



2025

**ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT**



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ABOUT CHONG HING BANK

Chong Hing Bank Limited (“Chong Hing Bank”, the “Bank” or “we”) was founded in Hong Kong in 1948. The Bank and its subsidiaries (including Chong Hing Securities Limited and Chong Hing Insurance Company Limited) offer comprehensive commercial banking and financial services to individual and corporate customers. These services include HKD and foreign currency deposits, credit, foreign exchange, wealth management, investment, securities, insurance and mandatory provident fund. The Bank currently operates a network of more than 30 branches in Hong Kong as well as 1 branch in Macau, 17 branches and sub-branches in Chinese Mainland, including Guangzhou Branch, Beijing Branch, Shenzhen Branch, Shanghai Branch and Shantou Branch, and Guangzhou Haizhu Sub-Branch, Guangzhou Panyu Sub-Branch, Guangzhou Development Zone Sub-Branch, Foshan Sub-Branch, Shunde Sub-Branch, Nansha Sub-Branch, Guangdong-Macao In-depth Cooperation Zone in Hengqin Sub-Branch, Dongguan Sub-Branch, Zhongshan Sub-Branch, Shenzhen Nanshan Sub-Branch, Shenzhen Qianhai Sub-Branch and Shanghai Hongqiao Sub-Branch.

Chong Hing Bank was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) in 1994 and became a member of Yuexiu Group on 14 February 2014. On 27 September 2021, Yuexiu Group completed the privatisation of the Bank, which then became a wholly-owned subsidiary of Yuexiu Group, and was delisted from the Hong Kong Stock Exchange on 30 September 2021. Founded in Hong Kong in 1985, Yuexiu Group is one of the largest state-owned enterprises in Guangzhou in terms of asset size. In 2025, Yuexiu Group ranked 209th in the “Top 500 Chinese Enterprises” and 10th in the “Top 100 Multinational Corporations in China”. As of 31 December 2025, Yuexiu Group’s total assets under its financial standards amounted to RMB1,059.6 billion.

In 2025, Chong Hing Bank was ranked 339th in the “Top 1000 World Banks” list published by the British magazine The Banker, marking the seventh consecutive year that the Bank has remained among the world’s top 400 banks.

ABOUT THIS REPORT

OVERVIEW

This is the tenth standalone Environmental, Social and Governance (ESG) report (the “Report”) published by the Bank. The Report details the Bank’s management approach, measures, and performance on ESG issues. Unless otherwise stated, the reporting period of this Report is from 1 January 2025 to 31 December 2025 (the “year”).

PREPARATION BASIS

This report has been prepared with reference to the following disclosure frameworks and requirements:

- Environmental, Social and Governance Reporting Code (the “Code”) contained in Appendix C2 of the Listing Rules of the Stock Exchange of Hong Kong,
- Disclosure requirements of the Hong Kong Monetary Authority (the “HKMA”)’s Supervisory Policy Manual (SPM) module GS-1 Climate Risk Management, and
- Good practices in climate-related risk governance published by the HKMA.

REPORTING SCOPE AND BOUNDARY

The Report encompasses policy documents, statements and data pertaining to the actual business scope of Chong Hing Bank, Chong Hing Insurance Company Limited, Chong Hing Insurance Brokers Limited, Chong Hing Securities Limited, and Chong Hing Commodities and Futures Limited in Hong Kong, excluding the Bank’s operations in Chinese Mainland. The Bank is in the process of optimising the internal information collection system and will progressively broaden the reporting scope to the extent possible going forward.

TERMINOLOGY

The terminology used in this Report is identical to the Bank’s 2025 Annual Report, unless otherwise stated.

DATA SOURCES AND RELIABILITY STATEMENT

The information used in the Report is sourced from Chong Hing Bank, Chong Hing Insurance Company Limited, Chong Hing Insurance Brokers Limited, Chong Hing Securities Limited, and Chong Hing Commodities and Futures Limited. The Bank is responsible for the truthfulness, accuracy, and completeness of the contents of this Report.

CONFIRMATION AND APPROVAL

This Report was endorsed by the Climate Risk and ESG Working Group, the Risk Management Committee and the Executive Committee of the Bank and was approved by the Board of Directors of the Bank of the Bank (the “Board”) on 30 March 2026.

ABOUT THIS REPORT

REPORTING PRINCIPLES

We follow the four Reporting Principles detailed in the Code to accurately respond to ESG issues that are of significance to our stakeholders and pertinent to the Bank's operation.

MATERIALITY

The Bank engaged an independent consultant to identify various ESG issues via peer benchmarking and communication with stakeholders. We examined the materiality of the issues and confirms the focus of this Report.

QUANTITATIVE

The Bank has developed data collection tools to record and monitor ESG metrics under the coordination of the Climate Risk and ESG Working Group. Where applicable, this Report discloses the year-on-year data comparisons to allow stakeholders to understand the Bank's progress of work.

BALANCE

To ensure an unbiased presentation of the Bank's ESG performance, this Report not only discloses the outcomes of our efforts but also addresses areas for improvement in our management practices. Any omission of information has been explained.

CONSISTENCY

The quantitative information in this Report has been prepared in a consistent manner, enabling readers to easily compare it with the Banks' previous reports. Any alterations to the reporting boundaries of metrics are noted, providing readers with clear references.

FEEDBACK

You can access the electronic version of this Report either through the following website or scanning the quick response (QR) code as provided with mobile device. Chong Hing Bank regards this Report as an essential communication channel with our stakeholders.

If you have any comments or questions about this Report or Chong Hing Bank's ESG management, please contact us via the following contact methods:

Address: Chong Hing Bank Centre
24 Des Voeux Road Central
Hong Kong
Telephone: (852) 3768 6888
Website: www.chbank.com
Email: customerservice@chbank.com



Chong Hing Bank's website access code

MESSAGE FROM THE CHIEF EXECUTIVE

2025 marks a pivotal juncture in the global sustainable development journey and a year of transformation in which the financial industry is deeply integrating climate action and social responsibility. In Hong Kong, the green finance market continues to expand, with leading green bond issuance ranking among the highest in Asia, while regulators actively promote climate-related disclosures and transition planning by financial institutions. In Chinese Mainland, the balance of green credit has grown steadily, the transition finance framework and carbon market mechanisms are becoming increasingly mature, and the Guangdong-Hong Kong-Macao Greater Bay Area (the "Greater Bay Area" or "GBA") has emerged as an important testing ground for aligning green standards and facilitating cross-border financial connectivity. In response to these trends, Chong Hing Bank integrates sustainable development into the core of its business with strategic focus and professional capabilities, fulfilling corporate responsibility across environmental, employee, and social aspects, and striving to create long-term value for stakeholders.

ENVIRONMENTAL ASPECT: DEEPING GREEN AND SUSTAINABLE FINANCE TO DRIVE LOW-CARBON TRANSFORMATION

Finance is not only allocate resources but also reshape the ecological value chain. In May 2025, Chong Hing Bank reached another milestone in its Greater Bay Area presence with the official opening of the Guangzhou Development Zone Sub-Branch. This is not only our 17th branch in Chinese Mainland, but also the first Guangzhou branch to be recognised as a "Pre-emptive Carbon Neutrality" branch by the Guangzhou Carbon Emissions Trading Centre. Our financial services are now fully integrated into the regional industrial ecosystem, fostering close partnerships with local enterprises. Beyond traditional credit, we have introduced a "Lead Enterprise + Ecosystem Partners" model tailored for innovative-driven enterprises, guiding funds to precisely support green technologies and new quality productive forces. During the year, we successfully issued a number of green, social and sustainable certificates of deposit focusing on different sustainable development goals, channeling financial resources directly towards the green and low-carbon transformation of the real economy.

EMPLOYEE ASPECT: OPTIMISING HUMAN RESOURCE MANAGEMENT AND FOSTERING AN INCLUSIVE WORKPLACE

We firmly believe that employees are the Bank's most fundamental asset for sustainable development. In 2025, the Bank maintained a solid performance in the global banking rankings and received industry recognition with the Employer of the Year – Triple Crown, Employer of the Year – Grand, and Best Reward & Recognition Strategy Award – Grand. These honours affirm our institutional frameworks in terms of pay equity, performance incentives, and talent development. We have implemented a competency-based job placement mechanism, introduced welfare benefits such as exam leave and volunteer leave, and strengthened employees' sense of belonging and professional cohesion through corporate culture ambassador programmes, team building subsidies, and recreation club activities. Amid the wave of artificial intelligence and digital transformation, we place greater emphasis on employee upskilling and holistic wellbeing support, ensuring that human capital evolves in tandem with business development.

SOCIAL ASPECT: ADVANCING INCLUSIVE FINANCE AND RESPONDING TO COMMUNITY NEEDS

The fulfilment of social responsibility lies both in the inclusiveness of business design and in the sustainability of community engagement. During the year, our volunteer team partnered with the Hong Kong Federation of the Blind to visit a rehabilitation centre to meet visually impaired elderly and accompany them to a Chinese restaurant for lunch, fostering social inclusion. At the same time, we organised a number of community programmes such as New Year care visits, Mid-Autumn Festival elderly visit, and anti-fraud education day, building long-term connections with grassroots families. In retail business, we introduced Silver Bond subscription services and various elderly fee-waiver arrangements to promote financial inclusion. In addition, we organised financial education programmes for students participating in the Hong Kong SAR Government's "Strive and Rise Programme" and "Child Development Fund", enhancing young people's financial capabilities. We believe that the social value of financial institutions should be demonstrated through concrete actions that empower disadvantaged groups and narrow service gaps.

Looking ahead, Chong Hing Bank will continue to leverage Yuexiu Group's industry-finance synergies to deepen cross-border green financial services, actively explore the application of transition finance solutions and innovative carbon financial instruments, and support customers in navigating both the challenges and opportunities of the low-carbon transition. Anchored in sound risk management and driven by stakeholder engagement, we will further integrate our sustainability strategy with our core business, playing a more proactive role in shaping the sustainable finance landscape of Hong Kong and other cities across the Greater Bay Area. I would like to extend my sincere gratitude to all customers, employees, shareholders, and members of the wider community for their long-standing support and trust in Chong Hing Bank. Going forward, we will continue to work closely with all stakeholders to advance sustainable development and jointly promote coordinated progress and harmonious prosperity across the environment, society, and economy.

Zong Jianxin
Chief Executive

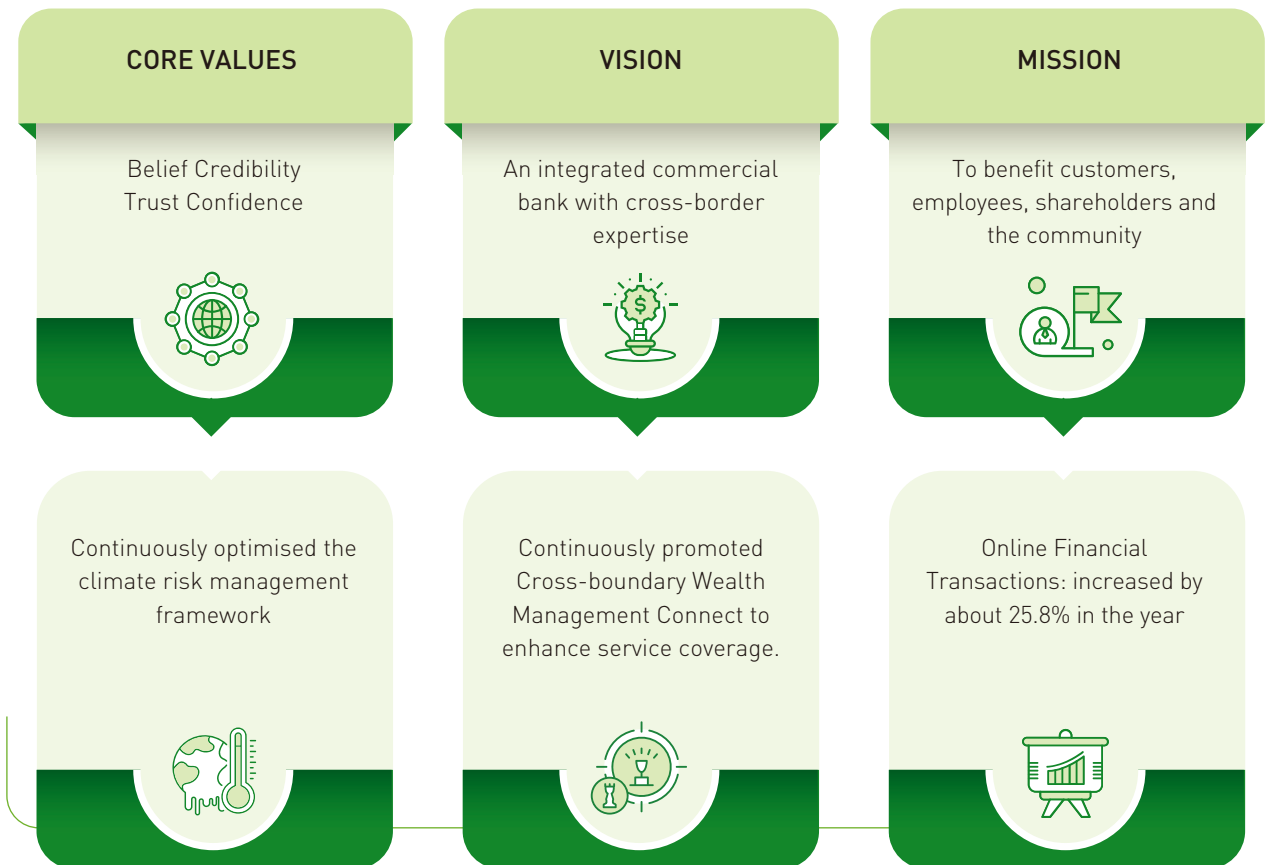
30 March 2026

2025 OVERVIEW

As part of Yuexiu Group, Chong Hing Bank upholds the Group’s core values of “Belief • Credibility • Trust • Confidence”. In response to the continuous changes in the market environment and customer needs, the Bank focuses on improving operational efficiency and service quality. With its positioning as a comprehensive commercial bank, Chong Hing Bank continues to expand its business footprint in Hong Kong and Chinese Mainland, and seizes regional development opportunities by strengthening its cross-border financial expertise. To fulfil our corporate mission of “To benefit customers, employees, shareholders and the community”, the Bank deeply integrates the concept of sustainable development into its corporate strategy, gradually improves its ESG performance, and actively promotes the implementation of social responsibility.

In response to regulatory trends and market practices, Chong Hing Bank continues to follow the Sustainable Strategic Statement (the “Statement”), comprehensively explaining the Bank’s climate governance framework, sustainable strategy and phased goals, fully demonstrating the Bank’s determination and actions to promote the transformation of a low-carbon economy. At the same time, the Bank has also incorporated the concept of double materiality in its materiality assessment, examining not only the impact of ESG factors on financial performance, but also assessing the impacts of the Bank’s business activities on society and the environment, ensuring that strategy development is more comprehensive and transparent.

To further strengthen the Bank’s sense of responsibility on climate issues and enhance its internal climate risk management capabilities, Chong Hing Bank continues to draw on its experience in participating in HKMA 2023-2024 Climate Risk Stress Test exercise to strengthen its resilience and adaptability in the face of environmental challenges. Through continuous efforts and improvements, the Bank continuously optimises its operational performance and aligns with international sustainability standards, striving to create lasting and robust value for customers, shareholders and the community.



2025 OVERVIEW

Chong Hing Bank continues to improve its ESG performance and actively invests resources to promote the sustainable development of its business and society. This year’s initiatives and achievements have been widely recognised and awarded a number of awards to demonstrate the Bank’s efforts and commitment to sustainable development.

Award **Awarded by**

Environmental, Social and Governance

ESG Special Recognition Award – with Merit

TVB






Environmental Protection

Gold Seal for the Pilot Program on Sustainability-related Financial Information Disclosure




HKQAA



2025 OVERVIEW

Award	Awarded by
Employee Care	
<p>Good MPF Employer 5 Years Recognition, e-Contribution Award and MPF Support Award</p>	<p>Mandatory Provident Fund Schemes Authority</p> 
<p>Best HR Awards 2025 – “Employer of the Year – Triple Crown” “Employer of the Year – Grand” “Best Reward & Recognition Strategy Award – Grand”</p>	<p>CTgoodjobs</p> 
<p>Talent Development Award 2025</p>	<p>The Hong Kong Institute of Bankers</p> 

2025 OVERVIEW

Award	Awarded by	
<p>Happy Company 5 years + Logo</p>	<p>Hong Kong Promoting Happiness Index Foundation</p>	
<p>Community Care</p>		
<p>15 Years plus Caring Company Logo</p>	<p>The Hong Kong Council of Social Service</p>	
<p>Elderly-Friendly "Award" from the Digital Accessibility Recognition Scheme 2024-2025</p>	<p>Hong Kong Internet Registration Corporation Limited (co-organised by the Digital Policy Office of the Hong Kong SAR Government)</p>	

ESG MANAGEMENT APPROACH

SUSTAINABILITY DEVELOPMENT STRATEGY AND OBJECTIVES

Chong Hing Bank actively promotes its sustainability strategy and prioritises key ESG issues that are closely related to stakeholder concerns and the Bank’s operations. The Bank’s Sustainable Strategic Statement serves as the core basis of the overall strategy, providing clear direction and institutionalised guidance for the implementation of various measures.

The Bank has established a robust policy and institutional framework to integrate sustainability into its core operations. These include the Sustainable Lending Policy and the Guidance Note, which clearly regulate the identification and assessment process of climate risks; the Sustainable Investment Policy, which helps integrate sustainability considerations into investment decisions; and the Green, Social, Blue and Sustainability Deposit Framework, which defines the criteria for green and related deposit products. In addition, the Bank has set environment-related targets and indicators to provide direction for operational decisions. By regularly reviewing and adjusting these targets and indicators, we ensure that our accountability mechanisms are in place and aligned with our overall sustainability roadmap.

Chong Hing Bank Sustainable Development Strategy



We aim to minimise the environmental impact of our business operations and expand our sustainable financing as part of our commitment towards contributing to a greener economy and society.



We aim to uphold the spirit of being customer-oriented, nurturing our employees, as well as contributing to the wellbeing of the community.



We will uphold high standards of corporate governance to guide and execute our strategic approach to sustainability.

ESG MANAGEMENT APPROACH

FOUR PILLARS OF CHONG HING BANK'S SUSTAINABLE STRATEGIC STATEMENT

<div style="border: 1px solid #c6e0b4; border-radius: 10px; padding: 10px;"> <div style="background-color: #008000; color: white; padding: 5px; text-align: center; font-weight: bold;">Support low carbon transformation financing</div> <ul style="list-style-type: none"> Strive to position the Bank to have a positive role in the transition to a low-carbon economy </div>	<div style="border: 1px solid #c6e0b4; border-radius: 10px; padding: 10px;"> <div style="background-color: #008000; color: white; padding: 5px; text-align: center; font-weight: bold;">Incorporate climate risks into our portfolio</div> <ul style="list-style-type: none"> Strive to manage the climate risks and impacts of the Bank's portfolio </div>
<div style="border: 1px solid #c6e0b4; border-radius: 10px; padding: 10px;"> <div style="background-color: #008000; color: white; padding: 5px; text-align: center; font-weight: bold;">Promote sustainable operations</div> <ul style="list-style-type: none"> Strive to reduce the environmental footprint of the Bank's business operations and strengthen the Bank's Sustainability awareness and culture </div>	<div style="border: 1px solid #c6e0b4; border-radius: 10px; padding: 10px;"> <div style="background-color: #008000; color: white; padding: 5px; text-align: center; font-weight: bold;">Enhance reporting transparency</div> <ul style="list-style-type: none"> Strive to increase transparency through reporting </div>

CHONG HING BANK'S ENVIRONMENTAL-RELATED OBJECTIVES

Level	Environmental Objective
Emissions	Closely monitor our carbon emissions intensity and ensure its alignment with our business growth.
Waste reduction	Further utilisation on digital platforms to minimise office consumables, so as to reduce non-hazardous waste disposals.
Efficiency of energy consumption	Closely monitor our energy consumption intensity and ensure its alignment with our business growth.
Efficiency of water consumption	Closely monitor our water consumption intensity and ensure its alignment with our business growth.

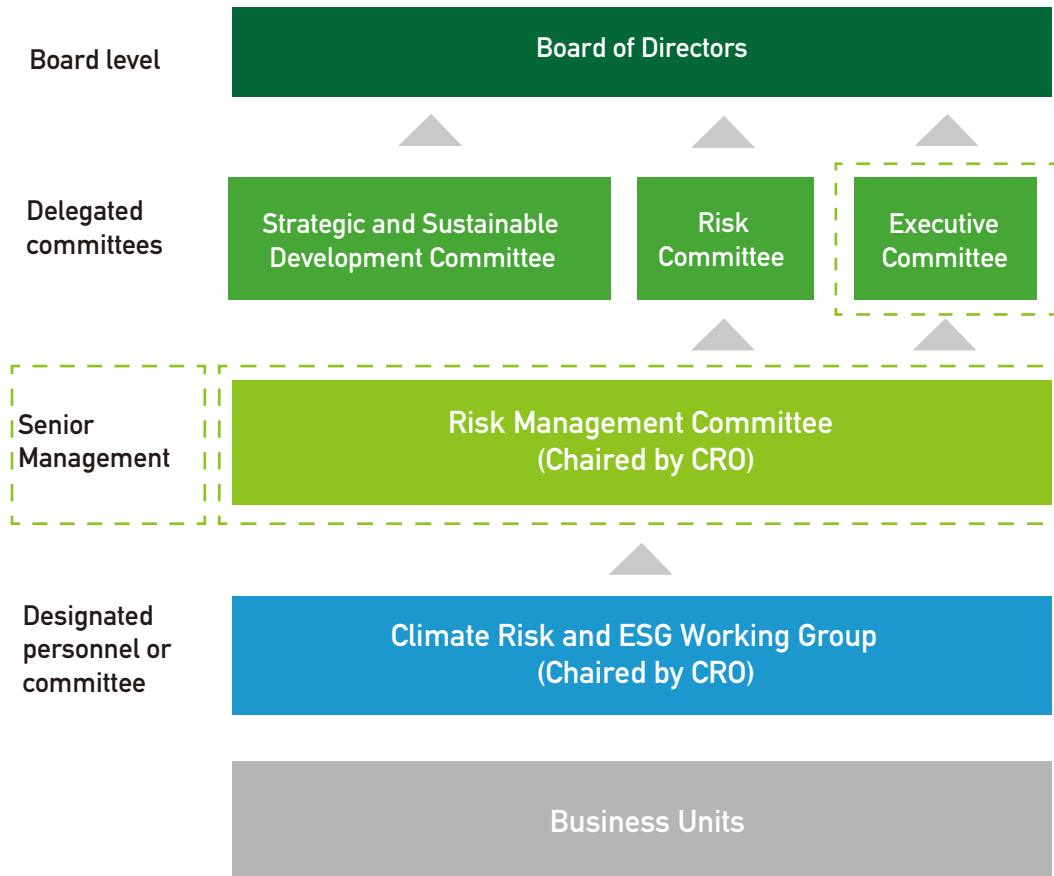
ESG MANAGEMENT APPROACH

ESG MANAGEMENT STRUCTURE

Chong Hing Bank has established an ESG management structure with the Board at its core. The Board’s responsibilities include overseeing and guiding the Bank and its subsidiaries in the formulation of ESG and climate-related strategies, risk management and opportunity capture. The Board is also responsible for reviewing the governance framework of relevant risk management functions and formulating policies and plans related to other material ESG issues. The Board Committees which include the Executive Committee and the Risk Committee, have delegated responsibility to oversee the implementation of the sustainable strategies. Among them, the Risk Committee is responsible for formulating an overall risk management strategy, covering the management approach of climate-related risks. The Executive Committee and the Risk Committee are fully supported by the risk management department and senior management. In accordance with the HKMA’s GS-1 governance requirements, the Bank has established the “Climate Risk and ESG Working Group” to further strengthen its management effectiveness and response capabilities in ESG and climate change-related strategies, risks and opportunities.

In the Group’s ESG management structure, the various components operate independently and in collaboration with each other to jointly promote strategic policies that balance development needs with long-term interests, and steadily promote sustainable development.

The Bank’s ESG management structure can be found in the table below:



ESG MANAGEMENT APPROACH

The key responsibilities of the Board, Board committees and designated personnel and committee on ESG matters are as follows:

Responsible Parties	Key Responsibilities
Board of Directors	<ul style="list-style-type: none"> Oversee and lead the Bank to formulate the development strategies and goals of ESG (including but not limited to, climate change and green and sustainable finance) Approve the Bank's overall risk (including but not limited to climate change, green and sustainable finance related risks) management strategy and framework, reviews regularly to ensure that they remain adequate and appropriate under the changing business and market conditions Approve the governance framework of ESG (including but not limited to climate change and green and sustainable finance) related risks management functions, and the policies and plans relating to other material ESG-related issues Approve annual ESG report
Strategic and Sustainable Development Committee	<ul style="list-style-type: none"> Review and formulate the overall development strategic plan (including green and sustainable development strategic plan) of the Bank Review and formulate the overall development strategic plan, medium- to long-term development strategic direction and goals and other significant matters that are critical to the development of the Bank, and make recommendation to the Board as well as seek the Board's approval Review the Bank's annual business plan and seek the Board's approval Regularly review, oversee and evaluate the implementation and effectiveness of the Bank's overall development strategic plan and medium- to long-term development strategy, and report to the Board as provide guidance on strategy direction to the management

ESG MANAGEMENT APPROACH

Responsible Parties	Key Responsibilities
Risk Committee	<ul style="list-style-type: none"> Review and recommend for the Board’s approval on the overall risk management strategies, including related strategies of climate-related risks, considering all relevant risk-related matters encountered by the Bank Group Regularly review and assess the adequacy and effectiveness of the Bank Group’s risk management framework, internal control systems (other than internal financial control systems) and risk management policies, procedures and systems in identifying, measuring, monitoring and controlling major risk exposures of the Bank Group, including climate-related risks, and oversee their effective operation, implementation and maintenance
Executive Committee	<ul style="list-style-type: none"> Formulate strategies and frameworks for operational, technology, reputation, strategic, customer data governance and protection and ESG (including but not limited to climate change, green and sustainable finance) risk management for the Bank to align with its overall business objectives, and review periodically and approve the respective risk management policies Review and approve ESG (including but not limited to climate change, green and sustainable banking) related risks, and policies and plans relating to other material ESG related issues, promote and supervise the relevant departments in implementing such policies and plans, ensure that climate change, environmental and other ESG related risks facing by the Bank are effectively controlled Decide the goals of the aforementioned plans and reviews the progress of such goals Review annual ESG report and confirm the appropriateness of the key performance indicators

ESG MANAGEMENT APPROACH

Responsible Parties	Key Responsibilities
Risk Management Committee	<ul style="list-style-type: none"> Review and endorse/approves the risk management policies and procedures of the Bank, according to the endorsement/approval authority set out therein Oversee the Bank’s major risks. Climate-related risks will be included in regular risk management reports to ensure such risks are overseen by the Risk Management Committee
Climate Risk and ESG Working Group	<ul style="list-style-type: none"> Assist the Risk Management Committee in fulfilling its duties with respect to climate-related risks and ESG risk management (covering the potential climate-related and ESG impacts induced by the risks defined in the categories of (i) credit risk, (ii) compliance risk (including anti-money laundering and counter-financing of terrorism), (iii) interest rate risk, (iv) legal risk, (v) liquidity risk, (vi) market risk, (vii) operational risk, (viii) information technology and cybersecurity risk, (ix) reputation risk, (x) strategic risk, (xi) human resources risk, (xii) subsidiary enterprise risk and (xiii) climate-related risks as set out in the Risk Management Committee Terms of Reference) and to report material risks to the RMC promptly Coordinate and advance the implementation work to integrate climate and ESG-related considerations into existing business and operations, by focusing on the potential climate and ESG-related impacts induced by the 13 risks described above, in order to enhance the Bank’s preparedness and capabilities against these potential impacts Conduct in-depth discussions across divisions/departments with external experts (if necessary) and share the information to the Risk Management Committee Review the proposed changes to relevant documents, e.g. the Sustainable Strategic Statement, the Sustainable Lending Policy and the Sustainable Investment Policy, ESG report, etc. Coordinate the implementation of practices in alignment with local, national and/or international standards, guidelines issued and/or recommended by regulators on climate and ESG related disclosures

ESG MANAGEMENT APPROACH

STAKEHOLDER ENGAGEMENT

Chong Hing Bank prioritises stakeholder engagement as a cornerstone of its ESG strategy, proactively seeking feedback to better understand the priorities and expectations of its stakeholders concerning ESG issues. To systematically collect stakeholders' feedback, the Bank has established diversified communication channels to strengthen its initiatives and build long-term, solid relationships of mutual trust with stakeholders. Through these communication mechanisms, the Bank incorporates stakeholder input directly into the decision-making process, ensuring that initiatives are better aligned with environmental and social objectives. Stakeholder communication methods include:

EXPECTATIONS OF STAKEHOLDERS AND COMMUNICATION PLATFORMS

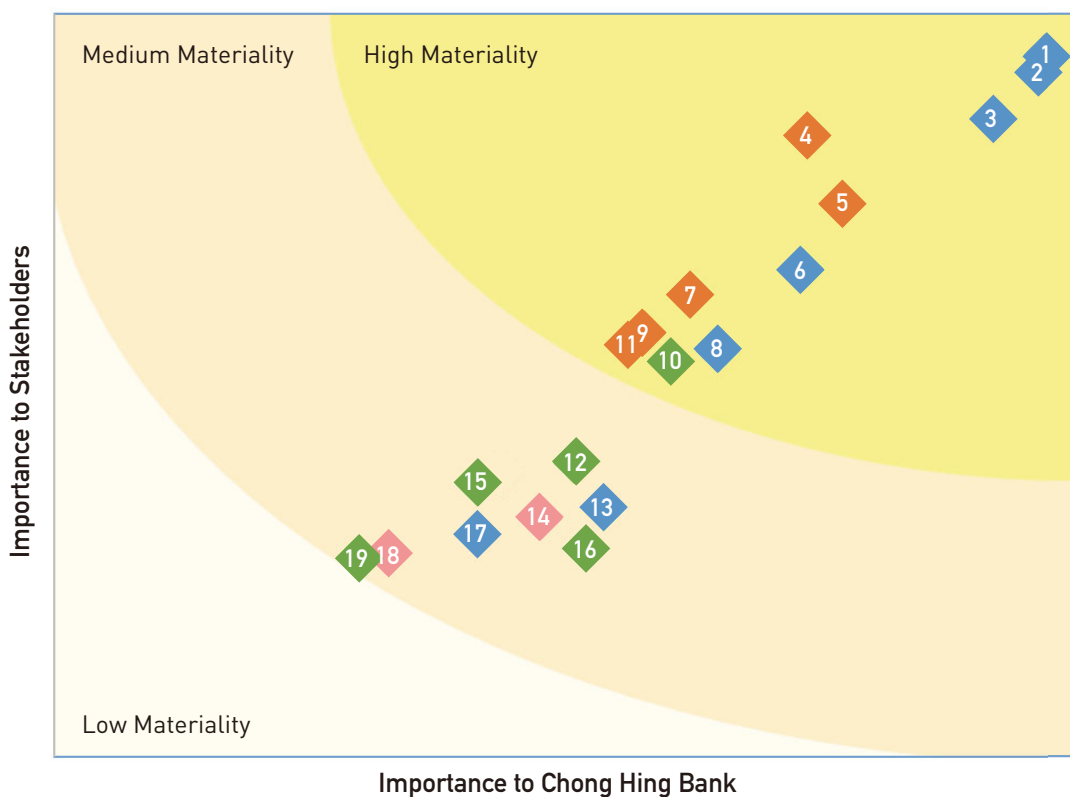
Major Stakeholders	Concerns/Expectations	Main Communication Mode
Shareholders and Investors	<ul style="list-style-type: none"> Robust operation Reasonable returns 	<ul style="list-style-type: none"> Meetings and discussions Annual/Interim reports
Customers	<ul style="list-style-type: none"> Fair customer treatment, and attention and response to customer needs Diversified banking services Professional advice and services Dual focus on both the environment and economic development 	<ul style="list-style-type: none"> Branch visit by relationship managers Daily operations and interactions Events that promote customer loyalty Emails Customer services hotline Customer Opinion Online Form Social media pages and accounts
Employees	<ul style="list-style-type: none"> Reasonable salary and benefits Increase the number of employee networking events Foreseeable career development and promotion opportunities Strengthen employee training, organise courses on banking-specific topics 	<ul style="list-style-type: none"> Emails Intranet Trainings and workshops Online learning platform Work performance and career planning meetings Views-sharing platform CHB Newsletter
Suppliers	<ul style="list-style-type: none"> Integrity management Fair procurement 	<ul style="list-style-type: none"> Meetings and communications Regular reviews and feedback Emails
Non-governmental Organisations ("NGOs")	<ul style="list-style-type: none"> Care for the underprivileged Contributions to the society 	<ul style="list-style-type: none"> Volunteer activities Sponsorship and charity donations Employee workshops Corporate responsibility conferences/newsletters Visits to NGOs
Governmental and Related Organisations	<ul style="list-style-type: none"> Compliance with industry standards Mutual contribution on promoting industry development 	<ul style="list-style-type: none"> Compliance reports Regular meetings
Media	<ul style="list-style-type: none"> Understanding the Bank's development Transparency 	<ul style="list-style-type: none"> Press conferences Press releases Interviews with senior management Media gatherings

ESG MANAGEMENT APPROACH

ESG MATERIALITY ANALYSIS

To identify the significant ESG issues for the Bank and ensure they are covered in this report, we commissioned an independent consultant to conduct an assessment by considering regulatory trends, industry practices, and stakeholder feedback, as well as the ESG issues identified last year. We refined the materiality matrix based on the review findings, removing “Paper consumption” as a standalone topic. The remaining relevant issues and their priorities remained highly relevant during the year. The results were reviewed by the Executive Committee and finally confirmed by the Board.

Chong Hing Bank ESG Materiality Matrix 2025



◆ Operational Practice Issues
 ◆ Employee and labour issues
 ◆ Environmental issues
 ◆ Community issues

High Materiality

Medium Materiality

- | | |
|--|---|
| <ul style="list-style-type: none"> ◆ 1 Business Ethics ◆ 2 Cybersecurity and Data Privacy ◆ 3 Risk Management ◆ 4 Employment Relationship ◆ 5 Human Rights and Anti-discrimination ◆ 6 Service Quality and Customer Satisfaction ◆ 7 Occupational Health and Safety ◆ 8 Corporate ESG Governance ◆ 9 Diversity, Equal Opportunities and Inclusion ◆ 10 Response to Climate Change Risks and Opportunities ◆ 11 Employee Training and Development | <ul style="list-style-type: none"> ◆ 12 Sustainable Finance ◆ 13 Promoting Financial Inclusion ◆ 14 Promoting Financial Literacy ◆ 15 Waste Management ◆ 16 Energy Use and Efficiency ◆ 17 Responsible Supply Chain Management ◆ 18 Caring for Community ◆ 19 Water Resource Use and Efficiency |
|--|---|

COMMITMENT FOR CUSTOMERS

Chong Hing Bank operates under a customer-centric corporate ethos, dedicated to providing attentive service and building customer trust. We foster a culture of innovation and leverage financial technology to develop new products and services. Our embrace of digital banking streamlines processes and enhances customer interactions. Concurrently, we remain committed to supporting the growth of small and medium-sized enterprises (SMEs) and seizing opportunities within the Greater Bay Area. Our goal is to expand our cross-border operations and evolve into a comprehensive commercial bank recognised for our expertise in cross-border services.

PROTECTING CUSTOMER PRIVACY

Safeguarding the privacy of our customers' personal and sensitive information is a crucial part of our commitment to strong corporate governance and building trust and lasting relationships with our customers. The Bank ensures that we only collect our customers' personal data with appropriate consent. Besides, we only collect necessary but not excessive personal data from customers in a lawful and fair manner to comply with the requirements of the Personal Data (Privacy) Ordinance. We handle documents containing customer data meticulously and dispose of them as soon as possible. The Bank has developed a Privacy Policy Statement and adheres to the principles and processes outlined in it in all operations. This document not only provides guidance for developing data protection measures and initiatives but also details the rationale behind personal data collection, establishes protocols for accessing and amending such data, implements safeguards against data breaches, and regulates the use of personal information for marketing purposes.

The Privacy Policy Statement mainly includes the following¹:

- The purpose and use of personal data collection
- The Bank will not provide personal information to third parties for direct marketing or other unrelated purposes without the consent of individuals or other parties
- The Bank has appointed a Data Protection Officer ("DPO") to supervise the Bank's compliance with the Personal Data (Privacy) Ordinance, other relevant rules and guidelines. The public can contact the DPO via email, post, telephone and fax to understand the implementation of the Policy, or contact the Bank to access their personal data and opt-out from direct marketing activities
- The Bank restricts actual access to personal data and takes all practicable security measures against facilities storing data in order to achieve an appropriate level of security protection
- Whenever there is any material breach of personal data protection principles, loss or leakage of customer data, the Bank will handle the cases properly in a timely manner according to the relevant guidelines, and report to relevant regulators where appropriate

The Bank attaches great importance to the understanding and compliance of employees with personal privacy protection regulations. To ensure a comprehensive grasp of personal data protection across all employees, we mandate that all new employees to undertake the Personal Data (Privacy) Ordinance module as a component of their New Employee Training. We require all employees to complete the online training course on privacy matters annually so as to ensure their continued awareness and compliance with the regulations outlined in the Personal Data (Privacy) Ordinance.

¹ For the latest Privacy Policy Statement, please contact the Bank or visit our website at: www.chbank.com.

COMMITMENT FOR CUSTOMERS

Chong Hing Bank is dedicated to ensuring the safe use of mobile banking by our customers. We have established internal guidelines concerning the utilisation of the Bank's network, and encouraged our customers to regularly read the security tips in the Bank's website for safeguarding themselves. In line with the evolving mobile security practices, we have implemented a biometric authentication system that enables customers to access the Bank's mobile banking services using fingerprint or facial recognition technology. Through the "Faster Payment System Service", customers can conveniently make payments and transfers, enhancing their overall transaction experience. We have also provided a range of security measures and safety tips on our website, including guidance on identifying and preventing fraudulent emails and mobile applications, measures for the secure use of online and mobile banking services, and recognising common online fraudulent activities. These initiatives aim at promoting security awareness among users of mobile applications. In October 2025, the Bank organised the Anti-Fraud Education Day event at Kwun Tong Branch and Sha Tin Branch respectively, showcasing how to identify common scams such as phishing, counterfeit websites and investment traps through interactive games and real-life case sharing, thereby further strengthening the community's awareness of fraud prevention.



Chong Hing Bank volunteers explained anti-fraud information and tips to the public, and raised their awareness of anti-fraud.

COMMITMENT FOR CUSTOMERS

HANDLING CUSTOMER OPINIONS

The Bank adheres to the core concept of customer-centricity, actively listens to and sincerely responds to customer feedback, so as to continuously improve service quality and strengthen mutual trust. To facilitate customers to express their opinions, we have set up multiple channels, including suggestion boxes at each branch, customer opinion hotline, email and fax, etc. At the same time, the Bank also provides an online feedback platform for customers to submit suggestions or feedback anytime and anywhere. To make the process clearer, we have added a complaint notice on our website detailing the available channels, such as online customer feedback, phone calls and letters, along with a summary of the complaint handling procedures, to help customers express their complaints more effectively.

The Bank always values customer feedback and is committed to handling all kinds of feedback and complaints promptly and appropriately. When we receive complaints, we assess and classify them according to their severity and potential impact on customers and banks, and refer them to relevant dedicated departments or teams for follow-up, review relevant policies and operational procedures, ensure compliance with regulatory requirements, and optimise processes to enhance the overall customer experience. Cases with significant or far-reaching impact will be reported to senior management immediately and prioritised. We ensure that every complaint receives sufficient attention and is responded to in a fair and effective manner. After a comprehensive review, we will make improvements or adjustments as necessary, such as strengthening staff training, to enhance service standards. With the professionalism and continuous efforts of our staff, the Bank received a total of 3,438 customer appreciation in 2025.

IMPROVING CUSTOMER EXPERIENCE

The Bank fully recognises the importance of innovation in driving business growth and has set three directions as the core of its strategy by expanding cross-border financial services, enhancing branch operations, and advancing digital banking transformation. We continue to review and adjust various measures to improve products and services and further optimise the customer experience. With a spirit of innovation, the Bank is committed to providing simple and customer-centric solutions to meet the rapidly changing banking landscape, ensuring that it meets the diverse needs of its customers.

CROSS-BORDER FINANCIAL SERVICES

Based in Hong Kong, the Bank is proactively pursuing the growth opportunities emerging from the Greater Bay Area. We are committed to expanding the Chinese Mainland market and providing efficient and convenient cross-border wealth management services to Hong Kong and Chinese Mainland clients.

In personal banking, the Bank continues to promote the Cross-boundary Wealth Management Connect (WMC). Since the revision on the Implementation Arrangements of the Cross-boundary WMC Pilot Scheme in the Greater Bay Area (Implementation Rules) in 2024 and the launch of "Cross-boundary Wealth Management Connect 2.0" services, the Bank has been actively implementing relevant measures. These provide eligible residents in the Greater Bay Area with more comprehensive and convenient wealth management solutions, further meeting the diverse needs of customers for cross-border investment and asset allocation. In 2025, the Bank continued to optimise its product selection and service processes, remaining committed to advancing regional financial connectivity and inclusion.

COMMITMENT FOR CUSTOMERS

Additionally, the Bank also provides exclusive wealth management through our Exceed Banking services and Mainland Property Secured Loan services within the Greater Bay Area to meet the growing financial needs of customers. We are steadily expanding our coverage of Mainland mortgage loans to Shanghai and the seven core cities of the Greater Bay Area: Guangzhou, Shenzhen, Foshan, Huizhou, Dongguan, Zhongshan, and Jiangmen, so that Hong Kong customers can fully benefit from the Bank's cross-border mortgage loans.

In terms of corporate banking services, we are well aware of the challenges that Hong Kong enterprises may face in the cross-border investment process. To this end, we have set up the "Hong Kong Pass" commercial service to assist investors in completing the one-stop registration of Nansha/Shenzhen enterprises in Hong Kong, facilitating their expansion of business in Chinese Mainland. In addition, the Bank also actively provides professional cross-border financial solutions, including onshore CNY exchange rate conversion, cross-border data witnessing and other services to further promote trade and financing cooperation between the two places. We continue to deepen our cross-border business layout and strengthen the development of various fields such as banking, securities, and insurance to ensure that we can fully meet the diverse needs of our customers.

With the goal of developing into a comprehensive commercial bank with cross-border characteristics, the Bank is committed to exploring the Greater Bay Area market and gradually expanding its business to other cities in the Mainland to provide high-quality and comprehensive cross-border financial services to customers in Hong Kong and beyond.

ENHANCING BRANCH SERVICES

Chong Hing Bank provides customers with diversified and professional financial services through its flagship, general and community branches. To further enhance the digital experience while reducing customer waiting times and easing the workload of frontline staff, the Bank has installed queue ticket machines in 12 branches and cheque deposit machines in 9 branches. These initiatives enable customers to enjoy faster and more convenient services.

During the branch renovation or refurbishment works, the Bank adheres to the concept of customer-centricity and community interaction, and incorporates a number of thoughtful elements into the design, including comprehensive barrier-free facilities, a simple, bright and comfortable environment, a dedicated customer meeting room, and a projection equipment in the lobby to hold financial seminars to enhance the service experience of the branch.

For more information on accessible banking facilities, please refer to the "Promoting Financial Inclusion" section.

COMMITMENT FOR CUSTOMERS

DIGITAL BANKING TRANSFORMATION

Chong Hing Bank continues to promote digitalisation and financial technology applications, focusing on creating a secure and flexible mobile banking experience for customers. Through mobile and online platforms, customers can easily complete various financial operations, including time deposits, fund investments, fund transfers, cross-border remittances and foreign currency exchanges, etc., and can directly open investment accounts with Chong Hing Mobile Financial Services or refer them to Chong Hing Securities. To streamline the digital banking process, the Bank has introduced a number of innovative measures, such as online banking activation, remote account opening and online reactivation of dormant accounts, to further streamline operations and enhance efficiency. At the same time, we have also launched a new Bonus Points Redemption Platform, allowing customers to check and redeem credit card bonus points anytime, anywhere, and provide more than 100 options from Hong Kong and other Greater Bay Area cities to choose from. The credit card e-Statement function has been fully launched, allowing customers to check their statements at any time through Internet Banking or Mobile Banking. These initiatives achieved remarkable results in 2025: online wealth management transactions recorded a significant increase of about 25.8% compared with 2024, while the proportion of time deposits processed through electronic channels also rose by about 5.9% year-on-year. At the same time, approximately 85.8% of new customers have successfully converted into digital banking users. The Bank has also launched e-Banking lucky draws and e-coupons for mobile banking customers, which are widely used in transactions and promotions, and are deeply loved by customers, and effectively enhance customer engagement and loyalty.

The Bank has widely used biometric authentication technology, allowing customers to quickly log in to the mobile banking platform through fingerprint or facial recognition, eliminating the trouble of remembering account numbers or passwords, ensuring a safe and smooth usage process. The Mobile Banking app also integrates the "FPS" QR code payment function and provides cardless cash withdrawal services at all ATMs supporting JETCO, further enhancing transaction flexibility. To strengthen the digital financial ecosystem, the Bank actively collaborates with external service providers and fintech partners to provide customers with real-time access to the latest product information and offers, and can directly apply for the Bank's various financial services through these platforms, thereby expanding the digital interactive experience.

Chong Hing Bank will continue to promote the digitalisation process and increase resource investment to drive the development of various business areas with advanced technology. The Bank will focus on enhancing operational efficiency, improving risk management and optimising customer experience to enhance overall competitiveness and create long-term business value for shareholders and customers.

COMMITMENT FOR CUSTOMERS

VULNERABLE GROUP FINANCIAL SERVICE PROMOTION

Chong Hing Bank has always attached great importance to the development of financial inclusion and continues to design suitable financial solutions for the elderly. In line with the 10th batch Silver Bonds Series by the Hong Kong Special Administrative Region (HKSAR) Government in 2025, the Bank has offered seven service fee-waivers, including subscription handling fee, custody fee, interest collection fee, maturity redemption fee, early redemption fee, bond transfer fee and bond transfer fee relating to the Silver Bond. This will not only reduce the burden on the elderly, but also broaden their investment channels, allowing them to enjoy more stable financial protection in a safe and cost-effective environment. At the same time, the Bank waives the minimum initial deposit requirement, minimum balance requirement, and low-balance service fees for individuals aged 65 or above, those under 18, recipients of the Comprehensive Social Security Assistance (CSSA) Scheme or ordinary/higher disability allowances, and persons with disabilities or visual impairments, enabling elderly individuals and those in need to access banking services more conveniently.

RESPONSIBLE SALES AND MARKETING

Chong Hing Bank is dedicated to upholding responsible sales practices and has established internal guidelines to oversee the content of service promotions and to enhance employee training in sales and marketing. Before launching product promotions, the content and related terms and conditions are subject to an internal review process conducted by departments such as Corporate Communications, and Legal and Compliance (if necessary). This rigorous process ensures that terms and conditions are clearly defined and included in promotional materials, thereby preventing any potential for misinformation and ensuring full compliance with applicable laws, regulations, and regulatory guidelines.

Before launching a new fund product or unlisted structured product authorised by the Securities and Futures Commission of Hong Kong, the Bank will prepare the relevant product due diligence report and submit it to the New Product Approval Committee for approval to ensure that all product features and risks are presented in an equitable manner to avoid misleading. All Third-Party Product Offering Documents are sourced directly from the respective product providers, including fund companies and issuers of unlisted structured products. To mitigate the risk of any misleading information, the Bank refrains from independently generating additional sales documents. The Bank also organises briefing sessions and product training for sales personnel, empower them with sufficient knowledge of product feature. This enables them to deliver compliant and effective sales services tailored to customer needs.

The Bank utilises standardised agreements such as the "Account Terms (For Personal/Joint Account)", "Account Terms (For Corporate Account)", "Credit Card Cardholder Agreement", "Chong Hing UnionPay Dual Currency Credit Card Cardholder Agreement", and "Corporate Credit Card Cardholder Agreement". These documents are complemented by customised terms for various services, ensuring transparency and informing customers about the specific terms and conditions associated with the products and services provided.

Chong Hing Bank strictly adheres to the Competition Ordinance, avoiding any activities that may be construed as anti-competitive. During the reporting period, the Bank and its subsidiaries were not aware of any instances of non-compliance with laws and regulations concerning privacy and anti-competition that could have substantial impact on their operations in Hong Kong.

GOOD BANKING PRACTICE

Chong Hing Bank actively upholds an integrity, compliance, and responsible business model, which is the foundation of the Bank's business sustainability and is embedded in the Bank's business model. To ensure effective governance and professional conduct, the Bank has developed the "Good Banking Practice" guidelines that promote compliance and responsible conduct. The Bank also implements ethical standards and codes of conduct for both employees and suppliers, and has a robust and transparent corporate governance structure in place to safeguard our operations and mitigate compliance risks. We also have comprehensive business continuity plans and enhanced cybersecurity measures to ensure stable operations in the event of extreme or unforeseen circumstances.

EMPHASIS ON INTEGRITY AND COMPLIANCE

Chong Hing Bank upholds "Credibility" as a cornerstone value and maintains a stringent corporate governance framework to uphold integrity and compliance standards. Through a series of measures and policies, we oversee the compliance of day-to-day operations and promote workforce integrity, thereby ensuring the delivery of professional and reliable banking services. Our Staff Code of Conduct mandates strict compliance with legal requirements and internal codes, applicable to all employees within the Bank and its subsidiaries.

Additionally, our Anti-fraud Policy defines fraudulent activities and establishes an anti-fraud framework that encompasses fraud prevention and governance, monitoring, investigation, and reporting of fraudulent incidents. It also clearly defines departmental roles and responsibilities to ensure that each employee is aware of their specific duties in preventing fraud, including the use of internal training and monitoring systems. These robust policies are meticulously structured to guarantee that both our management and employees uphold the highest standards of ethics and professionalism, fostering a culture of integrity and trust across the organisation.

Our bank has joined the Banking Integrity Charter, organised by the Independent Commission Against Corruption (ICAC). This charter assists banks in establishing a robust integrity system and enhancing anti-corruption capabilities. Through this partnership, we are able to implement an effective integrity management system that boosts our awareness and capability in anti-corruption efforts while promoting an ethical business environment. These initiatives strengthen our resilience against corruption, and advance our integrity-building efforts.

In view of the persistently high number of deception cases in Hong Kong, the Bank has actively responded to the Anti-Fraud Education Working Group established by the Hong Kong Association of Banks and comprising 19 member banks. Through organising diversified anti-fraud education activities, strengthening industry collaboration, and promoting in-depth public education, the Bank is committed to safeguarding citizens from fraud and demonstrating the firm determination of the banking industry and the Association to combat scams.

Our Anti-Money Laundering and Terrorist Financing Policy is also structured in accordance with the guidelines issued by the HKMA, aimed at providing clear guidance for business units and departments to design their procedures and controls to meet the relevant legal and regulatory requirements. Employees are expected to understand their roles in managing risks related to money laundering and terrorist financing and to execute these responsibilities appropriately in their daily work. Should any employee suspect or know of a customer involved in money laundering or terrorist financing activities, they must immediately report the matter to the Bank's Anti Money Laundering reporting officer, who will take reasonable steps to assess all pertinent information and determine whether to promptly disclose relevant details to the Joint Financial Intelligence Unit (JFIU).

Chong Hing Bank upholds a strict zero-tolerance stance against corruption and financial crimes. To prevent any instances of non-compliant conduct, safeguard the Bank's and its customers' interests, and preserve the Bank's reputation, all employees must also comply with relevant regulatory mandates related to banking supervision. These mandates encompass laws such as the Banking Ordinance, the Prevention of Bribery Ordinance, and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance.

GOOD BANKING PRACTICE

In addition to the above laws and regulations regarding corruption, financial crimes, and professional ethics, Chong Hing Bank actively identifies legal requirements associated with product responsibility, employment, occupational health and safety, and environmental impact that have a substantial impact on our operations. The Bank enforces strict oversight to ensure that all employees comply with these relevant legal requirements.

Throughout the reporting year, there were no instances of non-compliance with laws and regulations concerning corruption that would have had a notable impact on the operations of Chong Hing Bank in Hong Kong and its subsidiaries.

The Bank regularly arranges training and seminars for staff and management to help them stay abreast of the latest regulatory and compliance trends, deepen their understanding of internal policies, guidelines and relevant laws and regulations, and remind employees to remain vigilant and enhance their compliance awareness. Board members are also required to participate in anti-corruption-related training to familiarise themselves with the latest regulatory requirements in the financial services industry. We also have dedicated courses on anti-money laundering and counter-terrorist financing to ensure that our officers understand their responsibilities and are up-to-date with the latest regulations and developments in these important areas.

As of the end of 2025:

- All employees have completed the Code of Conduct for Employee 2024 training course, with a total of **1,792** training hours
- All staff have participated in the annual online training on Anti-Fraud Policy, and the total training hours were **1,797** hours
- All new employees have participated in the New Employee Training which covers content related to the Prevention of Bribery Ordinance, and the total training hours were **270** hours

Chong Hing Bank has established a comprehensive internal reporting policy and mechanism to encourage employees to proactively report any suspected violations of internal regulations. The Bank strictly protects the identity of the whistleblower and the information provided to protect him from harassment, discrimination, harm or wrongful dismissal as a result of the report. We also have a whistleblowing policy for external service providers, clearly outlining the reporting processes of suppliers and contractors where we operate, and committing to providing secure and confidential channels.

The Bank has linked performance to compensation and risk management principles, and has included compliance and risk monitoring as important assessment indicators in the employee performance management system. This ensures that the impact and severity of risk factors, monitoring requirements, ethics, and compliance events are comprehensively considered in the performance evaluation of business units, functions, and individual employees, thereby promoting a stronger risk awareness and compliance culture within the bank.

GOOD BANKING PRACTICE

RISK MANAGEMENT

Chong Hing Bank firmly believes that effective risk management is the key to the sustained success of a business. The Bank has established a robust risk management framework and mechanism to proactively address various risks that may arise in the course of its operations. The Bank has put in place relevant systems and procedures to identify, assess, manage and report on key risk categories, including credit, liquidity, market, operational, legal and reputational risks. Each department has a clear defined roles and responsibilities to ensure effective checks and balances.

The Bank has established dedicated committees to monitor and review key risk areas and review risk management policies and core control authority before submitting them to the Board for approval. The Board, with the support of the committees, oversees the effectiveness of the risk management system in its entirety and assumes ultimate responsibility. The Bank's risk governance structure is also clearly divided into three separate lines of defence, which serve as an important basis for managing and preventing risks.



For the management of climate-related risks, please refer to "Climate Change" section.

BUSINESS CONTINUITY

Operational resilience refers to the ability of the Bank to maintain the normal operation of their core businesses in the face of external disruptions. The Bank understands the importance of identifying and preventing potential threats and failures, and mitigate the impact of business disruptions through proactive response, flexible adaptation, and rapid recovery. To ensure business continuity, the Bank has implemented and continuously updated the "Business Continuity Planning Policy", "Business Continuity Planning Guidelines", "Operational Resilience Framework" and "Operational Resilience Policy" in accordance with the HKMA's Supervisory Policy Manuals "TM-G-2 (Business Continuity Planning)" and "OR-2 (Operational Resilience)".

In the face of unforeseen challenges such as pandemics, natural disasters and emergency events, the Bank has developed a comprehensive business continuity and recovery plan, covering the division of functions of the Crisis Management Team, the design of recovery plans, and the arrangement of alternate working sites to ensure that the normal operation of core bank business can be maintained even in the event of an emergency. With the increasing frequency of critical events, such as outbreak of pandemics and natural disasters, the Bank has also implemented remote working to enhance operational flexibility and resiliency. At the same time, the Bank has established and obtained approval from the Board for the Operational Resilience Framework (subsequent amendments being approved by the Risk Committee) as a milestone to ensure that the Bank can still deliver critical operations through service disruptions. The framework enables the Bank to identify and protect critical operations from threats and potential failures, and to respond, adapt, recover and learn from business disruption events to minimise the impact on critical operations.

GOOD BANKING PRACTICE

The Bank provides all employees with the mandatory e-learning course “Operational Risk Management” on annual basis, covering topics such as business continuity and operational resilience. This further strengthens employees’ risk awareness and response capabilities, while reinforcing the Bank’s internal risk management culture.

During the year, Chong Hing Bank has conducted a number of business continuity planning and crisis response drills, including bankwide surprised recall exercise and whole building drill, Whole Industry Simulation Exercise (WISE), as well as cyber-attack, power failure and disaster recovery drills. All these drills were completed successfully, with no major issue identified.

CYBERSECURITY

Chong Hing Bank attaches great importance to cybersecurity and understands its importance to the Bank and its customers. We are constantly committed to creating a secure digital environment to prevent risks such as data breaches, reputational damage, and financial losses. During the year, the Bank updated its Information Technology Risk Management Policy and Information Technology Security Policy to ensure that the relevant measures are continuously improved in response to changes in technology and threats, and cover all aspects of the business.

To effectively capture and assess cyber risks, the Bank regularly holds meetings of various committees authorised by the Board and the Executive Committee, including the Board-mandated Risk Committee, the Risk Management Committee, the Digitalization Strategy Committee and the Information Technology Committee, to ensure that the governance and control framework is properly implemented. As the threat landscape continues to evolve, the Bank is constantly reviewing its risk appetite and the effectiveness of its controls to maintain high security standards.

Cybersecurity is a shared responsibility of all employees. In the event of a security incident, staff must immediately report their department heads, the Legal and Compliance Division, the IT Department, and the Operational & IT Risk Management Department and handle it promptly in accordance with established procedures to mitigate the impact. The Bank updates the cybersecurity awareness training course every year in response to the latest cybersecurity situation, and all staff must participate in it to enhance their understanding of the current situation and enhance their ability to cope with cyber risks. We also regularly promote operational risk warnings to remind our employees how to protect against common cyber-attacks, such as phishing attacks.

The Bank adopts the Cybersecurity Fortification Initiative launched by the HKMA to develop appropriate defence strategies to protect against threats and ensure alignment with the Cybersecurity Fortification Initiative initiated by the HKMA. We actively participate in the HKMA’s Professional Development Programme to assist IT professionals in obtaining certification and enhancing their technical skills in risk assessment and mock testing. To further strengthen our defence capabilities, the Bank uses the CyberSecHub Platform to exchange the latest security information with industry peers and receive alerts or warnings to enhance our preparedness against potential threats.

At the same time, the Bank conducts penetration tests and vulnerability scans on external systems (such as personal and corporate online banking) every year to identify potential security vulnerabilities and flaws, and enhance the system’s protection against the latest cyber-attacks. and conduct stress tests on systems such as personal online banking to evaluate whether the system capacity meets the target.

CARING FOR EMPLOYEES

Employees are an important force in driving our continued growth. With a people-centric approach, the Bank is committed to attracting and nurturing outstanding talents while fostering a diverse, inclusive, and harmonious working environment. We also provide comprehensive and diversified training programmes to support our staff in progressing together with the Bank towards long-term development. The Bank has been awarded the Employer of the Year by CTgoodjobs for three consecutive years, achieving the distinguished “Triple Crown” recognition. The Bank has also received the Best Reward & Recognition Strategy Award for two consecutive years, in recognition of our promotion of a positive work environment and support for employee development. The Bank has been recognised by the Mandatory Provident Fund Schemes Authority as a Good MPF Employer for 2024–25, and has received the e-Contribution Award and the MPF Promotion Award, acknowledging our continuous care for and emphasis on employees’ retirement protection. The Bank was further recognised by the Hong Kong Institute of Bankers at the Talent Development Awards 2025, highlighting our outstanding efforts and achievements in continuously enhancing employees’ professional capabilities and nurturing and developing talents.

EMPLOYMENT RELATIONSHIP

Chong Hing Bank has always attached great importance to establishing a fair and harmonious employment relationship with its employees. We strictly comply with relevant laws and regulations, including the Employment Ordinance, Employees’ Compensation Ordinance, Minimum Wage Ordinance, and the Hong Kong Bill of Rights Ordinance. At the same time, under the Employment of Children Regulations, the Bank ensures that any illegal employment practices, such as child labour or forced labour, are eliminated.

In terms of human resources policy, we closely follow industry standards and are committed to meeting the diverse needs of our employees. In the event of a breach, the Bank will immediately initiate an investigation and take appropriate corrective and preventive measures to avoid similar incidents from happening again. During the year, the Bank did not involve any violations of employment practices, child labour or forced labour related laws.

We offer attractive remuneration and comprehensive benefits to our employees, including medical, life and accident insurance, health check-up allowance, and various types of paid leave such as annual leave, marriage leave, full pay maternity leave, paternity leave, examination leave, birthday leave, volunteer leave and compassionate leave. A 24-hour helpline is also available for employees and their immediate family members in Hong Kong and Macau to provide professional counselling services covering personal, family, mental health and work-related matters. During the peak influenza season, the Bank also provides free vaccinations for employees and preferential vaccination arrangements for their families.

We value the physical and mental well-being of our employees and encourage participation through various activities to enhance a sense of belonging and cohesion. To further enhance team dynamics, the Bank has established a team building grant to support business units to organise activities independently to strengthen the spirit of cooperation. This year, we arranged a variety of activities for our employees and their families, such as annual barbecues, cross-border tours, movie appreciation activities, and interest classes on coffee latte art, cartoon pineapple cakes and cartoon glutinous rice balls in the “I Can Do It” series to promote exchanges and create a harmonious atmosphere.

CARING FOR EMPLOYEES

Year of Snake Annual BBQ Event



An annual BBQ event was held in February to celebrate the New Year and promote relationships among employees.

Shenzhen 1-day Tour



In June, a cross-border tour event was held, allowing participants to experience the fun of picking fresh lychees and enjoy authentic flavours.

Summer Movie Appreciation Event



The event was held in July, providing employees with a movie-watching experience where they could share happy hours.

"I Can Do It" Series of Interest Classes

"I Can Do It" Series 1: Coffee, Tea or Me



"I Can Do It" Series 2: Chinese Flower Pastry Making



"I Can Do It" Series 3: Glutinous Rice Balls Making



The Bank held a series of interest classes "I Can Do It" to lead colleagues to experience the fun of making coffee latte art, cartoon pineapple cake and cartoon glutinous rice balls.

CARING FOR EMPLOYEES

The Bank values maintaining close communication with its employees and enhancing interaction through multiple channels. To keep our staff abreast of the latest business developments and colleagues, we regularly publish the quarterly e-newsletter CHB Newsletter and Chong Hing Recreation Club Newsletter via email and intranet. During the year, the Bank also conducted a survey on staff to collect their views on the corporate culture and the key factors affecting work engagement, and introduced a team building allowance to encourage staff to strengthen communication and establish a good working atmosphere. These feedback provide important references for management in promoting corporate culture, optimising internal communication, and improving overall management effectiveness.

OCCUPATIONAL HEALTH AND SAFETY

The Bank strictly adheres to occupational health and safety (“OHS”) standards to protect the well-being of our staff and stakeholders. In addition to complying with the Occupational Safety and Health Ordinance, we have also developed an Occupational Safety and Health Policy to reduce health and safety risks related to our operations and the community. Under the supervision of management, all branches and offices have taken measures to mitigate potential risks. During the year, the Bank did not violate any laws and regulations related to occupational safety and health.

At the same time, we continue to promote safety awareness among our employees, regularly share office safety and health information, and require all new employees to receive safety training. During the year, the Bank conducted a total of 135 hours of occupational health and safety training to further enhance employees’ safety knowledge and awareness.

The Bank continues to improve its occupational health and safety management policy, regularly reviews potential risks and tracks the implementation of various measures. All business units strictly comply with the Fire Safety (Commercial Premises) Ordinance, appoint fire prevention officers and conduct annual fire drills to ensure that staff are fully aware of emergency escape procedures to enhance employees’ ability to respond to emergencies. We also arrange regular cleaning services, including maintenance of the air-conditioning system, to ensure good indoor air quality. At the same time, the Bank is committed to creating a comfortable and healthy working environment by equipping the office with ergonomically designed chairs to reduce occupational health issues and enhance work efficiency. Each unit must conduct a quarterly self-inspection of the working environment safety, covering the safety and cleanliness of the office location, and be approved and confirmed by the supervisor to ensure the safety of all employees and customers and the orderly office environment.

We provide a safe workplace for our employees through preventive measures and a comprehensive accident management mechanism. In the event of an accident, the Bank will promptly handle it in accordance with established regulations and take remedial and preventive measures. Management has also established standardised safety monitoring processes, regularly reviewed infrastructure, and promoted continuous improvement of workplace safety at all operating locations. These initiatives demonstrate the Bank’s commitment to employee well-being and the importance of a safety culture as an integral part of ESG responsibility.

CARING FOR EMPLOYEES





TRAINING AND DEVELOPMENT

Chong Hing Bank adheres to the spirit of “Beyond Excellence” of Yuexiu Group, actively promoting continuous learning and self-improvement among employees. We invest in training and skills development, with the goal of developing a professional, dedicated and forward-thinking team.

During the year, the Bank arranged a number of training programmes covering regulatory requirements, business development and soft skills. We adhere to high ethical standards and organise training courses on conduct, code of conduct and compliance, including Anti-money Laundering Case Studies Analysis, Refresher Training on HKMA’s prudential measures on Property Mortgage Loans (PMLs) and ICAC special lecture.

In response to the future development trends of the banking industry, the Bank has also launched new courses focusing on green finance, artificial intelligence and fintech, such as “AI Training Forum – Artificial Intelligence Applications in Banking” and “Latest Business Developments and Market Trends in Green Finance in Hong Kong and Chinese Mainland”. At the same time, we value the all-round growth of our employees and provide a variety of soft skills training, covering leadership, corporate culture, management, and sales skills, to help them improve their communication skills and strengthen their management skills.

During the year, we provided a total of 43,397 hours of training to 1,516 employees, with an average of 28.6 hours per employee.

Average Hours of Training ²			
Male	Female	Management	General Staff
30.6	26.7	25.2	29.5
			

The Bank continues to implement the Subsidised Staff Development Scheme to support eligible full-time staff to participate in external training, refresher courses and professional qualification examinations to enhance their professional standards. During the vetting process, the Bank will take into account a number of factors, including the applicant’s functional functions, personal development needs, whether the Bank has provided relevant training, and the recognition of the course provider. During the year, the success rate of the application for the Continuing Education Subsidy was 100%.

² Due to an update in the methodology for data compilation, the figures for this year are not comparable with those from previous years.

CARING FOR EMPLOYEES

DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION

Chong Hing Bank understands the importance of diversity for the long-term and sustainable development of a company. We value cultural differences, respect each employee, and encourage the exchange and integration of different backgrounds, perspectives, and styles to jointly shape a corporate culture that enhances business value.

We promote a respectful work atmosphere and strictly prohibit any discrimination, harassment or mistreatment on the basis of age, colour, disability, ethnicity or nationality, sex, gender identity or expression, marital status, pregnancy, race, religion or belief, and sexual orientation. We fully comply with equality and anti-discrimination laws, including the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance, and the Race Discrimination Ordinance, and opposes any discriminatory practices.

To ensure equal opportunities for all employees, the Bank’s internal policies clearly define the responsibilities of management, the rights and obligations of employees, and the procedures for handling related matters. We have established a complaint mechanism to enable employees to report any misconduct or discrimination incidents directly to the management to protect their legitimate interests.

In terms of recruitment and promotion, the Bank has always adhered to the principles of fairness and equity, ensuring that both men and women have equal opportunities. As of the end of December 2025, the Bank had a total of 1,857 employees, with a gender-to-gender ratio of approximately 1:1. The following is an overview of the relevant statistics:

Employee Data Summary								
By Age			By Gender		By Employee Category		By Employee Type	
<30	30-50	>50	Male	Female	Management	General Staff	Permanent Staff	Supervised Worker
10.5%	69.0%	20.5%	50.5%	49.5%	20.9%	79.1%	99.7%	0.3%

(Includes temporary staff, contract staff and seasonal staff)

COMMUNITY ENGAGEMENT

Chong Hing Bank is committed to integrating corporate social responsibility into its daily operations and actively encouraging its employees to participate in community service. Through volunteer programmes, partnerships with non-profit organisations and charity events, we support the underprivileged and promote sustainable development in our communities. Under the framework of the Community Investment Policy formulated by the Climate Risk and ESG Working Group, the Bank works with stakeholders to create greater social value.

Our community services focus on three areas: Caring for the Community, Environmental Protection and Financial Literacy Education, with priority given to children and the elderly, low-income families and people with disabilities. Since the establishment of the volunteer team in 2017, the Bank's social impact has continued to expand, thanks to the enthusiastic dedication and support of all employees. To further promote the volunteer culture, the Bank established a volunteer leave system in 2018 to encourage employees to bring their families to participate in community projects. This move not only deepens the Bank's connection with the community but also fosters the common growth of employees and strengthens the sense of collective responsibility.

Chong Hing Bank's key achievements in the community this year:

- Total employee volunteer service hours: **469.6 hours**
- Total donation: **HK\$80,200**
- Awarded the 15 Years plus Caring Company Logo by the Hong Kong Council of Social Service



- Awarded the Happy Company 5 years+ logo by the Promoting Happiness Index Foundation



COMMUNITY ENGAGEMENT

PROMOTING FINANCIAL INCLUSION

TO HELP SMES STARTING THEIR OWN BUSINESSES

Chong Hing Bank provides support to SMEs in different business cycles, covering their daily operations, business growth and financial needs during expansion. Through our closely collaborative business units, we provide one-stop value-added services to corporate clients, including employee financial management, MPF solutions and wealth management, ensuring strategic support.

We continue to innovate, proactively develop new products, and participate in the SME Financing Guarantee Scheme of the Hong Kong Mortgage Corporation to help enterprises expand their funding sources. The Bank's goal is to establish a robust and flexible financing platform to meet the funding needs of SMEs and support their long-term development. Chong Hing Bank will continue to uphold the value-based philosophy of providing reliable financial services to inject momentum into the continued success of SMEs.

POPULARISATION OF BANKING SERVICES

Chong Hing Bank has always adhered to the principle of fair treatment of all customers and has been a signatory to the HKMA's Treat Customers Fairly Charter since 2013 and has been actively promoting its philosophy. The Bank fully supports the HKMA's Financial Inclusion Initiative and has taken concrete measures to promote related developments, such as waiving fees and fees for dormant accounts and removing the minimum balance requirements for our Chong Hing Bank Account users. We focus on serving the underprivileged, including low-income people, comprehensive social security assistance recipients, and people with cognitive or intellectual disabilities. The Bank will continue to optimise and innovate its products and services to provide customers with more diversified choices to ensure that more people can enjoy the protection and benefits brought by financial inclusion.

PROMOTING FINANCIAL LITERACY

Chong Hing Bank deeply understands the importance of youth education and development, and actively participates in various programs to promote their growth and well-being, with a particular focus on the popularisation and promotion of financial literacy. Investing in the younger generation not only lays a solid foundation for their future but also promotes continuous progress and innovation in society.

During the year, Chong Hing Bank continued to collaborate with Baptist Oi Kwan Social Service and support the Child Development Fund of the Labour and Welfare Bureau. We actively support the HKSAR Government's Strive and Rise Programme, which aims to help underprivileged students escape intergenerational poverty. This year, we led students to visit our Central headquarters and organised career guidance and financial knowledge sharing sessions. The programme helps enhance financial education, equipping teenagers with essential financial skills.

COMMUNITY ENGAGEMENT



Banking Visit Day and Career Orientation, along with a Financial Sharing Session, for participant of the HKSAR Government's Strive and Rise Programme

SERVING THE UNDERPRIVILEGED

Chong Hing Bank has always valued the rights of people with disabilities and integrated their needs into the design and services of its branches, striving to create a more inclusive financial environment. To enhance the accessibility of our services, we have implemented a number of measures. All branches display the "Guide Dogs Welcome" sign provided by the Hong Kong Guide Dog Association in a prominent position to show our support for the visually impaired to bring guide dogs into our branches. At the same time, hearing-impaired people only need to activate the "T-switch" on their hearing aids to use the assistive listening system in the branch.

In terms of facilities, we continue to enhance the accessibility features of our ATMs and provide voice navigation services to facilitate visually impaired customers to withdraw funds, check balances, and update passwords. We also ensure that voice assistance devices are regularly maintained to ensure they are in good working order. To cater for the needs of different people, the Bank has gradually adjusted the height of ATMs and Bank managers' desks, and added wheelchair-accessible ATMs and dedicated writing desks to enhance user comfort. Some ATMs are wheelchair accessible for people with reduced mobility. Most branch entrances are also equipped with ramps or level passages to facilitate wheelchair users' access.

COMMUNITY ENGAGEMENT

We have also introduced a number of customer-centric convenience designs, including doorbell systems, clear and easy-to-understand signage, call for assistance buttons, and tactile guide strips. These facilities are designed according to the spatial layout and surrounding environment of each branch to meet the needs of different customers, so that every customer can enjoy banking services with peace of mind.

In addition to hardware improvements, we are also actively involved in community activities. This year, our volunteers collaborated with the Hong Kong Federation of the Blind to visit the visually impaired elderly at the Tung Wah Group of Hospitals Jockey Club Rehabilitation Complex in Wong Chuk Hang, accompanying them to lunch and giving them heartfelt gift packs. We have also organised the guide dog experience activity for the visually impaired to interact with guide dogs, and introduced the training and service spirit of guide dogs, so as to enhance the public's understanding of the daily needs of the visually impaired.



Chong Hing Bank volunteers visited the visually impaired elderly and presented gift packages.

COMMUNITY ENGAGEMENT



Chong Hing Bank volunteers and visually impaired elderly people went to the restaurant for lunch and took good care of the elderly's diet.



Chong Hing Bank and the Hong Kong Federation of the Blind jointly organised a guide dog experience activity.

COMMUNITY ENGAGEMENT

CARING FOR THE COMMUNITY

Chong Hing Bank upholds its commitment to corporate social responsibility, actively supporting the underprivileged and providing assistance to those in need. Our volunteer team collaborates with various community organisations to continuously contribute to the betterment of society. Guided by our mission of Benefiting the Community, the Bank encourages its staff to actively participate in charitable activities to promote social harmony and inclusion. The Bank organises community and charity activities in the three major areas of Caring for the Community care, Environmental Protection and Financial Literacy Education, targeting children, the elderly, grassroots families, people with disabilities and other people in need, and organises community activities. We hope that through these efforts, we can create a fairer and more mutually supportive society, so that every citizen can feel cared for and supported.



“Celebration of the Year of Snake” New Year Event

During the year, Chong Hing Bank organised the Lunar New Year volunteer activity, where students made recycled wooden Fai Chun at Yan Chai Hospital Yim Tsui Yuk Shan Fuk Loi Integrated Community Development Centre to welcome the New Year together, adding warmth and warmth to the festive season. With the assistance of Chong Hing Bank volunteers, the students unleashed their creativity to write unique and distinctive New Year Fai Chun, adding a festive atmosphere and meaning to their homes. They carefully write the greetings and send their best wishes for a happy new year. Volunteers also presented gift packs to the students on behalf of the Bank to express their heartfelt feelings and send warm wishes to the students and their families.

COMMUNITY ENGAGEMENT



Chong Hing Bank volunteers presented gift packs to students.



Father's Day Carpet Tufting Workshop

COMMUNITY ENGAGEMENT

To welcome the Father's Day, Chong Hing Bank and Fu Hong Society Hin Dip Hong Yee Centre organised a Carpet Tufting Workshop. Members of our volunteer team worked with children with special needs to tuft carpets, allowing children to prepare gifts through art and express their gratitude and love to their great fathers. Led by professional instructors and volunteer teams, participants focused on learning how to use a tufting gun to pierce yarn into the canvas, unleashing their creativity to create colourful and unique carpets. This event is of far-reaching significance, not only cultivating the patience of children with special needs but also promoting their cooperation and communication with the community, enhancing their communication skills, and helping them better integrate into society.



Chong Hing Bank volunteers worked with the participants to tuft a carpet.

COMMUNITY ENGAGEMENT

During the year, the Bank continued to integrate its community-care activities into its business operations to provide support to various NGOs. In 2025, activities of NGOs supported by Chong Hing Bank include:

Types of Activities	Beneficiaries
Lunar New Year volunteer activity	Yan Chai Hospital
Easter Guide Dog Experience Day	Hong Kong Federation of the Blind
Visiting the Visually Impaired Elderly	Hong Kong Federation of the Blind
Father's Day Carpet Tufting Workshop	Fu Hong Society
"Eating with Health and Joy 2025" Volunteer Activity	Hong Kong Promoting Happiness Index Foundation
Mid-Autumn Festival Elderly Visit Activity	St. James' Settlement
Mid-Autumn Festival Snowy Mooncake Workshop	Baptist Oi Kwan Social Service
Caring for the Environment – Coastal Clean-up Activity	Green Council

COMMUNITY ENGAGEMENT

PROMOTING GREEN LIVING

Chong Hing Bank continues to promote environmental management and actively advocates the concept of green living and sustainable development to its employees and the community. During the year, we implemented a number of environmental initiatives across our offices and branches to encourage our staff to actively participate in meaningful activities that have a positive impact on environmental protection, thereby fulfilling our corporate social responsibility in environmental protection.



International Coastal Cleanup Hong Kong 2025

Chong Hing Bank actively supported the “International Coastal Cleanup Hong Kong 2025” co-ordinated by the Green Council, and organised 20 volunteers and their relatives and friends to participate in the clean-up work at Sandy Bay, Pok Fu Lam, to protect the marine environment with practical actions. Volunteers worked together to clean up coastal litter, including disposable tableware, plastic straws, plastic bags, plastic pellets, styrofoam fragments, glass fragments, fishing nets, and iron sticks, recording the quantity and type for subsequent analysis, and learning about the ecological impact of marine debris and sustainable lifestyles.

COMMUNITY ENGAGEMENT



Chong Hing Bank volunteers cleaned up coastal refuse at Sandy Bay, Pok Fu Lam.

ENVIRONMENTAL PROTECTION

To proactively address the global challenge of climate change, Chong Hing Bank has taken active measures to reduce carbon emissions and minimise the environmental impact of its business operations. The Bank remains steadfast in promoting green finance and sustainability strategies, while fulfilling its corporate responsibility to protect the environment. In this regard, we have incorporated climate-related risks into our investment decision-making process, and integrated ESG and climate risk factors into a comprehensive risk management framework to strengthen our climate risk management capabilities.

To ensure the systematic implementation of environmental protection initiatives, the Bank has established an internal Environmental Policy, which clearly requires all business units to strictly comply with the environmental laws, regulations, and relevant requirements of their respective regions. Through the electronic quarterly CHB Newsletter published on the intranet, we also provide employees with practical guidelines and suggestions on environmental protection, ensuring that every staff member contributes to the practice of green principles. In addition, the Bank has set up a dedicated Climate Risk and ESG Working Group to comprehensively oversee energy conservation and emission reduction efforts across all branches and offices, ensuring that these measures remain highly aligned with our sustainable development strategy.

As one of the core measures to achieve sustainable development, Chong Hing Bank promotes green initiatives across all offices and branches, advocates green office practices, and organises community environmental protection activities to reduce negative impacts on the ecosystem from the ground up. Our Hong Kong office also encourages employees to engage in waste segregation and recycling, helping to ease the regional solid waste challenge.

During the year, the Bank has strictly complied with all environment-related laws and regulations in its business operations, with no violations recorded.

CLIMATE CHANGE

As a central hub for capital allocation, financial institutions bear a critical responsibility and play a pivotal role in steering funds toward green and low-carbon industries, thereby facilitating the transition to a low-carbon economy. Chong Hing Bank deeply recognises that addressing climate change has evolved from a long-term challenge into an urgent imperative. In addition to supporting the temperature control goals of the Paris Agreement, we are also committed to aligning with the national "dual carbon" strategy and the Climate Action Plan established by the Hong Kong SAR Government. With a commitment to transparency and accountability, the Bank regularly discloses its climate-related strategies and progress on key initiatives. Through the continuous enhancement of our governance framework, risk management practices, and the development of innovative financial instruments, we strive to work hand in hand with stakeholders to build a sustainable, low-carbon future.

GOVERNANCE

Chong Hing Bank attaches great significance to addressing the impact of climate risk on business operations. To effectively manage these risks, the Bank has established a comprehensive climate risk governance framework, which is supported by robust accountability mechanisms. This governance structure encompasses the Board, senior management, and operational levels, ensuring efficient top-down management of climate-related risks.

ENVIRONMENTAL PROTECTION

The Board assumes leadership and oversight responsibilities for the Bank's approach to ESG and climate-related strategies, risks, and opportunities. Concurrently, the Board has delegated specific oversight duties to its specialised committees, including the Strategic and Sustainable Development Committee, the Executive Committee, and the Risk Committee. These committees regularly report their assessments and management progress on climate-related issues to the Board, ensuring that climate considerations are systematically integrated into the Bank's long-term business strategy and risk appetite setting. Notably, the Risk Committee is specifically responsible for approving the Bank's overall risk management strategy and plays a key role in the identification, assessment, and monitoring of climate-related risks, ensuring their full integration into the Bank's risk management framework. The Board reviews the effectiveness of climate-related issue management and progress toward objectives at least annually, reviewing and updating relevant approaches as needed.

Furthermore, the Bank continuously enhances the expertise and risk awareness of its Board and management regarding climate issues. Through regular training and information updates, we strengthen the performance capabilities and accountability of personnel at all levels.

For the governance framework for climate-related risks and the key responsibilities of each committee, please refer to the "ESG Management Framework" section.

STRATEGY

The Bank has formulated a Sustainable Strategic Statement, which clearly articulates its sustainability strategies, commitments, and targets across short, medium, and long-term time horizons. This statement systematically integrates considerations of climate-related risks and opportunities into the Bank's business operations and strategic planning framework, reflecting our firm commitment to reducing our own environmental footprint while guiding our customers towards low-carbon transition.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Guided by the strategic direction of promoting a low-carbon economy and managing climate risks, the Bank's Sustainable Strategic Statement establishes a comprehensive management framework supported by four core pillars. The first pillar, "supporting low carbon transformation financing", focuses on channelling capital towards green and low-carbon industries. The second pillar, "incorporating climate risks into our portfolio", ensures climate factors become an inherent component of risk assessment. The third pillar, "promoting sustainable operations", is dedicated to reducing our operational environmental impact. The fourth pillar, "enhancing reporting transparency", aims to strengthen stakeholder communication and the quality of climate-related disclosures.

Aligned with these four pillars, the Bank has formulated time-sensitive strategic targets and corresponding action measures. Recognising the evolving nature of climate-related challenges, we have prioritised initiatives across short, medium, and long-term timeframes. Key measures include: accelerating the development of green and sustainable finance products, encompassing sustainability-linked loans, green bonds, and transition finance instruments; enhancing the professional capabilities of the Board, management, and front-line personnel in green finance and climate risk management; implementing energy-saving, carbon-reduction, and resource-recycling practices in office operations; and continuously improving the completeness, comparability, and timeliness of climate-related information disclosure. Through the systematic implementation of these measures, the Bank deeply embeds climate considerations into its overall business strategy, aiming to provide robust financial support for the low-carbon transition of the real economy while methodically advancing its own net-zero emissions pathway.

ENVIRONMENTAL PROTECTION

STRATEGIC RESILIENCE AND DYNAMIC ADJUSTMENT

Confronting the profound uncertainties posed by climate change, the Bank proactively incorporates strategic resilience into its governance perspective, ensuring business strategies can adapt to evolving climate scenarios and regulatory landscapes. We conduct annual reviews of our Sustainable Lending Policy and Sustainable Investment Policy. These reviews assess policy alignment with regulatory standards set by the HKMA, the HKEX, and the International Sustainability Standards Board (ISSB), as well as benchmark them against industry best practices. During this process, the Bank comprehensively considers factors including macroeconomic trends, the pace of transition policies, exposure to physical risks, and customers' decarbonisation progress. We also utilise climate scenario analysis tools to test the risk exposure and capital resilience of our credit portfolio under different temperature pathways. The review findings directly inform revisions to policy terms, adjustments to the risk appetite framework, and refinements to business orientation, ensuring our climate strategy remains forward-looking, adaptable, and executable.

Looking ahead, the Bank will continuously monitor evolving trends in climate-related regulatory requirements, market practices, and customer expectations. We will flexibly revise our strategic targets and policy tools in response to dynamic changes, ensuring that our measures remain effective in a rapidly changing business environment and create stable, sustainable long-term value for our stakeholders.

RISK MANAGEMENT

Chong Hing Bank continuously enhances its risk management framework to systematically identify, assess, and mitigate environmental and climate-related risks. The Bank deeply understands the intrinsic link between climate risk and financial stability, viewing climate factors as a critical component of credit and investment risk. To this end, we have established a Sustainable Lending Policy and a Sustainable Investment Policy as core tools for proactively managing climate-related financial risks within our credit and investment portfolios, ensuring our risk management measures are closely aligned with our business strategy and regulatory expectations. During the year, the Bank further updated its Sustainable Investment Policy to more accurately reflect risk exposures amid market volatility and enhance the risk sensitivity of our investment portfolio.

INTEGRATING CLIMATE-RELATED RISK INTO OVERALL RISK MANAGEMENT

Climate risk management is fully integrated into the routine operations of the Bank's risk governance system. It is not a standalone or additional procedure but an inherent part of our overall risk management framework. We systematically embed climate-related factors into standard processes such as risk identification, assessment, monitoring, and reporting, ensuring seamless integration with day-to-day business decisions.

As global climate policies accelerate, regulatory standards continuously evolve, and extreme weather events become more frequent, the impact of climate risk on the Bank's credit portfolio and business resilience has shifted from a forward-looking topic to a persistent factor requiring continuous management. Currently, the Bank's Risk Appetite Statement incorporates industry climate risk exposure limits as a key indicator for quantitative risk control. These limits focus on sectors with higher transition risks and are reviewed annually and dynamically adjusted in accordance with policy directions such as the national "2030 Carbon Peaking Action Plan". Since its establishment, this limit mechanism has become a permanent component of our risk appetite framework, operating in parallel and being implemented integrally with other risk indicators.

ENVIRONMENTAL PROTECTION

By embedding climate risk indicators into the risk appetite framework, the Bank can implement more precise and quantitatively grounded risk judgments within routine risk management processes such as credit approval, portfolio monitoring, and capital planning. This approach not only strengthens the Bank’s resilience against climate-related financial risks but also ensures that our business development strategy remains dynamically aligned with national and regional low-carbon transition pathways.

IDENTIFICATION OF CLIMATE-RELATED RISKS

As a responsible financial institution, the Bank actively responds to the regulatory authorities’ strategic orientation on promoting the development of green finance. Therefore, the Bank’s participation in the 2023-2024 climate risk stress test aims to further enhance the management of climate-related risks and protect the Bank’s business from impact. During this stress test, the Bank adopted the test scenarios recommended by the HKMA, including one short-term scenario and three long-term scenarios:

Time frame	Scenario	Climate risk drivers
Short-term 2023-2027		<ul style="list-style-type: none"> • Appropriate emission reduction measures and gradual policy adjustments • Increasingly frequent and intense extreme weather events • Public pressure to push for the possibility of climate action
Long-term 2023-2050	Delayed transition	<ul style="list-style-type: none"> • delays or inadequacies in climate policy and action • Increasing physical climate risks (e.g., extreme weather, water scarcity) • A sudden and disruptive low-carbon economic transition
	Current policy	<ul style="list-style-type: none"> • The persistence of dependence on fossil fuels and gradual policy adjustments • Moderate physical climate impacts (e.g., sea level rise, heat waves) • A gradual transformation with uneven progress across industries • The gradual increase in the cost of mitigation and mitigation measures • The risk of asset abandonment in carbon-intensive industries
	Below 2°C	<ul style="list-style-type: none"> • Globally, there is a significant concerted effort to reduce greenhouse gas (GHG) emissions • Accelerate the deployment of clean energy and low-carbon technologies • Large-scale investment in resilience and adaptation measures • Achieve controllable physical climate impacts through medium-term planning • The impact and cost of energy transition increase • Potential opportunities for economic growth in green industries

ENVIRONMENTAL PROTECTION

Physical risk

In terms of physical risk assessment, the Bank uses the real estate price index and climate risk value model to quantify the potential impact of physical risk on property value. At the same time, we conduct a systematic assessment of the operational risks arising from extreme weather events. The results of the climate risk stress test show that extreme weather scenarios defined by the Green Finance Network of central banks and regulators, including heavy rainstorms, tropical storms and persistent high temperatures, could potentially pose financial impacts to the Bank's business operations.

Transition risk

In terms of transition risk assessment, the Bank has built upon the evaluation methodology adopted in the 2021 climate risk stress test, referencing the 11 high-emission sectors specified in the Hong Kong Monetary Authority's Banking Sector Climate Risk Stress Test Guidelines and cross-referencing them with the industry classification of the Network for Greening the Financial System (NGFS). Based on this framework, we have conducted a more granular industry-specific risk analysis in 2024. The results of this climate risk stress test indicate that the combined effect of potential impacts on credit exposure, coupled with systemic factors such as asset write-offs, macroeconomic shocks, and increases in electricity prices and carbon pricing, could pose financial impacts on the Bank's overall climate risk profile and operational efficiency.

Based on the above scenarios and stress test results, we integrate the potential impact of the corresponding climate-related risks and opportunities on our business models and value chains in the short, medium or long term. Details are as follows:

Risk Type	Time frame	The impact on business models and value chains
Physical risk		
Increased Extreme Weather (Typhoons and Floods)	Short-term	<ul style="list-style-type: none"> Branch and office operations may be disrupted due to heavy rain, floods, or typhoons, leading to business interruption. The value of property collateral may decline due to extreme weather events, potentially increasing the risk of credit losses.
Transition risk		
Policies and Regulations: Tighter regulations increase bank compliance requirements for climate risk management and disclosure	Short to long term	<ul style="list-style-type: none"> Regulatory requirements for enhanced climate risk disclosure and management may lead to increased compliance costs. Failure to meet disclosure or risk management requirements could result in regulatory and reputational risks.
Market: Consumer and investor preferences shift towards green products, reducing demand for traditional high-carbon businesses	Short to medium term	<ul style="list-style-type: none"> Investors increasingly prefer ESG products; insufficient supply may cause the Bank to lose market share. The market transition may also drive up energy prices and carbon costs, further elevating the credit risk of affected clients

ENVIRONMENTAL PROTECTION

Opportunities	Time frame	The impact on business models and value chains
Products/Services: Development of low-carbon products and services, such as green loans, sustainability-linked loans, and ESG deposits	Short to long term	<ul style="list-style-type: none"> Enhances the Bank’s competitiveness and reputation in the green and sustainable finance market. Helps expand the corporate client base and potentially improve ESG ratings.

The climate-related risks and opportunities identified by the Bank may have a present and future financial impact on the Bank’s financial condition, financial performance and cash flows. During the reporting year, the relevant climate-related risks and opportunities did not have a material impact on the Bank’s financial performance; We also anticipate that no material adjustments will be required to the carrying value of assets and liabilities in the financial statements due to the above factors in the next reporting year. In view of the increasing demand for green and sustainable financial products, the Bank is actively investing in related projects and striving to provide more green products and services to promote sustainable development. For details, please refer to the “Green and Sustainable Finance” section.

The key insights generated from the climate risk stress test provide an important foundation for the Bank to enhance its climate risk response capabilities and management effectiveness. The test results not only help the Bank accurately identify potential risks and effectively predict their possible negative impacts, but also provide solid support for building more science-based climate risk management and mitigation strategies. Looking ahead, the Bank will continue to deepen its dynamic monitoring mechanism for climate-related risks, keep abreast of the evolution of regulatory regulations and market trends, and continue to optimise and adjust its strategic layout accordingly.

ASSESSMENT MECHANISM FOR CLIMATE-RELATED RISKS

The Bank has established a regularly operational climate risk identification and assessment system, covering policy frameworks, operational procedures and assessment tools, to ensure that climate risk management is integrated into daily credit and investment processes. The system is closely aligned with the second pillar of the Sustainable Strategic Statement, “incorporating climate risks into our portfolio”, and is implemented through the Sustainable Lending Policy, Sustainable Investment Policy and relevant guidelines, which clearly stipulate that frontline business units and risk management departments must systematically assess climate-related risks in credit approval, customer due diligence and portfolio monitoring.

For loan clients in climate – or environmentally sensitive industries, we adopt a hierarchical assessment framework. We use the “Generic Checklist” as the basic screening tool, covering core areas such as clients’ carbon emission management, emission reduction targets, compliance records, and transformation planning. At the same time, according to the risk characteristics of different industries, supplemented by the “Sector-Specific Checklists” for in-depth assessment. In addition, the Bank has also made reference to the SME Questionnaire jointly developed by the Green and Sustainable Finance Cross-Agency Steering Group and CDP to further improve its risk identification capabilities for customers of different sizes. These assessment tools are integrated into the regular credit approval process, and risk managers are required to complete the assessment in accordance with established procedures and reflect the results in credit approving and pricing decisions.

ENVIRONMENTAL PROTECTION

The Bank also reviews the list of climate-sensitive industries annually to dynamically track changes in carbon intensity, policy evolution and market practices to ensure forward-looking and accurate risk identification. Through the above systematic and regularised management mechanism, the Bank can continuously monitor and mitigate the potential impact of climate-related risks on its credit portfolio, while providing customers with more targeted low-carbon transition support, with a view to protecting asset quality while promoting the sustainable development of the real economy.

CLIMATE-RELATED RISK MANAGEMENT PROCESSES

Chong Hing Bank continues to optimise its climate-related risk management mechanism, systematically embedding environmental and climate risk considerations into existing credit approval and risk monitoring processes from the three dimensions of customers, portfolios, and strategy, forming a normalised and structured governance closed loop.

Client Level: Relationship managers utilise a standardised questionnaire to conduct climate risk screening and classification of clients during the pre-lending phase. Post-lending, they regularly monitor client risk profiles in accordance with the Bank's early warning mechanism. Monitoring covers the core risk areas outlined in the questionnaire, including but not limited to: material environmental and climate-related controversies, the impact of extreme weather on business operations, changes in regulatory policies, and records of environmental regulation violations. Relationship managers submit post-lending monitoring reports to the credit approval function at prescribed frequencies. Should an early warning indicator be triggered, an early warning meeting is convened, and based on the decision, a risk exit assessment is initiated or corresponding strategies are executed.

Portfolio Level: The Bank's risk management framework proactively identifies potential risk concentrations and implements timely risk mitigation measures by continuously monitoring risk exposure to clients in sensitive industries, borrowers affected by extreme weather events, and fluctuations in the valuation of collateral with high physical risk. This approach enhances the overall resilience of the credit portfolio and strengthens the financial system's capacity to adapt to climate-related uncertainties.

Strategic Level: Risk review findings from the portfolio are periodically reported to risk management functions at various levels, serving as a crucial basis for ongoing supervision and internal audit. Significant risk factors identified during the review process, particularly those related to environmental and climate impacts, are incorporated into key assessment areas. If an evaluation confirms the need for further strengthening risk controls, the relevant units shall develop corresponding mitigation strategies and action plans based on the review findings. This ensures risks remain within a manageable range, thereby safeguarding the quality of the Bank's credit portfolio and the robustness of its strategic planning.

Through this multi-layered, end-to-end risk management framework, the Bank demonstrates its governance capability in addressing environmental and climate risks. This systematic and standardised management mechanism not only fortifies the Bank's climate risk prevention functions but also injects a stronger foundation of resilience into the financial system for coping with climate-related uncertainties. This fully reflects the Bank's consistent commitment to sustainable development and prudent risk governance.

ENVIRONMENTAL PROTECTION

METRICS AND TARGETS

METRICS

The Bank has fully integrated climate-related risk management into its conventional risk governance system, and has established a regular monitoring and reporting mechanism for collateral in high-climate-risk industries and high-physical risk areas. The mechanism covers regular measurement of risk exposures, limit monitoring and anomaly warnings, ensuring that climate-related exposures are maintained at prudent and controllable levels while driving steady business growth. The Bank continues to enhance its monitoring tools and assessment methodologies to enhance its systematic view of climate risk management performance across its business portfolio and operational activities.

The Bank has not yet incorporated internal carbon pricing into its strategic planning and risk management framework at this stage. We will continue to monitor the development trends of international and regional carbon pricing mechanisms, and assess the feasibility of applying them to credit approval, portfolio management and operational decisions in a timely manner.

GHG EMISSIONS MANAGEMENT

The Bank has been disclosing GHG emissions data since 2016, reflecting its long-term commitment to tackling climate change and mitigating environmental impacts. As one of the four pillars of our sustainability strategy, we implement systematic energy conservation and decarbonisation measures at the operational level and set emission reduction targets that are reviewed annually.

In 2025, the Bank's total Scope 1 and Scope 2 GHG emissions were 2,310 tonnes of CO₂ equivalent, a decrease of approximately 2% compared to last year, reflecting the continuous optimisation of operational carbon intensity. In terms of Scope 3 emissions disclosure, we have covered "Category 5: Waste generated in the course of operations" emissions this year. The Bank will continue to refer to the GHG Inventory Protocol to expand the accounting scope of value chain emissions in an orderly manner to enhance the completeness and comparability of climate-related indicators.

TARGETS

The Bank has set environmental targets covering four major areas: carbon reduction, waste management, energy efficiency and water use optimisation as quantitative benchmarks for driving sustainable transformation of operations. The targets are closely aligned with the principles and initiatives set out in the Sustainable Strategic Statement, and progress is tracked in short, medium and long-term time dimensions.

For detailed data, accounting methodologies and mitigation measures for GHG emissions within the Bank's own operating areas, please refer to the "Green Operations" section of this report.

ENVIRONMENTAL PROTECTION

GREEN AND SUSTAINABLE FINANCE

In 2025, the HKMA announced that it would extend the Green and Sustainable Finance Funding Scheme to 2027 and continue to expand to transition bonds and loans to support companies in their journey to a low-carbon economy. At the same time, the Government has upgraded the Government Green Bond Scheme to the Government Sustainable Bond Scheme, covering nine eligible categories, and successfully issued over HK\$240 billion worth of green and sustainable bonds, further consolidating Hong Kong's position as an international green finance hub. In this context, the Bank actively seizes the vast opportunities of green and sustainable finance, continues to innovate and develop diversified green financial products and sustainable development services to help customers promote low-carbon transformation. Our solutions cover green loans, green, social and sustainable deposit instruments, and continue to expand to more innovative products.

To deepen the Bank's strategic deployment in the field of green and sustainable finance, we have developed and implemented the Green Loan Review Guide and the Green, Social, Blue and Sustainability Deposit Framework, which have been recognised by the Hong Kong Quality Assurance Agency (HKQAA) and third-party certification bodies to ensure that they are in line with international mainstream standards. In addition, as the Government extends the Pilot Green and Sustainable Finance Capacity Building Support Scheme to 2028, we are actively encouraging our staff to participate in relevant training to enhance their ESG and green finance expertise, ensuring that the Bank fully supports the sustainable development of Hong Kong's green finance ecosystem in terms of talent, products and strategies.

The Bank firmly believes that the professional capabilities of our employees are an important cornerstone of the implementation of our sustainable development strategy. To this end, we continue to optimise our talent training system and systematically enhance our team's professionalism in the field of green and sustainable finance. During the year, the Bank carefully planned and launched a number of thematic training courses to keep abreast of the market development, covering key areas such as the application analysis of the Hong Kong Sustainable Finance Taxonomy, the due diligence and approval process of green loan projects, and the product structure and operational specifications of green certificates of deposit. By combining theoretical analysis with practical cases, relevant training not only strengthens employees' grasp of regulatory frameworks and product mechanisms, but also effectively improves their professional judgment and execution performance in frontline services, thereby providing customers with more accurate and valuable sustainable financial solutions.

In 2025, Chong Hing Bank will continue to demonstrate solid market competitiveness in the capital markets business and actively deepen the research and development and layout of Environmental, Social and Governance (ESG)-related financial products. During the year, the Bank successfully issued four ESG Certificates of Deposit, further enriching the Bank's sustainable finance product matrix and demonstrating our strategic execution in promoting responsible investment and the development of green capital markets. These measures not only reflect the Bank's firm determination to integrate sustainability into its core business, but also provide customers with exclusive participation channels with impact investment attributes, promote capital flow to economic activities that align with ESG principles, and work with stakeholders to jointly promote the implementation of sustainable development goals.

ENVIRONMENTAL PROTECTION

Report on the allocation of funds raised by green, social and sustainable deposits

During the year, the Bank's Green, Social, Blue and Sustainability Deposit Framework (GSBS) includes cash deposit and/or certificate of deposit products. As of 31 December, 2025, the project issued four deposit products during the year, namely sustainable certificates of deposit, green certificates of deposit and social certificates of deposit and green deposits.

100% of the funds raised by GSBS deposits have been allocated to green and/or socially responsible eligible assets, and the asset classes are divided into the following categories:

GSS Deposit Product Categories	Green and/or Social Eligible asset classes	GSS Deposit Collection Funding Amount (HKD)	Green and/or Social responsibility qualifying Asset Amount (HKD)
Sustainable certificates of deposit	hydropower, wind power and pollution prevention/empowerment of economic development	146,341,000	703,562,500
Green certificates of deposit	Green building	225,140,000	450,280,000
Social certificate of deposit	Empower economic development	174,483,500	309,567,500
Others (Green Deposit)	Others (Green Deposit)	up to 2.5 billion	9.16 billion
Total amount (HKD)		545,964,500	1,463,410,000
% of GSS Deposits allocated to Green and/or Social Eligible Assets			100%

GREEN OPERATION

Chong Hing Bank's GHG emissions mainly generate from electricity use, while paper is the main source of solid waste. To reduce the environmental impact of our operations, we are actively implementing energy-saving and paperless initiatives to reduce our carbon footprint.

In terms of energy and resource management, we continue to promote energy conservation, carbon reduction, and digital transformation, and implement several specific measures. In addition to replacing traditional lighting fixtures with high-efficiency LED fixtures and installing automated control systems, Chong Hing Bank Centre has adopted a zoned lighting design to ensure that the lights are turned off in customer meeting rooms during non-working hours, while only essential basic lighting is retained in the office areas. Each office is also equipped with manually adjustable air conditioning systems to facilitate employees to adjust the temperature according to actual needs, maintaining a comfortable working environment while reducing unnecessary energy usage. We have fully switched to LED lights in all our offices and branches under new renovations and improvements to further improve energy efficiency. Through these measures, the Bank's total energy consumption for the year has been reduced to 4,670 MWh, a decrease of 2% compared to last year, demonstrating our continued commitment to environmental protection and sustainable development.

ENVIRONMENTAL PROTECTION

The Bank also actively participates in the Charter on External Lighting initiative hosted by the Environment and Ecology Bureau, pledging to turn off non-essential outdoor lighting facilities during designated hours to reduce light pollution and reduce the impact on the environment at night, which demonstrates our commitment and practice in environmental responsibility.



The Bank participated in the Charter on External Lighting initiative organised by the Environment and Ecology Bureau

In terms of digital financial services, the Bank has fully promoted e-Statement, e-Cheque deposit functions, as well as online application platforms for credit cards and retail loans and continued to enhance online investment services to provide customers with a more convenient digital account opening and investment trading experience. During the reporting period, the Bank had a total of 171,059 internet and mobile banking accounts and completed 2,651 electronic cheques transactions, demonstrating our achievements in promoting digital finance and sustainable development.

ENVIRONMENTAL PROTECTION

MAINTAIN THE ENVIRONMENTAL QUALITY OF THE BANK

The Bank continues to promote a healthy and environmentally friendly working environment and ensures that indoor air quality meets high standards through various measures. Regular inspection, maintenance and sanitisation of air conditioning systems help to maintain good air circulation and cleanliness, enhancing the comfort and security of our employees and customers. Also, each branch adopts low-volatile organic compound (VOC) coatings to reduce the release of harmful substances and keep the indoor environment fresh. Since 2017, the Bank has been actively participating in the "Indoor Air Quality Certification Scheme for Offices and Public Places" implemented by the Environmental Protection Department and commissioning an independent professional body accredited by the Hong Kong Accreditation Service to conduct annual testing. During the reporting period, Chong Hing Bank Centre was certified as "Good Class" in the IAQ assessment, which showcases our strong commitment to enhancing environmental standards, protecting health and promoting sustainable development.



Since 2017, we have actively participated in the Indoor Air Quality Certification Scheme for Offices and Public Places, launched by the Environmental Protection Department.

ENVIRONMENTAL PROTECTION

RESPONSIBLE PURCHASING

To ensure that suppliers can adhere to the concept of sustainable development, Chong Hing Bank has formulated the Purchase and Vendor Management Policy and the Third Party Risk Management Policy, clearly regulate supplier selection procedures, and put forward specific requirements for risk assessment, control, and regular re-inspection of outsourcing business to ensure that the entire process is transparent, compliant, and effective. When conducting environmental and social risk assessments, we pay special attention to core indicators such as their occupational health and safety management systems and environmental management systems and require suppliers to provide relevant supporting documents to ensure the authenticity of the information submitted and to regularly review the quality of products and services of selected suppliers.

In terms of supplier management, Chong Hing Bank not only focuses on its environmental and social responsibility performance but also examines the potential impact of its products and services. Currently, the Bank's procurement covers information technology equipment and software, office furniture, cleaning services, logistics and transportation, printing services, stationery and stationery materials, etc. In our purchasing decisions, we prioritise suppliers who offer environmentally friendly products, especially those with relevant certifications, such as using FSC-certified paper and printing materials, as well as appliances that meet the Level 1 energy efficiency label. In addition, the Bank also uses environmentally friendly printers and consumables to reduce the emission of hazardous substances. The use of stationery consumables (such as ink cartridges and electronic equipment) decreased by 115% compared to the previous year. At the same time, we strictly comply with intellectual property laws and regulations to ensure that all information technology products and services are provided by legitimate suppliers to avoid copyright infringement risks.

To reduce the additional carbon emissions caused by logistics and transportation, the Bank prioritises local suppliers who can match the regions in which we operate. As of 31 December, 2025, Chong Hing Bank has established cooperation with 318 suppliers, of which 260 are located in Hong Kong, accounting for about 81.8%, the remaining 58 are located in Chinese Mainland and other regions, accounting for about 18.2%.

ENVIRONMENTAL PROTECTION

GREEN OFFICE

Chong Hing Bank has always regarded environmental sustainability as its core goal and integrated green concepts into its daily operations. To foster a sustainable corporate culture, the Bank posts prominent environmental reminders in its offices to encourage employees to actively implement relevant measures.

In terms of waste management, we encourage our staff to properly sort plastic containers, aluminium cans and waste paper into the recycling bins set up by the property management company.



For electronic-waste, we give priority to professional recycling by certified service providers in the Hong Kong Collector/Recycler Directory to demonstrate our commitment to environmental responsibility. As for special items such as toner cartridges, scrapped electronic equipment and confidential documents, they are handled by qualified recycling companies and strictly follow environmental regulations.

During the office renovation or refurbishment, the Bank also adheres to the principle of recycling to extend the lifespan of existing equipment as much as possible to reduce resource consumption and waste generation. Although the Bank's daily water consumption is not large, it still actively implements water-saving measures. For example, installing infrared sensor faucets in restrooms and posting water conservation reminders in public areas reflect our thoughtful consideration and practical actions in environmental protection.

ESG PERFORMANCE SUMMARY

ENVIRONMENT

TOTAL GHG EMISSIONS³

Indicator	2023	2024	2025
Direct GHG Emissions (Scope 1)⁴	16.4	19.6	103.1
• Company fleet (tonnes of CO ₂ -e)	16.4	19.6	16.9
• Refrigerant use (tonnes of CO ₂ -e)	–	–	86.3
Indirect GHG Emissions (Scope 2)⁵			
• Electricity (tonnes CO ₂ -e)	2,626.8	2,344.0	2,206.4
Total GHG emissions (Scope 1 and 2) (tonnes CO₂-e)	2,643.2	2,363.6	2,309.5
GHG emissions intensity (Scope 1 and 2) per Gross Floor Area (“GFA”) (tonnes CO₂-e/m²)	0.09	0.08	0.08
Indirect GHG emissions (Scope 3)⁶			
• Category 5: Waste generated in operations (tonnes of CO ₂ -e)	–	0.2	0.2
Total GHG emissions (Scope 1, 2 and 3) (tonnes CO₂-e)⁷	2,643.2	2,363.8	2,309.7

ENERGY

Indicator	2023	2024	2025
Electricity consumption (MWh) ⁸	5,088.4	4,700.7	4,670.3
Gasoline consumption (litres)	6,059.8	7,375.3	6,330
Total energy consumption (MWh)	5,145.0	4,769.6	4,728.6
Energy intensity per GFA (kWh/m²)	166	154	163

PAPER

Indicator	2023	2024	2025
Total paper consumption (kg)⁹	43,475.7	43,487.2	31,289.1
Total wastepaper recycled (kg)	41,059	34,969	38,740

³ Starting in 2025, we adopt the 100-year global warming potential (GWP) values from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR6) for calculating GHG emissions. Data in 2024 was calculated using GWP factors from the IPCC Second Assessment Report (AR5), and data in 2023 was calculated using GWP factors from the IPCC Second Assessment Report (AR2).

⁴ Scope 1 GHG emissions include emissions from the company fleet and refrigerant use newly added this year. Scope 1 GHG emissions increased in 2025 due to an expanded data collection scope.

⁵ The data is calculated in accordance with the corresponding emission factors published by CLP and HKE.

⁶ Scope 3 GHG emissions were newly included in 2024. Therefore, the data is not applicable to 2023. Data in 2024 is restated to reflect its accuracy.

⁷ Due to the update of the Scope 3 GHG emissions data in 2024, the total GHG emissions (Scope 1, 2 and 3) have been restated.

⁸ Our electricity consumption includes all our offices and locations in Hong Kong, including, but not limited to, the head office, branches and 24-hour ATMs.

⁹ Our paper consumption and water use figures include data from all our offices and operating locations in Hong Kong. Water consumption reported covers municipal water and distilled drinking water.

ESG PERFORMANCE SUMMARY

WATER

Indicator	2023	2024	2025
Total water consumption (cubic metres)	2,785.4	2,852.6	2,661.6
Water intensity per GFA (cubic metres/m²)	0.09	0.09	0.09

WASTE MANAGEMENT

Indicator	2023	2024	2025
Non-hazardous Waste Disposal			
• Construction waste (kg) ¹⁰	0	0	0
Hazardous Waste Recycling			
• Toner cartridges (pieces) ¹¹	296	129	79
• Electronic equipment (pieces)	694	635	276

OPERATION AND CUSTOMER SERVICES

SUPPLY CHAIN MANAGEMENT

Indicator	2023	2024	2025
Number of major suppliers	299	433	318
By Region			
• Chinese Mainland	38	53	35
• Hong Kong	242	352	260
• Other regions (including Macau)	19	28	23

PRODUCT AND SERVICE RESPONSIBILITIES

Indicator	2023	2024	2025
Total number of complaints received	413	567	314

¹⁰ It refers to construction waste generated by any construction or reinstatement work from branch relocation or closure.

¹¹ The amount of recycled toner cartridges include data from most of the Bank's offices and operating locations in Hong Kong.

ESG PERFORMANCE SUMMARY

EMPLOYEES

EMPLOYMENT¹²

Indicators	2023	2024	2025
Total number of employees	1,753	1,787	1,857
By Gender			
• Female	887 (50.6%)	907 (50.8%)	938 (50.5%)
• Male	866 (49.4%)	880 (49.2%)	919 (49.5%)
By Age			
• Below 30	183 (10.4%)	181 (10.1%)	195 (10.5%)
• 30 to 50	1,234 (70.4%)	1,243 (69.6%)	1,281 (69.0%)
• 50 or above	336 (19.2%)	363 (20.3%)	381 (20.5%)
By Employee Position			
• Management	390 (22.2%)	384 (21.5%)	389 (20.9%)
• General staff	1,363 (77.8%)	1,403 (78.5%)	1,468 (79.1%)
By Employee Category			
• Formal employees	1,750 (99.8%)	1,785 (99.9%)	1,852 (99.7%)
• Unofficial employees (temporary workers/contract workers/seasonal employees)	3 (0.2%)	2 (0.1%)	5 (0.3%)
By Geographical Region Category¹³			
• Hong Kong	–	–	1,291 (69.5%)
• Chinese Mainland	–	–	542 (29.2%)
• Other regions	–	–	24 (1.3%)

¹² Includes Chong Hing Bank's employees in Hong Kong, Chinese Mainland and other regions.

¹³ Newly disclosed in 2025.

ESG PERFORMANCE SUMMARY

TRAINING AND DEVELOPMENT¹⁴

Indicators	2023	2024	2025
Total number of employees received training	1,568	1,522	1,516
Total training hours (hours)	32,565	30,976	43,397
Average training hours per employee (hours)	20.8	20.4	28.6
Percentage of employees trained by gender ¹²			
• Male	-	-	49.9%
• Female	-	-	50.1%
Percentage of employees trained by employee category ¹²			
• Management	-	-	21.3%
• General staff	-	-	78.7%

COMMUNITY

COMMUNITY INVESTMENT AND EMPLOYEE VOLUNTEERING SERVICE

Indicator	2023	2024	2025
Total amount of donations and raised funds (HKD)	162,500	60,100	80,200
Employee volunteering hours (hours)	729.5	507	469.6

¹⁴ Only includes training data of Chong Hing Bank's employees in Hong Kong.

HKEX ESG REPORTING CODE CONTENT INDEX

“COMPLY OR EXPLAIN” PROVISIONS

KPIs	HKEX ESG Reporting Code Requirements	Section and Remarks
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Protection – Green Operation
KPI A1.1	The types of emissions and respective emissions data.	Emissions are not considered a material issue for the Bank’s operations and are therefore not disclosed.
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Performance Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Performance Summary
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Protection – Climate Change – Metrics and Targets Environmental Protection – Green Operation
KPI 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.	Environmental Protection – Climate Change – Metrics and Targets Environmental Protection – Green Office

HKEX ESG REPORTING CODE CONTENT INDEX

KPIs	HKEX ESG Reporting Code Requirements	Section and Remarks
Aspects A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Protection – Green Operation
KPI 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).	ESG Performance Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG Performance Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection – Climate Change – Metrics and Targets Environmental Protection – Green Operation
KPI 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.	Environmental Protection – Climate Change – Metrics and Targets Environmental Protection – Green Office
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging materials used for finished products are not considered a material issue for the Bank's operations.
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Protection
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	

HKEX ESG REPORTING CODE CONTENT INDEX

KPIs	HKEX ESG Reporting Code Requirements	Section and Remarks
B. Social		
Employment and Labour Practices		
Aspect B1	Employment	
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Caring For Employees
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	ESG Performance Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	The Bank will consider further disclosing relevant data in future reporting periods.
Aspect B2	Health and Safety	
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Caring For Employees – Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	The Bank will consider further disclosing relevant data in future reporting periods.
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Caring For Employees – Occupational Health and Safety

HKEX ESG REPORTING CODE CONTENT INDEX

KPIs	HKEX ESG Reporting Code Requirements	Section and Remarks
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Caring For Employees – Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG Performance Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Caring For Employees – Training and Development
Aspect B4	Labour Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Caring For Employees – Employment Relationship
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	

HKEX ESG REPORTING CODE CONTENT INDEX

KPIs	HKEX ESG Reporting Code Requirements	Section and Remarks
Operating Practices		
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Environmental Protection – Green Operation – Responsible Purchasing
KPI B5.1	Number of suppliers by geographical region.	ESG Performance Summary
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Environmental Protection – Green Operation – Responsible Purchasing
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Environmental Protection – Green Operation – Responsible Purchasing
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Environmental Protection – Green Operation – Responsible Purchasing
Aspect B6	Product Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Commitment For Customers
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Products recalls are not considered a material issue for the Bank's operations.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	ESG Performance Summary Commitment For Customers – Handling Customer Opinions
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Environmental Protection – Green Operation – Responsible Purchasing
KPI B6.4	Description of quality assurance process and recall procedures.	Products recalls are not considered a material issue for the Bank's operations.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Commitment For Customers – Protecting Customer Privacy

HKEX ESG REPORTING CODE CONTENT INDEX

KPIs	HKEX ESG Reporting Code Requirements	Section and Remarks
Aspect B7	Anti-corruption	
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 	Good Banking Practice – Emphasis on Integrity and Compliance
KPI 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.	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	
Community		
Aspect 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.	Community Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	

HKEX ESG REPORTING CODE CONTENT INDEX

CLIMATE-RELATED DISCLOSURES

HKEX ESG Reporting Code Requirements	Section and Remarks
<p>(I) Governance</p>	
<p>19. An issuer shall disclose information about:</p> <p>(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <p>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</p> <p>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</p> <p>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;</p> <p>(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and</p> <p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <p>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p>	<p>Environmental Protection – Climate Change – Governance</p>

HKEX ESG REPORTING CODE CONTENT INDEX

HKEX ESG Reporting Code Requirements	Section and Remarks
(II) Strategy	
Climate-related risks and opportunities	
<p>20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <ul style="list-style-type: none"> (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. 	Environmental Protection – Climate Change – Strategy
Business model and value chain	
<p>21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). 	Environmental Protection – Climate Change – Risk Management – Identification of Climate-related Risks

HKEX ESG REPORTING CODE CONTENT INDEX

HKEX ESG Reporting Code Requirements	Section and Remarks
<p>Strategy and decision-making</p>	
<p>22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <p>(i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;</p> <p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</p> <p>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer’s transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and</p> <p>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	<p>Environmental Protection – Climate Change – Strategy</p> <p>The Bank has currently established a Sustainable Strategic Statement and related qualitative environmental objectives. However, it has not yet formulated a climate transition plan or quantitative climate-related targets. The Bank will further explore and assess the feasibility of developing such targets in line with future business development.</p>
<p>23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	

HKEX ESG REPORTING CODE CONTENT INDEX

HKEX ESG Reporting Code Requirements	Section and Remarks
Financial position, financial performance and cash flows	
Current financial effect	
<p>24. An issuer shall disclose qualitative and quantitative information about:</p> <ul style="list-style-type: none"> (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. 	<p>Environmental Protection – Climate Change – Green and Sustainable Finance</p>
Anticipated financial effect	
<p>25. The issuer shall provide qualitative and quantitative disclosures about:</p> <ul style="list-style-type: none"> (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: <ul style="list-style-type: none"> (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. 	<p>Given that the Bank is currently in the process of enhancing its climate data collection and financial quantification capabilities, a sufficient and reliable basis is not yet available to disclose the quantitative impacts of climate-related risks and opportunities on the Bank’s short-, medium- and long-term financial position, financial performance and cash flows. Current assessments indicate that these risks have not had a material financial impact during the reporting year. The Bank will continue to strengthen its capabilities in accordance with regulatory requirements and will provide more comprehensive and quantitative disclosures in future reports when appropriate.</p>

HKEX ESG REPORTING CODE CONTENT INDEX

HKEX ESG Reporting Code Requirements	Section and Remarks
<p>Climate resilience</p>	
<p>26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p> <p>(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p> <p>(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;</p> <p>(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and</p> <p>(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;</p> <p>(b) how and when the climate-related scenario analysis was carried out, including:</p> <p>(i) information about the inputs used, including:</p> <p>(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;</p> <p>(2) whether the analysis included a diverse range of climate-related scenarios;</p> <p>(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;</p> <p>(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;</p> <p>(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;</p> <p>(6) time horizons the issuer used in the analysis; and</p> <p>(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);</p> <p>(ii) the key assumptions the issuer made in the analysis; and</p> <p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p>	<p>Environmental Protection – Climate Change – Risk Management</p>

HKEX ESG REPORTING CODE CONTENT INDEX

HKEX ESG Reporting Code Requirements	Section and Remarks
<p>(III) Risk Management</p>	
<p>27. An issuer shall disclose information about:</p> <ul style="list-style-type: none"> (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: <ul style="list-style-type: none"> (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process. 	<p>Environmental Protection – Climate Change – Risk Management</p>

HKEX ESG REPORTING CODE CONTENT INDEX

HKEX ESG Reporting Code Requirements	Section and Remarks
(IV) Metrics and Targets	
Greenhouse gas emissions	
<p>28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as:</p> <ul style="list-style-type: none"> (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions. 	ESG Performance Summary
<p>29. An issuer shall:</p> <ul style="list-style-type: none"> (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: <ul style="list-style-type: none"> (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). 	

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HKEX ESG Reporting Code Requirements	Section and Remarks
<p>Climate-related transition risks</p> <p>30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	<p>Based on the Bank's current assessment results and implemented mitigation measures, no assets or business activities were identified during the reporting period as being materially affected by physical and transition risks. The Bank will continue to monitor these risks and opportunities and will disclose the quantified information in future reports when appropriate.</p>
<p>Climate-related physical risks</p> <p>31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	
<p>Climate-related opportunities</p> <p>32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.</p>	<p>Environmental Protection – Climate Change – Green and Sustainable Finance</p>
<p>Capital deployment</p> <p>33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p>	<p>Environmental Protection – Climate Change – Green and Sustainable Finance</p>
<p>Internal carbon prices</p> <p>34. An issuer shall disclose:</p> <ul style="list-style-type: none"> (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making. 	<p>Currently, the Bank has not yet applied internal carbon prices.</p>
<p>Remuneration</p> <p>35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a) (iv).</p>	<p>Currently, the Bank has not yet linked the remuneration policy with climate-related issues, and we will explore the potential for adoption in the coming years.</p>

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HKEX ESG Reporting Code Requirements	Section and Remarks
<p>Climate-related targets</p>	
<p>37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. <p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions. 	<p>The Bank will explore the potential for setting quantitative climate-related targets in the coming years.</p>

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HKEX ESG Reporting Code Requirements	Section and Remarks
<p>39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.</p>	<p>The Bank will explore the potential for setting quantitative climate-related targets in the coming years.</p>
<p>40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <ul style="list-style-type: none"> (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: <ul style="list-style-type: none"> (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). 	

