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1. ABOUT THIS REPORT

This report is the first Environmental, Social and Governance (ESG) report issued by Chong Hing Bank Limited (“Chong Hing Bank”, or “the Bank”). This report has been prepared in accordance with The Stock Exchange of Hong Kong Limited’s “Environmental, Social and Governance Reporting Guide” (Appendix 27 of the Main Board Listing Rules, hereinafter “the Guide”).

As the Guide recommends, Chong Hing Bank entrusted an independent consultant to engage stakeholders to evaluate the Bank’s impact on the economy, the environment and society. To enhance the performance of Chong Hing Bank in environmental, social and governance disclosure and risk management, we will gradually improve on how we report our performance on ESG aspects.

The Board of Directors confirms the authenticity of the report content, and that the report was prepared based on the reporting principles of Materiality, Quantitative, Balance and Consistency as specified in the Guide.

This report gives an overview on how Chong Hing Bank has managed our performance on various ESG aspects, including stakeholder engagement, corporate governance, service responsibility, employee development and wellbeing, environmental protection and community investment in the 2016 calendar year. Unless otherwise specified, our reporting scope covers all offices and branches of Chong Hing Bank Limited, Chong Hing Insurance Company Limited, Chong Hing Securities Limited and Chong Hing Commodities and Futures Limited.

Based in Hong Kong, Chong Hing Bank has spared no effort on the sustainable development of Hong Kong for the last 69 years. We continuously evolve to cater to the ever-changing environment. In recent years, there has been an escalating regional and global interest in management of the ESG performance of businesses. Hence, we established a working group in 2016 to promote the implementation of ESG policies. Where “sustainability” is about striving to reach a balance between economic growth, community interest and environmental protection, considering sustainability in a strategic manner allows Chong Hing Bank to find opportunities even when we encounter challenges and difficulties. This takes us closer to our corporate vision of becoming an “integrated commercial bank with cross-border expertise”.

ENGAGING OUR STAKEHOLDERS

We consider stakeholder involvement as essential for us in positioning our ESG policy and strategies. We engage our stakeholders and solicit their input and feedback through surveys and interviews. Similarly, through the effective internal communication channels, our employees can reach out to our Human Resources Department through email or in person to convey their comments to management. As the materiality analysis points out, we concluded our stakeholders have expressed their concerns on bribery and financial crime prevention, suppliers' ESG performance, provision of quality and fair financial services, employee benefits, environmental protection and community care. These topics are covered in this report. Chong Hing Bank takes these topics into account while developing our business strategies and policies.

SERVING THE COMMUNITY

Chong Hing Bank has been rooted in Hong Kong for 69 years. We are thankful to our loyal customers and employees as their continued support makes our growth possible. As part of giving back to our community, we consider how banking services could lead to a more harmonious community. For example, the Hong Kong Main Branch and other branches in Hong Kong of Chong Hing Bank are equipped with facilities for those in need. Chong Hing Bank also offers concessions to Senior Citizen Card holders. Moreover, employees are offered various training courses and team building activities to achieve a work-life balance.

Chong Hing Bank will continue to strive for excellence, face challenges and opportunities with an adaptive mind and contribute to our community. We will continue our efforts in providing professional and quality services by listening to our customers. We will maintain Chong Hing Bank's transparency and stakeholders' trust with robust processes and procedures. Promoting operational sustainability is one of the objectives of our ESG strategy. We are working towards a paperless office to protect the environment, and helping the underprivileged is also an important part of what we do. Chong Hing Bank takes seriously our social responsibility as a bank in benefiting the greater community.

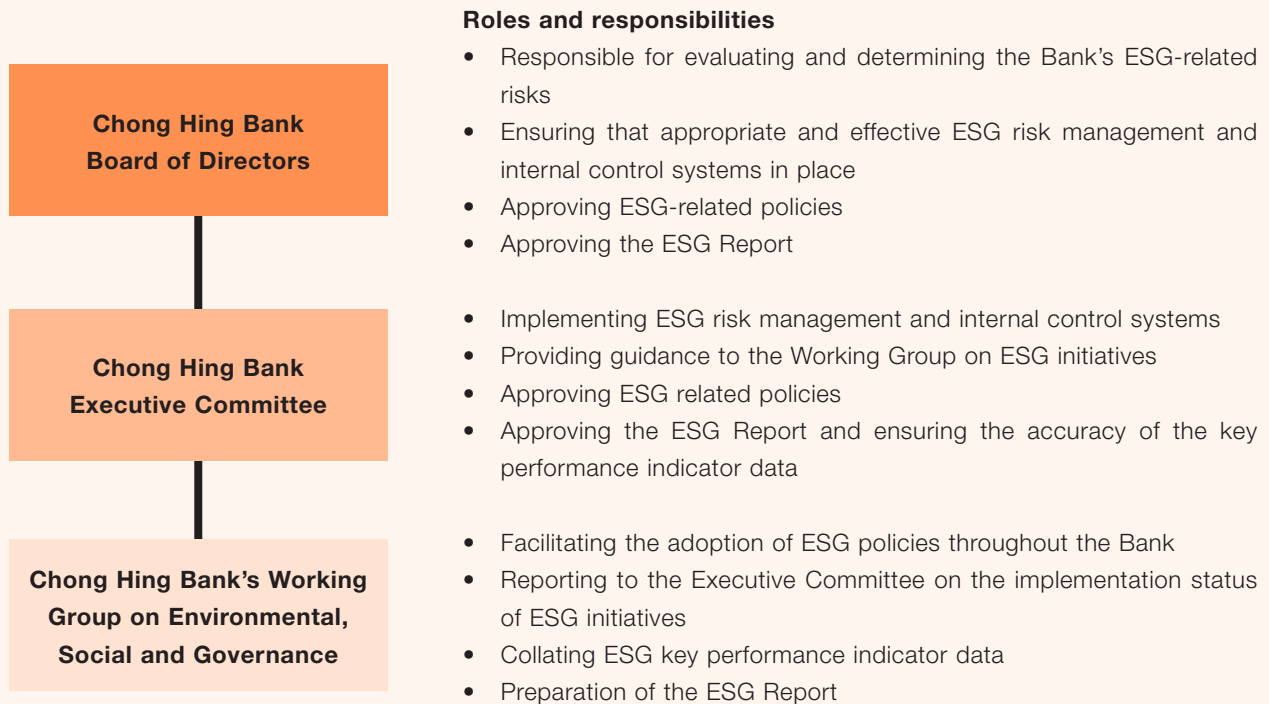
Leung Ko May Yee Margaret

Deputy Chairman, Managing Director and Chief Executive

28 February 2017

3. ESG GOVERNANCE STRUCTURE

Led by our Chief Operating Officer, an ESG Working Group was established in February 2016 to facilitate the adoption of ESG policies throughout the Bank. The Working Group reports regularly to the Executive Committee and the Board of Directors to support their evaluation and determining of the suitability and effectiveness of the Bank's ESG risk management and internal control systems. The roles and responsibilities are distributed as follows:



The Working Group assisted in formulating the Environmental Policy, Occupational Safety and Health Policy, and Community Investment Policy, which were approved by the Executive Committee and the Board of Directors.

4. STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

The Bank expects to create a greater common value for the Bank through an objective and comprehensive assessment of our environmental, social and governance performance through engaging stakeholders.

4.1 STAKEHOLDER ENGAGEMENT

In addition to day-to-day engagement activities with stakeholders during operations, the Bank has also entrusted a third-party professional body to hold dialogues with our stakeholders regarding environmental, social and governance issues and performance through questionnaires, focus group discussions and individual interviews. For 2016, we engaged 80 stakeholders including employees, suppliers, service consultants and community partners. The results enable the Bank to understand how we have performed in respect of environmental, social and governance aspects, as well as what stakeholders expect for our future work and disclosure.

4.2 ASSESSMENT PROCESSES AND METHODS

Following the recommendations in the Guide, we have determined the materiality of a long list of ESG aspects to Chong Hing Bank. Based on the results of the assessment, 17 aspects are considered material, which are evaluated by 26 key performance indicators. The evaluation process is as follows:

- (1) Identification: Identify issues of importance to the Bank's social responsibility through social policies, industry standards and best practices, media analysis, and social issues of greater public concern.
- (2) Assessment: Rank the sustainability issues by inviting the stakeholders to assess the situation, and at the same time, rank according to the degree of impact on the Bank's business.
- (3) Sorting: Sort by stakeholder rating, select more important topics, and detail their performance in different chapters of this report.

4. STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

4.3 ANALYSIS OF THE MATERIAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

The results of the stakeholder survey and Working Group discussions determine the degree of materiality of ESG aspects. The following 17 aspects are considered material, and the Bank will direct our attention to these aspects. The management approach and performance of the following aspects are also included in this ESG Report.

Environment	Employment and Labour Practices
Energy usage and efficiency Material usage and efficiency Water resources use and efficiency Waste management Compliance with environmental regulations Greenhouse gas emissions	Employee relationship - employee care and loyalty Occupational safety and health Training and education Staff diversity
Operating Practices	Community
Customer's personal data privacy Anti-corruption, prevention of bribery, extortion, anti-fraud and anti-money laundering Supplier management Service quality, listening to customers Intellectual property rights	Integration of the business into the development of the community Community care

5. COMPLIANCE WITH THE CODE OF BANKING PRACTICE

“Compliance” and “trust” are the foundation of banking services. Banks adhere to prudent operating principles that keep them strong. Chong Hing Bank has been practicing these principles in every aspect and aims to become an integrated commercial bank with cross-border expertise. As a key member of the banking industry in Hong Kong, we do everything we can to uphold honesty and prevent corruption. Chong Hing Bank respects intellectual property rights. We ensure that information and knowledge flows comply with laws and regulations. Given our role in the local economy, we bear the responsibility of managing the social and environmental impact of our suppliers. We will continue to improve our processes and systems, and follow the Code of Banking Practice to maintain stakeholders’ confidence in Chong Hing Bank.

5.1 ANTI-BRIBERY AND ANTI-FINANCIAL CRIME

“Integrity” is also a fundamental aspect of banking. Banks have an important role in preventing financial crime. For the continued support and trust from our loyal customers, Chong Hing Bank practices zero tolerance for corruption and bribery. Chong Hing Bank strictly complies with the Banking Ordinance (Cap. 155 of the Laws of Hong Kong) and the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong), and includes their requirements as part of our Code of Conduct. The Code also outlines whistleblowing and conflict of interest declaration guidelines. The Code of Conduct Officer and Head of Human Resources Division handle cases according to internal procedures. Any employees who violate the Code are subject to disciplinary action in accordance with the Staff Disciplinary Process Policy. This system enables Chong Hing Bank to operate with high transparency. In addition, Chong Hing Bank has formulated an “Anti-Fraud Policy” to establish a framework for anti-fraud action.

Employee awareness is equally important for regulations on upholding integrity. Since 1 January 2016, online anti-fraud and anti-corruption training courses have been offered to all new recruits. The anti-fraud training covers the introduction to the Anti-Fraud Policy, the definition of “fraud”, fraud case examples, the “Fraud Triangle”, monitoring, investigating and responding to fraud cases, and roles and responsibilities of employees on combating fraud. The anti-corruption training covers the mission, structure and legal authority of ICAC, the requirements and legal liability as outlined in the Banking Ordinance and Prevention of Bribery Ordinance, the latest number of bribery-related complaints and prosecution, the responsibilities as a Bank’s employee, and an introduction to the “Chong Hing Bank Code of Conduct – Personal Interests”. Every new recruit is required to take about 30-45 minutes to complete the course content and test. 159 new recruits had completed these training programmes by the end of 2016.

The Bank has been rewarded for our hard work in fighting corruption. In 2016, there was no bribery or corruption-related litigation against the Chong Hing Bank or our employees.

5.2 RESPECT FOR INTELLECTUAL PROPERTY RIGHTS

The Bank respects intellectual property rights. We are committed to purchasing genuine copyrighted products such as computer software.

5. COMPLIANCE WITH THE CODE OF BANKING PRACTICE

5.3 SUPPLIER MANAGEMENT

The Bank expects our suppliers to uphold the same environmental and social standards as we do. Through working with one another, our suppliers and we can take steps towards a more socially and environmentally responsible supply chain. Our main suppliers provide services and products such as IT equipment, software, furniture, cleaning, logistics and transportation, printing and stationery.

The Bank selects suppliers based on the quality of products and services, reputation, financial health status, management model, production scale, experience, technology, operational ability and adaptability. Moreover, we also consider the supplier's health and safety management. Hence, we have formulated 2 procedural manuals on general procurement and IT related equipment procurement respectively" as guiding documents to illustrate procurement management and supplier selection process. As a policy, we request documents for review when selecting suppliers. We also visit the suppliers' operational sites to prove that they comply with our health and safety requirements.

The Bank also attaches importance to the environmental impact of procurement activities. According to our Environmental Policy, engagement of suppliers with green credentials and the procurement of environmentally friendly products are encouraged. For instance, we purchase recycled paper products and electrical appliances with energy efficiency grades.

To support the local economy, we favour local suppliers. As at 31 December 2016, there were 235 suppliers of Chong Hing Bank, of which 211 were located in Hong Kong and 22 and 2 were from mainland China and Macau respectively.

6. COMMITMENT TO CUSTOMERS

Chong Hing Bank is committed to providing comprehensive banking services with exceptional quality. Our effort has been recognised by The Hong Kong General Chamber of Small and Medium Business, who presented us the Small and Medium-sized Enterprises Best Partner Award for the 8th consecutive year.

We do our part to always be customer-oriented. We signed the Treat Customers Fairly Charter initiated by the Hong Kong Monetary Authority in 2013. This demonstrates our commitment in taking customers' interests into account in our dealings with customers.

6.1 PROTECTING CUSTOMER'S PERSONAL DATA

From time to time, customers are required to provide personal data to the Bank to open or renew bank accounts, to establish or renew bank credit, banking, financing and insurance services. Our "Privacy Policy Statement", "Customer Data Protection Policy" and "Customer Data Practical Guideline" and so on have been established to effectively communicate the Bank's data management policy and provide a guide to the staff in handling and protecting customer personal data. The Privacy Policy Statement covers the topics including collection of personal data, purposes of using personal data, disclosure of personal data, retention of personal data and personal data security. In addition, when the Bank engages data processors to process personal data on its behalf, the Bank will adopt contractual or other means to prevent unauthorised or accidental access, processing, erasure, loss or use of the data transferred to the data processor for processing. The Bank may also engage non-contractual monitoring and auditing mechanisms to monitor its data processors' compliance with data protection requirements. In the event of exposure of customer information, the Bank will initiate incident response procedures.

The Bank attaches great importance to the implementation of Privacy Policies and monitoring of how they are implemented. To this end, the Bank has appointed a Data Protection Officer to supervise the Bank's compliance with the relevant rules. The Bank's Data Protection Officer can be reached through email, by post, telephone and fax.

From time to time, the Bank reminds our employees to adhere to Personal Data (Privacy) Ordinance and other relevant regulations, guidelines and internal customer personal data privacy policies in order to ensure customers' personal data is protected. For example, each year, employees need to complete online training courses on personal data protection. The Bank also circulates the latest information released from The Office of the Privacy Commissioner for Personal Data to employees.

6.2 HANDLING CUSTOMER COMMENTS

The Bank is committed to providing quality banking services to its clients and emphasizing customer feedback to the Bank. In the event that the Bank's level of service does not meet the expectations of its customers, customers can provide valuable input from a variety of channels, including the opinion collection box at each branch, customer service hotline, e-mail or facsimile. When the Bank receives comments or complaints from customers, we will acknowledge the receipt within 7 days and will endeavour to resolve the matter within 30 days so as to provide reasonable response to customers.

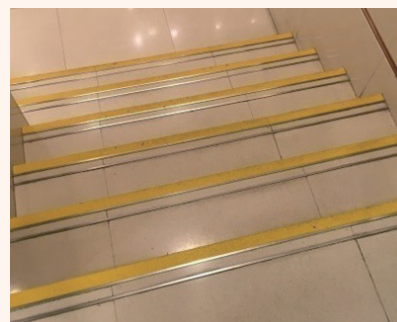
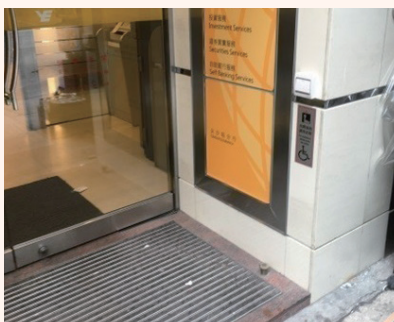
6. COMMITMENT TO CUSTOMERS

6.3 CUSTOMER CONVENIENCE

We believe everyone has the right to enjoy our services equally. As such, we equip our Hong Kong Main Branch and major branches with wheelchair lifts. At the entrance of the major branches, there are signposts and facilities to help wheelchair users. Stairs are equipped with anti-skid scrub strips, and call bells have been installed to facilitate those in need. In addition, the Bank waives the gift cheque handling fee and issues cashier's orders with a half-price handling charge to Senior Citizen Card holders.



Signs and facilities provided for wheelchair users



Stairway with anti-skid scrub strip



Elevator for wheelchair users



6.4 SERVICE ENVIRONMENT

In order to provide customers with a comfortable environment, the indoor air quality at the Hong Kong Main Branch and its office was assessed in 2016. Our indoor air quality was classified as 'Good' under the Environmental Protection Department's Indoor Air Quality Certification Scheme. The program was launched in 2003 to promote and commend outstanding indoor air quality management. In addition, the Bank commissioned monthly cleaning of air-conditioning systems to enhance the indoor air quality.

For Chong Hing Bank, our premium brand cannot be built without our employees as the cornerstone. We reward employees for their contributions and respond to their needs as best as we can. The Bank offers comprehensive benefits and a safe working environment. Moreover, we place importance on the development of each employee and provide employees with training programmes to equip them with new skills and facilitate their career advancement.

As at 31 December 2016, Chong Hing Bank has over 1,500 employees, of which over 30% of them have served the Bank for more than 10 years. Our employee profile is as below:

Data summary for employees

By age

<30	19.8%
30-50	63.9%
>50	16.3%

By gender

Male	50.7%
Female	49.3%

By employment category

Managerial staff	29.5%
General staff	70.5%

By employment type

Permanent staff	98.7%
Supervised worker (Temporary staff/Contract staff/Seasonal staff)	1.3%

7.1 EMPLOYEE BENEFITS

7.1.1 Comprehensive Benefits

To retain talents, the Bank provides competitive remuneration and bonus packages. Based on the spirit of meritocracy, we have established a series of anti-discrimination policies to protect employees and ensure equal opportunity in the workplace. Our equal opportunities policies are based on the Code of Practice on Employment under the Sex Discrimination Ordinance, Code of Practice on Employment under the Disability Discrimination Ordinance, Code of Practice on Employment under the Family Status Discrimination Ordinance and Code of Practice on Employment under the Race Discrimination Ordinance. Our policy ensures that all the employees enjoy the same opportunities and rights regardless of their gender, age, marital status, race and colour of skin. In addition to the equal opportunity policy, we have set up a complaint mechanism for sexual harassment cases to protect our employees.

We review and update our benefits package regularly to match the market standard. We provide our employees with medical and life insurance and their spouse and children with medical insurance. The employee leave arrangement is also reviewed and updated regularly. Apart from the leaves stipulated in "Employment Ordinance", our employees can also enjoy marriage leaves and birthday leaves, etc.

7. CARE FOR STAFF

7.1.2 Work-life Balance and Team Building Activities

Leisure activities are good for reducing stress and achieving a work-life balance. Our Chong Hing Recreation Club, which organises leisure, trekking and sports activities for our employees, was initiated and is operated by dedicated staff on a voluntary basis. Chong Hing Recreation Club also organises gatherings, notably for retired staff, which along with activities are crucial in maintaining the bond among Chong Hing Bank members.

We allow our staff to devise self-initiating team-building activities. Starting from 2015, we have introduced a team-building allowance. Each department can use the allowance on its preferred activities which improve team cohesion among employees in a care-free and relaxing manner and outside their normal work environment. Team building activities are widely recognised by our employees and over 90% of them have taken part in subsidised activities. The issuance of allowances allows greater room for designing activities that promote teamwork more effectively.

Activities photos



Our employees enjoy team building activities.



Events allow our colleagues to embrace the natural environment.

7.1.3 Effective Communication Channels

We strive to build strong ties with our employees. We listen to our employees and respond to their needs. Under a harmonious environment, our employees can reach out to Human Resources Department directly by email or in person. Moreover, the frontline staff can reach out to the branch manager at any time. Comments from frontline staff will be reported in the managerial meeting every week. Management is open to comments and can respond to the frontline staff requests effectively. This enhances the formulation of a more people-centred human resources policy.

7.2 EMPLOYEE HEALTH AND SAFETY

Chong Hing Bank upholds the responsibility to protect our employees at work. We strictly comply with the relevant regulations in Hong Kong and mainland China. We have introduced the Occupational Health and Safety Policy, which illustrates our commitment in providing a safe working environment for our employees and enhancing employee awareness towards occupational health and safety.

7.2.1 Hygienic Working Environment

We are aware of the maintenance of indoor air quality. We commission monthly cleaning of our air-conditioning systems for a clean and comfortable working environment. In 2016, the indoor air quality of the Bank was classified as “Good” under the Indoor Air Quality Certification Scheme, affirming our achievement in protecting indoor air quality.

7.2.2 Awareness of Occupational Safety

Employee health and safety is Chong Hing Bank's highest priority at all times. We are fully prepared for workplace accidents. We have provided our employees with appropriate equipment at work, and regular occupational safety training. As such, our employees are clear on their responsibilities in ensuring the safety of themselves and others. We take a serious approach to eliminating potential safety hazards. In particular, we reserve no effort to minimise the risk of fire. We have appointed Fire Ambassador in every business unit. This year, we have continued our efforts in arranging or participating in fire drills for office buildings. In addition, we invited the Fire Services Department to deliver fire safety training. Moreover, we offer voluntary first-aid training to our employees to aid in emergencies.

7.3 STAFF DEVELOPMENT

Training equips our employees with the necessary insights and skillsets to maintain our premium service quality in a quickly evolving economy. Our training programme is comprehensive. Elementary training is offered to all new recruits. For current employees, training is provided based on their position and nature. The Bank also subsidises employees to attend external training courses so that they are exposed to more diverse training programmes.

7.3.1 Diverse Training Programmes

Data summary of staff training	Number of hours
Total training hours	28,370
Average training hours per trained employee	18

Training programmes are tailored based on grade and job nature. Orientation training, which focuses on introducing banking regulations, is offered to all new recruits. Such training helps new recruits rapidly familiarise themselves with our business and working environment.

7. CARE FOR STAFF

Training is embedded in daily work. Ten-minute morning meetings at branches are held to affirm the daily business targets and special attention items. Training programmes for current employees are designed to enhance professional skillsets and can be categorised as Business-related Programmes, Regulatory Updates and Soft Skills Programmes. Better equipped employees help to build a trustworthy brand.

Training category	Examples of training courses
Business-related Programmes	Introduction to Investment Services Workshop, Providing Insurance Services to Customers Workshop, Investment Refresher Training, Mortgage Workshop, Mortgage Insurance Programme Seminar, Updates on MPF Business Operations Seminar, Personal Accident Insurance Plan Briefing, Bank's Guidelines on Selling Insurance Products Refresher Training, Insurance and Investment Monitoring Workshop, New Insurance Products Training Workshop
Regulatory Updates	Seminar on Data Protection of Banking Services, Refresher on Branch Daily Operation, Branch AML Training Workshop, Branch Compliance Monitoring Workshop, Data Loss Prevention Awareness Training, Cyber Security, Connected Lending, Personal Data Privacy Protection, Briefing on Common Reporting Standard
Soft Skills Programmes	Creative Problem Solving Workshop, Team Building Workshop, Service Gym Workshop for Branches
Others	Transaction Banking Workshop, Digital Innovation Workshop, Process Bank Workshop, Mainland Branch/Sub-branch staff training program

An e-learning platform was introduced in 2011 for delivering compliance refreshers. The platform allows flexible learning based on work requirements and personal schedules, saves commuting time for training, and hence improves productivity. E-learning also has merit in presenting training materials in an interactive manner, resulting in better learning outcomes.

7.3.2 Lifelong Learning

In addition to training offered by the Bank, we have set up the "Staff Sponsorship Programme" which encourages our employees to participate in work-related diploma and degree courses organised by external professional and educational institutes or obtain professional qualifications. As such, we have strengthened the capability of our employees and introduced professional knowledge and insights to the Bank. To nurture our employees' life-long learning, we have increased the sponsorship for each application in 2016, at a range of 25% to 100% based on the employee's rank.

8. ENVIRONMENTAL PROTECTION

To promote sustainable development, Chong Hing Bank has worked to reduce our impact on the environment. The Bank is committed to promoting environmental protection measures in our operations, and abides by the applicable environmental laws and regulations of Hong Kong and mainland China.

8.1 CONSERVATION OF RESOURCES

Chong Hing Bank has adopted various measures to reduce energy waste at various locations. In 2016, all newly renovated offices and branches installed LED lights to replace conventional light fixtures, including Transformation Management Office (TMO) at 20/F of Tower III, Enterprise Square Phase I, Cheung Fat Estate Branch and Tai Wo Plaza Branch. Indoor lights are mostly controlled by sensors, which effectively limit energy waste. Indoor temperatures are maintained at 25°C to reduce unnecessary energy consumption.



Energy-saving LED lights have been installed to replace conventional light fixtures.

In 2016, Chong Hing Bank's total energy consumption was 6,440 megawatts, of which the majority was consumption of electricity. Associated carbon emissions totalled 4,061 tons.

To conserve water, our offices have been equipped with automatic sensor faucets. The Bank reminds employees to reduce water consumption by putting up notices in the staff pantry.

In 2016, Chong Hing Bank consumed approximately 7,229 cubic meters of water.

8. ENVIRONMENTAL PROTECTION

8.2 GREEN OPERATIONS

Chong Hing Bank consumes a substantial amount of paper in our operations. We consider paper consumption as one of the Bank's major environmental impacts. We have reduced paper consumption by implementing paperless work solutions and streamlining internal work processes. On the servicing side, we actively promote the use of online and mobile banking solutions to reduce paper consumption arising from transactions. In addition, the Bank provides porcelain cups to guests to avoid use of paper cups.

In 2016, Chong Hing Bank's paper procurement volume totalled 76.2 tons. In the future, Chong Hing Bank will account for the quantity of paper consumed to better reflect our impact.



Electronic display screens at the Chong Hing Bank Hong Kong Main Branch have replaced paper notices.

8. ENVIRONMENTAL PROTECTION

The Bank has implemented various measures to reduce the generation of waste. We have installed recycling bins in new offices, such as the Enterprise Square Phase 1 and Phase 5 offices. In addition, we arrange the reuse or recycling of printer cartridges and electronic products. In 2016, thanks to the waste reduction measures, 87 tons of papers, 1,160 pieces of electronic products and 607 cartridges were recycled.

We set up the waste segregation facilities to promote material recycling.



Waste paper recycling



Electronic products recycling



Toner cartridge recycling

9. COMMUNITY ENGAGEMENT

Being a Hong Kong-based company, Chong Hing Bank has been nourished by this city and is committed to giving back to the community. We aim for our contribution to society to grow in line with our business, and thus we have formulated a Community Investment Policy. The ESG Working Group shall take the lead in integrating community investment into our daily operations. The Bank shall establish long-term collaborative relationships with non-governmental organisations, and encourage our employees to volunteer. In 2016, we were awarded the “Caring Company” Logo by the Hong Kong Council of Social Service for the 9th consecutive year.

9.1 INVESTING IN THE COMMUNITY

Environmental protection, education and social welfare are our community investment focuses. Apart from encouraging our employees to participate in community services, we also support the non-governmental organisations to provide different assistance and support for their activities.

9.1.1 Caring for Children

This year, our employees visited the Caritas Nursery School Kennedy Town. We played interactive games with the preschool children which inspired them to identify various coins and notes that are circulated in Hong Kong. In addition to that, we had an enjoyable snack time with the children and all of them were glad to receive small gifts by the end of the activity.



Our employees visited the Caritas Nursery School Kennedy Town and played interactive games with the preschool children.

9.1.2 “Share a Meal”

In December 2016, the Bank and Food Angel jointly held an activity named “Share a Meal”, where our employees had hot lunch box prepared by Food Angel with any surplus food collected which were safe for consumption. The representatives of Food Angel presented an educational session on food rescue and assistance program, and allowed the participants to understand the importance to reduce food waste at source. The participants also had a taste of turning surplus food into organic cleansers.



Our colleagues actively participated in the “Share a Meal” event.

Sharing from employee – “Share a Meal” activity

Corporate Communications Department – Ada Kwan

“This year, we joined hand with Food Angel to organise “Share a Meal” activity to prepare hot lunch boxes for participants, in order to promote cherishing food and minimising waste. Out of my expectation, the response to this event was overwhelming. The lunch boxes, which are prepared out of surplus food, were all finished. Our colleagues were impressed that Food Angel did turn ‘leftovers’ to ‘delicacy’, with a flavour of human touch.

I hope the company can arrange similar experiential events in the future. This will make us to feel connected to the community out of our busy schedules.”

9. COMMUNITY ENGAGEMENT

9.1.3 Charity Cycling Marathon

The Charity Cycling Marathon was held in Central last year. Apart from sponsoring the event, we also assigned three athletes to join the Corporation Group race. Participants can enjoy a rare cycling experience across the highways of Hong Kong while promoting cycling and healthy lifestyles to the public. The beneficiaries include the Vita Green Charitable Foundation Limited, the Hong Kong Girl Guides Association, the Boy's and Girls' Clubs Association of Hong Kong, Hong Kong Credible Care Volunteers Association Limited and the Chinese Rhenish Church Hong Kong Synod.



Certificate of Participation for the Charity Cycling Marathon

In 2016, our employees volunteered for 399 hours.

9.1.4 Non-Governmental Organisation Fundraising Support



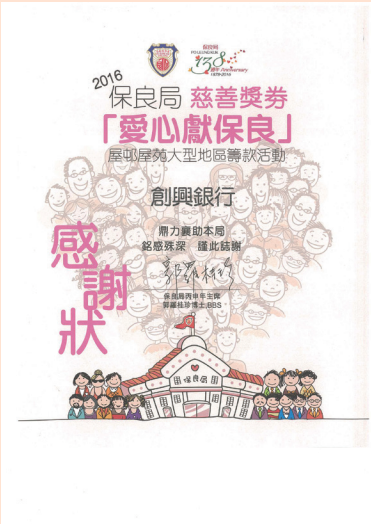
The Bank is committed to providing support to various non-governmental organisations. In 2016, we assist their fundraising initiatives through various means.

Fundraising support	Beneficiaries
Flag bags collection	<ol style="list-style-type: none"> 1. Yan Chai Hospital 2. St. Barnabas' Society and Home 3. Yan Oi Tong 4. Hong Kong Society for the Protection of Children 5. Youth Outreach 6. The Yuen Yuen Institute
Charity raffle tickets sales at branches	<ol style="list-style-type: none"> 1. Tung Wah Group of Hospitals 2. Po Leung Kuk
Promotional leaflets insertion to the customer mails	<ol style="list-style-type: none"> 1. Médecins Sans Frontières 2. S.K.H. St. Christopher's Home 3. Hong Kong Red Cross 4. Po Leung Kuk 5. Ronald McDonald House Charities 6. Yan Chai Hospital

In addition, the Bank also sponsored a number of art events in 2016, including "Fine Art Asia" and "Ink Asia".

9.2 COMMUNITY INVESTMENT RELATED AWARDS

Our effort in giving back has been widely recognised last year.

Award	Organiser
<p>1 Caring Company Logo</p> 	<p>The Hong Kong Council of Social Service</p>
<p>2 Raffle Tickets Selling Award</p> 	<p>Tung Wah Group of Hospitals</p>
<p>3 Po Leung Kuk Charity Raffle Tickets 2016 Certificate of Appreciation</p> 	<p>Po Leung Kuk</p>

HKEX'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspects, General

Disclosures and

KPIs

Descriptions

Related chapters

in this report

Remarks

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 and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Protection: Reducing Emissions	
KPI A1.1	The types of emissions and respective emissions data.	Environmental Protection: Conservation of Resources	
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection: Conservation of Resources	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable	Due to the nature of Chong Hing Bank's business, hazardous waste is not produced in a large amount. Therefore, this index was not listed as a key topic.

Aspects, General Disclosures and KPIs

	Descriptions	Related chapters in this report	Remarks
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection: Green Operations	
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Environmental Protection: Conservation of Resources	
KPI A1.6	Description of how hazardous and non-hazardous waste is handled, reduction initiatives and results achieved.	Environmental Protection: Green Operations	

Aspect A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Protection: Conservation of Resources	
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).	Environmental Protection: Conservation of Resources	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Protection: Conservation of Resources	

Aspects, General Disclosures and KPIs

Aspects, General Disclosures and KPIs	Descriptions	Related chapters in this report	Remarks
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Environmental Protection: Conservation of Resources	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Not applicable	Chong Hing Bank's operation does not involve substantial consumption of fresh water. Water efficiency initiatives are not a focus of our ESG programme.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable	Chong Hing Bank's main products and services are not related to packaging. The material Chong Hing uses the most is paper.

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: Green Operations	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection: Green Operations	

Aspects, General Disclosures and KPIs	Descriptions	Related chapters in this report	Remarks
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Aspect B1: Employment

General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	Care for Staff: Employee Benefits	
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Aspect B2: Health and Safety

General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>Relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Care for Staff: Employee Health and Safety	
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Aspects, General Disclosures and KPIs

Descriptions

Related chapters in this report

Remarks

Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Care for Staff: Staff Development	
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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.	Not applicable	Chong Hing Bank's main business is located in Hong Kong and we mainly employ educated and experienced employees. Therefore, we think the probability of hiring child and forced labour in Chong Hing Bank is low.
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Aspect B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	Compliance with the Code of Banking Practice: Suppliers Management	
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**Aspects, General
Disclosures and
KPIs**

**Related chapters
in this report**

Remarks

Aspect B6: Product Responsibility

<p>General Disclosure</p>	<p>Information on:</p> <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 <p>Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<p>Compliance with the Code of Banking Practice: Commitment to Customers</p>
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Aspect B7: Anti-Corruption

<p>General Disclosure</p>	<p>Information on:</p> <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 <p>Relating to bribery, extortion, fraud and money laundering.</p>	<p>Compliance with the Code of Banking Practice: Anti-Bribery and Anti-Financial Crime</p>
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Aspects, General Disclosures and KPIs	Descriptions	Related chapters in this report	Remarks
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	

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