

Task Force on Climate-related Financial Disclosures Report

2022



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Introduction

OCBC Wing Hang Bank (OCBC Wing Hang) acknowledges that climate change is the greatest environmental challenge facing society, businesses, and the economy. Consequently, businesses, investors and market participants globally have to contend with a plethora of short- and long-term climate-related risks.

This is OCBC Wing Hang's first report addressing the recommendations outlined by the Task Force on Climate-related Financial Disclosures (TCFD). OCBC Wing Hang hopes that this report will help our stakeholders understand the climate-related risks the Bank is facing, as well as the approaches the Bank is taking to manage risks and capitalise on new opportunities. The disclosures in this report are provided at a consolidated level of OCBC Wing Hang and its subsidiaries.

Oversea-Chinese Banking Corporation Limited (OCBC), our parent bank, has published Sustainability Report that contains information on the whole group's sustainability efforts and the Group is managing the environmental footprint from operations.

Our Public Commitment

OCBC's Sustainability Strategy contributes to the global sustainable development agenda through selected United Nations Sustainable Development Goals (UN SDGs) where we can make the greatest positive impact in our core markets and create long-term value for our stakeholders. SDG 13 on Climate Action is a key focus of our sustainability efforts. Since October 2019, OCBC has become a supporter of the Task Force on Climate-related Financial Disclosures (TCFD).

In October 2022, OCBC became a signatory to the Net-Zero Banking Alliance (NZBA). The industry-led, UN-convened NZBA reinforces, accelerates and supports the implementation of decarbonisation strategies, including through developing internationally coherent framework and guidelines, as well as promoting peer-learning between member banks. There are currently over 130 member banks across more than 40 countries, representing over 40% of global banking assets amounting to over US\$70 trillion¹. As a signatory of the Alliance, OCBC has committed to:



Reducing attributable Greenhouse Gas (GHG) emissions from lending and operational activities to align with pathways to net zero by 2050 or sooner



Within 18 months of joining, set 2030 targets (or sooner) and a 2050 target, with intermediary targets to be set every 5 years from 2030 onwards; and



Annually publish financed emissions in line with best practice and, within a year of setting targets, disclose progress against our sector specific transition strategy

Aligned with OCBC's commitment, OCBC Wing Hang has committed to sustainable development and securing long-term value for the Bank by ensuring that we take into consideration environmental and social risks (including climate-related risks) and conduct our business and finance our clients in a responsible manner. OCBC Wing Hang will also strengthen its ESG risk management based on international and industry standards such as TCFD.

¹Based on latest membership stats provided by UNEP FI at <https://www.unepfi.org/net-zero-banking/members/>

Governance

This section provides an outline of OCBC Wing Hang's governance framework for climate-related risks and opportunities.

A robust governance structure is the foundational building block for our sustainability strategy. The structure describes how sustainability matters, including climate-related matters, are governed and managed across the Board, Board Committees, Management and functional groups, as well as their respective roles and responsibilities.

Governance Structure



Governance at Board Level

The Board of Directors provides oversight for the sustainability agenda at OCBC Wing Hang, including for climate-related issues, and ensures that material Environmental, Social and Governance (ESG) factors that impact the Bank are considered when setting the strategic direction of the Bank. Within the Board, the Risk Management Committee has oversight of effective management of all risks which include ESG risks such as climate-related risk. ESG risks are described in our Responsible Financing and various risk management frameworks, which are reviewed and approved regularly by the Risk Management Committee.

To keep abreast of current and emerging sustainability issues such as climate and the environment, all members of the Board have attended sustainability training.

Governance at Management Level

At the management level, the Management Executive Committee, chaired by the Chief Executive, drives OCBC Wing Hang's Sustainability Strategy to assess and manage climate-related risks and opportunities. The Management Executive Committee is supported by the Climate Strategy Workstreams in operationalising sustainability strategy and efforts across OCBC Wing Hang.

Respective functional risk committees provide support to Risk Management Committee and senior management in the management of ESG risks, including climate-related risks. They are responsible for the proper functioning of the Bank's risk management frameworks and for driving necessary changes to address climate-related issues. This includes regular review, formulation and implementation of relevant policies and processes.

On the business front, the OCBC Wing Hang's Climate Strategy Workstreams drive business development, promote investments in environmentally sound projects and industries, as well as partners and support clients embarking on their sustainability journeys. Through the development of a comprehensive and innovative range of sustainable financing solutions, OCBC Wing Hang enables clients to act on climate change and promotes sustainable developments.

On the risk management front, Risk Management Division of OCBC Wing Hang is responsible for establishing frameworks and policies for managing ESG risks. A Sustainability Stewardship Group, comprising a dedicated team of ESG specialists, independently reviews clients/ transactions against the underlying ESG risks.

OCBC Wing Hang regularly reviews our governance structure with regard to ESG and climate-related risks to achieve long-term sustainable growth.



Strategy

This section provides an overview of how OCBC Wing Hang considers climate-related risks and opportunities in strategic decision-making processes.

As a financial institution, OCBC plays a key role by helping to finance the transition to a low-carbon economy. In recognition of the decarbonisation imperative, OCBC unveiled a 5-year Climate Strategy in 2021 outlining how it will become a regional leader in sustainable and responsible banking for a low-carbon economy by 2026. There are three priorities in OCBC climate strategy.

Priority 1:

Achieve net-zero emissions in alignment with Paris Agreement goals.

Priority 2:

Enable low-carbon transition through sustainable financing, sustainability-themed products and partnerships.

Priority 3:

Manage risks associated with climate change effectively.

OCBC Wing Hang contributes to and aligns with OCBC's Climate Strategy through:



Actively pursuing emerging opportunities in sustainable finance



Managing climate-related risks



Assessing climate-related risks through scenario analysis



Maintaining carbon neutrality for banking operational emissions



Enhancing climate-related disclosures



Raising awareness and building capacity

3.1 Sustainable Financing Solutions

Underpinned by our goal to become a leader in sustainable finance in Asia, we offer a range of sustainable banking products and services to encourage our network of international clients to develop a sustainable future.

OCBC Wing Hang is channelling funds to support corporations and projects that reinforce ESG impact and climate resiliency across our core markets. This is done through a combination of use of proceeds instruments, such as green or social loans and bonds, as well as sustainability-linked solutions, which incentivise and empower clients to enhance the sustainability performance of their businesses and supply chains.

In line with the OCBC Sustainable Finance Taxonomy, which has been externally verified taking into account relevant international principles, some of the business categories we support include:



Renewable Energy



Energy Efficiency



Sustainable Mobility



Sustainable Water and Management



Green Built Environment



Pollution Prevention and Reduction

OCBC Wing Hang has adopted the OCBC SME Sustainable Finance Framework, which has also been externally verified. The framework outlines the eligibility criteria and reporting requirements for small and medium enterprises, which would make it simpler for them to access sustainable financing of up to S\$20 million.

3.2 Climate Risk Management

As part of OCBC Wing Hang's ongoing commitment to transition to a low carbon economy, we have established certain climate-related policies. Climate risk considerations have been incorporated into our Responsible Financing Policies as part of our Responsible Financing Framework. Further, following current best practices, we are now incorporating scenario analysis per HKMA requirement into our climate risk management practice.

Coal Sector Related Prohibitions

OCBC Wing Hang has stopped financing new coal-fired power plants (CFPPs), a prohibition that was expanded to include thermal coal mines in 2020. This year, OCBC Wing Hang has further enhanced our coal-related prohibitions and will not provide new financing or refinancing to clients where more than 50% of their total power generation capacity or revenue comes from CFPPs. OCBC Wing Hang will also not provide any new financing or refinancing to clients where more than 50% of their mines or revenue come from thermal coal mines. These are aligned with the policies at OCBC.

3.3 Climate Scenario Analysis

Climate scenario analysis serves to enhance our understanding of risks and opportunities associated with climate change under a range of hypothetical scenarios spanning an extended horizon, given the longer period required for impacts of climate change to evolve and materialise and the high degree of uncertainties of these impacts.

We are committed to keep abreast with developments in this area and continually enhance our methodology in tandem with the industry standards.

3.4 Operational Carbon Neutrality

OCBC Wing Hang is committed to reducing the environmental footprint of our physical operations by reducing our consumption of energy, water, paper, and other resource.

OCBC Wing Hang adopt a multi-pronged strategy to achieve and maintain operational carbon neutrality. This involves prioritising the deployment of sustainable technologies and solutions to optimise the system efficiency of our buildings.

In 2021, OCBC Wing Hang participated in OCBC Project Race-to-Zero with the objective of achieving carbon neutrality in OCBC's banking operational emissions through a suite of environmental initiatives to increase energy efficiency and reduce consumption for 2022. This was successfully achieved this year through implementing key carbon reduction measures such as building and space optimisation, and adopting innovative cooling technologies. For the residual and hard-to-abate operational emissions, we supported carbon offset projects that reduce emissions, developed infrastructure and created jobs for the community.

3.5 Climate-related Disclosures and Transparency

OCBC Wing Hang recognises the importance of transparency and believes that comprehensive climate-related disclosures can help drive the global transition towards a low-carbon economy. The Bank has set up an internal working group that will lead our efforts to progressively implement the recommendations set out by the TCFD. Moving forward, we will continue to enhance our climate disclosures.

3.6 Raising Awareness and Building Capacity

OCBC Wing Hang has been actively championing environmental sustainability in the communities we serve and supporting efforts to develop climate expertise.

The #OCBCCares Programme is among our community initiatives for galvanising climate action. Under this programme, we promote sustainability internally and externally. In 2022, we together with Ocean Park Conservation Foundation launched the “Juvenile Horseshoe Crab Rearing Programme” to raise the awareness of conserving endangered species and protecting biodiversity. In addition, we have organised several education programmes including online conservation talk, guided tours to Hong Kong Marine Life Stranding and Education Centre and Behind-the-Scene tours in Ocean Park to highlight the importance of conserving wildlife.



As an extension of our ongoing efforts to rally the community to take climate action, OCBC Wing Hang became a member of the Hong Kong Green Finance Association (HKGFA). HKGFA aims to support Hong Kong in achieving its carbon neutrality goal by 2050, raise awareness, deepen the talent pool in sustainable finance and close the talent gap.

In November 2020, OCBC Wing Hang signed a memorandum of understanding with the Hong Kong Quality Assurance Agency on Green Financing. Under the memorandum of understanding, the Bank's customers will enjoy a more convenient channel to certify its green finance commitment with third-party conformity assessment.

To equip the Bank's employees with the right skills to contribute to our sustainability strategy, we launched a comprehensive suite of sustainability training modules under the Future Smart Programme for all employees. This initiative provides a structured approach towards developing more understanding in pertinent ESG topics, such as climate risk management and sustainable finance.

The total training hours



Looking ahead, we will continue to support regulators, industry, customers and other stakeholders in building greater awareness on, and strengthening capabilities for, managing climate change.

Risk Management

A robust risk management infrastructure is critical to OCBC Wing Hang's success in achieving our strategic goals and creating balanced, long-lasting value for our stakeholders.

Climate change is a driver of financial and reputational risks. It has the potential to impact our business and operations directly and indirectly.

Taking reference from leading research and guidance from international bodies and think tanks, we have assessed that the credit and reputational implications of climate risk, which can occur through transition and physical risk channels, are more likely to be material to our business and operations than other traditional risks.

The implications of transition and physical risk drivers on credit risks could differ across sectors, customer profiles, and time horizons. We view transition risks as potentially significant in the short- to medium-term horizon as the structural and technological transformations to achieve rapid and deep decarbonisation by 2030 gathers momentum. Certain sectors and customer types could be adversely affected by tougher climate and energy policies, carbon pricing, market expectations, and technology standards, particularly those in carbon-intensive and harder-to-abate sectors.

In addition, we recognise that physical risks could affect our customers as well as our operational resilience should global warming continue at its current rate, increasingly in materiality in the long term. While acute physical risks such as extreme weather events could affect customers across all sectors, chronic physical risks could give rise to sector-specific effects. For example, customers dependent on ecosystem services could be more adversely affected by climate-induced physical effects such as declining water tables, falling agricultural yields and rising sea levels.

We will review this assessment regularly to ensure it stays relevant, tapping on the growing knowledge and evidence base for climate risk.

This section provides an overview of OCBC Wing Hang's ESG risk management process and the results of our initial assessment of climate-related risks.



4.1 ESG Risk Management

Climate-related Risk Drivers	Risk Types	Examples of Potential Financial Risks
Transition Risk Drivers Transition risk drivers are the societal changes arising from a transition to a low-carbon economy. They can arise through: Changes in public sector policies; innovation and changes in the affordability of existing technologies [e.g. that make renewable energies cheaper or allow for the removal of atmospheric GHG emissions]; or investor and consumer sentiment towards a greener environment.	Credit Risk 	- Repayment capacity of clients impacted by transition risks [e.g. change in consumer demand, increase in costs due to carbon pricing] or physical risks causing business disruptions - Collateral values impacted by rising frequency and intensity of physical risk events or asset stranding
	Market Risk 	Decline in market valuation of securities due to disruptive transition events [e.g. sudden climate policy shifts] or severe physical risk events [e.g. major flooding]
	Liquidity Risk 	- Material change in cash outflows due to climate-induced risk events or adverse reputational events - Reduction in liquid assets due to climate-induced macroeconomic stresses
	Operational Risk 	Increase in frequency and severity of acute physical risk events, which can affect physical assets, cause business interruptions and pose workplace health and safety challenges
	Reputational Risk 	Reputational issues associated with stakeholder perceptions on adequacy of climate risk and opportunity management

Source:

- Basel Committee on Banking Supervision, Climate-related risk drivers and their transmission channels, Apr 2021
 - Oversea-Chinese Banking Corporation Limited, Sustainability Report 2022, Mar 2023

Our ability to support climate mitigation and adaptation efforts in the real economy is inextricably linked with our ability to manage climate-related risks affecting the Bank. Given the cross-cutting nature of climate risk, we adopt an integrated and risk-based approach, focusing on managing climate risk of greater likelihood and impact while keeping a close watch on interrelationships between risk types.

This is why we have strengthened our cross-functional risk governance by embedding the management of ESG risks, including climate risk, within the scope of relevant functional risk management committees. In addition, we are working towards integrating ESG and climate risk considerations within our Risk Appetite Framework to better measure and track the Bank's exposure to material ESG and climate risk issues, thereby enabling effective risk mitigation actions to be taken. We are leveraging forward-looking climate scenario analysis to better understand our climate risk exposure under a plausible range of scenarios.

These measures build on our existing client and transaction level ESG risk management processes set out in the Responsible Financing Framework, which defines our approach and commitment to managing ESG risks for lending activities and minimising potential adverse impacts on the environment and society. Put together, these measures enable us to holistically address the inside-out and outside-in implications of climate-related risks.

To align with OCBC's policy since 2017, OCBC Wing Hang has adopted a comprehensive ESG risk assessment process under the Responsible Financing Framework, which has been an integral part of our credit assessment. By taking into consideration environmental and social risks, OCBC Wing Hang will then be better able to assess and advise our clients on their ESG risks exposure and in turn, the Bank's ESG risk exposure, to ensure the long-term value of our clients and the Bank.

As part of the ESG risk assessment process, high risk clients/transactions or those with significant environmental and social risks will be referred to a dedicated team of ESG specialists of our parent bank for enhanced due diligence. In addition, transactions with high ESG or reputational risk are escalated to the Reputational Risk Review Group of OCBC for review and clearance prior to approval process. The ESG risk report will be presented to Credit Committee and Risk Management Committee regularly for management notification.



4.2 Climate Scenario Analysis

OCBC Wing Hang participated in the pilot Climate Risk Stress-Testing (CRST) exercise initiated by the HKMA in 2021, which covered the assessment on physical risk and transition risk. Stress scenarios were prescribed by the HKMA. The Bank assessed its climate risk exposures under three scenarios: a physical risk scenario involving a worsening climate situation and two scenarios envisaging orderly and disorderly transitions to a low-emission economy. The assessment is considered a pilot exercise for the Bank to enhance the understanding of the potential vulnerabilities due to climate risk and build up capabilities for stress-testing/scenario analysis.

Transition and Physical Risk² Impacts from Climate Change



Transition risks are the economic and societal changes arising from changes in public policies; innovation and changes in the affordability of technologies; or shifts in investor and consumer preferences towards a greener environment. Such changes could lead to higher costs and lower demand for certain sectors, while benefiting others that have aligned with policy goals and market preferences



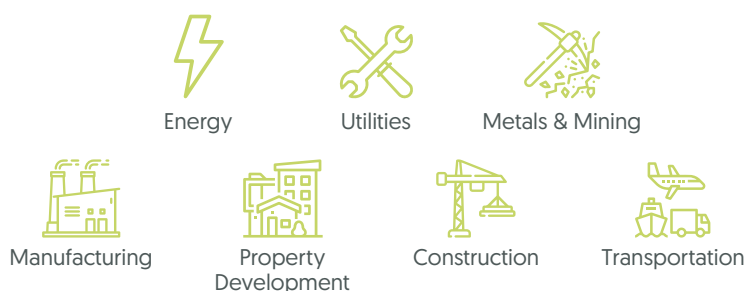
Physical risks can manifest through acute weather events such as floods, cyclones and heatwaves that can lead to business disruption and damages to property, as well as chronic changes in weather patterns such as increase in temperature and frequency of heavy rainfall that can impact longer-term productivity and infrastructure investments

Assessment of Climate-related Transition Risks

As part of the HKMA CRST in 2021, our climate transition risk scenario analysis comprised the below key components:

- First, we estimated the carbon emissions and emission intensities for borrowers falling under the potential high-risk sectors as prescribed by the HKMA, based on a combination of modelled and publicly disclosed data at the borrower level.
- Second, where applicable, the increase in carbon costs, due to the rising carbon price as prescribed in the HKMA scenario, is then translated into a credit rating impact by incorporating the higher carbon costs into the financials of the borrowers [e.g., reduction in net profit after tax].
- Third, we analysed our credit portfolio with reference to the deterioration in-scope borrowers' credit rating due to future carbon price risks.

The scenario analysis covered borrowers in the seven sectors specified by the HKMA which could be more prone to transition risk, include:



² Source: Basel Committee on Banking Supervision, Climate-related risk drivers and their transmission channels, Apr 2021

Based on our assessment, we found that certain carbon-intensive borrowers might be negatively affected by transition risks arising from higher carbon-related costs. Some sectors with high emission intensities (e.g. utilities, and metals & mining) were found to be more impacted by the rising carbon prices, which experienced the greater credit rating impact under the transition risk stress scenario.

Despite facing data availability and other technical challenges, this assessment has been a constructive step forward by providing an initial understanding and quantitative view of how our credit portfolio may be impacted by transition risks under potential carbon price trajectories.

Assessment of Climate-related Physical Risks

Among the physical risk hazards, floods and cyclones are considered the significant risk factors given the significant portion of property lending in Hong Kong, which is a coastal city. As such, the focus of physical risk analysis is on the potential devaluation of properties in flooding-prone locations in Hong Kong, which involves the following steps:



Identifying low-lying areas in Hong Kong that would be prone to floods and storm surges, and



Assessing the potential devaluation of the property collaterals located in these areas, and the impact on loan-to-value ratio for the affected exposures.

Overall, the Bank's exposure to physical risk impact was found to be low and manageable, mainly due to the lower loan-to-value ratio for the in-scope exposures.

Summary

Climate risk scenario analysis is at the early stage. The assessment is subject to inherent uncertainties, as we have to model a long time horizon and assume hypothetical climate risk scenarios. Quantifying the impact is difficult compared to typical bank's scenario and stress testing exercises.

Based on our assessment, the Bank's exposure to transition and physical risk impact is considered manageable. The scenario analysis has provided a high-level understanding of the climate-risk dynamics and implications, and the key types of transition and physical risks affecting our borrowers. The pilot HKMA CRST has facilitated the capability building of our Bank towards a robust climate risk scenario analysis for the future.

Looking ahead, OCBC Wing Hang will continue to strengthen the climate risk assessment approach as data, tools and methodologies continue to improve. Climate-focused scenario analysis, including stress testing, is put in place to assess the Bank's vulnerability under different plausible climate scenarios regularly.

HKMA has planned for another CRST in 2023/2024. OCBC Wing Hang will conduct the scenario analysis in accordance with HKMA requirement.

Metrics and Targets

In line with the TCFD recommendations, this section summarises information related to:



Metrics used by OCBC to assess GHG emissions



Targets used by OCBC to manage climate-related risks and opportunities and performance against these targets

5.1 Greenhouse Gas Emissions

Emissions ^{(1) (2) (3)}	2022	2021
Total emissions (t CO ₂ e)	8,049	9,089
Scope 1 (t CO ₂ e) ⁽⁴⁾	73	137
Scope 2 (t CO ₂ e) ⁽⁵⁾	7,881	8,863
Scope 3 (t CO ₂ e) ⁽⁶⁾	95	89

- (1) Our approach to carbon emissions is aligned to the GHG Protocol Standards, using the operational control approach to determine carbon emissions boundaries. The environmental data covers all our operations in Mainland China, Hong Kong and Macau.
- (2) Emission factors used to calculate carbon emissions are derived from, or in reference to, the Intergovernmental Panel on Climate Change (IPCC) emission factor database.
- (3) Our carbon inventory includes Scope 1, 2 and 3 emissions that are material to our operations.
- (4) Scope 1 carbon emissions include direct carbon emissions from backup diesel generators in OCBC Wing Hang premises and carbon emissions from petrol consumption by corporate cars.
- (5) Scope 2 carbon emissions refer to purchased electricity. OCBC Wing Hang reports Scope 2 carbon emissions using the location-based approach. Emission factor source: Hong Kong Electric, CLP Power Hong Kong Limited, Companhia de Electricidade de Macau, and Institute for Global Environmental Strategies.
- (6) Scope 3 carbon emissions include business air travel. Emission factors are derived from, or in reference to, the United Kingdom Department for Environment Food and Rural Affairs (DEFRA)

OCBC Wing Hang achieved carbon neutrality for its banking operational emissions in 2022, which are aligned to OCBC.

5.2 Sustainable Finance Target of 50 by 25

In early 2020, OCBC met and exceeded the declared intention of building a sustainable finance portfolio of S\$10 billion by 2022 and has since revised the goal to “50 by 25”, or S\$50 billion by 2025.

As of 31 December 2022, OCBC Wing Hang achieved over S\$6 billion in sustainable finance commitment, covering multiple industries including Real Estate, Power, Energy, Logistics, Hospitality and REITs. This exceeded our 2022 aspirations and contributed towards the OCBC’s commitment.

In 2022, OCBC Wing Hang successfully closed a number of landmark Sustainable Finance transactions, in line with international and market standards as well as the OCBC Sustainable Finance Taxonomy, including:

- Structured Hong Kong's first sustainability-linked financing in the logistics industry, for the largest international logistics company listed on Hong Kong Stock Exchange
- Was part of the largest sustainability-linked loans in Asia and in Hong Kong's real estate sector as of their respective completion dates
- Led a syndicated sustainability-linked loan for a property REIT as Mandated Lead Arrangers, Bookrunners, Underwriters and Joint Sustainability Advisor which enabled 100% of this pioneer's financing to be sustainability-linked
- Advised and supported many Mainland Chinese corporates on their ESG ambition, including being part of Greater China's first syndicated social loan and Hong Kong's first GBP syndicated green loan
- Issued the first-ever green bond among domestic foreign banks in Mainland China

OCBC Wing Hang's efforts in pioneering impactful and innovative solutions to support our customers' ESG journeys have enabled us to achieve three awards in the Hong Kong Green and Sustainable Finance Awards 2022:

- Outstanding Award for Green and Sustainable Loan Structuring Advisor (Real Estate Conglomerates)
- Outstanding Award for Green and Sustainable Loan Facilitator (Greater China Corporates – Energy Transition)
- Pioneering Organisation in Climate Disclosure Planning

As sustainable financing evolves, OCBC Wing Hang, as part of the OCBC, will continue to develop a comprehensive range of solutions and provide support to address the financially material risks our customers face, while actively seeking out new opportunities. In March 2023, OCBC has launched a new loan for corporates 'OCBC 1.5°C loan' as part of our commitment to support the world's low-carbon transition. OCBC Wing Hang is further committed to lead the way in the fight against climate change by leveraging our platform and resources to positively influence our customers.



5.3 Next Steps - Enhance our Climate Risk Management Efforts

We recognise that reducing carbon emissions is a shared societal responsibility, and there is room for OCBC Wing Hang to do more. As an organisation, we aim to continue aligning ourselves with the recommendations put forward by the TCFD and strengthening our management in the following areas:



Establishing and systematically embedding a structured engagement process to better understand our borrowers' transition plans



Broadening the scope of analysis and strengthening the transition risk scenario analysis and stress tests



Working towards reducing our operational carbon emissions and maintaining carbon neutrality through:

- Measuring and tracking OCBC Wing Hang's operational carbon emissions for Scope 1, Scope 2 and selected Scope 3 emissions related to our operations
- Implementing recommendations from the Energy Audits performed on our major buildings in Mainland China, Hong Kong and Macau to optimise our energy consumption
- Securing Renewable Energy Certificates (RECs) to acquire zero-carbon renewable energy to power our operations where available in the region we operate in; and
- Purchasing Carbon Credits to compensate for our un-abatable residual emissions



Contributing to OCBC's NZBA Strategy

- OCBC has unveiled ambitious, quantitative, science-based decarbonisation targets for six sectors - Power, Oil and Gas, Real Estate, Steel, Aviation and Shipping - and the key actions OCBC will take to meet these targets, as part of OCBC's commitment to achieve Net Zero in our financed emissions by 2050.³

³ Details refer to "Partnering Clients towards a Net Zero ASEAN and Greater China" https://www.ocbc.com/iwov-resources/sg/ocbc/business/pdf/sustainability/ocbc_net_zero_report.pdf

Looking Forward

OCBC Wing Hang is committed to support the transition to a low-carbon economy and recognises that high-quality disclosure is a critical component of this effort. The TCFD report will continue to inform OCBC Wing Hang's strategic priorities of building a low-carbon future and creating a positive impact for society, by acting with integrity and embedding responsible and sustainable business practices in everything we do.

Our Board of Directors and senior management will continue to exercise oversight over the management and monitoring of sustainability at OCBC Wing Hang at both the strategy formulation and decision-making level. This includes assessing ESG risks across the OCBC Wing Hang's lending portfolio and implementing the recommendations put forward by the TCFD.

OCBC Wing Hang has made several strides towards the targets we set but is cognisant of the challenges that still lie ahead. Looking forward, we are committed to driving performance across our material ESG factors, meeting targets and evolving practices as required. We recognise that tackling climate change requires collective action and are committed to collaborating and partnering with others to drive systemic change.

OCBC Wing Hang's success is not only interwoven with the success of all our stakeholders – it is also inextricably linked to the health of the planet. We are committed to keeping climate change top-of-mind to ensure that the Bank stays relevant, builds resilience, and creates sustainable long-term value.

