

2023

Environmental, Social & Governance Report 環境、社會及管治報告



BEA



BEA
Sustainability
東亞銀行可持續發展

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ESG APPROACH AND 2023 PERFORMANCE

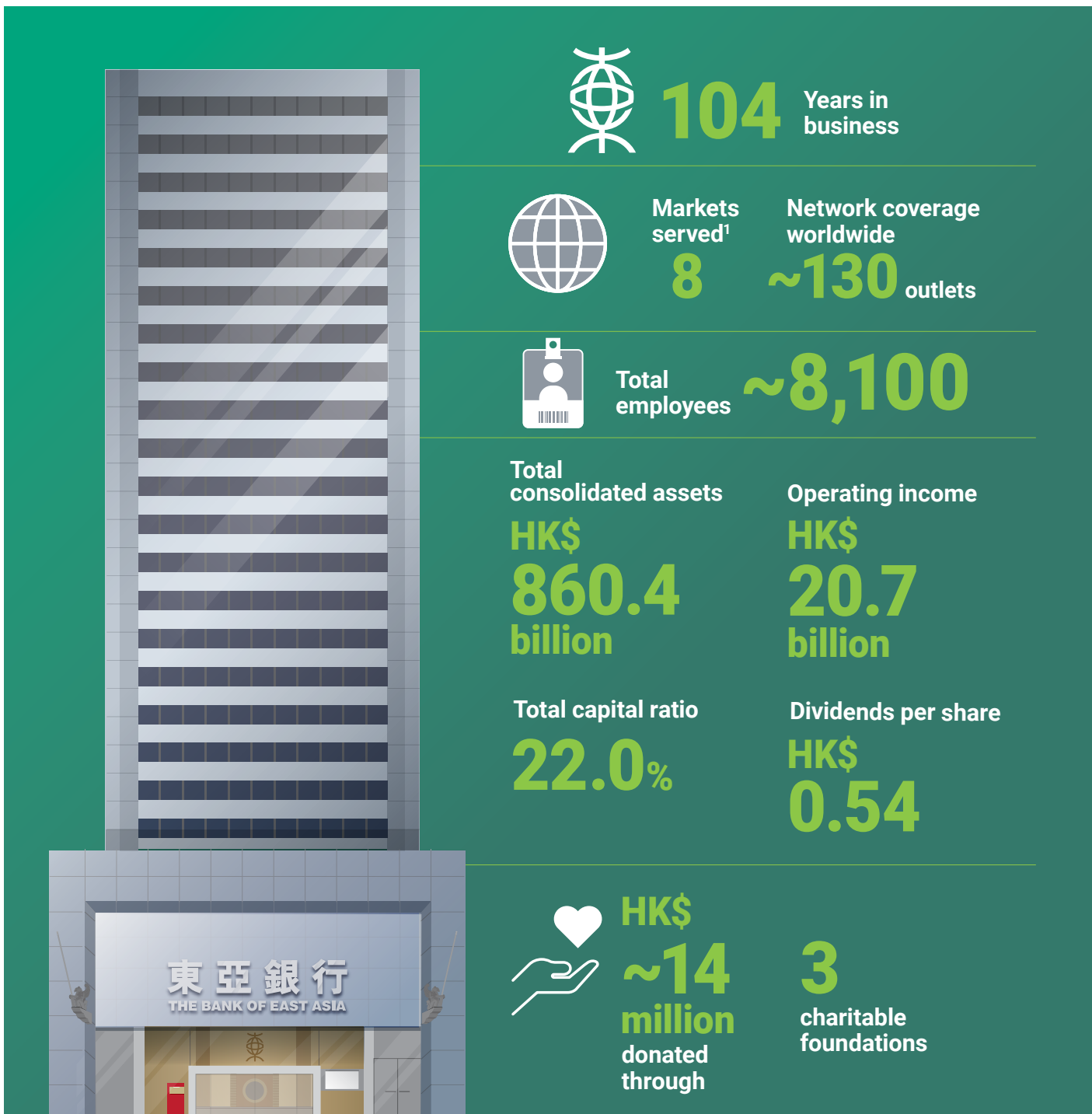
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2023 ESG HIGHLIGHTS

BEA AT A GLANCE

2023

(as at 31st December, 2023)



1. Including Hong Kong, Chinese Mainland, Macau, Taiwan, Malaysia, Singapore, the United Kingdom ("UK"), and the United States ("US")

MESSAGE FROM THE EXECUTIVE CHAIRMAN



The year 2023 set the global climate challenge in stark relief: Temperatures soared to unprecedented levels worldwide, while the COP28 UN Climate Change Conference highlighted that efforts to curb greenhouse gas emissions have fallen significantly behind target.

Catastrophic climate events are becoming more intense and more frequent. In Hong Kong, Super Typhoon Saola caused widespread flooding, landslides, and infrastructure damage, and was followed a week later by the heaviest rainfall since records began in 1884. Meanwhile, record-breaking high temperatures were registered at 127 weather stations across the Chinese Mainland this past summer.

Climate change-induced extreme weather events such as these pose profound challenges to economic stability and business sustainability, and highlight the pressing need for collective action.

BEA must do its part. Financed emissions make up 99% of BEA's carbon footprint at present. The events of 2023 have further strengthened BEA's resolve to meet the net zero targets for financed emissions that it originally set in 2022: to achieve net zero by 2050.

Steady progress toward this goal was made in the past year by following a science-based approach. Measurement of financed emissions in five out of seven high carbon-emitting sectors was completed, outpacing the original schedule. The objective for 2024 is to carry out measurement work for the remaining sectors and begin developing sector transition plans to achieve emissions reduction targets.

In tandem, BEA is expanding its green and sustainable finance capabilities and strengthening climate-risk management.

In the fourth quarter of 2023, BEA became the first Chinese member of the Net-Zero Banking Alliance ("NZBA"). As a signatory to the NZBA, BEA is part of a global coalition of leading banks that are committed to aligning with the goals of

the Paris Agreement on climate change by helping to finance the transition to a net zero carbon economy. Meanwhile, BEA Group member BEA Union Investment Management Limited ("BEA Union Investment") has joined Climate Action 100+, an investor-led initiative to ensure that the world's largest corporate greenhouse gas ("GHG") emitters take necessary action on climate change.

Looking at the progress that BEA has made during the past year, I express my sincere gratitude to the members of the Board ESG Committee for their vision and leadership on this key issue, and to BEA management and all colleagues for their unwavering dedication and hard work. With their commitment, I am confident that BEA will contribute to winning the battle against climate change, and continue to create positive and long-term value for all stakeholders.

**Dr the Hon.
Sir David Li Kwok-po**

Executive Chairman

MESSAGE FROM THE CO-CHIEF EXECUTIVES



Adrian Li

Brian Li

Having laid the groundwork for our net zero transformation in 2022 and guided by our strong ESG governance, BEA saw significant advancements in its sustainability performance.

In 2023, we focused on implementing our net zero roadmaps for financed and operational emissions, integrating sustainability practices into our business and operations.

Responsible business

In support of our net zero commitment, we incorporated two related sustainability goals into our Bank-wide scorecard for 2023. These goals were designed to drive progress towards net zero financed emissions and the development of green and sustainable finance ("GSF") across the Group.

In 2023, we measured the emissions in our Construction, Energy (oil & gas), Metals & Mining, Power, and Transportation sector portfolios, and began setting carbon reduction targets, starting with the Energy (oil & gas) and Power sectors. To better monitor our performance and devise sector-specific strategies, we built a dedicated data platform for the calculation and ongoing monitoring of financed emissions.

BEA delivered strong performance in the provision of GSF to wholesale banking customers and in bond investments.

By the end of 2023, our GSF loans and ESG bond investments accounted for 14.9% of total corporate loans and bond investments.

Responsible operations

To address our climate change impacts, we have set targets for our Scope 1 and 2 operational emissions and in 2023, we launched several initiatives to drive progress. A Group-wide Sustainable Building Policy, guidelines, and deployment plans were established, promoting sustainable practices in leasing, design, construction, operation, and renovation of all premises under the Bank's control.

Following the implementation of various carbon reduction initiatives, we achieved a 31% reduction in Scope 1 and 2 absolute emissions this year compared to the baseline year of 2019.

Responsible citizen

As a responsible citizen, BEA supports a wide range of community initiatives through The Bank of East Asia Charitable Foundation Limited ("BEA Foundation"). Our flagship corporate social responsibility ("CSR") programmes, including the Beyond Environmental Arts Festival ("BEA Festival"), "BEA Upcycles", and Phase V of our Palliative Care for the Elderly Programme known as "Golden Adventures", touched the lives of more than 17,000 beneficiaries during the year.

Our Group always stands ready to assist people affected by natural disasters,

and in 2023, BEA China donated a total of CNY2 million in support of victims of the extremely heavy rain in the Beijing-Tianjin-Hebei region in August and the earthquake that struck Gansu Province in December.

Building a sustainable organisation

Our success as a sustainable organisation depends on our ability to attract capable employees and inspire our staff to support the Group's social and environmental goals. In the past few years, our sustainability-related workforce has more than tripled including the establishment of a GSF advisory team and a sustainable operations team in 2023.

Fostering a culture of innovation, we organised our first-ever ESG Innovation Workshop in 2023 to further advance our sustainability goals and co-create ideas that will accelerate our ESG journey. Around 50 staff members across divisions and geographic locations participated in the workshop, generating proposals that were presented to the Bank's ESG Steering Committee for refinement and implementation in the coming year.

Looking ahead, we will continue to invest in talent and work closely with our employees, customers, and other stakeholders to become the sustainability leader we aspire to be.

Adrian Li

Co-Chief Executive

Brian Li

Co-Chief Executive

ESG PERFORMANCE SUMMARY

2023

(as at 31st December, 2023)

RESPONSIBLE BUSINESS

Climate Resilience



Measured the financed emissions in five of the Group's high carbon-emitting sector portfolios

Set carbon reduction targets for our Energy (oil & gas) and Power sector portfolios

Became the first Chinese member of the Net-Zero Banking Alliance in December

RESPONSIBLE OPERATIONS

Talent Attraction and Retention



98%
response rate to Employee Pulse Survey 2023

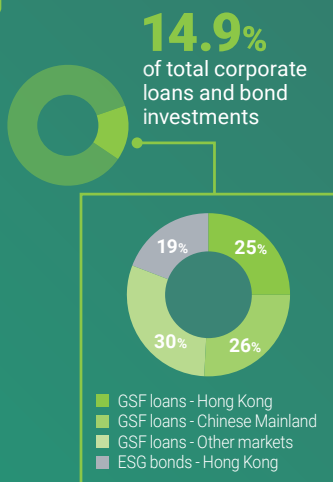


88%
of staff are positively engaged

Sustainable Finance

HK\$ 70.6 billion

GSF loans and ESG bond investments (+26.4% year-on-year ("yoy"))



Training and Development

HK\$ 12+ million invested in training and development²

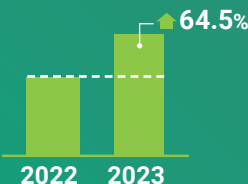
~54 hours training per employee (on average)

Operational Emissions



2.3% reduction in carbon emissions yoy (Scope 1 and 2 emissions)

Treating Customers Fairly



64.5% increase in compliments yoy

Received a Net Promoter Score ("NPS") of

+36



RESPONSIBLE CITIZEN

HK\$ ~14 million cash donations for community programmes

CNY 2 million cash donations for disaster relief

8,900+ hours contributed by our volunteers




2. Excluding staff and operating costs related to training and development

OUR PROGRESS

Over the course of the year, we made progress in all the areas that are most material to our Group and our stakeholders. These topics are categorised under the three ESG pillars of our materiality framework, namely responsible business, responsible operations, and responsible citizen. The Bank’s goals, developed by our ESG Work Group members and approved by our Board ESG Committee, are monitored throughout the year by our ESG Steering Committee.

“We at BEA are working to realise our vision to be the sustainability leader among financial institutions in Greater China and beyond. As an agile organisation, we are actively measuring and managing our direct and indirect impacts as we mobilise and upskill our talented and highly adaptable workforce to support our sustainability goals.”

Brian Li
Co-Chief Executive

Pillar	Key goals in 2023	Performance in 2023	
RESPONSIBLE BUSINESS 	Drive progress towards net zero financed emissions	Measured financed emissions in our portfolio for five of the seven high carbon-emitting sectors Set interim carbon reduction targets for the Energy (oil & gas) and Power sector portfolios Developed a dedicated internal data platform for the calculation and monitoring of financed emissions	ACHIEVED ✓
	Drive GSF growth by increasing GSF loan and ESG bond exposure to 13% of total corporate loans and bond investments	Exceeded target – actual performance: 14.9%	ACHIEVED ✓
	Strengthen our GSF framework and ESG risk-related infrastructure	Enhanced the GSF framework by incorporating the latest IMPACT+ international standard	ACHIEVED ✓
		Issued guiding policies for the Construction, Manufacturing (chemicals), Metals & Mining, and Transportation sectors – these follow the establishment of policies for the Energy (oil & gas), Power Utilities, and Property Development sectors in 2022	
	Enhance climate risk assessment and monitoring	Developed a climate risk heatmap tool, which enables the Bank to identify climate-related risks for high carbon-emitting sectors	ACHIEVED ✓
	Promote financial literacy by increasing the digital penetration rate among mature customers	Digital penetration rate increased by four percentage points	ACHIEVED ✓
RESPONSIBLE OPERATIONS 	Drive progress towards net zero operational emissions	Established a Group-wide Sustainable Building Policy, as well as guidelines and deployment plans	ACHIEVED ✓
		Deployed a digital environmental data platform to efficiently track the environmental performance of our owned/occupied premises	
	Strengthen supply chain management	Issued a Sustainable Procurement Policy	ACHIEVED ✓
RESPONSIBLE CITIZEN 	Further develop our three flagship CSR programmes	Organised “BEA Festival”; “BEA Upcycles”; “Golden Adventures”	ACHIEVED ✓

RESPONSIBLE BUSINESS

Given the important role that BEA plays as a financial institution in driving the low carbon transition in the markets we serve, as well as the need to ensure the resilience of the banking industry in the face of climate change, much of our effort in 2023 focused on reducing our direct and indirect carbon emissions, developing our GSF business, and managing climate risk.

By the end of 2023, the Group witnessed a strong growth of over 26% yoy in GSF loans and bond investments. This growth was facilitated by our enhanced GSF framework and spurred by our Group’s focus on assisting customers in transitioning to a low-carbon economy. We are fully committed to expanding our GSF offering to help our clients achieve their climate goals.

COMING TO GRIPS WITH FINANCED EMISSIONS

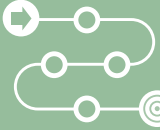
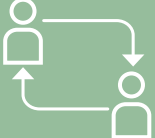

We at BEA recognise the impact that our financing decisions can have on people and our planet. Financed emissions comprise more than 99% of the Group’s total emissions, with more than 90% originating from the Group’s corporate lending and bond investment portfolios. In 2023, we began implementing the Group’s Scope 3 Net Zero Roadmap, which was approved by the ESG Committee in 2022.

As a signatory of the Partnership for Carbon Accounting Financials (“PCAF”), BEA continued to measure financed emissions in prioritised sectors and set carbon reduction targets based on the PCAF methodology. This year, we completed the measurement of financed emissions in our portfolios for five of the seven high carbon-emitting sectors, including Construction, Energy

(oil & gas), Metals & Mining, Power, and Transportation. We also set interim carbon reduction targets for the Group’s Energy (oil & gas) and Power sector portfolios. In conjunction with these efforts, BEA developed a dedicated internal data platform for the calculation and monitoring of financed emissions.

Recognising the potential financial risks associated with climate change, the Securities and Futures Commission of Hong Kong (“SFC”) expects fund managers to integrate climate-related risks into their investment and risk management processes. Our subsidiary, BEA Union Investment, has put in place a set of comprehensive policies that guide its identification and assessment of climate-related risk impacts. In 2023, it determined the carbon footprint of its portfolio funds with relevant and material climate-related risks, taking an important step in its low-carbon journey.

BEA’s Scope 3 Net Zero Roadmap

Pillar 1	Pillar 2	Pillar 3
 <p>Climate Financing Strategy</p> <p>The strategy enables us to align our business activities with our climate goals through sectoral baselining, target setting, sector policy enhancement, and more.</p>	 <p>Customer Transition Plan</p> <p>The plan outlines the transition activities and enablers to form the basis of portfolio company engagement on climate action to drive a reduction in real-economy emissions.</p>	 <p>Climate and ESG Data</p> <p>We focus on data governance, requirements and sourcing as well as identifying system enhancement and integration opportunities.</p>

DRIVING SUSTAINABILITY THROUGH GSF GROWTH

While demand for financing softened in a higher interest rate environment, BEA exceeded its GSF target for the year. GSF corporate loans and ESG bond investments accounted for 14.9% of total corporate loans and bond investments at the end of December 2023.

To support customers who require financing to fulfil socially beneficial goals, in 2023, the Bank expanded its GSF offering to include social loans. We implemented various measures to strengthen our GSF framework, including the development of new sector policies. These policies enable us to identify green opportunities within carbon-intensive sectors, prevent




greenwashing, and support customers' efforts in developing green and sustainable business strategies.

Looking ahead, we aim to leverage the Group's strengths in the Greater Bay Area ("GBA") and other regions, harnessing our OneBank ecosystem to further advance our GSF business in the coming years. Our initial focus will be on solar photovoltaic ("PV") projects as we capitalise on the potential within this sector.

In parallel, we have formulated a strategic plan to further enhance our ESG risk-related infrastructure to support the Group's net zero strategy. The key achievements and enhancements to our ESG and climate risk management in 2023 are highlighted in the table below.

“ BEA’s net zero journey involves much more than simply balancing emissions produced and removed from the atmosphere. It requires us to have a deep understanding of our customers’ climate strategies and environmental impact, as well as their financial performance. We will gain this through close collaboration, working together to ensure that our mutual sustainability objectives are achieved. ”

Adrian Li
Co-Chief Executive

<p>Enabling Green and Sustainable Banking</p>  <p>Strengthened GSF framework by developing four additional sector policies</p> <p>Incorporated climate risk assessment into the new product approval process for green-labelled products to mitigate greenwashing risk</p>	<p>Enhancing Climate Risk Assessment and Monitoring</p>  <p>Conducted a new stress test as part of the climate risk stress test ("CRST") of the Hong Kong Monetary Authority ("HKMA"), focusing on the short-term impacts and resilience of the Bank in the face of climate change</p> <p>Developed a climate risk heatmap to identify sectors vulnerable to climate change and evaluate respective climate-related risks</p>	<p>Nurturing ESG Risk Talent</p>  <p>Organised a series of capacity building training courses to enhance ESG and climate risk awareness among staff members</p>
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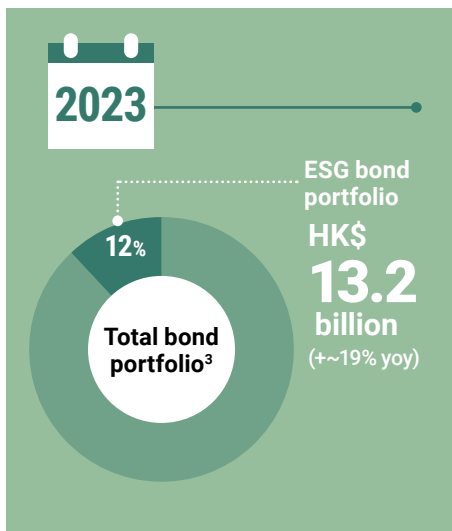


Outstanding Award for Green and Sustainable Loan Facilitator

BEA received multiple awards from the Hong Kong Quality Assurance Agency ("HKQAA") for its outstanding efforts in promoting GSF.

ESG BOND INVESTMENTS

BEA remains fully committed to sustainable finance, actively pursuing new opportunities in ESG-labelled bond investments and transitioning existing investments as appropriate.



In July, BEA Union Investment launched the first Asia Impact Bond Fund, a Hong Kong-domiciled fund that focuses on investing in Asia Investment Grade bonds. The fund is specifically designed to invest in bonds that generate measurable, positive environmental and/or social impacts. Formerly known as the BU APAC Bond Fund, this fund has obtained official authorisation from the SFC as an ESG fund.

“Our aspiration is to be at the forefront of sustainable finance, guiding our investees to spearhead positive change through ESG bond investments. We strongly uphold the principles of transparency, monitoring, and accountability as we progress towards a greener and more sustainable future.”

Samson Li
Deputy Chief Executive & Chief Investment Officer

MEMBER OF THE NET-ZERO BANKING ALLIANCE

In December, BEA became the first Chinese member of the [Net-Zero Banking Alliance](#). This alliance brings together the world’s leading banks in their commitment to financing climate action to transition the real economy to net zero greenhouse gas emissions by 2050.



SIGNATORY OF CLIMATE ACTION 100+

In November, BEA Union Investment became a signatory to [Climate Action 100+](#), the largest global investor engagement initiative on climate change. By joining this initiative, BEA Union Investment is furthering its commitment to actively engage with investee companies and drive the transition towards a net zero future.



◀ BEA China was listed on the “2023 Bloomberg Green ESG 50” by Bloomberg Businessweek/Chinese Edition.



Greater Bay Area Business Sustainability Index 2022
粵港澳大灣區企業可持續發展指數2022

▲ For the fourth consecutive year, BEA was named as one of the top 20 companies of the Greater Bay Area Business Sustainability Index and attained a “Pace setter” rating.

3. Excluding HK Exchange fund bills/notes and US treasury notes

RESPONSIBLE OPERATIONS

POSITIVE FEEDBACK FROM OUR EMPLOYEES

The success of our business relies heavily on our employees, who play a crucial role in performance, both in business and sustainability. Therefore, it is essential for us to gauge work satisfaction and find ways to enhance the workplace experience of our 8,140-strong team located around the globe. In 2023, we conducted a Bank-wide employee pulse survey and the feedback we received was highly encouraging and insightful.



98%
response rate to the employee engagement survey
(95% in 2022)



88%
of staff are positively engaged



88%
staff believe they can contribute to the Bank's ESG performance

PRIORITISING EMPLOYEE ALL-ROUND DEVELOPMENT

In 2023, we remained committed to prioritising employee development. Our efforts were dedicated to ensuring that our colleagues across the organisation had access to training opportunities that would facilitate their professional growth and enable them to meet the evolving needs and expectations of our customers. To this end, the Bank offered a comprehensive selection of internal and external training programmes, as well as training tailored for specific job roles.

HK\$ 12+ million invested in training and development⁴

~54+ hours of training (on average) per employee

Employee wellbeing

We believe in a holistic approach to supporting employees' health and wellbeing. To further promote work-life balance, we increased the wellbeing time-off from two hours to four hours per month this year. Additionally, we enhanced both major medical and hospital benefits for all Group staff.

Training Highlights

A new Design Thinking training programme enables our staff to adopt a human-centric approach, fostering innovation and collaborative solution-building.

The Data Literacy Empowerment Programme empowers our employees to become Data Citizens and Citizen Data Scientists.

BEA-curated micro-learning series focuses on future skills, including Tech & Data, ESG, and GBA cross-boundary business.

Growth Mindset training programmes help staff at all levels increase their capacity to learn, develop, and succeed.

Future Leader Accelerated Programme ("FLAP") identifies employees with strong potential.

BEA China's ESG Learning Empowerment Programme enhances the capabilities of employees in ESG-related roles. Training topics include sustainability, climate risk management, GSF, reporting, compliance, and control.



4. Excluding staff and operating costs related to training and development

OUR JOURNEY TO NET ZERO

While financed emissions represent the vast majority of our Group's emissions, we nevertheless recognise the importance of minimising emissions from our own operations. We are committed to achieving net zero operational emissions by 2030 according to science-based pathways.

“ In 2023, we laid the groundwork for our net zero operational emissions journey, developing policies to govern our operational activities while building an environmental data platform that will enable us to dynamically monitor our Group's performance going forward.”

Tong Hon-shing
Deputy Chief Executive & Chief Operating Officer

BEA's Scope 1 and 2 Net Zero Roadmap

KEY ACTIONS IN 2023

1

Established a Group-wide Sustainable Building Policy and guidelines as well as deployment plans for all Group members



2

Deployed a digital environmental data management system for Scope 1 and 2 emissions



3

Completed the installation of PV panels on the roof of our building at 33 Des Voeux Road Central in Hong Kong and at our Zhangjiang Data Center in Shanghai

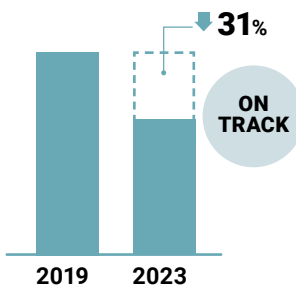


33 Des Voeux Road Central in Hong Kong



Zhangjiang Data Center in Shanghai

PROGRESS



31%




reduction in our operational emissions compared with our baseline year of 2019. We are on track to achieve our 2030 target.

REDUCING RESOURCE USE

The Bank is committed to minimising to the greatest extent feasible its environmental footprint resulting from its operations. We actively monitor and manage waste generation as well as the use of natural resources, and strive to capitalise on our digitalisation initiatives in order to transition to an efficient paperless system. We also consistently implement initiatives aimed at fostering environmentally responsible practices in our day-to-day operations.



▲ BEA was named a “Hong Kong Green Organisation” by the Environmental Campaign Committee and the Environment and Ecology Bureau.

Major Initiatives		
ENERGY 	PAPER 	WASTE 
More branches phased out compact fluorescent lights which were replaced by LED lights.	Through our continuous deployment of digitalisation initiatives and promotion of paperless office operations, we reduced paper orders by 72% for Hong Kong operations compared to a 2020 baseline.	Since 2023, only reusable cutlery and utensils have been provided for events which catering services were offered by the Facility Management Department (“FMD”).
We continued work on our chiller replacement project. Once completed, the efficiency of our chiller plants at BEA Tower in Hong Kong is expected to improve by nearly 40% from a 2019 baseline.	BEA China successfully implemented lean business operations, including the rollout of personal banking integrated statements, which led to a 72% reduction in paper consumption compared to a 2020 baseline.	To reduce waste, for selected tenants of our investment properties, we waived the requirement to reinstate the premises to bare-shell condition before surrendering the premises to us.
BEA China purchased three electric vehicles (“EVs”) and phased out ten fossil fuel-powered vehicles.	In the UK, our branches installed papercut software on communal printers to reduce the likelihood of misprints.	

RESPONSIBLE SUPPLY CHAIN

BEA engages exclusively with suppliers who share our values and align with the core values of the Group. To ensure this, suppliers are required to acknowledge compliance with our [Supplier Code of Conduct](#) as part of our standard

procurement process. In 2023, we introduced a [Sustainable Procurement Policy](#), integrating sustainability principles into our procurement strategies. To support responsible procurement procedures and supply chain due diligence, we have developed a Sustainable Procurement Toolkit,

providing staff members with resources, guidelines, workflow procedures, and related training materials. Our focus is on encouraging suppliers to adopt sustainable and ethical approaches in their business operations.

RESPONSIBLE CITIZEN

We aim to create long-term positive impacts through our community projects and charitable partnerships by establishing enduring relationships and maximising synergies that make best use of complementary resources, knowledge, and skills. Through our Foundations and volunteer teams, we deliver meaningful programmes to members of the community under our three focus areas of education, social welfare, and the environment.

APPRECIATING THE BEAUTY OF NATURE THROUGH ARTS



The “BEA Festival” entered its second year in partnership with the Hong Kong Youth Arts Foundation (“HKYAF”). Over 1,800 students and members of the general public participated in

a series of fun and free art activities in July. With the theme “Back to Nature”, the “BEA Festival” was held to promote environmental awareness and sustainable living.

Through theatrical and choir performances, creative arts workshops, installation art exhibitions, and dance video screening, participants were encouraged to appreciate the beauty of nature and take action to protect our planet.



8,900+
hours
contributed by our
volunteers



HK\$
~14
million
in cash donations
made by the Group



▲ Participants explored the beauty of nature through creative arts workshops.



▲ An original play entitled “A Guide to Be Wild” spurred self-reflection on the wild within us and the wonders of the natural world.



▲ Participants were also able to appreciate a collection of nature-themed artworks co-created by local artists, students, and BEA volunteers.

FOSTERING A SUSTAINABLE AND INCLUSIVE SOCIETY



In September, “BEA Upcycles” was held once again in partnership with St. James’ Settlement. A variety of upcycling experiences under the theme of “Play” were offered with the aim of promoting environmental protection and fostering social inclusion, including an art exhibition, fun games, charity sales, and creative workshops.

The event also engaged rehabilitated individuals who served as workshop mentors and environmental ambassadors, and promoted local designs. Visitors were able to marvel at a pinwheel art installation co-created by local upcycling designer Alize Lam, persons with disabilities, and BEA volunteers.



▲ Over 320 upcycled products were sold for charity.



▲ More than 100 BEA volunteers and over 15,000 participants and beneficiaries took part.

CARING FOR THE ELDERLY



To improve the wellbeing of Hong Kong’s ageing population, BEA, together with “la Caixa” Banking Foundation (“la Caixa” Foundation), has supported and funded the “Palliative Care for the Elderly Programme” (the “Programme”) organised by The Salvation Army Hong Kong and Macau Territory (“The Salvation Army”) for more than 10 years.

BEA continued to promote the development of palliative and end-of-life care in Hong Kong, and contributed to related government policies by launching the fifth phase of the Programme, “Golden Adventures”, which will run from 2023 to 2026. In the year under review, over 180 BEA volunteers supported the Programme through different activities organised for 400 senior citizens.



▲ Physical health is a key component of “Golden Adventures”. BEA volunteers visited community centres and elderly living alone to teach them simple stretching exercises.

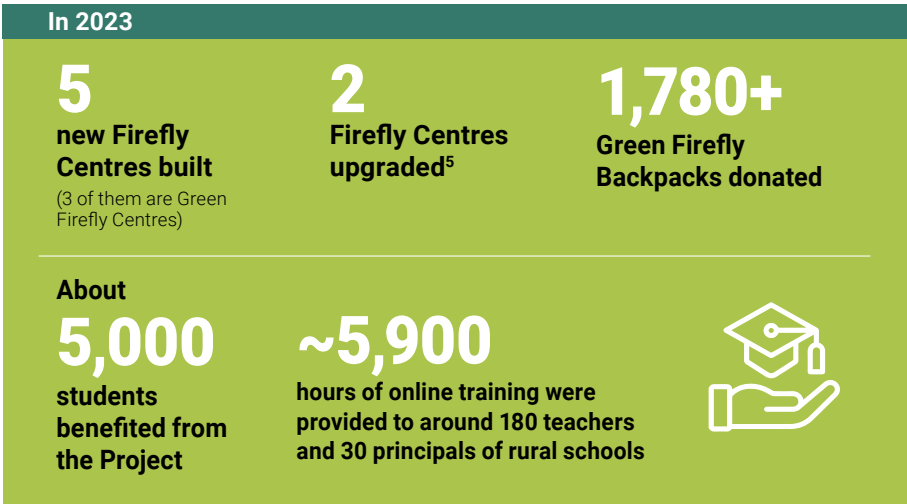


▲ BEA volunteers prepared soft food meals together with seniors and their carers to better understand the needs of the elderly.



EYE ON EDUCATION

For over a decade, the Shanghai Soong Ching Ling Foundation – BEA Charity Fund has improved educational resources in rural areas under the “Firefly Project”. In 2023, the “Firefly Project” was renamed “Green Firefly Project” with an aim to promote education while also advocating environmental protection and emissions reduction. Green Firefly Centres are equipped with green and smart features, including smart devices and solar power system.



PROVIDING EMERGENCY RELIEF

BEA China donated CNY1 million to the China Charity Federation for emergency relief and post-disaster reconstruction in the Beijing-Tianjin-Hebei region which was severely affected by torrential rain in August brought on by Typhoon Doksuri.

Then in December, BEA China donated CNY1 million to the Red Cross Society of

Jishishan Bonan, Dongxiang and Salar Autonomous County, Linxia Prefecture, Gansu Province for emergency relief supplies, resettlement of displaced persons, and reconstruction following a 6.2-magnitude earthquake that struck the region.



5. Upgrades included setting up green science corners, upgrading e-learning facilities, etc.

COMMUNITY PROGRAMMES IN OTHER MARKETS

SOCIAL WELFARE

Staff members generously volunteered their time to show care and support to the elderly, disadvantaged youth, and persons with disabilities.

MACAU



▲ A handcraft workshop at The Creative Art House with members of Fuhong Society of Macau

TAIWAN



▲ Food donations to students during the suspension of school meals in the summer

SINGAPORE



▲ Volunteering work at the Society for the Aged Sick, with performances, games, and a sing-a-long

COMMUNITY PROGRAMMES IN OTHER MARKETS

ENVIRONMENT

BEA volunteers rolled up their sleeves to do their part for the environment, from donation drives and recycling programmes to clean-ups and supporting local community gardens.

MALAYSIA



▲ Recycling activities such as clothing donations and plastic bottle recycling/reuse programmes

UNITED KINGDOM



▲ Volunteering work at the Phoenix Garden, a local community garden that was short-staffed during the busiest season

EDUCATION

BEA organised webinars and other activities for staff to share their knowledge and improve financial literacy levels.

UNITED STATES



▲ Webinars on financial literacy for primary school students

ESG APPROACH AND 2023 PERFORMANCE

ABOUT THIS REPORT

[GRI 2-2, 2-3, 2-6]

REPORT COVERAGE

Our 2023 ESG Report describes the approach and sustainability performance of the BEA Group (“the Group”) for the financial year from 1st January to 31st December, 2023. It focuses on the sustainability issues identified as material to the Group and its stakeholders, and also discloses details of our sustainability vision, strategy, and governance.

We publish our report in two main sections. The 2023 ESG Highlights section (pages 1 – 16) is provided to inform stakeholders of major developments. How we manage our material ESG topics and our annual performance are presented in the ESG Approach and 2023 Performance section as well as the [Appendices](#).

This report can be read in conjunction with our [Annual Report 2023](#) which presents our financial and business performance in detail.

During the reporting period, there was no significant change in our scope of business.

BEA GROUP

HONG KONG

Group members	Products & services
The Bank of East Asia, Limited (“BEA” or the “Bank”)	- Wholesale & personal banking - Wealth management - Treasury services
Bank of East Asia (Trustees) Limited (“BEA Trustees”)	- Mandatory Provident Fund (“MPF”) services
East Asia Securities Company Limited (“East Asia Securities”)	- Securities broking
East Asia Futures Limited (“East Asia Futures”)	- Futures & options broking
BEA Union Investment	- Asset management - Wholesale financial advisory

CHINESE MAINLAND

Group members	Products & services
The Bank of East Asia (China) Limited (“BEA China”)	- Wholesale and personal banking
East Asia Digital Information Services (Guangdong) Limited (“EADIS”)	- Back-office operations & services (e.g. customer contact centre, data processing, application development, risk & compliance operations)

MACAU & TAIWAN

Group members	Products & services
Macau Branch	- Wholesale banking
Taiwan Branch	

OVERSEAS

Group members	Products & services
Kuala Lumpur Representative Office	- Liaison services
Singapore Branch	- Wholesale banking
US Branches	
UK Branches	- Wholesale & personal banking



REPORTING STANDARDS AND ASSURANCE

Our 2023 ESG Report is approved by the Board and is prepared in accordance with the following regulations and standards:

- Environmental, Social and Governance Reporting Guide (“ESG Guide”) contained in Appendix C2 (previously known as Appendix 27) to The Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and
- GRI Standards 2021.

This report was also developed in reference to the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”) and followed a “comply-or-explain” approach to the HKMA’s Supervisory Policy Manual GS-1 on Climate Risk Management.

Content index tables in the [Appendices](#) list out the information reported according to the recommended disclosures of the abovementioned guidelines and frameworks.

This report has been independently reviewed by the HKQAA, details of which can be found in the [Verification Statement](#).

REPORTING PRINCIPLES

We followed the GRI Standards and the Stock Exchange’s ESG Guide Reporting Principles in the preparation of this report.

Principles	Our Response
Accuracy	We provide qualitative and quantitative information that is accurate and sufficient to allow an assessment of our impact.
Balance/Completeness	We provide stakeholders with an unbiased picture of our ESG management and performance by reporting against a set of comprehensive requirements set out by the reporting standards, disclosing our achievements and any potential adverse impacts.
Clarity	We present information in a way that can be understood by readers.
Consistency/Comparability	We use consistent methodologies to measure and monitor our ESG performance whenever practicable and specify any changes to allow for meaningful comparison over time.
Materiality	We have identified a range of environmental, social, and governance topics that are relevant to the Group’s business and operations, and further evaluated their impacts on the Group and its stakeholders through a materiality assessment. The results have been approved by the Board ESG Committee and used to set the framework and content of this report. Details of our materiality assessment process can be found in Our Material ESG Topics .
Quantitative	We measure and monitor our ESG performance through an extensive set of defined key performance indicators, which are reported in Our Performance . We have also set targets to reduce our impact on the environment.
Sustainability context	We report information about BEA’s impacts in the wider context of sustainable development.
Timeliness	We publish our report annually and make it available in time for readers to make decisions.
Verifiability	We gather, record, compile, and analyse information in such a way that can be examined to establish its quality.

WE WELCOME YOUR FEEDBACK

Our teams are eager to hear your feedback and we provide a few ways for you to contact us about this ESG Report and our ESG performance:

Feedback on this report: Sustainability@hkbea.com
 Customers and suppliers: info@hkbea.com
 Investors: FD-IR@hkbea.com
 Community investment: CSR@hkbea.com
 Mail: Sustainability Department, 19/F, 10 Des Voeux Road Central, Hong Kong

ABOUT BEA

[GRI 2-1, 2-2, 2-6, 2-7]

CORPORATE PROFILE

Incorporated in 1918, BEA is a leading Hong Kong-based financial services group listed on the Stock Exchange, with total consolidated assets of HK\$860.4 billion as at 31st December, 2023.

Having established deep roots in Hong Kong since its founding more than 100 years ago, BEA is dedicated to providing a comprehensive range of wholesale banking, personal banking, wealth management, and investment services for individuals and businesses across different industries throughout Greater China and beyond. We maintain one of the largest retail networks of any bank in Hong Kong, and our wholly-owned subsidiary, BEA China, operates one of the most extensive networks of any foreign bank in the Chinese Mainland.

To support people and businesses with links to Hong Kong and the Chinese Mainland, we have established a presence in a number of markets including Macau, Taiwan, Malaysia, Singapore, the UK, and the US. Worldwide, the Group employs over 8,100 people who serve our customers through approximately 130 outlets.

OUR CORPORATE VISION, MISSION, AND CORE VALUES

VISION	To be the trusted and preferred banking partner in Greater China and beyond
MISSION	To ensure every customer experience is positive. We achieve this by providing best in class financial products and services
SUSTAINABILITY VISION	To be regarded as the sustainability leader among financial institutions in Greater China and beyond

CORE VALUES

<p>EXCELLENCE</p> 	<p>COMMITMENT</p> 	<p>INTEGRITY</p> 	<p>CUSTOMER FOCUS</p> 	<p>TEAMWORK</p> 	<p>INNOVATION</p> 
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OUR APPROACH TO SUSTAINABILITY

[GRI 2-1, 2-2, 2-6, 2-7, 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-17, 2-18, 2-22, 2-23, 2-24, 2-25, 2-26, 2-29]

CORPORATE GOVERNANCE

BEA maintains high standards of corporate governance and considers such commitment essential in balancing the interests of shareholders, customers, employees, and other stakeholders; and in upholding accountability and transparency. The Bank has in place a corporate governance framework which sets forth all key Group members and their roles in the application of effective governance policies and processes. A Corporate Governance Policy has also been established to direct and guide the business conduct and affairs of the Group. Further details of BEA's corporate governance practices and performance can be found in the Corporate Governance Report in our [Annual Report 2023](#), as well as additional documents published on our [website](#).

Sustainability governance

Governance structure

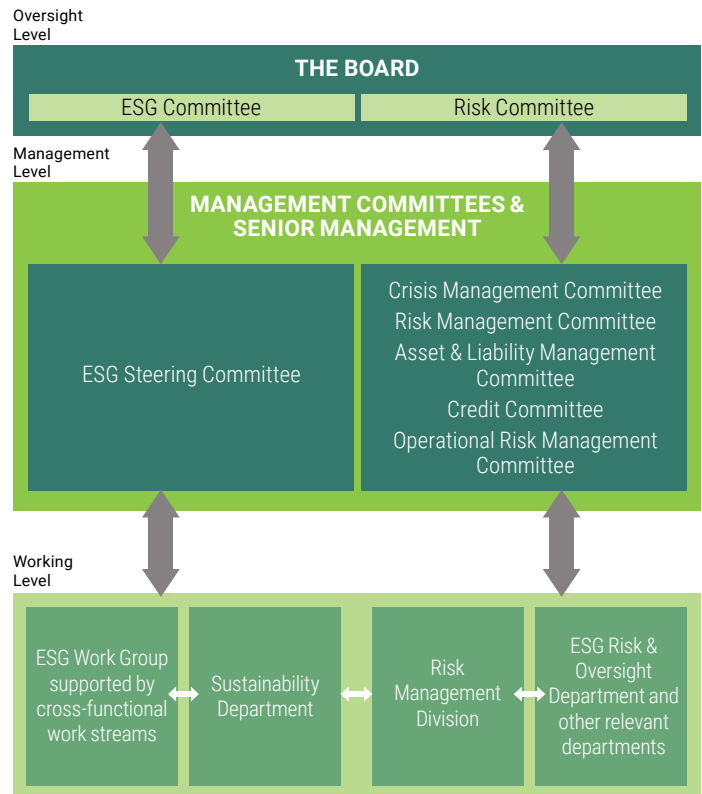
Our sustainability governance operates from the Board, Board Committees, and Management Committees through to the specialised functions, subsidiaries and branches in Hong Kong and beyond.

Roles and responsibilities

The Board oversees and approves the Group's strategies, goals, and targets in relation to material sustainability and climate-related matters. In carrying out its duties, the Board is supported by the ESG Committee, which in turn is supported by the ESG Steering Committee, and ESG Work Group. The Board is regularly updated on ESG-related matters at Board meetings and through quarterly reports and presentations. To keep abreast of the ever-evolving ESG landscape and enable them to discharge their ESG-related duties effectively, our directors take part in relevant training programmes and workshops related to ESG, climate risk, and other salient topics. During 2023, all of the directors received ESG-related training.

BOARD STATEMENT

“The Board regards BEA's financial and non-financial performance as interlinked, and together they determine our long-term success. As such, the Board assumes overall responsibility for the sustainable development of BEA. With the guidance of the Board, we constantly assess and improve the efficacy of the Group's corporate governance practices, taking into account market trends and responding to the guidelines, requirements, and growing expectations of regulators, shareholders, and other stakeholders.”



ESG 2023 Highlights	About This Report	About BEA	Our Approach to Sustainability	Our Sustainability Pillars	Our Performance	Appendices
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The Board-level **ESG Committee** is appointed by the Board to oversee the Group’s ESG performance. Chaired by an Independent Non-executive Director who has extensive sustainability experience and serves as the Chairman of a number of industry associations and coalitions⁶, the ESG Committee is responsible, among other things, for reviewing and approving ESG strategies, goals, and targets; monitoring progress; and making recommendations to the Board. Meeting at least twice a year and receiving quarterly updates from the Sustainability Department (“SUD”), the Committee oversees the Group’s ESG governance and management of its material environmental and social impacts. An overview of the Committee’s composition and Terms of Reference is available via our [website](#).

The **ESG Steering Committee** sits under the ESG Committee. The Steering Committee is chaired by Mr Brian Li, Co-Chief Executive, and comprises the Deputy Chief Executive & Chief Operating Officer as well as general managers of divisions that play a key role in BEA’s ESG performance. The ESG Steering Committee is responsible for driving ESG strategy development, assessing the materiality of existing and emerging ESG topics, as well as setting ESG goals and targets and reviewing performance, which are then reported to the ESG Committee.

BEA’s **ESG Work Group** comprises department heads selected by the Bank’s general managers. The ESG Work Group is responsible for formulating ESG goals and implementing strategies set by the ESG Steering Committee, identifying ESG risks and opportunities that may be escalated to the ESG Steering Committee for consideration, and supporting ESG reporting and other forms of stakeholder communication.

Coordinated effort

Across the Group, various parties are also tasked with duties to support the formulation, implementation, monitoring, and reporting of ESG measures and activities.

At the Board level, the Audit Committee, Remuneration Committee, and Risk Committee review policies and make recommendations to the Board on their respective subjects of expertise.

At the management level, the Senior Management includes the Co-Chief Executives, Deputy Chief Executives, and all general managers of the Bank. The General Manager and Group Head

of People & Sustainability Division (“GM and Group Head of PSD”) chairs the ESG Work Group and serves as a Director of the BEA Foundation.

At the working level, SUD, together with the Corporate Communications Department, Human Resources Department (“HRD”) (including the Staff Sports and Recreation Club (“SSRC”), and BEA Volunteer Team), and Training & Development Department (“TDD”), report directly to the GM and Group Head of PSD.

SUD is dedicated to driving the implementation of a Group-wide sustainability strategy and related initiatives, coordinating the efforts of the Group’s ESG governance bodies, and monitoring BEA’s environmental and social impacts. It also drives the implementation of BEA’s net zero roadmaps in collaboration with other relevant departments and units of the Group, including the ESG Risk & Oversight Department (“EROD”) and FMD. EROD is responsible for implementing ESG and climate risk management-related initiatives within the Group; while FMD plays an important role in adopting sustainable practices in the operation and maintenance of our premises, and improving the Group’s performance in line with our operational emissions targets.

Meanwhile, cross-functional work streams support ongoing ESG efforts such as reporting and disclosure, and drive achievement of specific ESG goals. In 2023, a green and sustainable finance advisory team was established under the Wholesale Banking Division (“WBD”) to support customers in their transition to a low-carbon economy.

Other Group members including BEA China and BEA Union Investment have established their own ESG governance structures based on their specific business and operational contexts. For details, please refer to [BEA China’s ESG Report](#) and [BEA Union Investment’s Sustainable Investment Policy](#). In the UK, BEA has set up an ESG Taskforce that discusses ESG matters on a quarterly basis, explores strategies to enhance the ESG performance, and makes informed decisions that are aligned with the Group’s sustainability goals.

Our community investment initiatives are carried out through the BEA Foundation, the Shanghai Soong Ching Ling Foundation – BEA Charity Fund, and the Shanghai Charity Foundation – BEA Charity Fund.

6. Including the Board of Examiners of the Hong Kong Sustainability Award launched by the Hong Kong Management Association and the Board of the Sustainable Apparel Coalition

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Guiding policies & compliance

We have policies in place to govern the Group’s approach to various sustainability topics. The Group policies are reviewed and updated regularly to reflect changes in regulatory requirements, business environment and stakeholder expectations.

Overarching

- [Green and Sustainable Finance framework \(“GSF framework”\)*](#)
- [Group Responsible Investment Policy*](#)
- [Sustainability Policy](#)
- [Sustainable Procurement Policy](#)

Environmental

- [Environmental Policy](#)
- [Sustainable Building Policy](#)

Social

- [Community Investment Guidelines*](#)
- [Human Rights Policy](#)
- [Slavery and Human Trafficking Statement](#)

Governance

- [Corporate Governance Policy*](#)
- [Code of Conduct*](#)
- [Conflict of Interest Policy*](#)
- [Cyber Security Policy*](#)
- [Group Risk Management Policy*](#)
- [Group Policy on Anti-Bribery and Corruption*](#)
- [Group Policy on Anti-Money Laundering and Counter-Financing of Terrorism \(“Group AML”\)*](#)
- [Group Policy on Fraud Risk Management*](#)
- [Information Security Policy*](#)
- [Supplier Code of Conduct](#)
- [Whistleblowing Policy](#)

*Internal policy documents

A list of external references relating to our ESG-related policies is available in the [Appendices](#).

Risk management

The Bank leverages its established Enterprise Risk Management (“ERM”) framework to identify, manage, control, and report ESG and climate-related risks. Fundamental to the ERM framework is the implementation and operation of the “Three Lines of Defence” model, comprising Risk Owners, Risk Controllers, and Internal Audit Division (“IAD”) acting as the first, second, and third lines of defence respectively.

1st Line	Risk Owners: Heads of business units or support units that are responsible for day-to-day management of risk within their units
2nd Line	Risk Controllers: Designated staff responsible for setting out a risk management governance framework, monitoring risks independently, and supporting the Management Committees in risk oversight
3rd Line	Internal Audit Division: Responsible for providing assurance in relation to the effectiveness of the Group’s risk management framework

The ERM framework incorporates ESG and climate-related considerations and enables responsible parties to prioritise and allocate resources to better manage these issues. Significant ESG and climate risk issues are reported and escalated through the framework structure, ensuring appropriate attention and action from Management Committees and the Board.

Further details of our climate risk management approach are available in the [Climate Resilience](#) section. Detailed information relating to risk management and internal controls is also available in our [Annual Report 2023](#).

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OUR ESG MATERIALITY FRAMEWORK

We strive to adopt best-in-class performance and regularly review progress made on our material ESG topics that are placed under the three pillars of responsible business, responsible operations, and responsible citizen.

Pillar	What it means to BEA
RESPONSIBLE BUSINESS 	To act with integrity, comply with applicable laws and regulations, and set the same standards for our suppliers
	To offer products and services that support small businesses, marginalised groups, and companies or projects that create value for society and the environment
	To consider ESG in our risk management process, and work with internal and external stakeholders to promote corporate responsibility and sustainability
	To treat all customers fairly and with respect, and provide accessible services for all our customers, while protecting customer data privacy
	To provide high-quality products and ensure customers have full and accurate information to make informed decisions
RESPONSIBLE OPERATIONS 	To invest in people development and training
	To provide a safe, healthy, and inclusive working environment
	To promote equal opportunities to all employees and job applicants
	To encourage open dialogue between Senior Management and staff
	To minimise the environmental footprint of our office buildings and branches, with a particular focus on reducing energy consumption, carbon emissions, paper use, and waste
To promote eco-conscious behaviour in our employees, customers, and suppliers	
RESPONSIBLE CITIZEN 	To leverage our resources to make a positive contribution to the communities in which we operate
	To encourage employees to connect with their communities through volunteering activities

Tracking our performance

We recognise that embedding sustainability into our ways of working takes time. To ensure our people understand that what they do is helping us to achieve our vision, we have built ESG goals into our Bank-wide scorecard, linking ESG performance to the annual performance review for all staff, including Senior Management. The Bank’s ESG scorecard is managed by the Head of Sustainability, with ESG goals placed also on divisional

and departmental scorecards. These goals are monitored for progress and reported to the Board-level ESG Committee.

A summary of key ESG goals and achievements in 2023 is outlined in the [ESG Performance Summary](#) section. Updates on our performance are provided in the 2023 Performance sub-sections in each chapter and [Our Performance](#) in this report.

OUR MATERIAL ESG TOPICS

Stakeholder engagement and materiality assessment

Every five years, we conduct a comprehensive materiality assessment while targeted pulse checks are arranged in the years between assessments. In 2023, we continued to conduct our materiality assessment using the concept of double materiality, which enabled BEA to reflect on the impacts of sustainability on the organisation and the most significant impacts on the society, the environment, and the economy.

To enhance the quality of our Group reporting, we conducted stakeholder engagement exercises with colleagues across geographies, and consolidated the findings with the results of our stakeholder engagement exercise in Hong Kong to create a Group materiality matrix. This matrix was approved by the ESG Committee in November. We will continue to evaluate the effectiveness of our materiality assessment process and make adjustments as necessary to align with industry-leading practices.

Our materiality assessment process:

1. Identification

- Topic identification through research into global, regional, and industry trends; the requirements and expectations of our regulators; and ESG topics relevant to the markets in which we operate.
- Stakeholder mapping based on the groups we interact with, who are influenced by our actions and who can affect the operations of the Bank.

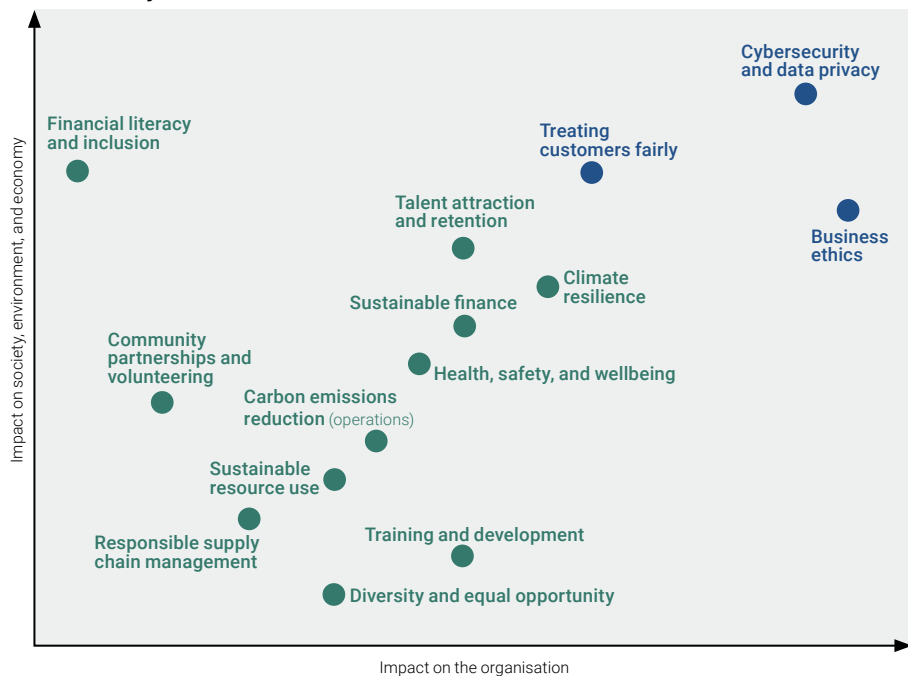
2. Prioritisation

- Engagement with internal and external stakeholders through daily operations and targeted outreach to determine the impacts of our operations on people, the economy, and the environment, and the likelihood that ESG topics may impact our Bank.
- Development of a materiality matrix and determination of a threshold for materiality.

3. Validation

- The ESG Steering Committee reviews the material topics, confirms those that are most material, and provides direction on which emerging topics should be monitored. The results are then presented to and approved by the ESG Committee.

Materiality matrix 2023



Responsible Business	
Business ethics	
Cybersecurity and data privacy	
Treating customers fairly	
Climate resilience	
Sustainable finance	
Financial literacy and inclusion	
Responsible Operations	
Talent attraction and retention	
Training and development	
Health, safety, and wellbeing	
Diversity and equal opportunity	
Carbon emissions reduction (operations)	
Sustainable resource use	
Responsible supply chain management	
Responsible Citizen	
Community partnerships	
Volunteering	

Influence on stakeholders:

- Significantly high
- High
- Medium
- Low

ESG 2023 Highlights	About This Report	About BEA	Our Approach to Sustainability	Our Sustainability Pillars	Our Performance	Appendices
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Stakeholder communication

We value regular, honest, and open dialogue with our stakeholders. Having conducted a comprehensive mapping of our stakeholders, we revisit this exercise each year to ensure it remains relevant.

An overview of the topics that are relevant to each stakeholder group is provided in the [Appendices](#) of this report. The views of our key stakeholders directly inform our sustainability strategy and help us to identify and manage our ESG impacts and shape our ESG reporting.

Stakeholder		Engagement Channels
Customers	We listen to our customers to understand their needs and respond with services and products that offer service excellence while managing relevant sustainability topics that matter to them.	Customer feedback channels
		Customer events
		Sustainability communications via the Bank’s website and social media
Shareholders	Our shareholders expect good returns on their investment in our Group, and they are keen to know what we are doing to ensure our business is future fit.	Annual General Meetings
		Corporate communications
		Communications with ESG rating agencies and ESG indices representatives
Regulators	We seek input from our regulators and share our developments and challenges with them to ensure that we are addressing the risks and seizing opportunities in our major markets.	Participation in industry events
		Communications with regulator representatives
		Responding to information requests
Employees	Our employees are key to the growth of the Group. We maintain frequent open communication to understand their needs and how BEA and its people can grow together.	Bank-wide and division town halls
		Focus groups
		Employee surveys
		Staff e-Newsletters
		Sustainability communications via BEA’s intranet
Society	Having served the people of Hong Kong for more than a century, we have forged strong ties with the local community. We engage non-government organisations (“NGOs”) and members of the general public through the BEA Foundation.	BEA Foundation programmes as well as the programmes organised by our foundations in the Chinese Mainland and the efforts of our staff volunteers in other markets we serve

OUR SUSTAINABILITY PILLARS

RESPONSIBLE BUSINESS

BEA's success is built upon a strong foundation of sound governance, independence, ethics, and compliance. We are committed to conducting business responsibly by ensuring compliance with relevant laws and regulations in all our operations. We carefully consider the impacts of our decisions when selecting and engaging with customers, suppliers, and other stakeholders. Acting ethically and transparently strengthens our brand and instils confidence in our industry. Our aim is to grow responsibly and have a positive influence beyond our own operations.

BUSINESS ETHICS
 [Aspect B7] [GRI 2-15, 2-17, 2-25, 2-26, 2-27, 201, 205, 207]

Why it matters

While there has been a general improvement in public confidence within our industry over the past decade, financial services still face challenges in earning trust and remain among the least reliable sectors⁷. It is imperative for industry participants to prioritise the ongoing task of building credibility. We recognise the reliance placed on us by individuals and businesses, and regulators, and the significance of responsibly creating and distributing value. Demonstrating prudence and responsible value distribution is crucial to establish and maintain faith in the financial services sector.

Management approach

Our [strong governance structure](#) ensures that all Bank activities are conducted with integrity and comply with applicable legal and regulatory requirements. The Board-level Risk Committee oversees the Bank's risk management, including ethical issues that could give rise to potential compliance and reputation risks. As stated in its [Terms of Reference](#), the Committee reports regularly to the Board on significant risk-related issues. Stringent control measures have been implemented to ensure that we operate our business in an ethical manner.

Code of Conduct

To guide directors in managing ethical issues, including conflicts of interest and fair dealing, the Bank has implemented a Directors' Code of Conduct and Policy on Conflicts of Interest. Directors are obligated to avoid activities that could lead to actual or potential conflicts of interest and are required to disclose such activities to the Reporting Officer prior to their materialisation. Furthermore, directors must declare any material interest in significant transactions, agreements, or contracts relevant to the Bank's business.

We expect our staff to respect and uphold the highest standards of business conduct and integrity, and act in accordance with applicable standards mandated by the codes of conduct issued by the relevant regulatory authorities or professional bodies. Internally, BEA's Code of Conduct (the "Code") aims to set out the minimum standard of conduct required from all staff members (including permanent and non-permanent staff). The Code covers a wide range of topics, including corruption and bribery, discrimination/sexual harassment, use/confidentiality of information, conflicts of interest, money laundering, insider trading/dealing, etc.

The Code is accessible to all relevant persons via BEA's intranet and clearly stipulates acceptable behaviour for those who represent the Group. All staff members are subject to the Code regardless of their personal identities. Any breach of the Code will give rise to disciplinary action or criminal prosecution. In the event of a possible breach of the Code, staff members are required to promptly report the case to the GM and Group Head of PSD who is designated as the Code of Conduct Officer. Each year, all staff members are required to read the latest version of the Code, and declare that they understand, and are in compliance with the Code and the policies embedded therein. Training on the Code which covers a range of business ethics and integrity topics, are also provided to all staff members, including part-time and contract staff.

7. 2023 Edelman Trust Barometer

Staff grievance procedure

Our Staff Grievance Procedure provides guidelines to staff members wishing to voice work or workplace-related concerns, dissatisfaction, and complaints. Such grievance and complaints can be raised to immediate supervisors or escalated to the next level of management/branch manager, or department head/district head. Staff members also have the option to lodge a grievance with HRD or report the case directly to the Head of IAD. All complaints and investigations are handled in strict confidentiality and will be escalated to Senior Management when necessary. All parties involved will be treated in a fair and respectful manner throughout the process.

Whistleblowing Policy

Our Whistleblowing Policy and Procedure ensures that employees can report concerns in confidence and without the fear of personal repercussions. A [Whistleblowing Policy](#) for external stakeholders including suppliers and their staff members, is available via BEA’s corporate website.

Anti-corruption

BEA has in place a Group Policy on Anti-bribery and Corruption, which is communicated to all employees through annual circulation. Refresher training is arranged for all employees annually, including part-time and contract employees, to reinforce our zero-tolerance approach to corruption. Our [Anti-Bribery and Corruption Statement](#) is published on our website for public access, promoting transparency. These expectations extend to directors, agents, contractors, suppliers, and associated persons who must comply with relevant policies and regulations. Depending on the severity, violations of our policy may result in the termination of the business relationship, employment or appointment.

ANTI-CORRUPTION MEASURES	
Conflict of Interest Policy	Employees are required to avoid any actual or potential conflict of interest situations or the perception of such conflicts.
Conduct When Obtaining Business	Employees are prohibited from offering/ accepting any bribe or advantage as defined in the Prevention of Bribery Ordinance, in order to influence decisions of others, whether directly or indirectly.
Personal Benefits	Employees are prohibited from soliciting, accepting, or retaining personal benefits from other employees, customers, or suppliers of the Bank. Guidelines outline when personal benefits can be accepted under specified circumstances.

Fraud risk management

To foster an anti-fraud mindset and enhance our resilience against fraudulent activities, we have implemented a holistic risk management mechanism that encompasses prevention, detection, investigation, and corrective actions. This approach is supported not only by the Group but also by our subsidiaries and joint ventures, all of whom adhere to similar policies aligned with our core values.

In our comprehensive strategy to combat fraud, we prioritise preventive measures such as the implementation of Group Policy on Fraud Risk Management, risk assessments, prevention and detection controls, training, and fraud awareness programmes to minimise opportunities for potential fraudsters. Additionally, we employ proactive fraud detection techniques such as fraud monitoring system, data mining, and trend analysis to promptly uncover any fraudulent activities. Coordinated fraud investigations and appropriate corrective actions are then taken to address potential fraud incidents in a thorough and timely manner.

Anti-money laundering and counter-financing of terrorism (“AML/CFT”)

BEA is resolute in its dedication to combatting illicit financial activities. We prioritise AML/CFT efforts, constantly updating our policies, procedures, and controls to mitigate risks within the Group. The Group AML Policy sets guidelines and standards for customer due diligence and record-keeping, covering tax evasion and sanction risks. The Bank adopts a risk-based approach in the design and implementation of the AML/CFT systems, which include adequate and appropriate controls to effectively mitigate money laundering/terrorist financing risks. For example, the Bank requires senior authority’s approval for higher-risk customers, including politically exposed persons with higher risks. All Group members must adhere to the Group AML Policy, and AML/ CFT takes precedence over other considerations. Relevant guidelines support implementation and compliance, and are regularly reviewed to align with legal and regulatory changes.

To promote awareness and compliance, regular AML/CFT training, covering international sanctions and tax evasion, is provided to relevant Group members. Our Compliance Risk Management Manual guides reporting of regulatory matters, non-compliance incidents, and irregularities. The Bank ensures the effectiveness of the Group AML Policy, Anti-Bribery and Corruption (“AB&C”) measures, and whistleblowing

mechanisms through regular reviews and enhancements. Also, we strive to maintain a culture of vigilance by making AML/CFT resources readily available to employees through the BEA intranet.

Our [Statement on Anti-Money Laundering and Counter-Financing of Terrorism](#) is available for public access on our corporate website.

Tax risk management and strategy

The tax strategy of the Bank is based on the principles of responsible compliance and a cooperative relationship with the tax authorities in the jurisdictions in which we operate. The Bank is a Hong Kong tax resident and pays taxes mainly in Hong Kong. We comply with all relevant laws and avoid abusive tax planning schemes and practices.

Regarding the management of tax risk, we conduct a detailed review and control of the Bank’s tax reporting process to ensure that accurate and relevant tax information is reported, and that tax returns are submitted on a timely basis.

For tax transparency purposes, we comply with the US Foreign Account Tax Compliance Act and the legislative framework of the automatic exchange of financial account information in tax matters (“AEOI”) under the Inland Revenue Ordinance of Hong Kong for implementing the relevant requirements, including the Common Reporting Standard for AEOI promulgated by the Organisation for Economic Co-operation and Development.

Group policies and compliance

In addition to the policies mentioned, the Group has put in place detailed policies and procedures to help ensure that our staff and business partners act ethically and with integrity when conducting affairs involving BEA. These policies and guidelines are subject to periodic review to address legal and regulatory changes, and are communicated to all stakeholders via various channels (such as websites, circulars and correspondences, training, tender documents, terms of contracts, etc.). To ensure our workforce upholds the highest ethical standards, mandatory business ethics training is provided for all Group employees each year, covering part-time and contract employees.

BUSINESS ETHICS POLICIES

Code of Conduct*
Conflict of Interest Policy*
Directors’ Code of Conduct and Policy on Conflicts of Interests*
Disciplinary Guidelines and Procedure*
Group Policy on Anti-Bribery and Corruption*
Group AML Policy*
Group Policy on Fraud Risk Management*
Supplier Code of Conduct
Staff Grievance Procedure*
Third Party Risk Management Guideline*
Whistleblowing Policy and Procedure*

*Internal policy documents

Regular audits related to anti-corruption and business ethics are conducted within the Group, at least once every three years, through internal review by IAD and/or external independent assessment. More information on our risk management approach is available in the [Corporate Governance](#) section.

Programmes and initiatives

Through different programmes and initiatives, BEA aims to effectively implement strategies and policies, ensuring compliance with regulatory standards, fostering an ethical culture, and supporting continuous improvement.

Ethical culture

Apart from annual refresher training, various programmes and initiatives related to anti-corruption were organised in 2023, to reinforce awareness and refresh the knowledge of our staff.

In 2023, we:

- arranged for a senior manager to attend a 2-day course on “Professional Anti-Corruption Training in Banking Management” delivered by the Independent Commission Against Corruption (“ICAC”);
- utilised the ICAC’s preventive education resources, such as the Ethics Promotion Programme, to promote an ethical culture within the organisation;
- incorporated ICAC-developed videos into a “Micro-learning Programme”; and
- organised ethics training delivered by ICAC speakers for staff.

To promote awareness among our customers, the “Bank Client Smartpedia” leaflet was made available to visitors of our branches. This leaflet dispels common corruption-related myths, lists out potential risks that customers may encounter, and suggests ways to handle different situations.



Fraud prevention

In 2023, the Bank introduced the Intelligence-Led Financial Crime Prevention initiative, which adopts a proactive detection and prevention approach, combining advanced analytics and valuable intelligence to stay ahead of evolving fraud trends.

By leveraging data-driven insights, BEA effectively detects and mitigates sophisticated financial crimes, often before victims realise they have fallen victim to scams. The initiatives collectively showcase BEA’s commitment to leveraging data-driven strategies, innovative practices, and advanced technologies to maintain customer trust.

Our efforts have been recognised by the industry. In September, we received the Big Data – Banking and Analytics – Banking award at the Hong Kong Business Technology Excellence Awards.

In November, BEA was one of the participating banks in the newly formed “Anti-Deception Alliance” (“ADA”) organised by the Hong Kong Police Force (“HKPF”). Through a direct and effective communications mechanism linking the HKMA, HKPF, and participating banks, and assigning the Bank’s ADA representatives to investigate cases, freeze accounts, trace funds and share intelligence information, we are able to enhance our efforts and efficacy in combatting deception.

Transaction security is a clear priority for BEA. Moving forward, we will continue to improve our fraud monitoring system to identify and monitor suspicious transactions, alert customers, and intercept fraudulent payments, as well as do our part in raising awareness among the general public.

This year, we provided our staff with online refresher training in fraud risk management to ensure their knowledge of fraud risk and tactics to fight against internal and digital fraud is up to date. This training was mandatory for all relevant staff. We also provided fraud risk management training materials to the Board of Directors during the year.

2023 PERFORMANCE

100% of Directors viewed AML/CFT, AB&C and fraud risk management training materials.

100% of eligible employees successfully completed the Code of Conduct training, which covers integrity, anti-bribery, and corruption.

Outlook

Looking ahead, the Group’s outlook remains focused on maintaining a strong culture of ethical business conduct. Compliance Division (“COMD”) and IAD will continue their efforts to assess and enhance the effectiveness of our control mechanisms in this regard. The Group will maintain heightened vigilance in addressing AML/CFT and AB&C issues, placing emphasis on robust training programmes and rigorous due diligence practices for all employees. By prioritising these initiatives, we aim to further strengthen our ethical framework and ensure the highest standards of integrity across our operations in the coming years.

CYBERSECURITY AND DATA PRIVACY

[Aspect B6] [GRI 418]

Why is matters

Cybersecurity and data privacy are of paramount importance to BEA. As a business that has thrived for over a century by delivering quality products and services, we recognise the need to innovate and meet the evolving needs of our customers. With the rapid growth of digital banking and the increasing shift towards cashless economies, and the global expansion of fintech, we understand the associated risks of cyberattacks and the imperative to safeguard customer data privacy. As personal data protection legislation becomes more stringent in our markets while cyberattacks on the financial services sector continue to rise, we acknowledge that data breaches can significantly impact customer trust, our reputation, service capability, and financial performance. Being entrusted as custodians of our customers' data, we take our responsibility seriously by ensuring our systems are robust and our staff act with utmost integrity.

Management approach

BEA is fully committed to complying with the Hong Kong Personal Data (Privacy) Ordinance and local personal data privacy laws in all jurisdictions where it operates. We have implemented comprehensive policies and guidelines to safeguard our customers' data privacy and personal information. Our publicly available [Privacy Policy Statement](#) outlines our approach to data collection and retention, ensuring compliance with regulatory requirements. We provide individuals with a [Personal Information Collection Statement](#) that informs them of the purpose of data collection, data transfer, and their rights to access and correct their data.

BEA has a Group Privacy Policy that provides general principles on personal data protection across BEA Group members. This Policy ensures that personal data is handled with care and confidentiality and that individual rights are respected. In 2023, we updated our Group Policy on Personal Information Protection Law ("PIPL") to include regulatory requirements recently issued by the Chinese Mainland regulators. This Policy guides our Group members located outside Chinese Mainland in complying with PIPL requirements. In conjunction, our Privacy Policy Statement, General Guideline on Personal Data Protection, and other data privacy-related policies and guidelines are reviewed annually to ensure their effectiveness.

The Head of COMD serves as the Group Data Protection Officer, overseeing the implementation of our commitment to protecting personal data privacy. This includes ensuring the protection and proper management of sensitive information, addressing privacy-related risks and challenges, and ensuring compliance with relevant regulations and best practices. Other Group members develop their own data protection policies based on local regulatory requirements and the Bank's approach.

Our Technology Risk Management Manual, Cybersecurity Policy, and Information Security Policy, help govern and manage cybersecurity at the Bank. Multiple levels of monitoring are in place, including an emergency response team that directs cyberattack management and implements precautionary and contingency measures.

The Group adopts the principle of minimum authorisation for data security and protects user data from increasingly sophisticated cyberattacks through a system of governing and monitoring bodies, and related policies and procedures. The foundation of cybersecurity and data privacy governance at BEA rests on the "Three Lines of Defence" risk management model. This model helps the Bank capture and monitor cyber security and data risks, while it clarifies the roles and responsibilities of the committees involved. Under the Group's ERM framework, risk management, control, and governance processes are annually assessed through internal IT audit reviews by IAD and external independent assessments.

The Bank also follows the Cyber Resilience Assessment Framework developed by the HKMA to evaluate the inherent risks and maturity levels of our cybersecurity measures against defined control principles. This assessment helps identify areas of improvement and establish clear targets for cyber resilience. We also utilise a cyber intelligence platform and data feeds to stay up to date with the latest threats and share this information internally.

The Group Chief Information Officer reports on matters such as cybersecurity strategy, technology risk-related projects, and major cyber threats during quarterly Risk Committee meetings. The Risk Committee reviews potential risks and reports significant issues to the Board.

Meanwhile, to ensure ongoing awareness and compliance, all staff members across the Group, including part-time and contract staff, receive annual refresher training on personal data protection and information security, underscoring their roles and responsibilities in properly handling and safeguarding data and information, and adhering to the requirements and guidelines set out in the policies and procedures.

POLICIES TO PROTECT CUSTOMER DATA
Cybersecurity Policy*
Group Policy on General Data Protection Regulation*
Group Policy on PIPL*
Group Privacy Policy*
General Guideline on Personal Data Protection*
Information Security Policy*
Privacy Policy Statement
Staff Code of Conduct*

*Internal policy documents

Programmes and initiatives

Embracing innovation

In 2023, the Bank successfully launched three digital platforms, leading to a rapid acceleration in the adoption of fintech solutions across various divisions. This adoption has proven beneficial for a wide range of areas, from sales surveillance and cybersecurity to credit assessment and operations.

To further enhance the customer experience through service optimisation and strengthened risk and compliance measures, the Bank has been actively increasing its fintech investment in Hong Kong. Building on success across multiple projects, in 2022, the Bank launched a new fintech initiative, **BEAST**, which provides a platform that facilitates collaboration and partnerships involving the Bank, tech companies, and industry partners to nurture Hong Kong’s fintech ecosystem. By the end of 2023, **BEAST** had collaborated with eight start-up companies and involved 66 partners on over 110 fintech solutions, among which eight solutions are related to cybersecurity or data privacy enhancement. About 30 solutions have successfully completed the proof of concept process, with some of them having been deployed by the Bank. This initiative helped the Bank to adopt the latest technology solutions best suited to its needs.

DIGITAL TRANSFORMATION

In transforming our business to seize opportunities in digitalisation, BEA adopts an approach that empowers and holds all divisions accountable to digitalise at speed by embedding and building competence across the organisation. Our digital roadmap, endorsed by the Board of Directors, covers key factors required to deliver the fintech initiatives that will allow the Bank to meet its objectives:

- Accelerate front-to-back digitalisation
- Uplift network and salesforce effectiveness
- Improve risk management and asset quality
- Focus on cross-boundary business integration

Guiding the digital transformation of the Bank is the Innovation and Technology Working Group and Fintech Development Department. They play a crucial role in establishing the groundwork for BEA’s digital transformation and drive the implementation of the Group’s fintech strategy. Working closely with various business/support units within the Group, they steer the Bank’s innovation initiatives and ensure the successful integration of fintech solutions into its operations.

In 2023, alongside our digital transformation approach and fintech strategy, we devised a cloud strategy for increasing cloud adoption. A cloud security governance framework has been developed to ensure effective and efficient cloud usage, security posture management, and compliance. Architecture and standards are in place to enforce data security in transit, at rest, and in use. Continuous logging, reporting, monitoring, and analysis enable timely risk monitoring and threat detection, ensuring regulatory compliance on data security and privacy.

Security enhancement

To ensure proper implementation of security measures and the elimination of cybersecurity vulnerabilities, we worked closely with several organisations to enhance system effectiveness. During the year under review, the Group:

- Invited external auditors to conduct security inspections and evaluate the Bank’s cyber resilience risk level. The maturity levels of cyber security measures against defined control principles were assessed and enhancement areas were identified accordingly. With various security enhancements in place, the Bank’s cyber maturity is kept at the highest level, as measured by the cyber maturity assessments. In other words, both corporate and customer assets are protected in a secure and effective manner.
- Evaluated current technologies and trends to enhance cybersecurity against evolving threats and initiated a security programme that includes investing in new security tools to enhance its protection and detection capabilities against recent cyber-attack techniques. In parallel, we are working on integrating attack-simulation tools with aggregated threat intelligence sources to identify areas for improvement.
- Implemented a secure remote access management framework to safeguard crucial assets. This framework encompasses threat detection and management, as well as data loss protection.
- Upgraded online banking system infrastructure of Singapore Branch to fulfil regulatory requirements and user demands, offering essential services to enhance business performance, streamline operations and processes, and elevate the overall customer experience. Through the upgraded mobile banking platform, both business and individual customers can securely access and conduct transactions online.

- Centralised Security Operations, from a centre in Singapore to our Head Office IT Department, to streamline the collection and analysis of aggregated intelligence from multiple overseas branches, bolstering our overall security measures.
- Implemented real-time data flow calculation computing technology in BEA China, with the first exercise focusing on anti-money laundering and providing customer movement alerts.

Meanwhile, to build a strong cybersecurity culture, we keep abreast of developments in the market and glean insights from cybersecurity news or incidents. In 2023, we updated our security guidelines to address cybersecurity risks associated with the adoption of “bring your own device” and Internet of Things (“IoT”) devices in the workplace. This updated guideline has helped strengthen internal controls and accelerate digital transformation.

2023 PERFORMANCE

During the year, no data breach or loss was reported.

Nearly 100% of employees successfully completed personal data protection and information security training.

Outlook

To safeguard corporate and customer data, the Bank will continue to conduct regular reviews of its data security and privacy protection policies and procedures, and evaluate the latest technologies and trends to enhance the Group’s cybersecurity against threats.

At the same time, the Bank is planning to implement zero trust technologies on top of its secure remote access management framework to provide a more granular access mechanism to safeguard the Bank’s important assets.

TREATING CUSTOMERS FAIRLY

[Aspect B6] [GRI 2-26, 417]

Why it matters

Ensuring fair treatment of customers is a fundamental aspect of BEA's operations and values. It matters because it reflects our commitment to meeting the financial needs of our customers in a transparent and ethical manner. By designing and marketing products and services that are fair, we strive to provide our customers with solutions that align with their requirements and avoid any deceptive or misleading practices. Additionally, having relevant grievance mechanisms in place enables two-way open communication, allowing us to address customer feedback, including complaints, promptly and effectively. Upholding non-discrimination of customers further emphasises our dedication to treating all individuals equitably and ensuring an inclusive banking experience. By prioritising fairness, we build trust, foster long-term relationships with our customers, and contribute to the overall wellbeing of the communities we serve.

Management approach

Customer focus is one of our core values. We place great importance on actively listening to our customers and understanding their needs. By doing so, we are committed to delivering exceptional service that surpasses customers' expectations. Our approach is two-fold, as we not only concentrate on meeting customer preferences but also ensure strict adherence to the regulations set by the HKMA, SFC, the Insurance Authority ("IA"), and the Mandatory Provident Fund Schemes Authority ("MPFA"). By giving utmost priority to customer satisfaction and regulatory compliance, we strive to uphold our position as the trusted and preferred financial institution.

A principled approach

As a signatory to the [Treat Customers Fairly \("TCF"\) Charter](#), BEA is committed to upholding principles of transparency, reasonableness, and efficiency in the design and marketing of our products and services. It is the responsibility of our employees to adhere to our core values and provide customers with satisfactory service. To ensure compliance with the TCF Charter, our staff in Hong Kong receive refresher training each year that covers best practices in complaint handling.

Monitoring and improving the productivity and service quality of customer complaint handling fall under the purview of Organisation and Productivity Management Department ("OPMD"). As a testament to our progress in meeting the TCF Charter's expectations, TCF key performance indicators ("KPIs") have been closely monitored by the respective business units since 2021. These indicators provide management oversight and are also included in the Bank Culture Dashboard managed by the Bank Culture Work Group. This integration assures that each department operates in line with the principles outlined in the TCF Charter, promoting a culture of fairness and customer-centricity throughout the organisation.

New product approval

BEA is committed to delivering high-quality products that prioritise customer satisfaction and protection. To maintain a standardised and structured approach to new product approval, we have implemented the New Products and Business Approval Policy ("NPA Policy"). This Policy provides comprehensive guidelines for managing new product approval in an organised manner.

Under the NPA Policy, each new product undergoes a thorough evaluation process, including risk assessment, business and financial analysis, and consideration of TCF principles and ESG risks where applicable. The process covers all banking, investment, financial, non-financial products/services, as well as technology-related and digital banking services distributed through our Hong Kong branch network, business units, and e-channels.

The new product approval process begins with the business units, followed by review and endorsement by the New Product Steering Group, composed of Risk Controllers. The product then proceeds to the Risk Management Committee for final approval. For new funds, BEA Union Investment provides proper advice to relevant parties, including BEA Trustees, and coordinates the authorisation process with the SFC and the MPFA.

By adhering to this rigorous evaluation and approval process, we make sure new products meet quality standards, undergo comprehensive risk assessment, and comply with regulatory requirements. This approach reinforces our commitment to treating customers fairly, providing them with satisfactory products, and upholding ESG principles.

Empowering informed financial decision making

Banking services at BEA come with comprehensive product information, and terms and conditions, which are provided to customers during the account opening process. When offering advice or selling financial products, we prioritise the customers’ best interest, considering their personal profile and the complexity of the services or products involved.

To help customers make informed financial decisions, we offer educational resources through various channels. This includes market trend insights, product feature information, and our annual Economic and Market Outlook Seminar, which keeps customers updated on the latest developments in different asset classes. We also conduct webinars and provide informative videos to keep customers well-informed.

Disclosure and transparency enable us to build trust and credibility with our customers. We carefully prepare and provide offering documents, product key fact statements, and relevant amendments. We place importance on accurate and complete communication of any updates or changes in disclosure information, with a focus on fees and charges.

Assessing the financial capabilities of customers

Investment and insurance services entail higher financial risks compared to general banking services. Therefore, we only offer these services to customers after evaluating their financial objectives, risk tolerance or insurance needs. Our tailored financial products and services are designed to meet specific customer needs, ensuring careful evaluation of each customer’s financial capabilities before providing any product, service, or advice.

We comply with regulations set by the HKMA, SFC, IA, and MPFA for financial services providers. We have strict internal credit guidelines and refer to credit reports from agencies like TransUnion to ensure that we do not extend personal loans or credit to financially burdened customers. We offer solutions like credit card debt consolidation plans to help customers manage repayments if they are overextended financially.

Vulnerable customers have the option to be accompanied by a family member or friend to facilitate their understanding of the product before making decisions. Our sales staff follow the TCF Charter and do not coerce customers into buying products or impose barriers to switching banks. To refresh our staff members’ understanding of TCF principles, regular training which covers topics including sales ethics and conduct, and consumer financial protection are provided to our customer-facing employees.

Standalone debt collection and debt recovery policy

We uphold debt collection policies that include clearly defined procedures outlining the process of debt recovery for retail and corporate customers. Our objective is to ensure that our customers are treated fairly, with a proportionate and consistent approach in the collection and recovery of outstanding amounts. To help our employees prepare for different debt collection scenarios, relevant staff members receive regular training sessions that include the sharing of case studies.

Meeting customer expectations

At BEA, we aim to provide a positive customer experience guided by ISO 10002 Quality Management: Customer Satisfaction. We regularly conduct internal and ISO audits to assess our complaint handling procedures. In 2023, we updated our procedures to align with the Revised HKMA’s Supervisory Policy Manual IC-4 “Complaints Handling and Redress”, ensuring compliance with industry standards and best practices.

By implementing the ISO 10002 standard, we identify trends, internal and external issues, and address the root causes of complaints and improve our operations. Our streamlined complaint handling process advocates documentation, escalation when needed, and fair resolution. We value customer feedback and actively seek ways to enhance our complaint handling process based on their input.

Designated Complaint Officers manage each case and provide comprehensive investigation reports for final review. We set objectives for complaint management, including the number of substantiated cases, timely completion, and overall customer satisfaction. Complaint indicators are presented in committee meetings, and the Bank Culture Dashboard reports KPIs to the Board and Remuneration Committee.

Direct feedback from our customers is crucial in improving our products and services, measuring satisfaction, and determining our financial performance. To gather customer feedback, we conduct quarterly reviews using the NPS and perform Transactional Surveys, and an annual Mystery Shopper Study to evaluate our service quality across various touchpoints, including in-branch, with relationship managers, and through digital channels. Based on the feedback received, we develop and implement cross-departmental improvement plans to deliver consistent service excellence.

CUSTOMER COMMUNICATION CHANNELS
In-branch customer service representatives
In-branch suggestion forms
Online enquiry e-form
Customer service hotlines

In 2023, our Macau Branch initiated a Productivity Uplift Programme to continuously improve our service quality. For example, customer letters will be digitalised, with paper forms minimised and overall customer experience enhanced. In addition, a study was carried out to explore further enhancements to our Cyberbanking services with added functions that cater to customers’ needs.

Programmes and initiatives

BEA is committed to meeting the specific needs of our target customer segments through tailored design of product and services. We offer comprehensive banking solutions for local businesses and small and medium enterprises (“SMEs”), innovative platforms for digitally savvy customers, donation collection services for NGOs, and support programmes for corporate and personal customers during the pandemic.

Tailored design and rollout services

Local businesses and SMEs

At BEA, our Enterprise Banking Department (“EPBD”) is dedicated to assisting local businesses and SMEs with their financing needs and support them throughout the entire process, from account opening to cash management, treasury, and insurance services.

To help local SMEs, we offer loan products that are backed by the Hong Kong Mortgage Corporation Insurance Limited (“HKMCI”) and provided three products under the SME Financing Guarantee Scheme and one product under the Dedicated 100% Loan Guarantee Scheme (“100% DLGS”):

- 80% Guarantee Product is a core product which finances local SMEs working capital that is essential for business growth and sustainability;
- 90% Guarantee Product aims to provide financing for micro-SMEs or startups for their establishment and growth;

- The Special 100% Loan Guarantee Product aims to alleviate the burden of SMEs in paying employee wages and rents, thereby helping to reduce the number of SMEs forced to shut down or lay off employees during COVID-19;
- 100% DLGS aims to support the local travel and cross-boundary passenger transport sectors to facilitate their business resumption alongside the gradual recovery of the tourism industry.

In response to market demand, in 2023, we launched the SME loan – BEA Enterprise Easy Fund scheme to improve the short-term and long-term cash flow of SMEs and assist them in achieving their business goals.

Digitally savvy customers

To meet the wealth management needs of our digitally savvy customers, we launched BEA GOAL, a digitised integrated banking service that combines deposits, wealth management, and spending rewards.

To keep up with the growing trend of digitisation and enhance the user experience, BEA upgraded its digital banking platforms in 2023:

- 1. Personal Mobile Banking:** Our new BEA Mobile introduces a wide range of features, including instant and easy fund transfer, 24/7 foreign exchange, flexible self-service remittance, and more, to bring customer a streamlined mobile banking experience to fulfil their financial needs in one app.
- 2. BEA Corporate Online:** An all-in-one platform specifically tailored for SMEs and corporates, providing them with the tools to manage their finances. In addition to the existing data tagging feature, we introduced new functions such as time deposit preferential rates, green deposits, and direct remittance to the Chinese Mainland, further enhancing the platform’s capabilities.
- 3. Investment Trading Platform:** Our digital state-of-the-art platform enables trading of all securities on both BEA Mobile and the BEA Online platform. With its intuitive user interface, the platform was progressively launched in a sandbox environment in 2023 for retail customers, ensuring a smooth transition and optimal user experience.

Non-governmental organisations

We acknowledge the significance of charitable donations reaching their intended beneficiaries. Our Online Donations Services, created in partnership with the Hong Kong Council of Social Services (“HKCSS”), help NGOs collect payments from their websites using the Bank’s payment gateway.

Corporate customers

We provide support to our corporate banking customers by offering convenient access to our services, including subscription to unit trusts through Corporate Cyberbanking. Corporate Cyberbanking provides a wide range of services, including fund search and comparison, online trading functions, order status and transaction history enquiries, market news, and investment knowledge. Customers can choose from over 300 available funds in around 1,000 share classes from over 20 renowned providers. These channels make it easy for corporate banking customers to assess unit trust services and make informed comparisons.

Investors

For investors, the BEA Mobile Wealth App offers a comprehensive suite of investment services. In 2023, we jointly organised customer investment events – in person and online – with fund houses and insurance brokers. We also publish a quarterly economic forecast and market intelligence report called “BEA Wise”, which includes information on sustainable investment trends and opportunities.

Meeting customer expectations

Complaint handling and redress mechanisms

We regard feedback from customers as a learning opportunity, and we are keen to cultivate this mindset throughout the Bank. Our internal platform, “DCO Newsletter” and “BDSB Complaints Watch”, serves as an internal complaint newsletter that reinforces operational and service standards while facilitating effective internal communication. Through this platform, we share complaint handling cases, customer feedback, and best practices, promoting high service standards and working to prevent any recurrence of sub-standard service delivery. We also organise forum meetings to update our staff on regulations and complaint cases, further reinforcing a culture of service excellence.

In addition to valuing customer feedback, we are proud to have achieved the ISO 10002:2018 certification for our complaint management system. An audit was conducted in 2023, and the official Management System Certification Audit Client Report, issued by SGS, confirmed that we meet the requirements of ISO 10002:2018 for a “Complaint management system for the provision of financial products and services in Hong Kong”.

To support our data-driven bank transformation, OPMD has successfully launched the Customer Complaint Analysis Dashboard. This dashboard, developed with guidance from the Data Science and Governance Department (“DSGD”), provides relevant statistics and regular updates on complaint data through data visualisation. This initiative enables us to analyse and derive insights from the data, facilitating informed decision making and further enhancing our complaint management processes.

Training on complaint handling

To support efforts in delivering quality service in complaint handling, we provide comprehensive training to all relevant customer-facing employees. As part of our ongoing commitment to improvement, in 2023, we implemented an e-learning programme called “Essential Complaint Handling” for all staff members. The programme covers essential topics such as active listening, empathy, effective communication, problem-solving, and fair resolution.

2023 PERFORMANCE

Customer Satisfaction & Service Quality Evaluation **+36**
NPS of BEA Group

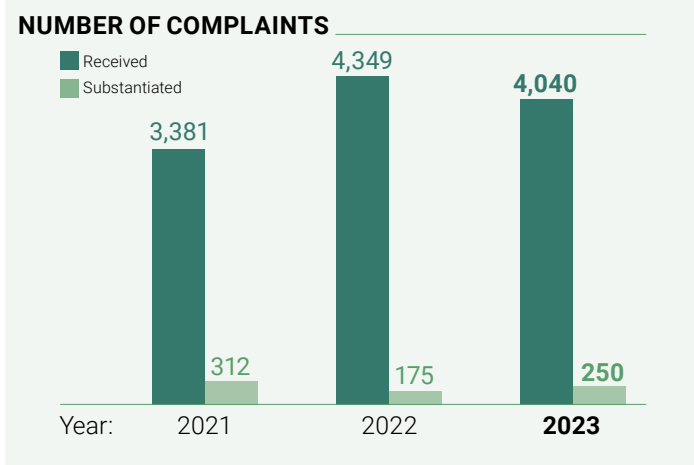
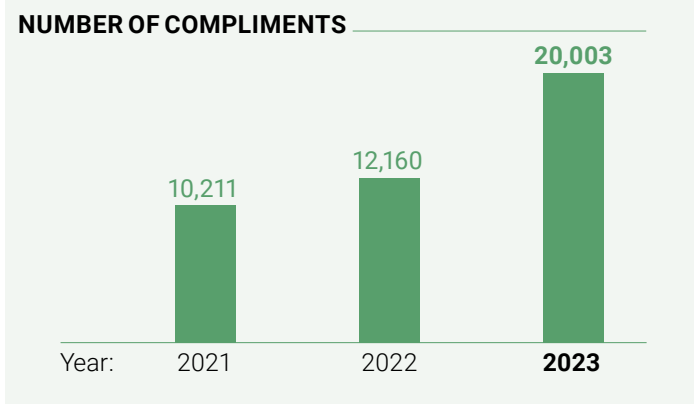
Compliments received by the Group **20,003** **↑~64.5%**
(vs 2022)

Group members report that compliments received were related to professional and proactive service delivery by our staff. The sharp increase was attributed to service quality and customer experience enhancement initiatives, proactive engagement with our retail customers to obtain actionable feedback, and the launch of various internal campaigns such as Mystery Shopping Programmes and service competitions aimed at reinforcing service standards among our staff and recognising good performance.

2023 PERFORMANCE

Complaints regarding products and services received were recorded **4,040** **↓~7.1%**
(vs 2022)

However within this amount, a total of 250 substantiated complaints were identified, a 42.9% increase year on year. The increase in substantiated complaints was largely related to issues concerning branch service including longer queue times, which customers experienced as counter transaction volume increased following the end of COVID-19 pandemic. All complaints were handled in line with our internal procedures and relevant regulatory complaint handling requirements.



Outlook

We actively engage with customers, which resulted in an increase in compliments in 2023. To leverage this positive feedback, we have a customer feedback form in place to gather input, make further improvements, and address any concerns.

To better serve our customers, we will enrich our product offering through digitalisation and provision of new services. This includes user-friendly online time deposit preferential interest rate placement and an express cross-boundary remittance service.

CLIMATE RESILIENCE
 [Aspect A4] [GRI 201, 302, 305] [TCFD]

Why it matters

With the World Meteorological Organization confirming 2023 as the warmest year on record⁸, climate change has topped the agendas of governments worldwide. Stringent regulations and policies are expected to mandate climate actions, such as carbon taxes and caps, which pose financial and compliance risks to the Group’s financing and investment businesses.

We are also well aware of the potential physical impacts of climate change on the Group’s business and operations, which pose potential threats to the Group’s assets and could result in significant financial losses.

The Bank is intensifying its efforts in the transition to a low-carbon economy. Integrating ESG and climate criteria into the Group’s services and lending practices helps the Bank respond to and mitigate such risks. By managing our impacts and meeting stakeholder expectations, we can effectively manage our risks and ensure the sustainability of our business activities.

In contrast to the transition and physical risks associated with climate change, a number of opportunities are arising from regulatory and market developments. By capitalising on the demand for green and sustainable finance and solutions, the Group will forge closer collaboration with our customers, paving the way towards a more climate-resilient future which is less vulnerable to transition and physical risks. Moreover, sustainable practices will enable the Group to reduce costs and streamline processes.

Management Approach
Governance and structure

As detailed in the [Risk Management](#) section under [Corporate Governance](#) chapter, we have a strong foundational framework to manage our risks including ESG and climate risk holistically across our organisation.

BEA views climate risk as a transverse risk that can manifest in traditional and principal risk types, and thus makes use of its established ERM framework and network of Risk Owners and Risk Controllers, to manage and oversee the climate risks including physical and transition risks. Our risk management measures include supporting customers to transition towards

a low-carbon economy, controlling BEA’s exposure to high climate risk sectors, and implementing our net zero roadmaps for both our operational emissions (Scopes 1 and 2), and our financed emissions (Scope 3). It is important to note that ESG and climate risks are not managed on a standalone basis. They require collective oversight and an understanding of the prevailing interaction with other principal risk types, so that an overarching plan of action can be formulated to manage potential impacts.

Our climate-related matters are governed and managed across the Board, Management Committees, divisions, and departments within the Group.

The Board, which assumes overall responsibility for BEA’s sustainability performance including climate risk management, works closely with our Senior Management to ensure that appropriate climate resilience strategy and mitigation actions are formulated in response to changing conditions and regulations.

The Board-level ESG Committee, well-versed in ESG-related matters with the ability to oversee climate-related topics, oversees the Group’s ESG strategy, evaluates the latest climate trends, and establishes roadmaps and action plans to achieve net zero emissions. It reports directly to the Board, at least twice a year, on the Group’s progress on ESG including climate-related issues with recommendations.

The Board discusses climate-related issues during its Board Meetings, two of which have ESG and climate topics tabled in the agenda. In 2023, the Board ESG Committee approved interim financed emissions reduction targets for the Energy (oil & gas) and Power sector portfolios.

The Board-level Risk Committee oversees the management of the Bank’s ESG risks, including climate risk. The Risk Committee members possess extensive knowledge of risk management, including a growing understanding of ESG and other emerging risk areas. Reporting to the Board every quarter, the Risk Committee is supported by a number of Management Committees, including the Crisis Management Committee, Risk Management Committee, Asset and Liability Management Committee, Credit Committee, and Operational Risk Management Committee. Climate-related risk matters such as the Risk Appetite Statement (“RAS”) for ESG and climate risks, and the CRST results are reported to the Risk Management Committee and Risk Committee for review. The

8. WMO confirms 2023 as warmest year on record ‘by a huge margin’

committees are also kept up to date on regulatory and industry developments.

Two members of the ESG Committee including the Chairman of the ESG Committee, are also members of the Risk Committee. In addition, apart from sitting on the Risk Committee and the related Management Committees, the Group Chief Risk Officer (“GCRO”) is a member of ESG Steering Committee and is tasked with managing and reporting on ESG and climate risks. The EROD of the Risk Management Division (“RMD”) acts as the coordinator to support the GCRO in the implementation of ESG and climate risk management-related initiatives. As the impact of climate-related risks can be manifested in different traditional risk types, Risk Controllers are responsible for taking ESG and climate risks into consideration and managing the risk areas via the existing mechanisms. The significant climate risk matters are reported and escalated to Management Committees and the Board through the existing ERM organisational structure.

The ESG Steering Committee is responsible for identifying ESG issues, including risks and opportunities that may exist either in business/operations, and to offer solutions for discussion and consideration as part of BEA’s ongoing ESG development. The ESG Work Group, comprising various department heads, is responsible for identifying the ESG risks and opportunities of the respective departments. The risk information is shared with RMD and escalated to the ESG Steering Committee for further review. SUD oversees the progress of ESG goals, and drives the implementation of net zero roadmaps, which are essential to BEA’s management of its physical and transition risks.

The entire governance structure, encompassing interconnected committees, divisions, and departments, functions as a comprehensive, and integrated communication and management network. It is effective in facilitating the flow of information, ensuring that climate-related matters are communicated and understood by relevant stakeholders at all levels across the organisation.

Although the Board is ultimately responsible for the oversight and direction of BEA’s ESG management approach, we instil a culture of ownership and accountability to improve our climate action performance. In addition to regular staff

communications on our ESG goals and vision and encouraging involvement and idea generation, the Bank has incorporated ESG goals, including climate-related issues, into our Bank-wide scorecard. By linking BEA’s ESG-related performance into the annual appraisal process, all staff, including Senior Management, are incentivised and held accountable for the Group’s success in meeting climate challenge.

To promote continuous professional development, the Bank provides information on ESG-related conferences, programmes, seminars, and workshops once every two to three weeks for Directors’ consideration.

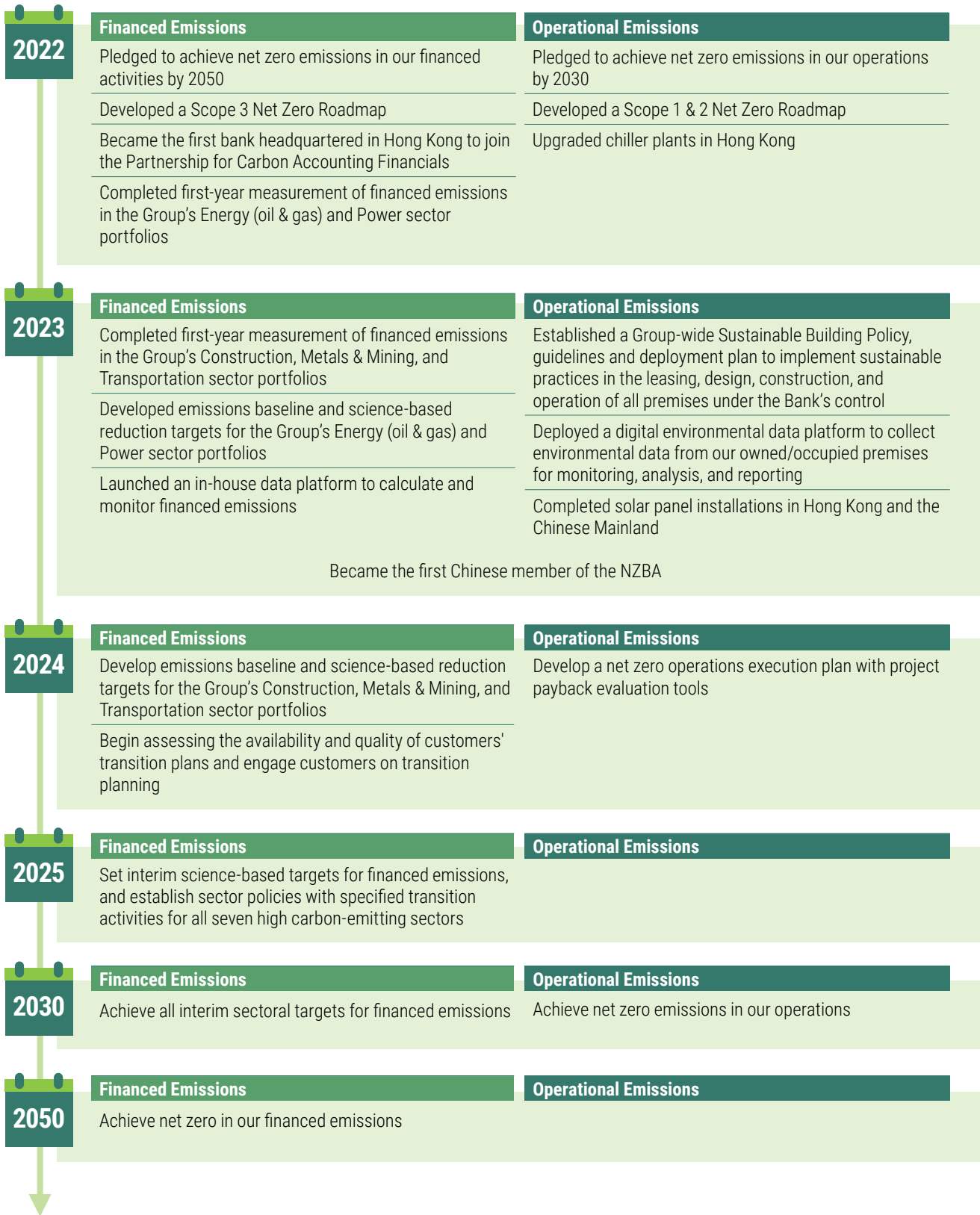
2023 **ALL** of our Board members attended climate-related training

Climate-related training completed by each Director: 6 hours on average

Strategy, framework and controls

We support global efforts to transition to a low-carbon economy and are committed to reducing our emissions and enhancing the climate resilience of our businesses and operations. BEA is committed to achieving net-zero operational emissions by 2030 and net-zero financed emissions by 2050. Detailed roadmaps were developed with interim milestones to guide our journey towards meeting these commitments. Supporting our carbon reduction ambitions are strategic pillars built into the roadmaps, guiding our policies and execution. Relevant to specific aspects of our business, the net zero roadmap pillars detail action items, focus areas, and interim targets for the short, medium, and long term. These critical commitments have also been embedded in the Group’s rolling five-year plan which assists the Board in shaping the vision, strategy and targets of the Group.

Our Net Zero Journey



For more details on our management approach to reducing our operational carbon footprint and enhancing the climate resilience of our operations, please refer to [Carbon Emissions Reduction \(operations\)](#) section under the [Responsible Operations](#) chapter.

BEA BECOMES THE FIRST CHINESE MEMBER OF THE NET-ZERO BANKING ALLIANCE

In December, BEA became the first Chinese member of the NZBA, an industry-led, UN-convened alliance of banks worldwide, committed to aligning their lending and investment portfolios with net zero emissions by 2050 or sooner, in line with the targets set by the Paris Agreement.

With 143 members from 44 countries, representing more than 41% of global banking assets, NZBA is a critical step in the mobilisation of the financial sector for climate change mitigation. It recognises the vital role of banks in supporting the global transition of the real economy to net zero emissions, encompassing both operational and attributable emissions, including Scope 3 emissions.

As a member of the NZBA, the Bank is required to set scenario-based interim targets for 2030 or sooner for priority sectors, publish the emissions and emissions intensity annually, and disclose progress against a Board-level reviewed transition strategy.

BEA UNION INVESTMENT JOINS CLIMATE ACTION 100+

In November, BEA Union Investment became a signatory to Climate Action 100+, the world’s largest investor engagement initiative on climate change. Through this initiative, more than 700 investors with over US\$68 trillion in assets collectively under management are engaging companies to cut emissions, improve governance and strengthen both climate-related financial disclosures and transition plans in order to create long-term shareholder value.

By joining this initiative, BEA Union Investment aims to step up its engagement with investee companies to accelerate the net zero transition.

In addition, RMD has formulated a strategic plan to align with HKMA’s two-year plan for embedding climate risk in banking supervision and to support the Group’s net zero strategy. The building blocks of our tools in ESG and climate risk management are listed in the table below.

ENABLING GREEN AND SUSTAINABLE BANKING
GSF framework, including sector policies, sectorisation list and a list of prohibited lending
Greenwashing risk related governance control
ENHANCING CLIMATE RISK ASSESSMENT AND MONITORING
Portfolio-level
RAS and relevant risk monitoring metrics
CRST
Climate risk heatmap
Counterparty-level
ESG Checklists in credit assessment
ESG data in digitalised format for analytics, management information reporting and disclosures
NURTURING ESG RISK TALENT
Capacity building in ESG
Internal risk culture and awareness of ESG risk and sustainability

In light of the risks and opportunities, BEA looks to develop a strong relationship with clients to facilitate their transition to a low-carbon economy. BEA is formulating customer engagement strategies within our business models that address the needs of our clients in high carbon-emitting sectors based on a detailed portfolio review. Engagement prioritisation would be based on clients’ size, emission impact, and their position in the transition journey. Through enhanced portfolio due diligence and active portfolio management we can ensure clients’ businesses align with our net zero strategies.

Following the successful launch of three sector policies last year, we introduced policies for four additional sectors in 2023. The policies clearly list the activities under each high carbon-emitting sector and provide guidance on differentiating the green and brown activities in these sectors. This guidance facilitates the Group's GSF business development and supports effective control over the Bank's portfolio transition risks through the classification of counterparties and monitoring of their emission performance and transition progress.

GREENWASHING RISK MITIGATION

In the exploration of GSF opportunities, we are aware of the significant risks posed by greenwashing to the Bank. Our objective is to offer green and sustainable products that can deliver positive and genuine environmental or social impacts. Our well-structured GSF framework incorporates internationally recognised green financing classification principles, including the Green Loan Principles and Sustainability-linked Loan ("SLL") Principles. Furthermore, a post-approval thematic review has been conducted within the Bank with an aim to ensure that the approved GSF credit applications comply with our internal frameworks and requirements.

In 2023, we strengthened our new product approval process for green-labelled products by incorporating climate risk assessment. We have also performed a gap analysis to ensure that we are in line with the best practices shared by the HKMA for green and sustainable banking products.

Risk identification and assessment

The impacts of climate risks span across a much longer horizon than other risk areas. There are multiple internal and external factors at play which have varying climate implications that affect the pace and severity, giving rise to a high level of uncertainty.

The Group makes use of scenario analysis and stress testing to assess the financial impacts of our business portfolio in different scenarios. The results give us a macro view and guide us in the formulation of a forward-looking strategic plan to help us prepare for and mitigate the uncertainties arising from climate change.

Through the HKMA-led CRST exercise which was first conducted in 2021, we have been able to systematically identify the financial impacts from the physical and transition risk-related issues on our portfolio and operations at various time points. These include the impact on our asset quality (i.e. borrower repayment ability, collateral quality), valuation of financial instruments (i.e. market fluctuation), and operational losses (i.e. operational damage to bank premises and assets, and business disruption). The exercise also provided a chance to evaluate and improve the gaps in our internal data infrastructure to support timely and regular monitoring of climate risk.

In 2023, BEA conducted a new round of CRST led by the HKMA to assess the potential impact from climate-related events and the Bank's resilience in tackling climate issues. The stress test is more comprehensive than the previous exercises, with more granular data requirements and sophisticated approaches applied. HKMA has set out four scenarios for application in the CRST, including one short-term scenario combining climate-related and macroeconomic shocks, and three long-term scenarios with reference to climate models developed by the Network of Central Banks and Supervisors for Greening the Financial System.

During the year under review, the Bank focused on the short-term scenario, and the stress test on the three long-term scenarios will be performed in 2024. In the short-term scenario covering 2023 to 2027, it was assumed that more extreme climate events would occur and there would be faster adoption of transition measures to reduce carbon emissions. The analysis also took into account the stressed macro-economy to gauge the overall aggregated impacts when climate-related impacts occur during the period of underperforming economy.

Physical risk

The impacts of weather and climate-related events, which could lead to disruptions to the business and operations of banks and their clients.

Transition risk

The risk related to the process of adjustment towards a low-carbon economy, which can be prompted by policy, legal, technology and market changes as climate change mitigation and adaptation measures are adopted.

Due to our strong capital buffers built up over past years, the stressed financial impact from climate change does not create significant capital impact on the Bank under the short-term scenario. The Bank will perform the long-term scenario CRST in 2024 and further examine the risks and review our climate strategy accordingly.

Apart from focusing on the financial implications, the Bank views climate risk as a transverse risk that can manifest in other non-financial principal risk types such as strategic and reputation risk. We have identified the emerging climate risks and opportunities which may materially affect our business and operations through our ERM framework and practices, engagement workshops with our internal financial and non-financial Risk Controllers, as well as extensive research on impacts of the identified climate risks. In 2023, our Risk Controllers included the consideration of climate risk in the Internal Capital Adequacy Assessment Process.

In the following pages, we have included selected examples of climate-related risks and opportunities that the Bank has identified. Going forward, we will continue to monitor our progress in managing these identified risks while we remain vigilant against new risks that may emerge.

To examine the physical risk, we have developed a methodology to determine locations exposed to significant extreme climate events, using data published by government agencies or researchers. Weather hazards, including typhoon, rainstorm and heatwave, may damage real estate collateral and client companies' physical assets, and cause interruptions to business operations.

For transition risk, it was assumed that governmental bodies will implement climate transition policies, for example carbon pricing, whereby high carbon-emitting companies are impacted by increased operational expenses and capital investment in the transition process. We have performed sectoral impact analysis on business sectors that are high carbon-emitting or severely affected by climate policies. Counterparty-level assessments have also been performed to understand the more granular impacts.

Climate-related Risks and Opportunities	Drivers of Risks and Opportunities	Related Principal Risk Types	Business Impact	Time Horizon	BEA Responses
Responsiveness of the Bank in considering climate change in the Bank's business, strategic and operational decisions	The financial sector faces growing expectations from diverse stakeholder groups to proactively manage ESG risks and opportunities as ESG awareness has been steadily rising in recent years. It is therefore crucial for the Bank to build capacity over time to measure and mitigate climate risks.	Strategic, Credit, Operational, Reputation and Compliance Risk	Failure to meet growing expectations to manage ESG risks could lead to negative impact on business performance, operations, and reputation of the Bank. Embedding climate risk considerations into the decision-making process is also a regulatory requirement. On a macro scale, climate change has the potential to pose major risks to the growth of the global economy and it has become common consensus that climate risks could significantly impact the financial sector.	Short to long-term	<p>Responding to growing stakeholder expectations of Group-wide integration of climate change management throughout the Bank's operations, BEA has cultivated a climate cognisant culture and has imbedded sustainability considerations into daily operations.</p> <ul style="list-style-type: none"> In 2023, training programmes with topic-specific modules were introduced: <ul style="list-style-type: none"> Mandatory climate focused training for all staff on climate change mitigation and adaptation trends, as well as the Bank's net zero roadmaps and strategies. Mandatory GSF-specific training for relationship managers and other relevant staff such as credit assessors, covering BEA China and branches in other markets, to familiarise them with the Bank's GSF framework, relevant products, and greenwashing risks. Climate risk thematic training for general managers and Head of Risk Management of branches in other markets on the Bank's climate risk strategy, initiatives, market and regulatory development, and internal policy requirements. Issued staff newsletters, and organised Lunch and Learn sessions to provide an update on global ESG and climate risk-related issues and topics. Organised staff volunteering programmes with ESG and climate elements to promote staff awareness of environmental protection and climate change mitigation. Reviewed and reported ESG performance, GSF trends, and climate risks to the Board.
Effect of physical and transition risks on the financial performance of the Bank and the value of the Bank's assets	<p>Extreme climate events, such as rising sea levels and intensifying typhoons, are a physical risk which may lead to the devaluation of real estate collateral and investment portfolio of our Bank.</p> <p>Moreover, the worsening impacts of climate change will have a profound effect on the global economy either through direct losses due to physical damage from extreme weather events, or through stricter controls from a quicker pace of transition to a low-carbon economy.</p>	Credit and Market Risk	Acute climate impacts have the potential to negatively affect borrowers' profitability. Moreover, chronic climate shifts may impact economic outlook at a macro level, which may lead to worsening performance in financial markets and the macro-economy, and devaluation of assets taken as collateral. More severe climate impacts could accelerate the low-carbon transition leading to stricter public policy, shifts in market sentiment, and changes to client preferences, all of which could have a direct impact on the financial performance of the Bank and its borrowers.	Mid to long-term	To ensure the Bank is well prepared to mitigate potentially significant impacts of climate risks specific to the financial sector, BEA conducted a new round of HKMA's CRST in 2023, focusing on the short-term impacts and resilience of the Bank, and continues to adhere to the ESG and climate-risk action plan to enhance our ESG risk-related infrastructure. These forward-looking measures have enabled the Bank to take early action to manage risks on our lending and investment portfolio.
Effect of climate change on the Bank's premises and branches arising from acute and chronic climate events	Extreme climate events place a heavy burden on the Bank's business continuity systems. These must be designed with extreme climate events in mind as inadequate protection may result in business disruptions, impacting BEA's personnel and customers, workplace safety, critical infrastructure, and system dependencies.	Operational Risk	Operational capacity and cost expenditure of the Bank could be negatively impacted if extreme climate events cause significant damage to BEA's office premises and other assets including, retail branches and automated teller machines ("ATM").	Short to long-term	To mitigate the Bank's exposure to the effects of climate change on our operations, we have in place an existing business continuity management framework and policies. This ensures our Bank's essential services and operations are prepared to manage disruptions in the event of an emergency or disaster, including but not limited to extreme weather events.
Effect of climate change on the financial fluidity and profitability of loans and investment portfolio	<p>Climate change is demanding a shift in the economy to transition to more sustainable business models. Decreasing demand for carbon-intensive products paired with the increasing cost of business for high-emitters poses risks to the banks financing these industries.</p> <p>An acute and fast-paced transition to a low-carbon economy could degrade the asset quality of the Bank's loans and advances to borrowers, as well as investments in high carbon-emitting industries.</p>	Credit and Market Risk	These transitional risks may manifest through means such as increased expenses or decreased revenue due to carbon tax, stranded fixed assets, and shifts in market sentiment. Moreover, if profitability of borrowers and security issuers are adversely affected by a sharp transition to a low-carbon economy, it may substantially affect their repayment abilities.	Mid to long-term	<p>BEA is monitoring exposure to climate transition risks through measurement of our financed emissions. Through the net zero roadmap and targets set for high carbon-emitting sectors, the Bank is proactively adjusting its portfolio towards low carbon-emitting industries and is striving to achieve net zero emissions in financed activities by 2050.</p> <p>With the GSF framework, the Bank encourages companies in high carbon-emitting sectors to start their low carbon transitions early. The sector policies identify lending activities that are considered "green" for high carbon-emitting sectors, which transform existing high-emitting activities into more environmental friendly approaches. This facilitates our management of financed emissions and transition risks.</p> <p>For more information, please refer to the Sustainable Finance section of this report.</p>
Access of new capital and business opportunities	Investors and other stakeholders, including clients are increasingly aware of ESG risk management, and have begun to use their knowledge of sustainability issues when making investment decisions. BEA recognises this global paradigm shift and is integrating environmental and climate-related issues into our operations, products, and services.	Strategic Risk	Integrating environmental and climate-related issues into our operations, products, and services could provide increased access to international capital markets while helping to reduce our exposure to bad debt and investment risk. Moreover, effective demonstration of the Bank's ability to approach and manage ESG risks may open new financial channels with easier access to lower cost of funds.	Mid to long-term	<p>In recognition of increasing market demand for green financing solutions, BEA is working closely with clients to provide green and sustainability-linked loans to enable their transition to a lower-carbon business model.</p> <p>In recent years, it has been a strong focus for BEA to expand its GSF corporate loans and ESG bond investment portfolio as evidenced by the development and updating of the GSF framework. In keeping with emerging trends and to capture forthcoming climate transition opportunities, BEA will continue to grow this portfolio.</p> <p>For more details, please refer to the Sustainable Finance section of this report.</p>

Risk monitoring

At the portfolio level, the Bank is closely monitoring its exposure to the seven identified high carbon-emitting sectors, which are subject to high transition risk. Exposure is monitored and controlled through the risk appetite limits approved by the Board. The Bank’s GSF framework provides consistent definitions and methodology to classify GSF activities so as to manage our climate risk exposure. The GSF framework is intended to facilitate the classification of green and sustainable finance while it does not change the Bank’s credit underwriting standard. A set of sector policies are also in place to better support our business units in identifying and acting on climate-related risks and opportunities. In 2023, BEA further developed its proprietary climate risk heatmap for the identification of climate vulnerable sectors. The tool has incorporated a set of vulnerability ratings, (i.e. low, medium, high, extreme), to assess different transition and physical risk drivers (e.g. acute, chronic climate events), that consider the impacts to the sector companies on various parameters, including revenue loss, increased cost, operational disruption, asset damages, market share loss, etc. Armed with these results, business units are able to monitor the sectoral risk profiles, and prioritise resources on vulnerable sectors to assist clients in developing their climate resilience and transition plans.

At the counterparty level, the Bank makes use of its ESG Checklists as the due diligence tools to identify and categorise the ESG and climate risks of our borrowers. It is required for non-retail lending and debt investments exceeding HK\$50 million. It ensures the Bank comprehends the ESG and climate risk profile of our counterparties. The ESG Checklists are regularly reviewed and enhanced in line with the ever-evolving industry practices.

The aforementioned ESG Checklists stipulate an assessment of the impact of climate risk on the counterparty, including physical risk and transition risk, with a further screening of ESG risk factors on the counterparty covering a wide range of issues, including but not limited to, pollution, environmental incidents and fines, biodiversity, human rights, and stakeholder relations. In completing the ESG Checklists, business units review the counterparty or customer’s disclosures, arrange site visits as necessary, and conduct research through third party reports or relevant news publications. If any specific ESG issues are identified, their potential impacts and justification for acceptable exposure and risk mitigation are documented along with the credit proposal. The assessments are escalated and subject to scrutiny by the relevant approval authority including the Credit Committee as part of the credit assessment

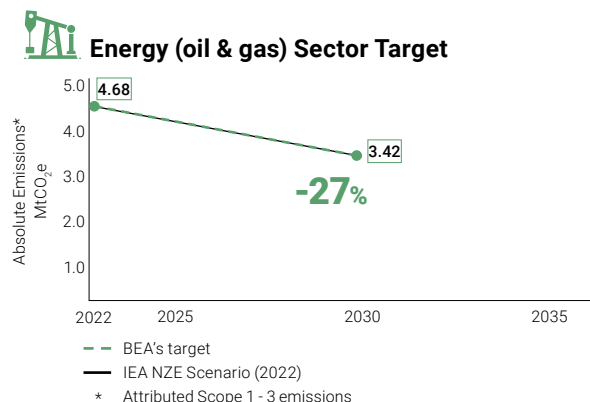
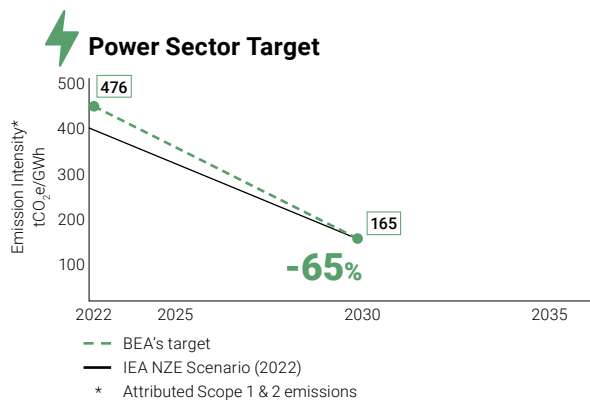
mechanism. To enable our business units to better monitor our risks, we have digitised the ESG Checklists within the credit workflow system.

Metrics and targets

A screening of Scope 3 emissions carried out in 2021 confirmed that financed emissions comprise more than 99% of the Group’s total emissions. Roadmaps were developed in 2022 to support BEA’s target to achieve net zero emissions in our operations by 2030 and in our financed activities by 2050.

In 2023, BEA measured the financed emissions in five high carbon-emitting sectors, in accordance with the PCAF methodology, and set the first set of reduction targets for the Energy (oil & gas) and Power sectors. In conjunction with these efforts, we developed a dedicated internal data platform tailored for the calculation and monitoring of financed emissions. Going forward, this platform will play an important role in identifying additional opportunities to reduce financed emissions.

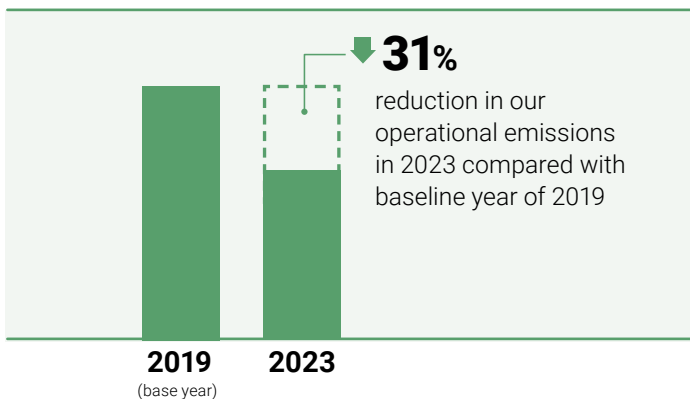
The Energy (oil & gas) and Power sectors are two of the priority sectors which are driving climate change. In 2023, we established sectoral emission targets for both sectors based on the International Energy Agency’s net zero by 2050 scenario.



To support our customers in furthering their sustainability efforts and promote GSF development, for the second consecutive year, we set a GSF target represented as a percentage of our total corporate GSF loan and bond investments. Over the course of the year, the ESG Steering Committee monitored the progress on this target.

2023 Completed measurement of the financed emissions in our portfolio for five of the seven high carbon-emitting sectors:

- 1 CONSTRUCTION
- 2 ENERGY (oil & gas)
- 3 METALS & MINING
- 4 POWER
- 5 TRANSPORTATION



For a more detailed overview of BEA's metrics and targets for carbon emissions, please see the [Carbon Emissions Reduction \(operations\)](#) section and [Our Performance](#) chapter of this report.

The Bank's RAS for ESG and climate risks is a critical tool that guides our efforts in managing the impacts that climate change could have on our business performance. In 2023, we reviewed and revised the quantitative indicators with set risk appetite thresholds in alignment with key focus areas, namely:

RAS quantitative indicators	Key updates in 2023
Percentage of loan and debt investment outstanding in high carbon-emitting sectors against the total loan and debt investment assets	Lowered the threshold
Percentage of loan and debt investment outstanding in GSF against total corporate loans and bond investments	Raised the threshold

Outlook

BEA will continue to quantify and disclose financed emissions to effectively manage climate-related risks and opportunities. We have plans to develop a sector-specific risk strategy and appetite for the high carbon-emitting sectors, and further set financed emissions and GSF targets to highlight our commitment to supporting the global transition. Also, we will further enhance our existing tools, such as ESG Checklists, incorporating assessments of counterparty's transition plan that help us evaluate the alignment with the Bank's ambitions.

We are also developing a physical assessment mechanism to monitor the physical risks of our own facilities and borrowers' collateral, as well as enhancing the due diligence and risk mitigation processes for real estate collaterals located in high physical risk regions. Through a climate risk dashboard, we will monitor and assess climate risk-related information for regular reporting across relevant business units.

SUSTAINABLE FINANCE
[GRI 201]

Why it matters

As a financial services provider, BEA recognises the importance of addressing climate change and the role it plays in shifting financial flows towards activities that are environmentally sustainable. In order to effectively tackle climate change, it is crucial to allocate capital towards the development and deployment of new technologies that reduce emissions in high carbon-emitting sectors. BEA is committed to leveraging its position and influence to encourage its customers and other stakeholders to transition to a low-carbon economy. By considering ESG factors in investment and lending decisions, BEA identifies opportunities to provide capital that contributes to the global transition towards a low-carbon future transition.

Management approach

We evaluate our management approach to ensure that GSF initiatives are aligned with local regulations, international standards, and principles. These include the United Nations Principles for Responsible Investment (“PRI”), the Green Bond Principles, the Green Loan Principles, the Sustainability Linked Loan Principles, EU Taxonomy for Sustainable Activities, The People’s Bank of China’s Green Bond Endorsed Projects Catalogue, and the Common Ground Taxonomy. Moreover, the Bank supports the HKMA’s efforts to promote green and sustainable banking in Hong Kong, and fulfils the requirements of the HKMA’s Supervisory Policy Manual on Climate Risk Management to ensure the resilience of the banking sector in

the face of climate change. Beyond Hong Kong, BEA complies with the local regulations in the markets in which we operate. These include guidelines such as the Green Finance Guidelines for the Banking and Insurance Industries issued by the China Banking and Insurance Regulatory Commission, and the Guidelines on Environmental Risk Management for Banks issued by the Monetary Authority of Singapore.

Green and sustainable corporate loans and bonds

BEA developed its GSF framework in 2022, with the objective of establishing consistent definitions and methodologies for classifying GSF activities. The framework adopts the IMPACT+ Principles for Climate-Aligned Finance, ensuring that our efforts are focused on achieving real-economy decarbonisation, and facilitating a rapid and inclusive transition to a 1.5°C future. The GSF framework supports BEA’s Responsible Lending Policy and Group Responsible Investment Policy, enabling us to manage our ESG risk exposure.

The GSF framework consists of five major components including a list of prohibited lending, sectorisation list, sector policies for high carbon-emitting sectors, a list of external reviewers, and ESG Checklists. Through the implementation of these ESG mechanisms, BEA ensures a consistent methodology and procedures for assessing the environmental and social impacts of the projects it finances. This approach enables BEA’s financing activities to generate positive sustainable value. Internal stakeholders, including relationship managers and other relevant members of our business units, receive regular training on the GSF framework as well as additional training, as needs and developments arise.

FIVE KEY COMPONENTS OF THE GSF FRAMEWORK

COMPONENTS	PURPOSE
1. List of Prohibited Lending	Specifies transactions or activities that BEA will not knowingly extend finance to
2. Sectorisation List	Establishes a more standardised approach for categorising corporate exposure to “green” and “brown” activities based on the sector or financing activity
3. Sector Policies	Clearly defines the scope of the seven high carbon-emitting sectors (including Construction, Energy (oil & gas), Metals & Mining, Manufacturing (chemicals), Power Utilities, Property Development, and Transportation sectors) in terms of industry codes
	Provides detailed guidance on differentiating the “green” and “brown” activities within the high carbon-emitting sectors, referencing various regional green taxonomies
4. List of External Reviewers	Comprises lists of external reviewers eligible to assist in circumstances requiring independent assessment to classify financing requests as “green” or “sustainable”
5. ESG Checklists	Determine eligible green, sustainability-linked, or social projects/activities
	Identify and assess the ESG and climate risks associated with borrowers/bond issuers
	Evaluate potential GSF financing activities against international GSF certification standards and applicable industry practices

ESG investments

The Investment Committee, Board-level ESG Committee, and ESG Steering Committee are responsible for achieving the Group's ESG investment goals. The Investment Committee oversees and evaluates the overall investment strategies, while the ESG Committee and ESG Steering Committee monitor the Bank's green and sustainable investments.

The Treasury Markets Division and relevant business units adhere to the Group Responsible Investment Policy. This Policy governs both financial and strategic investments, ensuring that ESG factors are integrated into BEA's investment decisions and demonstrating the commitment to engage business partners on ESG issues. The Policy also guides relevant units in incorporating ESG considerations, debt securities portfolio-building, and exclusionary screening into their daily operations alongside traditional financial metrics. The Investment Committee annually reviews and updates the portfolio plan to support the growth of the ESG debt securities portfolio. The Group Responsible Investment Policy also mandates investment managers to adopt ESG integration, incorporating material ESG matters into the analysis of debt securities. This includes assessing environmental performance and its potential impact on an issuer's risk profile and access to capital for debt servicing.

As a signatory to the [Green Investment Principles for the Belt and Road](#), BEA is committed to aligning our operations with voluntary principles that enhance ESG integration, communication, engagement, and innovation. These principles, developed by the Green Finance Committee of China Society for Finance and Banking and the UK-China Green Finance Centre, aim to promote green investment in the Belt and Road region.

Our asset management subsidiary, BEA Union Investment, has been a signatory to the PRI since 2021 and joined [Climate Action 100+](#) in 2023. BEA Union Investment integrates ESG factor analysis into its investment process, starting from initial screening and research to portfolio construction and risk analysis. This enhanced investment process facilitates the identification, assessment, and valuation of companies, as well as the integration of ESG factors into portfolios. BEA Union Investment actively engages with investee companies to exercise shareholder rights and promote sustainable business practices. Its stewardship practices focus on assessing ESG performance, identifying risks and opportunities, and exercising shareholder rights through proxy voting.

BEA Union Investment also integrates ESG factors into its risk management framework to identify material ESG risks and issues for each covered strategy. A set of comprehensive policies is in place to guide its identification and assessment of climate-related risk impacts. In compliance with the SFC requirements, BEA Union Investment completed the calculation and disclosure of the portfolio carbon footprints for funds where climate-related risks were deemed relevant and material in 2023.

Additionally, insights from ESG research and stewardship activities inform portfolio managers' decision making processes, aligning it with specific investment objectives, requirements, and ESG risk appetite. For more details on BEA Union Investment's commitments and practices, please refer to its [Sustainable Investment Policy](#), [Engagement Policy](#), and [Proxy Voting Policy](#).

Programmes and initiatives

OneBank GSF scheme

To support GSF growth across the Group, the Bank developed the OneBank GSF scheme, which leverages BEA's OneBank ecosystem to provide one-stop GSF solutions to companies with operations in multiple markets including the Chinese Mainland, Hong Kong, and beyond. During the year under review, BEA achieved significant progress in the development of its OneBank GSF business by fostering collaboration across divisions and formulating a targeted green sector growth strategy. Renewable energy was identified as a sector with considerable financing needs and a dedicated sector solution was formulated for the sector, particularly companies in the solar PV sub-sector.

Sustainable corporate loans

In Hong Kong, WBD works closely with corporate clients to assist them in reducing their environmental impacts through the provision of GSF. In 2023, a dedicated GSF advisory team was established within the Division to support our clients in their green transition. This team partners with external reviewers and companies specialising in green and sustainable solutions, and works closely with relationship managers to promote GSF opportunities, provide comprehensive consulting services throughout the lending process, and guide clients towards achieving net zero goals.

ESG 2023 Highlights	About This Report	About BEA	Our Approach to Sustainability	Our Sustainability Pillars	Our Performance	Appendices
				Responsible Business	Responsible Operations	Responsible Citizen

STAGES	ACTIONS
Customer engagement	Work with relationship managers to identify clients' green financing needs and offer tailored solutions
Onboarding	Follow a robust GSF framework and conduct the necessary assessments for green, sustainability-linked, and social loans External reviewers assess eligibility for the green or social classification as required, ensuring positive environmental or social impact can be achieved through our financing.
Post loan drawdown monitoring	Monitor clients' use of proceeds in green/social activities or progress on sustainability performance targets, and conduct regular review to ensure the loans fulfil GSF classification requirements

DRIVING THE TRANSITION TO LONG-TERM SUSTAINABILITY THROUGH SUSTAINABLE FINANCE SOLUTIONS

Through our comprehensive offering of green loans and facilitation of capital market financing through green bonds, we empower our corporate clients to achieve their sustainability objectives. Our approach to sustainable finance drives positive environmental and social impacts, and brings us closer to eventually achieving our own net zero goals. Listed below are some examples of our financing:

HONG KONG

In April, BEA began extending GSF to the non-bank financial institution segment when it acted as one of the mandated lead arrangers and book runners of a US\$300 million syndicated loan with a sustainable tranche for China Ping An Insurance Overseas (Holdings) Limited. The relevant proceeds were used to finance or refinance eligible sustainable projects under the sustainability finance framework developed by the borrower, which complies with the Green Loan Principles and the Social Loan Principles.

CHINESE MAINLAND

During the year under review, we expanded our GSF framework to include social loans by adhering to the Social Loan Principles and relevant international standards. In December, BEA and BEA China jointly entered into a CNY600 million social loan agreement with XYD Financial Services Holdings Limited. This transaction marks the first social loan arranged by BEA. The loan will be utilised to enhance XYD's fintech capabilities, providing financing to small and micro-sized enterprises in the Chinese Mainland's agricultural and related industries. The objective is to tackle financing challenges, promote financial inclusion, and foster sustainable development of the Mainland's agricultural sector.

To further catalyse the environmental transition, BEA China offers special incentives, such as favourable terms and conditions, on green loans. Additionally, BEA China has qualified as one of the financial institutions that are eligible for the carbon emissions reduction supporting tool

launched by The People's Bank of China ("PBOC"). This tool encourages financial institutions to provide low-cost funds for investments in projects that can achieve significant carbon emissions reduction. Through these funds, clients can finance initiatives focused on clean energy, energy conservation, and carbon emissions reduction technologies, enabling them to undertake projects and adopt practices that help reduce their carbon footprints. These qualifications reinforce BEA China's commitment to making significant environmental contributions and amplifying its support for sustainable initiatives to drive positive change within the Chinese Mainland's business landscape.

OTHER MARKETS

Our branches in the UK participated EUR45 million in a syndication to refinance the existing facility of CROMWELL EREIT LUX FINCO S.A.R.L ("CEREIT") as an SLL. The following sustainability-linked KPIs have been defined to track CEREIT's performance:

1. The annual real estate assessment issued by Global Real Estate Sustainability Benchmark
2. Number of green building certifications achieved
3. Percentage of leases that include green clauses or other agreements with tenants with green clauses

Subject to CEREIT's achievement of the above, we will make Sustainability Margin Adjustments for each achieved/unachieved KPI for the following year to incentivise future goal alignments.

Our branches in the UK also participated EUR20 million in a EUR70 million syndicated Term Loan to finance the acquisition of a student accommodation building in South London. The building has achieved an Energy Performance Certificate "A" rating and Building Research Establishment Environmental Assessment Method "Excellent" rating.

Green deposits

A growing number of corporates are showing interest in contributing positively to environmental protection through their own capital investments. We provide a Green Deposit Scheme for corporate customers to enjoy fixed interest rates while supporting accredited green projects in manufacturing, renewable energy, and other industries. Monthly disclosure of Green Deposit-related information ensures transparency and accountability of our Green Deposit Scheme while enabling us to effectively assess the impact and utilisation of the green asset pool.

Green mortgages

BEA's Green Mortgage Plan promotes green living and sustainability in Hong Kong by encouraging property buyers to invest in properties in green buildings. The plan is offered to prospective purchasers of first-hand, secondhand, or government-subsidised residences that have a valid provisional/final "Platinum" or "Gold" rating under the BEAM Plus New Buildings/Existing Buildings scheme of the Hong Kong Green Building Council. Green mortgage customers can enjoy a preferential interest rate on online time deposits.

Green and sustainable investment products

Our wealth management business offers a variety of sustainable investment products to help customers meet their financial goals while aligning with their preferences for sustainable investments. We proactively provide green financing to help fund customers' net zero strategies, including investments in greener business models through capital expenditure and research and development.

ESG bond investments

We actively identify new opportunities for ESG-labelled bond investments and transition existing investments to ESG-labelled bonds. We closely monitor our progress and provide regular reports to our ESG Work Group to ensure transparency and accountability.

BEA UNION INVESTMENT LAUNCHES THE FIRST HONG KONG-DOMICILED ASIA IMPACT BOND FUND

BEA Union Investment is committed to contributing to the growth of ESG investments in the region. In July, BEA Union Investment introduced the BU Asia Impact Bond Fund, the first impact bond fund domiciled in Hong Kong. The fund will primarily invest in Asia's investment-grade green, social, and sustainability bonds, with the aim of generating measurable positive environmental and/or social impacts. The fund, formerly known as the BU APAC Bond Fund, has received authorisation from the SFC. The fund will also be distributed through the Wealth Management Connect scheme.

Building capacity internally and externally

We continue to enrich the GSF knowledge and skills of our front-line staff members to ensure that they can meet customers' needs. In 2023, we organised four dedicated GSF training sessions for Group staff. The GSF advisory team also organised a workshop to share the GSF business end-to-end process with frontline staff members. All GSF policies and training materials are made available on our intranet portal for relevant staff members' access and reference.

At the branch level, in Singapore and the UK, employees attended ESG workshops and webinars to keep abreast of market developments and regulatory updates. The commercial real estate finance team in the UK also engaged law firms and ESG consultants to provide training on the structuring of property green loans and enhance their understanding of Green Loan Principles.

Companies around the world are at different levels of climate preparedness. SMEs in particular require extra support to achieve decarbonisation due to their limited resources. Through the provision of GSF, BEA enables them to explore opportunities to reduce their emissions and improve their sustainability performance. In May, we conducted a pilot of the Climate and Environmental Risk Questionnaire for Non-listed Companies/SMEs developed by the HKMA, together with a series of one-on-one workshops. Feedback was collected from participating corporate clients and submitted to the HKMA.

2023 PERFORMANCE

Our ESG bond portfolio grew by approximately 19% to more than HK\$13.2 billion, accounting for 12% of the Group’s total bond portfolio. The portfolio maintained a well-diversified composition in terms of product, currency mix, and industry, with green bonds comprising 68%, social bonds 2%, sustainability bonds 13%, sustainability-linked bonds 15%, and transition bonds 2%, while the top three sectors represented 45% of the total portfolio.

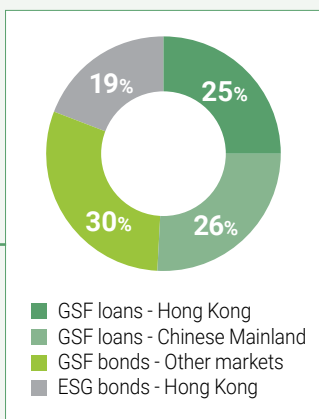
In 2023, our GSF loans and investment assets reached nearly HK\$71 billion compared to around HK\$56 billion in 2022, and comprised 14.9% of the Group’s total corporate loans and bond investments. Building on this strong performance, we will begin intensifying client engagement, taking concrete actions to support and advise our clients in devising their net zero transition approach.

GSF LOANS AND ESG BONDS IN 2023

Total:
HK\$ 70.6 billion



14.9%
of total
corporate
loans and bond
investments



Outlook

The provision of GSF supports our long-term goal to achieve net zero financed emissions by incentivising our clients to operate in a more environmentally manner and providing them with the means to achieve such improvements in a range of non-financial performance metrics. By determining the financed emissions in our high carbon-emitting sector portfolios, setting emission reduction targets, and developing transition plans for these sectors, we will not only be well positioned to drive down financed emissions, but also able to actively identify opportunities, engaging clients and creating tailor-made solutions that align with our business and net zero strategies.

FINANCIAL LITERACY AND INCLUSION

[GRI 203]

Why it matters

As a responsible provider of financial services, BEA believes that it has an important role to play in promoting financial literacy and inclusion. It is our duty to ensure that individuals, particularly those belonging to vulnerable groups, are equipped with the skills and knowledge they need to make informed decisions about their personal finances. Through our various programmes, we empower individuals to effectively manage their money, create budgets, make sound investment choices, and avoid scams.

Management approach

BEA, a signatory to the TCF Charter, is dedicated to promoting financial literacy and inclusion in the markets we operate in. We achieve this by integrating financial education into our service delivery and tailoring our approach to different demographics and markets.

We actively engage with external stakeholders, including the Investor and Financial Education Council ("IFEC") in Hong Kong, to gain a deeper understanding of the latest trends in financial literacy and inclusion. Through customer interaction and feedback channels, our staff members engage in discussions with customers about the challenges they face and work with customers to find the most effective solutions and remove any existing barriers. This ongoing engagement helps us to continuously improve our initiatives and better serve the needs of our customers.

Programmes and initiatives

Students and youth development

We recognise the importance of getting a good head start in personal finances, and we share financial information and advice with youths to help ensure they adopt the right attitudes and exhibit the best behaviour when it comes to money management. In 2023, we actively engaged with students through various initiatives. For example, in the UK, we participated in the British Council's United Kingdom education workshop to share market intelligence on potential fraud or scams with parents and students. Furthermore, to ensure the safety of our existing customers, we have implemented large banners and warning messages on login and transaction pages. In addition, we regularly send reminders to continually enhance customers' awareness of vigilance against potential fraudulent or scam activities.

Senior citizens and customers with special needs

Physical branches are a mainstay of daily banking transactions for many in our society. We provide convenient access to our services by operating an extensive branch network across Hong Kong. Within our branch network, we have installed specially designed teller counters and ATMs to support customers requiring wheelchair access, visual or auditory support, and other forms of assistance. We have installed Active Listening Systems at counters and meeting rooms in all branches to support customers with hearing impairments. In addition, a conversational live chat service is offered on the BEA website and BEA Mobile.

For senior citizens, we offer the following benefits:

- Preferential interest rates
- Service charge concessions
- Fee waivers (participants of the Comprehensive Social Security Assistance Scheme only)
- Hong Kong Mortgage Corporation Reverse Mortgage Programme
- FastCash Card abridged ATM banking service

Through our decade-long philanthropic efforts to promote positive ageing, BEA is acutely aware of the needs of individuals affected by dementia. To ensure the smoothest and most secure access to our banking services, we have updated our procedures and guidelines for our personal banking products and services in accordance with the Guideline on Banking Service for Persons with Dementia ("PWD") of Hong Kong. BEA implements the principles and good practices outlined in the guideline to provide PWD with better accessible banking services that meet their needs and safeguard their financial assets.

Continuing our commitment to empower senior citizens in the community, we maintained and expanded the digital banking adoption programme to all physical branches in 2023. This initiative aims to provide senior customers with the necessary support and knowledge to navigate and benefit from digital banking services.

Recognising the importance of customer education in sustaining the growth of digital penetration among mature customers, we continued to offer security tips and produced an instructional video demonstrating the use of our digital platforms. To encourage more mature customers to use our digital platform, we organised a lucky draw in August.

CASE STUDY

HONG KONG

Golden Afternoon Programme

In 2023, we invited mature customers to join our newly launched “Golden Afternoon” programme. At a special digital zone in our Mongkok Branch, an interactive digital banking demonstration and coupons were offered to participants while branch staff were on hand to provide step-by-step assistance.

UK

iToken and Code of Practice

In 2023, we introduced the iToken and Code of Practice (“CoP”) to enhance the online banking experience of our retail and corporate customers in the UK. The iToken streamlines the process of creating online payees, while the CoP simplifies the process for high-risk payments and payee verification.

We also understand that some of our account holders, particularly mature individuals or students, may not be familiar with online banking services. To address this, we developed tailor-made online training materials and step-by-step instructions for iToken activation to help them use our online banking services confidently.

Customers in remote areas

Committed to our customers in remote areas, we provide extended operating hours through our i-Teller virtual counter services and enhanced banking services through multi-functional ATMs.

Customer needs in remote communities are monitored on an ongoing basis and service arrangements are adjusted as appropriate.

Microfinance

Our EPBD has dedicated and experienced teams who are committed to addressing the unique needs of SMEs, including microenterprises.

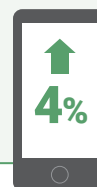
We offer them a comprehensive range of financial services, from account opening to cash management, treasury, and insurance services. In addition, we provide commercial loan products backed by the HKMCI through the SME Financing Guarantee Scheme. This scheme offers a 100% loan guarantee, ensuring that microfinance businesses have access to the necessary funding to establish and expand their operations.

In 2023, we introduced the SME loan – BEA Enterprise Easy Fund which offers flexible financing options, specifically designed to improve the short-term and long-term cash flow of microenterprises to help them achieve their business goals.

2023 PERFORMANCE



The digital adoption rate among senior retail customers at all local branches increased by four percentage points.



Outlook

To promote financial literacy and inclusion, we have made significant strides in enhancing our digital banking services. In conjunction, we have rolled out new and upgraded digital banking platforms with user-friendly interface and step-by-step guides, ensuring that all customers, including the elderly, can easily navigate and utilise our digital banking platforms. We are also streamlining the login process to provide a seamless banking experience for our customers. In terms of expanding our product range, we are continuously monitoring market demand and introducing products, such as SME loans and express cross-border remittance service, to provide accessible and convenient financial solutions that cater to the evolving needs of our customers.

RESPONSIBLE OPERATIONS

TALENT ATTRACTION AND RETENTION

[Aspect B1, B3] [GRI 2-16, 2-19, 2-20, 2-26, 401, 402, 403]

Why it matters

Our ability to attract the best talent and to retain, and engage employees who deliver a positive experience to our customers directly contributes to the Group's growth and the overall health of the banking sector, economy, and society. Devising and implementing effective strategies are crucial to maintaining a stable, professional, and highly productive workforce.

Management approach

Our HRD works closely with both Senior Management and line departments to formulate the right talent attraction and retention strategies, as well as to review and ensure that workforce diversity and overall manpower demand are aligned with the Bank's business strategy. We also provide our employees with comprehensive benefits and the opportunities they seek to advance their career as well as multiple channels for them to communicate their ideas and views with the Bank.

Strategic workforce and succession planning

At BEA, we prioritise staff development and the creation of a robust talent pipeline to achieve our organisational goals. Through ongoing strategic workforce planning, we identify the Bank's current and potential workforce skill gaps, while closely monitoring attrition, to determine the factors needed to strengthen our professional team and better serve our customers. We maintain and constantly review our talent pool to identify suitable candidates with the skillsets that match the Bank's business focus and development direction. Rigorous workforce planning enables the Bank to make informed hiring decisions which lead to productivity enhancements and business success. Meanwhile, the staff referral scheme encourages staff members to refer quality candidates to join the Bank, where they are provided with the opportunities to thrive.

Management succession planning, in particular, is critical to maintaining the Bank's growth, longevity, and legacy, and our Nomination Committee oversees its formulation and implementation. The Group's Management Succession Policy aims to minimise disruptions caused by vacant executive positions, foster stability, and ensure a seamless transition of leadership.

Internal mobility

In 2020, we introduced a mobility policy to strengthen our talent pool through transfers, internal recruitment, exchange programmes, short-term assignments, secondments, and job shadowing. Staff members are alerted to new opportunities via email, an online job board, and an internal job fair, which were revamped in 2021. By adopting a merit and competence-based approach, we ensure that our employees have the flexibility to explore new roles and projects that align with their career aspirations. We also use a tracking mechanism for internal hiring, and each division's internal mobility statistics have been factored into its scorecard to encourage progress.

Staff benefits and engagement

Our comprehensive benefits packages encompass medical and life insurance, paid leave, retirement plans, and preferential rates on a range of banking services. We offer special leaves to support our staff to achieve work-life fulfilment and aspirations, such as one-week marriage leave, birthday leave, examination leave, 16-week maternity leave and one-week paternity leave, and more. Non-permanent staff are eligible for some benefits, such as maternity leave and paternity leave. Depending on employment category, staff can enrol eligible family members for medical benefits. These staff benefits are reviewed annually. The Remuneration Committee oversees the Bank's remuneration framework and governance, which is guided by the Group's Remuneration Policy.

We value open communication and engagement with our employees, with a view to enhancing their overall experience at the Bank. The established communication channels, such as the annual Bank-wide employee survey, quarterly Group-wide and divisional meetings, exchange sessions with Senior Management and direct conversations within business units, allow employees to speak up and share their ideas and experiences. The collected insights are good references for us to act upon when revising our talent and workplace management strategies. We also track voluntary turnover and conduct exit interviews with all colleagues who decide to move on, allowing us to monitor and evaluate our performance and make necessary adjustments.

Awards and recognition

To cultivate a culture of appreciation, motivation and a positive work environment, we have implemented the BEA Staff Recognition Scheme with quarterly and annual awards, which recognise staff who achieve outstanding performance and demonstrate exemplary behaviour aligned with BEA's core values.

Programmes and initiatives

Strategic workforce and succession planning

This year, we expanded our sourcing strategy to encompass the talent pool in the Chinese Mainland, particularly in digital and other key business areas.

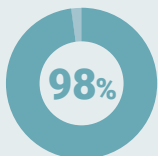
Our Kuala Lumpur Representative Office has introduced a succession action plan which offers the identified successor the opportunity to spend a full month at the Head Office to deepen his understanding of the Bank’s business and operations at the Group level. This ensures that the individual with the most suitable experience, competence, and integrity will be appointed to assume management roles within the Bank in the near future.

Staff experience

The employee pulse survey, which we conducted in 2023, provided insights into our employees’ experiences in various aspects over the past 12 months. Based on the survey results, and through collaboration with business units and subsidiaries, the Bank developed appropriate engagement strategies.

EMPLOYEE PULSE SURVEY 2023

The findings from our annual employee survey in 2023 revealed that BEA has a highly engaged workforce. We achieved an impressive response rate of 98% to the employee engagement survey, an increase from 95% in 2022. Their active participation and valuable feedback underscores their commitment to the success of the Bank. The survey also revealed that 88% of staff are positively engaged, indicating a strong sense of satisfaction and connection among our employees. Additionally, an impressive 88% of respondents believe that they could contribute to the Group’s ESG performance.



response rate to the Employee Pulse Survey 2023



of staff are positively engaged



of staff believe that they contribute to the Bank’s ESG performance

FOCUS ON YOUNG TALENT

This year, the Bank continued to nurture young talent by running training programmes for Group Management Trainees, Wholesale Banking Trainees, and Audit Trainees as well as providing Gap Year Placements to undergraduates or postgraduates. We also continued to participate in youth-oriented programmes to provide structured training and on-the-job experience for recent graduates and students, equipping them with essential knowledge and skills to become future bankers, relationship managers and specialists in fintech, audit, and GBA cross-boundary business. In 2023, these included the:

- Corporate Summer Internship in Chinese Mainland;
- Fintech Career Accelerator Scheme; and
- Apprenticeship Programme for Private Wealth Management, Hong Kong.

In July, the Bank enhanced the current Management Trainee (“MT”) Programme, turning it into a Group MT Programme with a OneBank proposition to strengthen our talent pipeline for the future. We provide longer on-the-job rotation exposure in the Chinese Mainland as well as overseas branch visit and executive training. Since 2022, we have conducted an Audit Trainee Programme to nurture young professionals.

To support youth development in the field of ESG, BEA sponsored a Research Project Competition organised by the Hong Kong Securities and Investment Institute. As project sponsor, BEA provided guidance and support to students from universities in Hong Kong as they conducted research and delivered presentations on the Bank’s ESG strategy, plans, and accomplishments. The project, which lasted from January to March, was a gratifying experience and enabled the Bank to collaborate with students who share a passion for ESG and to offer them valuable insights into the role of the financial services sector.

Rebuilding ties post-Covid

In 2023, after social gathering restrictions were lifted, we resumed physical town halls for closer and more interactive communications so that employees feel valued and heard. During these regular Group-wide and divisional town halls, our senior leaders shared updates on company performance and communicated the latest direction.

Similarly, BEA China launched the BEAction campaign for staff to raise suggestions to Senior Management, while our Taiwan Branch held quarterly labour-management meetings at which

labour representatives and management representatives worked together to resolve matters raised by employees.

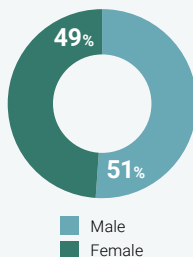
To further foster a OneBank culture, we continued to set aside a budget designated for cross-divisional or departmental team building activities. We also introduced a cross-geographical secondment programme for relationship managers to provide staff members with cross-border and career development exposure, while our programme for high-potential staff members (“HIPOs”) was expanded to include talented staff members in the markets we serve beyond Hong Kong.

2023 PERFORMANCE

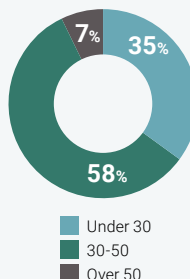
As at the end of December 2023, the Group’s turnover rate for full-time employees, including both voluntary and involuntary leavers, slightly dropped at 17.6% compared to the rate at the end of 2022.

Meanwhile, the number of internal mobility cases for 2023 increased by 5.5% compared to the previous year, revealing a growing trend of employees exploring new roles and opportunities within the Bank. Alongside our commitment to promoting internal mobility, we have also made substantial progress in recognising and cultivating HIPOs. Through our talent identification programmes and assessments, we have successfully identified 12 employees who show exceptional potential for future leadership roles within BEA.

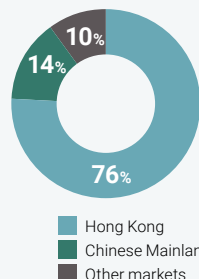
NEW HIRES BY GENDER



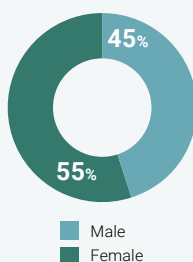
NEW HIRES BY AGE GROUP



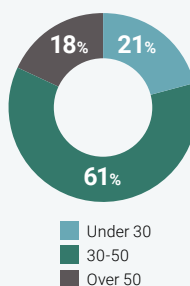
NEW HIRES BY MARKET



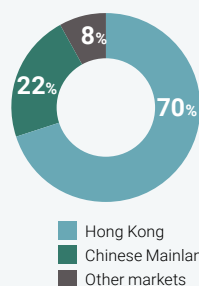
TURNOVER BY GENDER



TURNOVER BY AGE GROUP



TURNOVER BY MARKET



Outlook

In an ever-evolving landscape, attracting, retaining, and deploying talent strategically is key to future success. To achieve this, we will continue to organise talent programmes, promote career opportunities at industry, job fairs, and

university events to attract top talent and encourage internal mobility to maximise the potential of our workforce and strengthen our talent pool.

TRAINING AND DEVELOPMENT
[Aspect B3] [GRI 404]

Why it matters

Training not only empowers employees, but also helps them to stay competitive and advance their careers within the Group. We approach professional development as a fundamental investment in our long-term growth. By offering a wide range of internal, external, and tailored job-specific training, the Bank provides ongoing opportunities for upskilling and professional development, which lead to improved employee performance with the right mindset, knowledge and skills, higher employee satisfaction and morale, and lower employee turnover. Through education, we can also encourage our staff to be responsible corporate citizens and contribute to the environment and the community.

Management approach

HRD and TDD work closely with Senior Management and other business heads to identify the skills and capabilities necessary to achieve our short and long-term objectives. At BEA, TDD plays an important role in the continuous professional development of our employees, guided by the Staff Training and Development Policy.

Professional development

We make reference to the HKMA's Enhanced Competency Framework ("ECF") as the benchmark for professional qualifications. Adhering to this framework, we invest in a wide range of training programmes that cover technical expertise and soft skills. These initiatives ensure compliance with applicable licensing regimes and address the continuous professional training and development needs of our staff.

To ensure the quality of our training programmes, we benchmark against the Hong Kong Qualifications Frameworks. Internally, we line up subject matter experts from across the Group to contribute to the design and delivery of new training programmes and invite industry experts to share their knowledge and experience with our trainers. For key learning or talent development initiatives, we seek input and guidance from our Senior Management. Externally, we establish connections with industry players, peer banks, professional bodies, educational institutions, and consultants to identify collaboration opportunities for the development of high-quality training programmes and innovative solutions. In 2023, we partnered with the Vocational Training Council, Institute of Financial Planners of Hong Kong, and The Hong

Kong Institute of Bankers to upskill and reskill our staff through a range of training courses that cover the latest insurance and GBA market trends, as well as the most up-to-date regulatory requirements.

The Bank supports employees in their pursuit of professional development outside the organisation. Our full-time staff members may be nominated and sponsored by the Bank to attend external training courses, pursue higher academic qualifications and obtain job-relevant professional qualifications that align with their training needs and job roles. For instance, we encourage and sponsor our Management Trainees to attain the Certified Banker qualification. Additionally, we offer subsidies for Relevant Practitioners ("RPs") pursuing ECF certification and ongoing training to fulfil Continuing Professional Development requirements for licensed staff and certified RPs, covering topics such as ESG, fintech, cybersecurity, and more.

To provide high-quality, valuable training for our employees, we actively engage internal and external stakeholders to assess training needs in view of the changing market landscape. We value feedback from our employees and seek input through course-end evaluations, which are shared with trainers, supervisors, and department heads. This feedback is carefully reviewed, and appropriate follow-up actions are taken to enhance the training experience. In addition, an annual training needs survey is distributed to all departments, and TDD conducts in-depth discussions with relevant parties to better understand their specific training requirements and ensure the courses we offer are relevant to their professional growth.

Performance management

To assist staff members and managers in performance management, we have developed Performance Management Guidelines and Procedures. These guidelines provide a framework for aligning performance goals with the Bank's strategy, cascading goals from higher levels to individuals, integrating core values into performance metrics, and ensuring a balanced assessment of financial and non-financial objectives. We pay significant attention to providing constructive feedback, facilitating career discussions, and offering timely guidance for performance improvements.

Every year, all staff have to complete a year-end performance review to evaluate their performance against each goal set at the beginning of the year, as well as their adherence to core values, and risk and compliance. During performance reviews, BEA employees and management discuss career aspirations

and establish development plans with specific training goals, as required. Staff who report directly to a division head, are required to undergo an annual peer evaluation process where their adherence to the Bank’s core values, or how their observable daily actions and interactions at work exhibit core values will be assessed. Our Guidelines for Peer Evaluation sets out the procedures for implementing the peer evaluation mechanism. In addition, our “360 feedback” allows all staff to provide feedback to multiple colleagues, including managers and other peers.

Recognising the importance of effective leadership, we invest in training programmes for promoted employees to equip them with the necessary skills and enhance their management capabilities. Since 2022, staff participation in key training programmes has become one of the Group’s KPIs, reflecting our commitment to continuous learning.

Programmes and initiatives

The Bank’s training programmes aim to enhance the knowledge and skills of every staff member. Courses cover product and financial knowledge, risk management skills in areas like cybersecurity, anti-money laundering, and terrorist financing risks, leadership and management skills, customer service and sales, and operational know-how. Mandatory training on topics such as Code of Conduct and the Bank’s core values, as well as non-discriminatory practices, is provided to all staff. We also have various functional trainee development programmes and a Group MT Programme to nurture young talent and support their career development within the Bank.

During the year, we offered a wide range of online and in-person training courses that are tailored to the needs of staff members and support the Bank to build a “future ready” workforce. These courses aim to equip employees with the skills required for their current roles and prepare them for the future of work. In view of the Bank’s digital transformation journey, growing cross-border business, especially those linked to the GBA, and increasing ESG regulation and investing, various training programmes on these areas were organised to enhance the crucial skills of our staff to help them navigate challenges and maximise opportunities ahead.

Tech & Data

- Digital Asset 101 training was arranged for selected department heads and representatives to familiarise them with the relevant knowledge and protocol before the announcement of the regulatory framework.
- Data Literacy Empowerment Programme continued in 2023 with a focus on “Enablement and Usage”. Our goal is to promote data-driven decision making at all levels and departments within BEA. Under the Programme, a number of staff were trained as Citizen Data Scientists (“CDS”), who play a crucial role in promoting a data-driven culture by fostering knowledge sharing among colleagues, facilitating collaboration, and encouraging the adoption of data-driven practices.
- As one of the Bank’s major initiatives, MetaBase aims to migrate the majority of our Bank’s data from server to cloud for analytical purposes. Complementing this initiative, we launched Google Cloud Platform training to equip our staff with the essential knowledge and skills to fully utilise the platform, empowering them to handle MetaBase related projects independently.

GBA cross-boundary business

Specially designed training on GBA cross-boundary business was launched in 2023, including:

- a new GBA mobile “Micro-learning Programme” for all Bank staff;
- a series of GBA role-based training programmes for front-line relationship managers; and
- seminars and webinars covering GBA thematic topics, which were held throughout the year.

ESG-related training

In order to achieve a lasting and significant impact, it is crucial to integrate sustainability principles into business operations. To accomplish this, we initiated a wide range of training and awareness programmes that place a strong emphasis on ESG concepts and practices. Central to our efforts, starting from 2023, all Group staff are required to complete a new mobile micro-learning “ESG Essentials” that covers the fundamentals of sustainability, as well as BEA’s performance and objectives. Other related training launched in 2023 included:

- **Mandatory training on climate change** to cultivate a solid foundational knowledge across the Group on climate change mitigation and adaptation trends, as well as BEA’s net zero roadmaps and decarbonisation strategies.

- **Mandatory GSF-specific training** for all front-line and relevant back-office staff to provide insights into the GSF products on offer, BEA’s own GSF framework and development, and the risks of greenwashing. To better disseminate crucial GSF knowledge, we have also opened the training to all other staff members on a voluntary basis.
- **Voluntary sustainability sharing sessions** with industry experts to discuss in depth various ESG topics and emerging trends.

ESG INNOVATION WORKSHOP

To accelerate progress towards our ESG vision of being recognised as the sustainability leader among financial institutions in Greater China and beyond, we organised an ESG Innovation Workshop in 2023. This workshop aimed to generate innovative and actionable ideas that would bring the Bank closer to realising its vision, particularly from the perspective of its customers. Participants were encouraged to take the Design Thinking for Workplace Innovation course prior to the workshop to enhance their ability to contribute to the generation of creative ideas.

The workshop, attended by representatives from various divisions and their team leaders, encompassed pre-workshop briefings, research, data analysis, and a physical workshop event. The objective was to address

key concerns identified through a stakeholder exercise, such as sustainable and climate-aligned finance, ESG risk management, and carbon emissions reductions. The workshop concluded with each group presenting their ideas before a judging panel.

The top three ideas were then selected for presentation to Senior Management, and after a thorough review, the ESG Steering Committee recommended to have all three proposals further developed and incorporated into BEA’s ESG goals for 2024.

The active participation and support of colleagues from across divisions and the Chinese Mainland were vital in fostering innovation and making the workshop a transformative experience.



BEA CHINA's ESG CAPACITY BUILDING

In response to the HKMA's Enhanced Competency Framework on Green and Sustainable Finance Development Project ("ECF-GSF") and specific requirements set out by the PBOC and National Financial Regulatory Administration ("NFRA") on developing professional capabilities in green finance in the Green Finance Evaluation, BEA China has identified ESG capacity building as one of its sustainable development goals.

To further enhance the capabilities of employees in ESG-related roles, BEA China launched an ESG Learning Empowerment Programme in 2023. Training topics include GSF product and servicing, sustainability and climate risk management, GSF disclosure and reporting, as well as sustainability strategy, compliance, and control.

DESIGN THINKING MINDSET

In early 2023, we introduced the new Bank-wide thematic series on Design Thinking, focusing on "How to create a customer-centric experience through disruptive innovation". More than 1,500 staff members across the Group have attended the training. Staff were instructed on the Design Thinking concept, a structured framework with practical skills and tools that empower our staff to drive transformation in the Bank through a human-centric approach. It aims to upskill our staff to master the skills and tools necessary to drive transformation in the Bank.

The programme has enabled the Bank to foster a culture of innovation and customer-centricity. This benefits the Bank's development of new products and services that better meet customer needs and preferences. The Bank has also experienced enhanced problem-solving capabilities, leading to more agile responses to market changes. Ultimately, the programme has created tangible business value by driving innovation, increasing operational efficiency, and delivering superior customer experiences.

MICRO-LEARNING PLATFORM

In May, to better promote an agile learning culture and to create an even more engaging learning experience for our staff, we launched a new mobile micro-learning platform for all staff in Hong Kong and beyond. A new series of BEA-curated micro-learning on future skills were introduced, ranging from Tech & Data and ESG to GBA cross-boundary business.

FUTURE LEADER ACCELERATED PROGRAMME ("FLAP")

We continued to organise FLAP in 2023 with a new cohort of 12 high-potential executives. FLAP serves as a talent development framework that identifies employees with strong potential for Senior Management and department head positions within the Bank. The programme provides a structured mix of training and on-the-job development opportunities to accelerate HIPOs' knowledge, skills, and experience. Since 2022, we have expanded FLAP to HIPOs in the markets we serve beyond Hong Kong, such as Macau, Malaysia, the UK, and the US. By expanding the programme globally, we aim to nurture talent from diverse backgrounds and locations, fostering a well-rounded and globally oriented leadership pipeline.

To ensure that these initiatives continue to meet the development needs of HIPOs, we conduct regular pulse check surveys and feedback surveys. These surveys enable us to gather valuable insights and make necessary adjustments as needed.

2023 PERFORMANCE

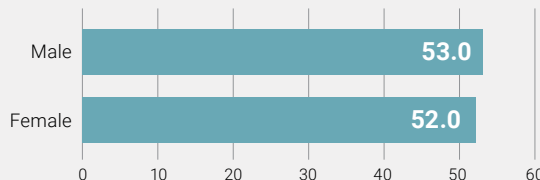
In 2023, the Bank invested over HK\$12 million in staff development. We delivered about 54 hours of training on average to employees at all levels of the Bank compared with an average of around 50 hours in 2022.



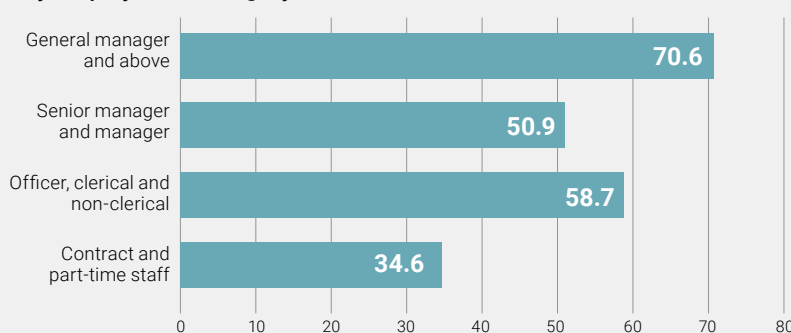
100%
of employees⁹ received regular performance and career development reviews

AVERAGE HOURS OF TRAINING

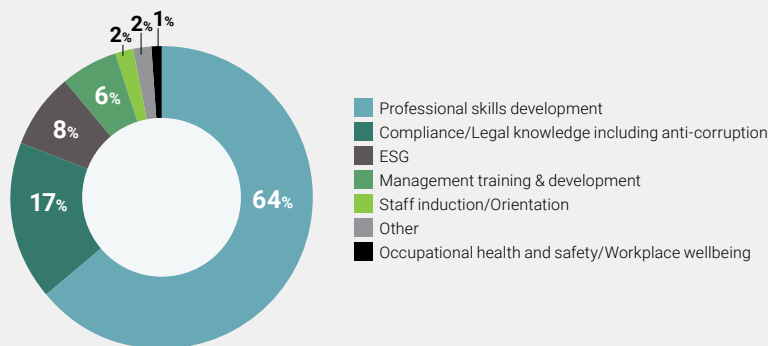
By Gender



By Employment Category



TRAINING CATEGORIES BY HOURS



Outlook

In 2023, we set in motion plans to significantly expand and accelerate the upskilling of our staff in areas such as Tech & Data, ESG, and GBA cross-boundary business. We are designing a fresh series of training programmes that will be made available to all employees. The Data Literacy Empowerment Programme will be extended to reach a larger group of individuals, including both Data Citizens and Citizen Data Scientists.

In terms of talent development, we will introduce new leadership programmes aimed at further enhancing the capabilities of our leaders with an eye to cultivate a robust talent pool and succession pipeline for the Bank. This will involve the continued development of HIPOs and trainees. We will also prioritise the professional growth of our staff by investing in their professional development. This includes providing support and assistance to relevant practitioners in obtaining ECF certification.

9. All permanent full-time staff members who have completed probation on or before 30th September and those are eligible for performance-related bonuses are in the scope of the performance review. In 2023, 7,872 staff members of the Group received performance reviews.

HEALTH, SAFETY, AND WELLBEING

[Aspect B2] [GRI 403]

Why it matters

BEA recognises that employees' health, safety, and wellbeing are crucial for business success. It is one of our top priorities as employees are our most valuable assets. While the risk of physical risk to our employees is relatively low, any injury at work or ill-health of an employee may lead to loss of working days, business opportunity, or affect our corporate image. A healthy and safe work environment is conducive to a stable, engaging, and highly productive workforce, which in turn ensures a positive experience for our customers and other stakeholders.

Management approach

Occupational safety and health

General managers of the Bank are responsible for the overall implementation of the Bank's health and safety policies, while the Bank's Health and Safety Officers, as well as department heads, ensure that safe and healthy working conditions are maintained. All branches are obliged to comply with local health and safety laws and regulations. Our Occupational Safety and Health ("OSH") Policy applies to all Group staff in the markets we serve. However, where differences in local occupational safety and health rules and regulations are applicable, Macau, Taiwan and overseas branches will follow the local markets' requirements.

We prioritise workplace safety and continuously monitor our safety performance. We also identify and closely monitor potential safety issues to reduce the risk of accidents and eliminate unsafe working conditions, and maintain open lines of communications with our employees to address any concerns promptly. Our goal is to maintain a "zero accident and injury" workplace environment. Workplace injuries are reported by the respective departments for further investigation and implementation of remedial and preventive measures as necessary. These reported cases are tracked in the monthly report of the Operational Risk Management System.

In addition, we conduct regular OSH inspections in the workplace to verify the implementation of OSH measures. If any hazardous conditions or reported accidents are identified, we perform detailed hazard analyses and develop action plans to address the issues with appropriate remedial measures and preventive actions.

At our Taiwan Branch, we have implemented a Safety and Health Work Rules that is in accordance with the Taiwan-Occupational Safety and Health Act, and has been approved by the Labour Inspection Office of the Taipei City Government. These Rules includes guidelines for health workplace management measures, first aid and rescue training, mitigation of physical or mental harm, and the prevention of musculoskeletal diseases caused by repetitive movement. In addition, an Employee Caring and Recognition Group has been formed, with meetings conducted from time to time to address staff members' concerns and provide suggestions.

Programmes and initiatives

Occupational health and safety

BEA prioritises employee's wellbeing by incorporating OSH considerations into workplace design, creating a conducive environment that reduces the risk of workplace injuries. In 2023, we adopted ergonomic principles in renovation projects to ensure that workstations, furniture, and equipment are designed with factors such as adjustability, proper posture, and optimal equipment positioning in mind. By creating a supportive work environment that promotes employee health and safety, BEA demonstrates its dedication to providing a secure and comfortable workplace for its employees.

We regularly conduct workplace health and safety training for our staff to enhance their awareness and knowledge. Topics such as manual handling and fire safety ensure that employees are equipped with the necessary skills to maintain a safe working environment. Meanwhile, our branches in the UK regularly review equipment needs, such as installing overhead headsets for staff who conduct frequent online calls or take part in training sessions and presentations. During the year under review, our Taiwan Branch organised a two-hour OSH training session for staff members on earthquake preparedness and fire prevention.

Employee wellbeing

We believe in a holistic approach to supporting employees' health and wellbeing. We provide comprehensive health insurance, covering inpatient, outpatient, and dental and mental health services. We continuously review our medical benefits package to ensure it stays competitive and this year, we enhanced both major medical and hospital benefits for all Group staff. In the UK, we enhanced life insurance coverage and provided staff with discounted gym membership to promote a healthy lifestyle.

To further promote work-life balance, we have increased the wellbeing time-off from two hours per month to four hours, applicable to all permanent full-time and non-permanent colleagues. Since 2021, we have extended the scope of early release arrangements for major festivals.

We also offer various support to cater to the different needs of our employees. An “Employee Assistance Programme” is available to those staff members and their family members who find themselves in need of emotional and mental support. Professional counsellors can be reached 24/7 via in-person sessions, a telephone hotline, or by email. We also provide necessary amenities such as lactation rooms to support mothers returning to work after maternity leave. To promote workplace mental health and wellbeing, we have provided Resilience Training to our management trainees and invited registered industrial psychologists to develop targeted Leadership Resilience programmes for our HIPOs, supporting them in maintaining healthy growth and high performance.

In Hong Kong, employees have access to healthy lunch options in staff canteens and enjoy free access to recreational facilities such as a staff gym and rooftop garden. The SSRC managed by HRD organises wellness and staff recreational events such as yoga classes, wellness talks, and urban farming workshops. We also elevate the employee experience and create a positive work environment by offering various volunteering and charitable activities that align with the Group’s core values and our employee value proposition.

In our Macau Branch, we established a “Plant Sharing Group” in March, inviting staff to exchange their potted plants. Concurrently, we increased the number of indoor plants in the office to create a green and pleasant working environment for our employees. In October, a cross-department team-building activity was organised to promote teamwork and enhance collaboration among staff members.



◀ In June, our Dragon Boat Team participated in the Stanley Dragon Boat Warm Up Races and was awarded second runner-up in the Mixed Gold Shield.



◀ Recreational activities such as nature tours were organised throughout the year for staff to exercise and connect with nature.



▲ To celebrate BEA’s 105th anniversary, a Bank-wide sports carnival was held in West Kowloon Art Park, Hong Kong, in January 2024. Some 4,000 employees with their family and friends immersed themselves in a range of family-friendly activities and themed workshops throughout the day.

2023 PERFORMANCE

>270 events
organised by SSRC

>6,500 places
offered to staff and their family members

Outlook

To strengthen our OSH management and governance, we have initiated a review of our current Group OSH Policy and Manual. We are exploring the feasibility of incorporating the latest requirements of regional OSH regulations and international OSH standards, such as ISO 45001:2018, into our operations.

We will continue to provide our staff with best-in-class workplaces that prioritise health, safety, and employee wellbeing. In 2024, we will conduct a comprehensive gap analysis for five of our key office buildings in Hong Kong using the WELL Health-Safety Rating.

DIVERSITY AND EQUAL OPPORTUNITY

[Aspect B1] [GRI 2-16, 2-19, 2-20, 405, 406]

Why it matters

The Bank strives to foster a positive working culture in which our people are inspired to do their best for BEA, our customers, and our community. Without an inclusive workplace characterised by fairness, equity, opportunity, and respect for social and cultural diversity, we cannot empower our staff members from all backgrounds to realise their full potential. Thus, BEA provides a work environment that is free from unlawful discrimination, harassment, bullying, victimisation or vilification.

Management approach

Our Bank Culture Work Group, which reports to the Bank's Remuneration Committee, is chaired by the GM and Group Head of PSD and overseen by the Bank's Executive Committee. Its role is to foster a sound Bank-wide culture by promoting BEA's core values and developing strategic initiatives in accordance with HKMA's three pillars of governance, incentive systems, and assessment and feedback mechanisms. The Work Group holds quarterly meetings to review action plans and ensure that initiatives support risk management and internal controls to effectively promote the desired culture.

The Bank's Code of Conduct, Staff Handbook, and Human Rights Policy clearly outline our commitment to non-discrimination and equal opportunity. Our commitment to human rights is set out in the Group's Human Rights Policy, which is aligned with the UN Guiding Principles on Business and Human Rights, and applies to the Group's operations and business activities worldwide. The Bank has in place a human rights monitoring and reporting systems, which has been incorporated into the Bank Culture Dashboard. Any substantiated human rights cases identified through various channels including the Group's whistleblowing procedures are reported on a quarterly basis to the Bank's Senior Management.

Our Group Equal Employment Opportunity, Diversity, and Inclusion Policy ("the Policy") references the values and principles of the Universal Declaration of Human Rights of the UN, and the Fundamental Conventions of the International Labour Organisation ("ILO"). Local subsidiaries and branches in

other markets incorporate the principles of the Policy into their Human Resources policies in accordance with the local rules and regulations, where applicable and as appropriate. Training materials have also been developed to promote diversity and inclusion across the Bank.

Under the Policy, the Bank provides equal employment opportunities for staff members, regardless of age, gender, sexual orientation, physical appearance, language, religion and beliefs, etc. Our staff are also expected to demonstrate appreciation, care, and respect for each other and our customers. To signify our commitment to fostering diversity, inclusivity, and fairness within the organisation and across the supply chain, we have been a longstanding supporter of the Talent-Wise Employment Charter and Inclusive Organisation Recognition Scheme organised by the Labour and Welfare Bureau, the Rehabilitation Advisory Committee, the HKCSS, and the Hong Kong Joint Council for People with Disabilities.

Additionally, we adopt a consistent merit-based approach in managing the remuneration of its employees, taking into consideration various factors, including the staff member's seniority, role, responsibilities and activities, expertise, competences and qualification required, working experience, job performance, etc. This ensures that our remuneration is in line with the Hong Kong Equal Opportunities Commission guidelines on equal pay between men and women under the Sex Discrimination Ordinance.

Furthermore, BEA enforces a [Supplier Code of Conduct](#) ("SCoC") to uphold social and ethical standards throughout our supply chain. This SCoC aligns with international documents such as the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the fundamental conventions of the ILO. Suppliers' adherence to this SCoC helps BEA ensure that they uphold the same social and ethical standards, and promote fairness, diversity and equal opportunities. The SCoC emphasises the importance of providing a safe and hygienic work environment, free from discrimination, harassment, and exploitative practices. It also prohibits child labour, forced labour, and any form of modern slavery. The SCoC encourages suppliers to create inclusive practices, support diverse groups, and promote access to their services for individuals with disabilities or other impairments. We believe that by working together with our suppliers, we can contribute to a more equitable and supportive business environment for all stakeholders involved.

Programmes and initiatives

Promote anti-discrimination awareness

To reinforce anti-discrimination awareness and refresh knowledge of our staff, related content is incorporated into our new joiner online learning programme and annual refresher courses on areas such as Code of Conduct, Treat Customers Fairly training, etc.

Breastfeeding friendly workplace

AWARD-WINNING BREASTFEEDING ROOM DESIGN

Recognising the importance of supporting nursing mothers as part of our commitment to inclusivity, the Bank has built breastfeeding rooms to provide a comfortable and private space that respects the rights of nursing mothers and supports their participation in the workplace.

The Bank is honoured to receive the Most Innovative Award at the Breastfeeding Room Design Competition co-organised by UNICEF HK and Hong Kong Special Administrative Region (“HKSAR”) Department of Health during the World Breastfeeding Week 2023. We believe a cosy breastfeeding room with high levels of privacy and comprehensive facilities respects a mother’s right to breastfeed and encourages new mothers to breastfeed. We will continue to support the “Say Yes To Breastfeeding” campaign, and explore opportunities to incorporate thoughtful design elements into our existing facilities for a family-friendly workplace.



Diversity and inclusion activities

In support of diversity and inclusion, we organised a range of activities throughout the year for our staff and stakeholders, enabling them to embrace diversity, inclusion and equal opportunities in their daily life.

STARGAZE CAMP FOR ALL AND THE BLIND 2023

2023 marked the 10th year of BEA’s participation in the “Stargazing Camp for All and the Blind”. Over 20 volunteers joined the event held on 16 and 17 December. Together with BEA volunteers, the visually impaired used the provided equipment to learn more about astronomy and picture their own starry skies.

FINANCIAL LITERACY AND SOCIAL ADAPTATION WORKSHOPS

Partnering with Heep Hong Society for the second consecutive year, BEA organised five interactive workshops to promote financial literacy and social adaptation skills among children with Special Educational Needs (“SEN”).

Our trainers from TDD developed tailored financial literacy talks to meet the unique learning needs of SEN children. During the workshops, 200 children accompanied by their parents learned about basic financial concepts, money management, and the difference between Needs and Wants.

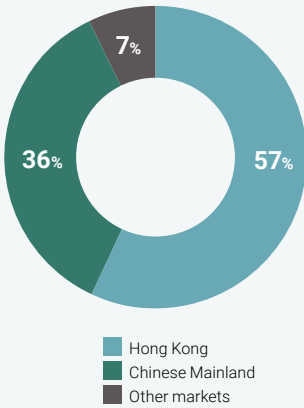
Followed by the talk, over 80 BEA volunteers accompanied the children on a shopping trip. This hands-on experience provided the children with a practical opportunity to apply their newfound financial knowledge and enhance their social adaptation skills. Under the guidance of the volunteers, the children learned how to make purchasing decisions, compare prices, and stay within a budget. Interaction with volunteers, store personnel and other shoppers also helped boost the children’s confidence, communication and social interaction skills.

Through this volunteer activity, we hope to inspire other organisations and individuals to promote financial empowerment among children with diverse learning needs.

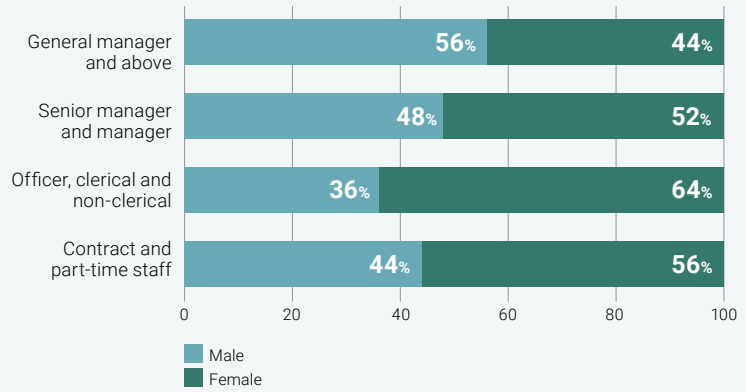
Our initiative has been recognised with an Investor and Financial Education Award (Corporate) 2023, presented by the IFEC.

2023 PERFORMANCE

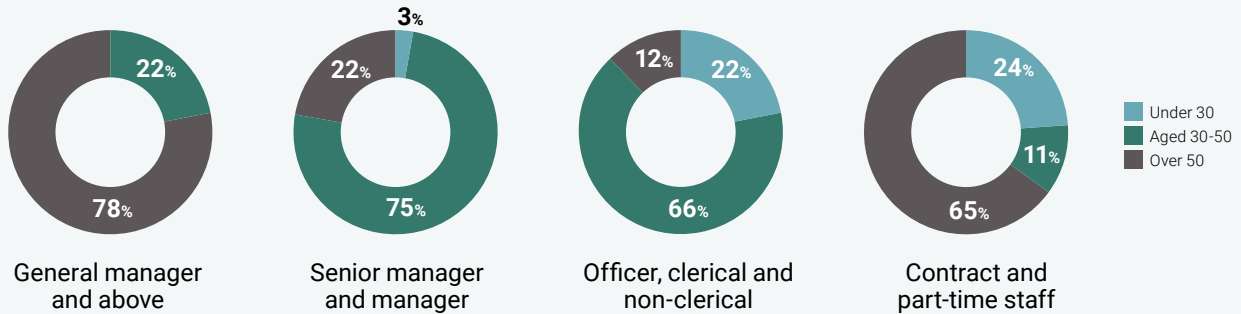
EMPLOYEES BY MARKET



EMPLOYEES BY GENDER



EMPLOYEES BY AGE GROUP



Outlook

Going forward, our Senior Management and the Bank Culture Work Group will continue to assess the importance of key dimensions and, in response, develop culture-related training across different levels.

As the employee survey has proved to be an indispensable tool for gathering feedback, we will also enhance the staff grievance procedure to ensure we maintain a fair, efficient, and equitable mechanism to handle and resolve issues arising in the workplace.

CARBON EMISSIONS REDUCTION (OPERATIONS)
[Aspect A1] [GRI 302, 305]

Why it matters

As a responsible financial institution, we understand that the march towards a low-carbon economy will only continue to accelerate. Governments, regulators, and businesses around the world are finding ways to tackle the severe climate-driven risks and impacts we are all facing. The government in one of our main markets, the Chinese Mainland, is committed to hitting peak emissions by 2030 and achieving carbon neutrality by 2060. Governments in many regions, such as Hong Kong, Singapore, and the UK have already made mid-century carbon neutrality/net zero pledges signalling that all companies operating in these locations must prepare to transition to a low-carbon economy. In view of this, we attach great importance to make the greatest impact through the reduction of global carbon emissions in our corporate loan and bond investment portfolio, as well as managing the impact of our own business operations.

Management approach

The oversight of our emissions management is the responsibility of our SUD, which works in conjunction with FMD to explore opportunities to improve the Group’s performance in line with our 2030 net zero operational emissions target, and with local and national commitments to achieve long-term net zero by mid-century.

Our Bank-wide decarbonisation strategy provides a clear framework and directions to our staff on moving towards 2030 net zero operational emissions. Yearly targets and goals are established for different business units, to further motivate our

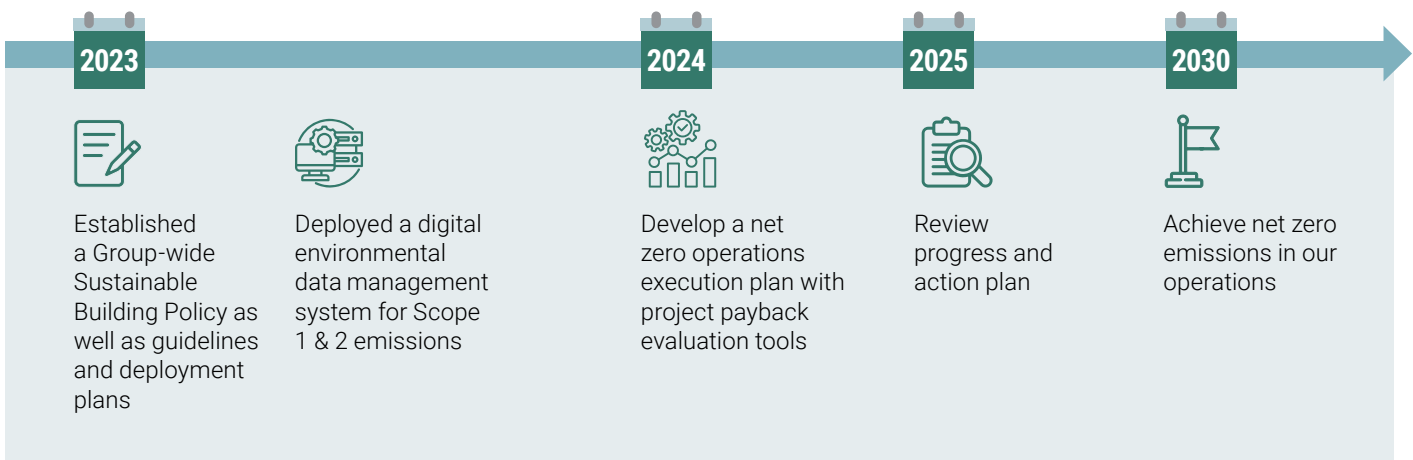
people to drive decarbonisation across the Group. Under the decarbonisation strategy, thematic pillars have been defined to guide the planning and implementation of actions designed to contribute to the achievement of our target. The overall progress, including operational carbon reduction figures and the proposed emissions reduction initiatives, are regularly reviewed by the ESG Steering Committee and approved by the Board ESG Committee.

In 2023, we established a Group-wide **Sustainable Building Policy** as well as guidelines and deployment plans focusing on six key elements, namely carbon reduction, energy efficiency, water conservation, waste management, green transportation, and green building certifications. They echo the Hong Kong government’s Climate Action Plan 2050 and the Chinese Mainland’s dual carbon targets. The Policy outlines our commitments to these topics and our approaches to achieving net zero emissions targets in 2030 through the effective implementation of best practices in leasing, design, construction, renovation and operation of all premises controlled by the Bank.

To ensure that we effectively inform our stakeholders about our emissions management as well as maintain transparency regarding our progress, we annually track, analyse, and disclose emissions information in our ESG Report. Additionally, we provide this information to organisations such as the Carbon Disclosure Project and the Carbon Footprint Repository for Listed Companies in Hong Kong.

Programmes and initiatives

As we strive to achieve our 2030 target, we have laid out interim plans and goals to further reduce our Scope 1 and 2 emissions:



The most significant contributing factor to our operational emissions is energy consumption at our premises. We are in the process of implementing measures to reduce the carbon emissions generated by our building portfolio as part of our continued efforts towards reducing our overall contributions to climate change.

Our initiatives encompass both facility lifecycle replacements and various green projects, from replacing or optimising key installations in our offices, such as chillers and air conditioning units to installing PV panels and efficient lighting. We are also actively investing in new green building technologies including renewable energy systems and energy management systems.

HEAD OFFICE RENOVATION PROGRAMME

Completed in 2023, the office renovation programme at our Head Office was one of the pilot projects through which we implemented the recommended practices stipulated in the Sustainable Building Policy and guidelines. These included the adoption of LED lighting with automatic lighting control and the installation of a control system for air-conditioned zoning to avoid energy wastage.

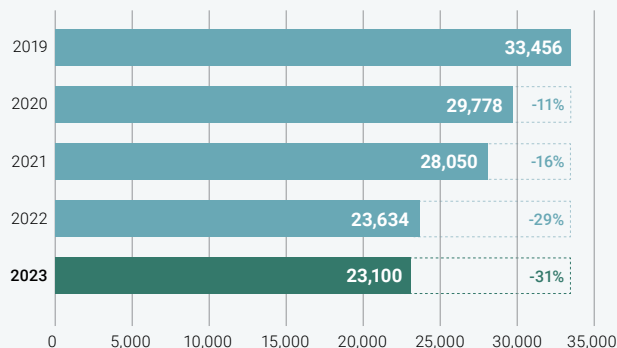
Lower carbon solutions through the installation of renewable energy systems, such as flexible solar PV panels and transitioning to EVs are also gaining traction in our operations. In September, we completed the installation of PV panels on the roof of 33 Des Voeux Road Central building, with an estimated annual renewable energy generation 17,612 kWh. In October, we also installed 182 PV panels on the roof of our Zhangjiang Data Center in Shanghai, expecting annual reduction of 93,718 kgCO₂e in carbon emissions can be achieved.

To monitor our building performance, we set up our first digital environmental data platform. This platform provides instant data analysis and data visualisation to our operations team, as well as our Senior Management, to identify carbon reduction opportunities and evaluate the effectiveness of the implemented measures.

For more information on our energy efficiency initiatives, please refer to the [Sustainable Resource Use](#) section.

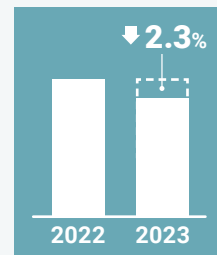
2023 PERFORMANCE

SCOPE 1 AND 2 GHG EMISSIONS (tCO₂e)



Remarks: Emission figures are restated. Please refer to the Environmental Performance section under Our Performance chapter for details.

The Group’s operational emissions reduction for 2023 was 2.3% yoy, which is a significantly smaller reduction than the 16% yoy reduction reported for 2022. This modest decrease is primarily due to two events that counteracted our energy-saving efforts. The easing of COVID-19 restrictions both in Hong Kong and in other markets we serve led to a surge in occupancy rates at our facilities, thus creating greater demand for energy and other resources in the workplace. Furthermore, Hong Kong endured its hottest summer on record from June to August 2023, leading to increased demand for cooling. These factors constrained our ability to achieve more substantial reductions in carbon emissions in 2023. Looking ahead, the Bank aims to conduct energy audits at its major premises in 2024 and to implement measures to drive further reduction in emissions.



Outlook

To accelerate the net zero operations transition, we will establish an execution plan to facilitate the implementation of carbon reduction initiatives, including major energy transition work such as chiller replacement, solar panel and solar film installation, building service system retrofits, and phasing out diesel vehicles. We will continue to explore the feasibility of implementing renewable energy systems in our existing building portfolio and build a climate conscious culture across the Group.

SUSTAINABLE RESOURCE USE

[Aspect A2, A3] [GRI 301, 302, 303, 306]

Why it matters

Due to our business nature, we rely on key resources such as electricity and paper, and we generate waste through our business operations. We understand that our electricity consumption and waste generation have an impact on our local environment. Recognising our responsibility to the environment, we are committed to exploring and implementing effective solutions to reduce our environmental footprint.

The Bank is also mindful of forthcoming regulations, such as the Municipal Solid Waste Charging Scheme in Hong Kong and policies regulating disposable plastic tableware, and other plastic products. Anticipating the introduction of more regulations, we have already implemented measures to minimise paper and general waste from our offices and branches, and reduce food waste from our staff canteens. Furthermore, we continue to focus on reducing our energy consumption and exploring opportunities to source more renewable energy to prevent any increase in our emissions.

Management approach

Our [Environmental Policy](#), applicable across our operations, has been developed with reference to the [United Nation's Environment Programme Finance Initiative Statement](#) by Financial Institutions on Sustainable Development. This Policy guides us in our pursuit of continuous improvement in our environmental management practices, including energy and paper use, recycling, and waste reduction.

Our Board of Directors is responsible for reviewing and approving the Policy annually. Regular updating of our Policy ensures that the Bank complies with all relevant laws and regulations, including environmental protection legislation, in all locations where we operate.

The Bank aims to reduce its environmental impacts arising from its operations wherever possible. In managing our waste generation and consumption of natural resources, we seek opportunities to leverage our digitisation efforts among employees, customers, and other stakeholders, aiming to transition to an efficient paperless system. Concurrently, we have implemented initiatives to promote environmentally responsible behaviour in daily operations. Limiting paper consumption associated with our operations reduces the

environmental impact from production, distribution, and waste handling, while also reducing emissions generated through these processes. We regularly assess our paper use and waste generation, measure waste at our main offices in Hong Kong, and make necessary investments to manage our environmental impacts. To actively manage our waste reduction performance, our FMD has set targets and improvement roadmaps for waste reduction and diversion.

Programmes and initiatives

Energy

We consistently invest and allocate resources towards energy reduction efforts. In Hong Kong, we continue to support the Charter on External Lighting by switching off external lighting at selected branches before 11 p.m. We also periodically conduct energy audits for our main offices in Hong Kong to evaluate the efficiency of our operations. Subsequently, a number of facility upgrade initiatives have been implemented at our office buildings. These include replacing lighting with LED fixtures equipped with sensors at staircases, adopting B5 biodiesel for our genset, and upgrading our data centres by installing hot/cold aisle containment for server racks. We have also raised the temperature setting at our data centres to further reduce energy consumption and once our chiller replacement project is finished, the chiller plant at BEA Tower is projected to achieve approximately a 40% improvement in efficiency compared to the 2019 baseline.

The retrofitting of LED lamps to replace existing compact fluorescent lights has been completed at a number of our branches in the Chinese Mainland, Macau, Singapore, the UK, and the US. Furthermore, our London branch has taken further action by replacing the Bank's car with an EV, and BEA China has replaced seven petrol vehicles with three EVs. The Singapore Branch has implemented regenerative drives for the lift motor, which help recycle energy instead of wasting it as heat.

In the UK, we have been monitoring the monthly electricity usage through meter reading and verification of utility bills. These allows us to identify any abnormalities in electricity consumption and take appropriate measures. Our UK operations have also adopted automated office lighting, and we work closely with the building management company to seek engagement with renewable energy providers for future electricity contracts.

Our premises in Hong Kong and the Chinese Mainland have been awarded green building certifications:

BEA Tower Kwun Tong, Hong Kong	Hong Kong BEAM (Excellent)
33 Des Voeux Road Central Central, Hong Kong	Gold Standard Rating in BEAM for New Buildings
BEA Finance Tower Shanghai BEA China Headquarters/ Shanghai Branch	LEED Gold
BEA Tower Beijing BEA China Beijing Branch	LEED Gold
The Bank of East Asia Building Shanghai BEA China Shanghai Puxi Sub-Branch	LEED Gold
BEA Tower Qianhai, Shenzhen	China Green Building Design Label certified with 3-star LEED Platinum WELL GOLD

BEA TOWER IN QIANHAI

The Group celebrated the inauguration of BEA Tower in Qianhai, its strategic hub in the Guangdong-Hong Kong-Macao Greater Bay Area, in early 2024. BEA Tower utilises green and low-carbon technologies, and has achieved local and international green building certifications.



Paper

We embrace advanced technologies such as online banking and digital financial services to reduce unnecessary paper consumption within our operations and for our customers. We have implemented e-account opening and processing platforms to facilitate paperless transactions. These measures enable our customers to complete account opening, processing, and investment order placements online. Customers can now place straight orders verbally through phone recordings and receive the re-selling risk disclosures and necessary prospectus documents electronically. Relationship managers also have pricing applications to provide online quotes for structured investment products, further eliminating the need for phone calls or paper-based processes. We have reduced our paper order for Hong Kong operations by 72% compared to a 2020 baseline.

In the UK, we have installed papercut software on communal printers. This software assists staff in monitoring their printing activities, reducing the likelihood of misprints. For paper use that cannot be avoided, we procure FSC-certified office paper and encourage recycling of all paper waste produced in our operations whenever possible. Shredded confidential documents are recycled through contractors in locations such as Hong Kong, the Chinese Mainland, Singapore, the UK, and the US. To track and evaluate our performance, we maintain records and report annual paper recycling rates.

Waste

To enhance our waste management programme, we have installed weighing scales at our two main buildings in Hong Kong. This allows us to expand waste measurement and reduction initiatives to our office spaces. By accurately measuring the amount of waste we generate, we have established baseline data to evaluate the effectiveness of our initiatives.

Ongoing responsible waste handling across our operations is still one of our focuses. To extend the lifespan of our IT equipment, we prioritise refurbishment and donate any unused equipment to those in need through local charities. During our renovation projects, our focus is on reusing any old furniture or office fixtures as much as possible. Items not selected for reuse are made available for staff sale or donated to local charitable organisations. Disposal is considered as the last resort for furniture that cannot be reused.

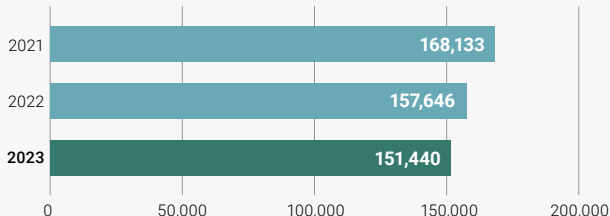
We have also expanded our waste reduction efforts by engaging tenants who occupy our properties. In 2023, we waived the responsibility to reinstate the premises to bare-shell standards for two tenants when returning the sites to us. This enabled the properties, with their original fittings and fixtures intact, to be leased out to new tenants, avoiding a significant amount of construction waste generated from demolition and renovation.

Furthermore, we actively participated in the Hong Kong Environmental Protection Department’s Food Waste Recycling Partnership programme to recycle food waste from our staff canteen at BEA Tower. Since 2022, we have stopped providing single-use cutlery and food containers in our Hong Kong staff canteens. In 2023, we extended the initiative to cover events which catering services were offered by FMD by offering only reusable cutlery and utensils instead of disposable ones. Individual packages of sugar and pepper were also phased out in our staff canteens.

At the local level, we encourage waste reduction behaviour year-round. To cultivate a culture of waste reduction and recycling among our employees, we provide centralised rubbish bins and collection bins for various types of recyclables in our offices. In the UK, a coffee pod recycling initiative was launched in 2023, successfully recycling over 43 pounds of coffee pods since March. We encourage our staff to do their part and provide them with recycling instructions via posters and email notices. Specifically in Hong Kong and Macau, we have supported recycling campaigns during festive seasons, such as the Chinese New Year laisee packet and peach blossom tree recycling drive, as well as Mid-Autumn Festival mooncake tin recycling programmes. These initiatives encourage our employees to participate in sustainable practices and contribute to waste reduction efforts.

2023 PERFORMANCE

TOTAL ENERGY CONSUMPTION (GJ)



Remarks: Energy consumption figures are restated. Please refer to the Environmental Performance section under Our Performance chapter for details.

WASTE REDUCTION PERFORMANCE

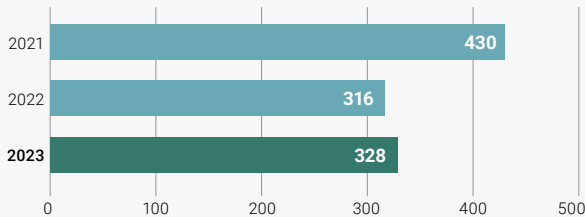


ZERO
single-use cutlery
and containers



46.3%
paper ordering
reduced yoy

WASTE DIVERTED FROM LANDFILL (tonnes)



Outlook

We have been focusing our efforts on reducing energy consumption and waste through the promotion of circular economy initiatives and adoption of energy efficiency measures and renewable energy.

To enhance our waste reduction initiatives and drive behavioural change among our employees, in early 2024, we introduced digital business cards for all staff. This initiative serves as a showcase of our commitment to paperless transformation, and helps us optimise our operations towards a more sustainable and environmentally friendly approach.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT
 [Aspect B4, B5] [GRI 2-25, 308, 414]

Why it matters

As a socially responsible business, we have actively pursued measures to maximise positive impacts and minimise potential negative effects within our supply chains. Through the implementation of policies and procedures, we are committed to promoting responsible supply chain management across all aspects of our business operations. These efforts aim to safeguard vulnerable stakeholder groups, encourage the adoption of sustainable products, and mitigate risks associated with our procurement practices.

Management approach

The Operations Division (“OPD”) and SUD are responsible for overseeing the management of our supply chain ESG issues at the Group level. They develop policies, provide guidance on supply chain risk management, and monitor our suppliers.

The Group has introduced a new [Sustainable Procurement Policy](#) which outlines the Bank’s commitments to integrating sustainability principles into its procurement strategies, planning, operations, as well as supply chain management. Internal guidelines are also in place to provide clear guidance on responsible procurement.

All of our suppliers are required to strictly follow BEA Group’s [Supplier Code of Conduct](#). The SCoC stipulates our expectations regarding compliance with all relevant

legislations, social and ethical standards, environmental matters, and suppliers’ impacts on the local communities. It helps the Bank ensure that the procurement and tendering processes are being conducted with due diligence, integrity, and impartiality. Branches in other markets, such as the UK have further localised and implemented the policies and guidelines to evaluate and monitor the supplier performance.

Suppliers must meet our expectations outlined in our [Human Rights Policy](#). Social and ethical standards of conduct as well as conditions of employment including health and safety, wages, working hours, discrimination, harassment, and grievance mechanisms are also expected from our suppliers. All forms of slavery and human trafficking are strictly prohibited along the Bank’s supply chain. In accordance with the UK’s Modern Slavery Act 2015, our [Slavery and Human Trafficking Statement](#) is available on our website.

In addition, suppliers are required to acknowledge our SCoC before signing and renewing agreements with BEA. In the case of suppliers who have not made commitments equivalent to our SCoC and Human Rights Policy, or who do not meet our requirements, BEA is committed to providing a fair level of support to assist them in enhancing their risk management practices and achieving better alignment with our standards. Our aim is to foster a culture of continuous improvement and responsible behaviour throughout our supply chain.

The key supplier ESG assessment activities stipulated in the policies and guidelines are summarised below:

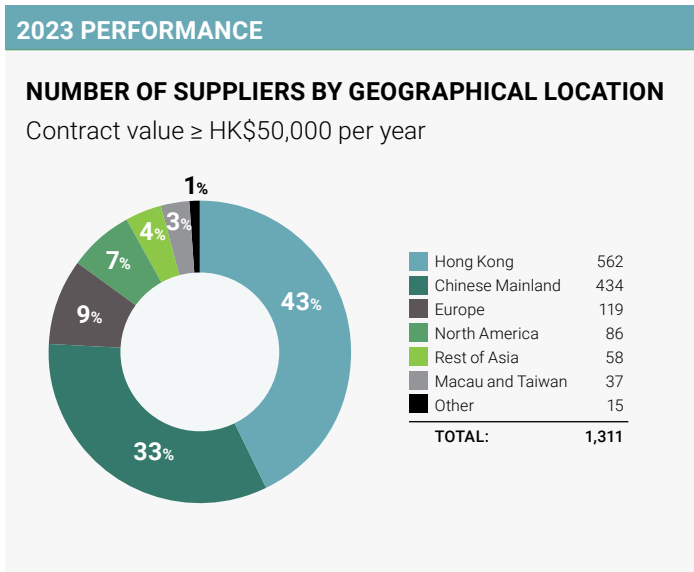
SUPPLIER ASSESSMENT	SUPPLIER MONITORING	END OF PARTNERSHIP
<ul style="list-style-type: none"> Request suppliers to acknowledge our SCoC Conduct an ESG risk segmentation exercise using the ESG Risk Calculator (with four risk levels: Priority, Moderate, Specialised, and Minimum), and provide the list of Priority risk-level suppliers to OPD every quarter (for purchases with a value equal to HK\$500,000 or more) 	<ul style="list-style-type: none"> Continuously monitor suppliers’ compliance status with the SCoC Monitor Priority, Specialised, and Moderate risk-level suppliers’ ESG performance throughout the contract period SUD to monitor Priority risk-level suppliers as an additional risk management measure For any non-compliance identified, suppliers to provide an improvement plan 	<ul style="list-style-type: none"> The Bank shall not continue business relationships with non-compliant suppliers



A Sustainable Procurement Toolkit encompassing the relevant resources, guidelines, workflow procedures, and refresher training materials can be accessed by our staff members through the intranet to ensure adequate supply chain due diligence and aid the implementation of our responsible procurement procedures.

Outlook

We strive to collaborate with suppliers who uphold responsible business practices, while avoiding those whose social and environmental practices are inconsistent with the values of our Group. We will continue to conduct the annual review of supplier management procedures. Training will be provided to all relevant employees, ensuring that they have a clear understanding of the requirements outlined in the new policy and guidelines. Going forward, the Bank plans to implement a centralised procurement model to oversee and evaluate the effectiveness and efficiency of procurement activities within the Bank, which includes the development of purchasing-related policies and guidelines.



RESPONSIBLE CITIZEN

The continued success of our business is intrinsically linked to the wellbeing of the communities in which we operate. Our commitment to these communities is a core component of our sustainability strategy.

COMMUNITY PARTNERSHIPS AND VOLUNTEERING [Aspect B8] [GRI 203, 413]

Why it matters

Social issues such as income inequality and an ageing population have direct impacts on the development of the local communities and markets we serve. As a responsible member of society, BEA plays a constructive and empowering role in society through our charitable partnerships and positive workplace culture that encourage the spirit of giving, and provide our employees with opportunities to support social and environmental causes that are important to them.

Management approach

BEA looks to create positive and lasting impacts through our community projects around the Bank’s three focus areas of education, social welfare, and the environment. BEA’s strong community relationships maximise synergies and make best use of complementary resources, knowledge, and skills to deliver best practices in serving under-resourced groups and promoting the wellbeing and advancement of society.

Our [Sustainability Policy](#), together with the Bank’s internal Community Investment Guidelines, sets out the Group’s strategy and objectives with regard to social contributions. The Bank and its charitable arm, BEA Foundation, both use the Community Investment Guidelines to ensure that the projects and local partners we support are in line with our Sustainability Policy. These guidelines help us identify and prioritise programmes that are aligned with our approach and the best use of our resources to address community needs.

We provide support in four main ways:

1. **Community giving** through financial and in-kind donations, both directly from Group members and from our three charitable foundations – the BEA Foundation in Hong Kong, the Shanghai Soong Ching Ling Foundation – BEA Charity Fund, and the Shanghai Charity Foundation – BEA Charity Fund in the Chinese Mainland – to registered charities and NGOs.
2. **Employee giving and volunteering** through our local volunteer teams and campaigns that enhance relationships, build social capital, and enable our people to become more familiar with the challenges faced by others. We provide employees with opportunities to use their time and skills to support those in need.
3. **Leveraging our business network and sphere of influence** to encourage our partners, customers, and their families to participate in our programmes and events.
4. **Utilising our expertise** to develop informed initiatives and educational experiences that instil good money management habits among attendees.

Programmes and initiatives

HONG KONG

During the year, we worked through the BEA Foundation, when appropriate, to support causes and organisations that are in line with our community investment focus areas by providing in-kind donations and via volunteering activities. BEA continued to organise its three flagship CSR programmes through partnerships with NGOs and encouraged all staff members to participate in the Bank-wide “Join Hands, Reach Further!” volunteer campaign to harness individual and group strengths through volunteering and contribute to society. Apart from the Bank’s staff, we also engaged their family and friends to reach out to those in need through our volunteering activities. In 2023, we engaged nearly 560 volunteers and more than 20,500 beneficiaries.

BEA FESTIVAL



BEYOND ENVIRONMENTAL ARTS FESTIVAL
東亞綠色藝術節

EDUCATION ENVIRONMENT

Partnering with the HKYAF, the “BEA Festival” entered its second year. With this year’s theme of “Back to Nature”, we organised a series of fun and free art activities in July for students and the general public to promote environmental awareness and sustainable living.

Through theatrical and choir performances, creative arts workshops, and dance video screening, participants were encouraged to appreciate the beauty of nature and take action to protect our planet.

Additionally, there was also an exhibition featuring eight nature-themed artworks co-created by local artists, students, and BEA staff volunteers. “BEA Festival” was a great success thanks to over 1,800 participants, including 150 staff volunteers who took part in the activities. 96% of the questionnaire respondents agreed to take action to protect the environment after participating in the activities.



▲ Around 600 students participated in the dedicated sessions.



▲ BEA’s management, staff volunteers, and performers took part in the “BEA Festival” ceremony.



▲ Artworks displayed at BEA Festival

BEA UPCYCLES



東亞
環保再造之旅
BEA UPCYCLES



▲ Fun games and activities to inspire the public to adopt greener lifestyles

SOCIAL WELFARE ENVIRONMENT

“BEA Upcycles” was held once again in partnership with St. James’ Settlement in September. A variety of upcycling experiences under the theme of “Play”, along with an art exhibition, fun games, charity sales, and creative workshops were offered with the aim of promoting environmental protection and fostering social inclusion.

The event engaged rehabilitated individuals as workshop mentors and environmental ambassadors, and promoted

local designs. Visitors could also marvel at a pinwheel art installation co-created by local upcycling designer Alize Lam, persons with disabilities and BEA volunteers.

The event was a success with the support of over 100 BEA volunteers and more than 15,000 participants and beneficiaries, and with 320 products sold for charity.

GOLDEN ADVENTURES



精彩人生
下半場
GOLDEN
ADVENTURES

SOCIAL WELFARE

BEA Foundation, together with “la Caixa” Banking Foundation, has supported and funded the “Palliative Care for the Elderly” (the “Programme”) organised by The Salvation Army for over 10 years, in our pursuit of better end-of-life care for Hong Kong citizens. Through the introduction of a new model of elderly services for the community, we have been promoting local awareness of end-of-life planning and care needs of retirees and seniors to the elderly care sector as well as the Hong Kong community as a whole and providing insights to the HKSAR Government policies on palliative and end-of-life care.

Entering the fifth phase of the Programme (2023 – 2026) with the theme “Golden Adventures”, BEA continues to drive volunteer participation and the provision of holistic care for the elderly, whilst encouraging retirees and elders to proactively plan for their future health and financial needs, interests, and goals as they embark on their second half of life. “Golden Adventures” is in line with the “United Nations Decade of Healthy Ageing 2021 - 2030” initiative, led by The World Health Organization.

In 2023, 180 BEA volunteers supported the Programme through different activities organised for over 400 senior citizens, for example:

- We visited community centres and elderly living alone to teach them simple stretching exercises and encouraged them to develop a healthy habit of exercising regularly;
- We organised food-making workshops for seniors and their carers to show them how to prepare soft and healthy food for elders with chewing and swallowing difficulties.

“JOIN HANDS, REACH FURTHER!” VOLUNTEER CAMPAIGN

First launch in 2022, the “Join Hands, Reach Further!” volunteer campaign encourages BEA staff members, and their families and friends to come together to contribute to society by reaching out to those in need through volunteering. During the year, we continued to organise a variety of community service activities towards the areas of education, social welfare, and the environment. In total, our volunteer team participated in over 60 activities, including reforestation, festive activities, food distribution and financial literacy workshops with children, contributing around 4,920 voluntary service hours and serving more than 20,500 beneficiaries.

SOCIAL WELFARE

For the eighth consecutive year, BEA served as the Title Sponsor and Hole-in-One Sponsor of “The Community Chest BEA Charity Golf Day”. In 2023, more than 180 golf enthusiasts in 47 teams gathered for a friendly game at The Hong Kong Golf Club’s Fanling golf course, raising over HK\$2.6 million for mental health services supported by The Community Chest of Hong Kong.



EDUCATION

BEA Union Investment participated in the Pilot Programme to Enhance Talent Training for the Asset and Wealth Management (“AWM”) Sector (the “Programme”) funded by the HKSAR Government. The Programme aims to facilitate the long-term sustainable development of the AWM sector in Hong Kong. It also promotes the industry with a particular focus on students and graduates by allowing them to better understand the full spectrum of functional posts and career prospects of different sub-sectors within the AWM sector.

In March 2023, our colleagues from across departments teamed up for The Community Chest Sports for Millions event to raise funds for youth services. BEA team members demonstrated their sportsmanship through exciting competitions including swimming, table tennis, badminton and soccer, and showed exemplary teamwork in the finale.

Co-sponsored by BEA and Blue Cross (Asia-Pacific) Insurance Limited (“Blue Cross”), the “BEA x Blue Cross Insurance 2023 Hong Kong Open Fencing Championships” was held with great fanfare in November. World-class fencers were invited to the Championships, and nearly 1,000 elite fencers, including 100 overseas participants from 14 countries and regions, including China, Chinese Taipei, Korea, Singapore, Australia, and New Zealand, gathered in Hong Kong to vie for the awards. BEA has been actively supporting efforts to nurture local athlete talent and support sports development, working to promote the sport of fencing and raise public awareness of local athletes.

CHINESE MAINLAND

GREEN FIRELY PROJECT

EDUCATION SOCIAL WELFARE ENVIRONMENT

For over a decade, The Shanghai Soong Ching Ling Foundation – BEA Charity Fund has been dedicated to improving educational opportunities in rural areas under the “Firefly Project”. In 2023, the “Firefly Project” was renamed and upgraded as “Green Firefly Project” (the “Project”), with an aim of promoting education and, at the same time, environmental protection and emissions reduction.

In the year under review, BEA Charity Fund established five new Firefly Centres in rural schools across the Chinese Mainland, three of which are Green Firefly Centres. These have green and smart features, including smart TV, digital tablets, new desks and chairs, and solar power systems which help promote environmental protection and carbon emissions reduction in the day-to-day school life of the students. In addition, Green Firefly backpacks containing stationery were distributed to more than 1,780 students in rural schools and over 5,900 hours of online training were provided to around 180 rural teachers and 30 rural principals to enhance their professional skills.



Under the Project, BEA China also joined hands with One Planet Foundation and Shanghai Soong Ching Ling Foundation to promote biodiversity, becoming the first strategic partner of “The Earth Nature School Project”. This project provided training to more than 10 rural teachers and conducted courses related to biodiversity conservation in 10 rural schools.

VOLUNTEERING ACTIVITIES

ENVIRONMENT

To celebrate Arbor Day, BEA China organised the “One Planet·One Bank” event, planting trees in 18 cities in March and April. More than 500 employees from different offices and branches dedicated over 2,470 service hours to rehabilitate the environment and expand the carbon sink to help mitigate the impact of climate change.

EDUCATION SOCIAL WELFARE

In September, 17 volunteers from BEA China and the Shanghai Banking Association provided a total of 41 hours of teaching to students of Yu’an Middle School in Chongming District, Shanghai, focusing on environmental handicrafts, science, financial literacy, and English.

SOCIAL WELFARE

To express our gratitude to the healthcare workers who have stood on the frontline since the beginning of the pandemic, the East Asia Digital Information Services (Guangdong) Limited-Shenzhen Branch (“EADIS-SZ”) volunteer team sent care packs to the community testing site close to the office. Each care pack came with a handwritten note with words of support and encouragement.

In the run-up to the Mid-Autumn Festival, the EADIS-SZ volunteer team joined hands with the Luohu Bridge Community Workstation to spread the love and joy of the holiday through a series of community events and home visits to elderly singletons and persons with disabilities and their family members.

FUNDRAISING/DONATION

SOCIAL WELFARE

In August, BEA China donated CNY1 million to the China Charity Federation for emergency relief and post-disaster reconstruction in the Beijing-Tianjin-Hebei region which was severely affected by torrential rain brought on by Typhoon Doksuri.

Then in December, BEA China donated CNY1 million to the Red Cross Society of Jishishan Bonan and Salar Autonomous County, Linxia Prefecture, Gansu Province for emergency relief supplies, epidemic prevention, resettlement

of people and reconstruction following the 6.2-magnitude earthquake. In the earthquake-stricken area, affected teachers and students were safely evacuated to three existing Firefly Centres.

ENVIRONMENT

Over 20 volunteers from EADIS worked with the Beijing Street Social Work Service Station to launch the “Summer Water Fundraising Programme” to raise funds for the elderly and children in need. As a token of appreciation, the EADIS Volunteer Team received a “Charity Star” plaque from the Beijing Sub-district Office and the campaign’s organising committee.

MACAU

SOCIAL WELFARE

Macau Branch continued its partnership with Pou Lei Centre of Fuhong Society of Macau by supporting their holiday campaigns during the year under review. For the New Year, colleagues donated yarns for the knitting of scarves, which were sold at a charity sale. The Branch purchased over 50 boxes of scarves as gifts to the elderly in nursing homes, and for the Mid-Autumn Festival, colleagues took part in the charity sale to raise funds for members of the Centre who are struggling with the rising cost of living.

In celebration of World Blood Donor Day, our colleagues visited the Macao Blood Transfusion Centre in June to donate blood and help save lives. This was the fifth consecutive year that Macau Branch supported the blood donation initiative.

For the seventh consecutive year, Macau Branch colleagues joined the “Walk for a Million” event organised in December by The Charity Fund from the Readers of Macao Daily News. In addition to organising staff participation, the Branch donated MOP10,000 towards the event.

SOCIAL WELFARE EDUCATION

In October, our Macau Branch volunteers joined a handicraft workshop at The Creative Art House with members of Fuhong Society of Macau. Through the activity, participants created planet-shaped candles with wax and dyes together with people with disabilities.



▲ A handicraft workshop at The Creative Art House with members of Fuhong Society of Macau

TAIWAN

SOCIAL WELFARE

During the summer months, when school meals are not provided, underprivileged elementary school students have limited food choices and their families face greater financial strain. To address this need, Taiwan Branch donated more than 700 food items to Hualien Chih Siou Ji Shan Association, which distributed the food to students in four indigenous communities in Hualien-Molisaka, Ciyakang, Tavila, and Ming Li.



▲ Food donations to students during the suspension of school meals in the summer

ENVIRONMENT | SOCIAL WELFARE

For the fourth consecutive year, Taiwan Branch participated in the Used Clothes Donation Campaign organised by the Eden Social Welfare Foundation to promote waste reduction and support local charities and people in need. Over 490 articles of clothing were collected and donated for sale, and distributed to persons with disabilities and their families.

ENVIRONMENT

In November, Taiwan Branch staff devoted their free time to clear waste along the 5.6km Hemei Mountain Trail.

Our Taiwan Branch volunteers together with other members of the community participated in a tree-planting drive in 2022 organised by the Rotary Club of Taipei Nanya and planted 9,999 seedlings near Tamsui River Estuary. To keep the trees healthy, our volunteers returned in 2023 to remove any *Mikania Micranthas* that appeared, an invasive weed that can kill other plants by blocking out the light needed for photosynthesis and affecting their growth. Our volunteers also made good use of the seeds of the *Vitex Trifolia* planted last year to create sachets.

SINGAPORE

SOCIAL WELFARE

In March, staff volunteers of our Singapore Branch visited the Society for the Aged Sick, a not-for-profit nursing home with a mission to provide quality care for chronically ill elderly and the destitute. Our volunteers teamed up with the elderly residents to put on performances, play games, and take part in a sing-a-long.

In June, Singapore Branch hosted a movie outing and lunch for more than 40 children aged 5 to 12 from Morning Star Community Services, which offers after-school care to support working poor households.



▲ Volunteering work at the Society for the Aged Sick, with performances, games, and a sing-a-long

ENVIRONMENT

In August, over 30 volunteers participated in a beach cleaning event at Sembawang Park as part of the "Singapore Green Plan 2030", a national call to transition from a "clean city" to a "truly clean city".

SOCIAL WELFARE

In September, over 20 staff volunteered at Willing Hearts, a secular and non-affiliated charity that operates a soup kitchen. Our volunteers helped make hot meals for the needy by unpacking food supplies, preparing ingredients for cooking, and packing food for distribution to the elderly, the disabled, low-income families, and migrant workers in Singapore.

MALAYSIA

ENVIRONMENT

In Kuala Lumpur, BEA organised two recycling activities to divert waste from landfills and maximise resource usage. In July, our Kuala Lumpur Representative Office donated a total of five boxes of clothing collected from our colleagues to The Salvation Army. The sale of these donated items would also help fund other charitable initiatives and social programmes of The Salvation Army. In October, our staff participated in a plastic bottles recycling/reuse programme jointly organised by Spritzer and Pavilion Kuala Lumpur, and planted indoor plants using upcycled bottles.

UNITED KINGDOM

SOCIAL WELFARE

In September, our London Branch collaborated with Phoenix Garden to organise a Corporate Volunteer Day, with 20 staff volunteering a total of over 80 hours to help a local community garden that is short-staffed with a range of work during the busiest season. Our staff engaged in a variety of work, such as shredding, composting, mulching, and planting.



▲ Volunteering work at the Phoenix Garden, a local community garden that was short-staffed during the busiest season

ENVIRONMENT

In June and October, our London and Birmingham branches organised cake sales to raise funds for World Wide Fund for Nature and its "Climate Recovery Fund". Our colleagues baked cakes and sweet treats, helped set up and operate the stalls. The branches took this opportunity to deliver the message to both staff and fellow residents of the building that climate change affects us all, and that we can all make an effort to save planet earth.

UNITED STATES

EDUCATION

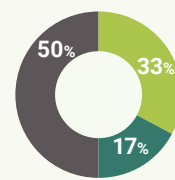
In March, our New York Branch colleagues organised two webinars on financial literacy for students at Primary School #2 – The Meyer London at Manhattan and the International High School at Prospect Heights. The webinars introduced the students to the basics of daily banking operations, with the aim of helping them develop a healthy perspective on money management through interactive activities. Donations were also made to the schools to support the development of future generations.

2023 PERFORMANCE

FINANCIAL CONTRIBUTIONS



HK\$ ~14 million
in cash donations from the Group

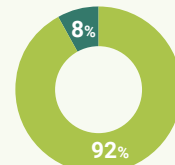


Education
Environment
Social welfare

EMPLOYEE VOLUNTEERING



8,900+ hours
contributed by staff volunteers



Outside of work hours
During work hours

Thanks to dedicated efforts across the Group, BEA was awarded the "20 Years Plus Caring Company Logo" by the HKCSS in recognition of our long-standing commitment to the communities we serve, our employees, and the environment.

Our EADIS Volunteer Team also received the "Best Team Cohesion" award for its ongoing support for the "Warm Winter Sunshine with Love Project (Phase III)" which aims to raise public awareness of seniors living alone in the countryside.

OUR PERFORMANCE

ECONOMIC PERFORMANCE

ESG Guide/GRI Standard Reference	KPI	2023 (HKD Mn)	2022 (HKD Mn)	2021 (HKD Mn)
GRI 201-1	Direct economic value generated and distributed			
	Revenue	20,762	19,411	17,502
	Operating costs	3,153	2,844	2,817
	Employee compensation and benefits	5,445	5,491	5,521
	Payment to providers of capital	2,032	2,888	2,856
	Payments to government in Hong Kong	419	428	419
	Payments to government in Chinese Mainland	188	8	4
	Payments to government in Other markets	488	301	249
	Total cash donations to charitable organisations	14	12	12
	Economic value retained	9,023	7,439	5,624
KPI B8.2 GRI 201-1	Financial donations by location			
	Hong Kong	10	9	6
	Chinese Mainland	4	3	6
	Other markets	-	-	-
	Total cash donations to charitable organisations	14	12	12

ENVIRONMENTAL PERFORMANCE¹⁰

ESG Guide/ GRI Standard Reference	Indicator	Unit	2023	2022	2021
Energy					
GRI 302-1	Energy consumption within the organisation				
	Total energy consumption	gigajoules ("GJ")	151,440.41	157,646.47	168,133.29
	Total electricity consumption	GJ	136,052.28	139,673.89	149,883.14
	Total heating purchased for consumption	GJ	0.00	0.00	0.00
	Total cooling purchased for consumption	GJ	0.00	0.00	0.00
a.	Total fuel consumption from non-renewable sources (Diesel oil, petrol and Towngas)	GJ	15,388.13	17,972.57	18,250.15
b.	Total fuel consumption from renewable sources	GJ	0.00	0.00	0.00
KPI A2.1	Total direct and indirect energy consumption by type				
	Total energy consumption	'000 kilowatt hours ("kWh")	42,066.78	43,790.69	46,703.69
	Total electricity consumption	'000 kWh	37,792.30	38,798.30	41,634.21
	Total heating purchased for consumption	'000 kWh	0.00	0.00	0.00
	Total cooling purchased for consumption	'000 kWh	0.00	0.00	0.00
	Total fuel consumption from non-renewable sources (Diesel oil, petrol and Towngas)	'000 kWh	4,274.48	4,992.38	5,069.49
	Total fuel consumption from renewable sources	'000 kWh	0.00	0.00	0.00
GRI 302-3	Overall energy intensity of the Group				
	by Gross floor Area ("GFA")	GJ/m ²	0.74	0.75	0.76
Water					
KPI A2.2	Water consumption				
	Total consumption of municipal fresh water	m ³	107,823.18	115,299.70	106,274.25
	Water intensity				
	per square metre of GFA	m ³ /m ²	0.53	0.55	0.48
Air emissions¹¹					
KPI A1.1	Emissions from gaseous fuel consumption				
GRI 305-7	Nitrogen oxide ("NOx")	kilograms ("kg")	8.47	6.79	6.69
	Sulphur oxide ("SOx")	kg	0.04	0.03	0.03
	Emissions from vehicles				
	NOx	kg	512.46	641.01	688.77
	SOx	kg	5.57	6.82	6.92
	Particulate matter	kg	42.46	53.76	58.08
Carbon emissions^{11, 12, 13, 14}					
KPI A1.2	Total GHG emissions in Hong Kong				
GRI 305-1	Scope 1 emissions	tonnes CO ₂ equivalent ("CO ₂ e")	1,932.26	1,372.13	1,629.47
GRI 305-2	Scope 2 emissions	tonnes CO ₂ e	10,126.77	10,921.87	11,212.28
GRI 305-4	Scope 1 and 2 emissions	tonnes CO ₂ e	12,059.03	12,294.00	12,841.74
	Scope 1 and 2 emission intensity per unit of GFA	tonnes CO ₂ e/m ²	0.15	0.14	0.15
	Scope 3 emissions (Category 6: Business Travel)	tonnes CO ₂ e	119.62	-	-
	Total GHG emissions in the Chinese Mainland				
	Scope 1 emissions	tonnes CO ₂ e	1,022.08	1,108.62	3,912.55
	Scope 2 emissions	tonnes CO ₂ e	8,551.69	8,761.94	10,015.02
	Scope 1 and 2 emissions	tonnes CO ₂ e	9,573.77	9,870.56	13,927.56
	Scope 1 and 2 emission intensity per unit of GFA	tonnes CO ₂ e/m ²	0.09	0.09	0.12
	Scope 3 emissions (Category 6: Business Travel)	tonnes CO ₂ e	430.85	-	-

ENVIRONMENTAL PERFORMANCE (CONTINUED)

ESG Guide/ GRI Standard Reference	Indicator	Unit	2023	2022	2021
Carbon emissions (continued)					
Total GHG emissions in other markets					
	Scope 1 emissions	tonnes CO ₂ e	334.54	326.67	208.61
	Scope 2 emissions	tonnes CO ₂ e	1,132.69	1,142.49	1,272.08
	Scope 1 and 2 emissions	tonnes CO ₂ e	1,467.24	1,469.15	1,480.69
	Scope 1 and 2 emission intensity per unit of GFA	tonnes CO ₂ e/m ²	0.09	0.10	0.09
	Scope 3 emissions (Category 6: Business Travel)	tonnes CO ₂ e	45.76	-	-
Total GHG emissions of BEA Group					
	Scope 1 emissions	tonnes CO ₂ e	3,288.88	2,807.42	5,750.62
	Scope 2 emissions	tonnes CO ₂ e	19,811.16	20,826.30	22,499.37
	Scope 1 and 2 emissions	tonnes CO ₂ e	23,100.03	23,633.72	28,250.00
	Scope 1 and 2 emissions intensity per unit of GFA	tonnes CO ₂ e/m ²	0.11	0.11	0.13
	Scope 3 emissions (Category 6: Business Travel)	tonnes CO ₂ e	596.24	-	-
Waste					
GRI 306-3	All waste		577.43	578.86	711.46
KPI A1.3 KPI A1.4	Non-hazardous waste				
	Paper ¹⁵		350.20	311.37	423.13
	Food waste	tonnes	20.25	20.09	3.00
	Other general non-hazardous waste		206.79	247.02	285.04
	Hazardous waste				
	IT products		0.19	0.39	0.30
	Waste diverted from landfill		328.45	315.95	429.99
	Non-hazardous waste				
	Paper recycled	tonnes	321.32	311.37	423.13
	Other recycled		6.94	4.20	6.56
	Hazardous waste				
	IT products recycled		0.19	0.39	0.30
	Waste directed to disposal		248.98	262.91	281.47
	Non-hazardous waste				
	Landfill	tonnes	172.98	176.24	245.81
	Incineration		76.00	86.67	35.66
	Hazardous waste¹⁶		Not applicable		
	Paper waste intensity	kg per full-time employee	43.13	37.04	48.23

10. The figures related to energy consumption, water consumption, and waste for 2021 & 2022 are restated to reflect changes in raw data.

11. Air emissions, and Scope 1 and 2 GHG emissions are calculated according to the Stock Exchange's [How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs](#), the Hong Kong Government's [Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong \(2010 Edition\)](#), Department for Environment Food and Rural Affairs ("DEFRA") in the UK, as well as IPCC Sixth Assessment Report ("AR6") Global Warming Potential figures where relevant.

12. Scope 2 GHG emissions are calculated based on electricity and Towngas consumed, as well as the corresponding emission factors, as provided by the Ministry of Ecology and Environment of People's Republic of China, the Bureau of Energy of the Ministry of Economic Affairs of Taiwan, the Malaysia Energy Information Hub ("MEIH"), the Environmental Protection Agency ("EPA") of the US, the Energy Market Authority ("EMA") of Singapore, the International Energy Agency ("IEA") and the utility companies in Hong Kong.

13. The Group has holistically reviewed the emission factor library and updated the emission factors. The carbon emissions figures for 2021 and 2022 are restated based on the revised data and change in emission factors.

14. Business travel emissions only covered emissions driven from air transports within the reporting year, which accounts for about 99% of the total business travel emissions. The emissions are calculated from data collected from International Civil Aviation Organization ("ICAO") Carbon Emissions Calculator, based on flight distance travelled, number of passengers, and cabin class.

15. Paper waste data only includes copy paper and IT paper, which makes up most of the paper used.

16. Hazardous waste is not material to the operations of BEA as a commercial bank.

SOCIAL PERFORMANCE

Workforce

ESG Guide/ GRI Standard Reference	Employee information	2023	2022	2021
KPI B1.1 GRI 2-7, GRI 405	Total number	8,140	8,451	8,822
	Male	3,432	3,508	3,596
	Female	4,708	4,943	5,226
	Permanent Contract			
	Male	3,387	3,470	3,544
	Female	4,668	4,900	5,171
	Fixed Term / Temporary Contract			
	Male	45	38	52
	Female	40	43	55
	Hong Kong			
	Permanent Contract	4,602	4,762	4,981
	Fixed Term / Temporary Contract	70	71	76
	Chinese Mainland			
	Permanent Contract	2,905	3,058	3,189
	Fixed Term / Temporary Contract	1	0	20
	Other markets			
	Permanent Contract	548	550	545
	Fixed Term / Temporary Contract	14	10	11
	Full time			
	Male	3,429	3,500	3,588
	Female	4,690	4,907	5,186
	Part time			
	Male	3	8	8
	Female	18	36	40
	Under 30	954	1,077	1,204
	Aged 30-50	5,713	5,888	6,105
	Over 50	1,473	1,486	1,513

ESG Guide/GRI Standard Reference	2023		2022		2021		
Composition of the Board of Directors							
	Number	%	Number	%	Number	%	
Total number	17	-	17	-	15	-	
GRI 405							
	Male	16	94	16	94	14	93
	Female	1	6	1	6	1	7
	Under 30	0	0	0	0	0	0
	Aged 30-50	4	24	4	24	4	27
	Over 50	13	76	13	76	11	73

Share of women in specific positions¹⁷							
		Number	%	Number	%	Number	%
All management positions	Male	2,075	48	-	-	-	-
	Female	2,286	52	-	-	-	-
Top management positions	Male	10	56	-	-	-	-
	Female	8	44	-	-	-	-
Junior management positions	Male	2,085	54	-	-	-	-
	Female	1,757	46	-	-	-	-
Revenue-generating functions	Male	1,162	45	-	-	-	-
	Female	1,438	55	-	-	-	-
STEM-related positions	Male	676	73	-	-	-	-
	Female	249	27	-	-	-	-

WORKFORCE (continued)

ESG Guide/GRI Standard Reference		2023		2022		2021	
New hires							
		Number	%	Number	%	Number	%
GRI 401	Overall	1,197	14.9	1,511	18.1	1,199	13.8
	Male	611	18.1	756	21.8	601	17.0
	Female	586	12.6	755	15.5	598	11.7
	Under 30	416	44.8	534	51.2	422	36.8
	Aged 30-50	695	12.2	894	15.3	707	11.6
	Over 50	86	6.1	83	5.8	70	4.8
	Hong Kong	909	19.8	1,153	24.4	802	16.2
	Chinese Mainland	173	6.0	257	8.4	326	10.2
	Other markets	115	21.1	101	18.5	71	13.2
Turnover							
		Number	%	Number	%	Number	%
GRI 401	Overall	1,412	17.6	1,646	19.8	1,719	19.8
	Male	642	19.0	768	22.2	773	21.9
	Female	770	16.6	878	18.1	946	18.4
	Under 30	296	31.9	426	40.9	505	44.0
	Aged 30-50	856	15.0	1,016	17.4	1,030	17.0
	Over 50	260	18.5	204	14.2	184	12.7
	Hong Kong	985	21.5	1,160	24.6	1,106	22.4
	Chinese Mainland	318	10.9	388	12.7	496	15.6
	Other markets	109	20.0	98	17.9	117	21.7

Training and development

ESG Guide/GRI Standard Reference		2023	2022	2021	
Training hours					
GRI 404	Average training hours per employee	Overall	54.3	51.0	40.1
		Male	53	49.0	40.0
		Female	52	52.3	40.2
		Gender manager and above	70.6	55.1	26.2
		Senior manager and manager	50.9	46.1	36.1
		Officer, clerical, and non-clerical	58.7	56.8	44.1
		Contract and part-time staff	34.6	24.1	31.6
		Under 30	68.3	-	-
		Aged 30-50	57.6	-	-
		Over 50	32.3	-	-
	Percentage of training hours by category (%)	Staff induction/orientation	2	3	3
		Professional skills development	64	62	63
		Management training and development	6	4	4
		Compliance/legal knowledge	17	25	25
		Occupational health and safety/workplace wellbeing	1	1	1
		ESG	8	2	2
		Other	2	2	1

Training and development (continued)

ESG Guide/GRI Standard Reference			2023	2022	2021
Anti-corruption training					
GRI 205	Percentage of Board of Directors trained (%)	Overall	100	100	100
		Hong Kong	100	100	100
		Other markets	100	100	100
Percentage of employees trained (%)		Overall	100	100	100
		Hong Kong	100	100	100
		Chinese Mainland	100	-	-
		Other markets	100	-	-

Family-friendly practices

ESG Guide/GRI Standard Reference		2023		2022		2021	
Parental leave							
		Male	Female	Male	Female	Male	Female
GRI 401	Proportion of total workforce entitled to parental leave (%)	100.0	100.0	95.4	96.6	96.2	96.6
	Number of people who took parental leave	84	491	152	365	87	214
	Number of people who returned to work after parental leave	79	476	136	294	87	178
	Total employees retained 12 months after returning from parental leave	48	473	73	160	96	246
	Return to work rate (%)	95.2	98.8	89.5	84.7	100.0	91.8
	Retention rate (%)	64.0	89.9	90.1	81.2	79.3	82.3

Occupational health and safety

ESG Guide/GRI Standard Reference		2023		2022		2021		
Workplace injuries and fatalities¹⁸								
		Total	Rate (%)	Total	Rate (%)	Total	Rate (%)	
KPI B2.1	No. of fatalities	0	0.00	0	0.00	0	0.00	
GRI 403-9	High consequence work-related injuries	Overall	0	0.00	6	0.07	8	0.09
		Hong Kong	0	0.00	4	0.08	8	0.16
		Chinese Mainland	0	0.00	2	0.06	0	0.00
		Other markets	0	0.00	0	-	0	0.00
	Recordable work-related injuries	Overall	12	0.15	7	0.08	10	0.11
	Hong Kong	5	0.11	4	0.08	5	0.10	
	Chinese Mainland	7	0.24	3	0.10	3	0.09	
	Other markets	0	0.00	0	0	2	0.36	
KPI B2.2	Lost days due to work related injury	Overall	638	-	1,589	-	749	-
		Hong Kong	527	-	934	-	578	-
		Chinese Mainland	111	-	655	-	169	-
		Other markets	0	-	0	-	2	-
Absenteeism								
GRI 403-9	Absentee rate ¹⁹	Overall	-	0.02	-	-	-	-
		Hong Kong	-	0.02	-	-	-	-
		Chinese Mainland	-	0.02	-	-	-	-
		Other markets	-	0.02	-	-	-	-

Supplier information

ESG Guide/GRI Standard Reference		2023		2022		2021	
Suppliers by geographical location ²⁰							
		Number	%	Number	%	Number	%
KPI B5.1	Total	1,311	100	1,743	100	1,764	100
GRI 2-6	Hong Kong	562	43	677	39	677	38
	Chinese Mainland	434	33	750	43	857	49
	Macau and Taiwan	37	3	52	3	56	3
	Rest of Asia (Singapore, Malaysia, Japan)	58	4	54	3	47	3
	North America	86	7	81	5	55	3
	Europe	119	9	111	6	55	3
	Other	15	1	18	1	17	1

Community investment

ESG Guide/GRI Standard Reference		2023	2022	2021
Volunteering hours				
KPI B8.2	Total	8,975.2	9,068.0	7,832.8
	During non-office hours	8,278.2	7,238.3	2,738.8
	During office hours	697	1,829.8	5,094

Other social indicators

ESG Guide/GRI Standard Reference		2023	2022	2021
Human rights and society				
GRI 406	Total number of incidents of discrimination and corrective actions taken	0	0	0
KPI B7.1	Confirmed incidents of corruption and actions taken	0	0	0
GRI 419	Non-compliance with laws and regulations in the social and economic area	0	1	1
Product responsibility				
GRI 417	Incidents of non-compliance with regulations and voluntary codes	0	0	0
GRI 418	concerning marketing communications			
	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	1 ²¹	0	0

17. All management positions include general manager and above, senior manager and manager; top management positions include general manager and above; junior management positions include manager. Revenue-generating functions include business units that contribute directly to the Group's service and products. STEM-related positions include staff members who make use of their skills and knowledge of science, technology, engineering or mathematics in their positions.

18. Rates are calculated based on 200,000 hours worked (100 employees working 40 hours per week for 50 weeks) in line with guidance provided by GRI 403-9.

19. Absentee rate is calculated based on the total number of days lost due to absenteeism of any kind, but not only as a result of work-related injury or disease divided by the total number of workdays scheduled.

20. Suppliers includes companies that have contract value \geq HK\$50,000 or equivalent per year.

21. The case is related to a failure of completing a data access request ("DAR") submitted by a customer. The customer lodged a complaint to the Bank and subsequently referred the case to the Office of Privacy Commissioner for Personal Data. The case has been resolved appropriately according to the defined handling procedures.

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APPENDICES

ESG GUIDE CONTENT INDEX

This report has been prepared in line with the Environmental, Social and Governance Reporting Guide contained in Appendix C2 (previously known as Appendix 27) to The Rules Governing the Listing of Securities on the Stock Exchange.

MANDATORY DISCLOSURE REQUIREMENTS	
Governance Structure	Page / Remarks
A statement from the board containing the following elements: (i) A disclosure of the board's oversight of ESG issues; (ii) The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	21-22
Reporting Principles	
A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: • Materiality; • Quantitative; and • Consistency.	19
Reporting Boundary	
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	18

"COMPLY OR EXPLAIN" PROVISIONS		
A. Environmental	Page / Remarks	
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.	68-72
A1.1	The types of emissions and respective emissions data.	84-85
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	84-85
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous waste is not material to the operations of BEA as a commercial bank. We therefore report a breakdown in tonnes produced, however an intensity figure for hazardous waste is not considered appropriate.
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	85
A1.5	Description of emission target(s) set and steps taken to achieve them.	39-47, 68-69
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.	70-72

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A2 Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	70-72
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).	84
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	84
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	70-72
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 is not material to the operations of BEA as a commercial bank.
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 the operations of BEA as a commercial bank.

A3 The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	70-72
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	70-72

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.	39-47
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.	39-47

B. Social

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.	55-57, 65-67
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	86
B1.2	Employee turnover rate by gender, age group and geographical region.	87

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.	63-64
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	88
B2.2	Lost days due to work injury.	88
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	63-64

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B3 Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	55-62
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	100% trained
B3.2	The average training hours completed per employee by gender and employee category.	62, 87

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.	65, 73-74
B4.1	Description of measures to review employment practices to avoid child and forced labour.	65-67, 73-74
B4.2	Description of steps taken to eliminate such practices when discovered.	Forced labour is not material to the operations of BEA as a commercial bank. We have provided a description of how we manage our supply chain on pages 73-74 of this Report.

B5 Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	73-74
B5.1	Number of suppliers by geographical region.	74, 89
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	73-74
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	73-74
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	73-74

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.	31-38
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Forced product recalls are not material to the operations of BEA as a commercial bank.
B6.2	Number of products and service related complaints received and how they are dealt with.	38
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property rights are not material to the operations of BEA as a commercial bank.
B6.4	Description of quality assurance process and recall procedures.	See B6.1
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	31-33

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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.	27-30
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.	89
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	28
B7.3	Description of anti-corruption training provided to directors and staff.	27-30

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.	75
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	75
B8.2	Resources contributed (e.g. money or time) to the focus area.	75-82

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GRI CONTENT INDEX

GRI Standard	Disclosure Number and Title	Page / Remarks
GRI 2	General Disclosures 2021	
The Organization and its Reporting Practices		
2-1	Organizational details	20-22 Listed on the Stock Exchange of Hong Kong; Also refer to Annual Report 2023
2-2	Entities included in the organization's sustainability reporting	18
2-3	Reporting period, frequency and contact point	18-19
2-4	Restatements of information	Relevant restated information is detailed in Our Performance .
2-5	External assurance	107
Activities and Workers		
2-6	Activities, value chain and other business relationships	18
2-7	Employees	86
2-8	Workers who are not employees	Currently, we do not fully disclose the data related to non-employee workers working in the Company's premises due to data availability.
Governance		
2-9	Governance structure and composition	21-22, Also refer to Annual Report 2023
2-10	Nomination and selection of the highest governance body	21-22, Also refer to Annual Report 2023
2-11	Chair of the highest governance body	21-22
2-12	Role of the highest governance body in overseeing the management of impacts	21-22
2-13	Delegation of responsibility for managing impacts	21-22
2-14	Role of the highest governance body in sustainability reporting	21-22, 25
2-15	Conflicts of interest	27-29
2-16	Communication of critical concerns	28
2-17	Collective knowledge of the highest governance body	21-22
2-18	Evaluation of the performance of the highest governance body	24
2-19	Remuneration policies	For more information please see the Corporate Governance Report of our Annual Report 2023 .
2-20	Process to determine remuneration	
2-21	Annual total compensation ratio	For more information please see the Corporate Governance Report of our Annual Report 2023 .
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	21
2-23	Policy commitments	23
2-24	Embedding policy commitments	Details for specific material topics can be found under each respective Management Approach.
2-25	Processes to remediate negative impacts	21-30
2-26	Mechanisms for seeking advice and raising concerns	21-30, 55-57
2-27	Compliance with laws and regulations	27-30, 89
2-28	Membership associations	103-104
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	25-26
2-30	Collective bargaining agreements	The majority of the Group's employees are located in Hong Kong and the rest of Greater China, where there are no collective bargaining arrangements. In Singapore, 9% of BEA's employees are covered by collective bargaining agreements. We also maintain clear and open grievance channels for employees to raise concerns.

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GRI Standard	Disclosure Number and Title	Page / Remarks
Material Topics		
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	25-26, 100
3-2	List of material topics	25, 100
GRI 201: Economic Performance 2016		
3-3	Management of material topics	20-24, 27-30, 39-52 Details for specific material topics can be found under each respective Management Approach sections.
201-1	Direct economic value generated and distributed	83, Also refer to Annual Report 2023
201-2	Financial implications and other risks and opportunities due to climate change	39-52
GRI 203: Indirect economic impacts 2016		
3-3	Management of material topics	20-24, 53-54
203-2	Significant indirect economic impacts	53-54
GRI 205: Anti-corruption 2016		
3-3	Management of material topics	20-24, 27-30
205-2	Communication and training about anti-corruption policies and procedures	27-30, 88 Currently, we do not fully disclose the data related to training provided to business partners due to data availability. However, our suppliers are required to confirm their acknowledgement of Supplier Code of Conduct, which includes the Group's anti-corruption requirements.
205-3	Confirmed incidents of corruption and actions taken	89
GRI 207: Tax 2019		
3-3	Management of material topics	20-24, 27-29
207-1	Approach to tax	27-29
207-2	Tax governance, control, and risk management	27-29
GRI 302: Energy 2016		
3-3	Management of material topics	20-24, 68-72
302-1	Energy consumption within the organization	84
302-2	Energy consumption outside of the organization	84
302-3	Energy intensity	84
302-4	Reduction of energy consumption	68-72
GRI 303: Water and Effluents 2018		
3-3	Management of material topics	20-24, 70
303-5	Water consumption	84
GRI 305: Emissions 2016		
3-3	Management of material topics	20-24, 68-69
305-1	Direct (Scope 1) GHG emissions	84-85
305-2	Energy indirect (Scope 2) GHG emissions	84-85
305-3	Other indirect (Scope 3) GHG emissions	84-85
305-4	GHG emissions intensity	84-85
305-5	Reduction of GHG emissions	68-69
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	84

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GRI 306: Waste 2020		
3-3	Management of material topics	20-24, 70-72
306-1	Waste generation and significant waste related impacts	70-72
306-2	Management of significant waste-related impacts	70-72
306-3	Waste generated	85
306-4	Waste diverted from disposal	72, 85
306-5	Waste directed to disposal	85
GRI 308: Supplier Environmental Assessment 2016		
3-3	Management of material topics	20-24, 73-74
308-1	New suppliers that were screened using environmental criteria	73-74
GRI 401: Employment 2016		
3-3	Management of material topics	20-24, 55-57
401-1	New employee hires and employee turnover	57, 87
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	55-57
401-3	Parental leave	88
GRI 402: Labour/Management Relations 2016		
3-3	Management of material topics	20-24, 55-57
402-1	Minimum notice periods regarding operational changes	While the Group does not have a minimum notice period in place, we strive to ensure that employees are kept informed, as soon as practical, of any operational changes that could significantly affect them.
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	The Group operates in the financial service industry where the risk of fatalities and severe injuries on the job is minimal. We have chosen to include employee wellness and mental health, as stress is a significant risk in our industry.
403-3	Occupational health services	63-64
403-5	Worker training on occupational health and safety	63-64
403-6	Promotion of worker health	63-64
403-9	Work-related injuries	88 Currently, we do not fully disclose the data related to non-employee workers working in the Company's premises due to data availability.
GRI 404: Training and Education 2016		
3-3	Management of material topics	20-24, 58-62
404-1	Average hours of training per year per employee	62, 87
404-2	Programs for upgrading employee skills and transition assistance programs	58-62
404-3	Percentage of employees receiving regular performance and career development reviews	62
GRI 405: Diversity and Inclusion 2016		
3-3	Management of material topics	20-24, 65-67
405-1	Diversity of governance bodies and employees	67, 86
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	20-24, 53-67
406-1	Incidents of discrimination and corrective actions taken	89

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GRI 413: Local Communities 2016		
3-3	Management of material topics	20-24, 75
413-1	Operations with local community engagement, impact assessments, and development programs	75-82
GRI 414: Supplier Social Assessment 2016		
3-3	Management of material topics	20-24, 73-74
414-1	New suppliers that were screened using social criteria	73-74
GRI 417: Marketing and Labeling 2016		
3-3	Management of material topics	20-24, 34-38
417-3	Incidents of non-compliance concerning marketing communications	89
GRI 418: Customer Privacy 2016		
3-3	Management of material topics	20-24, 31-33
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	89

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TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”) CONTENT INDEX

The following table sets out the 11 TCFD recommendations and recommended disclosures and summarises where additional information can be found.

Where BEA has not included climate-related financial disclosures consistent with all of the TCFD recommendations and recommended disclosures, we have provided justifications and the details of steps being undertaken to enhance our management and disclosure practices, in line with the “comply-or-explain” approach of the Hong Kong Monetary Authority’s Supervisory Policy Manual GS-1 on Climate Risk Management.

Recommendations	Response	Page / Remarks
Governance		
a. Describe the Board’s oversight of climate-related risks and opportunities	The Board takes overall responsibility of our climate risk management with support from the Board-level ESG Committee and Risk Committee. Climate-related issues are discussed at Board meetings and reported by the committees to the Board at least twice a year.	39-40
b. Describe management’s role in assessing and managing climate-related risks and opportunities	The Senior Management, including a number of Management Committees which report to the Board-level committees, provide guidance in our climate risk assessment and management practices. The Group Chief Risk Officer is specifically tasked to managing and reporting on ESG and climate risks.	39-40
Strategy		
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Short-term: less than a year Mid-term: 1 to 5 years Long-term: more than 5 years We identified the climate risks respective to the time horizons defined and analysed the drivers, principal risk types, and business impacts for us to formulate effective and sufficient measures to respond. Through the CRST exercise led by HKMA, we have evaluated the potential financial impacts from climate risk.	45
[Supplemental Guidance for Banks] Significant concentrations of credit exposure to carbon related assets	We monitor internally the concentrations of credit exposure to the seven high carbon- emitting sectors. These include Construction, Energy (oil & gas), Manufacturing (chemicals), Metal and Mining, Power Utilities, Property Development, and Transportation sectors. As at the end of December 2023, our exposure to high carbon-emitting sectors comprised 15.5% of our total loan and bond investment assets.	/
b. Describe the impact of climate-related risks and opportunities on the organisation’s business, strategy and financial planning	Based on the CRST results, climate change does not create material capital impact on the Bank under the short-term scenario. Currently, we are planning to integrate climate risk in our financial planning with reference to IFRS’s sustainability-related disclosure requirements, covering performance (e.g. revenue, cost), and position (e.g. assets, liabilities). We will enhance our disclosure of the relevant metrics when data availability and quality continue to improve.	43-45
c. Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	We have in place a rolling 5-year plan and two net zero roadmaps that ensure climate risks are fully considered in the Bank’s overall strategy formulation. ESG and climate risk initiatives are also incorporated in the plan of business units and supporting functions. As we aim to achieve net zero in our financed emissions by 2050, we have been focusing on the development of our GSF business that build resilience of our business and transform our financed portfolio. We are on track in achieving our operational net zero target by 2030.	40-47

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Recommendations	Response	Page / Remarks
Risk Management		
<p>a. Describe the organisation’s process for identifying and assessing climate-related risks.</p> <p>[Supplemental Guidance for Banks] Characterising their climate-related risks in the context of traditional banking industry risk categories such as credit risk, market risk, liquidity risk, and operational risk.</p>	<p>We identify and assess transition and physical climate risks and its impacts that manifest in the traditional and principal risk types such as strategic, credit, operational, compliance, market, and reputation risk. We leverage CRST and scenario analysis to understand our risk exposure, with thorough considerations of existing and emerging regulatory requirements.</p> <p>We will explore the applicability of consolidating and aggregating the climate risk impacts identified from counterparty-level to the sectoral or portfolio-level.</p>	43-45
<p>b. Describe the organisation’s process for managing climate-related risks</p>	<p>We manage climate risk through our comprehensive ERM framework and GSF framework. We evaluate, monitor, and control our risk exposure at portfolio level, while applying comprehensive screening criteria for our business applications at counterparty level. The Group’s RAS stipulates the key risk indicators and appetites that impose ceiling on our financing to borrowers experiencing higher climate risks.</p> <p>We are enhancing our policies and tools that enable us to assess counterparty transition plan and monitor physical risks of our own facilities and property collaterals.</p>	39-52
<p>c. Describe how the process for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management</p>	<p>The ERM framework incorporates ESG and climate-related considerations and enables responsible parties to prioritise and allocate resources, and better manage these issues. The significant climate risk issues will be reported and escalated to Management Committees and the Board through the ERM organisational structure.</p>	39-47
Metrics and Targets		
<p>a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with strategy and risk management process</p> <p>[Supplemental Guidance for Banks] Metrics used to assess the impact of climate-related risks on lending and other financial intermediary business activities in the short, medium, and long term; metrics of carbon-related assets; and lending and other financing metrics related to climate related opportunities.</p>	<p>We measure our climate opportunities by our performance in GSF business and the thresholds set in the RAS to manage our risk exposure.</p>	46-47
<p>b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions and related risks</p> <p>[Supplemental Guidance for Banks] GHG emissions for their lending and other financial intermediary business activities where data and methodologies allow.</p>	<p>We disclose the absolute emissions and intensity figures of Scopes 1 and 2. As the process of measuring our financed emissions is ongoing, we share the progress by disclosing the financed emissions of our two high-carbon emitting sectors (i.e. Power and Energy (oil & gas)) and the sectoral reduction targets developed in 2023.</p> <p>We will continue the measurement of our financed emissions to provide a full picture of the Bank’s performance for stakeholders’ considerations.</p>	46-47
<p>c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets</p>	<p>We set our targets under the net zero roadmaps which also detail action items, focus areas, and targets by pillar. Ultimately, we aim to achieve net zero in operational emissions by 2030, and net zero in financed emissions by 2050.</p>	41, 46-47

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IMPACT OF MATERIAL TOPICS ON STAKEHOLDERS

[GRI 2-29]

For each material topic, we have identified the area of impact that may be influenced by our management and performance. We strive to engage and work with stakeholders of these areas to minimise the adverse impacts made to them, as well as to create shared positive values through our responsible conduct of business.

Material Topics	Area of Impact				
	Within the Group	Investors	Suppliers	Customers	Community and ecosystems
RESPONSIBLE BUSINESS					
Business ethics	•	•	•	•	•
Cybersecurity and data privacy	•	•		•	•
Treating customers fairly	•	•		•	
Climate resilience	•	•	•	•	•
Sustainable finance	•	•	•		•
Financial literacy and inclusion				•	•
RESPONSIBLE OPERATIONS					
Talent attraction and retention	•			•	
Training and development	•			•	
Health, safety, and wellbeing	•	•	•	•	•
Diversity and equal opportunity	•	•			•
Carbon emissions reduction (operations)	•		•		
Sustainable resource use	•		•	•	
Responsible supply chain management	•		•		
RESPONSIBLE CITIZEN					
Community partnerships	•				•
Volunteering	•				•

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OUR ESG-RELATED POLICIES AND STATEMENTS

[GRI 2-23, 2-24, 2-27]

ESG-related policies	External references
Overarching	
Green and Sustainable Finance framework*	Green Loan Principles and SLL Principles jointly published by the Loan Market Association, Asia Pacific Loan Market Association, and Loan Syndications & Trading Association
Group Responsible Investment Policy*	International Capital Market Association Green Bond Principles UN Principles for Responsible Investment
Sustainability Policy	Treat Customers Fairly Charter Personal Data (Privacy) Ordinance Appendix C2 (Environmental, Social, and Governance Reporting Guide) to the Rules Governing the Listing of Securities on Stock Exchange
Sustainable Procurement Policy	/
Environmental	
Environmental Policy	UN Environment Programme Finance Initiative – Statement of Commitment by Financial Institutions on Sustainable Development
Sustainable Building Policy	/
Social	
Community Investment Guidelines*	/
Human Rights Policy	UN International Bill of Human Rights UN Universal Declaration of Human Rights UN Guiding Principles on Business and Human Rights Fundamental conventions of the ILO
Slavery and Human Trafficking Statement	UN Universal Declaration of Human Rights Fundamental conventions of the ILO
Governance	
Corporate Governance Policy*	The Articles of Association of the Bank Appendix C1 (Corporate Governance Code) to the Rules Governing the Listing of Securities on Stock Exchange The Supervisory Policy Manual (“SPM”) CG-1 on Corporate Governance of Locally Incorporated Authorised Institutions; SPM CG-5 regarding Guideline on a Sound Remuneration System, Guidance on Empowerment of Independent Non-executive Directors in the Banking Industry in Hong Kong; and Circular on Bank Culture Reform, all issued by the HKMA Other applicable laws and regulations of Hong Kong, other relevant policies and practices of the Bank
Code of Conduct*	/
Conflict of Interest Policy*	Supervisory Policy Manual CR-G-9 Exposures to Connected Parties issued by the HKMA
Cyber Security Policy*	The Cyber Resilience Assessment Framework (“C-RAF”) issued by the HKMA and it is a sub set of “Information Security Policy”

* Internal policy documents

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Governance	
Group Risk Management Policy*	Basel paper titled “Compliance and the compliance function in banks” issued by the Basel Committee on Banking Supervision
	Supervisory Policy Manual CR-G-1 General Principles of Credit Risk Management issued by the HKMA
Group Policy on Anti-Bribery and Corruption*	Section 4, 8 and Section 9 of the Prevention of Bribery Ordinance (Cap. 201)
	Guidance(s) issued by the ICAC and other similar laws and regulations in other countries/jurisdictions when conducting business there or where appropriate
	Prevention of Bribery Ordinance
Group Policy on Anti-Money Laundering and Counter-Financing of Terrorism*	Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615)
Group Policy on Fraud Risk Management*	Section 16A to 22 of the Theft Ordinance (Cap 210)
	Common law offence of “conspiracy to defraud”
Information Security Policy*	ISO/IEC27001 Information security, cybersecurity and privacy protection
	The C-RAF issued by the HKMA
Supplier Code of Conduct	UN Universal Declaration of Human Rights
	Fundamental conventions of the ILO
Whistleblowing Policy	Personal Data (Privacy) Ordinance

* Internal policy documents

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CHARTERS, MEMBERSHIPS, AWARDS, AND RECOGNITION

Charters

Charter / Scheme	Name of Association, NGO, Chamber	Year charter was adopted	Locations where charter is applicable
BEA			
Sustainable Procurement Charter	Green Council	2018	Hong Kong
Charter on External Lighting	HKSAR Environment and Ecology Bureau	2016	Hong Kong
Wood Recycling & Tree Conservation Scheme	Hong Kong Environmental Protection Association	2016	Hong Kong (BEA Tower)
Quality Water Supply Scheme for Buildings - Fresh Water (PLUS) Basic Plan	HKSAR Water Supplies Department ("WSD")	2016	Hong Kong (BEA Head Office)
Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme	HKSAR Labour and Welfare Bureau, the Rehabilitation Advisory Committee, the Hong Kong Joint Council for People with Disabilities, and the HKCSS	2015	Hong Kong
Treat Customers Fairly Charter	HKMA	2013	Hong Kong

Memberships

[GRI 2-28]

The BEA Group is actively involved in the community. We maintain corporate memberships in the industry associations, NGOs, and chambers listed below. Additionally, our Executive Chairman, Co-Chief Executives, and senior executives hold key positions in universities, associations, chambers, and NGOs. These roles enable them to contribute toward the long-term development of the communities we serve.

Title Held / Level	Name of Association, NGO, Chamber
BEA	
Corporate (Full member)	Asia Pacific Loan Market Association
Corporate Member	Asian Bankers Association
Corporate (Full member)	The Chamber of Hong Kong Listed Companies
Corporate Member	The Hong Kong Institute of Bankers
Charter Member	The Hong Kong Management Association
Institutional Membership	Treasury Markets Association
Member	The Hong Kong Association of Banks
Silver Member	WWF - Hong Kong
Coral Member	HKCSS
Chairman and Vice-Chairman of Executive Committee	St. James' Settlement
Chairperson of the Advisory Board	The Salvation Army
Signatory Member	Green Investment Principles for the Belt and Road
Signatory Member	Net-Zero Banking Alliance

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Memberships (continued)

Title Held / Level	Name of Association, NGO, Chamber
BEA China	
Vice President (Corporate)	China Banking Association ("CBA")
Director (Corporate)	CBA
Deputy Director of the Foreign Bank Work Committee	CBA
Director (Corporate)	Green Finance Committee, China Society for Finance and Banking
Vice President (Corporate)	Shanghai Banking Association ("SBA")
Director of the Foreign Bank Committee	SBA
Council Member	Shanghai Financial Association ("SFA")
Deputy Director (Corporate)	SFA
Managing Director	Shanghai Finance Institute ("SFI")
London Branch	
Member	Association of Foreign Banks
Member	Hong Kong Trade Development Council ("HKTDC")
Member	Hong Kong Economic and Trade Office
Member	Loan Market Association
Member	The Hong Kong Association
Member	The Guild of International Bankers
Member	UK Chinese Bankers Association
Macau Branch	
Vice-Chairman of the Supervisory Board	The Macau Association of Banks
Singapore Branch	
Member	Institute of Banking and Finance Singapore
Member	The Association of Banks in Singapore
Member	The Singapore National Employers Federation
Taiwan Branch	
Managing Director	Hong Kong Business Association in Taiwan
Director	Association of Taiwan Listed Companies ("AOTLC")
BEA Trustees	
Member	Hong Kong Trustees' Association Limited
Member	The Hong Kong Retirement Schemes Association
EADIS	
Member	Guangdong Service Outsourcing Industry Association
Member	Guangzhou Association of Service Trade & Outsourcing
Member	Guangzhou Volunteers Association
BEA Union Investment	
Member	CFA Institute
Member of Policy Research Committee	Financial Services Development Council
Full and Overseas Member	Hong Kong Investment Funds Association ("HKIFA")
Member of Executive Committee	HKIFA
Member of HKTDC Financial Services Advisory Committee	HKTDC
Member	Institute of Financial Planners of Hong Kong ("IFPHK")
Member of Ethics Review Committee	IFPHK
Signatory Member	Climate Action 100+
Signatory Member	United Nations Principles for Responsible Investments

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Awards and Recognition

Award	Awarding body
BEA	
“Outstanding Award for Green and Sustainable Loan Facilitator (Garment and Textile Industry) – Visionary Sustainability-linked Loan Performance Metrics” in the Hong Kong Green and Sustainable Finance Awards 2023	HKQAA
“Outstanding Award for Green and Sustainable Loan Facilitator (Electronic Component Industry) – Visionary Green Loan Framework” in the Hong Kong Green and Sustainable Finance Awards 2023	HKQAA
“Outstanding ESG Disclosure Contribution Award” in the Hong Kong Green and Sustainability Contribution Awards	HKQAA
“ESG Special Recognition Award” in the TVB ESG Awards 2023	Television Broadcasts Limited
Greater Bay Area Business Sustainability Index (“GBABSI”) 2022 – Top 20 companies of GABBSI	The Chinese University of Hong Kong Business School
Named “Caring Company” (for the 20th consecutive year)	HKCSS
Hong Kong Best Employer Brand	LinkedIn
“Diamond Award” in the Corporate & Employee Contribution Programme 2022/2023 (for the 29th consecutive year)	The Community Chest of Hong Kong
“HKIB Talent Development Awards 2023 (Category I)” in the HKIB Banking Industry Talent Development Awards Programme	The Hong Kong Institute of Bankers
“QF Star Employer” under the Qualification Framework Scheme	HKSAR Education Bureau
“Manpower Developer” under the ERB Manpower Developer Award Scheme (for the 12th consecutive year)	Employees Retraining Board
“Best Corporate Wellbeing Award (Grand)” in the CTgoodjobs Best HR Awards 2023	CTgoodjobs
“Best Innovative L&D Initiative Award (Grand)” in the CTgoodjobs Best HR Awards 2023	CTgoodjobs
“Best Data Literacy Award (Grand)” in the CTgoodjobs Best HR Awards 2023	CTgoodjobs
“Best Corporate Social Responsibility Award (Gold)” in the CTgoodjobs Best HR Awards 2023	CTgoodjobs
“Best Graduate and Management Trainee Programme Award (Gold)” in the CTgoodjobs Best HR Awards 2023	CTgoodjobs
“Most Innovative Design Award” in the Breastfeeding Room Design Competition	HKSAR Department of Health and UNICEF HK
“Recognised Companies” in the SportsHour Company Scheme 2023-2025	InspiringHK Sports Foundation
Investor and Financial Education Award (Corporate) 2023	Investor and Financial Education Council
Big Data – Banking and Analytics – Banking award in the Hong Kong Business Technology Excellence Awards	Hong Kong Business
“Hong Kong Green Organisation Certification” for East Asia Facility Management Limited and The Bank of East Asia Building	Environmental Campaign Committee and Environment and Ecology Bureau
“Carbon Neutral Award – Commendation”	Hong Kong ESG Reporting Awards (HERA) Limited

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Award	Awarding body
BEA	
“Wastewi\$e Certificate – Excellence Level” for The Bank of East Asia Building and 33 Des Voeux Road Central, and “Good Level” for BEA Tower	Environmental Campaign Committee and Environment and Ecology Bureau
“Energywi\$e Certificate – Excellence Level” for The Bank of East Asia Building and BEA Tower	Environmental Campaign Committee and Environment and Ecology Bureau
“IAQwi\$e Certificate – Excellence Level” for BEA Tower and “Good Level” for The Bank of East Asia Building	Environmental Campaign Committee and Environment and Ecology Bureau
“Indoor Air Quality Certificate – Excellent Class” for The Bank of East Asia Building and BEA Tower, and “Good Class” for 33 Des Voeux Road Central	HKSAR Environmental Protection Department
“Quality Water Supply Scheme for Buildings – Fresh Water (Management System) – Gold” for The Bank of East Asia Building and BEA Tower, and “Silver” for 33 Des Voeux Road Central	WSD
“Quality Water Supply Scheme for Buildings – Flushing Water (Management System) – Gold” for BEA Tower	WSD
BEA China	
“Grand Prize – Best Companies” under 2023 Bloomberg Green ESG 50	Bloomberg Green and Bloomberg Businessweek
“Best Practice Award for Sustainable Disclosure” under Outstanding Case for High Quality Green Finance 2023	Shenzhen Green Finance Association
“Outstanding Climate Ambition” in the Green Development Annual Tribute Award 2023	Phoenix Satellite TV
Best Team Cohesion	Tencent Charity Foundation
Charity Star	Beijing Sub-district Office and Guangzhou Charity Association

VERIFICATION STATEMENT



Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") was commissioned by BEA Limited ("BEA") to undertake independent verification for its 2023 Environmental, Social and Governance Report ("the Report"). The Report disclosed the sustainability performance and efforts of BEA for the period from 1st January to 31st December, 2023 for its business and operations in Hong Kong, Chinese Mainland, and other markets the BEA Group serves.

The objective of this verification is to provide reasonable assurance on the reliability of the report contents. The Report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards 2021"), and Environmental, Social, and Governance Reporting Guide ("ESG Guide") contained in Appendix C2 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). In addition, the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") were referenced in the development of this Report.

Level of Assurance and Methodology

The process applied in this verification was referring to the 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 verification process was designed to establish a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process undertaken covered the criteria set in the GRI Standards 2021, the Stock Exchange ESG Guide, and the TCFD recommendations.

The verification process included verifying the systems and processes implemented for collecting, collating and reporting the sustainability performance data; reviewing relevant documentation, interviewing responsible personnel

with accountability for preparing the reporting contents and verifying selected representative sample of data and information. Raw data and supporting evidence of the selected samples were also thoroughly examined during the verification process.

Independence

BEA is responsible for the collection and presentation of the information presented in this Report. HKQAA was not involved in the calculations, compilation, or development of the Report. HKQAA's verification activities are independent from BEA.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, HKQAA has obtained reasonable assurance and is in the opinion that:

- the Report has been prepared in accordance with the GRI Standards 2021, the Stock Exchange ESG Guide, and the TCFD recommendations;
- the Report illustrates the sustainability performance of BEA, covering all material aspects, in a balanced, comparable, clear, and timely manner; and
- the data and information disclosed in the Report are reliable and complete.

**Signed on behalf of
Hong Kong Quality Assurance Agency**

Connie Sham

Head of Audit

February 2024

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