

S&P Dow Jones Indices

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PRESS RELEASE

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BOCHK and S&P Dow Jones Indices Launches the First Climate Transition Index Targeting the Greater Bay Area

Bank of China (Hong Kong) (“BOCHK”) and **S&P Dow Jones Indices (“S&P DJI”)** today announced the launch of the [S&P BOCHK China Hong Kong Greater Bay Area Net Zero 2050 Climate Transition Index](#) (“S&P BOCHK GBA Climate Transition Index” or “Index”), which is the first climate transition index covering listed companies in the Guangdong-Hong Kong-Macao Greater Bay Area (“GBA”). The Index is designed to measure the performance of companies in the bay area, while achieving a variety of decarbonisation targets. Meanwhile, the Index can also serve as the basis of investment tools to reorient more capital flows towards companies with improved carbon performance.

Sun Yu, Vice Chairman and Chief Executive of BOCHK, said, “On this momentous occasion of the 25th anniversary of Hong Kong's return to the motherland, BOCHK feels privileged to introduce to the market this new climate transition index targeting the GBA. Through our collaboration with S&P DJI, we aim to further expand capital market's role in advancing the region's low-carbon transition, supporting the national dual-carbon goals and Hong Kong's Climate Action Plan 2050, while also promoting the development of Hong Kong as a leading sustainable finance hub and building a greener and more sustainable future for the GBA.”

Reid Steadman, Global Head of ESG and Innovation at S&P Dow Jones Indices, said, “We are pleased to have collaborated with BOCHK on the launch of this innovative Net Zero 2050 Climate Transition Index tailored for the dynamic GBA in China and support the region's transition to a low-carbon economy. The Index reflects how companies in the GBA can be aligned with a 2050 net-zero trajectory and with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures. The Index can serve as a valuable tool for domestic and global investors who are seeking enhanced transparency and opportunities related to climate transition in the region.”

The S&P BOCHK GBA Climate Transition Index measures the performance of eligible equity securities from the underlying S&P China-Hong Kong Greater Bay Area Index selected and weighted to be collectively compatible with a 1.5°C global warming climate scenario. The Index is designed to meet the minimum standards for EU Climate Transition Benchmarks Regulation to achieve the objectives of the Paris Agreement and help mitigate the risk of greenwashing. The Index also adopts a weighting strategy to minimize the difference in constituent weights to the

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underlying parent index and maintain a broad-based market exposure, while incorporating a variety of decarbonisation targets such as the required total greenhouse gas emission reductions as compared to the parent index and a 7% annual decarbonisation.

At each quarterly rebalancing, the Index applies exclusions based on companies' involvement in specific business activities such as controversial weapons and tobacco, alignment with the principles of the United Nations Global Compact ("UNGC"), and involvement in relevant ESG controversies as monitored by S&P Global's Media and Stakeholder Analysis ("MSA"). For more information on the Index, please visit: www.spglobal.com/spdji.

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