business Continuity, the Human Resources Management System, and the Measures for Emergency Management, to deal with operational problems caused by natural disasters, including employee commuting and operations arrangements.</li> </ul>

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Aspects	Material ESG risks	Risk management and control measures
	Green finance	<ul style="list-style-type: none"> <li>- For the direct investment business, the Group formulated the Administration of Direct Investment Risks of BOCOM International to carry out negative list screening in the due diligence process for client onboarding, and explicitly prohibit making investments in industries that go against the national policies or regulatory requirements, and those that are expressly prohibited by the country. In the project review process, the Group identified the ESG aspects of a target company, including assessing whether the business mode of the target company is in line with the national policies for green development, low-carbon recycling economy, etc., and whether the target company belongs to any of the energy-intensive industries, high-emission industries, and industries with overcapacity.</li> <li>- For the secondary market investment business, the Group formulated the Administration of Securities Investment Business, clearly stating that "in order to fulfil the social responsibility of listed companies, it is recommended that relevant investments prioritise eco-friendly industries and avoid industries such as arms, gaming, and tobacco in principle, on the premise of the same risks and returns".</li> </ul>
Social	Infectious disease	<ul style="list-style-type: none"> <li>- The Group promptly adjusted relevant work arrangements in accordance with the latest requirements of the Hong Kong SAR Government, and provided sufficient sanitiser supplies for employees. If employees were infected with an infectious disease, we made arrangements for them to work at home or take sick leave as appropriate.</li> <li>- The Group formulated relevant policies, including the Measures for Emergency Management and the Measures for the Administration of Business Continuity, in order to strengthen internal management.</li> </ul>
	Standardisation of product marketing	<ul style="list-style-type: none"> <li>- The Group 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' behaviour and operations, with a view to reducing product marketing violations caused by improper operation.</li> </ul>

Aspects	Material ESG risks	Risk management and control measures
		<ul style="list-style-type: none"> <li>- The Group formulated the Employee Violation Handling Measures of BOCOM International to regulate professional behaviour of employees and intensify internal management.</li> </ul>
	Client services	<ul style="list-style-type: none"> <li>- 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.</li> <li>- While dealing with clients' demands which do not meet corporate policies, the Group did everything possible to communicate with the clients concerned to reduce dissatisfaction.</li> </ul>
	Client data privacy and security	<ul style="list-style-type: none"> <li>- The Group formulated a number of in-house management policies, including the Compliance Manual, Information Security Policy, Data Classification and Data Security Management Measures, Data Security Management Measures for BOCOM International Information Systems, and Technical Specification for Security of BOCOM International Information Systems, to ensure that marketing and business processes shall comply with the Personal Data (Privacy) Ordinance and other necessary regulatory requirements as provided by the Legal and Compliance Department of BOCOM International.</li> <li>- A series of measures were taken to prevent employees from illegally leaking client information and strengthen internal data security protection and management, which included introducing user data access control, providing related staff training and assessment, and enhancing awareness of client data confidentiality among staff members.</li> <li>- The Group strengthened the risk prevention workflow and client privacy protection measures. For instance, once an abnormal login to the online trading platform was detected, the system would notify the business department, and the business department would contact the client to verify the situation.</li> </ul>
	Change in working mode	<ul style="list-style-type: none"> <li>- A mobile office platform was set up for employees in need, and employees working remotely from home were required to keep their phones on to ensure the smooth day-to-day operations of departments.</li> <li>- The Information Technology Department provided support services. If employees encountered difficulties in operation, they could seek assistance from the colleagues on duty.</li> </ul>
	Employee benefits and welfare	<ul style="list-style-type: none"> <li>- The Human Resources Management System was formulated to regulate the composition of employee compensation and benefits.</li> </ul>

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Aspects	Material ESG risks	Risk management and control measures
		<ul style="list-style-type: none"> <li>- The Group refers to the compensation survey report in Hong Kong every year to evaluate whether the compensation of employees is competitive, and then make further adjustments. It also provides medical examination reimbursement, purchases medical, life, accident, disability, and critical illness insurances, and pays back contributions to Mandatory Provident Fund scheme for employees on an annual basis.</li> <li>- It set up the Recreation Committee responsible for organising and coordinating employee activities, in an effort to strengthen communication between all levels.</li> </ul>
	Employee training and development	<ul style="list-style-type: none"> <li>- With the Human Resources Management System, the Group regulated the management of staff training and training subsidies and encouraged employees to take part in training.</li> <li>- According to the needs of business and employees, different training activities were held regularly for employees and employees were also offered with training subsidies.</li> </ul>
	Safeguarding intellectual property rights	<ul style="list-style-type: none"> <li>- The Information Security Policy was formulated to regulate the use of internal genuine computer software and avoid infringement of external intellectual property rights.</li> <li>- The Group regularly filed and updated trademarks and domain names in Mainland China and Hong Kong to protect its intellectual property rights.</li> </ul>
	Anti-corruption and anti-money laundering risks	<ul style="list-style-type: none"> <li>- 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.</li> <li>- Regular internal training sessions are held every year to deepen employees' understanding of laws and regulations and further reduce the probability of improper incidents.</li> <li>- The policies the Group established, including the Measures on Annual Compliance Audit for Anti-Money Laundering and the Measures on Annual Compliance Review for the Prevention of Bribery Code, stipulate that the Legal and Compliance Department shall conduct annual reviews on anti-money laundering and anti-corruption to reduce related risks.</li> </ul>
	Human rights standards	<ul style="list-style-type: none"> <li>- With formulation of the Human Resources Management System, the Group strictly abided 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.</li> </ul>

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Aspects	Material ESG risks	Risk management and control measures
	Geopolitical risks	<ul style="list-style-type: none"> <li>- The Group formulated the Negative List of BOCOM International for Onboarding Clients to Direct Investment Business, specifying that clients included in international sanctions lists of all sorts issued by countries, regions, and organisations fall under the restricted category and are managed in accordance with the requirements of such lists.</li> <li>- The Group formulated and adopted the Country Risk Management Rules of BOCOM International, according to which it implemented the limit management requirements, conducted regular country risk monitoring, and incorporated country risk into the risk appetite regime.</li> </ul>
Technological	Cybersecurity	<ul style="list-style-type: none"> <li>- The Group established in-house management policies, such as the Information Security Policy and the Cybersecurity Risk Management Framework, to deploy the data loss prevention (DLP) system and strengthen its internal cybersecurity management and related practices.</li> <li>- The Information Technology Department conducted disaster recovery drills and gradually stepped up efforts in disaster preparedness to strengthen the capability to defend against cyber attacks.</li> </ul>

## Sustainable Development Objectives

The Group is committed to becoming a comprehensive wealth management and financial services institution with global influence and regional market competitiveness, and is determined to enhance the sustainability and competitiveness of its business continuously. While developing its business, the Group also seeks to concurrently fulfil its environmental and social responsibilities. During the Reporting Period, we kept pursuing the established environmental objectives to further promote corporate sustainability.

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

### STEADY OPERATION

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



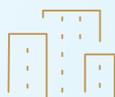
### CARE FOR EMPLOYEES

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



The implementation of sustainable development objectives during the Reporting Period:

STEADY OPERATION

- Strengthening risk management and control to ensure smooth business operation and balance risks and returns
- Providing the “Electronic Direct Debit Authorisation” (EDDA) function that allows clients to make deposits without waiting for approval during trading hours, thereby optimising client experience

CARE FOR EMPLOYEES

- Attaching great emphasis to employees’ health and well-being
- Strengthening business ethics, anti-corruption, and anti-money laundering training to regulate compliance with high ethical standards in business practices by employees

CARE FOR THE ENVIRONMENT

- Implementing the environmental objectives set in 2021 to promote corporate sustainability, such as:
  - Reducing carbon emissions by means such as implementing the internal document titled Vehicle Management Measures, strengthening the management of company cars, and reducing business travels
  - Increasing the recycling rate of waste paper and electronic equipment in the office
  - Enhancing the utilisation rate of energy efficiency labelled electrical appliances to reduce energy consumption in the office
  - Raising awareness of environmental protection and energy conservation among staff members
- Implementing low-carbon operation measures and raising awareness of environmental protection to proactively combat climate change
- Assisting in 18 green bond issuance projects and one blue bond issuance project, and establishing one green fund to support the development of green industries

CARE FOR THE COMMUNITY

- Devoting to community education, aiming to improve people’s well-being

## Corporate Social Responsibility Report

### Stakeholder Engagement

The Group is keenly aware of the critical importance of stakeholder engagement to its sustainable development. Therefore, we attach great importance to stakeholders' opinions and concerns, communicate with them through a diversity of channels, and put in place a comprehensive communication mechanism to learn about their suggestions and expectations. We can take stakeholders' opinions into consideration when developing and implementing sustainable development strategies, in a bid to enhance our performance in sustainable development.

#### Communication Channels with Stakeholders

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

### Communication Channels with Stakeholders

Media	<ul style="list-style-type: none"><li>• Media Briefings</li><li>• Press Releases</li><li>• Results Announcements</li><li>• Media Interviews</li><li>• WeChat Official Account</li></ul>
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The Company held the Annual General Meeting in an online and offline hybrid manner in June 2023. Shareholders may elect to attend, vote at, and ask questions at an annual general meeting through an online platform.

### **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 could specifically address the key issues of concern to the stakeholders regarding the Group. Details on the materiality assessment procedure are set out as follows:

#### **Step 1: Identifying key stakeholders and updating the sustainability issue pool**

In formulating the list of key stakeholders to participate in this materiality assessment, the Task Force considered several factors such as “the degree of impact on the enterprise” and “the degree of impact caused by the enterprise” of each stakeholder and the feasibility. At the same time, with reference to the compliance requirement under the Guide, the sustainability issue pool of the previous year, and the benchmark analysis on peer enterprises, the Task Force selected 37 sustainability issues related to the Group to update the sustainability issue pool of the Group.

#### **Step 2: Inviting key stakeholders to participate in the assessment**

The Group invited the key internal and external stakeholders identified in Step 1 to participate in this materiality assessment through online questionnaire survey. The stakeholders who participated in the assessment included directors, the management, the Task Force, employees, clients, investment sector, business partners, media, community/non-governmental organisations, professional societies, and financial sector peers. The internal and external stakeholders ranked the sustainability issues across the economic, environmental and social areas in order of materiality from the perspectives of the Group and their own standing respectively.

#### **Step 3: Identifying material issues**

The Group examined the materiality of the sustainability issues in each aspect by considering two dimensions of “importance to the stakeholders” and “importance to BOCOM International”. We assessed the relative materiality of these sustainability issues in the two dimensions by consolidating the ranking made by all internal and external stakeholders (a maximum score of 10 for each dimension). The sustainability issues that were ranked at half or above the maximum score of relative materiality in the two dimensions were considered “material issues” (a score of 5 or above for both of the dimensions). We identified 13 material issues across three areas: economic, environmental and social.

#### **Step 4: Inviting the Board to determine material issues**

The Task Force invited the Board to confirm the evaluation results of material issues to ensure compliance with the Group’s sustainable development strategies. The details regarding the material issues will be disclosed in the subsequent chapters of the Report to respond to the stakeholders’ concerns.

“MATERIAL ISSUES”



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

STEADY AND COMPLIANT OPERATION TO PURSUE EXCELLENCE

As one of the earliest licensed securities firms with PRC background in Hong Kong, the Group has been establishing a comprehensive financial service platform. After withstanding several economic and industry cycles and regulatory reforms, we have grown into one of the largest securities firms specialising in securities brokerage and margin financing, corporate finance and underwriting, investment and loans, asset management, and advisory businesses in Hong Kong. The Group continues to adhere to the long-term goal of business transformation, optimising the corporate governance structure, perfecting internal control mechanisms, and strengthening business capability construction. Diversified development is being promoted in corporate finance and global capital market businesses. Bond underwriting business is expanding project expansion and customer base construction. Securities business is further optimising customer structure through enhanced group linkage. The asset management business continues to build integrated core competencies in investment research. Through the science and technology innovation fund, comprehensive financial services are continuously provided for high-quality innovative enterprises in key industries such as the digital economy and dual-carbon economy, in order to provide financial support for the development of the real economy.

## Corporate Social Responsibility Report

### Cybersecurity and Client Privacy

The Group is dedicated to protecting privacy of clients, strengthening privacy protection measures, and rendering them with quality financial services. We have formulated the Technical Specifications for Information System Security and the Management Measures for Information System Data Security to set strict standards for data security, collection, storage, transmission, use, exchange, and destruction, in a bid to improve the Group's data security management. Besides, we conduct information security management assessments on a regular basis. During the Reporting Period, we deployed the DLP system, which could scan and monitor our computers through such measures as terminal control, surveillance and control of the externally provided sensitive information, the enhanced management of how portable electronic devices were used, and the use of screen watermarks and print watermarks.

During the Reporting Period, we participated in the "Cybersecurity Action" campaign under the guidance of the Ministry of Public Security of the PRC, to act on the important cybersecurity arrangement made by the State. Our professional services successfully passed the attack test organised as part of the campaign and continuously boosted our cybersecurity protection capabilities.

The Group has formulated the Information Security Policy, which provides clear guidelines on identifying and responding to cybersecurity risks as per three major information security principles of confidentiality, completeness, and accessibility to meet the requirements set out in the SFC's Guidelines for Reducing and Mitigating Hacking Risks Associated with Internet Trading. We have established appropriate network segregation measures and standard procedures, including segregated areas with multiple firewalls and secure network infrastructures, and require that all system account openings and permissions are approved on a "need-to-know, least-authorized" basis to ensure that only persons with actual needs and upon approval can access or use the system.

In addition, the Information Technology Department continuously conducts cybersecurity awareness training sessions and tests among all employees, so as to ensure that they can grasp necessary knowledge on cybersecurity, safeguard our business interests and the personal data of clients, and improve the information security risk control regime constantly.

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. Meanwhile, we also encrypt data while collecting and transferring it to ensure data security. We believe that the protection of trade secrets and the privacy of clients is of paramount importance. The 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 by the Group. The measures we have taken to protect clients' personal data 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 prevent 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 interests of the clients concerned. We regularly conduct independent reviews of information systems and security controls to ensure the reasonableness and effectiveness of the current control measures. We continue to improve our data privacy and security practices. During the Reporting Period, we updated the Working Measures for the Research Department of BOCOM International to emphasise that researchers must copy the head of the Research Department and the Legal and Compliance Department in on all emails sent to the investment banking and other departments about going over the Chinese wall, in order to strengthen compliance and risk management of the projects going over the wall.

### Respecting Intellectual Property Rights

The Group attaches great importance to the protection of intellectual property rights and regulates the management and application of its intellectual property rights by establishing related policies and management measures. According to the chapter headed "Regulations on Software Licenses and Copyrights" in the Group's Information Security Policy, only software with genuine licenses is allowed to be installed on the Group's computers with the approval of the department head and the Information Technology Department. Moreover, all licensed software is managed by the Information Technology Department, and all employees are prohibited from unpermitted use of 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. Currently, we have 10 registered domain names in total. In the future, we will continue to develop policies and procedures for intellectual property rights management, promote the management of intellectual property rights effectively, and control related risks stably.

### Risk Management and Internal Control Procedures

The Group attaches great importance to risk management and internal control, committed to safeguarding its assets and shareholders' interests through sound risk management and internal control measures. The Legal and Compliance Department updates the list of compliance and regulations matters in accordance with the Procedures of Management on Regulatory Updates Checkup, and tracks the dynamics of regulatory bodies on a regular basis, so as to ensure that the Group complies with the pertinent laws and regulations. As per the applicable provisions as set out in the Corporate Governance Code under Appendix C1 to the Listing Rules, the Group has a complete set of established risk management and internal control procedures, included ESG risks in operational considerations, and proactively built a sound risk management culture which could be instilled into all levels of the Group, so as to enhance corporate governance, better monitor, evaluate, and control the major risks assumed by the Group in its operation and service activities, and strike a balance between risk and reward

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in the ordinary course of business. In the future, we will continue to enhance our risk management capabilities in the hopes of securing stable growth and safeguarding the rights and interests of our shareholders and clients.

Given that climate change and ESG risks have a growing impact, the Group recognises that clients are more concerned about the actions taken by financial institutions in relation to ESG issues and their investment choices. Pursuant to the Measures for the Management of Direct Investment Risks, we have incorporated ESG risks into investment decisions, avoided investment and financing businesses from sensitive industries through the negative screening strategy, and helped clients to comprehensively assess and analyse ESG risks associated with their investment projects. By doing so, we are dedicated to providing clients with higher-quality and more comprehensive financial products and services. In the future, the Group will closely track and manage ESG risks derived from investment and financing businesses with intensified efforts, spot every ESG-related investment opportunity, and review and improve risk management and internal monitoring flows, with a view to bringing clients long-term stable growth of assets.

### Anti-corruption and Anti-bribery

The Group upholds the core values of honesty, integrity, and fairness. We have formulated a number of in-house documents on anti-corruption, anti-bribery, and integrity enhancement to regulate the behaviour of related personnel of the Group and eliminate all acts of corruption, bribery, extortion, and fraud. In other words, we adopt a “zero-tolerance” attitude towards non-compliance. The Compliance Manual requires employees or licensed representatives to strictly 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 Securities and Futures Ordinance (SFO). They shall perform their duties and uphold professional integrity rigorously, refraining from any act of corruption, bribery, extortion, or fraud. In addition, the Compliance Manual clearly outlines the code of conduct for the prevention of bribery as well as the approval procedures and control measures in relation to the giving and receiving of gifts, and prohibits employees from engaging in any form of corruption or bribery, such as giving or receiving cash and expensive gifts. The Group is also required to pass an internal independence assessment when engaging any third-party service provider to refer business opportunities. All forms of corruption and bribery are completely prohibited at the Group. In accordance with the Measures on Annual Compliance Review for the Prevention of Bribery Code formulated by the Group, the Legal and Compliance Department conducts an anti-bribery compliance review on all departments every year to ensure that they can comply with the gift offering and receiving procedures of the Group for the purpose of reducing compliance risk. The relevant compliance review results are reported to the Chief Executive Officer (CEO) and relevant company leaders.

We undertake to maintain the highest standards of openness, uprightness, and accountability, create an open and transparent communication environment, and put in place reporting channels and confidentiality procedures. We 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 through 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. Any third party may report any existing or

potential misconduct, fraud, or violation to the Legal and Compliance Department of the Group upon detection, which will be referred to the Internal Audit Department for supervision. Investigation results may be reported to the highest management and regulatory authorities depending on the severity of the reported behaviour. The facts and details of a reported incident will be kept strictly confidential, and the Group will make every effort not to disclose the identity of the whistleblower.

To raise the awareness of integrity among employees, we have been actively organising various types of integrity education and anti-corruption training programmes for staff and departments at all levels of the Group to create an atmosphere of integrity and honesty in the workplace. During the Reporting Period, we conducted a total of 6 business ethics and anti-corruption training sessions, including induction training and annual training. An external law firm was invited to provide directors with annual training on the anti-bribery and anti-corruption laws and trends in Hong Kong. At the Group, 73.9% of directors and 92.4% of employees took part in anti-corruption training sessions, and the training hours completed by directors and employees totalled 45 hours and 1,024.5 hours, respectively. During the Reporting Period, the Group strictly complied with the Prevention of Bribery Ordinance and did not receive any lawsuits regarding corruption.

### Anti-Money Laundering and Counter-Financing of Terrorism

The Group undertakes to eliminate any money laundering and financing of terrorism activities and fulfil anti-money laundering (AML) duties as a responsible financial institution. We strictly comply with the SFC's Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (the "Guideline") and updated the Measures for Anti-Money Laundering and Counter-Financing of Terrorism, an internal document, during the Reporting Period, to help employees raise awareness of AML and counter-financing of terrorism (CFT) among and maintain a high level of vigilance and emphasise that AML and CFT is a common responsibility shared by all employees. 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 (AMLO), the Drug Trafficking (Recovery of Proceeds) Ordinance, the Organised 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. Employees are encouraged to report any suspected crimes in accordance with the aforesaid laws. While cooperating with employees in AML and CFT, we erect the line of defence to reduce operational risk. In strict accordance with the Procedures of Management on Regulatory Updates Checkup, we have closely followed up on the latest requirements of relevant laws and regulations and improved the Measures for Anti-Money Laundering and Counter-Financing of Terrorism in due time to ensure the timeliness and effectiveness of the document, and ensured all employees could thoroughly understand the internal compliance requirements of the Group and know the law and abide by it.

The Group has established a sound management system to deter money laundering and financing of terrorism activities and to ensure that the risk of money laundering and financing of terrorism can be adequately managed. 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 mainly responsible for making sure the current management policies of the Group can comply with the existing laws and regulations and supervising all activities to prevent and detect money laundering and terrorist financing within the Group and the effectiveness of relevant management policies. Employees are required to

## Corporate Social Responsibility Report

submit an internal report to the Money Laundering Reporting Officer within three working days if they become aware of any transaction, and the follow-up handling process shall be documented. The Money Laundering Reporting Officer shall, as far as is reasonable, make a further report to the Financial Intelligence Team, which will be referred to the Legal and Compliance Department for appropriate action. For the purpose of curbing money laundering, the Group required the Legal and Compliance Department to conduct quarterly AML audits to reduce operational risk in accordance with the Measures on Quarterly Compliance Audit for Anti-Money Laundering during the Reporting Period.

We regularly provide employees with compulsory AML trainings, with the aim of ensuring they grasp knowledge and capabilities required by AML and CFT activities and establishing an effective internal monitoring system to carry out related management. During the Reporting Period, the Group organised AML training sessions, the content of which was tailor-made according to the nature of work done by employees, consisting of prevailing legal and regulatory requirements, market trends, in-house policies, and case sharing, with a view to consolidating employees' AML and CFT knowledge.

### Promotion of Fintech and Optimisation of Financial Services

Spearheaded by the “client-first” and “technology-led” business philosophy, the Group strives to develop into a comprehensive financial services institution with global influence and market leadership in the region. We are committed to building long-term relationships with clients, offering a full package of quality services and products, and bringing into play our core advantages in an effort to meet various investment and financing needs. With the deep integration of artificial intelligence, big data, and other information technologies with financial services, we keep advancing digital transition steadily, promote product innovation, and devote considerable resources to iteratively updating 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.

Against the backdrop of digital transformation and in response to the goal of “improving digital services” set out in the Outline for the 14th Five-Year Plan of China, we have actively seized every market opportunity to continuously optimise our digital products, such as BOCOMI Securities Trade Express app and BOCOMI Service app, thus enhancing our online services and creating a diversified digital platform that could deliver a better intelligent service experience to clients. During the Reporting Period, we cooperated with a series of financial reforms initiated by the SFC as per the latest regulatory requirements. As a result, we have updated the system, supporting the Hong Kong Investor Identification Regime (HKIDR)<sup>2</sup>, the Over-The-Counter Securities Regime (OTCR), and the Fast Interface for New Issuance (FINI)<sup>3</sup>. Besides, we also introduced new functions, such as systemising the rights issue process in the BOCOMI Securities Trade Express app, through which clients could apply for rights issues in the system instead of sending paper replies. At the same time, we reviewed the applications received through the system as a move to facilitate the paperless application process.

<sup>2</sup> [https://www.hkex.com.hk/Services/Trading/Securities/Overview/Trading-Mechanism/HKIDR?sc\\_lang=zh-HK](https://www.hkex.com.hk/Services/Trading/Securities/Overview/Trading-Mechanism/HKIDR?sc_lang=zh-HK)

<sup>3</sup> [https://www.hkex.com.hk/Services/Platform-Services/FINI?sc\\_lang=zh-HK](https://www.hkex.com.hk/Services/Platform-Services/FINI?sc_lang=zh-HK)

### ***Responsible Marketing and Advertising***

The Group is very concerned about the quality of its business. Therefore, we operate with honesty at all times to take external communications and advertising materials seriously and ensure that all information provided externally is clear, transparent, true, fair, accurate, and correct. The Group strictly abides by the applicable laws and regulations 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 marketing products and services and the practical guidelines for promotional materials and engaging in advertising and promotion activities. If advertising and promotion activities involve new media platforms, relevant content shall be balanced without false, groundless, misleading, or fraudulent information or discriminatory or indecent language. We should also ensure that advertising and promotion materials include applicable legal and regulatory disclosure statement(s) or appropriate warning statement(s). In addition, the engagement of employees with media outlets in the form of speech, interview, meeting, or commentary on behalf of the Group must be coordinated by relevant departments of the Group together.

### **Client Satisfaction**

BOCOM International attaches great importance to the communication with clients. We listen carefully to clients' views and suggestions, constantly improve our service experience for a higher level of satisfaction, and offer high-quality services. To this end, we have streamlined our client complaints handling process, providing clients with various channels for enquiries and complaints. Currently, clients may contact our service centre by various means including phone calls, facsimiles, and emails, which will ensure that their complaints, oral or written, can be 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 independently review and investigate the specific complaint and give replies to the client concerned in a timely manner. During the complaints handling process, related information shall be kept confidential and disclosed to the authorised persons on a "need-to-know, least-authorized" basis. The Compliance Manual clearly states that all complaints shall be reported to the Legal and Compliance Department and the head of a department complained against and that a complaint involving regulatory issues shall be reported to the relevant management. In addition, the Compliance Manual also stipulates that if the matter complained about fails to be remedied in a timely manner, the employee concerned shall inform the complainant of the right to transfer the complaint to the Financial Dispute Resolution Centre or refer the relevant dispute to a mediation centre.

During the Reporting Period, we received two complaints from clients concerning the quality of our services, both of which were followed up and handled through the procedures set out in the Compliance Manual. The clients concerned didn't provide any further comments on our handling results. So far, the two individual complaints have been resolved and closed. Therefore, we achieved a 100% complaint resolution rate during the Reporting Period.

## Corporate Social Responsibility Report

### Green Finance and Commitment to Developing Green Industries

In order to enhance the sustainability and competitiveness of our business mode, we develop green finance through responsible investment, green finance investment, issuance of green bonds, and establishment of green funds by making good use of its business characteristics, with a view to capitalising on market demands and trends and spotting more opportunities in the field of green finance.

#### ***Responsible Investment***

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

Adopting a negative screening strategy, we give priority to green and eco-friendly projects and combine green investment with sustainable development needs, so as to facilitate the development of green industries and advance the mission of sustainable development.

To manage the direct investment business efficiently, the Group formulated the Measures for the Management of Direct Investment Business of BOCOM International to carry out negative list screening in the due diligence process for client onboarding, and explicitly prohibit making investments in industries that go against the national policies or regulatory requirements, and those that are expressly prohibited by the State. In the project review process, the Group identified the ESG aspects of a target company, including assessing whether the business mode of the target company is in line with the national policies for green development, low-carbon recycling economy, etc., and whether the target company belongs to any of the energy-intensive industries, high-emission industries, and industries with overcapacity. For the secondary market investment business, the Group formulated the Measures for the Management of Securities Investment Business, clearly stating that “in order to fulfil the social responsibility of listed companies, it is recommended that relevant investments prioritise eco-friendly industries and avoid industries such as arms, gaming, and tobacco in principle, on the premise of the same risks and returns”.

In addition, the Credit and Risk Policy Implementation Rules formulated by the Group explicitly requires increasing support for green and low-carbon industries with respect to the bond and fund business and the loan and structured finance business.

#### ***Communication and Research on Responsible Investment***

BOCOM International actively underpins scientific and technological innovation, by providing equity capital support to high-tech enterprises in the form of direct equity investment or participation in venture capital funds, government-backed industrial investment funds, and other themed funds. Leveraging the BOCOM Group’s superior product and service lineups, such as “commercial banking and investment banking”, “domestic and overseas operations”, “financing and intelligent counselling”, and “equity, debt, and credit integration”, we channel financial resources into the fields of original and leading

“hard” technology. During the Reporting Period, BOCOM International won an array of awards, including the “Venture Capital Golden Eagle Award: PE Institution of the Year” from Securities Times, “Best Investment Case” from CVINFO, “Top 30 Private Equity Institutions in the Guangdong-Hong Kong-Macao Greater Bay Area” from CVINFO, and “Top 100 Active Investment Institutions (LPs) with Soft Power in 2023” from *FOF Weekly*. For details, please refer to the chapter headed “Awards” in the Annual Report of the Group.

To this end, we have increased our input in the research on emerging industries. In addition to such themes as biomedicine and artificial intelligence, we have also conducted in depth research on energy conservation and environmental protection, new energy, and new materials, among other topics, with a number of insightful analysis reports published during the Reporting Period.

### ***Green Finance Investment and Green Bonds***

During the Reporting Period, the Group implemented the concept of green finance as per the Credit and Risk Policy Implementation Rules, continued to support green development centred on the green and low carbon industry. During the Reporting Period, we secured two new equity investment projects related to the green finance industry

We have steadily expanded our green bond underwriting business in response to the growing attention paid by the international capital market to green finance and have actively covered the needs of Chinese enterprises arising from their green and low-carbon transition. During the Reporting Period, we assisted issuers in issuing 18 green bonds and one blue bond, and raised USD5.93 billion in total, which was about 2.2 times the amount of green bond financing in the previous year, in an effort to guide and attract more private capital to invest in green industries, thus fully demonstrating our determination to support the development of green economy.

To practise the concept of green investment, we cooperated with China Energy Capital to set up a green fund in Wuxi. At the same time, taking the green fund as an opportunity, we recommended other green funds managed by China Energy Capital to our branches. During the Reporting Period, the new green-related bonds under the custodianship of our Wuxi branch exceeded RMB3.5 billion.

Grasping the high-quality investment opportunities presented by the dual carbon goal, the Group will empower and serve the transformation and upgrading of the energy mix and the innovative development of green technologies with equity investment, continuously improve the “innovation and green development” dual-themed private equity fund management regime to put fundraising, investment, and operation activities on a solid footing, strengthen the group-wide coordination mechanism through which comprehensive financial services can be provided to fuel the development of the invested enterprises and create greater value for all fund investors.

Ceremony for the signing of the Wuxi BOCOM International-CHN Energy Green Fund project



### Protecting Shareholders' Interests and Maintaining Investor Relations

The Group is committed to creating long-term value for and enhancing returns to shareholders and investors. The Board and the management of the Group have always attached great importance to maintaining communications and exchanges with shareholders, investors, and the capital market through the high-quality information disclosure to stakeholders. To honour our commitment to generating greater value for shareholders, we provide real-time and fair information to shareholders and investors through a diversity of communication channels set out in the Shareholder Communication Policy such as shareholder enquiries, corporate communications, company website, WeChat official account of the Group, online and offline general meetings of shareholders, and investment market communications, so as to ensure that shareholders and investors know well about the Group, in terms of financial performance, strategic objectives and plans, and major developments, among other aspects.

We encourage shareholders to learn more about the Group's development plans and corporate governance activities, get actively involved in various matters of the Group, and exercise their rights. Committed to safeguarding the rights and interests of investors, we fully fulfil our responsibilities and obligations in information disclosure as a listed company, and provide investors with high-quality information disclosure and communication channels. In addition to corporate governance, we also attach great importance to the level of ESG disclosure. On the basis of meeting the legal and regulatory

requirements, we work to get aligned with international disclosure standards. While ensuring ESG disclosure compliance, we continue to support and promote the development of ESG-related fields, a prerequisite for attaining high-quality and sustainable development.

In the future, we will ensure integrity at work in strict accordance with the relevant laws and regulations, continuously strengthen and promote good communication with shareholders, investors, and the capital market, and further review the Shareholder Communication Policy and its effectiveness to enhance our good reputation in the capital market.

During the Reporting Period, in addition to the HKExnews website and the official website of the Group, we also kept sharing macro-market dynamics and industry analysis reports on social media platforms such as our WeChat Official Account, leveraged on our expertise as a professional financial institution, and provided the latest information on the Group's business development.

BOCOM International won the "Best ESG Disclosure Award"  
from ZhiTong Financial Information Technology Co., Ltd.



## Corporate Social Responsibility Report

### Sustainable Supply Chain Management

The Group is committed to extending the concept of sustainability from its own operations to the entire supply chain, as it believes that sustainable supplier management is the cornerstone of maintaining its service quality.

During the Reporting Period, the Group carried out sustainable supply chain management as per the Regulations on the Purchase and Management of Fixed Asset, was intended to introduce written policies, the Supplier Management Measures this year, which would establish fair and transparent codes for the selection and management of suppliers, and has established a complete management mechanism to control risks throughout the whole process of supplier selection, onboarding, evaluation, management, and performance appraisal. All of these steps aimed to minimise environmental and social risks in the supply chain. The Regulations on the Purchase and Management of Fixed Asset stipulates that procurement should be made based on the principles of legal and regulatory compliance, openness and transparency, and competitive effectiveness, priority should be given to energy-saving and eco-friendly products under the same conditions, and the Group shall avoid hiring suppliers with a poor environmental and social performance or ill-reputed. Moreover, we also assess and screen the suppliers selected by us every year to ensure the supplier service continuity. In addition to taking into account the quality and cost of services and products as well as 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, secure products and services. Moreover, the Administration Department is leading the sampling inspection of suppliers, 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 50 suppliers from Hong Kong, all of whom were selected in strict accordance with our standards<sup>4</sup>, and no significant environmental and social risks or negative impacts were identified from them.

At the same time, we implement the concept of green procurement in day-to-day operations to make our offices green. In the process of purchasing daily office supplies, we prioritise buying items that are made of renewable materials and environmentally certified, instead of disposable ones, such as Forest Stewardship Council (FSC)-certified paper bags, eco-friendly photocopiers, sustainability-certified paper, reusable tableware, electrical appliances with energy efficiency labels and energy-saving lamps, and smart automatic water dispensers using eco-friendly refrigerant R-134A. While encouraging suppliers to provide high-quality eco-friendly office supplies as a move to further reduce the Group's impact on the environment, we move towards the goal of sustainable development together with our suppliers.

<sup>4</sup> The number of suppliers stated above covers suppliers for printing paper, renovation projects, furniture, electrical appliances, anti-epidemic supplies, cleaning and hygiene services, as well as providers for transportation and freight services and gardening services.

## TAKING CARE OF EMPLOYEES AND NURTURING TALENTS

The Group upholds the “people-oriented” business philosophy and believes that employees are the bedrock of its sustainable development. Therefore, we attach great importance to talent management and endeavour to create a corporate culture that emphasises physical and mental well-being of employees as well as a workplace that is suitable for employees to use their respective strengths. We recruit, turn out, and retain talented people through various channels to build a competitive team of elites. While maintaining steady business development, we do everything possible to help employees grow together with us.

During the Reporting Period, the Group 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. The Human Resources Department of the Group developed the Human Resources Management Policy, which regulates matters including recruitment and dismissal, promotion and training, compensation and benefits, as well as working hours and holiday arrangements, to fully protect the legitimate rights and interests of employees and effectively carry out human resources management across the Group.

### Employee Benefits and Welfare

The Group firmly believes that a competitive employee benefits and welfare programme 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 strictly complied with the statutory rest day requirements of the place of operation, and did not encourage and never forced employees to work overtime. In the event of special circumstances, employees were allowed to take compensatory leave.

We constantly review the latest employment regulations and market conditions, and update and improve relevant policies in a timely manner to maintain the competitiveness of the Group and retain elite talents as required by the high-quality development of the Group. Apart from statutory holidays and benefits including public holidays, annual leave, statutory paid sick leave, maternity leave and paternity leave, and Mandatory Provident Fund scheme, we have also introduced other welfare programmes to enhance employee benefits, including birthday leave, wedding leave, funeral leave, and other additional paid leave. In addition to the employment injury and medical insurance purchased for all employees in accordance with the Employees’ Compensation Ordinance, we also provide a full range of medical benefits through purchasing group medical insurance for employees’ immediate family members. Moreover, we have also formulated the Regulations on Reimbursement to specify the guidelines and limits for the reimbursement of work-related expenses, such as local transport expenses, overtime meal expenses, and travelling expenses.

The Group attaches great importance to the physical and mental health of employees. We carry out a variety of employee engagement activities, encourage staff to develop after-work hobbies, and work with them to create a diversified workplace and maintain a work-life balance.

## Corporate Social Responsibility Report

The Recreation Committee of the Group is assigned to organise group activities and welfare initiatives for staff, and promote exchanges among employees from different departments, thus enhancing team cohesion and fostering their sense of belonging to the Group. In order to enrich staff's lives after work, during the Reporting Period, we organised a number of ball games and competitions such as table tennis, badminton, and bowling. During the Reporting Period, we invited employees to form basketball teams to participate in the Hong Kong Investment Bank Cup Basketball Tournament organised by the Chinese Securities Association of Hong Kong.

The BOCOM International employee basketball team participated in the Hong Kong Investment Banking Cup Basketball Tournament organised by the Chinese Securities Association of Hong Kong



## Employee Health and Safety

The Group cares for the safety and physical and mental well-being of employees. As such, we strive to build a healthy, safe, amicable work environment. During the Reporting Period, we strictly complied with the Occupational Safety and Health Ordinance in Hong Kong and the Law on the Prevention and Control 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 their occupational health and safety to the largest possible extent. Meanwhile, we also provided a number of health-themed online training sessions during the Reporting Period to enhance awareness of occupational health among employees. We offer different types of annual medical examination reimbursement plans according to actual needs of employees and equip them with ergonomic office facilities. In addition,

we also 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 at work. We also periodically disinfect and disinfect our offices to maintain a clean, sanitary work environment.

We keep following up with policies related to occupational health and safety, and our Human Resources Department monitors and updates the Group's management policies in due course. The Group has established appropriate 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. During the Reporting Period, for the safety of our staff, we conducted annual inspections for fire protection installations and posted the fire safety guidelines on each floor to ensure employees could be clearly aware of the measures to deal with fire as well as the escape routes. Meanwhile, we also participated in the fire drills organised by the property management company in accordance with the BOCOM International Guidelines for Fire, Disaster, and Accident Prevention. During the Reporting Period, there was one work-related injury across the Group, and the total number of days of work lost on our staff due to the incident was 13 days. There were no cases of work-related fatalities in the Group over the past three years.

During the Reporting Period, we continued to provide sanitisers and anti-epidemic supplies in the office. We also arranged disinfection processes for viruses including COVID-19, to ensure the cleanliness of the workplace and protect the health of our staff. If employees were infected with an infectious disease, we provided medication to them and allowed department heads to make flexible work arrangements on the premise of ensuring the normal operation of the Group.

### Employee Diversity and Equal Opportunities

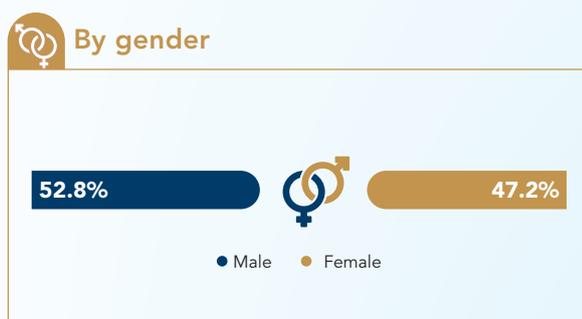
To promote mutual respect with its staff, the Group is committed to enhancing equal opportunities, eliminating all forms of discrimination, and creating an equal, open, and diverse working environment to ensure fair and open recruitment, promotion opportunities, and benefits of employees. During the Reporting Period, we 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 inclusive and equal job opportunities for all employees regardless of gender, health, family status, and race. During staff recruitment, we adopt uniform selection criteria and consider candidates given relevant factors such as qualifications, work experience and skills, and job requirements. In the meantime, we have a sound performance appraisal and promotion mechanism, 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 Training and Development

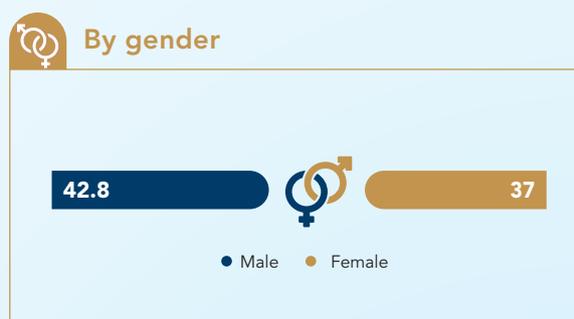
The Group attaches great importance to employee development. Guided by the concept of “growing together with employees”, we provide them with skills development and training opportunities to enhance their professional competence while maintaining our competitiveness as an employer. We actively organise various education and training courses for employees and set out our specific provisions regarding training coordination and employee training subsidies in the Human Resources Management System so as to improve the overall comprehensiveness of our employees. Every year, we organise a series of training programmes and invite external professional training institutions to launch various types of activities such as training courses, industry sharing sessions, subject talks, symposiums, and team building activities, in a bid to assist employees in acquiring professional knowledge and skills that could 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 are very supportive to staff members who take refresher courses and seek career development. Therefore, a further studies subsidy scheme has been launched to sponsor our staff members who enrol in professional courses and examinations, so as to encourage them to improve their qualifications according to their individual career plans.

The percentage of employees trained<sup>5</sup> and the average training hours completed<sup>6</sup> by gender and employee category are as follows:

### Percentage of employees trained



### Average training hours completed per employee<sup>7</sup>



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

<sup>6</sup> The average training hours completed are calculated as: the total training hours completed by employee in the category/ the total number of employees in the category.

<sup>7</sup> The employee training statistics listed above do not include the data of employees who left the Company during the Reporting Period.

During the Reporting Period, to further consolidate employees' professional knowledge, the Research Department held eight special training seminars on topics about the investment trends and sustainable development in different industries, including pharmaceuticals, real estate, new energy vehicles, Internet, and technology. We assist employees in gaining an in-depth understanding of the latest industry information and market opportunities and risks and in having an accurate picture of future industry development, which helps improve the investment decision-making capabilities of our employees. During the Reporting Period, we organised a cybersecurity awareness training course in the form of online video, and required all employees, especially new hires, to attend the training every year, with a view to increasing their cybersecurity awareness. The Legal and Compliance Department organised 28 training sessions on topics such as AML, anti-bribery, anti-corruption, and the latest regulatory requirements. The content related to professional ethics and integrity education was added to the induction training programme for new employees, with an aim to eliminate the risk of non-compliance. Additionally, we organised several induction training sessions to further new employees' understanding of the Group's corporate culture, regulatory requirements, and in-house management policies and help them adapt to the new working environment more promptly.

### Employment Management

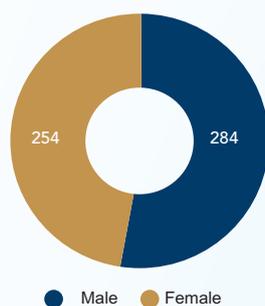
In the process of hiring new employees, we conduct a comprehensive review of prospective employees, such as checking the personal information of such an employee and confirming that the employee reaches the legal working age in order to completely eliminate child labour. We provide prospective employees with an annex named "Personal Information Collection Statement" to safeguard the privacy of prospective employees and clearly state the purpose of the annex. In addition, if any false information or discrepancies are found, we will ask the prospective employee concerned to provide a reasonable explanation. If there is no reasonable explanation, we will revoke or cancel the employment contract in accordance with the "reasons for termination of employment contract" provided for in the Employment Ordinance. Meanwhile, 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.

## Corporate Social Responsibility Report

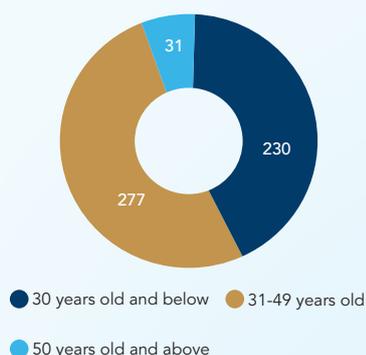
The above policy contains provisions on standardised resignation and procedures, with which we and employees shall follow the procedures to protect the rights and interests of both parties. The notice period for resignation is stipulated in the employment contract, and in case either party fails to give 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" before leaving the Group, so as to ensure that they are aware of the amount of separation payment and receive a reasonable amount of separation payment. The Human Resources Department of the Group will also provide a certificate of employment to the departing regular employees.

As at the end of the Reporting Period, the Group had a total of 538 employees who were all full-time employees. The workforce<sup>8</sup> and turnover rate<sup>9</sup> by gender, age group, and geographical region are as follows:

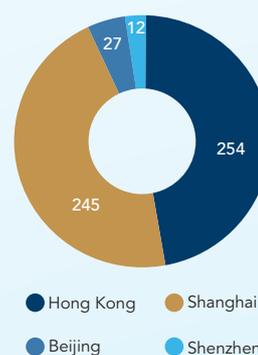
Number of employees by gender



Number of employees by age group



Number of employees by geographical region



<sup>8</sup> All statistics in relation to the workforce of the Group are as of 31 December 2023.

<sup>9</sup> The employee turnover rate is calculated as: the number of employees who left/the total number of employees in the category\*100%.

Employee turnover rate		2023
Employee classification		
<b>By gender</b>		
Male		15%
Female		15%
<b>By age group</b>		
30 years old and below		19%
31 to 49 years old		14%
50 years old and above		6%
<b>By geographical region</b>		
Hong Kong		17%
Shanghai		14%
Beijing		15%
Shenzhen		17%

## CARE FOR THE ENVIRONMENT AND INTEGRATING THE CONCEPT OF SUSTAINABLE DEVELOPMENT INTO THE OPERATION PROCESS

The Group actively undertakes corporate responsibilities, upholds the concept of sustainable development, and endeavours to build a culture of green operation. In the course of daily operations, we implement various energy conservation and emission reduction measures to minimise the negative impact on the environment and natural resources, thus striking a balance between business development and environmental protection.

### Green Office Measures and Environmental Protection

In terms of daily operations, we formulated in-house documents such as the Vehicle Management Rules to regulate the carbon emissions released by the use of paper, electricity, water, and vehicles as well as the waste generated in the office, to ensure that our operations could comply with regulatory requirements. In addition, we posted the Green Office Tips in our offices to promote environmental protection and energy conservation measures, and instilled the concept of a “green operation” culture in all staff members, to practise energy saving and emission reduction measures from the top down. Green plants were placed in the office to enhance air quality, a prerequisite for creating a comfortable and healthy working environment for employees. The energy and resources consumed by the Group mainly consist of the externally purchased electricity in the office, gasoline used by company cars, and water and paper used in the office. The major emissions discharged by the Group include air pollutants and greenhouse gas emissions from energy consumption, staff air travel, and paper use.

## Corporate Social Responsibility Report

The Group set environmental objectives in 2021, and set up a number of indicators and action plans with regard to the discharge of air pollutants and greenhouse gas emissions, energy efficiency, and waste generation. The following are the main environmental objectives and action plans that we implemented in the daily office operations as well as their progress during the Reporting Period:

Objective category	Environmental objectives	Indicators	Action plans	Time to achieve objectives	Progress and Actions in 2023
Air pollutant and greenhouse gas emissions	Encouraging green mobility	Strengthening management of company cars	Recording the fuel consumed by company cars, regularly overhauling them, and gradually replacing them with lower/zero-emission vehicles	Short-term	The plan was in progress and the measures for the management of company cars was implemented during the Reporting Period
		Reducing carbon emissions from business travels	Cutting unnecessary business travels and reducing the number of first class and business class flights	Short-term	The plan was completed. Employees were encouraged to travel less frequently and most business trips were replaced by videoconferencing/teleconferencing via electronic devices
	Supporting carbon neutrality	Offsetting carbon emissions	Buying carbon credits to offset carbon emissions from operations	Medium-term	The plan was in progress. Tree planting activities will be planned to offset part of the emissions in the future
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	The plan was in progress. Bags for destroying confidential documents were placed at prominent locations of our office in Central, Hong Kong, and a third-party company was hired to recycle waste paper at offices and count the amount of the waste paper

## Corporate Social Responsibility Report

Objective category	Environmental objectives	Indicators	Action plans	Time to achieve objectives	Progress and Actions in 2023
	Recycling and reusing office equipment	Recycling office electronic equipment	Developing recycling plans and regularly checking the progress of executing the plans	Short-term	The plan was in progress. Electronic equipment was recycled by a contractor approved by the government (ALBA Integrated Waste Solutions (HK) Limited) to turn the e-waste into resources in a sustainable manner. The hazardous materials contained therein were safely disposed of, so the e-waste was converted into secondary raw materials
Energy use efficiency	Improving energy use efficiency	Cutting office energy consumption	Purchasing appliances with energy labels	Short-term	The plan was in progress. Downlights in the public areas of the Group were replaced into LED lights. When proceeding office renovation, energy-saving measures were considered. The electric lights in the renovated office areas were replaced with LED lights (except for the original lamp panels) in order to reduce energy consumption
		Conducting energy audits in offices	Formulating annual energy audit plans and working out energy saving measures	Short-term	The plan was yet to be implemented. We would promptly advance and review the plan. Besides, we would consult third-party organisations for the related work plan

## Corporate Social Responsibility Report

Objective category	Environmental objectives	Indicators	Action plans	Time to achieve objectives	Progress and Actions in 2023
All environmental areas	Advocating environmental awareness	Offering training on environmental protection for employees	We added environmental training to induction training, drew up environmental training/publicity plans, and irregularly organised energy conservation-themed activities	Short-term	The plan was in progress. We included environmental protection content in induction training and shared with staff green office tips, including energy conservation, office equipment, waste avoidance and reduction, material recycling, purchase of products made of recycled materials. During the Reporting Period, we held a "Coffee Grounds Recycling Program" to enhance staff environmental awareness

### ***Paper management***

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. As such, we have actively improved the office waste recycling system. We advocate double-sided printing, place a wastebasket next to each photocopier, and provide confidential document shredding bags for employees, with an aim to reducing paper waste. These convenient measures aim to increase the amount of waste paper recycled and reduce paper waste. We have hired a professional third-party confidential document disposal service provider to recycle paper and keep statistics on the amount of waste paper recycled to monitor the completion of relevant objectives. Meanwhile, we actively move to paperless offices and 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.

### ***Electricity management***

The energy and resources consumed by the Group are mainly the externally purchased electricity in the office and the gasoline used by company cars. During the Reporting Period, we reduced office energy consumption to improve energy use efficiency. To develop employees' habit of saving electricity, we circulated 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 adopted electrical appliances with lower power consumption, such as those with grade 1 energy labels, in an effort to improve energy efficiency. Meanwhile, we used eco-friendly and energy-saving LED lights as our main lighting fixtures progressively. During the Reporting Period, we replaced all the lights in the public areas of the Headquarters Office in Central,

Hong Kong with LED lights, which would consume less energy and have a longer lifespan, thus reducing the amount of energy used and waste generated. In addition, when replacing electrical products was a must, we would preferably purchase products with energy efficiency labels and RoHS compliance to save electricity. During the Reporting Period, we effectively implemented energy efficiency measures to increase the use of energy-labelled electrical appliances.

### ***Water management***

During the Reporting Period, in order to avoid waste of water resources, we posted water conservation tips in the workplace to enhance water conservation awareness among employees. We provided reusable cups for visitors in the conference room and advised employees to bring their own cups, so as to reduce consumption of bottled water. Given the business nature, we are not a high water-consuming company. The water used in our offices is mainly from the municipal water supply system, and water consumption is managed by the property management company. So, there is no difficulty in sourcing water and no relevant targets have been set for the time being. During the Reporting Period, as water management measures were effectively implemented, water consumption decreased by more than 21% over the same period last year.

### ***Reasonable Use of Vehicles***

During the Reporting Period, we encouraged green mobility, implemented a low-carbon strategy, and were committed to strengthening the management of company cars and reducing carbon emissions from business travels. The Vehicle Management Measures was formulated to regulate the use of company cars through practical actions. Staff were required to record the fuel consumption of company cars, regularly inspect and repair company cars, and avoid fuel inefficiency caused by ageing of vehicle parts, with a view to ensuring that the vehicles could maintain good performance and efficient operation. We plan to switch to greener vehicles to further reduce air pollutants and greenhouse gas emissions. On the premise of not affecting the normal operation of the Group, staff are encouraged to make more use of audio and video conferencing and public transport for business visits, so as to reduce the use of company cars for client reception and meeting transfers and move further towards the aim of minimising the impact on the environment. In case of necessary business travels, we will try our best to buy economy seats in the hopes of contributing to global carbon emissions reduction. In addition, we require our employees to make more appropriate arrangements for itineraries to avoid the situation of idling engines and maximise vehicle fuel efficiency, in an effort to reduce air pollution caused by driving cars. During the Reporting Period, although we implemented measures to reduce car usage and business travels, mileage increased as business gradually returned to normal due to the easing of the COVID-19 restrictions and therefore, air pollutant and greenhouse gas emissions from car use increased accordingly.

In addition, we are also aware of the impact of other air pollutants on the local environment. During the Reporting Period, we strictly complied with the Air Pollution Control Ordinance and the Motor Vehicle Idling (Fixed Penalty) Ordinance of Hong Kong and managed our sources of air pollutant emissions in accordance with the ordinances. Our air pollutant emissions were mainly from the six company cars over which the Group has operational control in the Hong Kong office areas.

## Corporate Social Responsibility Report

### Hong Kong office areas — air pollutant emissions

Types of air pollutant emissions <sup>10</sup>	Emissions in 2023	Emissions in 2022	Unit
NOx emissions	4.38	3.53	kg
SOx emissions	0.21	0.18	kg
CO emissions	39.38	31.73	kg
PM2.5 emissions	0.11	0.08	kg

### Hong Kong office areas<sup>11</sup> — resource consumption

Class	Consumption in 2023	Intensity of consumption in 2023	Consumption in 2022	Intensity of consumption in 2022
Fuel consumption (gasoline) <sup>12</sup>	14,365.71 L	2,394.29 L/car	12,349.48 L	2,058.25 L/car
	139,223.35 kWh	23,203.89 kWh/car	119,683.33 kWh <sup>13</sup>	19,947.22 kWh/car
Electricity consumption	771,887.00 kWh	3,038.93 kWh/person	774,474.00 kWh	3,226.98 kWh/person
		165.33 kWh/m <sup>2</sup>		165.89 kWh/m <sup>2</sup>
Water consumption <sup>14</sup>	573.39 tonnes	2.26 tonnes/person	714.74 tonnes	2.98 tonnes/person
Total paper consumption	4,715.17 <sup>15</sup> kg	18.56 <sup>15</sup> kg/person	1,801.25 kg	7.51 kg/person
Total energy consumption	911.11 mWh	3.59 mWh/person	894.16 mWh	3.73 mWh/person

<sup>10</sup> 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.

<sup>11</sup> 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 square meters. They accommodate 254 employees.

<sup>12</sup> Fuel consumption was from six company cars over which the Group has operational control in the Hong Kong office areas during the Reporting Period.

<sup>13</sup> 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.

<sup>14</sup> 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.

<sup>15</sup> The total paper consumption and consumption density in 2023 increased significantly compared to 2022 due to the local easing of the epidemic, which resulted in the cancellation of remote work, leading to an overall increase in paper consumption.

### Environmental Education and Publicity

The Group believes that it is important to raise the environmental awareness of employees in operations. We add environmental training to the induction training programme, draw up environmental publicity plans, and organise energy conservation-themed activities to encourage employees to develop eco-friendly awareness and habits. We ask employees to implement environmental protection measures in their daily work. For example, we post energy and resource conservation notices in our offices, provide reusable tableware in staff leisure areas, and encourage our employees to avoid using disposable tableware. Meanwhile, dedicated personnel are assigned to conduct regular inspections to ensure that employees comply with established environmental requirements, while developing eco-friendly habits.

### Waste Management

During the Reporting Period, the Group strictly complied with the Waste Disposal Ordinance of Hong Kong to avoid spending extra money and time due to the improper disposal of waste. We also adopted effective waste management measures to dispose of the hazardous and non-hazardous waste generated from office operations in accordance with relevant regulations. Given the business nature, the hazardous waste generated in our office premises mainly includes electronic appliances, fluorescent light tubes, waste batteries, and waste toner cartridges. We recycle hazardous waste as much as possible in the hopes of making the best use of all resources. During the Reporting Period, we arranged for qualified recyclers to dispose of photocopiers, thus turning waste into resources in a sustainable manner. At the same time, we arranged for suppliers to collect the used toner cartridges on a regular basis, so as to ensure appropriate treatment of hazardous waste and avoid environmental pollution. The discarded fluorescent tubes are collected by the building management office which would transfer them to a nearby recycling point for reuse. In addition, waste sorting and recycling bins are placed in the office premises for collection of non-hazardous waste such as waste paper, aluminium cans, and plastic bottles, which will subsequently be put into the central recycling bins of the office building for collective collection. In active response to the government's policy initiatives, we push forward initiatives in the office premises for waste reduction from the source to reduce waste generated from office operations. In the future, we will communicate with the property management companies to understand their plans to comply with the municipal solid waste charging policy in Hong Kong and and it is handed over to an outsourced cleaning company for centralised management and processing.

Hong Kong office areas — waste generation

Class	The amount generated in 2023	The intensity of waste generated in 2023	The amount generated in 2022	The intensity of waste generated in 2022
<b>Hazardous waste</b>				
Waste fluorescent light tubes	46 tubes	0.01 tube/m <sup>2</sup>	43 tubes	0.01 tube/m <sup>2</sup>
Waste toner cartridges	60 cartridges	0.18 cartridge/person	86 cartridges	0.36 cartridge/person
<b>Non-hazardous waste</b>				
Waste paper <sup>16</sup>	1,414.55 kg	5.57 kg/person	540.38 kg	2.25 kg/person

Combating Climate Change and Supporting Carbon Neutrality

In response to Hong Kong’s Climate Action Plan 2050 and the dual carbon goal of China, the Group has taken concrete actions at both the operational and business levels to enhance climate change management from the top down and to improve the performance in climate risk management continuously.

The Group implements energy-saving and low-carbon measures to reduce greenhouse gas emissions generated from its operation, following the global trend of low-carbon economy. We closely monitor the key indicators of climate change, regularly calculate the greenhouse gas emissions generated from the Hong Kong office areas, and make reports to the Board. Greenhouse gas emissions from 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).

<sup>16</sup> Waste paper production was estimated based on 30% of the paper consumption.

## Hong Kong office areas — greenhouse gas emissions

Scopes of greenhouse gas emissions	Emissions in 2023	Emissions in 2022	Unit
Scope 1 <sup>17</sup> :	38.21	32.96	tonnes
Scope 2 <sup>18</sup> :	501.98	521.63	tonnes
Scope 3 <sup>19</sup> :	20.87	16.27	tonnes
Total greenhouse gas emissions (Scopes 1, 2 & 3)	561.07 <sup>20</sup>	570.87	tonnes
Intensity of greenhouse gas emissions (Scopes 1, 2 & 3)	0.12	0.12	tonnes/m <sup>2</sup>
	2.21	2.38	tonnes/person

Given our greenhouse gas emissions are mainly generated from externally purchased 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”, and give priority to electrical appliances with grade 1 energy labels, with the aim to improve energy efficiency and mitigate the impact on the environment. In addition, we also encourage employees to replace business travels with online means such as phone calls or video conferences as far as possible to reduce greenhouse gas emissions caused by business travels. During the Reporting Period, we effectively implemented the above-mentioned measures to save energy and reduce emissions, which cut greenhouse gas emissions.

<sup>17</sup> 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.

<sup>18</sup> The computation method and relevant emission factors of greenhouse gas emissions (Scope 2) are based on: the 2022 Sustainability Report by HK Electric Investments Limited and the 2022 Sustainability Report by CLP Power Hong Kong Limited.

<sup>19</sup> 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>).

<sup>20</sup> The total greenhouse gas emissions are the sum of actual emissions in Scopes 1, 2 & 3 after rounded to two decimal places.

## Corporate Social Responsibility Report

As climate change leads to more severe and frequent extreme weather events all over the world, governments of different countries have continued to strengthen climate-related regulatory measures and promote relevant technologies to cope with climate change. The Group pays particular attention to the impact of climate change on its business operations and proactively identifies and responds to potential risks arising from climate change. Physical risk, 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 types of transition risk, including adjustment of operating modes 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 asset price changes or deterioration of credit conditions, which will result in financial losses.

The Group formulated the Measures for the Management of Climate Change-related Issues, in a bid to effectively address the risks and opportunities associated with climate change. The Measures clearly specifies the duties and responsibilities of the Task Force in relation to climate change management, including identifying physical risk (such as natural disasters) and transition risk (such as changes in laws and regulations) related to climate change, assessing the impact of climate change issues on corporate operations, and reviewing and enhancing the effectiveness of management measures for climate change response. Authorised by the Board, the Task Force assists the Board in overseeing and regularly reviewing the management of climate change response efforts. We clearly set out management processes for monitoring, risk management, and planning in the Measures for the Management of Climate Change-related Issues, which enable us to effectively manage and control the possible impacts of climate change on us.



### Monitoring

- Accounting and monitoring of greenhouse gas emissions
- Reviewing and monitoring the impact of climate change on our business operations on a regular basis



### Risk management

- Identifying and assessing the risks and opportunities brought by climate change
- Working out measures to manage climate change risks



### Planning

- Making contingency plans for extreme weather conditions
- Developing measures to reduce greenhouse gas emissions

To maintain the normal operations of our businesses, we formulated the Measures for the Administration of Business Continuity to address operational interruptions that may arise from extreme weather events such as hurricanes, ensuring the swift restoration of normal operations and strengthening our adaptability to climate change to reduce operational risks.

We also developed the Measures of BOCOM International for the Management of Climate-related Risks and the Guidelines of BOCOM International for Climate-related Risk Investment and Management, which explain the investment risk associated with climate-related risk factors, clarify the risk management responsibilities for each business unit, and integrate climate-related risk factors into the investment risk management framework and investment process. For example, climate risk indicators were added to the Risk Appetite Framework. BOCOM International has established a climate risk assessment model and a risk categorisation system to assess the risks associated with its investments. Climate-related risks are overseen and managed by the Board and the Climate Risk Task Force appointed by the Board. The Board supervises the process of integrating climate-related considerations into investment and risk management activities, and monitors the progress towards the targets set to address climate-related matters.

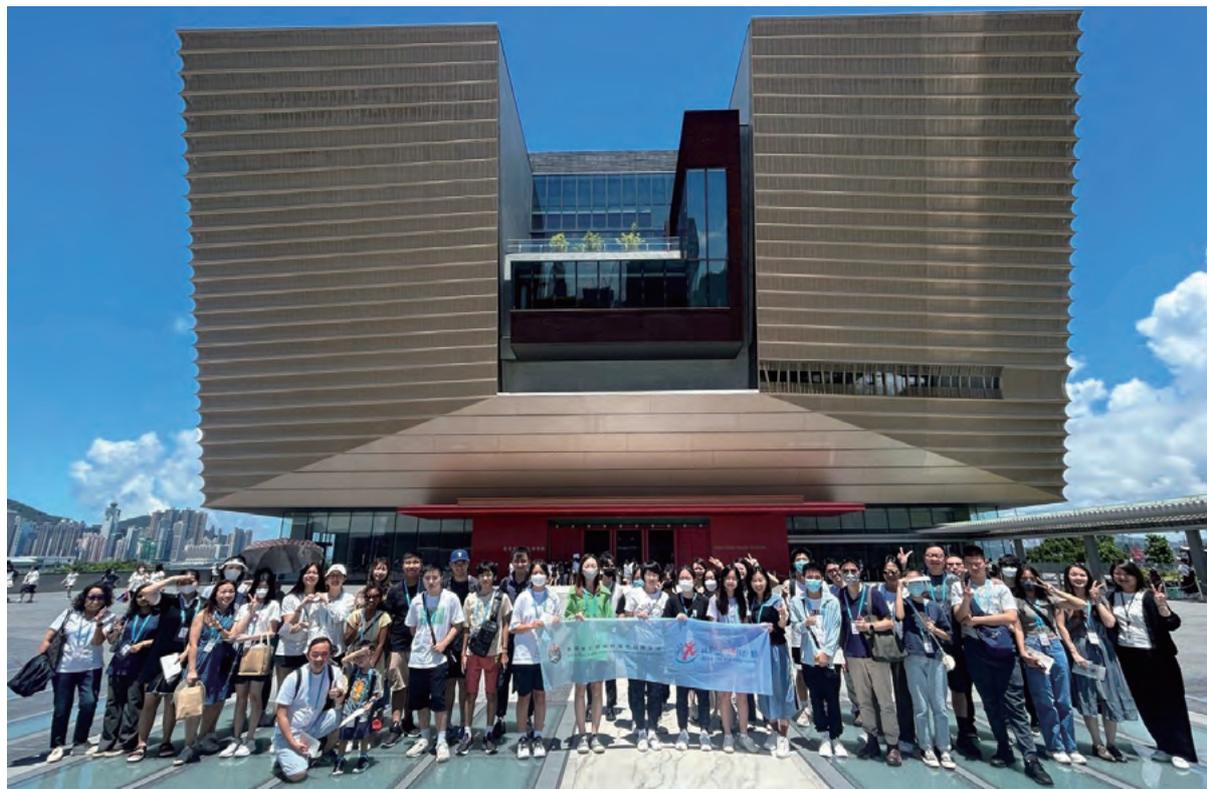
During the Reporting Period, we updated the Measures of BOCOM International for the Management of Climate-related Risks to optimise the climate risk management process from the perspective of internally reviewing and reporting investment plans, in a bid to get informed of the progress and status of climate-related risk management. We review the effectiveness of the Measures of BOCOM International for the Management of Climate-related Risks every year to ensure that portfolio managers could “have a positive impact on climate change” in the investment management process and implement the “green finance investment” strategy actively advocated by the BoCom Head Office. Fund managers actively control the climate risk faced by a fund during pre-investment research by a variety of means such as adjusting the investment proportion, communicating with the invested companies, and diversifying investments. Researchers pay close attention to market movements as well as the latest status, news, and trends of individual companies to identify the possible impact of relevant updates on investment activities.

### CARING FOR SOCIETY AND STRIVING TO FULFIL SOCIAL RESPONSIBILITY

The Group pays close attention to the sustainable development needs of the community, while pursuing its own business development. Our financial institutions take social responsibility very seriously, committed to promoting the sustainable development of the community. We believe that investing in the education and development of young people is key to achieving this goal. Therefore, we support local youth development, invest in nurturing young people into the pillars of our community in the future, and play a positive role in the community by participating in community activities related to youth development.

During the Reporting Period, the Group organised its employees to participate in the Strive and Rise Programme organised by the Social Welfare Department of the Hong Kong SAR Government in a total of 102 hours, reaching out to grassroots junior high school students to provide one-on-one tutoring, share their social experience and expertise, and set good examples for teenagers with their practical acts. It is hoped that the programme would help young people broaden their horizons, enhance their self-confidence, develop a positive outlook on life and a correct concept of financial management, and prepare sound personal development plans.

The Group participated in the Strive and Rise Programme organised by the Hong Kong SAR Government



During the summer holidays in 2023, the Group took part in the Young Bankers Summer Programme organised by the Education Bureau of the Hong Kong SAR Government as the only brokerage to provide training to and communicate with more than 30 students from 14 senior high schools, with a view to helping these students better understand the latest fintech trends in Hong Kong and Mainland China as well as the day-to-day work in the financial industry. Through this programme, we aimed to help students develop a deep understanding of the financial industry and provide guidance for their future studies and career planning.

In December 2023, the Group participated in the Man Yee Building Christmas Donation Programme by donating 20 sets of toys to the Children's Heart Foundation, so as to take care of children with heart disease.

APPENDIX: SEHK GUIDE CONTENT INDEX

Mandatory disclosure rules		
	Description	Relevant Chapters/ Remarks
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board’s oversight of ESG issues;</li> <li>(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</li> <li>(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.</li> </ul>	Sustainable Development Governance
Reporting Principles	<p>A description of, or an explanation on, the application of the reporting principles of materiality, quantitative, and consistency in the preparation of the ESG report.</p> <p>Materiality: The ESG report shall disclose: (i) the process to identify and the criteria for the selection of material ESG factors; and (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable).</p> <p>Consistency: The issuer should disclose in the ESG report any changes (if any) to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	Basis of Preparation
Reporting Boundary	<p>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.</p>	Scope of Report

## Corporate Social Responsibility Report

"Comply or explain" provisions			
	KPIs	Description	Relevant Chapters/Remarks
A. Environmental			
A1: Emissions	General Disclosure	<p>Information relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer.</p> <p>Notes: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	<p>The contents relating to "discharges into water and land" are not applicable to our principal businesses. The others were disclosed in the chapters headed "Combating Climate Change and Supporting Carbon Neutrality", "Green Office Measures and Environmental Protection", and "Waste Management"</p>
	A1.1	The types of emissions and respective emissions data.	Green Office Measures and Environmental Protection
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where applicable, intensity (e.g. per unit of production volume, per facility).	Combating Climate Change and Supporting Carbon Neutrality
	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

"Comply or explain" provisions			
	KPIs	Description	Relevant Chapters/Remarks
A. Environmental			
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Green Office Measures and Environmental Protection, Combating Climate Change and Supporting Carbon Neutrality
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Office Measures and Environmental Protection, Waste Management
A2: Use of Resources	General Disclosure	Policies on efficient use of resources, including energy, water, and other raw materials. Notes: Resources can be used for production, storage, transportation, buildings, and electronic equipment.	Green Office Measures and Environmental Protection
	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 Measures and Environmental Protection
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Office Measures and Environmental Protection
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Office Measures and Environmental Protection

## Corporate Social Responsibility Report

"Comply or explain" provisions			
	KPIs	Description	Relevant Chapters/Remarks
A. Environmental			
	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 Measures and Environmental Protection
	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.	Green Office Measures and Environmental Protection
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Office Measures and Environmental Protection
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.	Combating Climate Change and Supporting Carbon Neutrality
	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.	Combating Climate Change and Supporting Carbon Neutrality

"Comply or explain" provisions			
	KPIs	Description	Relevant Chapters/Remarks
<b>B. Social</b>			
B1: Employment	General Disclosure	Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee Benefits and Welfare, Employee Diversity and Equal Opportunities, Employment Management
	B1.1	Total workforce by gender, employment type, age group, and geographical region.	Employment Management
	B1.2	Employee turnover rate by gender, age group, and geographical region.	Employment Management
B2: Health and Safety	General Disclosure	Information relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employee Health and Safety
	B2.2	Lost days due to work injury.	Employee Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Employee Health and Safety

## Corporate Social Responsibility Report

"Comply or explain" provisions			
	KPIs	Description	Relevant Chapters/Remarks
<b>B. Social</b>			
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Notes: Training refers to vocational training and may include internal and external courses paid by the employer.	Employee Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management and middle management).	Employee Training and Development
	B3.2	The average training hours completed per employee by gender and employee category.	Employee Training and Development
B4: Labour Standards	General Disclosure	Information relating to preventing child and forced labour: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Employment Management
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment Management
	B4.2	Description of steps taken to eliminate such practices when discovered.	Employment Management  The Group has eliminated all possibilities of child labour and forced labour during recruitment, so no violations will be found.

"Comply or explain" provisions			
	KPIs	Description	Relevant Chapters/Remarks
<b>B. Social</b>			
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Sustainable Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Sustainable Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Supply Chain Management

## Corporate Social Responsibility Report

"Comply or explain" provisions			
	KPIs	Description	Relevant Chapters/Remarks
<b>B. Social</b>			
B6: Product Responsibility	General Disclosure	Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	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 "Cybersecurity and Client Privacy", "Respecting Intellectual Property Rights", and "Promotion of Fintech and Optimisation of Financial Services"
	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.	Client Satisfaction
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Respecting 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.	Cybersecurity and Client Privacy

"Comply or explain" provisions			
	KPIs	Description	Relevant Chapters/Remarks
<b>B. Social</b>			
B7: Anti-corruption	General Disclosure	Information relating to bribery, extortion, fraud, and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Anti-money Laundering and Counter-Financing of Terrorism, Anti-corruption and Anti-bribery
	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-corruption and Anti-bribery
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption and Anti-bribery
	B7.3	Description of anti-corruption training provided to directors and staff.	Anti-money Laundering and Counter-Financing of Terrorism, Anti-corruption and Anti-bribery
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 Society and Striving to Fulfil Social Responsibility
	B8.1	Focus areas of contribution (e.g. education, environment, labour needs, health, culture, and sports).	Caring for Society and Striving to Fulfil Social Responsibility
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Caring for Society and Striving to Fulfil Social Responsibility