



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

(Stock Code : 440)

2022 DSFH





Environmental,
Social and Governance Report



同步 更進步

Together We Progress and Prosper

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Our Commitment to the Environment and Sustainability

Dah Sing Financial Holdings Limited (the “Group”) has a strong track record of delivering on its brand promise to grow and prosper with its customers and the communities it serves in Hong Kong and the Greater Bay Area (“GBA”). Since the Group enhanced its approach to environmental, social and governance (“ESG”) and refined its ESG roadmap in 2021, the Group has focused its efforts on optimising value creation for its stakeholders in strategic areas.

Snapshot of Our ESG Strategy

ESG Governance

Establish ESG positioning under Board’s oversight

Governance

Establish clear accountability on ESG oversight and strategy implementation

Communication

Regularly communicate our ESG initiatives to our internal and external stakeholders

Reporting

Improve disclosure quality and performance tracking

Marketplace

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



Green and Sustainable Banking

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

SME Support

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

Customer Focus

Improve customer experience and reinforce customer centricity

Digitalisation

Improve customer experience and operational impact through digital transformation

Workplace

Build an engaged workforce to enhance employee loyalty



Culture and Ethical Behaviours

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

Training and Development

Enhance organisation and leadership capabilities for future-ready workforce

Health and Well-being

Promote health awareness and provide a flexible and healthy work environment

Community

Enrich our community strategy to enhance impact



Youth Education

Support youth education with a focus on STEAM, targeting under-privileged children

Youth Sports

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

ESG Awareness

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

Volunteering

Engage our employees to contribute to society through volunteering activities

Environment

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



Environmental Footprint

Reduce our environmental footprint and influence our supply chain

Paperless

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

Staff Awareness and Engagement

Promote environmental conservation to our staff for a greener planet

Key Achievements for 2022

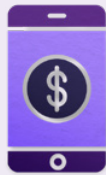


Marketplace

- Launched **Green and Sustainable Banking training** framework for capacity building

- Increased number of **ESG funds** on shelf

- Increased adoption and usage of **mobile banking** by over **10%**



- Launched two industry forums with **over 380 participants** under the SME ESG Best Practices Recognition Programme with Friends of Earth (HK)



Workplace

- Launched the **first Culture Week**

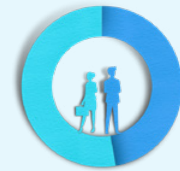
- Launched **new training series** in ESG, Digitalisation and Leadership

- **74,851** training hours conducted in 2022



- Gender diversity of full-time employees

M 47% and **F 53%**



Environment

- **↓4%** in electricity consumption

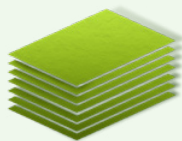
- **↓76%** in hazardous waste generation



- **↓10%** in non-hazardous waste generation

- **↓5%** in water consumption

- **↓8%** in paper consumption



Community

- A total of

566 volunteers contributing

3,684 volunteering hours



- **3,442** individuals benefited from our community programmes and activities



- Continued focus on STEAM education for youths with over **100 beneficiary students**

- Promoted public green awareness through sponsorship of **Green WALK Hong Kong**

ESG Governance

Board Statement

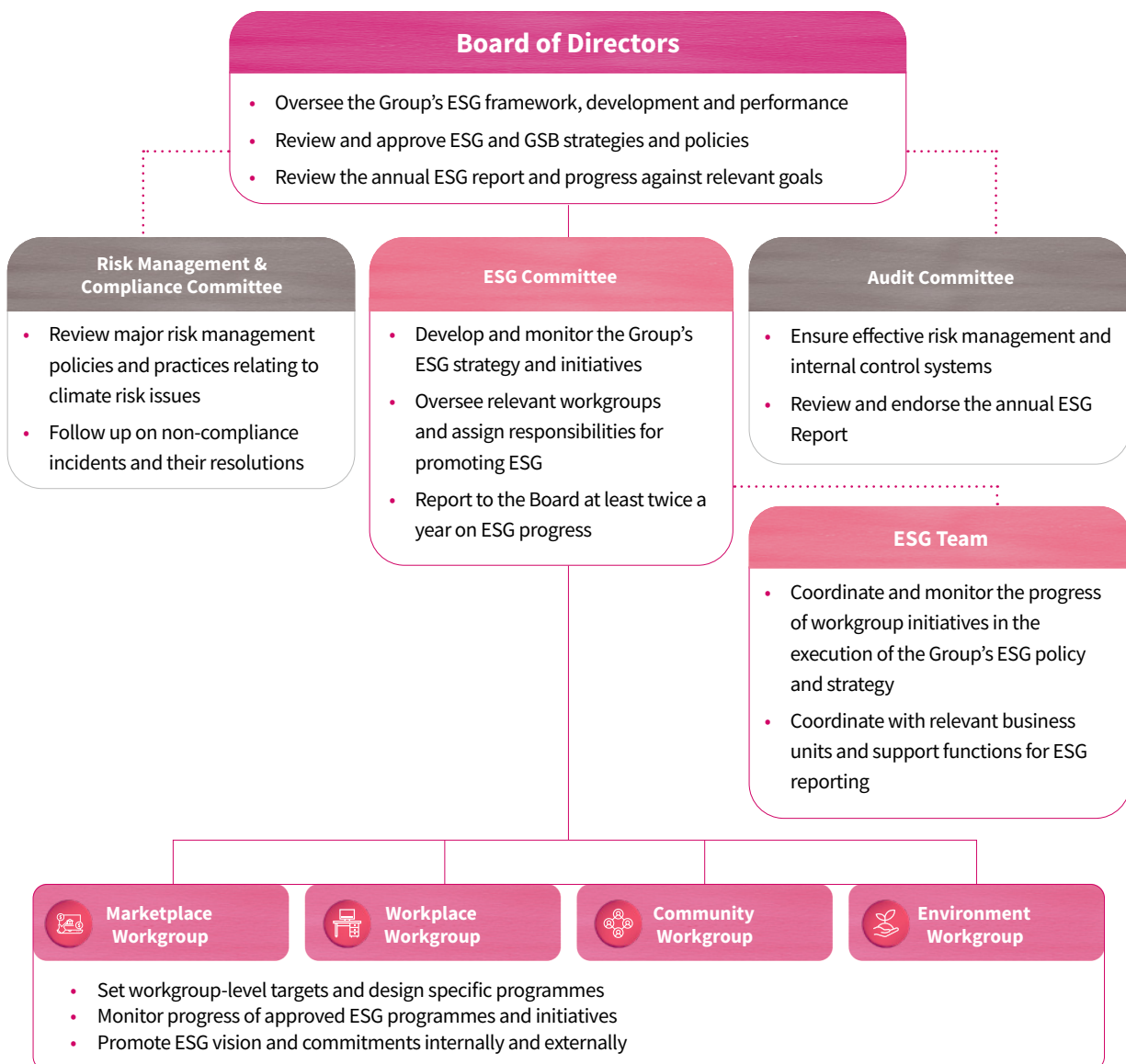
The Board is accountable for and assumes overall responsibility for the Group's ESG development and strategic direction, including the Group's strategy and actions taken to manage climate risks and to support the development of green and sustainable banking. It annually reviews the progress reported by the ESG Committee, reviews the ESG report (including the materiality assessment findings), monitors ESG-related risks, and oversees the progress made against ESG-related goals and targets. The Board receives relevant updates from the ESG Committee in support of the ongoing strategic implementation and ESG strategy at least twice a year.

In 2022, with the support of the Board, the Group continuously enhanced our ESG governance in terms of reporting and communication. Environmental and social KPI dashboards were established to better monitor our performance and an environmental data quality review was conducted to identify areas of improvement. The Group also introduced a series of ESG training this year to raise the awareness and capability of our employees.



ESG Governance Structure

A robust governance structure is in place to support our commitment to ESG and the execution of our ESG strategy. Our ESG governance is supported by four main governing bodies which report to the Board through the ESG Committee. These governing bodies are responsible for ensuring that ESG goals and initiatives can be implemented at all operating levels. Their key ESG-related roles and responsibilities are outlined below.



ESG Policy








Our [ESG Policy](#), developed by the ESG Committee and available on our website, sets out the environmental and social commitments of the Group which treat ESG as an integral element in maintaining the Group's position as a responsible business.

Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

The Group regularly updates its understanding of our key stakeholders' views and strives to address their feedback to our ESG priorities. We use multiple channels to contact our stakeholder groups, including our employees, customers, shareholders, suppliers, regulators and the wider community, to review and update the topics of key materiality to our business operations.

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

Key Stakeholders	Engagement Channels
Employees 	<ul style="list-style-type: none"> • Training, seminars and briefing sessions • Performance management • Surveys • Dah Sing Staff Club • Employee Assistance Programme • Staff communications • Business Operations Portal/intranet • Recreational and volunteer activities
Customers 	<ul style="list-style-type: none"> • Relationship manager visits • Corporate websites, mobile apps and social media platforms • Customer service hotlines • Service Quality Unit that responds to customer feedback • Customer and industry association talks and seminars • Customer satisfaction survey • Newsletters
Shareholders 	<ul style="list-style-type: none"> • Annual General Meeting and other meetings • Investor and press conferences and briefings • Corporate websites • Corporate communications including announcements, circulars, interim and annual reports
Suppliers 	<ul style="list-style-type: none"> • Regular meetings and communications • Regular supplier reviews • Supplier management
Regulators 	<ul style="list-style-type: none"> • Regular meetings and communications • On-site and off-site reviews • Compliance reports
Rating agencies 	<ul style="list-style-type: none"> • Regular meetings and communications
Communities 	<ul style="list-style-type: none"> • Volunteer activities • Sponsorships and donations • Community outreach

Materiality Assessment and Materiality Matrix

We have taken the following three steps to understand different stakeholders' views and to update our materiality matrix for 2022:

1

Identification

A total of 22 material topics, identified in 2021, were evaluated based on observation of industry trends and peer practices.

2

Prioritisation

The list of material topics was prioritised through conducting questionnaires and interviews with different stakeholder groups. During the discussions, stakeholders were invited to provide suggestions and views on the addition or removal of material topics.

3

Validation and Evaluation

The material topics prioritised were reviewed by the Management team and the Board, informing the Group's strategic direction in addressing the topics of the highest importance to our stakeholders.

Dah Sing Group Materiality Matrix



We observed notable changes in the significance of two topics - #8 Customer Satisfaction and #19 Energy and Greenhouse Gas ("GHG") Emission Management. The significance of #8 Customer Satisfaction to business has increased, reflecting our strategic focus of elevating the importance of customer centricity in 2022. In addition, stakeholders expressed increased interests in #19 Energy and GHG Management, in line with the global call for action towards carbon neutrality.

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



RESPONSIBLE BUSINESS

Our commitment to operate in full compliance with relevant international and local laws and regulations continues through regular engagements with regulators and proactive steps to stay well-informed of relevant regulatory changes.

The Group's Three Lines of Defence model helps manage significant risk factors of corruption, money laundering and financial crime compliance.



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

For more information regarding our corporate governance practices, please refer to the “Corporate Governance Report” in our Annual Report 2022.

Responsible Products and Services

We continue to provide quality products and services to meet customer needs and enable our customers to make informed decisions. To build trust and safeguard our customers’ interests, we have various policies in place to monitor our offerings and to ensure what we provide is compliant with relevant laws and regulations. Key policies and guidelines include:

- **New Product Policy and Approval Guideline:** Ensures sufficient assessment before product launch through providing guidelines on customer risk assessment and risk mitigation; provides guidance on post-launch product review to monitor our quality assurance
- **Data Privacy Handbook:** Ensures staff members comply with the provisions of the Personal Data (Privacy) Ordinance in respect of the collection, holding, handling, retaining, usage and security personal data

To comply with legal and regulatory requirements in respect of the distribution of marketing materials for our products and services, we also have practices and procedures in place for vetting marketing materials before their distribution, with a view to observing the intellectual property rights of third parties and to ensure non-violation and non-infringement thereof.

Information Security and Cybersecurity

The Group’s commitment to strengthening information security to mitigate technology and cybersecurity risks is documented in our Information Security Policy. It sets out a framework to manage and control technology and cybersecurity risks with reference to international security standards and regulatory guidelines.

To increase our staff’s security awareness, an annual refresher course on security awareness and personal data protection must be completed by all staff members (including permanent full-time, part-time employees and contractors) covering areas such as phishing email awareness, ways of protecting customer data and understanding of common social engineering attacks.

We also organise regular independent assessments on our critical systems and our banking applications to identify potential vulnerabilities and to maintain sufficient security in our systems.

Ethical Behaviour, Anti-money Laundering and Anti-corruption

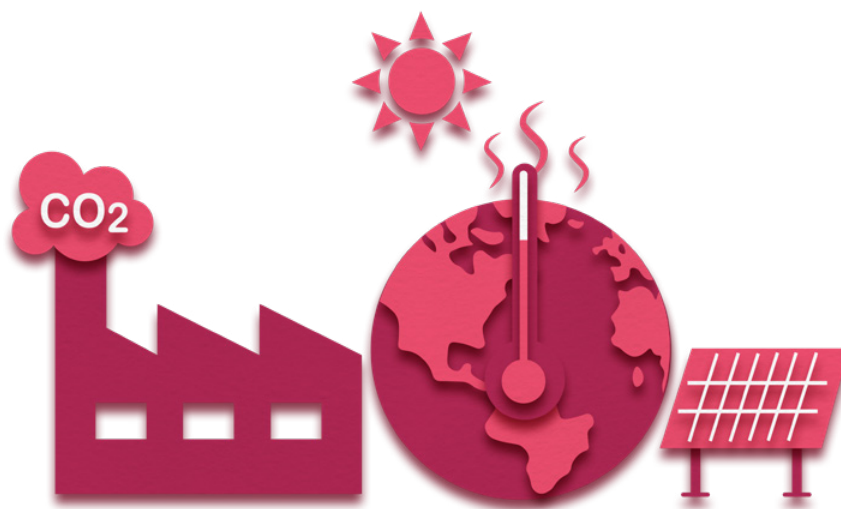
The Group stays alert to conducting its business ethically and to combating financial crime. Key ethical values and business conduct expected of our employees have been incorporated in our Code of Conduct. All employees (including permanent full-time, part-time employees and contractors) are required to receive training on the Code of Conduct as part of their induction programme. In addition to the annual refresher training on AML and financial crime risk management for all staff levels, regular sharing sessions, on-the-job training and e-learning programmes are arranged to increase our staffs' awareness on such topics. In 2022, we also invited the Immigration Department and the Hong Kong Independent Commission Against Corruption ("ICAC") to provide two thematic trainings on "Identification of Forged ID Card" and "Bank on Integrity".

A secure mechanism for reporting of malpractice is available for our staff to report wrongdoings and violations of regulations or policies. A Whistle-blowing Policy is in place and is accessible by all staff via the intranet. Other channels such as reporting hotline, emails, mails are also available, and any reported cases are investigated by our compliance or internal audit department. This is overseen by our Group Audit Committee to ensure all whistle-blowing matters are properly addressed.

Climate Risk

The Group understands its role in contributing to a low carbon economy and has made efforts to strengthen the resilience and adaptive capacity of our business portfolio. The Green and Sustainable Banking ("GSB") Task Force, a cross functional task force comprised of business as well as risk and control functions, continues to govern and manage climate risks to align with industry expectations and to further develop the Group's understanding of the implications of climate risks.

With the development of a GSB Implementation Roadmap in late 2021, we started our climate risk management journey in 2022 with five focus areas: business development, risk management, information disclosure, corporate culture (with capacity building) and metrics and targets.



To maintain sound climate risk management framework, we have incorporated a chapter on Climate Risk into our Group Risk Policy to set out the framework in identifying, assessing and addressing climate-related risk. The framework was approved by the Board and will be reviewed regularly. To better assess our exposure to climate risks, we are reviewing and enhancing our due diligence process to incorporate climate risk assessment in our lending processes.

To support the transition to a low-carbon economy, we commenced the process to set out on-boarding criteria for customers in carbon-intensive industries as a step forward in greening our credit portfolios. Riding on the list of non-preferable industries, which is developed based on ESG considerations, the Group has been reviewing the list to extend it to cover some specific carbon-intensive industries with corresponding assessment criteria, including coal mining, coal-fired power plant, mining of iron ore, oil and gas extraction. It is expected that the said on-boarding criteria and list would be finalised in 2023.

The Group also developed the Principles on Green and Sustainable Finance in 2022 to set out its direction to support green and sustainable developments for different segments of the market. The Group is also in touch with various industry associations or organisations to identify opportunities in supporting relevant industries on the transition to a low-carbon economy.

We understand the importance of raising the awareness of both our staff and customers on climate risks as well as arranging training and awareness building programmes for them, so that we would be able to have a more informed due diligence assessment as well as better prepared to transition to a low-carbon economy. Internally, we launched a training programme on GSB in 2022, with the first training module rolled out to enhance general awareness of all staff within the Group. In July 2022, Dah Sing Bank, Limited (“DSB”) invited 30 corporate clients from seven high-carbon industries to participate in a Climate Risk Customer Survey to gauge their level of awareness and climate-related risk exposures. Of the industries selected, manufacturing, construction and transportation accounted for 70% of the corporate clients participating in the survey, in which 33% of respondents in these three sectors have higher awareness of climate risk and have higher potential of green or sustainable lending opportunity.

To enhance transparency of our potential exposure in climate risks, this ESG Report has made reference to the recommendations of Task Force on Climate- Related Financial Disclosures (“TCFD”) to provide a comprehensive overview of the climate risks faced by the Group and the mitigation measures in place. Further details can be found in the TCFD Content Index in this Report.



Supply Chain Management

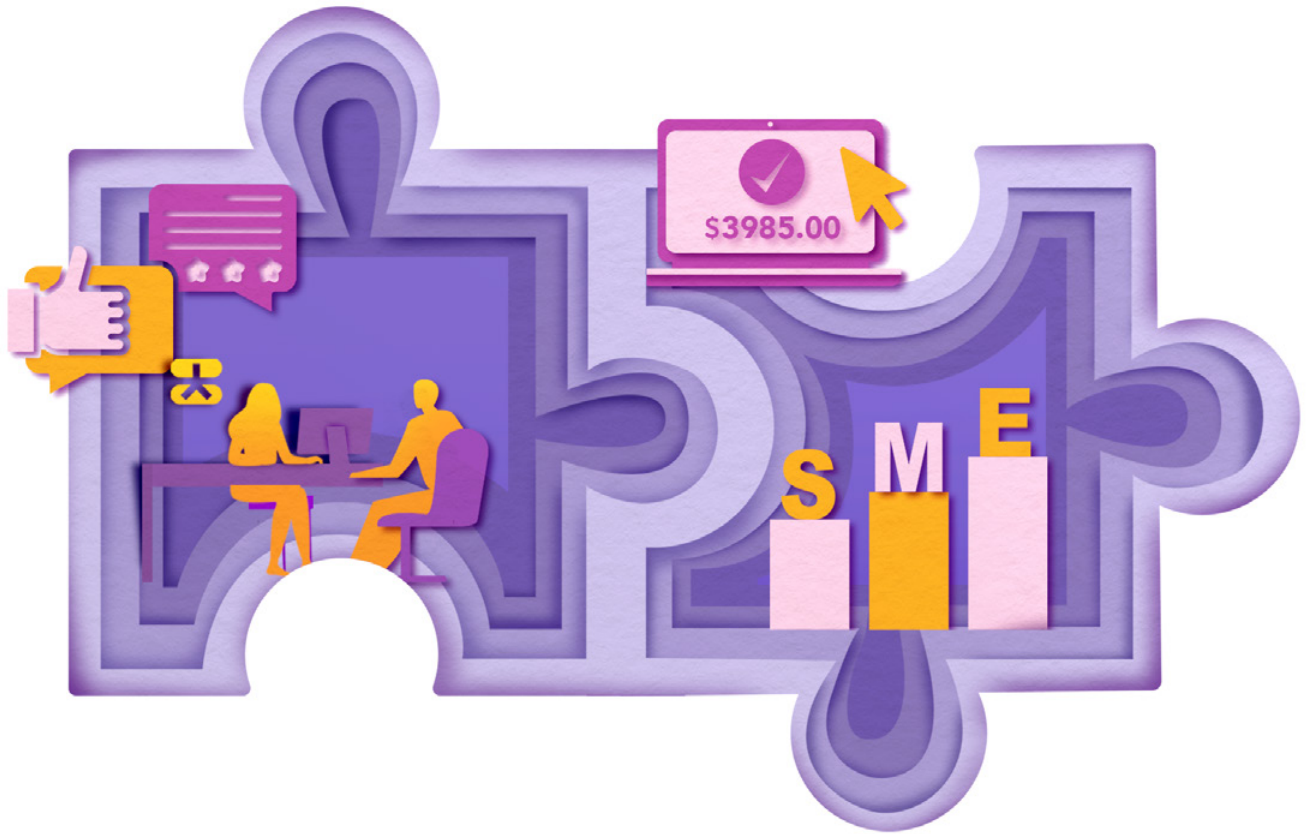
We recognise the importance of monitoring environmental and social risks along our value chain. The Group selects and works with suppliers that operate responsibly. We continue to conduct ongoing monitoring and performance screening to shortlist suppliers and to encourage more suppliers to adhere to our ESG standards, such as obtaining environmental certifications ISO 14001, ISO 50001 and Forest Stewardship Council (“FSC”) certification.

We require our major suppliers to complete our “Supplier’s Environmental Responsibility Undertakings”, and encourage them to adopt measures such as obtaining ISO certificates and/or put in place in-house environmental policy and guidelines or adopting measures to prevent pollutions, with the objectives to establish better transparency of our sourcing procedures and to improve communication with and accountability of our suppliers. In 2022, 78% of suppliers have confirmed their commitment to our undertaking. We hope to increase the coverage to influence more suppliers to embed sustainability in their operations.

78%  **16%**

**suppliers confirmed
commitment to our
undertaking in 2022**

(16% points increase from 2021 : 62%)



MARKETPLACE

The Group's priority to ensure the alignment of our ESG strategy with our business strategy is reflected in our Marketplace focus on customers and customer experience. While much effort is placed on the development of our GSB competencies, we also emphasise our support for SME customers in their ESG transition journey. Concurrently, we continue to sharpen our focus on customer centricity and customer experience optimisation across the Group.

Green and Sustainable Products

Since the establishment of the GSB Task Force in 2021, progress has been made to build capacity and systems to set the foundation for developing green financing solutions. To equip our banking business with the ability to support customers in moving towards a low-carbon future, we are in the process of finalising our Principles on Green and Sustainable Finance to guide our approach in launching green and sustainable financing products.

Meanwhile, we are enriching our retail product shelf to cater to the increasing interest and demand on ESG investments. DSB was one of the placing banks for the HKSAR Government's retail green bond with subscription completed in May 2022. During the reporting period, DSB and BCM have increased the number of ESG funds options by threefold and over twofold respectively. Furthermore, DSB also communicates with its retail customers on ESG related topics, covering climate risks and opportunities, through newsletters and webinars, to raise their awarenesses as well as to meet the market interest in ESG investments.

Dah Sing Bank (China) Limited (“DSB China”) also expanded its green credit business with a focus on manufacturing and industrialisation of key parts of new energy vehicles, where it acquired new green credit customers and increased credit approved. Dah Sing Insurance Company (1976) Limited (“DSI”) also refined coverage in some of its products to encourage adoption of energy saving and clean energy practices, for instance by adding liability coverage for accidents arising from solar panels under its HomeSure Household Insurance Plan.

Support for SMEs

With SMEs as one of our key strategic customer segments, we are dedicated to supporting their participation in the mainstream economy as well as promoting inclusive and sustainable economic growth for this important segment.

DSB’s 328 Business Banking service offers a simplified and fast account opening experience to eligible SMEs and start-ups. To enhance accessibility for our SME customers, we plan to further expand our network of SME centres in 2023 to 19 from 12 at the end of 2022 to handle account openings and to provide SME products such as payroll services, SME loans and merchant services. To support business owners based in Mainland China – especially those who could not visit our SME centres physically during the pandemic – we launched the account opening witness service in April 2022 for SME customers to visit designated branches of DSB China without the need to visit Hong Kong to open a SME deposit account and helped over 200 new SME customers successfully open accounts during the reporting period.



Meanwhile, DSI introduced a suite of SME insurance solutions and services such as SME Lite, SME Office and SME Shop to cater to the different needs of start-ups, offices and shops, with over 400 insurance policies sold during the reporting period. Macau Insurance Company Limited (“MIC”) also participated in the SME Catastrophe Insurance Scheme initiated by the local government in July to assist local SMEs with difficulties in arranging insurance in flood-prone areas.

To support SME customers during the pandemic, DSB continued to participate in the 90% Guarantee Product and Special 100% Loan Guarantee under the SME Financing Guarantee Scheme introduced by the Hong Kong Mortgage Corporation Limited. We also supported the subsequent extensions of the Preapproved Principal Payment Holiday Scheme led by the Hong Kong Monetary Authority (“HKMA”) and the Banking Sector SME Lending Coordination Mechanism to offer eligible customers initially an interest-only payment for six months for loan products and a 90-day repayment deferment for trade facilities. DSB China offered a longer repayment period for customers having no history of default.

We also organised seminars and programmes to keep SMEs informed of market development and emerging trends. DSB jointly launched the “SME ESG Best Practices Recognition Programme” with Friends of the Earth (HK) in June to help SMEs understand the need and benefits to embrace ESG best practices. BCM collaborated with the Australian Chamber of Commerce in Macau in May to host the “BCM x AustCham Investment Luncheon Seminar” and shared with foreign investors as well as Macau SMEs updates and outlook of the local economy.



Case Study

SME

Supporting Hong Kong SME Transition to a Sustainable Future

Understanding that SMEs are an integral part of Hong Kong's social fabric and are key contributors to the local economy, DSB is taking an active role in educating SMEs about the wider ESG-related impact of their operations.

Supporting and encouraging SMEs to embark on their sustainability journeys, we collaborated with Friends of the Earth (HK) to launch the "SME ESG Best Practices Recognition Programme". The programme aims to create awareness of the need for SMEs to transition to a low-carbon operating model, and to provide them with a practical and easy-to-understand assessment framework leveraging on the United Nations Sustainable Development Goals as a management tool.

As the first ESG recognition programme targeting SMEs in specific industries, the inaugural programme focused on two of Hong Kong's major industries – Property & Construction and Retail & E-commerce – and hosted industry-specific speakers to discuss the latest sustainability trends in each sector. Over 380 SMEs taking part in the Programme will have access to support from ESG professionals to help them identify areas for improvement in their businesses and to plan ahead as soon as possible.

Providing tangible, real-world benefits for adopting ESG business practices, DSB also offered exclusive banking and financial incentives to companies that participated in the recognition programme and industry forums, and cash rewards for those being recognised, encouraging them to embrace ESG initiatives in both their everyday operations and long-term strategic planning.



Customer Focus

With “the local bank with a personal touch” as the Group’s vision, we are committed to providing high quality services to our customers, and consider strong customer relationships as our key differentiator in the market. To stay close to our customers for their feedback and to ensure improvements in the quality of our services, DSB commissioned a major market research company to conduct an annual customer satisfaction survey with over 1,200 customers. Through the survey, we measured customer satisfaction level and collected their feedback across key touchpoints and products, gained deeper insights on our Net Promoter Score at bank and business unit levels, and identified opportunities to further strengthen customer relationships.

We also welcome feedback from various communication channels, including our branch representatives, customer hotlines, e-communications and corporate websites. Procedures are in place for timely follow-up and customer support. At DSB, verbal and written complaints are acknowledged within seven calendar days upon receipt and complaints resolved within a target of 30 calendar days. In 2022, the Group received 99,537 compliments and 492 complaints relating to our products and services. All complaints were resolved in line with our internal procedures and relevant regulatory requirements.



99,537
compliments



492
complaints

To foster a strong customer centricity culture across all staff in the Bank, a strategic roadmap was rolled out in 2022 that outlined steps to identify and address strengths and weaknesses in our customer experiences (“CX”). Accordingly, customer journey mapping and ideation workshops for selected prioritised processes were conducted to review and improve customer end-to-end experience. Various initiatives were launched during the year to promote a customer-centric culture, including trainings and sharing by industry experts, quarterly e-Newsletters and the first CX Week that engage employees with various activities to embrace CX values and culture.

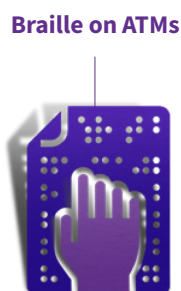
Customer Data Privacy

The Group's strong compliance culture and full adherence to data privacy laws and regulations ensure customers' personal data and sensitive information are safeguarded. Our customer data protection policies and procedures are in place to comply with personal data privacy laws in Hong Kong, Macau and Mainland China, such as the Personal Data (Privacy) Ordinance in Hong Kong and the Personal Data Protection Act in Macau.

The internal Data Privacy Handbook provides guidance to our staff on compliance with relevant regulations. We have put in place system controls, regular internal audits and random checks to ensure compliance with the established policies and procedures. Our staff are also responsible for observing customer data privacy in their daily work, including the collection, use, retention and security of customers' personal data. Access to customer data is strictly limited to authorised personnel on a need-to-know basis.

Financial Inclusion

We see our responsibility in increasing financial inclusivity by promoting more user-friendly online platforms and improving physical access to our branches. Various facilities and measures are available in branches to support our customers with different needs, such as:



Assistive listening systems at counters and meeting rooms



Guide dogs access in all branches



Digitalisation

The Group has been making significant investments to improve our digital banking capabilities and to offer frictionless financial management to enhance customers' digital experience with the Bank.

In Hong Kong, following the major revamp of our mobile banking application in 2021, the Bank rolled out its revamped e-banking platform in May 2021. Featured improvements included easy log-in and navigation, enhanced functions in payments and transactions as well as portfolio and wealth management. As at the end of 2022, digital adoption across our core banking customer base rose by 15% year-on-year, while the number of digital transactions has surged by 46% year-on-year.

Other digitalisation initiatives included the launch of video conferencing service in selected branches which enabled Relationship Managers to communicate with and assist customers through video conferencing and co-browsing services, and the completion of the Bank's branch digitalisation project with paperless customer processes implemented across the network.



In July 2022, DSB established a partnership with Joint Electronic Teller Services Limited ("JETCO") and YOOV, a fast-growing fintech company that assists SMEs in achieving digital transformation through various digital solutions. The collaboration has resulted in the launch of a mutual business referral programme on respective digital platforms. More use cases are being explored for a more in-depth collaboration.

In Macau, BCM enhanced functions of payroll service with same day process and increased the daily exchange limit of foreign currencies for corporate customers to simplify their payment process through digital banking platforms. Plans are also underway to extend selected personal internet banking functions to mobile banking and to introduce remote account opening for retail customers.

MIC set up a Digital Transformation Taskforce to oversee the development of digitalisation and process automation. New business-to-business ("B2B") and business-to-customers ("B2C") platforms were launched during the year to facilitate round-the-clock business support to producers and self-administered insurance services to customers.

Economic Performance

The Group contributes to local economic development and provides financial services to local communities through a combined footprint of around 70 operating locations in Hong Kong, Macau and Mainland China.

Economic Performance	2022	2021
	HKD million	HKD million
Deposits from customers	198,575	194,922
Advances to customers	136,530	144,313
Total assets	259,847	256,531
Profit attributable to shareholders	1,171	1,308
Basic earnings per share	HKD 3.67	HKD 4.09

In support of the development of GBA, DSB became the first foreign bank in Mainland China to obtain a dual operating licence from the China Banking and Insurance Regulatory Commission to set up a new Shenzhen branch directly under its Hong Kong-based entity ("New Shenzhen Branch"), in addition to DSB China. The New Shenzhen Branch will enhance the breadth and quality of the Bank's portfolio of cross-border products and services. In particular, it will place emphasis on supporting real economic business activities, helping to promote the development of focused sectors in GBA such as advanced manufacturing.

DSB also entered into a strategic business cooperation agreement with Norinchukin Bank ("Norinchukin") to set out the framework for future business and strategic cooperation to promote the food and agricultural business, including but not limited to the export of Japanese food and agricultural products to Hong Kong, Macau and Mainland China, as well as the banking businesses of both parties in the GBA.

Going forward, the Group aims to increase cross-border collaboration to serve both the offshore and onshore banking needs of customers in the GBA, for example, DSB China and BCM are in plans to set up trade counters in Shanghai, Shenzhen and Macau for DSB customers to facilitate the submission of trade bills and to process billing.



WORKPLACE

Our employees are the foundation of the Group's business success. Guided by our employer brand and motto "NOT JUST A BANK. A HOME.", we are committed to developing our workforce of more than 3,000 staff members. We continue to put emphasis on promoting ethical behaviours, enhancing organisation and leadership capabilities for a future-ready workforce, promoting health awareness and providing a flexible and healthy work environment.

The Group's human resources policies and procedures fully comply with relevant labour laws and regulations to govern talent management practices and we prohibit the use of child or forced labour. Grievance procedures, monitoring and preventive measures are in place and any potential breach from our policies will be investigated.



 大新金融集團

 DAH SING FINANCIAL GROUP

I want to work for a company that
 will help me grow.

NOT JUST A BANK. A HOME.

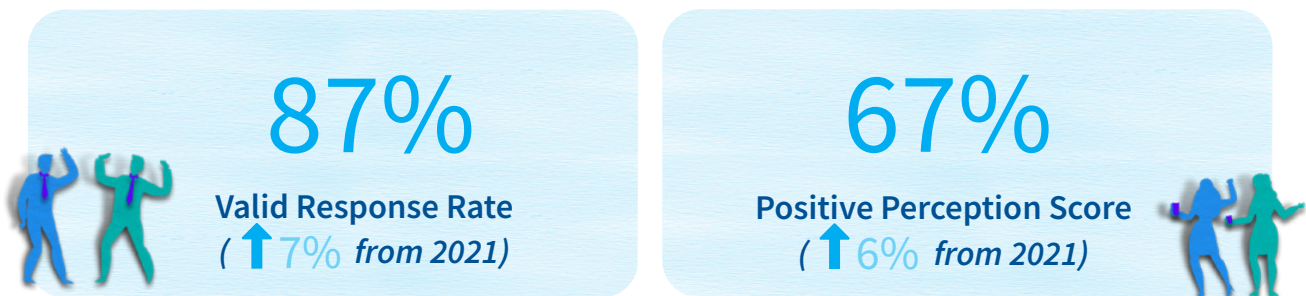
Culture and Values

We believe the Group's success is underpinned by a combination of strong corporate culture and well-considered set of values that guide how we conduct our daily work. Rounds of communications are made available to help our staff better understand the Group's Culture and Values. This is demonstrated by the inclusion of culture and values metrics in the non-financial performance rating of our performance management system.

We strive to achieve and maintain the highest standards of openness, probity and accountability with our speak-up culture. During the year, we released a new video under the "Embracing a Speak-up Culture" series to promote our four key communication channels:

- a) **Whistle-blowing Policy** for reporting serious malpractice, wrongdoings or material violations of regulations or policies;
- b) **Guidelines on Grievance Procedures** for reporting unfair and inappropriate treatment in the course of employment;
- c) **Employee Assistance Programme** for seeking advice on personal, family and/ or work-related concerns from an external consultant; and
- d) **Employee Survey** for providing feedback on workplace matters.

We continue to conduct the Culture and Survey to assess staff awareness of our Culture and Values and to measure changes in the perception score based on the activities we developed during the year.



Echoing with the speak-up culture, more frequent two-way communications between staff and management are encouraged. BCM introduced quarterly "Tea Time" sessions during the year. The sessions were held in the form of a tea gathering in a relaxing atmosphere, with colleagues providing feedback to senior management around topics such as working environment, compensation and benefits, career development etc.

DSB held the "Dah Sing Star Awards" for the seventh year to demonstrate our appreciation to staff for integrating the Group's Culture and Values into their daily work, with a special "Innovation Award" introduced to reward colleagues with initiation and contribution towards innovation. In 2022, 94 awards were presented to individuals and teams from different divisions to reward their excellent performance and contribution. BCM introduced a similar staff appreciation award "BCM Stars of Excellence" during the year, awarding five to eight staff on a quarterly basis. DSB China also set up a "Can Do Hero" award to recognise outstanding staff who put our core values into practice.

Case Study



Culture Week to Reinforce Our Culture and Values

DSB launched the first annual Culture Week in June with a series of creative initiatives organised to raise our colleagues' awareness and understanding of Dah Sing's Culture and Values.

Dah Sing Museum

A virtual museum that gives anytime and anywhere access to staff via a designated QR code to learn about the Group's history as well as Culture and Values.

Dah Sing Culture and Values Ambassadors

To recognise staff who best demonstrate the Group's Culture and Values in their daily work, supervisors can show appreciation to their staff by sending out mini figures of Dah Sing Culture and Values Ambassadors.



Dennis

Strong Sense of Numbers & Risk
(Financial Strength & Risk Management)



Shirley

Innovative, Receptive to Changes
(Innovation)



Dominic & Stephanie

Dedicated, Accountable
(Employer & Employee Commitment)



Sharon

Customer-Centric
(Customer Commitment)



Daniel

Detail-minded, Strives for improvement
(Operational Excellence)



Danny

Honest, High Integrity
(Integrity)



Sandy

Holistic, Compliant Thinking
(Compliance)

Talent Attraction and Retention

We are committed to attracting and nurturing young talent by providing them with rewarding career development opportunities with the Group. During the reporting period, DSB continued to cultivate young talent with industry experience through participation in talent development programmes by external organisations, such as:

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

In BCM, an internal Management Trainee Programme was launched in June for existing staff with job rotation opportunities across departments, allowing them to widen their exposures for their career development.

In addition to cultivating future talent, we understand the importance of retaining and developing our employees. The Group regularly reviews and enhances our employee benefits and remuneration with “Pay for Performance” as our guiding principle. Following the introduction of non-financial factors into performance appraisals in 2021 to encourage a positive work attitude, DSB add Employee Engagement KPIs for Division and Department Heads in 2022.

Allowance is offered to eligible employees, such as those who perform duties that require specific skills, work beyond normal hours for business needs, and work under special arrangements. To enable staff to balance their personal and family needs as well as their well-being, we offer flexible hours to employees, subjected to the mutual agreement between the employee and his/her supervisor, as well as other leave arrangements such as vaccination leaves, birthday leave, paternity leave and volunteer service leave.

Training and Development

Our human capital management strategy places priority on equipping our people with practical skills to advance in their careers through on-the-job training and external training sponsorship schemes.

We provide comprehensive training programmes tailored to the needs of our staff, such as:

- Induction Programme for new joiners;
- Sales, Operations and Product training for front-office colleagues;
- Product and Compliance training for front-office or back-office colleagues;
- Leadership, Management and Soft Skills training.

In 2022, a total of 74,851 training hours were completed by our employees.



With GSB as a core focus under the Group's ESG strategy, DSB introduced an ESG Training Series to equip our staff with more understanding of the latest trends and developments in ESG. Four key topics were covered, including Green Finance, Net Zero Transition, Managing ESG Data and Carbon Neutrality. During the year, over 320 colleagues participated in this training series with a total of 446 training hours.



Capacity building is one of the priority areas to help the Group manage the risks and capture the opportunities presented by climate change. DSB has developed a high level ESG-related training plan which includes a general stream for raising staff's awareness and a targeted stream for providing specific functional knowledge for frontline and risk management colleagues. During the year, both internal and external training programmes on ESG and climate risk were arranged to share knowledge on how climate risks may affect the Group and our customers.

Digitalisation is another key development focus of the Group. DSB continued to organise its Digitalisation 101 Series following last year's success, with topics such as "A Glimpse of Fintech 2025", "Technology Risks of Hot Topics in Financial Sector" and "How to Handle Cyber Risks Effectively". A new Digitalisation Specialised Series was also launched, targeting staff with an interest to gain more in-depth knowledge on specific digitalisation-related topics such as technologies in credit ratings, influence of Web3, Fintech and Tokens, and virtual assets. Over 550 colleagues enrolled in these trainings during the reporting period.

To upskill our staff leadership capabilities, we invited staff at senior manager level or above to participate in psychometric assessments to better understand their strengths and development areas. We have been conducting the debriefing sessions to help related staff to understand their own psychometric profiles. A new Leadership Capabilities Development Curriculum was rolled out in late 2022 to related staff to help bridge their gaps identified in their psychometric profiles.



Other external training and education sponsorship schemes are in place to support employees to attain academic or professional qualifications. This is supplemented by the Group's Professional Award Scheme, which acknowledges and celebrates staff achievements in gaining recognised professional qualifications or memberships, such as Chartered Certified Accountant, Certified Financial Planner and Chartered Financial Analyst.

We continue to be a great supporter of HKMA's Enhanced Competency Framework ("ECF"), which aims at supporting capacity building and talent development within the industry. In 2022, a total of 115 staff members obtained certifications in different professional workstreams under the ECF framework.

Health, Safety and Well-being

The Group strives to create a safe and comfortable working environment and to promote employee well-being. Our Guidelines on Occupational Safety and Health inform employees on preventive measures to avoid any potential health and safety hazards. Other health and safety-related policies and guidelines are also formulated to reinforce the importance of our staff wellness.

To build a healthy physical workplace, our offices feature workstations with ergonomic desks and air purifiers, and are also equipped with fitness amenities as well as lactation rooms for breastfeeding mothers.

In addition to a healthy workplace, we care about the mental well-being of our staff. The Group's Employee Assistance Programme has been in place since 2001, providing employees with free access to independent and confidential counselling to help identify and resolve any work, family or personal issues.

To promote the importance of physical and mental health, DSB held the Wellness Week in July for the third year with various wellness activities such as Chinese herbal soup workshop and head and shoulders massage sessions. In BCM and MIC, health tips were shared regularly with staff, external institutes were also invited to hold trainings on stress and emotion management, together with interest classes on qigong and social etiquette.



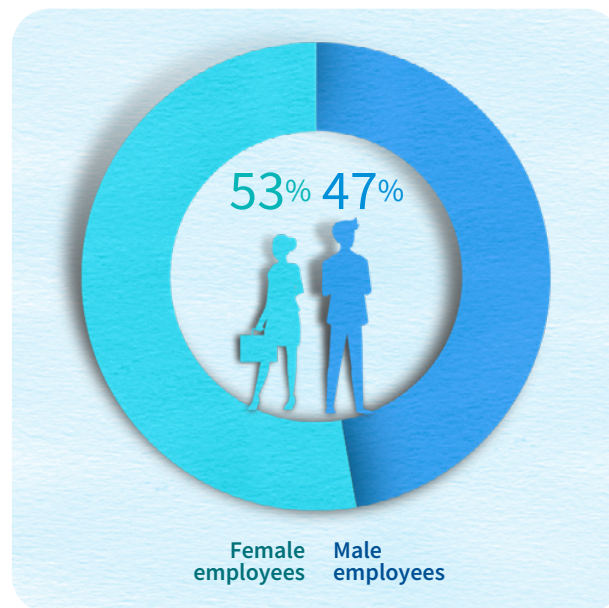
In October and November, the Group held the Employee Value Proposition (“EVP”) Weeks for the fourth year to live up to our employer brand in providing an environment where employees can thrive in their job. Three sets of activities including engagement games (office decoration competitions and quiz), seminars and workshops (health talks and miniature garden workshops and employee sharing) and appreciation arrangements (gifts, afternoon break and Happy Friday) were organised to allow our staff to enjoy an environment full of caring, teamwork and progressiveness like a warm home.

Diversity and Equal Opportunity

The Group is committed to creating an inclusive environment for all employees. In line with the relevant laws and regulations, policies are in place to prohibit discrimination, harassment, victimisation, or vilification on any grounds of gender, pregnancy, breastfeeding, marital status, disability, family status or race. To maintain diversity in our workplace, we have ongoing monitoring on our diversity mix. As at December 2022, we reached a gender balance of 53% women and 47% men for full-time employees across the Group.

We ensure decisions made with respect to recruitment, promotion and any development opportunities are based on an individual’s qualifications and merits. We also encourage open communications and have grievance mechanisms in place for employees to express any concerns to make sure their voices are heard and addressed.

Gender Ratio of Full-time Employees





COMMUNITY

With our long history as a local community bank, we consider giving back to the society as an important responsibility and engage in long-term sponsorships or partnerships with NGOs. Our community strategy focuses on youth development through education and sports as well as raising public ESG awareness. We also encourage our employees to take part in volunteer services and charitable activities to support the socially disadvantaged and contribute to the society as responsible citizens.



Case Study



Community Investment

As DSB celebrated its 75th anniversary in 2022, the Bank launched various community initiatives to show our gratitude and to bring joy, hope and vitality to our local community.

In July, we invited the public to enjoy a day of free ferry ride with friends and family on Star Ferry. Just as Victoria Harbour has long been a symbol of Hong Kong's resilience to thrive and excel in different economic cycles, we are dedicated to delivering on our commitment to progress and prosper with all our stakeholders.



We also collaborated with local yarnbombing artists to create public art displays on the theme of "Gift of Heritage for a Better Tomorrow" in the Central and Tsim Sha Tsui Star Ferry Piers and at selected DSB branches. The lively displays aimed to inspire a vision of sustainable future that upholds the values and traditions in our local communities and neighbourhoods.

Youth Development

The Group views education as the cornerstone for developing youths to become the next generation of leaders, and invests in promoting inclusive and equitable quality education opportunities.

We see STEAM education as a means to nurture creativity and problem-solving skills in youths as well as to foster their innovative mindset, all of which are essential skillsets in today's world. Over the past few years, DSB has been supporting various STEAM-related education initiatives for young children. This year, we sponsored a STEAM Drone Programme organised by the Chinese YMCA of Hong Kong which comprised three phases –

Phase 1

“Train-the-trainer”

which involved secondary school students learning the essentials of drone theory and coding for designing drone light show

Phase 2

“Train-the-students”

which engaged the trained secondary school students to transfer knowledge and skills to the primary school students on drone light show programming

Phase 3

“Drone Performance Competition”

which showcased the participants' learning outcomes throughout the programme

With participation by over 100 students, the programme successfully inspired the student beneficiaries to take an active interest in science applications and to cultivate their collaborative spirit and communication skills.





To encourage staff engagement in youth development, DSB has participated in a three-year mentorship programme organised by The Boys' and Girls' Club Association of Hong Kong. Five members of staff from the Group were recruited as mentors to share their life experiences and to participate in various activities with the nine student mentees from underprivileged families. DSI joined hands with Hans Anderson Club to organise a story telling and drawing event for underprivileged children on the theme of environmental protection. A total of 19 teenagers and 15 DSI volunteers participated in the event.

In Macau, BCM supported several youth-focused programmes during the year. In April, BCM co-hosted an online seminar with the University of Macau on the topic of Macau's economic prospects, with DSB's Senior Economist as the guest speaker. Twenty-five undergraduates participated in the seminar and obtained invaluable insights. In addition, three educational talks were carried out in May at Santa Rosa de Lima Secondary School, and 110 students participated to learn about digital payment services and cybersecurity. BCM also continued to sponsor outstanding students at the University of Macau and the Macau University of Science & Technology, with six students benefitting from the sponsorship during the reporting period.

Promotion of Sports and Support for Those in Need

The Group believes in the promotion of sports as a means to nurture the younger generation and to bring all-round development. Sports bring not only health benefits, but also instil discipline, teamwork, confidence and competitive spirit in young people, allowing them to realise their talent, overcome challenges and capture opportunities for a better tomorrow.

To support youths from low-income household communities by offering them opportunities to compete in sports and to develop a positive attitude and teamwork through regular training, the Group sponsored for the second annual season of “WELL DUNK”, a public estate basketball league and training programme organised by InspiringHK Sports Foundation. Members of the DSB-sponsored basketball team, Tsing Yi Wolf Warriors, were also invited to the basketball play-off at our Dah Sing Charity Score Challenge, an annual event to raise funds for South China Morning Post’s Operation Santa Claus, which we have supported for the tenth consecutive year.



In Macau, BCM hosted the “BCM Cup – Kids Street Dance Competition 2022” in October. The event was organised by the Street Dance Culture and Art Promotion Association of Macau to promote this trending sport among youngsters. The exciting competition was a huge success with 138 youths under 14 participating and attracting an audience of over 300 people.



Extending the collaboration from last year, BCM and Macau China Bowling Association co-organised the “BCM Charity Bowling Open Tournament” in August with the support of MIC. The event successfully gathered 146 participants and raised a total of MOP18,000 for the Macau Association for the Mentally Handicapped.

As the long-term partner of Oxfam Macau, BCM sponsored for the sixth year the Oxfam Tower Run held in October 2022. The event attracted over 450 runners. Twenty-two BCM employees also participated as volunteers to show our dedicated support to local sports development.



Green Awareness Promotion

With our extensive operations in Hong Kong, we see a growing responsibility to contribute to environmental conservation. We see our role in creating a positive and sustainable long-term impact on the environment for the benefit of our future generations.

In the first quarter of 2022, DSB participated in the 29th Green Power Hike Bank Cup again to support this banking industry initiative and as a healthy sports event while promoting “Leave-No-Trace” concept. Twenty DSB colleagues participated in this virtual hike between January and February to raise funds for the environmental education work of Green Power.

The Group believes that tree planting is one of the effective ways to absorb carbon, reduce temperature and increase biodiversity. In July, DSB sponsored for the second year the “Tree Planting Challenge” at Tai Lam Country Park organised by Friends of the Earth (HK). The event was attended by 25 DSB staff and their families who planted over 150 seedlings to help conserve local species and to enhance the ecological value of forested areas. Likewise, DSB China also continued organising the annual tree planting event “Green Environment” in April with over 20 participants. A total of 140 saplings have been planted in the past seven years since it was first organised.



In November, DSB announced its partnership with Mastercard to support the Priceless Planet Coalition's goal of restoring 100 million trees globally by 2025. By participating in this initiative and committing to contribute to plant a tree for every new customer enrolment of e-statements and e-advice, we hope to engage and raise our customers' awareness on their personal impact on the environment, and to encourage and enable them to make immediate personal choices to contribute to environmental sustainability.

In December, 40 volunteers from the Group participated in YMCA's Christmas Wreath Workshop to craft Christmas wreaths with 40 low-income families. The activity served as a platform to introduce the concept of "upcycling", with an aim to raise participants' environmental awareness. The wreaths created by the Group's volunteers were gifted to other low income families to share the joy and warmth of Christmas.



Various activities were carried out in Macau to boost awareness in climate change and environmental protection. BCM co-organised an interactive workshop with Oxfam Macau in December on the topic of environmental preservation through storytelling and handcrafts, with participation from 46 pairs of primary school students and their parents. BCM also supported Oxfam Macau's Oxfam Rice Event 2022 held in May through offering donation fund settlement services and providing stall location and storage, 52 BCM staff and family members volunteered in this event.



Case Study

Walking for Our Climate

With climate change being one of the most pressing environmental realities affecting our everyday lives, DSB is committed to promoting low carbon lifestyles and initiatives that support sustainable communities.

As part of the Bank's 75th anniversary initiatives in 2022, we supported the "Green WALK Hong Kong" campaign as a presenting sponsor. Organised by World Green Organisation ("WGO"), the campaign rallies public interest to reduce carbon emission through walking and to promote a low carbon lifestyle and sustainability.

As part of the campaign, companies and members of the public were invited in August to join the "Green WALK Carbon Emissions Reduction Online Challenge", using the Green Walk HK app to track the number of steps walked for the challenge. According to WGO, at the end of the Online Challenge on 31 December 2022, a cumulative 364 million steps were recorded on the app, representing a collective equivalent reduction record of over 60 tonnes in carbon emissions for Hong Kong.

We also introduced the "Dah Sing Bank 75th Anniversary Charity Challenge", working together with Green WALK ambassador Alex Fong, and elite athletes Vivian Kong, Wong Ho Chung, Yip Pui Yin and Yvette Kong, to mobilise the public through social media. Participants supported their favourite athletes and their designated charitable organisations by recording their steps using the app. The five teams achieved their respective 750,000 step target within the first week, and achieved a total of close to 250 million steps by the end of the online challenge on 31 December 2022. Meanwhile, DSB donated a total of HKD750,000 to the designated charities, including A Drop of Life, Green Monday, Food Angel, EcoDrive and Redress.

The campaign culminated in the Green WALK City Orienteering Competition held in mid-January 2023, whereby participants planned and strategised their walking routes to locate various checkpoints within the designated East Kowloon Area.





ENVIRONMENT

Environmental sustainability remains a key component in our collective social responsibility efforts. In line with our ESG Policy, we are committed to reducing our energy consumption, paper consumption and waste generation by implementing measures to support the greening of society, as well as influencing our stakeholders in taking a role in addressing environmental issues.

As we pave the way for establishing environmental targets for our operations, the Group engaged a professional firm in November to review the internal data collection process and key environmental data quality. This was followed by a training session to data champions on procedures and considerations to account for when setting targets.

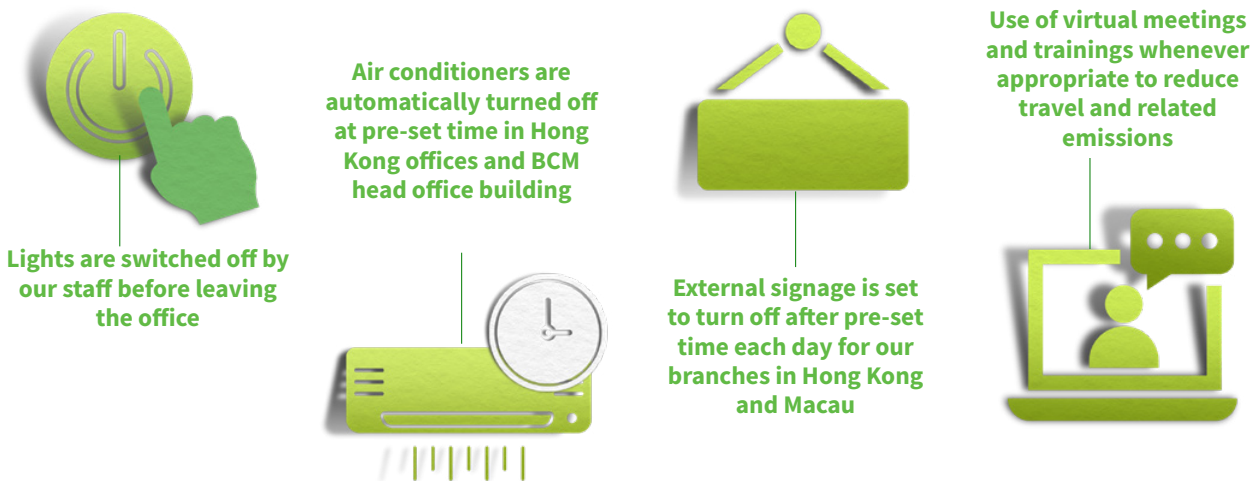
Environmental Footprint

Energy and Greenhouse Gas Emission Management

We are committed to reducing GHG emitted from our business operations. Regular tracking is in place to help achieve our goal in reducing carbon emissions and energy consumption.

Our energy reduction efforts can be observed through measures and initiatives across the Group. In Hong Kong, given our previous success in reducing lighting power consumption from the replacement of fluorescent tubes to energy-efficient LED lights at our offices, we are on track with similar replacements in three additional branches in Hong Kong. We will continue to take a step-by-step approach in targeting to replace conventional lighting fixtures with LED lights for two branches annually in Hong Kong.

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



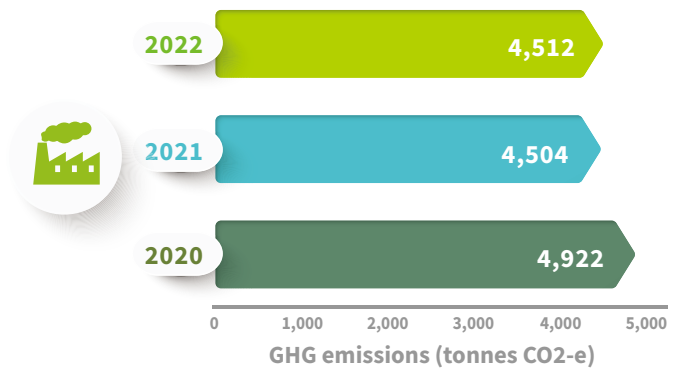
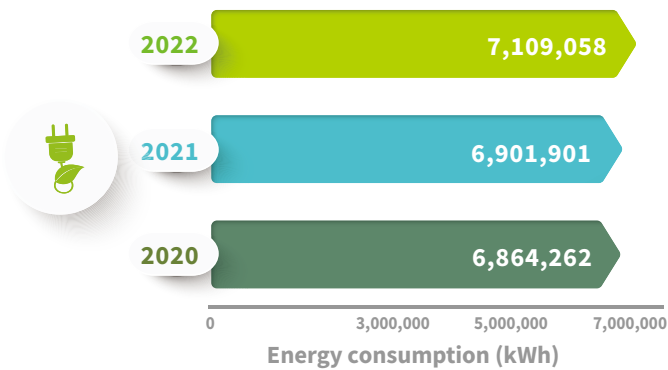
In Macau, BCM joined the “Earth Hour” event organised by World Wildlife Fund (WWF) in March and turned off all unnecessary lights to encourage energy saving. In support of the Macau Energy Conservation Week 2022 organised by the Office for the Development of Energy Sector of Macau in June, BCM encouraged casual wear on Fridays and turned off office lights for one hour. Separately, BCM has also been gradually replacing existing air conditioners with energy-efficient inverter air conditioners during office renovations or upon machine obsolescence. A total of 25 inverter models have been replaced in branches to minimise energy consumption since 2017.

In Mainland China, DSB China organised an initiative in July to encourage employees in taking public transportation instead of private vehicles when traveling to work or home, with an aim to reduce harmful pollution and carbon emissions emitted.

Other than energy reduction measures, we understand the importance of setting a quantifiable energy reduction target to guide our annual reduction progress. To expand our data coverage, in addition to Hong Kong operations, the data collection of direct energy consumption on mobile combustion now covers all operating regions. The expansion of coverage resulted in an increase of total energy consumption and total GHG emissions compared to the previous years. The Group's total energy consumption and total GHG emissions in 2022 and the previous two years are set out in the charts below.

Total Energy Consumption

Total GHG Emissions (Scope 1 and Scope 2)



Waste Management

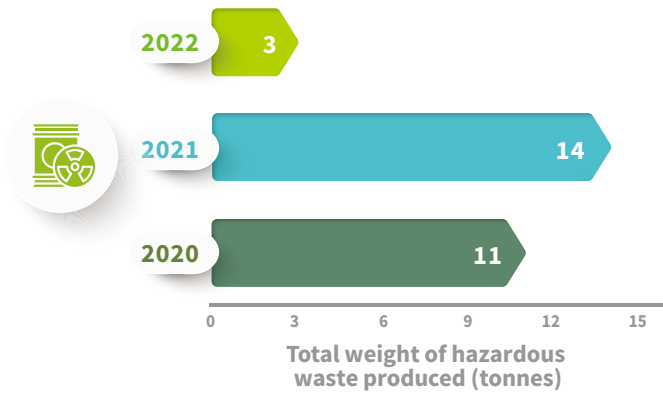
The importance of environmental stewardship drives our efforts to find effective solutions to reduce our impact on the environment. This includes reducing the amount of waste generated and ensuring responsible waste disposal. We implement the “3R” principle of reducing, reusing, and recycling resources as our waste management strategy.

For IT hardware disposal which provides significant potential for waste reduction and recycling, we appoint professional vendors for the disposal of decommissioned IT equipment and send equipment to a charity organisation for reuse whenever possible. In 2022, Hong Kong offices and BCM recycled a total of 2,530kg of IT equipment. Hong Kong offices collected 41 pieces of toners for recycling. Our use of recycling bins and waste separation bins in Hong Kong offices promoted recycling amongst our staff, collecting 98,596 kg of used papers and 1,030 kg of other materials such as plastics and metals in 2022.

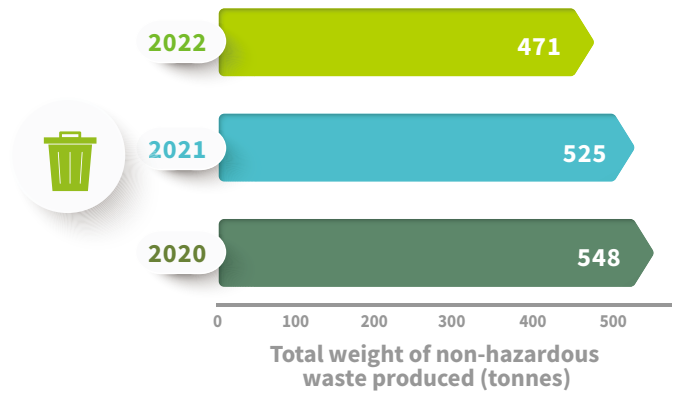
Initiatives of replacing traditional fluorescent tubes to LED lights are in place to allow for a longer life span and thus reducing waste. We also adopt the reuse concept in our working environment, for example, temporarily unused furniture is stored in good condition for reuse when necessary. Office tips and reminders are also sent on a regular basis to our staff to promote the usage of recycling bins and waste separation bins.

We observe the historical waste data and waste handling practices and aim to develop a waste reduction target in the near future to track our reduction progress. The Group's total hazardous and non-hazardous wastes in 2022 and the previous two years are set out in the charts below.

Hazardous Waste Generation



Non-hazardous Waste Generation

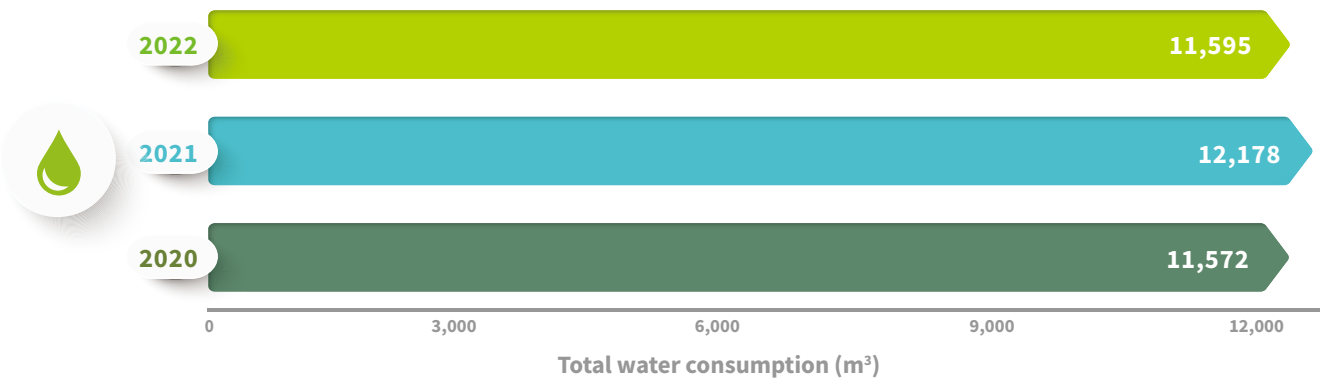


The 76% significant drop in hazardous waste between 2021 and 2022 was contributed by the completion of relocation and renovation in 2021, together with reinstatement of some offices and branches.

Water Use

To manage and reduce our water usage, the Group has implemented water efficiency measures at our premises, such as the installation of automatic sensors on water efficient faucets across our operations where suitable. The Group's total water consumption in 2022 and the previous two years is set out in the chart below.

Water Consumption



Paperless

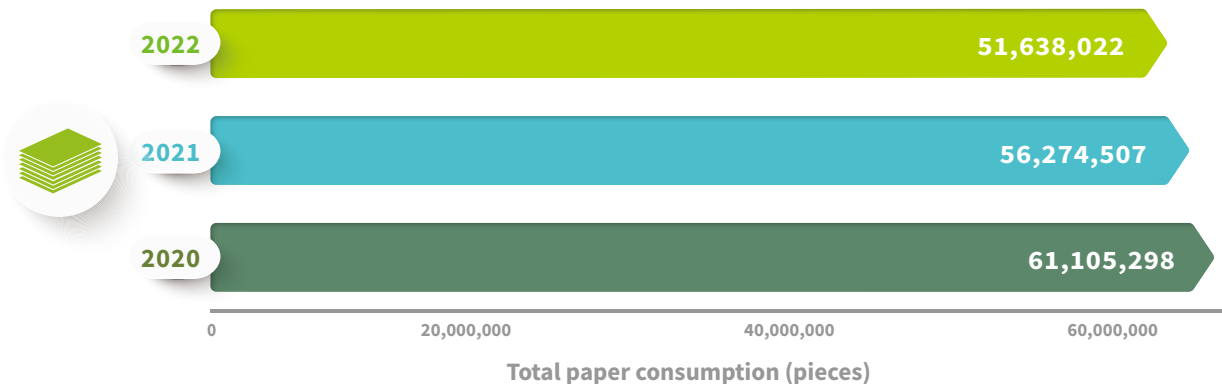
Paperless is a key initiative in our ESG journey. We have been tracking our performance in paper consumption, and a target was set in 2020 to achieve 5% annualised paper reduction by 2025. With various paperless initiatives implemented during the reporting period, we have made an encouraging achievement to reduce paper by over 8% when compared with last year.

The usage of digital technology expedited our progress to go paperless. During the reporting year, we launched e-corporate action services and are actively promoting to our customers to adopt e-statement, e-remittance fulfilment, and other electronic application for daily banking services. Internally, DSB introduced the e-appraisal module in 2022.

Within the Group, different initiatives were also in place to support the efficiency of printing. These included utilising recycled paper for printing, replacing small printers gradually with higher efficiency printers and monthly monitoring on printing volume. In 2022, BCM also introduced an Efficient Printing Campaign, a bank-wide competition to reduce printing volume across departments, promoting awareness and ideas of using less paper in the workplace.

The Group's total paper consumption in 2022 and the previous two years are set out in the chart below.

Paper Consumption



Staff Awareness and Engagement

To promote staff awareness of sustainability, we engage our employees to participate in recycling campaigns initiated by different charity organisations for reusing and recycling if appropriate.

- DSB donated 60 kg of red packet envelopes to Greeners Action, ten boxes of toys and books to The Salvation Army and five boxes of clothes to Redress;
- DSI donated unconsumed mooncakes to Food Grace for underprivileged families;
- BCM sent over 60 kg of red packet envelopes and mooncake boxes to the Department of Environmental Protection in Macau.

To foster a culture of environmentally responsible behaviour, we promote awareness within the Group by circulating quarterly green tips on ways to reduce carbon footprint in our workplace and daily life, and will continue our existing efforts to encourage a green and sustainable working lifestyle.



About This Report

Reporting Standards

This Report provides an annual update of the initiatives, plans and performance of the Group in ESG aspects in 2022, and is prepared to disclose mandatory disclosure requirements and the “comply or explain” provisions set out in the ESG Reporting Guide under Appendix 27 of the Main Board Listing Rules published by the HKEX. It provides a summary of the activities and measures taken by the Group and its key subsidiaries across the Group’s core operations in banking and insurance in its key markets in Hong Kong, Macau and Mainland China with respect to the material ESG matters under five categories – Responsible Business, Marketplace, Workplace, Community and Environment. There is no significant change in the scope of this Report from that of the 2021 ESG Report. This ESG Report should be read in conjunction with the Corporate Governance Report. The latter is included as part of the Group’s 2022 Annual Report which is also accessible on the website of DSB at www.dahsing.com. This Report was endorsed by the Audit Committee and approved by the Board in March 2023.

Reporting Boundary

The information in this Report covers the Group for the period from 1 January to 31 December 2022, which includes:

- Dah Sing Bank, Limited
- Dah Sing Bank (China) Limited
- Banco Comercial de Macau, S.A.
- Dah Sing Insurance Company (1976) Limited
- Macau Insurance Company Limited

There has been no change in reporting boundary for our 2022 ESG Report nor any significant changes to our organisational size, structure, ownership or supply chain.

Our Performance

KPI Data Table

Environmental KPIs	Unit	2022	2021	2020
Energy consumption				
Total energy consumption	kWh	7,109,058	6,901,901	6,864,262
Total direct energy consumption – Mobile combustion ¹	kWh	553,202	46,552	Not disclosed
Total indirect energy consumption - Purchased electricity	kWh	6,555,856	6,855,349	6,864,262
Total energy consumption intensity				
By number of full-time employee (“FTE”)	kWh / FTE	2,202.31	2,136.15	2,229.38
GHG emissions^{2,3}				
Total GHG emissions	tonne CO ₂ e	4,512	4,504	4,922
Scope 1 – Direct emissions and removals ⁴	tonne CO ₂ e	152	13	Not disclosed
Scope 2 – Energy indirect emissions ⁵	tonne CO ₂ e	4,360	4,491	4,922
GHG emissions intensity				
By number of full-time employees	tonne CO ₂ e/ FTE	1.40	1.39	Not disclosed
Water consumption				
Total water consumption	m ³	11,595	12,178	11,572
Water production intensity				
By number of full-time employees	m ³ / FTE	3.59	3.77	3.76
Waste produced				
Total weight of hazardous waste produced	tonne	3	14	11
Total weight of non-hazardous waste produced	tonne	471	525	524
Waste production intensity				
Hazardous waste production intensity by number of full-time employees	tonne/ FTE	0.0011	0.0043	Not disclosed
Non-hazardous waste production intensity by number of full-time employees	tonne/ FTE	0.15	0.16	Not disclosed

Social KPIs	Unit	2022	2021
Employment			
Total workforce	#	3,274	3,271
Breakdown by gender			
Male	#	1,536	1,511
Female	#	1,738	1,760
Breakdown by employee category			
Full-time	#	3,228	3,231
Part-time	#	46	40
Breakdown by age group			
<30	#	508	564
30 to <50	#	2,016	1,968
≥50	#	750	739
Breakdown by geographical region			
Hong Kong	#	2,514	2,546
Mainland China	#	330	314
Macau	#	430	411
Turnover rate by gender⁶			
Male	%	21.3%	24.1%
Female	%	19.2%	21.2%
Turnover rate by age group			
<30	%	40.4%	35.8%
30 to <50	%	19.2%	22.4%
≥50	%	8.7%	12.0%
Turnover rate by geographical region			
Hong Kong	%	24.2%	26.2%
Mainland China	%	5.3%	5.5%
Macau	%	7.5%	12.5%

Social KPIs	Unit	2022	2021
Health and Safety			
Number of work-related fatalities	#	No work-related fatalities were recorded during the year	No work-related fatalities were recorded in the past 3 years
Rate of work-related fatalities	%	N/A	N/A
Lost days due to work injury	#	82	56
Training and Development			
Percentage of trained employees	%	98%	95%
Percentage of trained employees by gender			
Male	%	98%	95%
Female	%	98%	96%
Percentage of trained employees by employee category			
Non-managers	%	97%	95%
Managers	%	99%	97%
Senior management	%	100%	98%
Average training hours completed per employee by gender			
Male	hours	24	26
Female	hours	22	24
Average training hours completed per employee by employee category			
Non-managers	hours	21	24
Managers	hours	27	27
Senior management	hours	21	24
Supply Chain Management			
Number of suppliers by geographical region			
Hong Kong	#	185	183
Mainland China	#	87	88
Macau	#	67	64
Other regions	#	10	9

Social KPIs	Unit	2022	2021
Product Responsibility			
Number of products and service-related complaints	#	492	489
Community Investment			
Number of volunteering hours	Hours	3,687	1,582

- 1 Total direct energy consumption in 2021 or before covered only mobile combustion generated by Hong Kong operations. The Group expanded the data coverage to all other operating regions in 2022.
- 2 Scope 1 and 2 GHG emissions data were estimated according to HKEX's "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" and the Hong Kong Government's "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong".
- 3 Air emissions are not material to our operations and therefore data are not disclosed.
- 4 GHG calculations include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O). Scope 1 direct emissions and removals cover only Hong Kong operations prior to 2021. The Group expanded the data coverage to all other operating regions in 2022.
- 5 Scope 2 GHG emissions were calculated based on electricity consumed using corresponding emission factors as provided by Hongkong Electric Company, CLP, Companhia de Electricidade de Macau, China Southern Power Grid and China East Grid Corp.
- 6 Turnover rate was calculated based on the number of employees (exclude probationers) who left the firm during the year divided by the average number of employees during the year.

Recognition and Awards

ESG Rating

As of 2022, Dah Sing Financial Holdings Limited received an MSCI ESG Rating of A.

Awards and Accreditations

Awards and Accreditations	Name of association	Entity
Corporate		
Best SME's Partner Gold Award 2022	The Hong Kong General Chamber of Small and Medium Business	DSB
Blood Transfusion Service Thank You Letter	Blood Transfusion Service	BCM
Certificate of Appreciation Remark: Served as the presenter on the topics of "General Insurance - Employee Compensation", "Private Pension Fund & Non-Mandatory Central P. Fund" & "General Insurance - Knowledge of Claims"	Federation of Macau Professional Insurance Intermediaries	MIC
Press Release for Corporate Donation	Charity Fund from the Readers of Macao Daily News	BCM
Marketplace		
2021 FinTech Awards - Outstanding Personal Digital Banking Services	ET Net	DSB
CAPITAL Merits of Achievements in Banking & Finance 2022 - Merits of Small Start-up and Micro Businesses Services	CAPITAL Magazine	DSB
DigiZ Awards 2022: Best Phygital Experience – Bronze (Dah Sing Credit Card Awareness Campaign “Catch It If You Can”)	Marketing-Interactive	DSB
Excellent Brand of Mobile Securities Services - Banking	Metro Finance	DSB
Excellent Brand of Personal Loan Services - Banking	Metro Finance	DSB
Ming Pao Award for Excellence in Finance 2022	Ming Pao	DSB
Sing Tao Service Awards 2021 - SME Financial Services	Sing Tao	DSB

Awards and Accreditations	Name of association	Entity
Workplace		
20 Years Plus Caring Company Logo	The Hong Kong Council of Social Services	DSB
Corporate Financial Education and ESG Leadership – Gold Award	Institute of Financial Planners of Hong Kong	DSB
Good MPF Employer 5 Years+	Mandatory Provident Fund Schemes Authority	DSB, DSIA, DSIB, DSS, OKF
Leading Employer for Professional Qualifications (LEPQ)	Hong Kong Institute of Bankers	DSB
Manpower Developer	Employee Retraining Board	DSB
Sport Friendly Action	Chinese YMCA of Hong Kong	DSB
The Employer of Choice Award 2022	JobMarket	DSB
Community		
Appreciation Certificate for Run with Moomin 2022	Hong Kong Christian Service	DSB
Hong Kong Volunteer Award 2022	Home and Youth Affairs Bureau and the Agency for Volunteer Service	DSB
Oxfam Rice Certificate of Appreciation - Outstanding Group Order Award	Oxfam Macau	BCM
Oxfam Rice Certificate of Appreciation - Top Donation Volunteer Group Award (Corporate Group)	Oxfam Macau	BCM
Oxfam Towerrun 2022 Certificate of Appreciation - Sponsorship	Oxfam Macau	BCM
Oxfam Towerrun 2022 Certificate of Appreciation - Volunteer	Oxfam Macau	BCM
Social Capital Builders Awards 2022-2024	Community Investment and Inclusion Fund	DSB
Thank you Trophy	Macau Daily News Foundation and Luso Bank Macau	MIC
Environment		
Charter on External Lighting	Environment and Ecology Bureau	DSB
"Good" Class Energywise certificate	Hong Kong Productivity Council	DSB
Green Office Awards Labelling Scheme	World Green Organisation	DSB
Indoor Air Quality Certificate - Good Class	1) Indoor Air Quality Information Centre 2) Environmental Protection Department	DSB (For 23/F Dah Sing Financial Centre)

Content Indices

HKEX ESG Reporting Guide Content Index

A. Environmental		Section / Remark
Aspect A1 Emissions		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environment Environment > Environmental Footprint
KPI A1.1	The types of emissions and respective emissions data.	Our Performance > KPI Data Table Air emissions are not material to our operations, so air emissions data are not disclosed.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Performance > KPI Data Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Performance > KPI Data Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Performance > KPI Data Table
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environment > Energy and Greenhouse Gas Emission Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environment > Waste Management
Aspect A2 Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environment ESG Policy
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Our Performance > KPI Data Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Our Performance > KPI Data Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environment > Energy and Greenhouse Gas Emission Management

A. Environmental		Section / Remark
Aspect A2 Use of Resources		
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water consumption is not material to our operations so we have not set targets on water consumption efficiency.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging material is not material to our operations so the quantity of packaging material used is not disclosed.
Aspect A3 The Environment and Natural Resources		
General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment Environment > Environmental Footprint
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment > Environmental Footprint Environment > Paperless
Aspect A4 Climate Change		
General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Responsible Business > Climate Risk
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them.	Responsible Business > Climate Risk For details, please refer to TCFD Content Index for locations of disclosure.

B. Social		Section / Remark
Aspect B1 Employment		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Workplace > Talent Attraction and Retention Workplace > Diversity and Equal Opportunity
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Our Performance > KPI Data Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our Performance > KPI Data Table
Aspect B2 Health and Safety		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Workplace > Health, Safety and Well-being
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Our Performance > KPI Data Table
KPI B2.2	Lost days due to work injury.	Our Performance > KPI Data Table
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Workplace > Health, Safety and Well-being
Aspect B3 Development and Training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Workplace > Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Our Performance > KPI Data Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	Our Performance > KPI Data Table
Aspect B4 Labour Standards		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Responsible Business Workplace
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Workplace
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Workplace

B. Social		Section / Remark
Aspect B5 Supply Chain Management		
General disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Business > Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Our Performance > KPI Data Table
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Responsible Business > Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Business > Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Business > Supply Chain Management
Aspect B6 Product Responsibility		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible Business
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	This KPI is not applicable to our business.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Marketplace > Customer Focus Our Performance > KPI Data Table
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Responsible Business > Responsible Products and Services
KPI B6.4	Description of quality assurance process and recall procedures.	Responsible Business > Responsible Products and Services
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Responsible Business > Information Security and Cybersecurity Marketplace > Customer Focus > Customer Data Privacy

B. Social		Section / Remark
Aspect B7 Anti-corruption		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Responsible Business > Ethical Behaviour, Anti-money Laundering and Anti-corruption Workplace > Culture and Values
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	No such legal cases identified during the reporting period
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Responsible Business > Ethical Behaviour, Anti-money Laundering and Anti-corruption Workplace > Culture and Values
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Responsible Business > Ethical Behaviour, Anti-money Laundering and Anti-corruption
Aspect B8 Community Investment		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Performance > KPI Data Table

TCFD Content Index

Recommended Disclosure	Section/Remarks
Governance	
a) Describe the board's oversight of climate-related risks and opportunities.	ESG Governance
b) Describe management's role in assessing and managing climate-related risks and opportunities.	ESG Governance Responsible Business > Climate Risk
Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Responsible Business > Climate Risk
b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	Our Commitment to the Environment and Sustainability > Snapshot of Our ESG Strategy Responsible Business > Climate Risk
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including Disclosure under a 2°C or lower scenario.	We conducted a pilot exercise on climate risk stress testing in 2021 to gauge the potential impact on the Group arising from both physical and transition risks based on the RCP* 8.5 scenario and the NGFS* disorderly scenario respectively. The results indicated that the potential impact on the Group is insignificant. We will review the climate risk exposure of the Group from time to time. We target to conduct another climate risk stress test in 2023. * RCP stands for Representative Concentration Pathway adopted by the Intergovernmental Panel on Climate Change. NGFS stands for the Network of Central Banks and Supervisors for Greening and the Financial System.
Risk Management	
a) Describe the organization's processes for identifying and assessing climate-related risks.	Stakeholder Engagement and Materiality Assessment > Materiality Assessment and Materiality Matrix Responsible Business > Climate Risk
b) Describe the organization's processes for managing climate-related risks.	Responsible Business > Climate Risk Responsible Business > Supply Chain Management
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Responsible Business > Responsible Products and Services Responsible Business > Climate Risk

Recommended Disclosure	Section/Remarks
Metrics and Targets	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Our Performance > KPI Data Table
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Our Performance > KPI Data Table
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Environment > Environmental Footprint > Energy and Greenhouse Gas Emission Management



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