



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道 979 號
太古坊一座 27 樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

Assurance Report on Pre-issuance of BOC Group Life Assurance Company Limited's Green Insurance Product Series

To the Management of BOC Group Life Assurance Company Limited

Scope

We have been engaged by BOC Group Life Assurance Company Limited ("BOC Life") to perform a 'limited assurance engagement', as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on BOC Life's decision-making, awareness-raising, promotion, and disclosure of environmental, social, and governance issues relevant to the Green Insurance Product Series issuance (the "Subject Matter") in the accompanying *Description on BOC Group Life Assurance Company Limited's Green Insurance Product Series* (iGreen Savings Insurance Plan¹ which is targeted to be launched on 7 August 2022) as of 30 June 2022 (the "Description").

Criteria applied by BOC Life

In preparing the decision-making, awareness-raising, promotion, and disclosure of environmental, social, and governance issues relevant to the Green Insurance Product Series issuance, BOC Life applied the Principles for Sustainable Insurance issued by United Nations Environment Program Finance Initiative (the "Criteria").

BOC Life's Responsibilities

BOC Life's management is responsible for selecting the Criteria, and for presenting the decision-making, awareness-raising, promotion, and disclosure of environmental, social, and governance issues relevant to the Green Insurance Product Series issuance in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our limited assurance engagement in accordance with *International Standard on Assurance Engagements 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. The standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

¹ The iGreen Savings Insurance Plan which is targeted to be launched by BOC Group Life Assurance Company Limited on 7 August 2022, has a HK\$240 million target premium investment on green bonds.



Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standard Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

We also apply *International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of Procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the decision-making, awareness-raising, promotion, and disclosure of environmental, social, and governance issues relevant to the Green Insurance Product Series issuance and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Assessed policies and procedures established by BOC Life related to the issuance of the BOC Life's Green Insurance Product Series in accordance with the Principles for Sustainable Insurance;
 - a) Checked BOC Life's policies and procedures in relation to embedding ESG-related issues into the decision-making of the BOC Life's Green Insurance Product Series and the insurance business;
 - b) Checked BOC Life's policies and procedures in relation to the use and management of the target premium investment on green bonds and other investments according to the Green Insurance Product Framework;
 - c) Checked BOC Life's policies and procedures in relation to working with clients and business partners to raise awareness of ESG issues, manage risk and develop green insurance solutions;
 - d) Checked BOC Life's policies and procedures in relation to working with governments, regulators, and other key stakeholders to promote widespread action across society on ESG issues; and
 - e) Checked BOC Life's policies and procedures in relation to demonstrating accountability and transparency in regularly disclosing publicly the progress in implementing the Principles.
- Interviewed personnel of selected business units to understand the key matters in relation BOC Life's policies and procedures.

We also performed such other procedures as we considered necessary in the circumstances.



Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to BOC Life's decision-making, awareness-raising, promotion, and disclosure of environmental, social, and governance issues relevant to Green Insurance Product Series issuance as of 30 June 2022 in the Description, in order for it to be in accordance with the Criteria.

Restricted Use

This report is intended solely for the information and use of BOC Life for the issuance of the Green Insurance Product Series and is not intended to be and should not be used by anyone other than those specified parties. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance of any such third party may place on BOC Life's Green Insurance Product Series is entirely at its own risk.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive script.

Certified Public Accountants
30 June 2022
Hong Kong

Appendix I

Description on BOC Group Life Assurance Company Limited's Green Insurance Product Series

BOC Group Life Assurance Company Limited (“BOC Life” or the “Company”) plans to issue the first Green Insurance Product Series, the iGreen Savings Insurance Plan, on 7 August 2022 (the “Plan”). BOC Life has established the *BOC Group Life Assurance Company Limited's Green Insurance Framework* (the “**Green Insurance Product Framework**”). The Green Insurance Product Framework has been prepared to demonstrate how the Company will issue green insurance products in accordance with the *Principles for Sustainable Insurance* (the “**Principles for Sustainable Insurance**”) developed by the United Nations Environment Program Finance Initiative.

Principle 1: We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

BOC Life has been closely adhering to and implementing the BOCHK Group's Sustainable Development Policy in order to achieve the long-term success and sustainable development of the Group and our key stakeholders. Where our risk management, product and services development, claims management, and sales and marketing take into consideration ESG and climate-related issues, we also strive to invest sustainably. We have established a monitoring mechanism to manage the overall investments raised from the Plan, whether for green or non-green activities, including regular checking on the investment portfolio to ensure that none of the raised premiums will be invested in activities or sectors within the exclusion list of high ESG risk that may have an adverse impact on society and the environment, and aim to invest our target premium investment on bonds which raise funds for green activities.

Principle 2: We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

BOC Life will collaborate with our business partners to promote ESG issues and understand their approach to sustainability. Apart from complying with the BOCHK Group's Sustainable Procurement Policy and Supply Chain Code of Conduct in the supplier selection process, BOC Life shall take suppliers' ESG performance into account. We encourage suppliers to improve their sustainability performance, promote long-term sustainability determination and commitment.

BOC Life recognizes the importance of raising awareness and educating our employees and customers on the ESG context, we have prepared newly released green insurance product training materials to support employee's understanding on how sustainability is being applied to insurance operation and investments.

Principle 3: We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

BOC Life engages in regular dialogues with industry associations to discuss and promote developments and actions relating to ESG issues. We also explore on opportunities to work with international organisations to contribute in global cooperation on sustainability issues. Additionally, we cooperate with other stakeholders, such as NGOs and various community organizations by co-hosting conferences and events, supporting sustainability programmes, partaking in community services, etc. to raise awareness on sustainability.

Principle 4: We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the principles.

In addition to openly disclosing BOC Life's commitment in implementing the Principles for Sustainable Insurance and advocating internally, we will publish a report annually on how the principles of the Green Insurance Product Framework have been embraced within the Plan. The report will also disclose the amount of premiums raised for the overall investments, whether green and non-green, and the categories that these green investments belong to. The report will be made publicly available to ensure that relevant information is accessible and transparent for interested parties.

Summary on Green Insurance Product Series – iGreen Savings Insurance Plan's Product Features

The Plan is a special limited product and Bank of China (Hong Kong) Limited ("BOCHK") is the sole agency of the Plan. By making a one-off payment of premium as low as RMB3,000 / USD375, the Plan can provide stable returns and life protection, as well as an opportunity to support green projects and contribute to the environment.

Positive screening is applied in BOC Life's investment strategies to actively explore suitable ESG investment opportunities such as carbon neutral bonds, ESG funds, etc. and none of the overall premiums raised from the Plan will be invested in activities or sectors within the exclusion list of high ESG risk that may have an adverse impact on society and the environment. Under the Plan, a HK\$240 million target premium will be raised to invest in eligible green bonds under the Green Bond Principles, published by International Capital Market Association, or other equivalent sustainability series bonds / green financial instruments.

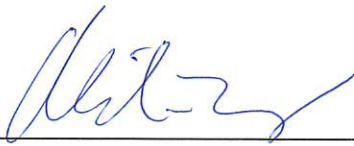
Basic Eligibility Requirements:

Issue Age	From age 18 to age 64
Premium Payment Term	Single premium
Benefit Term	3 years
Policy Currency	RMB / USD

Premium Payment Mode	Single payment (Direct Payment from BOCHK e-Banking Account)
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Charity Donation Benefit:

After approval and payment of Additional Accidental Death Benefit, Charity Donation Benefit equivalent to 5% of the Net Premiums Paid as of the date of the insured's death will be payable to the designated charitable institution selected by BOC Life.



For and on behalf of

BOC Group Life Assurance Company Limited

30 June 2022