



大新金融集團有限公司
DAH SING FINANCIAL HOLDINGS LIMITED

(Stock Code: 440)

2023

Environmental, Social and
Governance Report



Together We Progress and Prosper

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Making Connections for a Better and Sustainable Future

The Group recognises that the pursuit for a sustainable future cannot be achieved alone, and the interconnectedness between our stakeholders, our operations and the environment has become more apparent than before. Our commitment towards long-term sustainability, as outlined in this report, is reflected in our efforts to foster a harmonious relationship between economic progress, environmental stewardship, and community well-being through the products and services that we offer.

About this Report

This Report covers the major subsidiaries of Dah Sing Financial Holdings Limited (the “Group”) for the period from 1 January to 31 December 2023. There has been no significant change in the reporting boundary for our 2023 ESG Report nor any significant changes to our organisational size, structure, ownership or supply chain.

During the year, the Group has complied with all applicable disclosure requirements and provisions of the Environmental, Social and Governance (“ESG”) Reporting Guide set out in Appendix C2 of the Listing Rules in respect of the financial year ended 31 December 2023. In addition, this report is prepared with reference to the IFRS S2 Climate-related Disclosures.

This Report provides an annual update of the initiatives, plans and performance of the Group in ESG topics in 2023. It provides a summary of the activities and measures taken by the Group and our key subsidiaries across the Group’s core operations in banking and insurance in our key markets in Hong Kong, Macau and Mainland China with respect to the material ESG matters under five categories – Responsible Business, Marketplace, Workplace, Community and Environment. There is no significant change in the scope of this Report from that of the 2022 ESG Report. This ESG Report should be read in conjunction with the Corporate Governance Report in the Group’s 2023 Annual Report, which is also accessible on the website of Dah Sing Bank, Limited (“DSB” or the “Bank”) at www.dahsing.com. This Report was endorsed by the Audit Committee and approved by the Board of Directors (the “Board”) in March 2024.

Stakeholder Engagement

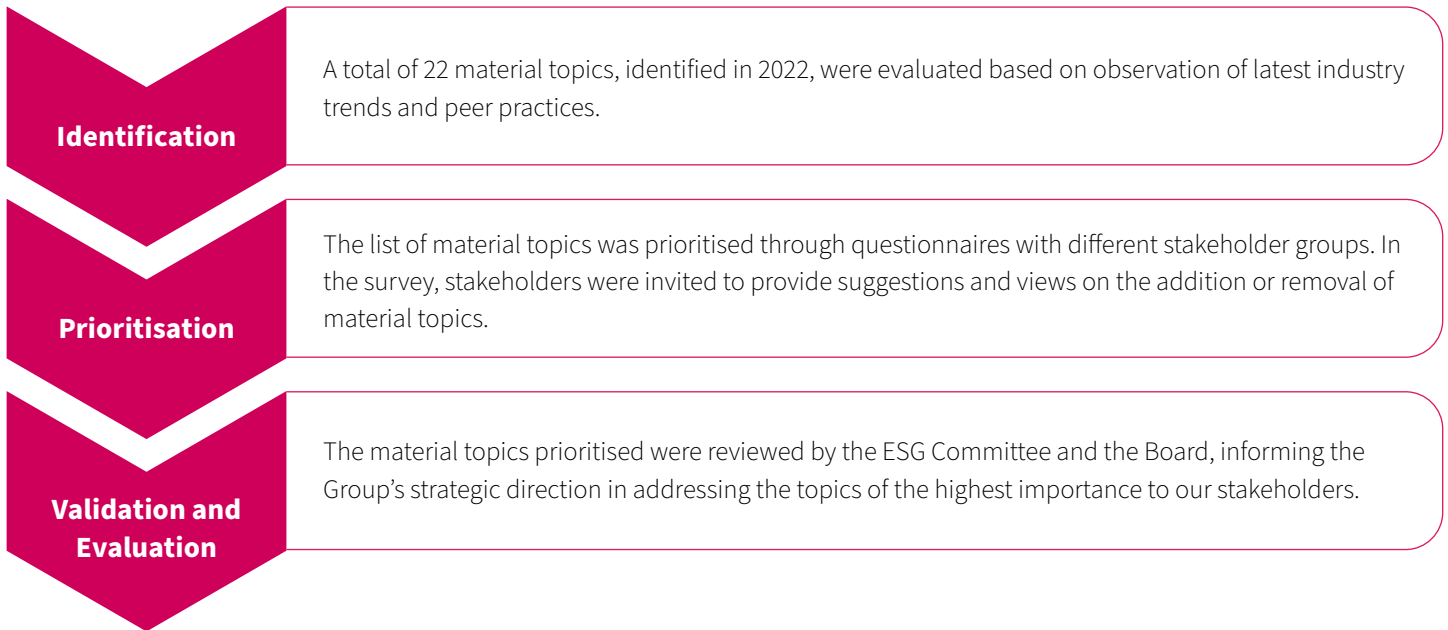
The Group recognises that the pursuit of a sustainable future has become paramount and this could not be achieved alone. The interconnectedness between our stakeholders, our operations and the environment has been more apparent than before which is reflected in our unwavering dedication to fostering a sustainable and inclusive future. To this end, the Group seeks to continuously engage our key stakeholders through diverse channels to understand their views with regards to ESG priorities, and to review and update the topics of key materiality to our business operations.

The table below outlines the engagement channels we have in place to communicate with our key stakeholders.

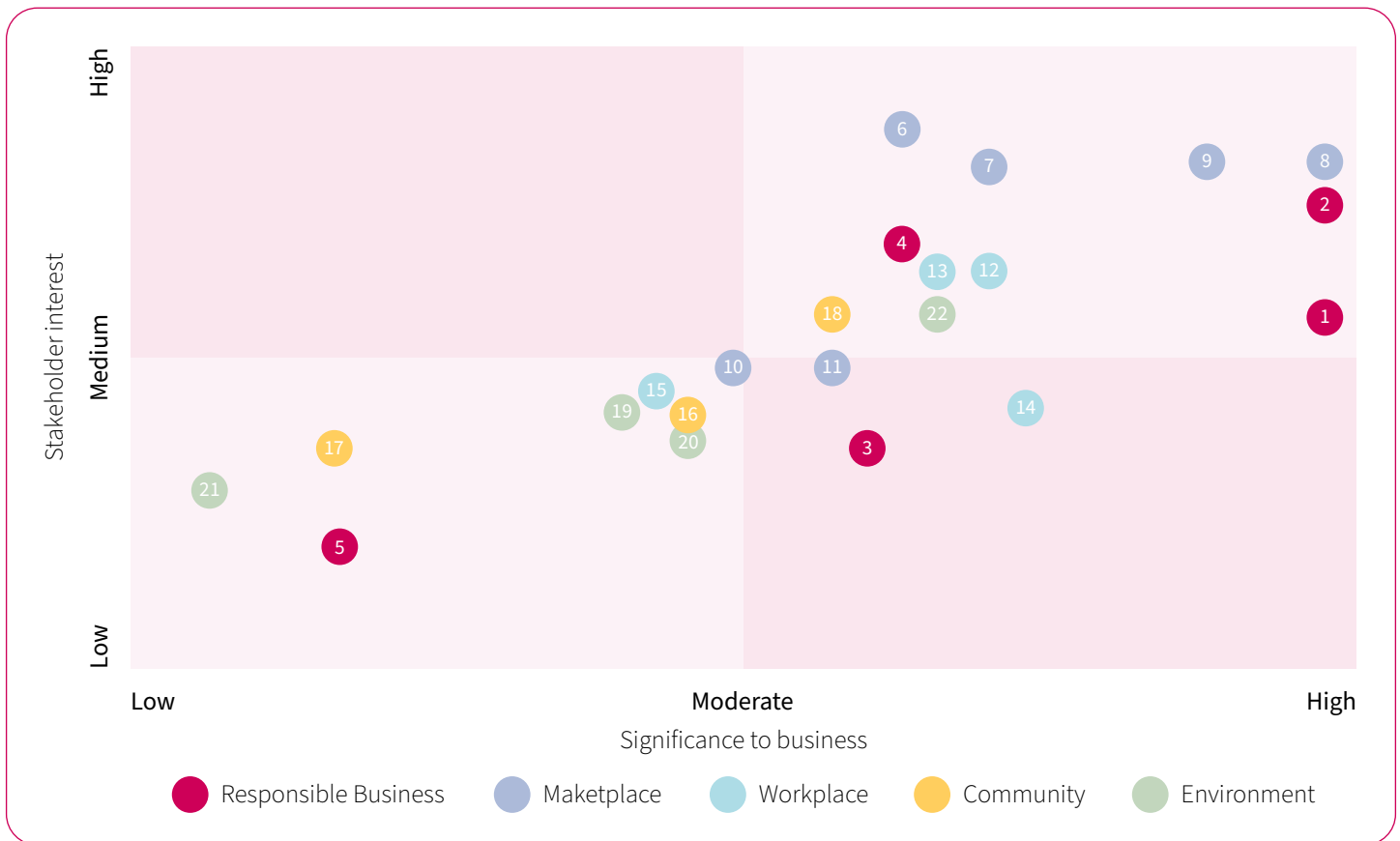
Key Stakeholders	Engagement Channels
Employees	<ul style="list-style-type: none"> • Training, seminars and briefing sessions • Performance management • Surveys • Dah Sing Fun Club • Employee Assistance Programme • Internal newsletters • Business Operations Portal/intranet • Recreational and volunteer activities
Customers	<ul style="list-style-type: none"> • Relationship manager visits • Corporate websites, mobile apps and social media platforms • Customer service hotlines • Service Quality Department that responds to customer feedback • Talks, seminars and webinars • Customer satisfaction surveys • Transactional surveys • Newsletters • Branches and SME centres
Shareholders	<ul style="list-style-type: none"> • Annual General Meeting and other general meetings • Corporate websites • Corporate communications including announcements, circulars, interim and annual reports • Share registrar
Suppliers	<ul style="list-style-type: none"> • Regular meetings and communications • Regular supplier reviews • Supplier management
Regulators	<ul style="list-style-type: none"> • Regular meetings and communications • On-site reviews • Compliance reports
Rating agencies	<ul style="list-style-type: none"> • Regular meetings and communications
Communities	<ul style="list-style-type: none"> • Volunteer activities • Sponsorships and donations • Community outreach

Materiality Assessment and Materiality Matrix

We have taken the following three steps to understand different stakeholders' views and to update our materiality matrix for 2023:



Group Materiality Matrix



We observed a significant increase of stakeholder interest in #6 Support for Green Finance compared to 2022, reflecting the higher priority placed by external stakeholders to increase efforts in green finance. It was in line with the Hong Kong Special Administrative Region (“SAR”) Government’s initiatives to establish itself as one of the leading global hubs for GreenTech and GreenFi as highlighted in its 2023/24 Budget announcement, and also with our increasing emphasis on green finance, including the increase in ESG funds distributed by our two banking subsidiaries, DSB and Banco Comercial de Macau, S.A. (“BCM”).

Heightened interest by internal stakeholders in #11 Economic Performance reflected their vigilance of the challenging economic environment and the continued weakness in commercial and economic activities. They might seek to prioritise improving economic performance in 2023 amid higher levels of uncertainty and volatility in the market.

Meanwhile, the focus by the Hong Kong Monetary Authority (“HKMA”) and The Hong Kong Association of Banks in 2023 on the revised Code of Banking Practice with emphasis placed on customer protection might have resulted in a higher perceived materiality by external stakeholders on #10 Financial Inclusion.

Category	#	Material topics	Relevant sections
Responsible Business	1	Responsible Products and Services	<ul style="list-style-type: none"> Responsible Products and Services
	2	Ethical Behaviour, Anti-Money Laundering (“AML”) and Anti-corruption	<ul style="list-style-type: none"> Information Security and Cybersecurity Ethical Behaviour, AML and Anti-corruption
	3	Labour Standards	<ul style="list-style-type: none"> Workplace
	4	Climate Risk	<ul style="list-style-type: none"> Climate-related Risks
	5	Supply Chain Management	<ul style="list-style-type: none"> Supply Chain Management
Marketplace	6	Support for Green Finance	<ul style="list-style-type: none"> Green and Sustainable Products
	7	Support for SMEs	<ul style="list-style-type: none"> Support for SMEs
	8	Customer Satisfaction	<ul style="list-style-type: none"> Customer Focus
	9	Customer Data Privacy	<ul style="list-style-type: none"> Customer Focus
	10	Financial Inclusion	<ul style="list-style-type: none"> Customer Focus Digitalisation
	11	Economic Performance	<ul style="list-style-type: none"> Economic Performance
Workplace	12	Employment	<ul style="list-style-type: none"> Culture and Values Talent Attraction and Retention
	13	Training and Development	<ul style="list-style-type: none"> Training and Development
	14	Health and Safety	<ul style="list-style-type: none"> Health, Safety and Well-being
	15	Diversity and Equal Opportunity	<ul style="list-style-type: none"> Diversity and Equal Opportunity
	16	Supporting the Younger Generation	<ul style="list-style-type: none"> Youth Development
Community	17	Promotion of Sports and Support for Those in Need	<ul style="list-style-type: none"> Promotion of Sports and Support for Those in Need
	18	Environmental Conservation	<ul style="list-style-type: none"> Green Awareness Promotion
	19	Energy and Greenhouse Gas Emission Management	<ul style="list-style-type: none"> Environmental Footprint Staff Awareness and Engagement
Environment	20	Waste Management	<ul style="list-style-type: none"> Environmental Footprint
	21	Water Use	<ul style="list-style-type: none"> Environmental Footprint
	22	Going Paperless	<ul style="list-style-type: none"> Paperless

Commitment and Governance

The Group has consistently demonstrated our commitment to fulfilling our brand promise to progress and prosper alongside our customers and the communities we serve in Hong Kong and the Greater Bay Area (“GBA”). In line with the Group’s ESG roadmap, we have dedicated our efforts to maximising value creation for our stakeholders in key strategic domains. Our aim is to build an ecosystem where our customers, staff and the communities we serve are interconnected by a shared goal of building and transitioning towards a more resilient and sustainable future.

Snapshot of Our ESG Strategy

ESG Governance

Establish ESG positioning under Board’s oversight

Marketplace

Prioritise Green and Sustainable Banking (“GSB”) and differentiate with SME focus



Workplace

Build an engaged workforce to enhance employee loyalty



Governance

Establish clear accountability on ESG oversight and strategy implementation

Communication

Regularly communicate our ESG initiatives to our internal and external stakeholders

Reporting

Continuously improve disclosure quality and performance tracking

Green and Sustainable Banking

Build capacity, raise GSB awareness and establish our green product shelves

SME Support

Increase outreach to and assist small and medium enterprises (“SMEs”) in ESG transition

Customer Focus

Improve customer experience and reinforce customer centricity

Digitalisation

Optimise customer experience and operational impact through digital transformation

Culture and Ethical Behaviours

Promote ethical behaviours to uphold the Group’s Culture and Values

Training and Development

Enhance organisation and leadership capabilities for future-ready workforce

Health and Well-being

Promote health awareness and provide flexible and healthy work environment

Community

Enrich our community strategy to enhance impact



Youth Education

Support youth education with a focus on STEAM (Science, Technology, Engineering, Arts and Mathematics) and targeting under-privileged children

Youth Sports

Promote sports as a means of nurturing all-round youth development

ESG Awareness

Raise the awareness of ESG matters in the community for promoting sustainable development

Volunteering

Engage our employees to contribute to the society through volunteering activities

Environment

Sharpen our focus on environmental Key Performance Indicators (“KPIs”) for strategic impact and operational efficiency



Environmental Footprint

Reduce our environmental footprint and influence our supply chain

Paperless

Reduce paper consumption through digitalising operational processes and engaging customers on digital adoption

Staff Awareness and Engagement

Promote environmental conservation to our staff for a greener planet

Key Achievements for 2023

Marketplace



Implemented **greenness assessment** framework as an onboarding criteria for borrowers in seven carbon-intensive industries



Offered a total of **33 and 16 ESG investment funds** in DSB and BCM to provide more fund choices respectively



Awarded **Certificate of Merit in “Hong Kong ICT Awards 2023 – Fintech (Applied Solutions)”** for proprietary AI product recommendation engine “**Next Best Action**” which analyses customer financial habits to predict financial needs



Completed digital banking revamp with **87 new / enhanced features and capabilities**



Launched **Cultureland** gamification programme to enhance awareness of Group culture and values



94,723 employee training hours for staff development



711 training hours in **climate-related risks and green and sustainable finance**



Recognised in “SportsHour Company Scheme”* for promoting employee well-being through daily physical activities

*Organised by InspiringHK Sports Foundation

Workplace

Environment



16% reduction in paper usage, compared to our baseline in 2020



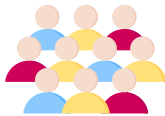
Planted **5,216 trees** through Mastercard Priceless Planet Coalition Programme contributed through customer e-statement enrolment campaign



BCM introduced a new summer uniform for branch staff, enabling staff to stay cool to **reduce energy consumption of air-conditioning**



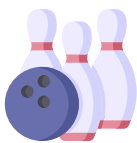
1,356 volunteers contributing **4,058 volunteering hours**



1,494 beneficiaries engaged through community programmes and activities



Co-organised Metaverse ArtTech Creation Course 2023 with Chinese YMCA of Hong Kong to provide **ArtTech training** and immersive digital art experiences to 80 primary and secondary students in Hong Kong



Co-organised the BCM Bowling Open Competition with Macau China Bowling Association for third year to **raise funds** for Macau Association for **Intellectual Development Services**

Community

Board Statement

As a conscientious financial institution, Dah Sing Financial Holdings Limited recognises the need to address climate change as one of our priorities. We are committed to integrating climate considerations into business practices and to supporting the transition to a low-carbon economy by implementing energy-efficient initiatives in our operations while assisting customers to achieve their own sustainability goals simultaneously.

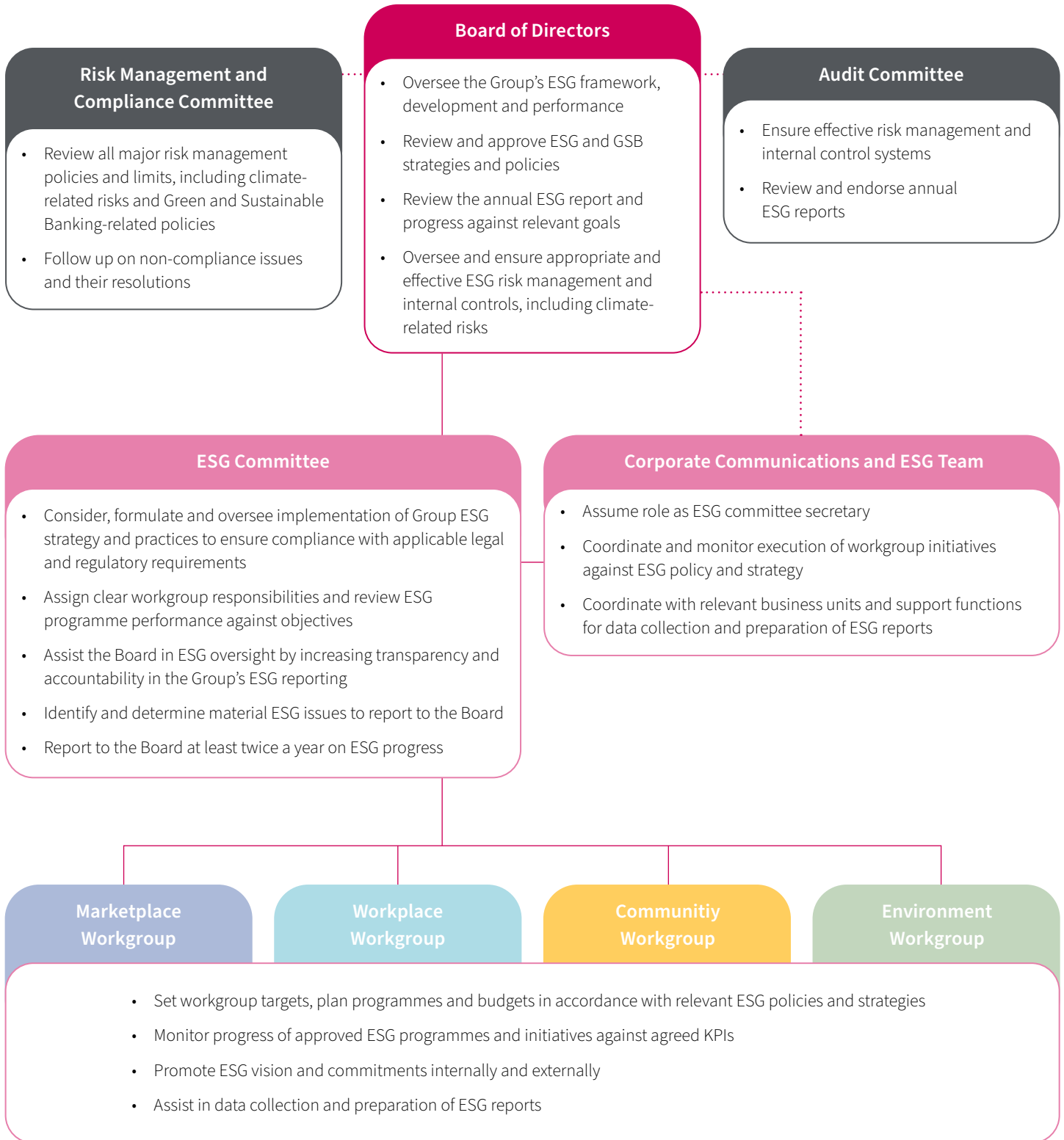
As part of our commitment to green and sustainable finance, we have transitioned from a compliance-driven approach to one which captures the opportunities presented from the growing interest regarding green products and initiatives by customers, investors and the general public. The Group has developed ESG pillars which are closely interwoven into our vision, mission and values to ensure the robustness of our ESG strategy. To ensure our own business sustainability through effective risk management, we have implemented a Greenness Assessment for carbon-intensive industries in 2023. The Greenness Assessment outlines the onboarding framework for borrowers in seven carbon-intensive industries which allows the Group to engage customers who are making the transition to go green, as well as to encourage potential customers to take initiatives to do so.

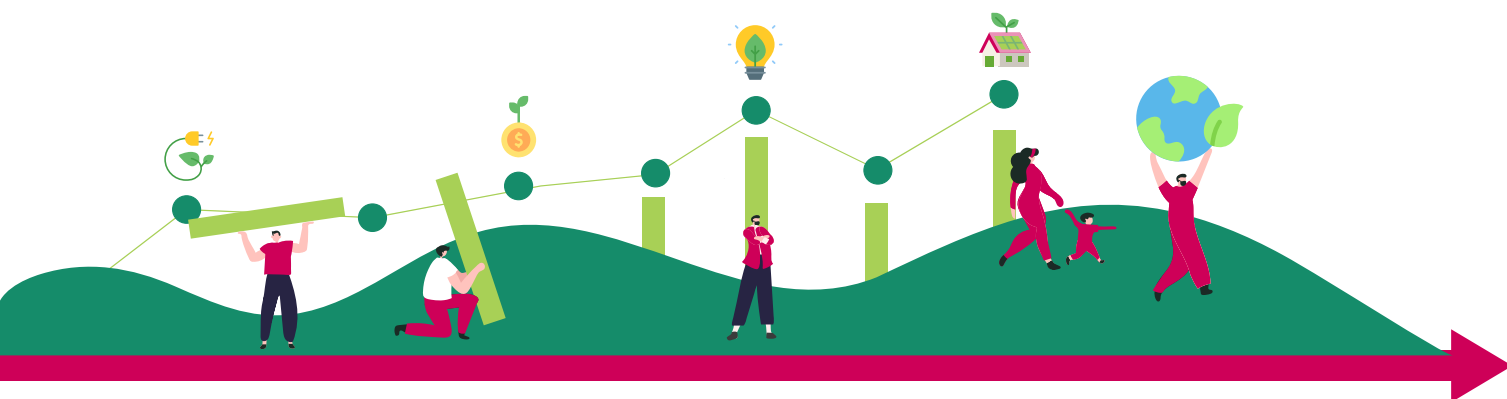
The Group is also committed to inspiring and empowering youths to develop their full potential for a better future. Our community programme invests in partnerships with various community organisations and academic institutions to support the future generation and enable them to contribute positively to society in the years to come.

At Dah Sing Financial Group, we strongly believe in fostering a strong corporate culture as the backbone of a motivated workforce and of the Group's long-term success. A diverse range of staff awareness, capacity building and development initiatives are continuously implemented to integrate the Group's culture and values into our business and operations, and staff achievements and contribution in this respect are recognised annually in our "Dah Sing Star Awards" programme. Ultimately, our aim is to ensure the sustainability of our business model and performance and to create long-term value for all stakeholders.

ESG Governance Structure

A robust governance structure upholds our commitment to and execution of our ESG strategy. The Group’s ESG governance structure is supported by four principal workgroups reporting to the Board through the ESG Committee. These workgroups ensure our ESG goals and initiatives are continuously implemented at all operating levels. Their key roles and responsibilities are outlined below.





The Board is responsible for evaluating, approving and ensuring the effective implementation of the Group's ESG strategy and related policies. The Board is kept up-to-date with relevant climate change topics and sustainable practice by the ESG Committee and Group Risk Department as well as regularly assesses knowledge gaps to ensure the availability of skills and competencies is sufficient to respond to climate-related risks and opportunities. It reviews and approves the Group's ESG strategy and policies in addressing climate-related as well as green and sustainable banking-related risks and opportunities, and is supported by the Risk Management and Compliance Committee and the Audit Committee to ensure effective risk management and internal control. The Board reviews progress reported by the ESG Committee twice a year. ESG performances and relevant climate and sustainability-related KPIs are monitored, measured and reported to the Board to assess progress made against ESG-related goals and targets. The Board also oversees the completeness and disclosure quality of the ESG report (including the materiality assessment findings). Progress update on the implementation of GSB and climate-related issues are regularly tabled to the Board for discussions, including in the June and December meetings in 2023. Areas of discussions typically include regulatory updates on GSB development in Hong Kong and the GSB implementation progress of the Bank.

The Group's ESG Committee is chaired by DSB's Deputy Chief Executive, Senior Executive Director and Group Head of Personal Banking, and comprises directors and department heads from our subsidiaries and all major business and operational units. The Committee is responsible for formulating the Group's ESG strategy and initiatives, and for assigning clear responsibilities, resources and leadership roles to ensure the effective implementation of ESG related policies, practices and initiatives against agreed objectives and KPIs. It assists the Board in ESG oversight by increasing transparency and accountability in the Group's ESG reporting, keeps the Board abreast of the latest relevant material ESG issues and reports to the Board at least twice a year on the Group's ESG progress.

The Group's Corporate Communications and ESG Team assumes the role as ESG Committee Secretary, and is responsible for facilitating the annual planning and monitoring of workgroup initiatives in the execution of the Group's ESG policy and strategy. It also coordinates with relevant business units and support functions in respect to data collection and preparation of the annual ESG reports.

The responsibilities for planning and execution of the Group's ESG initiatives rest with four functional workgroups focusing on particular ESG areas, namely, Marketplace, Workplace, Community and Environment. The workgroups are responsible for promoting the Group's ESG vision and commitments both internally and externally by designing programmes and planning budgets in accordance with the relevant policies and strategies, and for monitoring and reporting on progress against agreed objectives and KPIs. The workgroup members include representatives from various business and support units as well as from the Group's subsidiaries, and they also assist in the data collection and preparation of the Group's annual ESG reports.

The Committee is responsible for formulating the Group's ESG strategy and initiatives, and for assigning clear responsibilities, resources and leadership roles to ensure the effective implementation of ESG related policies, practices and initiatives against agreed objectives and KPIs.

ESG Policy

Our [ESG Policy](#) sets out the environmental and social commitments of the Group which aim to integrate ESG into the Group's positioning as a responsible business.

To uphold our governance framework, we have relevant policies in place to articulate and define important principles and values of the Group, all of which are accessible to all staff via our intranet. These policies are reviewed and updated regularly. With the exception of the Board Diversity Policy, the Remuneration and the Risk Policy, all staff are required to complete mandatory refresher training annually in the following policies:

Policy <i>(listed in alphabetical order)</i>	Description
AML and Counter-Financing of Terrorism ("CFT") Governance Policy	Sets out the standards of governance and the roles and responsibilities of different levels of management, business and functional units in relation to the management of money laundering and terrorism financing risks.
Board Diversity Policy	Sets out the approach to achieve diversity on the Dah Sing Financial Holdings Limited's Board in order to enhance the quality of its performance which may in turn benefit Dah Sing Financial Holdings Limited and its business as a whole.
Code of Conduct for Staff	Sets out standards for all staff to observe key ethical values and behaviours in various areas, such as conflicts of interest, AML, counter terrorist financing and workplace discipline.
Customer Data Protection Policy	Details the controls and procedures to protect customer data and to avoid any data leakage.
Information Security Policy	Sets out the framework to manage and control technology and cybersecurity risks with reference to international security standards and regulatory guidelines.
Remuneration Policy	Emphasises a pay-for-performance approach, aligning individual compensation with roles, responsibilities, performance, experience, as well as market and internal pay levels.
Risk Policy	Sets out the framework in identifying, assessing and addressing climate-related risks.
Whistle-blowing Policy	Fosters a positive speak-up culture in the Group and provides a reporting channel for our staff and external parties to report any genuine concerns, suspected unlawful acts or wrongdoings to the Group.

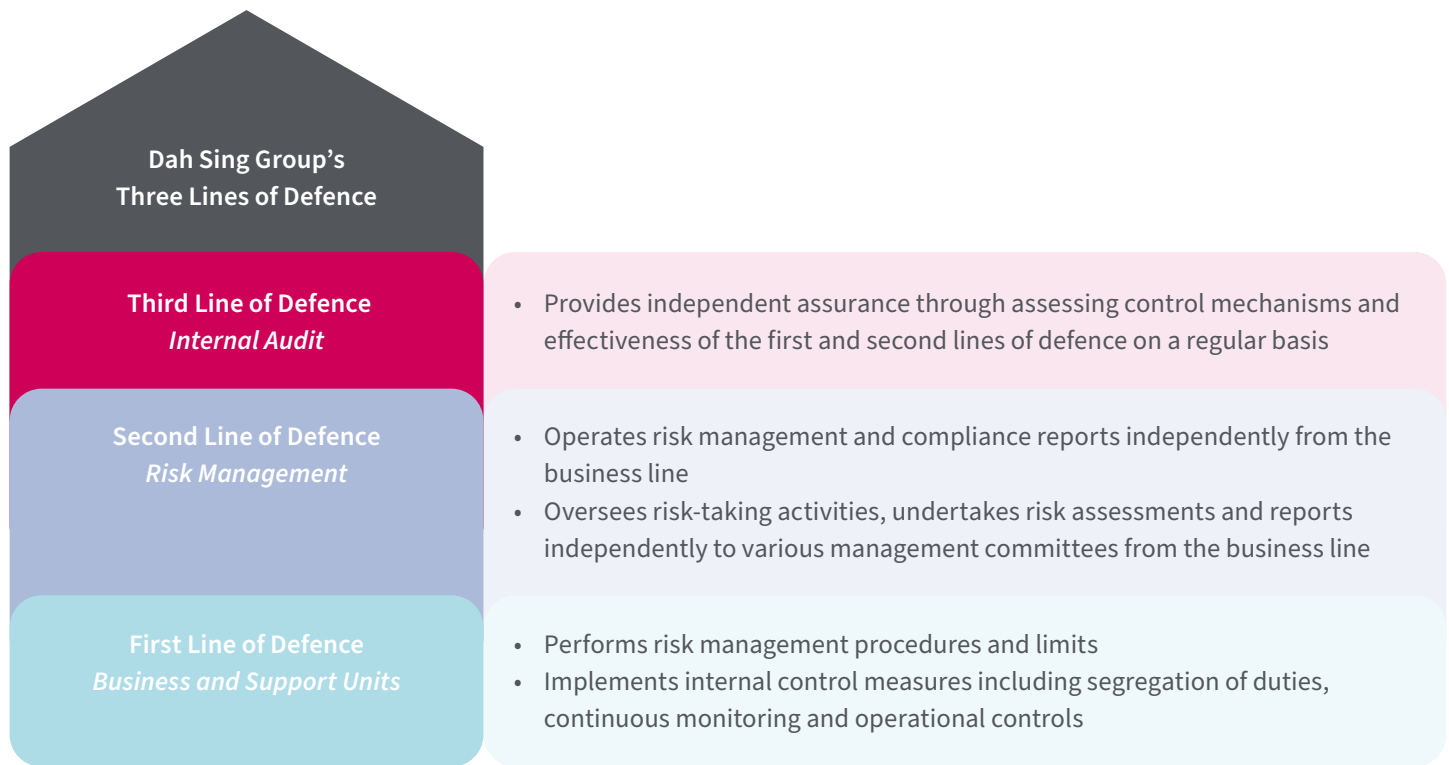
Responsible Business



Responsible Business

As a responsible business, the Group understands the interconnectedness between our business practices, our customers, stakeholders and the environment, and we are aware of the impact that we may have in creating a sustainable future for our economy and our society at large. Accordingly, we are committed to fostering a harmonious relationship between economic progress, environmental stewardship and community well-being through the products and services that we offer. We strive to provide responsible products and services that are relevant to addressing our customers' needs while operating in full compliance with the relevant international and local laws and regulations, and we regularly engage with our relevant regulatory bodies to understand the latest changes in the risk and regulatory regimes to navigate sustainably in an evolving and volatile macro environment.

In the area of risk management, the Group's Three Lines of Defence model serves as a robust framework to effectively manage and mitigate significant risks associated with corruption, money laundering, and financial crime compliance.



By proactively monitoring changes in laws and regulations, engaging with relevant regulatory bodies and implementing comprehensive compliance programmes, the Group maintains a strong compliance culture by which our commitment to compliance ensures that the highest standards of integrity are upheld, and risks that could impact our operations and stakeholders are minimised and effectively mitigated.

During the reporting period, we were not aware of any non-compliance with laws and regulations that could have a significant impact on the Group relating to areas such as environmental protection, employment and labour practices, operational practices, AML, business practices, customer data protection, treatment of customers and cybersecurity.

For more information regarding our corporate governance practices, please refer to the "Corporate Governance Report" in our [Annual Report 2023](#).

Responsible Products and Services

We continuously deliver quality products and services that cater to our customers' needs, allowing them to make informed financial decisions. To foster trust and to protect customer interests, a comprehensive range of policies are in place to closely monitor our offerings and to ensure that our businesses fully comply with laws and regulations regarding the launching of new products, recovering of overdue payments and fair advertising.

New Product Policy and Approval Guidelines

- Ensures that sufficient customer risk assessments and risk mitigation are conducted before product launch;
- Provides guidelines for post-launch product review for quality assurance monitoring which must be signed off by the heads of relevant departments and risk control functions.

Collection Procedure Manuals

- Provide guidelines for outstanding payment recovery and low credit resolution pertaining to classified accounts with our banking customers;
- Efficiently addresses and resolves collection activities associated with loans and credit facilities managed by the Bank.

Operation Manuals for Approval of Marketing Materials

- Ensure that all marketing campaign materials distributed to customers are fair and reasonable, devoid of misleading information, and fully compliant with all relevant legislation, codes, and rules;
- Ensure non-violation and non-infringement of intellectual property rights of third parties.

Information Security and Cybersecurity

Our information Security Policy outlines our continuous commitment to enhance and control information security as well as to manage and mitigate technology and cybersecurity risks. A comprehensive framework is in place to ensure the effective implementation of the policy in alignment with international security standards and regulatory guidelines. Additionally, our Data Privacy Handbook guides staff members on the proper collection, handling, retention and use of customer personal data.

The Group is aware of the escalating incidents of cyber threats and stays vigilant 24/7 in monitoring developments in these areas. As part of our robust IT security framework, we continuously assess and enhance our capabilities to mitigate potential risks. Furthermore, we have comprehensive response mechanisms in place to ensure any potential cyber threats are addressed in an effective and efficient manner. By staying up-to-date with the latest industry trends and leveraging advanced technologies, we strive to maintain a secure and resilient IT infrastructure.

Moreover, cybersecurity emerging risks, measures and threat landscape were presented and discussed in the management committee meetings to ensure senior management have a clear understanding of the risks associated with the activities and provide sufficient support to the cybersecurity initiatives.

Additionally, in order to uphold a strong culture of information security awareness among our staff, we require all employees, including permanent full-time and part-time staff as well as contractor staff, to complete an annual refresher course and an e-quiz on data security and protection, focusing on essential topics such as identifying phishing emails and safeguarding customer data.

Recognising the increasing reliance on information systems in our daily business operations, we have implemented a defense-in-depth approach utilising multiple layers of security measures to ensure the utmost protection of our customers' assets. These measures include email isolation and network access control, safeguarding our end points, data, applications, and networks. We also engaged external independent assessors to conduct regular, comprehensive assessment on the effectiveness of our management systems, as well as to identify any potential vulnerabilities and key improvement areas. Meanwhile, we continuously explore new and other means to oversee and address information security and cybersecurity.

Ethical Behaviour, AML and Anti-corruption

The Group is committed to conducting its business in an ethical manner. All staff are required to observe a strict code of ethics with no tolerance for any form of corruption as stipulated in our Code of Conduct for Staff, our Policy on AML and CFT. These policies provide guidance to our staff on how to identify and report suspicious money laundering and terrorist financing activities. Moreover, our Internal Audit Division is responsible for conducting a wide range of internal control reviews and audits. This division assists us to identify any deficiencies in internal controls so we can ensure the integrity of both our staff and operations.

Furthermore, to identify and detect mule account networks controlled by fraudsters or crime syndicates, we have implemented a network analytic tool that enables the Bank to further utilise financial crime intelligence to identify bad actors through common customer demographic data, transaction counterparties, and digital footprints to mitigate fraud risk from mule account networks. Additionally, this tool is also used to monitor suspicious transactions in relation to internal frauds or bribery cases.

Our Whistle-blowing Policy provides guidance to our staff on how to report and disclose any genuine concerns through various channels without fear of victimisation, subsequent discrimination or disadvantages, and in a responsible and timely manner. To provide a safe and hassle-free environment for our staff members who voice their grievances, their identities will be kept in strict confidence unless with their consent, or as required by the government, regulators or other authorities. Only authorised person(s) involved in the investigation process may get access to the information provided. A proper handling process is in place where our Internal Audit Division is responsible for conducting investigations. Where staff from the Internal Audit Division is potentially involved in the reported incident, the Group Compliance Division will take over the investigation. The mechanism of handling whistle-blowing matters is overseen by the Group Audit Committee to ensure that legitimate issues raised are properly addressed. Where the issues are considered material, the Group Audit Committee will decide if these should be brought to the attention of the Board.

To enhance awareness and knowledge of AML and financial crime risk management, all employees are required to join annual refresher trainings, including permanent full-time and part-time staff as well as contractor staff. Regular seminars, workshops, on-the-job training and e-learning programmes are also organised to raise staff awareness in relation to AML topics. During the period under review, DSB collaborated with the Immigration Department and the Independent Commission Against Corruption (“ICAC”) to provide thematic trainings on “Identification of Forged ID Card” and “Bank on Integrity” respectively. BCM also participated in various AML/CFT trainings hosted by Macau regulator and governmental authorities.



Climate-related Risks

To continuously support the transition to a low carbon economy, the Group has undertaken multiple measures to enhance the resilience and adaptability of our business portfolio. Our GSB Task Force was set up in 2021 as a cross-functional task force that comprises members from various businesses as well as risk and control functions. In addition to governing and managing the Group's climate-related risks, it is also responsible for fostering a deeper understanding of such risks within the Group.

With the integration of climate-related risks into our Group Risk Policy, we established a comprehensive framework for identifying, assessing and addressing such risks within the Group. The Group conducts comprehensive assessments of how risks are posed by climate change, and identifies and determines the extent to which these may affect the Group's portfolios and operations through traditional risk types governed in our Group Risk Policy. Material climate-related risks and opportunities to our business and operations are assessed based on the relevant financial implications over both short and longer-term horizons, and evaluated at different levels from portfolio, segment (geographical and industry), counterparty (including clients) to transactional level as appropriate.

Climate-related risks are continuously evolving and the Group prioritises them at the same level as other types of conventional risks such as credit risk. We will continuously keep track of the changes in climate-related risks and evaluate their potential impact on the Group's exposures and operations. Where necessary, business strategy as well as risk management policies and procedures may be adjusted accordingly. There was no change in this process compared to the prior reporting period.

Recognising the importance of assessing the Group's position under different climate scenarios, we conducted the Pilot Banking Sector Climate Risk Stress Test ("CRST") launched by the HKMA in 2021 to assess the potential impact of climate change on the Hong Kong banking sector. With the assistance from an external consultant, methodologies were provided to conduct the CRST based on the two prescribed scenarios for physical and transition risks. We are currently updating the CRST for the HKMA and we expect to complete the CRST by the end of June 2024.

For physical risks, our CRST assumed extreme weather scenarios set by the Intergovernmental Panel on Climate Change ("IPCC"). It highlights the likelihood of extreme high rainfall crystallising between 2051 and 2060, resulting in extreme high rainfall, storm surges and floods in low-lying areas in Hong Kong that might cause physical damage to collateral properties and suspension of the Bank's operations.

For transition risks, it assumed a disorderly transition scenario with hard policies introduced in 2030 to abruptly reduce GHG emissions to achieve the Paris Agreement targets. In this scenario, the impact of exposures would materialise from 2030 to 2035 in the form of higher carbon prices, and would affect business performance and thus credit quality of more carbon-intensive industries. We are currently deepening our evaluation of potential physical and transition risks in this respect and expect to disclose the findings in the near future.



Apart from that, we have implemented a “Greenness Assessment” for industries with high carbon emissions. This Greenness Assessment template was developed referencing climate-related disclosure standards in the market. Its key aims are to facilitate evaluation of the impact of climate-related risks and the sustainability practices of our existing corporate customers, and also to establish a due diligence process to understand borrowers’ level of transition risk and mitigation actions. It is expected that the information collected from the Greenness Assessment could assist the Group to refine its climate risk strategy or actions in the future.

Additionally, to bolster the proficiency of our colleagues in identifying, assessing and managing climate-related risks, we carried out training for 77 employees to familiarise with the Greenness Assessment and On-boarding Mechanism for High-carbon Emission industries over the course of the year. By investing in their professional development, we are actively strengthening the Group’s capabilities to proactively respond to the myriad challenges posed by the ever-evolving climate landscape.

To boost our transparency in potential exposure in climate-related risks, we engaged an external consultant during the year to help conduct a gap analysis of our current disclosure practices following the recommendations of the Taskforce on Climate-related Financial Disclosures (“TCFD”). The analysis provided valuable insights and highlighted opportunities to enhance our approach to conduct climate risk assessments and report TCFD disclosures in alignment with industry best practices. Some of the areas identified for improvements have been addressed in this current ESG report, and a roadmap will be developed and implemented to progressively address other areas as appropriate.

Meanwhile, to improve the accuracy and quality of our climate-related disclosures and to standardise the calculation methodology of environmental data across all subsidiaries, we introduced the Guidelines on Environmental Data Collection in November 2023 to outline a clear data governance process in environmental data collection and handling.

The Group recognises the limitations in this current stage in measuring and capturing climate-related risks in a structured, comprehensive, comparable and quantifiable way. Thus, monitoring efforts will be devoted to a qualitative approach which will cover internal and external factors for example, changes of regulatory requirements, market practices and data availability. Furthermore, through engagement with customers and insights from related infrastructure to be established by regulators, we expect more relevant industry-specific transition risk pathways to become available to enable more effective monitoring of associated risks. The Group is committed to progressively enhancing our disclosure of financial impact (including capital deployment) arising from climate-related risks and opportunities in the future. The Group does not currently have an internal carbon price mechanism and has yet to incorporate any climate factors into our remuneration policies, however, we may explore the possibility of setting these in the future as applicable.

Supply Chain Management

The Group understands the importance of sustainable supply chains in the overall efforts towards managing and mitigating climate-related risks. We strive to put in place responsible supply chain management practices as a means to uphold our commitment to our environmental and social responsibilities.

The Group carefully selects and collaborates with suppliers who demonstrate responsible operations by conducting ongoing monitoring and performance evaluation. Active suppliers with contract sums with the Group of HKD50,000 or above are mandated to complete our Supplier’s Environmental Responsibility Undertakings. All suppliers are encouraged to put in place internal environmental policies and guidelines, adopt pollution prevention measures, and/or implement other measures such as acquiring ISO certificates, including but not limited to environmental certifications such as ISO 14001, ISO 50001, and Forest Stewardship Council (“FSC”) certification to demonstrate their environmental commitments.

In 2023, 76% of our suppliers affirmed their commitment to our undertakings. We intend to expand this coverage continuously to influence more suppliers to integrate sustainability into their operations.

Marketplace



Marketplace

The Group's priority to ensure the alignment of our ESG strategy with our business strategy is reflected in our Marketplace focus on customers and customer experience. While we make continuous efforts to develop our GSB capabilities to understand the climate-related risks faced by our customers in upstream industries and to assist them in their transition planning, we are also committed to raising ESG awareness and preparing SMEs in the mid and downstream sectors as they navigate through challenges and opportunities towards a low-carbon economy. By doing so, we hope to contribute towards the creation of a connected ecosystem that underpins a thriving and sustainable future.

Green and Sustainable Products

Since the inception of the GSB Task Force in 2021, we have made steady progress in building capacity and systems to set the foundation of developing green financing solutions. Our Principles on Green and Sustainable Finance (the “Principles”) were developed and endorsed by our ESG Committee as a comprehensive framework to steer our approach in classifying and developing green and sustainable financing products. The Principles were piloted to enable DSB’s participation in green-related syndicated loans and/or club deals for green and sustainable loans. We expect to expand the coverage of the Principles to more products in the coming year.

To meet the growing interests in and demand for ESG investments, we continued to enrich our green and sustainable investment product offerings to personal customers. DSB and BCM launched an additional nine and five ESG investment funds respectively in 2023 when compared with last year. Separately, DSB was one of the placement banks for the Hong Kong SAR Government’s retail green bond in October 2023. To keep relevant staff informed and engaged about ESG investment trends, we launched the ESG Hotspot in 2022 to provide weekly updates on ESG developments. We also invited fund houses to deliver briefings each quarter on ESG topics. A total of nine such briefings were conducted in 2023 for frontline sales staff of investment products. Additionally, our Investment Fund Newsletters which include various ESG topics are regularly disseminated to our customers to raise their awareness and cater to the market’s burgeoning interest in ESG investments.

Other examples of green product initiatives during the year included the special car loan promotions offered by BCM in Macau for eligible electric vehicles and e-motorcycles which have registered with the Macau Special Administrative Region (“SAR”) Government to promote environmentally friendly transportation options. Dah Sing Insurance Company Limited (formerly known as Dah Sing Insurance Company Limited (formerly known as Dah Sing Insurance Company (1976) Limited) (“DSI”) also extended its coverage of insured products to energy-efficient home appliances as well as solar panels.

Separately, DSB was one of the supporting organisations for the Construction Industry Council (“CIC”) Sustainable Finance Certification Scheme which provides a common framework and user-friendly evaluation system of sustainable finance application for the construction industry in Hong Kong and the GBA.

Support for SMEs

Given the Group’s 76-year banking franchise in Hong Kong and the substantial role of SMEs underpinning the development of the local economy, we have always been committed to supporting the growth of SMEs as one of our key strategic customer segments.

DSB’s 328 Business Banking differentiates itself with the promise of a simplified and fast account opening experience for SMEs and start-ups. During the year, we added four more locations to a total of 16 SME Centres within our retail branch network. These are dedicated service centres to handle SME account openings and to provide SME products such as payroll management, SME loans and business card services.

In September 2023, DSB supported the “FPS x SME” seminar organised by the HKMA to promote digital transformation amongst SMEs. Over 130 SMEs participating in the event were able to get hands-on experience on the use of our 328 Business e-Banking and Mobile Banking platforms to generate payment QR codes to enable instant and hassle-free funds transfer, FPS collection and payment solutions.

New products were also launched during the year to support SMEs from different industries. In Hong Kong, DSB introduced the Tour Bus Loan up to a maximum loan amount of HKD200,000 to help customers relaunch their businesses post-Covid. In Macau, BCM continued to participate in the Macau SAR Government’s Principal Moratorium Scheme which was extended to December 2024 to ease immediate liquidity pressure for SME customers who apply for the scheme.

Meanwhile, DSI offered a new insurance scheme that extends additional coverage to SMEs in Hong Kong for employees who work from home. For start-ups, DSI also introduced a scheme to cover replacement of accidentally damaged business appliances with energy-efficient alternatives. Separately, Macau Insurance Company Limited (“MIC”) continued its participation in the SME Catastrophe Insurance Scheme initiated by the Macau SAR Government in 2023 to assist local SMEs with difficulties in arranging insurance in flood prone areas.

As mentioned earlier, the Group is also committed to raising ESG awareness amongst SMEs. The SME ESG Best Practices Recognition Programme co-organised by DSB and Friends of the Earth (HK) concluded in July 2023 with a total of 19 SME awardees. The programme provided free assessment and practical guidance to participating SMEs, helping them enhance their competitive advantages by putting management resources in sustainable development principles in various aspects of their businesses.

In October 2023, DSB hosted a webinar for 50 SMEs that featured guest speakers from the CIC and the China Energy Conservation & Environmental Protection Consulting Group to present on the topic of “Green Transformation - CIC Sustainable Finance Certification Scheme”.

Customer Focus

With our corporate vision built on delivering high quality personalised services to our customers in Hong Kong and the GBA, customer-centricity lies at the heart of everything we do. Focus is placed on building long-term and trusting relationships with our customers that are built on superior customer experience and high quality products and services. Priority is given to understanding the preferences and anticipating the needs of our customers, and to deliver timely and relevant banking solutions to help customers achieve their financial goals.

Customer Satisfaction

Customer satisfaction surveys are conducted annually at DSB for our Retail Banking, Corporate Banking and Private Banking businesses. 328 Business Banking was added to the survey in 2023 to form a baseline for future measurements given the importance attached to this customer segment. Insights gained from customer feedback on their touchpoint, product and digital experiences with the Bank will inform and guide improvement actions to be implemented. In 2023, aggregate customer satisfaction as measured in terms of Net Promoter Scores improved for all three business divisions. Customer perception remained the highest across all three business divisions as a bank that can be trusted; significant improvement in customer perception of our digital capabilities was also noted especially among our Retail Banking and Private Banking customers.

Meanwhile, multiple and diverse channels are also in place for customers to provide feedback, ranging from our retail branches, customer hotlines, emails, instant messaging and social media platforms as well as corporate websites. Procedures are in place for timely follow-up and customer support. At DSB, verbal and written complaints are acknowledged within seven calendar days of receipt, and the Bank is committed to its target to resolve such complaints within 30 calendar days of receipt. In 2023, our Group received 63,151 compliments and 510 complaints regarding our products and services. Valid and recurring complaints that pose potential systemic risks are reviewed by the Operational Risk and Internal Control Committee. During the year, all complaints were addressed in accordance with our internal protocols and the applicable regulatory obligations.

To cultivate a strong customer centricity culture across the Group, numerous initiatives were organised in 2023 to raise staff awareness and ownership of both internal and external customer experiences (“CX”). These included a CX Speaker Series to feature industry leaders as guest speakers to share experiences in successful customer journeys; these included senior executives from reputable organisations such as Sun Hung Kai Properties and Tesla. Other initiatives included a CX Gratitude Project during CX Week 2023, and a learning visit to Cyberport for our CX Champions. Our Customer Centricity Task Force in Macau also played a key role in instilling a customer-focused mindset in our employees through ongoing activities, for example, a bank-wide roadshow in BCM to brief all BCM staff about customer centricity, experience sharing, job shadowing and a customer centricity section in the staff orientation programme.

Case study: Elevating Customer Experiences through Idea Crowdsourcing

In an effort to foster innovation and to encourage staff participation in enhancing customer experience, we hosted a CX Idea Crowdsourcing Competition for DSB which drew enthusiastic participation by staff across the Bank. A total of 18 submissions were received and were meticulously reviewed by the Customer Centricity Committee. The three winning submissions were selected for their exceptional creativity and their potential for driving improvements in the Bank's customer service quality. The champion team's idea "Self-Certification Form (Individual/ Sole Proprietor) for FATCA and CRS" has been implemented since December 2023.



Customer Data Privacy

The Group's strong compliance culture and full adherence to data privacy laws and regulations ensure customers' personal data and sensitive information are safeguarded. Our customer data protection policies and procedures are fully compliant with personal data privacy laws in Hong Kong, Macau, and Mainland China, including the Personal Data (Privacy) Ordinance in Hong Kong and the Personal Data Protection Act in Macau. The current Privacy Policy Statement that covers individuals' (i.e., customers and employees) states the kind of personal data we held, and the various purposes for which personal data are being used or to be used.

Our internal Data Privacy Handbook serves as a guide for our staff to ensure compliance with the associated regulations. We are committed to following our internal policies, processes and compliance guidelines that govern the collection, usage and management of customer information. These guidelines explicitly outline the roles and responsibilities of our staff in handling personal data and mandate the use of adequate security measures in their daily work to ensure data confidentiality, integrity and accountability.

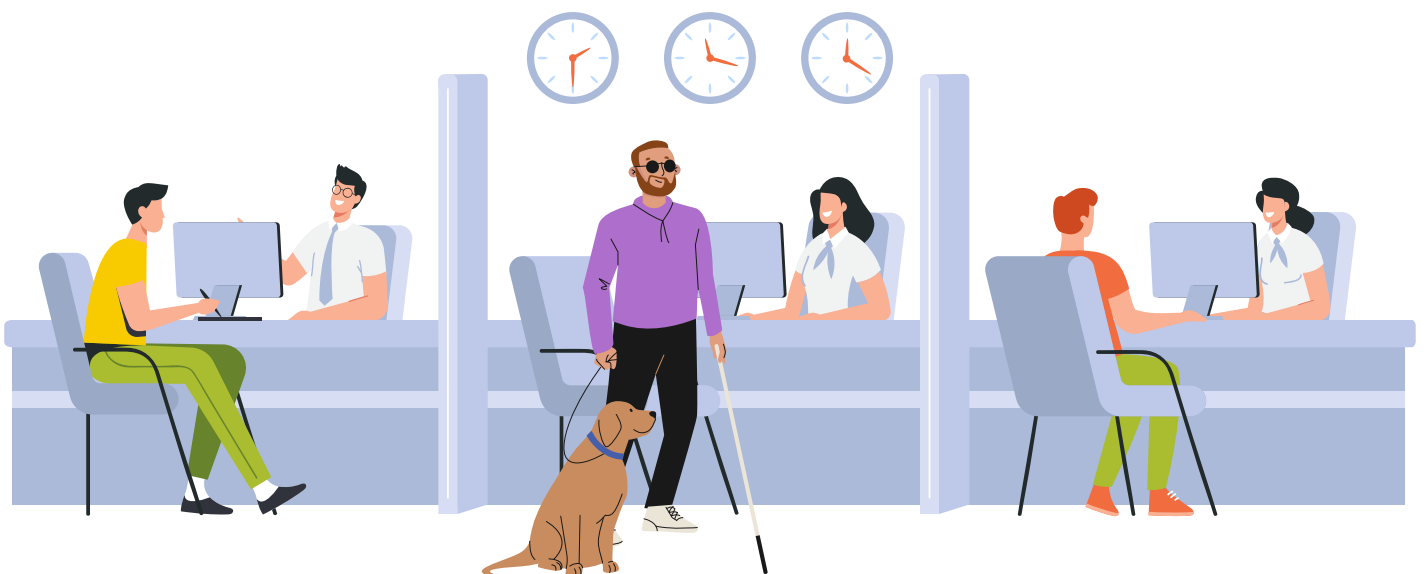
Financial Inclusion

We see our responsibility in increasing financial inclusivity by promoting more user-friendly online platforms and improving physical access to our branches. Our efforts to facilitate visually impaired people to navigate the Bank's website were recognised. We received a Gold Award in the Web Accessibility Recognition Scheme 2022-2023 from the Hong Kong Internet Registration Corporation ("HKIRC") and the Office of the Government Chief Information Officer. As at the end of 2023, the Group offers banking services to customers via 64 operating locations across Hong Kong, Macau and Mainland China. Facilities and measures available to support customers with different needs include:

- Permanent ramps and wheelchair-accessible ATMs
- Braille on ATMs
- Voice navigation in ATMs
- Assistive listening systems at counters and meeting rooms
- Guide dogs access in all branches
- Wheelchair-accessible service counters

Meanwhile, to assist unstable income or commission earners who otherwise have limited access to funding support from banks, DSB offers an "e-Cash" solution with simplified income proof requirement and offers additional financial flexibility by settling existing debts and providing extra cash-out solutions.

In line with the SME focus in our ESG strategy, DSB offers a simplified business account which makes banking services accessible to start-ups with less than one year operating history. Additionally, to help ease immediate liquidity pressure for SMEs, DSB continued in 2023 to participate in HKMA's "Pre-approved Principal Holiday Scheme", a COVID-related relief programme, and HKMC Insurance Limited's SME Financing Guarantee Scheme, while BCM participated in the Macau SAR Government's Principal Moratorium Scheme.



Digitalisation

The Group embraces digital transformation to stay in step with the rapid digitalisation in banking services and in the financial lifestyles of our customers. In 2023, DSB completed its digital banking platform revamp with 87 new and enhanced features and capabilities introduced, significantly improving the digital user journey and experience for retail banking customers. Accordingly, digital penetration rose beyond 80% in our core banking customer base and digital transactions surged nearly 18% for the year under review. Onboarding of new customers via our digital channels also grew by 48% compared to the previous year in terms of new bank accounts opened. Meanwhile, customers' digital preferences also saw an increase in e-statement adoption by 17% in 2023.

Meanwhile, to cater to increasing customer demands, the Bank has enhanced its 328 Business Banking digital banking platforms to extend its foreign exchange service hours from 9 to 18 hours, or from 8:30 am to 2:30 am, offering SME customers a more convenient one-stop banking experience.

Case study: Elevating Quality Personalised Services through Innovative Digital Technology

As a customer-centric bank, DSB has been working hard to deliver superior customer experience that integrates digital innovation. In November 2023, the Bank received the Certificate of Merit in the “Hong Kong ICT Awards 2023 - Fintech (Applied Solutions) Award” for our proprietary and self-developed product recommendation engine, “Next Best Action”. This engine leverages big data and machine learning algorithms to analyse customers' financial habits and preferences in order to predict their financial needs, thereby enabling the Bank to provide timely and relevant personalised product recommendations to our customers.

The incorporation of a feedback mechanism in the engine enables continuous learning and optimisation, resulting in over 60% of the previously untapped target customer base receiving personalised recommendations. This has led to a significant increase in product and service adoption rates, as well as a 20% growth in digital channel sales. Through this enhancement, we have successfully uplifted our digital platform to foster a stronger connection with our customers.



Economic Performance

Economic Performance	2023 HKD million	2022 HKD million	2021 HKD million
Deposits from customers	206,535	198,575	194,922
Advances to customers	143,049	136,530	144,313
Total assets	269,679	259,159	256,090
Profit attributable to shareholders	1,592	1,224	1,308*
Basic earnings per share	HKD 4.99	HKD 3.83	HKD 4.09*

* Dah Sing Financial Holdings Limited adopted the new accounting standard, HKFRS 17 "Insurance Contracts" in 2023 and restated the amounts reported for 2022 to follow HKFRS 17. As allowed by the transitional arrangement for adoption of HKFRS 17, the Group is not required to restate its profit attributable to shareholders and basic earnings per share prior to 2022 for the impact of HKFRS 17.

In August 2023, DSB celebrated the opening of its new Shenzhen branch which focuses primarily on Renminbi lending, deposits and remittance services for corporate customers. This represented a significant milestone for the Group as DSB was the first foreign bank in Mainland China to be granted a dual operating licence to set up a local branch in addition to our locally incorporated wholly-owned bank, DSB China. The strategic move will allow the Group to deploy the combined resources of DSB, BCM and DSB China more flexibly and nimbly to meet the needs of its customers. It will also enhance our position amidst the internationalisation of Renminbi and the increasing integration of financial markets in Hong Kong and the Mainland China.



Workplace



Workplace

The success of the Group's businesses is built upon the foundation of our employees. Aligned with our employer value proposition of "NOT JUST A BANK. A HOME.," we are dedicated to nurturing our workforce of over 3,000 staff members across Hong Kong, Macau and Mainland China. We place priority on cultivating ethical behaviours and enhancing organisational and leadership capabilities on the one hand, and strive to provide a flexible and healthy work environment to ensure a future-ready workforce.

The Group's human resources policies and procedures strictly adhere to the relevant labour laws and regulations to govern our talent management practices. We maintain grievance procedures, monitoring systems and preventive measures against the use of child or forced labour. Any potential violation of our policies will be thoroughly investigated and addressed promptly.

Culture and Values

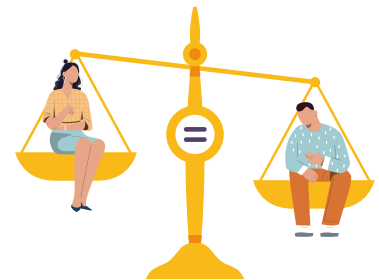
The Group's corporate culture serves as the backbone of our success, and is ingrained in our performance management system with non-financial metrics to gauge whether our culture and values are put to practice.

We strive to achieve and maintain the highest standards of openness, probity and accountability through our speak-up culture. The "Embracing a Speak-up Culture" video series is available on the Group's intranet to promote the following key channels for employees to voice their feedback:



a. **Whistle-blowing Policy** for reporting serious malpractice, wrongdoings or material violations of regulations or policies

b. **Guidelines on Grievance Procedures** for reporting unfair and inappropriate treatment in the course of employment



c. **Employee Assistance Programme** for seeking advice on personal, family and/or work-related concerns from an external consultant



d. **Employee Survey** for providing feedback on workplace matters



In October 2023, we conducted our annual Culture Survey with the following results:

87%

Valid Response Rate

72%

Positive Perception Score
(↑5% from 2022)

In line with the Group's Speak-up Culture, BCM organises regular cross-departmental lunch gatherings and "Tea Time" sessions to encourage two-way communications between staff and senior management. In 2023, BCM held six such gatherings at which employees shared feedback on various matters such as work environment, compensation, benefits, career development and culture. Additionally, a cross-departmental sports day held in October for team building and for promoting healthy lifestyles was well attended by 164 employees.

In Hong Kong, staff achievements and contribution to our culture and values are recognised in our annual "Star Awards of Excellence". This year, 36 individuals and 57 teams from various divisions across the Group received the awards in Hong Kong. Meanwhile, 14 individuals and four teams were awarded the quarterly "BCM Stars of Excellence" for excelling in living and demonstrating our culture and values. Meanwhile, 22 outstanding employees in DSB China were named and rewarded as "Can Do Heroes" in October 2023 for demonstrating positive attitudes.

Meanwhile, in a spirit to build and strengthen our inclusive work environment, the Group held the Employee Value Proposition Week for the fourth consecutive year in September in Hong Kong with activities to enrich our employees' professional lives. These included Office Decoration Competition, Caring for Your Aging Parents webinar, Spark Me Up Your Image workshop, First Aid Treatment in the Workplace webinar, Craft Mocktail Workshop, Rabbit Moon Cake Baking Class, head and shoulder massages and early leave on Friday. BCM also shared seasonal health tips and arranged first aid training to staff.

Case study: Instilling Cultures and Values in Our Workforce

As part of the Culture Week, DSB launched the innovative gamification programme Cultureland to engage and enrich colleagues' awareness and understanding of the Group's culture and values in a fun, dynamic and interactive way.

The platform, designed as a virtual representation of our Group's culture and values, featured seven unique adventures, each representing a core value. Through exploring these adventures, our staff could earn "Dah Sing Cultureland Coins" which could in turn be used to redeem tangible rewards upon completing a series of challenges on the virtual platform. Some example of the rewards included snacks such as ice-cream, chips, popcorns, and cotton candy. The rewards served as tokens of appreciation and were given out during the physical Cultureland event, creating a fusion of virtual and physical experiences.



Talent Attraction and Retention

We are committed to attracting and nurturing young talent by offering them rewarding career development opportunities with the Group. During the reporting period, DSB has actively participated in external talent development programmes such as:

- Pilot Apprenticeship for Private Wealth Management, co-organised by the HKMA with the Private Wealth Management Association;
- Fintech Career Accelerator Scheme, organised by the HKMA and Hong Kong Applied Science and Technology Research Institute, and
- Banking Talent Programme and Banking Graduate Trainee Programme, jointly held by the HKMA and the Hong Kong Association of Banks.

Apart from supporting external programmes, the Bank offers in-house training programmes in Hong Kong for fresh graduates in areas such as financial services and branch counter services. Meanwhile, BCM continued its internal Management Trainee Programme to encourage internal mobility and allowed existing staff to experience different roles through job rotation across departments.

We also recognise the importance of retaining and developing our employees. The Group regularly reviews and enhances our employee benefits and remuneration with “Pay for Performance” as our guiding principle. Division Heads and Department Heads have also been evaluated according to applicable Employee Engagement KPIs since 2022. At DSB China, ESG-related KPIs such as social responsibility and green finance completion status were also included to account for 10% of the weight of performance appraisals for branch managers.

Furthermore, we understand that providing comprehensive and competitive benefits to our employees is crucial to retaining talent. Such benefits extend beyond statutory requirements and are applicable to staff members including full-time and part-time employees as well as contractors according to their employment terms and provisions:

- Flexi-medical scheme for employees and their eligible family members
- Executive medical examination
- Group life and personal accident insurance
- Top-up MPF Scheme
- Staff housing loan with preferential interest rate
- Rental reimbursement
- Preferential deposit interest rate for staff accounts
- Concession benefits on other banking products and services
- Subsidy of annual membership fee for different qualifications
- Flexible working hours
- Examination leave
- Vaccination leave
- 24-hour Employee Assistance Programme (“EAP”) via external service provider

Voluntary health-care programmes such as dental plans and flu vaccinations at discounted fees are also extended to employees’ family members.

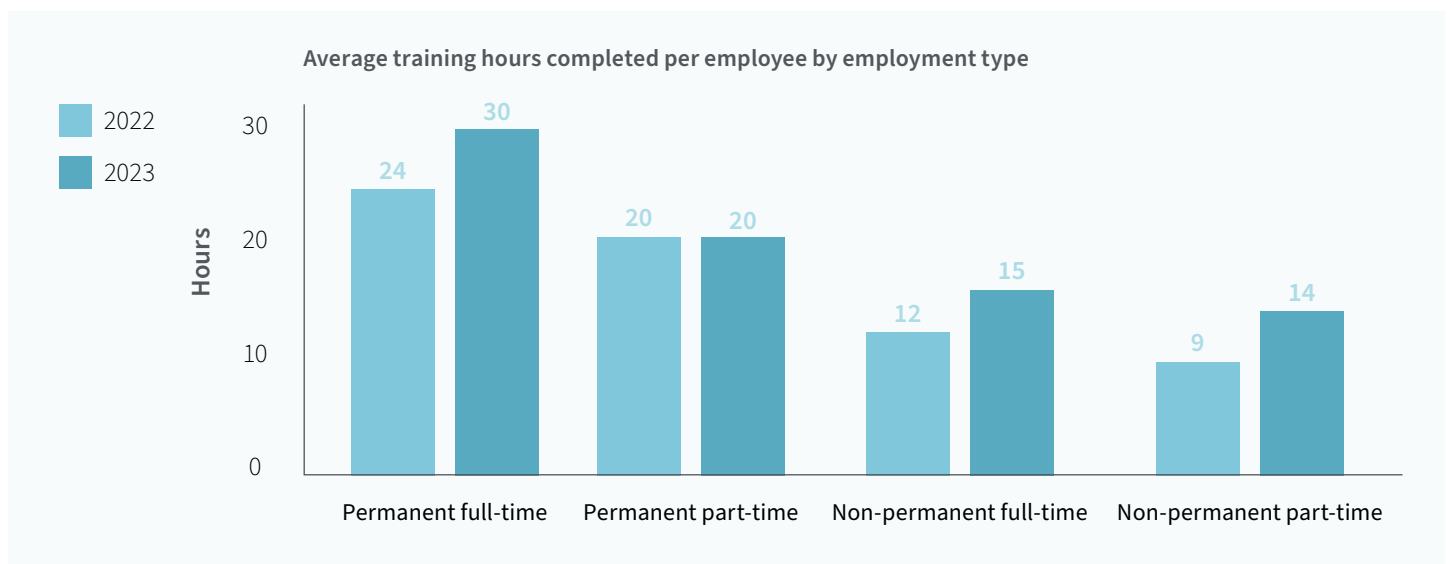
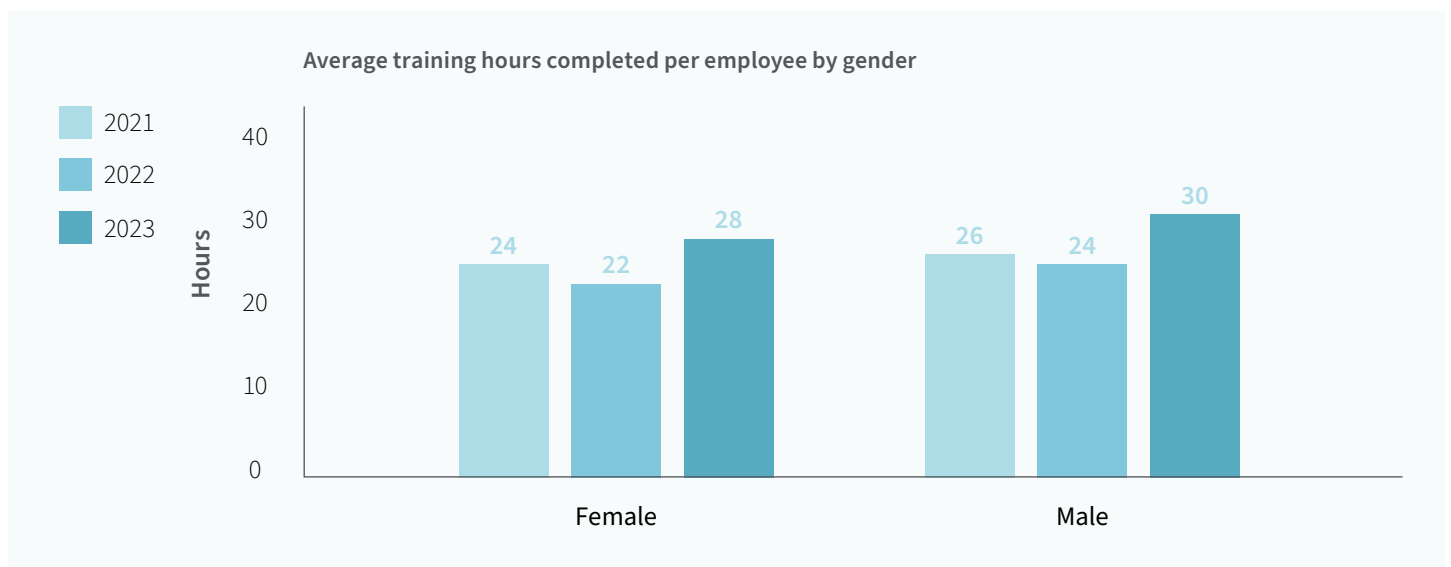
Training and Development

Our human capital management strategy focuses on prioritising the development of our employees, this means equipping them with practical skills which will enable them to progress in their careers. This is achieved through a combination of on-the-job training and sponsorship programmes for external training opportunities.

We offer comprehensive training programmes tailored to our staff, such as:

- Induction programme for new hires;
- Sales, operations and product training for front-office colleagues;
- Product and compliance training for front-office or back-office colleagues;
- Leadership and management training for middle and senior staff members with supervisory and leadership responsibilities;
- Soft skills training for staff at all levels, and
- Mandatory refresher training on Code of Conduct for Staff, AML and financial crime risk management, compliance, operational and reputation risk management for all staff.

In 2023, our employees receive a total of 94,723 hours of training, representing an ongoing upward trend since 2021.



In order to support our long-term strategic growth, the Group makes continuous investments to nurture leadership capabilities within our workforce. The Leadership Capabilities Development Curriculum (the “Curriculum”) was introduced in 2022 and targeted Division Heads and Department Heads to hone their soft skills and essential leadership traits such as change management, strategic planning, and design thinking. A rich selection of training programmes were offered under four key areas of leadership capabilities, namely, “Navigating through Disruption”, “Thinking Clearly, Holistically and Differently”, “Connecting People and Possibilities in a Complex Ecosystem”, and “Relating and Empathising with Cultural Sensitivity”. In 2023, the Curriculum was extended to benefit the Group’s middle management workforce as a further demonstration of our commitment towards our employees.

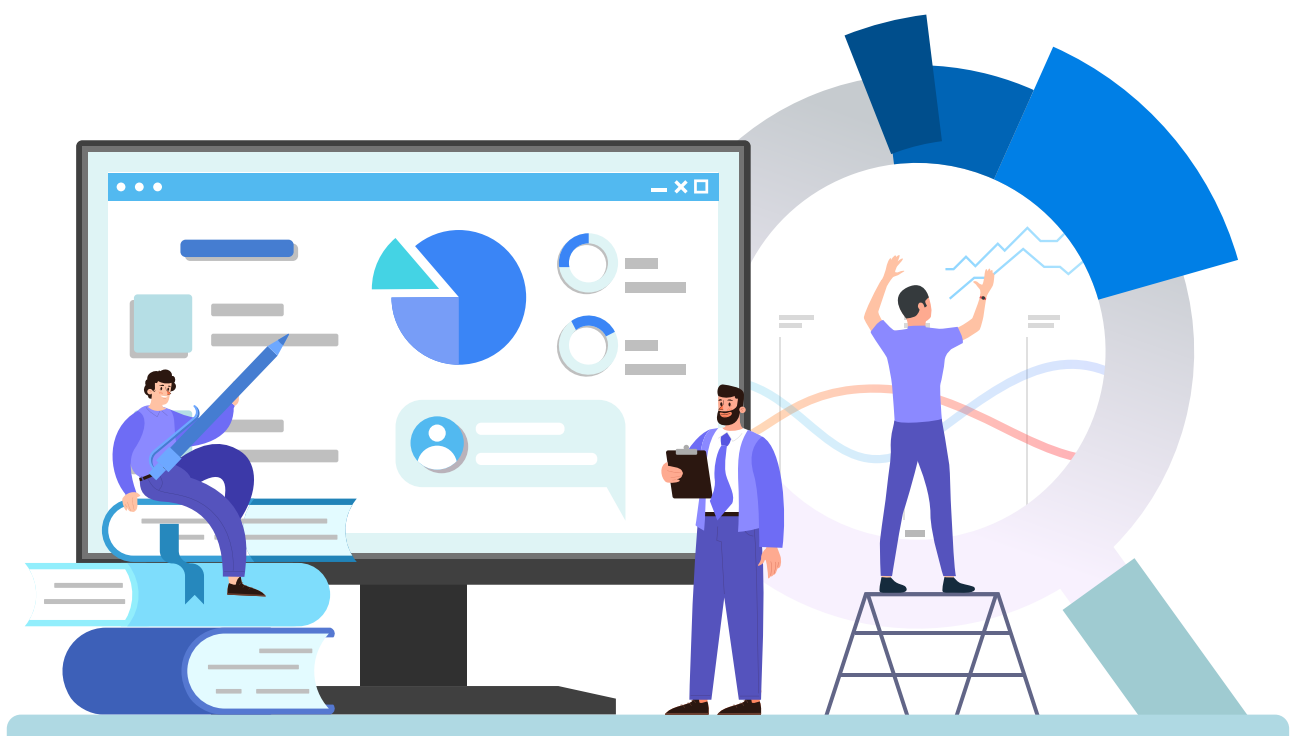
With GSB as a core focus under the Group’s ESG Strategy, we coordinated 10 GSB training programmes to enhance our employees’ knowledge in this area. These programmes, attended by over 450 participants with more than 710 training hours, included topics such as green technology and sustainable finance trends and growth in Hong Kong and the GBA.

In Macau, BCM collaborated with Macau Institute for Corporate Social Responsibility in Greater China to arrange various external ESG training courses during the reporting period to keep staff updated on the latest trends and challenges in the financial industry. These courses covered a wide range of topics such as climate change risk and opportunities, carbon market landscape and green and sustainable growth in the banking industry. Consumer financial protection training was also provided to all full-time staff in 2023 to share and inform best practices to protect consumers.

Recognising the importance of fintech in the modern financial landscape, we introduced three related learning programmes under the “Digitalisation 101 Series” in 2023, featuring hot topics to keep our staff well updated on the latest Fintech development trends, including Hong Kong’s virtual asset licensing regime, market outlook and regulatory updates as well as cryptocurrency development. For more in-depth learning, four programmes under “Digitalisation Specialised Series” were also launched for staff to deep dive into some key topics such as digital asset fund, the best use and misuse of ChatGPT in financial compliance, as well as AML and fraud management in virtual asset trading. The two series were attended by over 400 employees, representing more than 600 training hours.

To further support our staff’s professional growth, we provide external training and education sponsorships to enable our employees to obtain academic or professional qualifications, and support them to attain professional award for achieving recognised professional qualifications or memberships.

We continue to support the HKMA’s Enhanced Competency Framework (“ECF”) which aims at promoting capacity building and talent development within the industry. In 2023, a total of 422 staff members obtained certifications in different professional work streams under the ECF framework.



Health, Safety and Well-being

The Group endeavours to establish a safe and healthy working environment and to promote employee well-being. Our Guidelines on Occupational Safety and Health provide guidance on preventive measures to mitigate potential health and safety risks. We also have in place contingency plan to address the outbreak of infectious diseases, delineating our response mechanisms and business continuity strategies.

To create a physically healthy workplace, our offices are equipped with ergonomic desks, air purifiers and fitness amenities. Additionally, we have dedicated lactation rooms to support breastfeeding mothers in our office premises in Hong Kong, Macau and Mainland China.

Our efforts in promoting physical well-being received external recognition. In 2023, DSB was named SportsHour Company 2023-25 by Inspiring Hong Kong Sports Foundation for promoting physical activities to employees outside the workplace.

Apart from physical health, we also prioritise the mental well-being of our staff. The Group has been offering the Employee Assistance Programme since 2001, providing employees free access to independent and confidential counselling services to help address and, where possible, resolve work-related, familial or personal issues that they may face.

To further emphasise our commitment to employee wellness, we held the “Wellness Week” at our offices in Hong Kong for the fourth consecutive year in May 2023. This initiative allows staff to take a brief respite from their daily tasks and participate in various wellness activities such as coffee and cacao breaks, head and shoulder massages and chair yoga, and to enjoy early leave on the Friday.

Diversity and Equal Opportunity

The Group is committed to creating an inclusive environment for all employees. We have established policies in our Code of Conduct for Staff and Policy on Equal Opportunities on Employment in strict compliance with applicable laws and regulations that unequivocally prohibit any form of discrimination, harassment, victimisation, or vilification based on gender, pregnancy, breastfeeding, marital status, disability, family status, or race. We ensure decisions made with respect to recruitment, promotion and any development opportunities are based on individual’s qualifications and merits. We monitor our workforce diversity on an ongoing basis to maintain a balanced mix. As at the end of 2023, we achieved gender balance among our full-time employees across the Group, with 54% women and 46% men.

Community



Community

With the Group's deep-seated roots in Hong Kong as a locally founded banking franchise, we see giving back to society as our responsibility. Our community strategy is primarily centred on supporting programmes that bring about positive social impact for youths in Hong Kong and the GBA, and balanced with our advocacy for co-creating a low-carbon and sustainable living environment through raising community green awareness. Our community programmes are carried out through our partnerships with non-government organisations ("NGOs") or through social sponsorships. The Group's ESG Committee reviews and approves all community support proposals, investments and activity plans, and ensures that all our initiatives are aligned with the Group's ESG strategy and principles.

We also encourage our employees to actively participate in these programmes and/or other charitable initiatives as volunteers, reinforcing our commitment to the communities we serve. In 2023, our employees contributed 4,058 hours of volunteer service.

Youth Development

The Group firmly believes in the importance of nurturing the development of our youths to ensure the long-term sustainable and positive development of our society. We invest in social programmes that inspire and enable youths to develop their full potential through various educational and sports initiatives and sponsorships.

In Hong Kong, DSB has been working with various NGO partners to design and deliver STEAM education programmes for underprivileged youths in Hong Kong, including with the Chinese YMCA of Hong Kong since 2020. Efforts were made to raise the awareness and interest of youths in STEAM principles and to expand their mind and skill sets for their future development. During the year under review, training focus was placed on leveraging art-tech to inspire the creativity of student beneficiaries.

Case Study: Capacity Building for Youth in ArtTech and Metaverse

We believe that bringing STEAM learning into youth education can inspire creativity and open-mindedness in young people and encourage them to explore new possibilities for their future development. In 2023, DSB collaborated with the Chinese YMCA of Hong Kong to launch the “Metaverse ArtTech Creation Course 2023” to cultivate the interest of the youths in STEAM. The course integrated arts and technology to guide students to design and create their own non-fungible tokens (“NFTs”). Through this programme, participants gained a basic understanding of the Metaverse and NFTs and explored the relationship between virtual worlds and reality within the realm of ArtTech.

The programme spanned five months, and included immersive learning experiences, field trips, a student exhibition and a graduation ceremony. With the Bank’s full sponsorship for 77 local students and the support of 48 employee volunteers, we aimed to motivate students to pursue continuing STEAM education in a fun and creative way.



Meanwhile, volunteers from the Bank participated in the 2022-25 Mentorship Programme organised by The Boys’ and Girls’ Club Association of Hong Kong, providing guidance to mentees by sharing their personal experiences at various programme initiatives. DSB also sponsored the Mainland Expedition Entrepreneurship and Technology (“MEET”) Programme organised by Our Hong Kong Foundation, the highlight of which included a seven-day trip to Hainan and Nansha in the GBA for 93 entrepreneurs to learn more about the business environment, supporting policies, incubation framework and resources network offered for start-ups in Mainland China.

Additionally, DSI partnered with the Hong Kong Youth Counselling Association to organise a Youth Day Camp for 50 youths and 11 staff volunteers in February to help participants recognise and develop their potential, utilise their skills for career planning as well as foster a positive outlook for the future through adventurous activities.

In Macau, BCM hosted an educational talk to 50 students at Sacred Heart Canossian College in April on topics covering digital payment services and cybersecurity to strengthen their interest and awareness in these topics. BCM also awarded sponsorships during the year to six outstanding undergraduate students nominated by the University of Macau and Macau University of Science and Technology upon their passing prerequisite interviews and assessments.

Further ashore in Mainland China, DSB China organised a Space Exploration Camp for some of its VIP Banking clients and their children. A total of 35 people joined the camp to experience gravitational training and flight simulation, and to learn about other space-related principles. With participants engaged in space-themed trainings, we hope to strengthen their communication skills and the awareness of their interconnectedness to nature and our planet.

Promotion of Sports and Support for Those in Need

The Group believes in the positive impact of sports on the younger generation by cultivating discipline, teamwork, confidence and a competitive spirit. These attributes enable youths to realise their talent and overcome challenges and encourages them to seize opportunities to create a brighter future.

The year under review marked our sponsorship of the third annual season of “Well Dunk!”, a public estate basketball league and training programme organised by InspiringHK Sports Foundation for youths from low-income families. Tsing Yi Wolf Warriors, the DSB-sponsored basketball team, participated in the basketball play-off during our annual Dah Sing Charity Score Challenge held as part of our fund-raising support for Operation Santa Claus, a charitable initiative by the South China Morning Post which we have supported for 11 consecutive years.

In Macau, BCM and MIC jointly sponsored the “BCM Youth Bowling Training Programme” and organised the “BCM Bowling Competition” in collaboration with the Macau China Bowling Association (“MCBA”) to promote bowling to teenagers. In the one-month BCM Youth Bowling Training Programme, professional coaches from MCBA provided training to 32 local students. Sixteen outstanding students from the training programme were invited to join the BCM Bowling Competition which attracted 144 contestants in total. The proceeds of the competition were donated to support the Macau Association for Intellectual Development Services.

Additionally, BCM continued its long-standing partnership with Oxfam Macau to support the Oxfam Tower Run 2023, a popular annual running competition, as the main sponsor. Held in October 2023, the event attracted public participation of approximately 500 runners. Fourteen BCM staff participated in the run while 18 volunteers assisted in the event.



Promotion of Financial Literacy

In Mainland China, DSB China has been actively involved in promoting financial literacy within the community. In March 2023, its Guangzhou Branch hosted a seminar for female customers to introduce the concept of household wealth management and consumer rights protection. The Qianhai Sub-branch in Shenzhen also hosted a similar seminar in June. In September, Shanghai Branch cooperated with the National Financial Supervision and Management Bureau, the People's Bank of China, and the National Internet Information Office to promote consumer rights protection in the "Financial Consumer Rights Protection Publicity Month". The event was held at a local shopping mall where we educated the public, particularly the elderly, about credit and deposit insurance, prevention of illegal fundraising, scam awareness and other financial knowledge.

Green Awareness Promotion

The Group advocates support to contribute towards a low-carbon and sustainable future for Hong Kong and promotes environmental preservation for the benefit of future generations.

In the first quarter of 2023, DSB participated in the 30th Green Power Hike Bank Cup to encourage eco-friendly practices and to promote the "Leave-No-Trace" concept. A total of 16 employees from the Bank participated in the hike virtually and four DSI staff members took part physically between January and February.

Meanwhile, DSB sponsored the "Tree Planting Challenge" organised by Friends of the Earth (HK) for the third year at Tai Lam Country Park to contribute towards enriching the biodiversity and restoring the ecosystem of the natural environment in Hong Kong. A total of 16 staff members participated in planting 250 seedlings to help conserve local species and forested regions.

In Macau, BCM co-hosted three rounds of green awareness workshops with Oxfam for Sacred Heart Canossian College students in March and engaged local primary school students as well as its own staff in raising green awareness through a series of activities in June and August related to its Dress Green Day 2023 programme.

To advocate the concept of a circular economy, employees from DSI actively engaged in volunteering activities at Soap Cycling, repurposing used soaps which will be shipped for the underprivileged in Southeast Asia. Separately, DSI launched the "Green Day with Care" initiative with The Hong Kong Federation of Youth Groups ("HKFYG") Organic Farm, at which 16 of its staff volunteers attended to guide participating students from HKFYG's community centres in the educational tour which introduced farming practices and engaged participants in bookmarking and planting native plant species.

DSB hosted the Dah Sing Charity Score Challenge basketball fun day featuring basketball matches and a series of challenge games to help raise funds for Operation Santa Claus which we have supported for 11 consecutive years.



BCM supported the Oxfam Rice Event 2023 by providing donation fund settlement services, stall locations, storage and volunteer manpower.

DSB China conducted a clean-up activity at a village in Guangzhou. A total of 30 volunteers joined the event, contributing 210 volunteer hours.



Environment



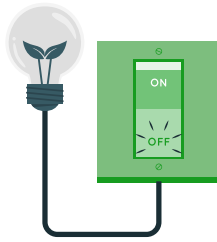
Environment

Environmental sustainability continues to be an integral aspect of our shared social responsibility endeavours. Consistent with our ESG Policy, we maintain a steadfast commitment to reducing our energy consumption, paper usage and waste generation through the implementation of various initiatives that promote green operations. Moreover, we strive to inspire our stakeholders to actively participate in addressing environmental concerns in our shift towards a sustainable future.

Energy and Greenhouse Gas Emission Management

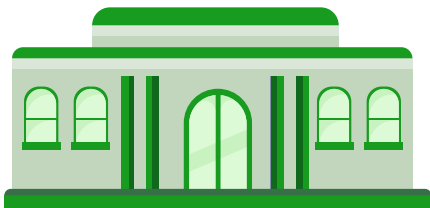
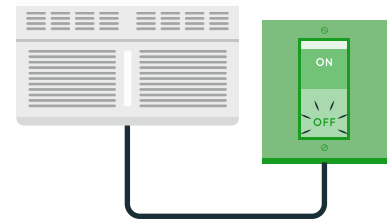
We are dedicated to reducing greenhouse gas (“GHG”) emissions and energy consumption in our business operations, and we adhere to all relevant environmental laws and regulations. Building on our success in previous years, we undertook the replacement of fluorescent tubes to energy-efficient LED lighting in our Yau Ma Tei and Admiralty branches in Hong Kong during the reporting period. We will continue to take a step-by-step approach in this regard to replace conventional lighting fixtures with LED lights for two branches in Hong Kong each year, while replacement of florescent tubes will be arranged during office renovations or upon failure of fluorescent panels in Macau as these arise.

We also have multiple measures in place to minimise energy consumption:



Lights are switched off by our staff before leaving the office

Air conditioners are automatically turned off at pre-set time in our offices in Hong Kong and at the BCM head office building in Macau



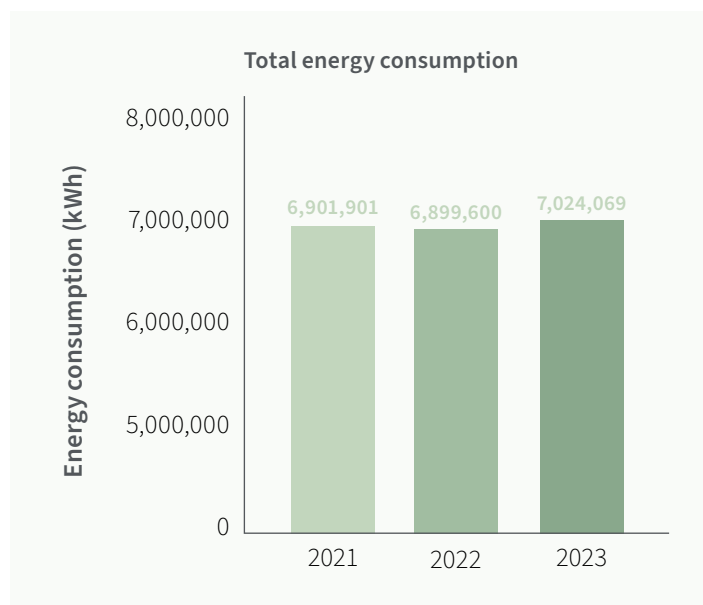
External signages and displays at our branches are set to turn off after pre-set times each day in Hong Kong and Macau

Use of virtual meetings and trainings whenever appropriate to reduce travel and related emissions



In Macau, BCM supported the Macau Energy Conservation Week 2023 organised by the Office for the Development of the Energy Sector of Macau by turning off external signage and office lights for an hour on 5 June 2023. This initiative aimed to raise awareness about energy conservation and to promote sustainable practices.

In Mainland China, DSB China continuously reminds employees to turn off the lights and computers after working hours to foster good habits of energy conservation. Additionally, the Qianhai Branch was renovated in 2023 and used energy-saving lighting equipment to further decrease electricity consumption. By taking all these actions, we observed a less than 3% increment in electricity consumption in 2023 even when the business practice has resumed pre-COVID condition.



Apart from monitoring Scope 1 and Scope 2 emissions, the Group will study and explore ways to start measuring and monitoring our Scope 3 emissions from our value chain.

Waste Management

Our commitment to environmental stewardship drives our ongoing efforts to discover effective solutions that minimise our environmental impact. As part of our commitment to reduce waste, we have adopted the “3R” principles of reducing, reusing, and recycling resources. By prioritising these principles, we aim to reduce waste generation and ensure responsible waste disposal practices.

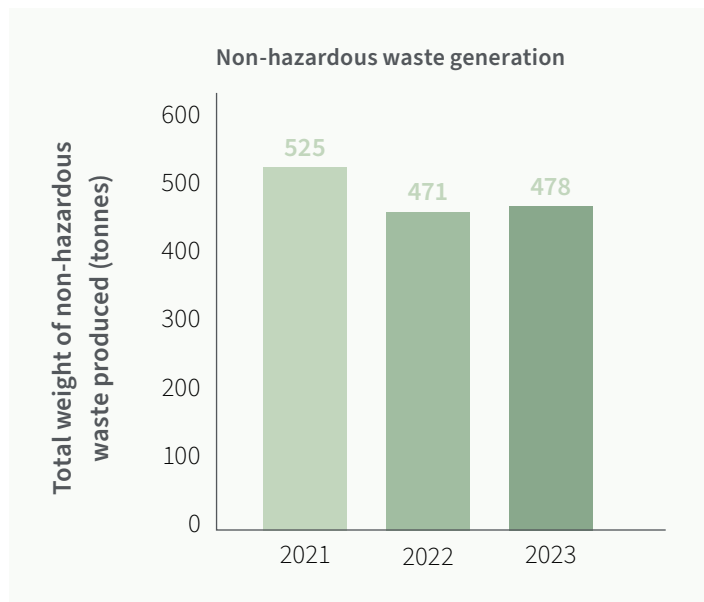
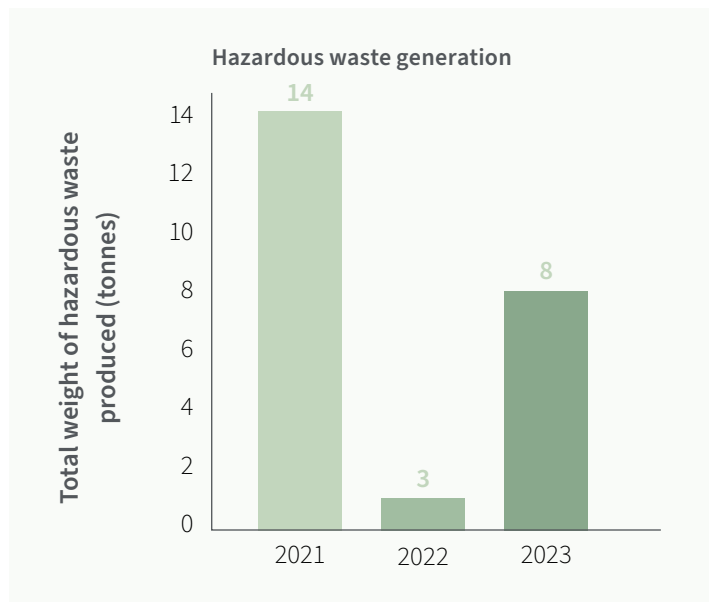
To address the significant potential for waste reduction and recycling in IT hardware disposal, we engage professional vendors to handle the decommissioning of IT equipment. Whenever possible, we donate equipment to charitable organisations for reuse. Additionally, our Hong Kong offices collected 2 tonnes of toner cartridges for recycling in 2023.

Within our Hong Kong offices, the provision of recycling bins and waste separation bins throughout the office areas actively promotes recycling practices among our staff. In 2023, we collected 93 tonnes of used paper and 3.4 tonnes of other materials such as plastics and metals. Furthermore, we replaced catering utensils with more eco-friendly options, moving away from single use plastics.

We have implemented initiatives to replace traditional fluorescent tubes with LED lights in our premises, ensuring longer lifespans and reducing waste production. The concept of reusing resources is also embedded in our working environment. For instance, we store temporarily unused furniture in good condition for future reuse when possible. Regular office tips and reminders are circulated to our staff to encourage the use of recycling bins and waste separation practices.

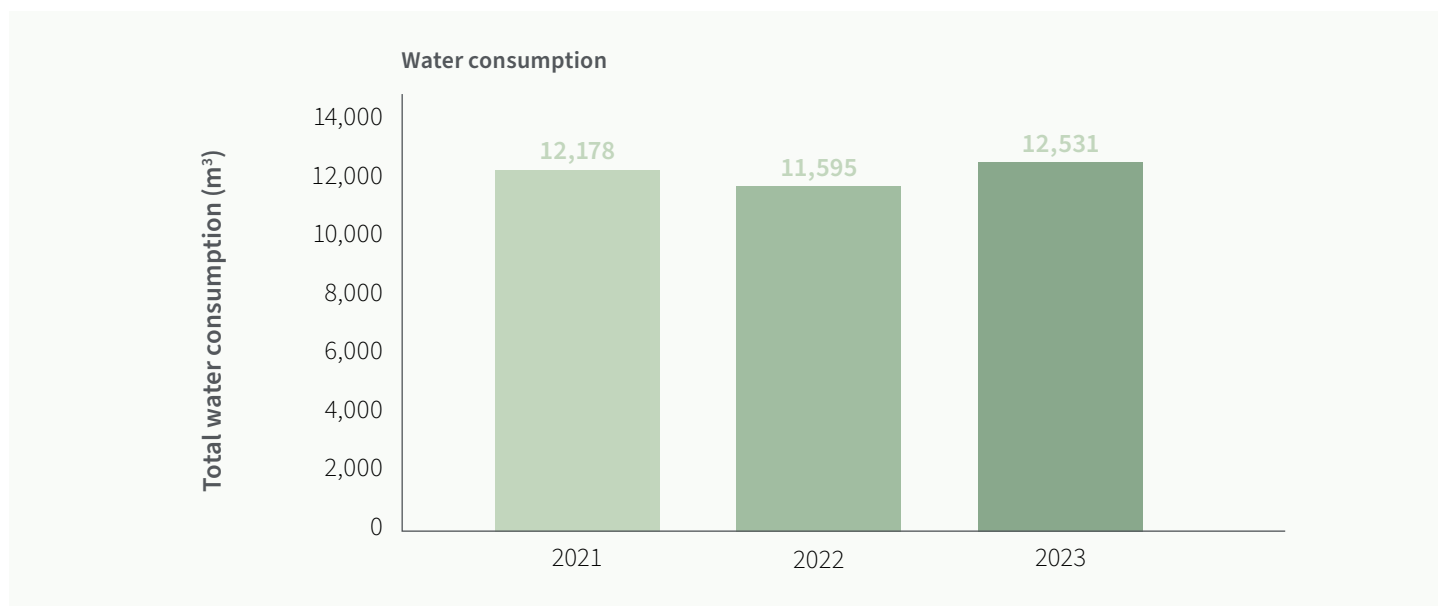
DSB is currently formulating plans to further reduce waste generation to prepare for Hong Kong SAR Government’s launch of the Municipal Solid Waste (“MSW”) Charging Scheme in August 2024.

Furthermore, we will be analysing historical waste data and evaluating our waste handling practices to actively work towards establishing a waste reduction target in the near future. This target will allow us to track our progress in waste reduction over time and drive continuous improvement in our waste management practices. The charts below provide an overview of the Group’s total hazardous and non-hazardous waste generation in 2023 as well as in the preceding two years. The increment of hazardous waste noted in 2023 was mainly due to a project to replace Canon Scanners with higher energy efficient scanners in February, and a one-off disposal of credit card point of sales terminals for housekeeping in November in our Hong Kong offices.



Water Use

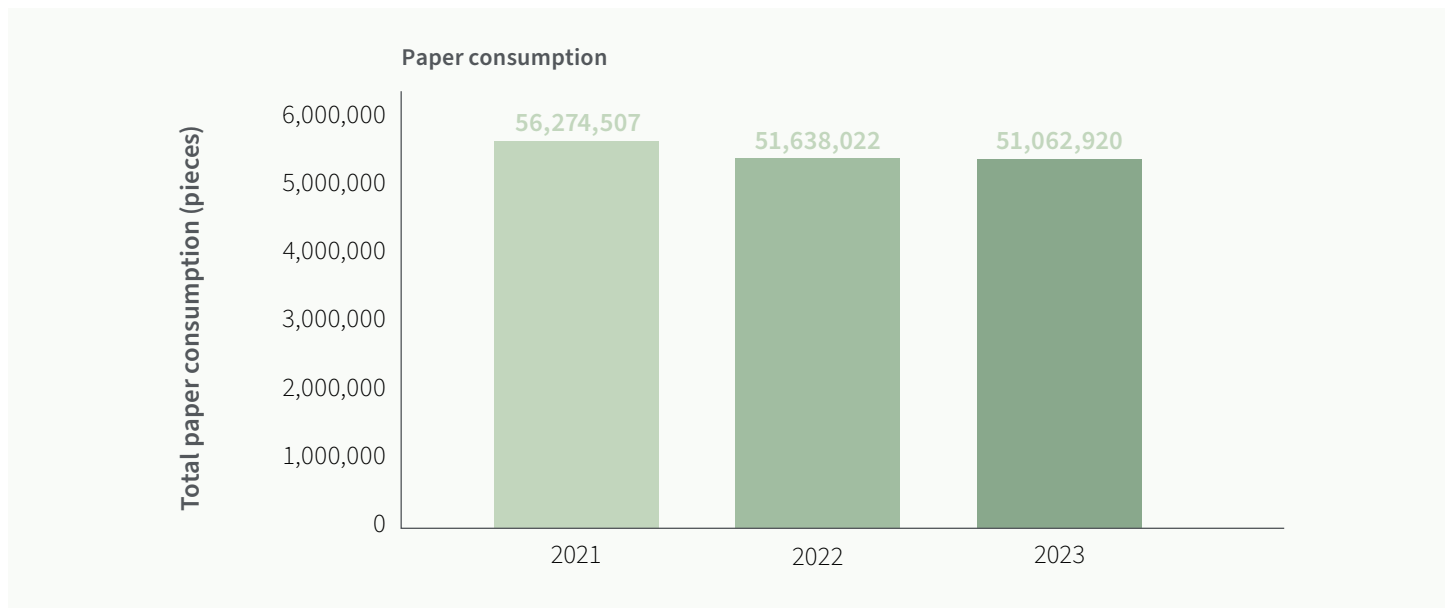
To effectively manage and reduce our water usage, the Group implemented various water conservation measures at our premises. For instance, we have installed automatic sensors on water-efficient faucets throughout our operations, where appropriate. These sensors help regulate water flow and minimise water wastage. The Group’s total water consumption in 2023 and in the previous two years is set out in the chart below. There was a slight increase of water consumption in 2023 compared to last year due to an accidental water leakage incident in one of our offices, the issue was handled and resolved immediately.



Paperless

Going paperless remains a key focus in our ESG strategy. We have been monitoring our paper consumption and reporting our progress towards the 5% annualised paper reduction target by 2025 compared to the 2020 baseline. We have made significant progress in reducing paper usage, achieving a 16% decrease in 2023 when compared with our 2020 baseline. Based on this trajectory, the Group is currently on track to meet our paperless reduction target.

To align our operations towards the goal of going paperless, we have digitalised several internal processes during the reporting period. The e-Appraisal platform was launched to replace traditional paper-based performance appraisal forms, saving around 13,530 pieces of paper annually. BCM also launched the e-Leave Application System which greatly simplified the leave application process for employees. Since its rollout in September, this digital system has resulted in an estimated 900 pieces of paper per month that would have been traditionally used for leave application forms and reports.



Meanwhile, as part of our paperless commitment, DSB continues to actively participate in the Mastercard Priceless Planet Coalition Programme which aims to restore 100 million trees by 2025. Through involving in this undertaking and making a commitment to plant a tree for every new customer enrolment of e-statements and e-advice, we strive to engage our customers in exercising their individual influence to make a positive impact towards environmental sustainability. As at December 2023, DSB has contributed to planting more than 5,200 trees in this initiative.

Staff Awareness and Engagement

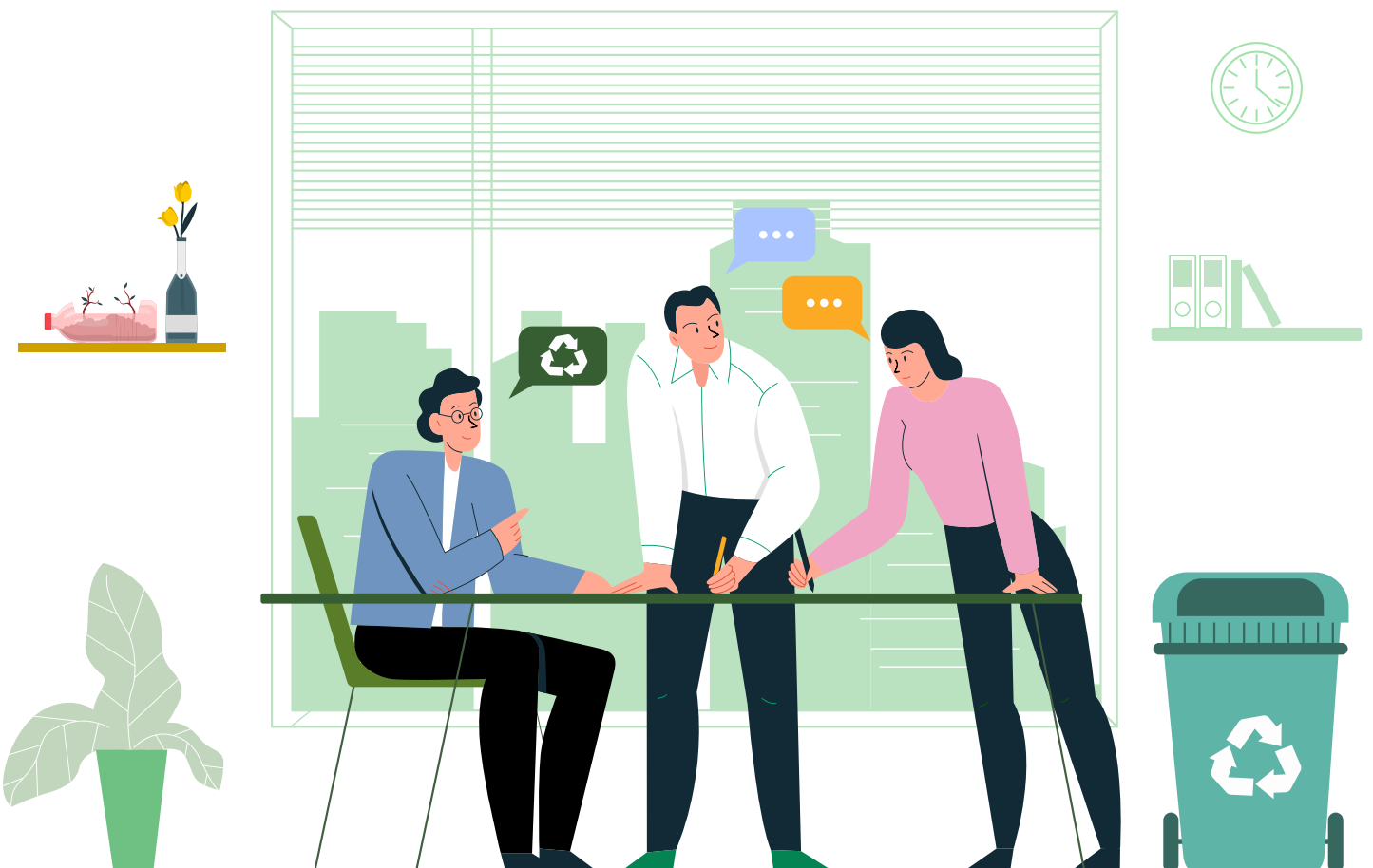
To actively promote environmental awareness and to encourage staff participation in our efforts, we placed posters on various floors within our premises to serve as reminders that highlight the importance of sustainability and urged employees to take part in green initiatives. In line with our commitment to environmental education, we shared quarterly Green Tips and conducted Green Education sessions for employees in Hong Kong. These sessions provided valuable insights and practical tips on sustainable practices, empowering our staff to make eco-friendly choices in their daily lives.

We also showed our support in various recycling campaigns organised by different organisations:

- DSB donated 62kg of red packet envelopes to Greeners Action as a Silver Sponsor and donated over 500 books to The Salvation Army in Hong Kong
- BCM collected 35kg of red packets and used mooncake boxes for recycling, which was part of the recycling campaign organised by the Macau SAR Government.

Furthermore, continuing its success in 2022, BCM repeated the Efficient Printing Campaign in 2023, a bank-wide competition aiming to lower printing volume across departments and to cultivate a “think before print” habit. A similar competition will also be organised in Hong Kong by DSB in the near future.

In Mainland China, DSB China organised the “Finding the greenest desk” competition to raise awareness of eco-friendly living habits. Employees were encouraged to showcase their creativity and show sustainable elements on their office desks. Three staff members and one department were awarded based on desk design and layout that advocates for environmental protection, health and wellbeing, as well as demonstrating upcycling of waste into usable or aesthetically pleasing desk decorations.



Our Performance

KPI Data Table

Environmental KPIs	Unit	2023	2022	2021
Energy consumption				
Total energy consumption	kWh	7,024,069	6,899,600	6,901,901
Total direct energy consumption - Mobile combustion ¹	kWh	350,185	343,744	46,552
Total indirect energy consumption - Purchased electricity	kWh	6,673,884	6,555,856	6,855,349
Total energy consumption intensity by number of full-time employee ("FTE")	kWh/ FTE	2,277.58	2,274.09	2,136.15
GHG emissions^{2,3}				
Total GHG emissions	tonne CO ₂ e	4,465	4,454	4,504
Scope 1 - Direct emissions and removals ⁴	tonne CO ₂ e	96	94	13
Scope 2 - Energy indirect emission ⁵	tonne CO ₂ e	4,369	4,360	4,491
GHG emissions intensity by number of full-time employees	tonne CO ₂ e / FTE	1.45	1.47	1.39
Water consumption				
Total water consumption	m ³	12,531	11,595	12,178
Water consumption intensity				
Water consumption intensity by number of full-time employees	m ³ / FTE	4.06	3.59	3.77
Waste produced				
Total weight of hazardous waste produced	tonne	7	3	14
Total weight non-hazardous waste produced	tonne	478	471	525
Waste production intensity				
Hazardous waste production intensity by number of full-time employees	tonne/ FTE	0.0024	0.0011	0.0043
Non-hazardous waste production intensity by number of full-time employees	tonne/ FTE	0.16	0.15	0.16
Total weight of hazardous waste collected for recycling ⁶	tonne	2.18	N/A	N/A
Total weight of non-hazardous waste collected for recycling ⁷	tonne	93.53	N/A	N/A

Social KPIs	Unit	2023	2022	2021
Employment				
Total workforce	#	3,244	3,274	3,271
Breakdown by gender				
Male	#	1,499	1,536	1,511
Female	#	1,745	1,738	1,760
Breakdown by employee category				
Permanent full-time	#	3,084	3,034	3,009
Permanent part-time	#	8	7	10
Non-permanent full-time	#	128	194	222
Non-permanent part-time	#	24	39	30
Breakdown by age group				
<30	#	429	508	564
30 to <50	#	2,062	2,016	1,968
≥50	#	753	750	739
Breakdown by geographical region				
Hong Kong	#	2,503	2,514	2,546
Mainland China	#	326	330	314
Macau	#	415	430	411
Turnover rate by gender⁸				
Male	%	18.6%	21.3%	24.1%
Female	%	14.5%	19.2%	21.2%
Turnover rate by age group				
<30	%	31.2%	40.4%	35.8%
30 to <50	%	15.0%	19.2%	22.4%
≥50	%	11.1%	8.7%	12.0%

Social KPIs

Unit

2023

2022

2021

Employment

Turnover rate by geographical region

Hong Kong	%	17.7%	24.2%	26.2%
Mainland China	%	2.8%	5.3%	5.5%
Macau	%	19.3%	7.5%	12.5%

Health and Safety

Number of work-related fatalities	#	No work-related fatalities were recorded during the year	No work-related fatalities were recorded during the year	No work-related fatalities were recorded during the year
Rate of work-related fatalities	%	0	0	0
Lost days due to work injury	#	569	82	56

Training and Development

Percentage of trained employees	%	99%	98%	95%
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Percentage of trained employees by employment type

Permanent full-time	%	99%	98%	96%
Permanent part-time	%	88%	100%	80%
Non-permanent full-time	%	99%	95%	87%
Non-permanent part-time	%	96%	77%	63%

Percentage of trained employees by gender

Male	%	99%	98%	95%
Female	%	99%	98%	96%

Percentage of trained employees by employee category

Non-managers	%	99%	97%	95%
Managers	%	99%	99%	97%
Senior management	%	100%	100%	98%

Social KPIs

Unit

2023

2022

2021

Training and Development

Average training hours completed per employee by employment type

Permanent full-time	Hours	30	24	26
Permanent part-time	Hours	20	20	12
Non-permanent full-time	Hours	15	12	12
Non-permanent part-time	Hours	14	9	9

Average training hours completed per employee by gender

Male	Hours	30	24	26
Female	Hours	28	22	24

Average training hours completed per employee by employee category

Non-managers	Hours	28	21	24
Managers	Hours	31	27	27
Senior management	Hours	23	21	24

Supply Chain Management

Number of suppliers by geographical region

Hong Kong	#	200	185	183
Mainland China	#	149	87	88
Macau	#	83	67	64
Other regions	#	12	10	9

Social KPIs	Unit	2023	2022	2021
Product Responsibility				
Number of products and service-related complaints	#	510	492	489
Community Investment				
Number of volunteering hours	Hours	4,058	3,687	1,582
Charitable and other donations	HKD	1,929,000	1,532,000	72,000

1. Total direct energy consumption prior to 2021 covered only mobile combustion generated by Hong Kong operations. The Group expanded the data coverage to all other operating regions in 2022. The total direct energy consumption data of 2022 were adjusted to reflect revised calculation methodology.
2. For GHG emissions calculations, we referred to the GHG Protocol published by the World Business Council of Sustainable Development and the World Resources Institute.
3. Air emissions are not material to our operations and therefore data are not disclosed.
4. GHG calculations include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O). Scope 1 direct emissions and removals cover only Hong Kong operations prior to 2021. The Group expanded the data coverage to all other operating regions in 2022. The GHG emissions data of 2022 were adjusted to reflect revised calculation methodology.
5. Scope 2 GHG emissions were calculated based on electricity consumed using corresponding emission factors as provided by Hongkong Electric Company, CLP, Companhia de Electricidade de Macau, China Southern Power Grid and China East Grid Corp.
6. Data for total weight of hazardous waste collected for recycling is newly collected in 2023 and hence the data for 2022 and 2021 are not available.
7. Data for total weight of non-hazardous waste collected for recycling is newly collected in 2023 and hence the data for 2022 and 2021 are not available.
8. Turnover rate was calculated based on the number of employees (exclude probationers) who left the firm during the year divided by the average number of employees during the year.

Recognition and Awards

ESG Rating

In 2023, Dah Sing Financial Holdings Limited was rated BBB in the MSCI ESG Rating.

Awards and Accreditations

Awards and Accreditations	Name of association	Entity
Corporate		
AM Best Rating 2023 A-	A.M. Best	DSI
Top 3 finalists in HKFI's Hong Kong Insurance Awards 2023 - Best Partnership Project (General Insurance)	The Hong Kong Federation of Insurers	DSI
Marketplace		
2022 FinTech Awards - Outstanding Personal Digital Banking Services	ET Net	DSB
Best SME's Partner Gold Award 2023	The Hong Kong General Chamber of Small and Medium Business	DSB
Excellent Cross-border Financial Services Award of the Year	Asia Pacific Bank Digital Innovation Summit	DSB (China)
Excellent Wealth Management Retail Banking Award	FinFo Global	DSB (China)
Family Top Brand 2023 - Overseas Study Insurance	ESD Life	DSI
Gold Award in the Website Stream of the Web Accessibility Recognition Scheme 2022-2023	Hong Kong Internet Registration Corporation	DSB
Hong Kong ICT Awards 2023 Fintech (Applied Solutions) Award - Certificate of Merit	Office of the Government Chief Information Officer and Hong Kong Institute of Bankers	DSB
Hong Kong Leaders' Choice Brand Awards - Excellent Brand of Mobile Securities Services - Banking	Metro Finance	DSB
Hong Kong Leaders' Choice Brand Awards - Excellent Brand of Personal Loan Services - Banking	Metro Finance	DSB
Internet Banking/Mobile Banking App - Outstanding Mobile Banking Solutions Award at Ming Pao Awards for Excellence in Finance	Ming Pao	DSB
Merits of Achievements in Banking and Finance for Service Excellence for Start-ups and Micro-enterprises	CAPITAL Magazine	DSB
Most Comprehensive Private Vehicle Insurance Award	HoldCover	DSI
Sing Tao Service Awards 2022 - SME Financial Services	Sing Tao	DSB
Top Electric Vehicle Insurance Award	Top Gear	DSI
Wealth Management Service Award for Excellence in Customer Service at Ming Pao Awards for Excellence in Finance 2023	Ming Pao	DSB
Emerging Overseas Brand Award	2nd International Trade E-commerce Festival at the Shenzhen Import and Export Fair	DSB (China)

Awards and Accreditations

Name of association

Entity

Workplace

20 Years Plus Caring Company Logo	The Hong Kong Council of Social Service	DSB
5 Years Plus Caring Company Logo	The Hong Kong Council of Social Service	DSI
Good MPF Employer 5 Years+	Mandatory Provident Fund Schemes Authority	DSB, DSI, Dah Sing Insurance Agency Limited, Dah Sing Insurance Brokers Limited, DSS, OK Finance
HKIB Talent Development Award 2023 (Category I)	The Hong Kong Institute of Bankers	DSB
Manpower Developer	Employees Retraining Board	DSFH
Sports Hour Company	InspiringHK Sports Foundation	DSB
The Employer of Choice Award 2023	JobMarket	DSFG

Community

Hong Kong Volunteer Award - Corporate (Volunteer Hour) Certificate of Appreciation (500 hours or above)	Agency For Volunteer Service	DSB
Social Capital Builders Awards 2022-2024	Community Investment and Inclusion Fund	DSB
Oxfam Rice Certificate of Appreciation - Outstanding Group Order Award - 1st runner up	Oxfam Macau	BCM
Oxfam Rice Certificate of Appreciation - Top Donation Volunteer Group Award (Corporate Group) - 1st place	Oxfam Macau	BCM
Oxfam Towerrun 2023 Certificate of Appreciation - Sponsorship	Oxfam Macau	BCM
Oxfam Towerrun 2023 Certificate of Appreciation - Volunteer	Oxfam Macau	BCM
Blood Transfusion Service Thank You Letter	Blood Transfusion Centre	BCM

Environment

Green Office Awards Labelling Scheme	World Green Organisation	DSB
"Good" Class Energywi\$e certificate	Hong Kong Productivity Council	DSB
"Good" Class Wastewi\$e certificate	Hong Kong Productivity Council	DSB

Content Indices

HKEX ESG Reporting Guide Content Index

A. Environmental		Section / Remark
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.	Environment Environment > Energy and Greenhouse Gas Emission Management
KPI A1.1	The types of emissions and respective emissions data.	Our Performance > KPI Data Table Air emissions are not material to our operations, so air emissions data are not disclosed.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Performance > KPI Data Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Performance > KPI Data Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Performance > KPI Data Table
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environment > Energy and Greenhouse Gas Emission Management
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.	Environment > Waste Management
Aspect A2 Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environment Environmental, Social and Governance Policy
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).	Our Performance > KPI Data Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Our Performance > KPI Data Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environment > Energy and Greenhouse Gas Emission Management

A. Environmental

Section / Remark

Aspect A2 Use of Resources

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.	Water consumption is not material to our operations so we have not set targets on water consumption efficiency.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging material is not material to our operations so the quantity of packaging material used is not disclosed.

Aspect A3 The Environment and Natural Resources

General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment

Aspect A4 Climate Change

General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Responsible Business > Climate-related Risks
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them.	Responsible Business > Climate-related Risks For details, please refer to TCFD Content Index for locations of disclosure.

B. Social**Section / Remark****Aspect B1 Employment**

General disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Workplace > Talent Attraction and Retention Workplace > Diversity and Equal Opportunity
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Our Performance > KPI Data Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our Performance > KPI Data Table

Aspect B2 Health and Safety

General disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Workplace > Health, Safety and Well-being
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Our Performance > KPI Data Table
KPI B2.2	Lost days due to work injury.	Our Performance > KPI Data Table
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Workplace > Health, Safety and Well-being

Aspect B3 Development and Training

General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Workplace > Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Our Performance > KPI Data Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	Our Performance > KPI Data Table

B. Social

Section / Remark

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.	Responsible Business Workplace
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Workplace
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Workplace

Aspect B5 Supply Chain Management

General disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Business > Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Our Performance > KPI Data Table
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.	Responsible Business > Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Business > Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Business > Supply Chain Management

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.	Responsible Business
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	This KPI is not applicable to our business.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Marketplace > Customer Focus > Customer Satisfaction Our Performance > KPI Data Table
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Responsible Business > Responsible Products and Services

B. Social**Section / Remark****Aspect B6 Product Responsibility**

KPI B6.4	Description of quality assurance process and recall procedures.	Responsible Business > Responsible Products and Services
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Responsible Business > Information Security and Cybersecurity Marketplace > Customer Focus > Customer Data Privacy

Aspect B7 Anti-corruption

General disclosure	Information on: a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Responsible Business > Ethical Behaviour, AML and Anti-corruption Workplace > Culture and Values
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.	No such legal cases identified during the reporting period
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Responsible Business > Ethical Behaviour, AML and Anti-corruption Workplace > Culture and Values
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Responsible Business > Ethical Behaviour, AML and Anti-corruption

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
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Performance > KPI Data Table

TCFD Content Index

Recommended Disclosure	Section / Remark
Governance (equivalent to IFRS S2 Climate-related Disclosure paragraphs 5-7)	
a. Describe the board's oversight of climate-related risks and opportunities.	Commitment and Governance
b. Describe management's role in assessing and managing climate-related risks and opportunities.	Responsible Business > Climate-related Risks
Strategy (equivalent to IFRS S2 Climate-related Disclosure paragraphs 8-23)	
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Responsible Business > Climate-related Risks
b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.	Commitment and Governance > Snapshot of Our ESG Strategy Responsible Business > Climate-related Risks
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including disclosure under a 2°C or lower scenario.	We conducted a pilot exercise on climate risk stress testing in 2021 to gauge the potential impact on the Group arising from both physical and transition risks based on the RCP* 8.5 scenario and the NGFS* disorderly scenario respectively. The results indicated that the potential impact on the Group is insignificant. We are currently updating the CRST for HKMA. * RCP stands for Representative Concentration Pathway adopted by the Intergovernmental Panel on Climate Change. NGFS stands for the Network of Central Banks and Supervisors for Greening and the Financial System.
Risk Management (equivalent to IFRS S2 Climate-related Disclosure paragraphs 24-26)	
a. Describe the organisation's processes for identifying and assessing climate-related risks.	About this Report > Materiality Assessment and Materiality Matrix Responsible Business > Climate-related Risks
b. Describe the organisation's processes for managing climate-related risks.	Responsible Business > Climate-related Risks Responsible Business > Supply Chain Management
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Responsible Business > Responsible Products and Services Responsible Business > Climate-related Risks

Recommended Disclosure

Section / Remark

Metrics and Targets (equivalent to IFRS S2 Climate-related Disclosure paragraphs 27-37)

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Our Performance > KPI Data Table

b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks.

Our Performance > KPI Data Table

Environment >

Energy and Greenhouse Gas Emission Management

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.


Environment >


Energy and Greenhouse Gas Emission Management



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