

OCBC Hong Kong Climate-related Disclosures Report 2024





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About This Report

OCBC Bank (Hong Kong) Limited (the Bank) and its subsidiaries (collectively OCBCCHK) are committed to accelerating the transition to a net-zero future, while conducting our business responsibly and bringing impact to our communities. As a key player in the financial sector, we serve as a vital connector of capital, enabling the transition towards a more sustainable economy.

This Climate-related Disclosures Report (CDR) outlines our approach to managing climate-related risks and leveraging new opportunities arising from climate change. In line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and regulatory and industry standards, this report is prepared with reference to the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures. This report covers the financial year ended 31 December 2024. It underscores our alignment with the climate-related ambitions of Oversea-Chinese Banking Corporation Limited, our parent entity and its subsidiaries (collectively OCBC). OCBC has also published its Sustainability Report that states its approach to sustainability, as well as our initiatives and operational performance.

Governance

In Section 1 of this report, we outline our sustainability governance structure over climate-related risks and opportunities, highlighting the roles of the Bank's Board of Directors, Board Committees, Management and designated Management Committees. This comprehensive approach ensures that climate considerations are integrated into our decision-making processes at all levels of the organisation.

Strategy

Section 2 focuses on formulation of strategy and its implementation, which is aligned with OCBC's sustainability imperative: "Accelerating the Transition to a Net-Zero Future". This section outlines our commitment to reducing greenhouse gas emissions through comprehensive climate action measures. We detail our collaborative efforts to partner with clients on their decarbonisation journeys through sustainable financing solutions and advisory services, guided by our responsible financing policies which are designed to help us assess and advise our clients on their environmental, social and governance (ESG) risk exposures – which in turn allows us to better manage the Bank's ESG risk exposures. Furthermore, we emphasise the importance of engaging with both internal and external stakeholders to enhance our sustainability efforts.

Risk Management

In Section 3, we examine the climate-related risks to which OCBCCHK is exposed and the strategies we employ to manage such risks effectively. Particular emphasis is placed on climate scenario analysis, which serves as a critical tool for assessing the Bank's resilience to both transition risk and physical risk across diverse climate scenarios.

Metrics and Targets

Finally, Section 4 outlines the metrics and measurable targets established for 2024 in the areas of Climate Action, Responsible Financing and Sustainable Financing Solutions, as discussed in Section 2. We further provide insights into the progress made towards these targets.

Letter from the CEO

As we reflect on the achievements of 2024, I am pleased to share that OCBCHK has made good progress in driving inclusive and sustainable growth within the markets we serve. Our dedication to sustainability is not merely an initiative; we aim to weave sustainability into the fabric of our operations so that it influences every aspect of our business – from product development and customer service to employee support and community outreach.

As a purpose-driven organisation, we recognise our inherent responsibility to society and to the communities in which we operate. We understand the necessity of proactively managing physical risk associated with climate change, as well as transition risk that accompanies the shift towards a decarbonising economy. This shift will necessitate significant transformation across various industries and business models and will require considerable investments from both public and private sectors, representing a daunting task, but also an unparalleled business opportunity.

In 2024, we enhanced our governance structure by establishing the Sustainability Steering Committee (SSC), which supports the Management in driving key sustainability initiatives.

We believe our most profound impact stems from our sustainable financing and advisory capabilities, which enable us to support clients in aligning their operations with industry and international sustainability goals, in particular with the Paris Agreement's goal to limit global temperature rise to 1.5°C above pre-industrial levels.

As of 31 December 2024, OCBCHK has achieved over S\$9 billion (approximately over HK\$50 billion) in sustainable finance commitments, and has supported nearly 1,000 small and medium enterprises (SMEs) with our sustainable financing solutions.

We continued to pioneer and grow the impact of our green and transition finance offerings, including the completion of Hong Kong and Mainland China's first multi-currency Sustainability-Linked Loan in the securities brokerage industry, and Hong Kong's first Green And Transition Loan in the real estate industry. We also launched first-in-market sustainable finance programmes across key sectors targeting SMEs.

These landmark achievements, as well as others as highlighted in this report, have enabled OCBCHK to be recognised as the Best Bank for Sustainable Finance in Hong Kong by Global Finance in 2024, and to win ESG Sustainability of the Year – Outstanding Award from Bloomberg Business Week Chinese Edition, among other accolades.

You will read from this report that our sustainability imperative “Accelerating the Transition to a Net-Zero Future” focuses on three material ESG factors: Climate Action, Responsible Financing and Sustainable Financing Solutions.

Our commitment to Climate Action demonstrates the importance of charting a climate-resilient future by curbing our financed and operational emissions, while addressing the risks and opportunities associated with climate change. Through our Responsible Financing framework and policies, we prioritise ethical and responsible lending practices, ensuring that related risks are managed effectively. Finally, our Sustainable Financing Solutions are formulated to support our clients in achieving their climate aspirations through lending, advisory and investment offerings.

By embracing the OCBC One Group approach, we not only fulfil our climate commitments but also drive sustainable value and growth for our clients, stakeholders and the communities we serve – for now and beyond.

Wang Ke

OCBC Head of Greater China and
CEO of OCBC Bank (Hong Kong) Limited

Our Sustainability Highlights

Our 2024 Awards



**Best Bank for Sustainable Finance
in Hong Kong**
Global Finance



**ESG Sustainability of the Year –
Outstanding Award**
Bloomberg Businessweek
Chinese Edition



**Syndicated Loan of the Year –
Hong Kong**
Asian Banking & Finance



**Outstanding Advisor (Financial Industries – Securities) –
Visionary Sustainability-Linked Loan Performance Metrics***
Hong Kong Green and Sustainable Finance Awards

**Best Green Bond – Public Sector
(Hong Kong)**
The Asset



**Outstanding Advisor (Logistic Industry) –
Visionary Sustainability-Linked Loan Performance Metrics***
Hong Kong Green and Sustainable Finance Awards



For the full list of awards, please turn to page 17.

Our Sustainable Finance Leadership

#1 MLA

OCBC ranked #1 MLA for
Green Loans in APAC ex-Japan
(FY2024) by Bloomberg

#1 MLA

OCBC ranked #1 MLA for ESG
Loans in APAC ex-Japan (FY2024)
by London Stock Exchange Group

#1 Sustainability Coordinator

OCBC ranked #1 sustainability
coordinator for Asian Banks ex-
Japan for ESG Loans (Q2 2023–
Q1 2024) by Environmental Finance

>\$9b

in sustainable finance
commitments for OCBCHK

~1,000

SMEs supported with OCBCHK's
sustainable financing solutions
since 2023

Our Landmark Sustainable Finance Transactions



Completed **Hong Kong's first Green and Transition Loan** in real estate industry.



Completed **Hong Kong and Mainland China's first multi-currency sustainability-linked loan** in securities brokerage industry.

* Award names have been shortened for the purposes of this highlights page, for full name, please refer to page 17.

Our Sustainability Highlights

Enhancing Sustainability Governance Structure



Established OCBC HK Sustainability Steering Committee to support Management Executive Committee in strategising, implementing and reporting

Accelerating the Transition to Net Zero



Strengthened our Responsible Financing Policies to support the managed phase-out of coal-fired power plants [CFPPs]



Undertook a long-term climate scenario analysis to assess the impacts of long-term transition risk and physical risk under the scenarios prescribed by the HKMA

Demonstrating Our Thought Leadership

OCBCHK sharing expertise at various industry events



Planting Seeds for the Future



Launched our inaugural tree planting challenge in 2024 with the goal of planting

300 seedlings annually

Section 1

Our Sustainability Governance Structure

Strong corporate governance and risk management are the foundation of a sustainable business and are vital for long-term success. At OCBC HK, we are committed to upholding business integrity by integrating sustainability across the Board, Board Committees, Management and functional groups. This holistic approach enables us to pursue our sustainability ambitions through our Sustainability Framework. In 2024, we further strengthened our governance structure by establishing the Sustainability Steering Committee (SSC), which is mandated with providing strategic oversight and direction on critical sustainability initiatives.

Sustainability Governance Structure

Board Oversight

Board of Directors

- Provides oversight for the overall sustainability agenda and strategy at the Bank

Risk Management Committee

- Supports the Board in its oversight of the Bank's environmental, social and governance risks

Management Oversight

Management Executive Committee

- Oversees local implementation of OCBC's sustainability strategy and provides approval for key strategic initiatives relating to sustainability, with a focus on climate and environmental matters

Sustainability Steering Committee*

- Supports the Management Executive Committee in strategising, implementing and reporting of significant sustainability-related initiatives and outcomes for the Bank

* Functionally reports to OCBC's Sustainability Steering Committee through dedicated representatives from the Bank.

Section 1

Our Sustainability Governance Structure

1.1 Board Level

The Board takes ultimate responsibility for, and sets the strategic direction of, the organisation's sustainability efforts at OCBCHK. Recognising the critical importance of sustainability matters, the Risk Management Committee (RMC) is a dedicated committee tasked with overseeing the management of all types of risks relevant to OCBCHK, including ESG risks posed by the issue of climate change. The management of ESG risks is described in our Responsible Financing Framework and Policies, which are reviewed and approved regularly by the RMC. Additionally, we review the ESG exposures of our portfolio periodically, and the findings are reported to the RMC on a quarterly basis.

The Board, through the Remuneration Committee, is mandated with overseeing our human resources management policies. In alignment with our Remuneration Policy, this committee is required to factor in risk management considerations, including climate-related and ESG risks, to ensure that remuneration practices are consistent with the Bank's performance objectives. To this end, we have incorporated climate and ESG targets into Key Performance Indicators (KPIs) of senior management, which are then disseminated throughout the organisation for unified goal-setting. By doing this, we are integrating sustainability, responsible governance and accountability across the Bank.

To ensure that the Board stays abreast of current and emerging sustainability issues, including climate change, all members have received sustainability training.

1.2 Management Level

Management Executive Committee

The Management Executive Committee (MEC) is committed to supporting the Board in the strategic execution of key initiatives, including those related to sustainability. Under the leadership of the Chief Executive Officer, the MEC comprises senior management members and is supported by the SSC. The MEC plays a crucial role in overseeing the local implementation of OCBC's sustainability strategy, with a strong emphasis on identifying and assessing sustainability-related risks and opportunities, particularly with regard to climate and environmental concerns, thereby providing essential strategic direction to the SSC.

Sustainability Steering Committee

The SSC is a vital management committee established to support the MEC in strategising, implementing and reporting of significant sustainability-related initiatives and outcomes. Chaired by the Chief Executive Officer, the SSC comprises senior management members responsible for advancing sustainability initiatives throughout the Bank. This committee is mandated with recommending and implementing the Bank's sustainability initiatives, ensuring that the MEC is promptly informed of the Bank's sustainability progress and is advised on relevant matters.

With representation from key divisions, the SSC is equipped to identify climate-related risks and opportunities. This broad representation ensures that climate-related issues are integrated into our decision-making processes.

In addition, the SSC maintains representation in OCBC's Sustainability Steering Committee, fostering alignment and collaboration to achieve targeted and impactful sustainability results across OCBC.

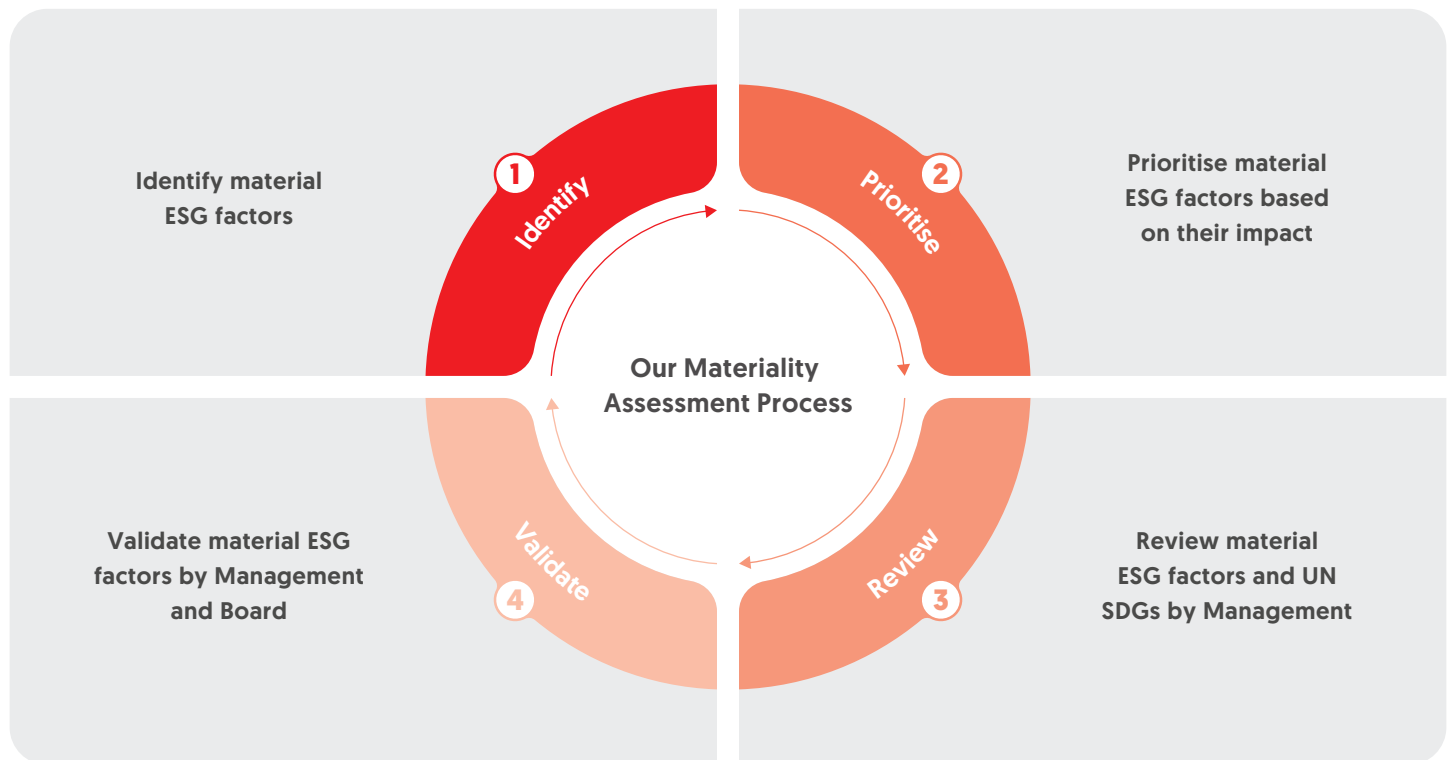
Section 2

Strategy

This section offers a comprehensive overview of climate-related risks and opportunities that are essential to the strategic decision-making process.

2.1 OCBC's Materiality Assessment Process

In 2024, OCBC engaged an external consultant to conduct a comprehensive review of our existing material ESG factors, which were first identified in 2023 through a four-step materiality assessment involving substantial stakeholder engagement. This review involved a landscape analysis, industry trend assessment and stakeholder consultations. OCBC had assessed and concluded that these ESG factors were relevant after considering local circumstances. The process yielded insights into the management of our material factors, facilitating informed strategic decisions.



What does materiality mean to OCBC?

Financial Materiality

Significant impacts on OCBC's prospects including its financial performance, financial position and cash flow.

Impact Materiality

Significant impacts of OCBC on the economy, environment and people.

Section 2

Strategy

2.2 Our Approach

OCBC's Sustainability Framework outlines its sustainability priorities and encapsulates key elements of its approach, including essential sustainability imperatives and prioritised material ESG factors that drive performance and impact. OCBCCHK aligns its overarching goals with OCBC's sustainability imperatives. This Climate-related Disclosures Report emphasises the sustainability imperative: "Accelerating the Transition to a Net-Zero Future" as it aims to inform stakeholders of the climate-related risks and opportunities facing OCBCCHK.

Asia's Leading Financial Services Partner for a Sustainable Future

Our Sustainability Imperatives

Accelerating the Transition to a Net-Zero Future

Enable our clients' transition through strategic advisory, innovative financial solutions and ecosystem partnerships, across our multifaceted businesses

Bringing Impact to Communities

Create a dynamic workplace and society through championing people development and community advancement

Conducting Our Business Responsibly

Safeguard long-term stakeholder value through embedding responsible business practices and strong governance

How We Execute

Climate Action

Responsible Financing

Sustainable Financial Solutions

Talent Management and Wellbeing

Workplace Diversity

Community Development

Cybersecurity and Data Protection

Fair Dealing

Financial Crime Prevention

Governance and Culture

Our Values as the Foundation of our Sustainability Framework

Lasting value

Integrity

Forward-looking

Respect

Responsibility

Our Values guide our approach to sustainability. We take a long-term view in our climate actions and community development efforts, delivering positive impact on the environment and the society in a responsible manner. Specifically, we proactively support our clients' net-zero transition and their aspirations for a low-carbon world.

Section 2

Strategy

2.2.1 Climate Action

As a signatory of the Net-Zero Banking Alliance, OCBC has a transition plan that outlines ambitious, quantitative and science-based net-zero targets across six key sectors: Power, Oil & Gas, Real Estate, Steel, Aviation and Shipping. Collectively, our targets cover over 40% of OCBC's corporate and commercial banking loan portfolio, demonstrating our commitment to achieving net-zero financed emissions by 2050.

OCBC will also not extend project financing to upstream oil and gas projects that obtained approval for development after 2021. We will collaborate with our corporate clients to meaningfully contribute to achieving net-zero emissions in ASEAN and Greater China by 2050 through an orderly and inclusive transition.

As a subsidiary, the Bank strives to decarbonise its portfolio, aligning with OCBC's transition pathways towards net zero.

2.2.1.1 OCBC Net Zero Progress Update

OCBC's commitment to achieving net-zero emissions by 2050 is a key pillar of its transition plan. By aligning its financing with the net-zero goal, it aims to play an active role in driving the shift towards a green economy.

In 2024, the Bank saw good progress in its net-zero journey as it continued to work closely with its clients in supporting their efforts towards a credible and just transition.

Sector	In scope	Emissions	Metric	Reference Pathway	Baseline [2021]	2022	2023	2030 target	2050 target
 Power	- Power generation companies - Power equipment manufacturers	- Scope 1 (generation) - Scope 3 (equipment manufacturers)	kgCO ₂ /MWh	IEA NZE	370	337	301	165	0 by 2040
 Oil & Gas	- Upstream - Integrated	- Scope 1 - Scope 2 - Scope 3	MtCO ₂ e	IEA NZE	14.9	12.1	11.2	9.6	0.8
 Real Estate	- Real Estate owner-operators - Financed buildings - REITs	- Scope 1 - Scope 2 - Scope 3 (tenant/ plug load)	Alignment Delta [%]	CRREM	-5.3%	-1.4%	-4.0%	≤0%	≤0%
 Steel	Steel producers	- Scope 1 - Scope 2	tCO ₂ /tSteel	MPP-TM [Regional]	1.93	1.76	1.91	1.68	0.12
 Aviation	Airline operators and lessors	- Scope 1 (operators) - Scope 3 (lessors)	kgCO ₂ /passenger-km	IATA Fly Net Zero	0.261	0.097	0.097	0.088	0
 Shipping	Financed vessels	- Scopes 1 - Scopes 3 (well-to-wake)	Alignment Delta [%]	IMO-PP	+4.5% [previous trajectory]	+11.2% [revised trajectory [#]]	+4.6% [revised trajectory [#]]	≤0%	≤0%

Note: The calculations for OCBC's financed emissions are based on our clients' reported emissions data, which are typically published three months or more after the end of the Financial Year. Given the time lag in reporting and time needed to consolidate, calculate and analyse the emissions data, OCBC's 2024 Sustainability Report showcases 2023 financed emissions.

[#] Revised trajectory refers to IMO's 2023 revised minimum trajectory.

While the journey towards net zero presents significant opportunities, we recognise that its success is dependent on external factors which might be beyond our control. These include structural and technological limitations in supporting the growing needs of hard-to-abate sectors, the scalability of green technologies, ESG data availability and the establishment of supportive environmental policies.

We acknowledge the growing importance of transitioning alongside our clients. The challenges we face have generated meaningful conversations and partnerships, presenting opportunities for us to innovate and co-create solutions with our clients, paving the way for further emissions reductions in each key sector.

Section 2

Strategy

2.2.1.2 Maintaining Carbon Neutrality in Our Operations

While managing our financed emissions – the most significant source of emissions for a financial institution – in line with the goal of the Paris Agreement is a core priority for OCBC, we are committed to minimising our own environmental impact as well.

In 2024, OCBC maintained its carbon neutrality in banking operations through a prioritised approach that encompassed three key areas:

- **Energy Consumption Reduction:** Actively working to decrease energy usage in our operations.
- **Renewable Energy Adoption:** Increasing our investment in renewable energy sources.
- **Responsible Purchase of Carbon Credits:** Purchasing carbon credits to offset any residual emissions.

The Bank's operational decarbonisation efforts are aimed at reducing energy consumption and addressing hard-to-abate emissions. Our Sustainable Building and Workplace Guidelines, alongside our Carbon Credit Procurement Approach, illustrate our commitment to achieving operational carbon neutrality.

In alignment with OCBC's approach, the Bank is dedicated to addressing residual operational emissions through offsetting by carbon credits.

2.2.1.3 OCBCHK's Operational Footprint



Reduced electricity intensity by 1.2% with deployment of energy-efficient equipment such as motion sensors and LED lighting.



Reduced Scope 2 GHG emission intensity by 2.2% with more effective use of electricity.



Lowered water withdrawal intensity by 6.5% from investment made to improve water efficiency including automatic faucet and flushing systems.

New Office at Airside

Part of our Hong Kong office has relocated to Airside, a new commercial development at Kai Tak, which integrates a range of modern green features designed to minimise our environmental impact and enhance employee wellbeing.

The Airside office features energy-efficient LED lighting with automated controls. We prioritise the use of Energy Star certified appliances and have implemented water-saving faucets to enhance conservation. The installation of smart meters allows for real-time monitoring of energy and water consumption, fostering continuous improvement. Our circularity initiatives include reusing timber for furniture and repurposing existing materials, which significantly reduced waste generation during the move. Additionally, we have established recycling stations and implemented acoustic control measures to promote responsible waste management and improve employee comfort and productivity.



Our new office at Airside, Hong Kong integrates features to minimise environmental impact and enhance employee wellbeing.

Looking ahead, this new office not only marks a significant milestone but also establishes a foundation for future transformation across our office spaces. We continue to be dedicated to embedding sustainability into the core of our operations.

Section 2

Strategy

Our Operational Footprint

	Unit	% Change (2024 vs 2023)	2024	2023	2022
Energy					
Total energy consumption	GJ	1.6% ^[9]	52,109	51,272	50,798
Electricity intensity	MWh/ft ²	-1.2% ^[9]	0.013	0.013	0.013
Emissions^{[1][2]}					
Total emissions ^[3]	tCO ₂ e	0.9% ^[10]	8,319	8,246	8,051
Scope 1 ^[4]	tCO ₂ e	-29.0%	64	91	75
Scope 2 ^[5]	tCO ₂ e	1.4% ^[10]	7,774 ^[11]	7,671	7,881
Scope 3 ^[6]	tCO ₂ e	-0.8%	480	484	95
Emission intensity ratios					
Scope 2 intensity	tCO ₂ e/ft ²	-2.2% ^[10]	0.0071	0.0073	0.0074
Water					
Total water withdrawal ^[7]	m ³	-5.9%	32,163	34,172	36,714
Water withdrawal intensity	m ³ /ft ²	-6.5%	0.044	0.047	0.051
Waste					
General waste	tonnes	2.6%	409	399	303
Recycled waste	tonnes	-6.3%	134	143	116
Office paper ^[8] excludes statement paper	tonnes	-26.8%	91	125	133

Notes:

^[1] Our approach to carbon emissions is aligned with the GHG Protocol Standards, using an operational control approach to determine carbon emissions boundaries. The environmental data covers all our operations in OCBC China, OCBC Hong Kong and OCBC Macau unless otherwise stated.

^[2] Emission Factors used to calculate carbon emissions are derived from, or with reference to, the Intergovernmental Panel on Climate Change (IPCC) emission factor database.

^[3] Total emissions refer to the aggregation of Scope 1, Scope 2 [Market-based] and Scope 3 emissions.

^[4] Scope 1 carbon emissions include direct carbon emissions from backup diesel generators on OCBCCHK's premises and carbon emissions from petrol consumption by corporate cars.

^[5] Scope 2 carbon emissions refer to purchased electricity. OCBCCHK reports Scope 2 carbon emissions using the location-based approach. Emission Factors source: HK Electric (HKE), CLP Power Hong Kong Limited (CLP), Companhia de Electricidade de Macau and Institute of Global Environment Strategies (IGES) – IGES Grid Emission Factors.

^[6] Scope 3 carbon emissions include business air travel only. Emission Factors are derived from, or with reference to, the United Kingdom Department for Environment, Food and Rural Affairs (DEFRA). This does not include financed emissions.

^[7] All of our water use is withdrawn from the municipal water supply, consumed within our operations and discharged to the public sewerage system. The quality of water withdrawn and discharged is managed by the public utility provider.

^[8] Our office paper data accounts for paper used within the offices for business operations. It excludes paper used for customer statements and letters. Total office paper covers all our operations in OCBC China, OCBC Hong Kong and OCBC Macau.

^[9] Total energy consumption increased by 1.6% YoY mainly due to parallel operation of two locations for our data centre relocation project in Hong Kong. This overlap is necessary to ensure a smooth transition for this critical infrastructure upgrade. If this parallel operation is excluded, total energy consumption and electricity intensity ratio would be 0.5% and 4.5% lower than those in 2023 respectively.

^[10] Total emissions increased by 0.9% YoY mainly due to parallel operation of two locations for our data centre relocation project in Hong Kong. This overlap is necessary to ensure a smooth transition for this critical infrastructure upgrade. If this parallel operation is excluded, total emissions, Scope 2 emissions, and intensity in 2024 would be 1%, 0.7% and 4.2% lower than those in 2023 respectively.

^[11] 2024 Scope 2 emissions are calculated using a simple average of Emission Factors from CLP and HKE.

Section 2

Strategy

2.2.2 Responsible Financing

OCBC prioritises the management of climate-related credit risk and reputational risk associated with wholesale lending activities. This is achieved by integrating ESG-related considerations into the Responsible Financing Framework and Policies, as well as in credit approval processes.

Climate-related Risk Assessment Process

OCBCHK is guided by the Responsible Financing Framework and Policies, outlining a structured approach to ESG risk management within our lending practices. This comprehensive ESG risk management approach governs lending and debt-related activities, including debt issuance and underwriting, and applies to both new and existing corporate, commercial and institutional clients.

A key element of our strategy is the incorporation of transition financing solutions that support clients in shifting towards more sustainable business practices.

Furthermore, OCBCHK maintains a strict policy of non-engagement in financing activities that are covered by our exclusions and prohibitions lists, which show clear evidence of unmitigable harm to the environment, people or communities, or that involve a breach of local regulations.

In 2024, OCBCHK updated the policies around coal-related activities to support financing low-carbon transition programmes for early retirement of coal-fired power plants (CFPPs) before the end of their useful lives. These policies are guided by established regional taxonomies, ensuring credible and effective transition financing. To reinforce our commitment to phasing out coal, we do not provide corporate financing to new clients with more than 25% of total power generation capacity or revenue derived from CFPPs, or to those with more than 25% of mines or revenue from thermal coal. For existing clients, we prioritise active engagement and support for their transition planning.

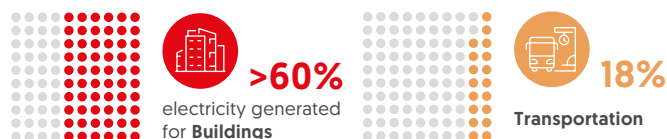
2.2.3 Sustainable Financing Solutions

As a leading financial services institution in Asia, OCBC is aware of its role in facilitating and supporting clients in their net-zero transitions. OCBCHK is aligned with OCBC's ambition to be Asia's leading financial services partner for a sustainable future, leveraging OCBC's "One Group" approach to support our clients on their sustainability journey.

We embrace our responsibility and emerging business opportunities by channelling capital towards a sustainable, net-zero economy. As a connector of capital, we engage with ecosystem partners to offer streamlined tools, resources, and advisory services that bolster our clients' transition efforts.

Aligned with national decarbonisation goals across our key markets, we leverage our local knowledge and expertise in offering our clients sustainability insights gleaned from our partners across the region, while upholding international best practices and standards in sustainable finance.

To maximise impact, our sustainable finance strategy for Hong Kong prioritises the highest emitting sectors – Real Estate and Transportation – directly contributing to "Hong Kong's Climate Action Plan 2050", the city's roadmap for carbon neutrality before 2050.



Sources of Hong Kong's emissions according to the Hong Kong Climate Action Plan 2050.

As early as 2018, we have been at the forefront of providing financing solutions that facilitate fulfilment of our sustainable development objectives. In 2024, we continued to strengthen our green and transition financing initiatives across key markets including Hong Kong, introducing pioneering first-in-market sustainable financing solutions tailored for various sectors.

Section 2

Strategy

OCBCHK's support to Prosperity REIT's climate transition

Real estate is the single highest end-use source of carbon emissions in Hong Kong, accounting for over 60% of the city's total carbon emissions. Recognising this need, OCBCHK provides advanced and targeted support to this sector's climate transition.

In 2024, we extended Hong Kong's first Green And Transition loan in the real estate industry to Prosperity Real Estate Investment Trust (Prosperity REIT), utilising the Singapore-Asia Taxonomy, the world's first multi-sector transition taxonomy in defining green and transition activities.

Recognising that to meet the goals set out in the UN SDGs and the Paris Climate Accords, short-term emissions reductions are a powerful mechanism for the world to keep within carbon budgets, the Taxonomy supports the use of the transition label for emissions reductions of 30% or more with a sunset date of 2030 for commercial real estates.

OCBCHK's completion of this transaction serves as a model for the industry in using advanced tools to direct much needed capital towards reducing emissions and meeting carbon goals in Hong Kong and across the region. Proceeds on this facility will go towards improvements in energy efficiency, and decarbonisation of Prosperity REIT's existing key properties over the coming 5 years.

OCBCHK has been a trusted partner in Prosperity REIT's sustainability journey, supporting their achievement of becoming 100% sustainably financed in 2022.

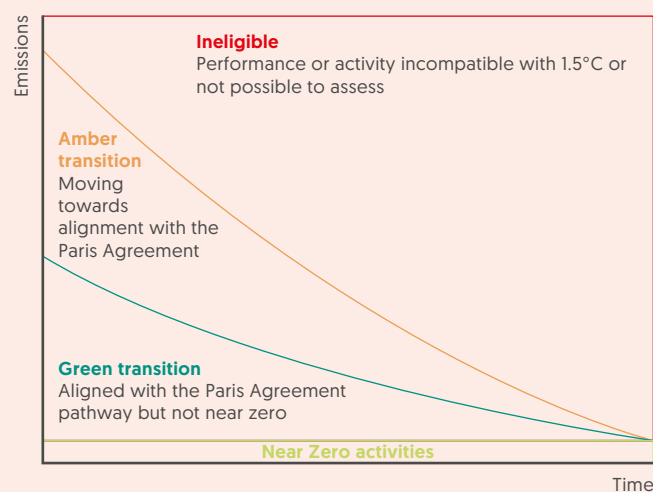
What our client says:

“ Prosperity REIT is thrilled to partner with OCBC Hong Kong to further strengthen the momentum on our Sustainability Roadmap 2030 by bolstering climate resilience and minimising carbon footprint through a series of energy efficiency enhancement works.

This collaboration with OCBC Hong Kong reinforces our dedication to making a positive impact on the environment and society, while bring long-term value for our stakeholders.

Mavis Wong, CEO and Executive Director of ESR Asset Management (Prosperity) Limited, Manager of Prosperity REIT

This transaction was **Hong Kong's First Green And Transition Loan in the real estate sector**, referencing the Singapore-Asia Taxonomy, the world's first multi-sector transition taxonomy.



Singapore-Asia Taxonomy's approach to Transition Financing – Moving Towards Paris Agreement Alignment.

Source: Singapore-Asia Taxonomy



The teams at OCBC and Prosperity REIT celebrate the completion of this market-first transaction in Hong Kong.

Positive media coverage on this transaction



and more...

This transaction contributed to the following Sustainable Development Goals



Section 2

Strategy

Building on our track record in Hong Kong's logistics sector

Recognising transportation as Hong Kong's second highest carbon emitting end-use sector, OCBC has been an innovator for the logistics sector, structuring and leading market-first transactions that bridge the financing gap this sector faces in meeting climate transition goals.

In 2024, OCBC acted as joint Sustainability Coordinator and joint MLAB on SF REIT's HK\$2.4 billion credit facility, including an HK\$2.2 billion sustainability-linked loan. SF REIT is the first logistics properties focused REIT listed on the Hong Kong Stock Exchange and is wholly supported by SF Holdings, a leading international delivery and logistics service provider.

OCBC's support in this transaction enabled SF REIT to achieve over 85% in sustainable financing on their outstanding loans.

What our client says:

“ We are thrilled about receiving solid supports from numerous banks during our refinancing process and thereby deepening and expanding our banking relationships which are invaluable for our business developments in the future.

By refinancing our major existing loan, **85% of our outstanding loan amount is now hinged upon our sustainable business practices**, showcasing our unwavering ESG commitments.

Hubert Chak, Executive Director and Chief Executive Officer of SF REIT Asset Management Limited, Manager of SF REIT



OCBC and SF REIT at the signing ceremony.

With the completion of this transaction, **over 85% of SF REIT's outstanding financing is now linked to sustainability.**

Awarded at the Asset Triple A Sustainable Finance Awards
Best Sustainability-Linked Loan – Logistics (China Offshore).

This transaction contributed to the following Sustainable Development Goals



Section 2

Strategy

Channelling of capital towards sustainable transition

To meet global goals set out in the UN's 2030 agenda for sustainable development, the world needs to mobilise an additional US\$4 billion annually between now and 2030. Financial institutions in the private sector are increasingly becoming a crucial source to bridge this financing gap, as public financing is far from sufficient.

In 2024, OCBC was the sole lender and sustainability advisor of an HK\$500 million (or USD/RMB equivalent) sustainability-linked loan facility to Guotai Junan International, a leading Chinese securities company. The loan is tied to a set of predetermined ESG targets, including growing Guotai Junan International's fundraising business for projects with environmental impact, incentivising much needed capital towards sustainable transition of society.

According to CDP (formerly Carbon Disclosure Project), for financial institutions, Scope 3 emissions arising from investing, lending and underwriting activities are up to 700 times greater than operational emissions. This would imply that over 99% of a financial institutions' emissions arise from portfolio emissions.*

Therefore, setting a KPI on their fundraising business incentivises Guotai Junan International to prioritise projects with positive environmental benefits such as renewable energy, resulting in financed emissions that are more in line with a net-zero economy.

What our client says:

“ This industry first sustainability-linked loan also demonstrates the advancement of Guotai Junan International's ESG development. We will continue to adhere to the concept of “Achieving the Good with Finance” and strive to build a responsible comprehensive financial platform to create long-term value for investors and the entire society.

Dr. Fung Yim, Chairman, Executive Director of Guotai Junan International

* <https://www.cdp.net/en/articles/media/finance-sectors-funded-emissions-over-700-times-greater-than-its-own>

This transaction was **Hong Kong's & Mainland China's first Multi-Currency SLL in the securities brokerage industry**, a rare achievement that incentivises the client to pursue more environmental fundraising.



OCBC and Guotai Junan International celebrate this market-first transaction.

Why FIs are targeting their financing activities

According to the **CDP**, the GHG emissions associated with financial institutions' investing, lending and underwriting activities are on average over **700 times higher** than their **direct emissions**.

Awarded at the Asset Triple A Sustainable Finance Awards **Best Sustainability-Linked Loan – Securities Brokerage (China Offshore)**.

Positive media coverage on this transaction



and more...

This transaction contributed to the following **Sustainable Development Goals**



Section 2

Strategy

Powering growth in the Power sector through renewable energy

Making the switch to renewable energy is an instrumental part of the carbon transition for the Power sector. OCBC is therefore committed to supporting our clients in their transition through financing and advisory.

OCBC China extended a one-year green loan of RMB220 million to Jiangsu Financial Leasing Co., Ltd. (Jiangsu Financial Leasing). The loan is being used for renewable energy power generation projects in Hebei, Guangxi, Jiangsu and other parts of the region. It will support renewable energy power generation in place of traditional fossil energy combustion power generation. These projects are targeted at energy conservation, emissions and pollution reduction, and are expected to improve regional water quality and optimise energy infrastructure.

The green loan empowers Jiangsu Financial Leasing to incorporate environmental considerations in their business activities, putting the company on track to meet its sustainability commitments.

Acknowledging the significance and challenges of supply chain sustainability, we have initiated partnerships with corporate clients that are beginning to engage their extensive supply chains in the topic of sustainability, and these supply chains mainly consist of SMEs.

Our established track record in engaging with SMEs on sustainability is a testament to our effort and commitment to supporting these clients. Since 2023, we have been proactively offering sustainable financing solutions to SMEs, recognising that a successful transition to net zero is not possible without their active participation – especially since SMEs represent over 98% of the enterprises in Hong Kong.

Building on the success of our initial efforts, we introduced additional sustainable financing initiatives such as the award-winning SME Energy Efficiency Assessment (SMEEA) tool. We also launched various sustainability-linked financing options, along with SME-friendly ESG rating tools and emission calculators, to further support their transition. By leveraging our robust SME sustainable financing capabilities and collaborating with key ecosystem partners, we continue to drive impactful change and assist our clients in their sustainability endeavours. OCBCHK has supported nearly 1,000 SMEs in their sustainability journeys with our sustainable financing solutions.

Our efforts in support of our clients' ESG journeys have enabled us to receive a number of Hong Kong's Sustainable Finance and Sustainability Awards.

Recognitions in 2024:

- Best Bank for Sustainable Finance in Hong Kong, by Global Finance
- Syndicated Loan of the Year – Hong Kong, by Asian Banking and Finance
- Triple A Sustainable Finance Awards – Best Green Bond – Public Sector (Hong Kong), by The Asset
- Three awards in the Hong Kong Green and Sustainable Finance Awards, by Hong Kong Quality Assurance Agency:
 - Outstanding Award for Green and Sustainable Loan Structuring Advisor (Financial Industries – Securities) – Visionary Sustainability-Linked Loan Performance Metrics
 - Outstanding Award for Green and Sustainable Loan Structuring Advisor (Multinational Corporates – Supply Chain) – Visionary Sustainability-Linked Loan Performance Metrics and
 - Outstanding Award for Green and Sustainable Loan Structuring Advisor (Logistics Industry) – Visionary Sustainability-Linked Loan Performance Metrics
- Bloomberg Newsweek Financial Institution Awards (Hong Kong), ESG Sustainability of the Year – Outstanding Award, by Bloomberg Businessweek
- Green Deal of the Year – China, by Asian Banking and Finance
- Golden Tripod Award 2024 – Annual Excellent Green Finance Case, by National Business Daily, China
- Sustainable Finance Innovation Award for Product and Service, by Shenzhen Green Finance Association, China

Section 2

Strategy

2.3 Stakeholder Engagement

Through engagement with a broad spectrum of stakeholders – including our clients, industry experts and ecosystem partners – we weave a tapestry of insights and innovations that advance our sustainability goals. Our commitment extends beyond merely establishing a sustainable banking model; we are dedicated to fostering a vibrant ecosystem where financial performance and environmental stewardship are mutually reinforcing.

2.3.1 Raising Awareness in Sustainable Financing and Sustainability

In Hong Kong, the Bank is a catalyst in the creation of a vibrant sustainability ecosystem that is an essential part of accelerating the transition to net zero. By engaging proactively with clients, industry partners, government bodies and the public sector, we aim to build a spirit of collective action that drives impactful change.

As a leader in sustainable financing, we actively engage in keynote forums such as ReThink HK, Hong Kong's best-attended and leading business event for sustainable development.

Through these platforms, we share our insights and strategies on supporting clients and ecosystem partners in their journeys towards net-zero emissions.



OCBCHK teams participate at ReThink HK 2024.

We recognise that a workforce that is well-informed about sustainability is better prepared to implement and advocate for sustainable practices across the Bank. Therefore, we are devoted to continuously raising internal awareness of sustainability throughout the organisation.

We are closely collaborating with industry working groups, including the Hong Kong Green Finance Association (HKGFA), which is pivotal in contributing to Hong Kong's goal of achieving carbon neutrality by 2050. The HKGFA focuses on raising awareness, advocating sustainable finance, and addressing the talent gap within the banking sector.

In addition, the Bank is partnering with different ESG technology platforms to support and accelerate the decarbonisation journey of our clients, particularly SMEs that may require more guidance and tools.

The #OCBCCares Programme stands as a testament to our dedication to driving climate actions within our community. This initiative promotes sustainability across both internal and external platforms. In 2024, the Bank joined forces with Friends of the Earth Hong Kong to launch our first-ever "Tree Planting Challenge", aiming to plant 300 seedlings each year. This programme is focused on enhancing carbon sequestration, tackling climate change and advancing green initiatives.



Colleagues and family from across the Bank enjoy a day out at the "Tree Planting Challenge".

Section 2

Strategy

2.3.2 Capacity Building

OCBC's achievements are fundamentally rooted in the dedication of our employees, who are vital to fostering economic growth, upholding our reputation and ensuring the sustainability of our organisation. To build a workforce that is prepared for the future, we devote to creating a vibrant culture of continuous learning and development in an ever-changing landscape. By investing in our employees' growth, we enable them to harness their full potential and make significant contributions to the success of OCBC.

We introduced a comprehensive suite of capacity-building initiatives centred around sustainability, as outlined in the OCBC Sustainability Framework. Our focus areas include Climate Action,

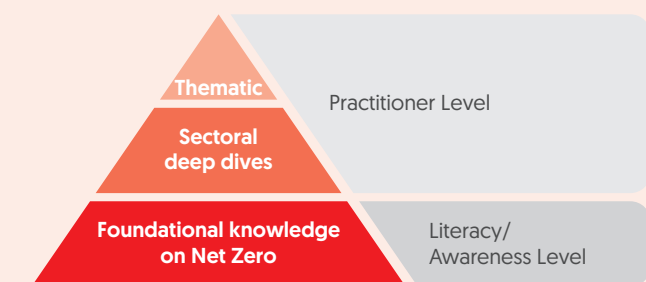
Responsible Financing, Sustainable Financing Solutions, Talent Management and Wellbeing, Workplace Diversity, Cybersecurity and Data Protection, Fair Dealing, Financial Crime Prevention, as well as Governance and Culture.

In 2024, OCBC HK recorded an average of 58.9 training hours completed per employee, demonstrating a year-on-year growth of 8%. That included an average of 7.9 sustainability-related training hours completed [i.e. 13% of the average training hours per employee], showcasing a year-on-year growth of 69%.

Empowering Relationship Managers to effectively support clients on their net-zero transition

OCBC recognises that achieving its net-zero targets requires a concerted effort across the whole group, mobilising relationship managers (RMs), product partners and risk managers to work together to support clients in decarbonising their businesses and supply chains. To enable this, it has been equipping employees – who are supporting corporate clients – with the tools, resources and guidance needed to confidently engage clients with meaningful conversations on net zero.

OCBC Global Wholesale Banking has devised a comprehensive training roadmap referencing its Net-Zero Capacity Building Framework for frontline staff across the region:



OCBC's Net Zero Capacity Building Framework

The Net-Zero Navigator training, designed in partnership with Eco-Business, provides the foundational knowledge necessary to confidently engage clients on OCBC's net-zero commitments while offering insights into how industries are transitioning towards a net-zero economy. The training has also been tailored to reflect local contexts in collaboration with partners in each market. In 2024, OCBC conducted multiple training sessions for RMs, product partners and risk managers from Hong Kong, Indonesia, Malaysia and Singapore; and intends to roll out more sessions in 2025.

Conversations around the net-zero transition often involve adopting new technologies and solutions. To support these discussions, OCBC ensures teams stay updated on the latest market developments. For example, in 2024 it engaged energy specialist and consultant Baringa to upskill key enablers within the Bank on the developments in carbon capture, utilisation and storage (CCUS), a potential decarbonisation lever for hard-to-abate sectors.

OCBC will continue to expand our network of experts and partners to deliver relevant thematic programmes, enabling employees to better support clients on their net-zero journey.



OCBC's "Net-Zero Navigator Training" in partnership with Eco-Business, in Hong Kong.

Section 3

Risk Management

3.1 Overview

This section outlines how OCBC identifies, assesses and manages climate-related risks that affect OCBCCHK. Recognising the cross-cutting nature of climate-related risks, we adopt an integrated, risk-based approach that prioritises the management of risks with higher likelihood and potential impact, while closely monitoring interconnections between various risk types.

3.2 Climate-related Risks

The table below provides an overview of the climate-related risk drivers considered within OCBC's climate-related risk approach.

Climate-related Risk Drivers*	Risk Types	Potential Financial Risk Impacts for Each Risk Type
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 evolving 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, leading to asset stranding, reduced balance sheet, deterioration in strength of obligors, and reduced recovery from potential defaults
	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]
Physical Risk Drivers Physical risk drivers are changes in both weather and climate that impact economies. They can be categorised as acute risks, which are related to extreme weather events, or chronic risks associated with gradual shifts in climate	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

* Basel Committee on Banking Supervision [2021]. Climate-related risk drivers and their transmission channels.

OCBC conducts regular climate-related risk materiality assessments to ensure that we effectively identify, assess and manage climate-related risks that affect OCBCCHK in alignment with our established risk management approaches and planning horizons.

Climate risk ratings across different time horizons

Risk Types	Focus	Short-term (<2 years)	Medium-term [2-5 years]	Long-term (>5 years)
Credit Risk	Transition risk			
Market Risk	Transition risk			
Liquidity Risk	Transition risk			
Operational Risk	Physical risk			

● Low ● Moderate ● High

Section 3

Risk Management

3.3 Climate-related Risk Management

We prioritise the management of climate-related credit risk [as part of ESG risks] and reputational risk from our wholesale lending activities through embedding these considerations in our Responsible Financing Framework and Policies, as well as in our credit approval processes.

Our ESG risk assessment evaluates clients' track record and commitment in managing ESG and climate-related risks, forming a key part of the annual credit risk review by RMs. We monitor our clients' sustainability performance annually, reassess our relationships with them and may decline transactions if covenants are breached or expectations are not met. We periodically review our portfolio's ESG exposure and report findings to the RMC. Transactions identified as having high ESG risk are subject to additional examination through an enhanced due diligence clearance process. For cases that involve significant reputational risk, we escalate them further to the Reputational Risk Review Group (RRRG) for in-depth evaluation.

3.4 Climate Scenario Analysis

The Bank employs climate scenario analysis to enhance our understanding of the risks and opportunities associated with climate change across a range of hypothetical scenarios that span multiple time periods.

In 2024, we conducted a long-term climate scenario analysis as part of the Climate Risk Stress Test (CRST) required by the Hong Kong Monetary Authority (HKMA). This analysis aimed to assess the impacts of long-term transition risks and physical risks under the scenarios prescribed by the HKMA (i.e. Below 2°C, Delayed Transition and Current Policies).

We adopted a bottom-up approach to convert key scenario parameters (e.g. emissions intensity pathways, carbon price, fossil fuel price and demand, electricity price and demand, physical hazard frequency and severity) into drivers of business performance, such as volume, unit cost, price and capital expenditure. The credit risk impact on the Bank's credit portfolio was then estimated using the adjusted financial statements.

For physical risks assessment, we identified the property collaterals in areas prone to flooding and tropical cyclones based on building addresses, evaluated the potential devaluation of such properties resulting from asset damages and/or shifts in consumer preferences, as well as the consequential impact on the credit quality of exposure secured by such collaterals.

3.4.1 Climate Scenario Methodology

In 2024, the Bank upgraded its array of climate scenario analysis models, which now comprises four sector-specific models for Oil & Gas, Utilities, Real Estate and Mining & Metals, alongside a general emission-based model for other climate-relevant sectors. This upgrade enabled us to better capture the combined impact of both transition risks and physical risks on these sectors.

It is essential to perceive the scenarios not as future forecasts but hypothetical constructs to comprehend the nature and magnitude of risks across a variety of plausible climate and policy pathways. This approach enables us to prepare for the risks and opportunities that could emerge across various sectors and geographical regions relevant to the Bank's credit portfolio.

We remain committed to keeping abreast of developments in this field and continuously improve our methodology in line with industry standards.

3.4.2 Results of Climate Scenario Analysis

The results consistently indicated that sectors characterised by high carbon intensity and those deemed hard-to-abate were likely to experience greater impacts under the Below 2°C and Delayed Transition scenarios. Sectors identified as having high transition risks included upstream and integrated sectors such as Oil & Gas, Coal, Conventional Power Generation and Steel. Transition risks within the Real Estate sector remained insignificant.

Physical risks were assessed as more significant for sectors where business activities were particularly vulnerable to climate disruptions, such as Agriculture and Forestry, Construction, Transportation and Mining & Metals. Additionally, sectors that were heavily reliant on supply chains, such as Manufacturing, were also identified as facing material physical risks.

The Bank's exposure to carbon-intensive sectors and property collaterals in vulnerable areas was relatively limited, resulting in limited impact from transition risks and physical risks. The overall financial impact on the Bank arising from climate-related risks remained manageable.

Section 4

Metrics and Targets

This section outlines the metrics and targets that OCBC utilised to assess and manage climate-related risks and opportunities. Additionally, it highlights how OCBCHK adopts the One Group approach to actively contribute to OCBC's sustainability goals.

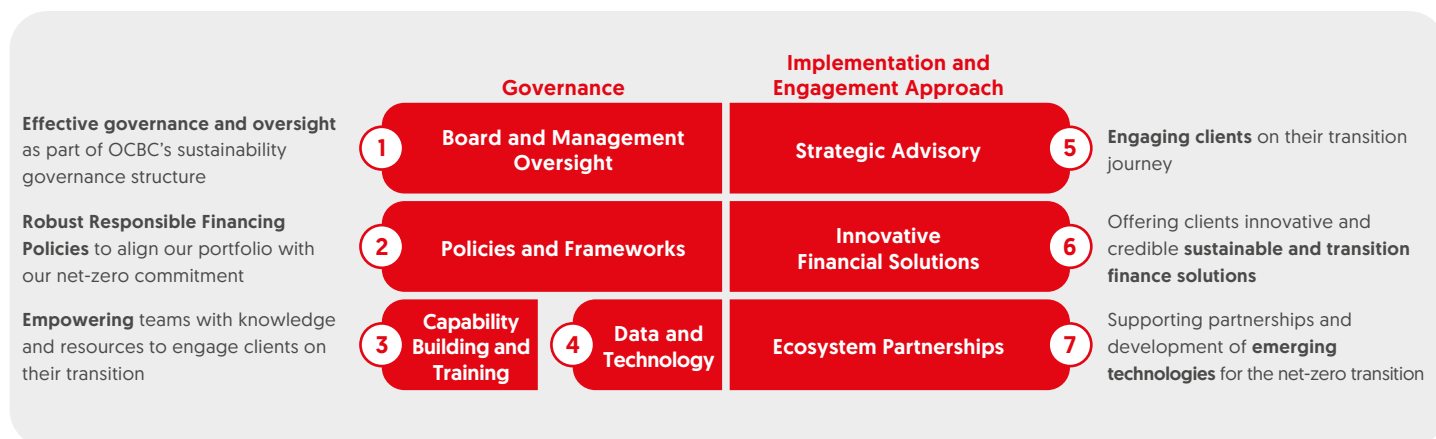
Climate Action

Climate change poses an escalating financial risk that affects our operations and business landscape. In response, there is a growing demand from both internal and external stakeholders for transparency in climate-related risk reporting and transition planning. Successfully managing this risk is crucial for OCBC's aspiration to become Asia's leading financial services partner for a sustainable future. Moreover, the global transition to a low-carbon economy presents an opportunity for us to collaborate with our clients in financing their path to net zero.

While we have made significant progress so far, we acknowledge that our decarbonisation pathway will not be linear. Some industries will face significant challenges in scaling up the adoption of green and transition technologies, while geopolitical tensions may hinder regional collaboration essential for the energy transition.

OCBC's net-zero commitments go beyond the targets it aims to achieve; they represent a long-term vision to mobilise all parts of OCBC to engage clients on their net-zero journeys. These commitments provide a common framework for aligning its net-zero ambition with those of clients.

The governance around these net-zero commitments, as well as implementation and engagement approach, is aligned with OCBC's transition plan tailored to address the specific needs and challenges faced by corporate and commercial clients and its supporting staff:



Section 4

Metrics and Targets

Implementation and Engagement Approach

Our transition engagement for our corporate and commercial clients is based on the following principles:

Engagement Principles



Based on credible science-based decarbonisation pathways

Navigating the various pathways can be challenging for our clients. As such, our advisory focuses on analysing their performance based on internationally-recognised science-based decarbonisation pathways, or other relevant national or regional pathways.



Informed by science and geographical realities

Our approach is guided by scientific insights, real-world data, and financial projections to develop realistic and practical scenarios.



Data-driven approach

We take a bottom-up approach which considers our clients' actual performance and decarbonisation plans. From this, we can build an accurate picture of where they are and where they can transition to based on their planned actions.



Decision-useful insights and engagement

Through this process, our clients can understand their current plans and potential ambition gaps that they may face, and have a view of the areas where they need greater attention for their transition.

OCBC's Targets and Performance

2024 Targets

-  Achieve net zero in financed emissions for our six priority sectors by 2050
-  Enhance climate scenario analysis capabilities to keep pace with industry practices
-  Maintain carbon neutrality for OCBC's banking operational emissions in 2024
-  Provide electric vehicle charging facilities to major Group-owned commercial buildings by 2025

Performance against Targets

-  Reduction in emissions in our six priority sectors ⁽¹⁾
-  Developed sector-specific climate scenario analysis model for the Mining and Metals sector and incorporated indirect physical risk impacts in the analysis ⁽²⁾
-  Maintained operational carbon neutrality by increasing adoption of renewable energy and sustainable technology ⁽³⁾
-  Completed the installation of additional electric vehicle charging points in Singapore, Malaysia, Indonesia and China ⁽⁴⁾

 Achieved

 On track

Notes:

⁽¹⁾ Performance excludes OCBC Securities Pte Ltd, OCBC Property Services Pte Ltd and Bank of Singapore Ltd.

⁽²⁾ Performance excludes OCBC Securities Pte Ltd and OCBC Property Services Pte Ltd.

⁽³⁾ Performance only includes OCBC Singapore, OCBC Malaysia, OCBC Indonesia, OCBC China, OCBC Hong Kong, OCBC Macau, OCBC Securities Pte Ltd, OCBC Property Services Pte Ltd and Bank of Singapore Ltd [Singapore].

⁽⁴⁾ Performance only includes OCBC Singapore, OCBC Malaysia, OCBC Indonesia, OCBC China and Bank of Singapore Ltd [Singapore]. Installations were completed for OCBC Tampines Centre One and Two [Singapore], Bank of Singapore Centre [Singapore], Menara OCBC [Malaysia], OCBC Space [Indonesia] and OCBC Centre Shanghai [China].

Section 4

Metrics and Targets

Responsible Financing

Driving responsible growth

The careful management of risks and the implementation of practices ensure ethical and responsible lending.

OCBC's Targets and Performance

2024 Targets

-  Complete high-level materiality mapping of nature-related risks to enhance our understanding of nature-risk implications

Performance against Targets

-  Conducted materiality mapping of key nature-dependent sectors on ecosystem services*

 Achieved

 On track

* Performance excludes OCBC Securities Pte Ltd and OCBC Property Services Pte Ltd.

We monitor and regularly report to our management and RMC on our sector credit exposure, including climate-relevant sectors that are sensitive to climate transition challenges and opportunities, i.e. Agriculture and Forestry, Energy-intensive Manufacturing, Transportation, Mining and Metals, Real Estate and Construction, Utilities and Oil and Gas.

Sustainable Financing Solutions

In 2021, OCBC set a target to grow sustainable finance portfolio to S\$50 billion by 2025; and we achieved this target two years ahead of schedule.

Our sustainable financing strategy and implementation actively support companies of all sizes in all the markets that OCBC has presence. With our dedicated sustainability teams based in Hong Kong and Mainland China, we are proactively engaging our clients on their transition journeys. **We are proud to have been recognised as the “Best Bank for Sustainable Finance in Hong Kong” by Global Finance.** The Bank achieved over S\$9 billion in sustainable finance commitment as of 31 December 2024, across key sectors such as Real Estate, Power, Energy, Logistics, Hospitality and REITs.

We recognise that an inclusive transition is paramount, and are dedicated to addressing the needs of vulnerable communities by financing projects that deliver tangible benefits, and by integrating social impact into our sustainable financing solutions.

In 2024, we executed several landmark sustainable finance transactions and programmes, including:

- Bilaterally structured Hong Kong's first Green and Transition Loan in the real estate industry, with proceeds financing improvements in energy efficiency and decarbonisation of existing key properties;

- Bilaterally structured Hong Kong and Mainland China's first multi-currency Sustainability-Linked Loan in the securities brokerage industry;
- Supporting the construction of an essential services-integrated affordable housing project in Hong Kong via a bilateral social loan;
- Dedicated focus on guiding SMEs through their transition to a low-carbon economy, by leveraging the OCBC SME Sustainable Finance Framework and partnerships with key ecosystem partners to facilitate the adoption of SME-friendly ESG rating tools and lower-cost self-assessment tools to increase accessibility for SMEs seeking sustainable finance, providing support to nearly 1,000 SMEs;
- Pioneering sustainable financing solutions in Macau.

Sustainable finance stands as a pivotal element in the global shift towards a net-zero economy. We are committed to facilitating a meaningful transition by providing innovative sustainable financing solutions and collaborating with our clients to tackle the challenges posed by climate change, motivating them to embrace internationally recognised, science-based pathways for net-zero decarbonisation.

Section 5

The Way Forward

As climate-related risks intensify and regulatory expectations evolve, the transition to net zero becomes a business priority. Organisations must act decisively to reduce emissions and build resilience in an increasingly complex sustainability landscape.

We anticipate the momentum in net-zero initiatives to continue as companies' decarbonisation journeys progress. By leveraging our deep industry insights and innovative financing solutions, we help clients integrate sustainability into their core business models, thereby driving measurable impact, competitive advantage and long-term value creation.

As we navigate the complexities of climate-related risks and opportunities, safeguarding our business and the trust of our stakeholders is our top priority. This journey requires us to enhance our expertise in key ESG areas, especially in the mitigation and adaptation of climate-related risks. By strengthening these capabilities, we can protect our business, uphold stakeholder confidence and promote sustainable development in collaboration with our clients.

We are actively partnering with the HKMA to promote Green and Sustainable Banking initiatives. The recent introduction of the Sustainable Finance Action Agenda by the HKMA aims to reinforce Hong Kong's status as a sustainable finance hub and to support sustainable development across Asia and beyond. OCBCHK is aligned with this forward-thinking agenda and remains committed to achieving net-zero emissions in our operations and accelerating the transition to net-zero financed emissions as planned.

This report outlines our strategy and traction in expediting society's transition to a net-zero future. While we are making progress in aligning our climate-related financial disclosures with the updated IFRS S2 standards, we recognise that more work lies ahead. We will continue to leverage our expertise to strengthen the management of climate-related risks and opportunities, together with our colleagues, clients and stakeholders, for now and beyond.